Council Agenda 21 May 2025

Meeting will be held at Council Chambers, Philip Laing House, 144 Rattray Street, Dunedin and live streamed at ORC YouTube Channel

Members:
Cr Gretchen Robertson, Chairperson
Cr Lloyd McCall, Deputy Chairperson
Cr Alexa Forbes
Cr Gary Kelliher
Cr Michael Laws
Cr Tim Mepham
Cr Kevin Malcolm
Cr Andrew Noone
Cr Alan Somerville
Cr Elliot Weir
Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Kylie Darragh, Governance Support Officer

21 May 2025 01:00 PM

Agenda Topic

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Agenda 1

1. WELCOME

2. APOLOGIES

Cr Alexa Forbes is an apology for this meeting.

3. PUBLIC FORUM

Pierre Marasti will speak on behalf of Extinction Rebellion

4. CONFIRMATION OF AGENDA

The agenda to be confirmed as published.

5. DECLARATIONS OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The Register of Pecuniary Interests can be found on the ORC Website.

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To update Council on the progress related to the development of a natural hazards adaptation strategy for the Head of Lake Whakatipu (Whakatipu-Wai-Māori) area.

10.4.1 Appendix 1 Final Adaptation Strategy for Head of Lake Whakatipu 6 May 562

10.4.2 Appendix 2 Adaptation Strategy Overview Draft Text for Review 17 April 728

10.4.3 Appendix 3 Summary Report Public Feedback on Draft 6 May 749

11. RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS

12. NOTICES OF MOTION

No notices of motion had been submitted at the time of publishing.

13. CLOSURE

Otago Regional Council

Council
MINUTES

Minutes of an ordinary meeting of the Otago Regional Council held in the Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre in Balclutha on Wednesday 20 November 2024, commencing at 1:00 PM.

https://www.youtube.com/live/L_Z9h6mzM14?si=g6vIsVSTl5AzSTEt

https://www.youtube.com/live/wlWxBaDlgv4?si=7XqJ-vQSIAf27ks7

DRAFT

PRESENT

Cr Gretchen Robertson	*(Chairperson)*
Cr Lloyd McCall	*(Deputy Chairperson)*
Cr Alexa Forbes	
Cr Gary Kelliher	
Cr Michael Laws	
Cr Kevin Malcolm	
Cr Tim Mepham	
Cr Andrew Noone	
Cr Alan Somerville	
Cr Elliot Weir	
Cr Kate Wilson	

1. WELCOME

Chair Robertson welcomed Councillors, members of the public and staff to the meeting at 1 pm with a karakia. Mayor Bryan Cadogan welcomed the Otago Regional Council to Balclutha and to Te Pou Ō Mata Au, War Memorial Community Centre. Mayor Cadogan shared with the Councillors the Morrison & Low Report on the progress of the Three Waters. Staff present included Richard Saunders (Chief Executive), Tom Dyer (GM Manager Science and Resilience) Joanna Gilroy (GM Environmental Delivery), Amanda Vercoe (GM Strategy and Customer, Deputy CE) online, Kylie Darragh (Governance Support).

2. APOLOGIES

There were no apologies for this meeting.

3. PUBLIC FORUM

Amber Paterson spoke online to the Council on the erosion at 905-921 Harrington Point. There was an opportunity for questions and Chair Robertson thanked Ms Paterson for attending.

4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

5. DECLARATIONS OF INTERESTS

Councillors were reminded to stand aside if a conflict of interest arose. No changes to Councillor Declarations of Interests were noted.

1:45pm Mayor Cadogan left the meeting.

6. PRESENTATIONS

Morgan Watt and Robb Stevens from Fonterra gave a presentation on the team in Balclutha and the Stirling Biomass Boiler. The system offers 100% renewable energy and has been key for putting an end to burning coal at Stirling. There was an opportunity for questions and Chair Robertson thanked Fonterra for attending.

7. CONFIRMATION OF MINUTES

Resolution: Cr Wilson Moved, Cr Somerville Seconded

That the minutes of the (public portion of the) Council meeting held on 23 October 2024 be received and confirmed as a true and accurate record

MOTION CARRIED

8. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Open actions from resolutions of the Committee were reviewed. A couple of updates were noted.

DRAFT

9. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

9.1. Chairperson's Report

Cr Robertson summarised her report giving a huge thanks to those hosting the Otago Regional Council in the Catlins area, acknowledging the world class environment and something to be very proud of.

Chair Robertson highlighted in her report the recent resignation of Cr Bryan Scott after two decades of service to the council, giving a huge thanks for the invaluable years of service and the lasting impacts he's made to our Otago community, and this community, Balclutha being his home town.

Resolution: Cr Mepham Moved, Cr McCall Seconded

That the report be noted.

Motion Carried

9.2. Chief Executive's Report

Chief Executive Richard Saunders gave an overview to council on his report, including customer service levels and volume of customer inquiries, additional resource is being initiated to receive all calls being made through the time of rating penalty notices. Non-financial levels of service are being flagged as orange and staff are keeping a close eye on these, for example, the Land and Water Plan. The summary of finances was described as positive at this stage of the year, overall statement of financial position is showing a strong balance sheet. There was an opportunity for questions from Councillors.

Resolution: Cr Malcolm Moved, Cr Wilson Seconded

That the report be noted.

Motion Carried

Cr Laws left the meeting at 3:20 pm.

Cr Laws returned to the meeting at 3:28 pm.

10. MATTERS FOR CONSIDERATION

10.1. Catlins Catchment Action Plan

[YouTube 1:02:10] Cr Lloyd McCall detailed to Council the development of the catchment working group from July 2023 which was developed to enable the community to envision their own catchment goals. The Catlins was chosen as the first place to start introducing the concept. Cr McCall recognised and thanked the brave council of the previous triennium, the members of the Integrated Catchment Working Group, iwi partners, and key members such as Grant Bradfield, Rachel Napier, Cr Kate Wilson and Vincent Leith, who's submitted words were read by Sophie Fern.

Sophie Fern and Charly Richardson presented the Catlins Catchment Action Plan (CAP) and recommended a framework for CAP delivery and support from the Otago Regional Council, there was a presentation also from the group.

DRAFT

Resolution CM24-196: Cr Wilson Moved, Cr McCall Seconded
That the Council:

1. Endorses *the Catlins Catchment Action Plan as presented by the Catlins Integrated Catchment Group as a plan that sets the direction, in principle, for taking action to enhance the environment of the Catlins.*
2. Notes *the proposed framework for ORC Staff support for ongoing CAP delivery as shown in Figure 2 and that this delivery structure may change through discussions with the ICG.*
3. Approves *the allocation of $100,000 from the existing Environmental Implementation annual budget for 2024-25 to be used to implement actions that deliver on the strategies in the Catlins CAP.*

MOTION CARRIED

At 3:32 it was moved by Chair Robertson, seconded by Cr Wilson that Council adjourn for ten minutes for rest break. The meeting reconvened at 3:42pm

Cr Kelliher joined the meeting at 3:46 pm.

10.2. ECO Fund and incentive criteria review

[YouTube 2:30:00] This paper sought approval for funding of the 2025 ECO Fund and associated incentive funding and the approval of the recommendations arising from the review of the ECO Fund and associated incentives funding programmes. Anna Molloy, Principal Advisor - Environment Implementation), Elodie Letendre, Environmental Initiatives Funding Coordinator, Libby Caldwell, Team Leader Environmental Implementation) and Joanna Gilroy, General Manager Environmental Delivery were available to respond to questions on the report. The resolutions were taken in parts, with Cr Noone adding an additional recommendation to the first resolution regarding use of non-natives in the Proposed Eligibility Criteria.

Resolution CM24-197: Cr Somerville Moved, Cr Noone Seconded
That the Council:

1. ***Approves*** *the inclusion of the following incentive budgets in the ECO Fund process, noting these budgets will be 'ring-fenced' to ensure any additional or specific criteria are met:*
    a) Large scale biodiversity projects – up to $450,000 (increased from $300,000)
    b) Sustained rabbit management incentives – up to $100,000
    c) Biodiversity enhancement on protected private land – up to $100,000
    d) Critical source area enhancement on private land - up to $50,000
    e) Weed removal and revegetation - up to $50,000

2. Proposed eligibility criteria *to be amended so that non-native plants be allowed to be funded under special circumstances, as assessed as appropriate for project outcomes and for improved environmental outcomes.*

MOTION CARRIED

Resolution CM24-198: Cr Somerville Moved, Cr Mepham Seconded
That the Council:

3. Decides option 2 *for the funding of wages criterion (within Table 3) and then* ***Approves*** *the eligibility criteria for each funding category as set out in Attachment 1.*
MOTION CARRIED

Resolution CM24-199: Cr Wilson Moved, Cr Noone Seconded

4. Approves *the revised assessment criteria outlined in Attachment 2.*

5. Approves *the terms and conditions for applicants in Attachment 3.*

6. Approves *the updating of the Terms of Reference for the Assessment Panel, as suggested in Attachment 4.*

7. Notes *that the ECO Fund forms, communications, and processes will be amended to reflect the recommendations approved and streamlined where appropriate to reduce the input required from all parties.*

MOTION CARRIED
Cr Malcolm voted against.

10.3. Annual Plan 2025/2026 Transport

[Youtube 3:04:40] This paper was presented to enable Council to make decisions on provision of transport work programmes, in light of those work programmes not receiving funding through the National Land Transport Fund. Lorraine Cheyne, Transport Manager, and Richard Saunders, Chief Executive, were available to respond to questions on the report.

Resolution CM24-200: Cr Wilson Moved, Cr McCall Seconded
That the Council:
1. Notes this report.
MOTION CARRIED

There was an addition to the recommendation and a division was called:
Resolution: Cr Weir Moved, Cr Somerville Seconded
That the Council:

1. Approves a preferred option for inclusion in the draft Annual Plan in relation to transport as follows:

a. The preferred option for Routes 5/6 and 10 frequencies and/or overall Dunedin network extended service coverage is Option 2 with a focus on extending timetable coverage and limited to spending only the local (ORC) share of funding included in the LTP

For:	Cr Forbes, Cr Somerville, Cr Weir, Cr Wilson.
Against:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr McCall, Cr Mepham, Cr Noone, Cr Robertson.
Abstained:	

MOTION FAILED

DRAFT

Resolution CM24-201: Cr McCall Moved, Cr Malcolm Seconded
That the Council:

2. Approves a preferred option for inclusion in the draft Annual Plan in relation to transport as follows:

a. The preferred option for Routes 5/6 and 10 frequencies and/or overall Dunedin network extended service coverage is Option 3, maintain existing LOS for Routes 5/6 and 10 frequencies and extended service coverage (Dunedin).

MOTION CARRIED
Cr Laws and Cr Weir against.

Resolution CM24-202: Cr Wilson Moved, Cr Noone Seconded
That the Council:
b. The preferred option for Queenstown ferries is Option 1, maintain existing level of ferry service.
MOTION CARRIED

Resolution CM24-203: Cr Noone Moved, Cr Mepham Seconded
That the Council:
c. The preferred option for the Oamaru service is Option 2, to investigate an option of connecting to the Dunedin network as an alternative to an 'around town' option.
MOTION CARRIED

Resolution CM24-204: Cr Wilson Moved, Cr Noone Seconded
That the Council:
d. The preferred option for the Alexandra – Clyde – Cromwell - Queenstown service is Option 2, retain small funding investment to investigate how to move workers from Alexandra/Cromwell through to Queenstown.
MOTION CARRIED

Resolution CM24-205: Cr Noone Moved, Cr Wilson Seconded
That the Council:
e. The preferred option for the Balclutha- Airport- Dunedin service is Option 3, to investigate a PT option to connect to existing Dunedin services.
MOTION CARRIED

Resolution CM24-206: Cr Laws Moved, Cr Noone Seconded
That the Council:

f. The preferred option for the Wanaka Business case is Option 1, do not deliver a service (maintain existing level of service).

MOTION CARRIED
Cr Gary Kelliher voted against

Resolution CM24-207: Cr Malcolm Moved, Cr Somerville Seconded
That the Council:
g. The preferred option for public transport infrastructure is Option1, deliver PT infrastructure improvements to the value of the local share currently provided for in the LTP. Prioritise infrastructure spend based on health and Safety risk and functionality.
MOTION CARRIED

DRAFT

Resolution CM24-208: Cr Noone Moved, Cr Malcolm Seconded
That the Council:

3. Notes *that staff will complete an assessment to determine whether the proposed changes to the Long-Term Plan will require a formal consultation procedure through the annual plan process.*

MOTION CARRIED

10.4. Extraordinary Vacancy at Otago Regional Council - Resignation of Cr Bryan Scott

[YouTube 3:56:35] This report was brought to decide how to manage the vacancy created by the resignation of Cr Bryan Scott from the Otago Regional Council on 25 October 2024, in accordance with the Local Government Act and the Local Electoral Act. Amanda Vercoe, General Manager Strategy and Customer was available to respond to questions.

Resolution CM24-209: Cr Laws Moved, Cr Malcolm Seconded
That the Council:

1. ***Notes*** *this report.*
2. ***a. Decides*** *to leave the vacancy created by Cr Bryan Scott's resignation unfilled, under Section 117(3)(b) of the Local Electoral Act.*

MOTION CARRIED

Resolution CM24-210: Cr Laws Moved, Cr Wilson Seconded
That *the Council:*

3. ***Appoints*** *Cr Lloyd McCall to the role of Co-Chair Environmental Implementation Committee.*
4. ***Does not appoint*** *a councillor to the role of Co-Chair Regional Leadership Committee.*

MOTION CARRIED

Resolution CM24-211: Cr Laws Moved, Cr Malcolm Seconded
That the Council:

5. ***Appoints*** *Cr Kate Wilson to the role of Otago Catchment Community Governance Group.*
6. ***Does not appoint a*** *councillor to the role of Dunedin Tracks Network Trust (alternate).*

MOTION CARRIED

Resolution CM24-212: Cr Robertson Moved, Cr Noone Seconded
That *the Council:*

7. ***Agrees*** *that the remuneration allocated to the vacancy be redistributed equally amongst the 10 remaining councillors (excluding the Chair), as per the attached table.*
8. ***Agrees*** *that the attached table be forwarded to the Remuneration Authority, to be included in the Authority's next Remuneration Determination.*

MOTION CARRIED

10.5. LWRP Next Steps

[Youtube 4:10:40] The purpose of this paper was twofold – to respond to the Government's offer of working with the Ministry for the Environment to develop the replacement National Policy Statement for Freshwater Management (NPSFM) and, to inform Council of work to identify any issues resulting from delaying notification of the Land and Water Regional-Plan (LWRP) for Otago. Tom de Pelsemaeker, Team Leader, Land and Freshwater, Fleur Mathews, Manager, Policy and Planning, were available online to respond to questions. Cr Laws suggested a change to the third paragraph of the letter which was incorporated.

Resolution CM24-213: Cr Laws Moved, Cr Malcolm Seconded

That *the Council:*

1. ***Notes*** *this report.*
2. ***Agrees*** *that work on a regulatory grazing management plan for the Upper Taieri/ Taieri Scroll Plain should cease.*
3. ***Directs*** *staff to draft a response to the letter from the Ministers for Resource Management Reform, Environment, and Agriculture, to be signed out by the Chair.*
4. ***Directs*** *staff to report back to Council by March 2025 with advice on solutions for any issues identified that have resulted from the delay to notification of the draft Land and Water Regional Plan.*

MOTION CARRIED

11. RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS

11.1. Recommendations of the Finance Committee

Resolution CM24-214: Cr Mepham Moved, Cr Malcolm Seconded

That the Council adopt the recommendations of the 6 November 2024 Finance Committee.

MOTION CARRIED

11.2. Recommendations of Environmental Implementation Committee

Resolution CM24-215: Cr Wilson Moved, Cr Noone Seconded

That the Council adopts the resolutions of the 7 November 2024 Environmental Implementation Committee.

MOTION CARRIED

11.3. Recommendations of Safety and Resilience Committee

Resolution CM24-216: Cr Somerville Moved, Cr Wilson Seconded

That the Council resolves to adopt the recommendations of the 7 November 2024 Safety and Resilience Committee.

MOTION CARRIED

14. CLOSURE

There was no further business and Chairperson Robertson declared the meeting closed at 5:38 pm with a karakia.

_____ _____

Chairperson Date

Otago Regional Council

Council
MINUTES

Minutes of an ordinary meeting of the Otago Regional Council held in the Queenstown Lakes District Council Chamber, 10 Gorge Road, Queenstown on Wednesday 19 March 2025, at 9:03 AM.

https://www.youtube.com/live/iHxedDV9XMU?si=ePJIkkVbQyJoyP-A

PRESENT

Cr Gretchen Robertson	*(Chair)*
Cr Alexa Forbes	
Cr Gary Kelliher	
Cr Michael Laws	*(online)*
Cr Kevin Malcolm	
Cr Lloyd McCall	
Cr Tim Mepham	
Cr Andrew Noone	
Cr Alan Somerville	
Cr Elliot Weir	*(online)*
Cr Kate Wilson	

DRAFT

1. WELCOME

Chair Robertson welcomed Councillors, members of the public and staff to the meeting at 9:03 am. Mayor Glynn Lewers then welcomed all to Queenstown and said a few words on the need for region wide public transport and Regional Deals strategy actions. Chair Robertson thanked the mayor and the staff of QLDC for the combined work on both of these two large regional issues raised.

Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Nick Donnelly (GM Finance), Tom Dyer (GM Manager Science and Resilience), Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh (Governance Support Officer), Hilary Lennox (Manager Strategy), Shay van der Hurk (Senior Advisor - Strategy), Jo Galer (Manager Communications and Marketing), Leisa de Klerk (Enviroschools Coordinator Lead), Jonathan Rowe (Programme Manager - South Dunedin Future), Jean-Luc Payan (Manager Natural Hazards). Staff attending online were Lorraine Cheyne (Manager Transport), Sarah Harrison (Scientist- Air Quality), Fleur Matthews (Manager Policy and Planning). Emily Wilton (Director of Environet Ltd) joined online for item 10.1.

2. APOLOGIES

There were no apologies for this meeting.

3. PUBLIC FORUM

Moved by Councillor Forbes, seconded by Cr Malcolm

That the public forum for Protect Our Winters be extended to ten minutes.

MOTION CARRIED

Pierre Marasti, spoke on behalf of Extinction Rebellion, there was an opportunity for questions and Chair Robertson thanked Pierre for attending.

Bronte Currie from Protect our Winters spoke online, there was an opportunity for questions and the Chair thanked Bronte for attending.

Samuel Belk spoke on behalf of the Gibbston Valley Residents, there was an opportunity for questions and Chair Robertson thanked Samuel for attending.

4. CONFIRMATION OF AGENDA

It was noted that item 10.6 Waitaki Update was withdrawn by the Chief Executive, Richard Saunders in accordance with standing order 9.9. This paper will be reviewed and returned to Council in April 2025.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. PRESENTATIONS

6.1 Enviroschools 2024 Work Programme (Kā Paetae o Ōtakōu - 2024 Annual Review Summary and the Enviroschools Presentation)

Jo Galer (Manager Communications and Marketing) introduced Leisa de Klerk (Enviroschools Coordinator Lead) who presented the Kā Paetae o Ōtakōu - 2024 Annual Review Summary and the Enviroschools slide PowerPoint on recent Enviroschools activities with students.

Queenstown Primary School Teacher, Susan McIntyre and students Penny, Sawyer and Jasmine spoke to Council on Enviroschools activities at their school and thanked Council for the invaluable support received. Chair Robertson thanked all for attending.

6.2 Port of Otago – Half Year Financial Results – this was heard after matter 10.1.

Port of Otago Chair Tim Gibson, Chief Executive Kevin Winders and Chief Financial Officer Stephen Connolly, presented online to Council on the Port of Otago half year financial results to March 2025. There was an opportunity for questions. Chair Robertson thanked all for attending.

7. CONFIRMATION OF MINUTES

Resolution: Cr Wilson Moved, Cr Malcolm Seconded

That the minutes of the (public portion of the) Council meeting held on 19 February and 26 February 2025 be confirmed as a true and accurate record.

MOTION CARRIED

8. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Open actions from resolutions of the Council were reviewed. The Chief Executive noted there are a number of updates and will report back in April 2025 on the completed items.

At 10:22 am it was moved by Cr McCall seconded by Cr Somerville

That Council adjourns for a ten-minute break.

MOTION CARRIED

9. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

9.1. Chairperson's Report

Resolution: Cr Kelliher Moved, Cr Forbes Seconded

That the report be noted.

MOTION CARRIED

9.2. Chief Executive's Report

Resolution: Cr Malcolm Moved, Cr Mepham Seconded

That the report be noted.

MOTION CARRIED

10. MATTERS FOR CONSIDERATION

10.1. Air Quality Management Ambition and Approach

[YouTube 1:36:30] The purpose of this report was to seek endorsement of Council's level of ambition for the Air Quality Strategy (the Strategy) and Air Regional Plan (the Plan). Endorsement of the non-regulatory and regulatory methods were explored further and direction on the approach to public engagement was sought. Hilary Lennox (Manager Strategy), and Anita Dawe (GM Planning and Transport) and online, the ORC Policy team, including James Adams (Senior Policy Analyst), Sarah Harrison (Scientist - Air Quality), Fleur Matthews (Manager Policy and Planning), and Emily Wilton (Director of Environet Ltd) were available to respond to questions on the report.

Resolution CM25-129: Cr Somerville Moved, Cr Forbes Seconded

That the Council:

*1) **Notes** this report.*

MOTION CARRIED

DRAFT

Resolution CM25-130: Cr Somerville Moved, Cr Forbes Seconded
That the Council:

2) ***Endorses*** *Council's level of ambition regarding* ***home heating*** *(meet NESAQ by 2040) and direct staff to prepare the draft Air Quality Strategy and Otago Air Regional Plan based on the approach described*.

MOTION CARRIED
Cr Kelliher and Cr Laws voted against the motion.

Resolution CM25-131: Cr Somerville Moved, Cr Forbes Seconded
That the Council:

3) ***Endorses*** *Council's level of ambition regarding* ***urban outdoor burning*** *(avoid undermining restrictions on indoor burners and reduce localised amenity and health effects) and direct staff to prepare the Air Quality Strategy and Air Plan based on the approach described*.

MOTION CARRIED

Resolution CM25-132: Cr Wilson Moved, Cr Noone Seconded
That the Council:

11) ***Requests*** *that staff undertake public engagement on the draft Strategy and draft Air Plan at the same time in September / October 2025, and complete pre-notification consultation in late 2025 / early 2026*.

12) ***Approves*** *unbudgeted expenditure to undertake additional public engagement on the draft Air Plan*.

BY DIVISION

FOR	Cr Kelliher, Cr Malcolm, Cr McCall, Cr Noone, Cr Wilson, Cr Robertson
AGAINST	Cr Forbes, Cr Laws, Cr Mepham, Cr Somerville, Cr Weir
ABSTAINED	None

MOTION CARRIED (6 votes for / 4 votes against)

Resolution CM25-133: Cr Malcolm Moved, Cr Wilson Seconded
That the Council:

4) ***Endorses*** *Council's level of ambition regarding* ***Air Zones*** *and direct staff to prepare the Air Zone maps based on the approach described*.

MOTION CARRIED

Resolution CM25-134: Cr Somerville Moved, Cr McCall Seconded
That the Council:

5) ***Endorses*** *Council's level of ambition regarding* ***rural outdoor burning*** *(reduce effects on air quality in priority towns over winter and reduce localised amenity and health effects) and direct staff to prepare the Air Quality Strategy and Air Plan based on the approach described*.

MOTION CARRIED
Cr Kelliher, Cr Malcolm, Cr Mepham voted against the motion.

Resolution CM25-135: Cr Somerville Moved, Cr McCall Seconded
That the Council:

DRAFT

6) ***Endorses*** *Council's level of ambition regarding* ***Buffer Zones*** *and direct staff to prepare the Buffer Zone maps based on the approach described*.

MOTION CARRIED

Cr Kelliher, Cr Malcolm, Cr Mepham voted against the motion.

Resolution CM25-136: Cr Noone Moved, Cr McCall Seconded

That the Council:

7) ***Endorses*** *Council's level of ambition regarding* ***agrichemical and fertiliser discharges, farming, industrial and trade*** *(maintain a similar regulatory framework to that provided in the current Regional Plan: Air, but with improvements) and direct staff to prepare the Air Quality Strategy and Air Plan based on the approach described*.

MOTION CARRIED

Cr Kelliher, Cr Malcolm and Cr Laws voted against the motion.

Resolution CM25-137: Cr Forbes Moved, Cr McCall Seconded

That the Council:

8) ***Endorses*** *Council's level of ambition regarding* ***vehicle emissions*** *(raise awareness of health impacts) and direct staff to prepare the Air Quality Strategy based on the approach described*.

BY DIVISION

FOR	Cr Forbes, Cr McCall, Cr Mepham, Cr Somerville, Cr Weir, Cr Robertson
AGAINST	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone
ABSTAINED	Cr Wilson

MOTION CARRIED (6 votes for / 4 votes against)

At 12:18 pm it was moved by Cr Robertson, seconded by Cr Forbes

That Council adjourn until 1:00 pm.

MOTION CARRIED

10.2. Te Awa Ōtakōu Issues and Opportunities Report

[YouTube 4:25:00] This report presented the Te Awa Ōtākou Issues and Opportunities report and sought endorsement of the next steps for improving the harbour's management. Hillary Lennox (Manager Strategy) Shay van der Hurk (Senior Advisor – Strategy), and Katie Eglesfield (Parks and Recreation Planner, Dunedin City Council), Amanda Vercoe (GM Strategy and Customer - Deputy CEO), and online Anna Molloy (Principal Advisor Environmental Implementation) was available to respond to questions.

Resolution CM25-138: Cr McCall Moved, Cr Forbes Seconded

That the Council:

1) ***Notes*** *this report*.
2) ***Notes*** *the attached Te Awa Ōtākou Issues and Opportunities report and the attached table of opportunities*.
3) ***Endorses*** *the recommended next steps as set out in paragraph 23 of this report*.

MOTION CARRIED

10.3. Report on implications of changes to the RMA in relation to Land and Water

[YouTube 4:48:09] This paper provided a summary of the implications and unintended consequences for Otago Regional Council of the legislative change preventing the notification of freshwater planning instruments; and the options recommended by staff for

addressing these issues. There was an amendment to number 5. of the recommendations removing the words "for Council consideration" for time fame allowances. Tom De Pelsemaeker (Team Leader Freshwater and Land) online, and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions.

Resolution CM25-139: Cr McCall Moved, Cr Wilson Seconded
That the Council:

1) ***Notes*** *that legislation passed in October 2024 has had unintended consequences for managing rural diffuse discharges and water quantity in Otago.*
2) ***Agrees*** *to Option 3: Request that Central Government undertake a legislative amendment to address the unintended consequences of delaying the notification of the LWRP.*
3) ***Agrees*** *to request that Central Government undertake a legislative amendment to ensure that Rules 12.C.1.1A and 12.C.1.1.3 of the Regional Plan: Water do not come into effect until a new Land and Water Regional Plan for Otago is made operative.*
4) ***Agrees*** *to request that Central Government undertake a legislative amendment to extend the duration of existing water permits so their expiry date is after a new Land and Water Regional Plan is made operative; and override the 31 December 2025 date in the provisions of Chapter 10A of the Water Plan and extend it to 31 December 2031.*
5) ***Requests*** *that staff prepare a draft request to the Minister for the Environment.*
6) ***Directs*** *staff to work with officials at the Ministry for the Environment to identify the necessary legislative amendments, should the Minister be supportive of this approach.*
7) ***Delegates*** *approval of the request to the Minister for the Environment to the Chair of Council and Chief Executive.*

MOTION CARRIED

10.4. RPTP--Adopting for Consultation

[YouTube 5:26:44] This report sought approval to consult on the draft Regional Public Transport Plan (2025-2035) (RPTP) and to appoint a hearings panel to hear submissions and deliberate on the draft RPTP. Online Robyn Hyde (Transport Planning Lead) and Lorraine Cheyne (Manager Transport) were available to respond to questions.

Resolution CM25-140: Cr Malcolm Moved, Cr Forbes Seconded
That the Council:

1) ***Receives*** *this report.*
2) ***Receives*** *the draft Regional Public Transport Plan (2025-2035).*
3) ***Approves*** *the draft Regional Public Transport Plan for public consultation.*
4) ***Notes*** *the public consultation period will be from 24 March 2025 to 2 May 2025.*
5) ***Appoints*** *the following Councillors Andrew Noone, (Chair) Cr Kate Wilson, Cr Elliot Weir and Cr Gary Kelliher as reserve, to a Hearings Panel to hear submissions and make recommendations on the RPTP.*
6) ***Appoints*** *Cr Andrew Noone to be the Chair of the Hearings Panel.*
7) ***Delegates*** *under the Local Government Act 2002 (schedule 7, clause 32(1)), to the Hearing Panel for the Regional Public Transport Plan, all the powers, functions, and duties of the Council to hear and make recommendations regarding submissions and evidence on the proposed Regional Public Transport Plan, and to make final recommendations to Council.*
8) ***Notes*** *that hearings have been scheduled from 12-16 May 2025.*

MOTION CARRIED

DRAFT

10.5. Total Mobility Financial paper 2024/2025

[YouTube 5:37:28] This report provided some insight into the Total Mobility services for the current financial year and sought direction from Council about the forecasted overspend for the 2024/2025 financial year. Anita Dawe (GM Regional Planning and Transport), Nick Donnelly (GM Finance) and online, Lorraine Cheyne (Manager Transport) were available to respond to questions.

Resolution CM25-141: Cr Malcolm Moved, Cr Forbes Seconded

That Council:

1) ***Notes*** *this report.*
2) ***Notes*** *the forecast over expenditure for the 2024/25 financial year.*
3) ***Approves*** *the continuation of Total Mobility services for the remainder of the financial year.*
4) ***Approves*** *bringing forward the NZTA funding contribution from Years 2 and 3 to cover the anticipated $ 310,000 shortfall from NZTA for the financial year.*
5) ***Approves*** *over expenditure of approximately $225,000, which represents the Otago Regional Councils rates contribution toward Total Mobility.*
6) ***Directs*** *staff to report back to Council with a plan to manage Total Mobility services from 1 July, within approved budgets.*
7) ***Directs*** *staff to liaise with other Public Transport Authorities through the Transport Special Interest group, to determine sector support for writing to the Minister of Transport concerning funding shortfalls for Total Mobility services.*

MOTION CARRIED

10.6. Waitaki Update

The paper was withdrawn by the Chief Executive under the Standing Order 9.9, as noted in the Confirmation of Agenda.

10.7. Flood Recovery Update 2

[YouTube 5:47:45] This report provided an update on repairs from the October 2024 flood event including financial implications. The report also sought Council's approval to award the contract and authorise payments for the Kaitangata floodbank damage repair from the 2022 flood. Brett Paterson (Engineering Manager), Tom Dyer (GM Science and Resilience) and Nick Donnelly (GM Finance) were available to respond to questions.

Resolution CM25-142: Cr Somerville Moved, Cr Wilson Seconded

That the Council:

1) ***Receives*** *this report.*
2) ***Notes*** *the progress on 2024 flood damage repairs.*
3) ***Notes*** *the updated cost estimates and financial implications of 2024 flood damage repairs.*
4) ***Considers*** *options 1 and 2 for the Kaitangata floodbank repair.*
5) ***Approves*** *the award of a contract to the highest scoring tenderer to undertake repairs to the Kaitangata floodbank according to option 1 up to a total amount not exceeding $700,000 (excl. GST).*

MOTION CARRIED

10.8. Lower Taieri Liaison Group

[YouTube 6:07:09] This paper updated the Council regarding the formation of the Lower Taieri Liaison Group, presented the confirmed Terms of Reference, and sought to nominate a Councillor Representative for the Group. Kirsten Tebbutt (Engagement Strategy and Planning Lead) and Tom Dyer (GM Science and Resilience) were available to respond to questions. There was an amendment to the recommendation.

DRAFT

Resolution CM25-143: Cr Somerville Moved, Cr Noone Seconded
That the Council:
1) ***Notes*** *this report*.
2) ***Approves*** *the Terms of Reference for the Lower Taieri Liaison Group with minor amendments*.
3) ***Nominates*** *Councillor Cr Lloyd McCall and alternate Cr Kate Wilson to be a member of the Lower Taieri Liaison Group*.
4) ***Thanks*** *those community members who have put themselves forward to be members of the Lower Taieri Liaison Group*.

MOTION CARRIED

At 3:26 pm it was moved by Cr Robertson and seconded by Cr Forbes
That Council adjourn until 3:40
MOTION CARRIED

10.9. ORC Review of Committee Structure, Terms of Reference, Delegations
[YouTube 6:38:38] This paper was presented to consider for reviewing Council's committee structure, terms of reference and delegations. Amanda Vercoe (GM Strategy and Customer, Deputy CEO) was available to respond to questions.

Resolution CM25-144: Cr Kelliher Moved, Cr Malcolm Seconded
That the Council:
1) ***Notes*** *this report*.

MOTION CARRIED

Resolution: Cr Kelliher Moved, Cr Malcolm Seconded
That the Council:
2) d. ***Agrees*** *to retain the current committee structure and terms of reference and continue discussions with Co-Chairs, Senior Officers, mana whenua and iwi representatives about a revised structure and directs this to be brought back for consideration by Council in September 2025, where a recommendation could be made to the incoming Council to consider.*

BY DIVISION

FOR	Cr Kelliher, Cr Laws, Cr Malcolm.
AGAINST	Cr Forbes Cr McCall, Cr Mepham, Cr Noone, Cr Somerville, Cr Wilson, Cr Weir, Cr Robertson.
ABSTAINED	None.

MOTION FAILED (3 votes for / 8 votes against)

Resolution CM25-145: Cr Somerville Moved, Cr Forbes Seconded
That the Council:

2) a. ***Adopts*** *the proposed new committee structure and terms of reference (attached) as a trial, with or without changes, to be implemented ahead of the end of May committee meetings until the end of the triennium*.
   b. ***Directs*** *the Chair and Chief Executive to discuss the changes with mana whenua, and iwi appointees to committees to determine the best alignment for iwi appointees to the new committees, and seek input on the revised structure and terms of reference ahead of the 2025 triennial elections*

c. ***Requests*** *a report back to Council in September 2025 with views from Co-Chairs, Senior Officers, mana whenua and iwi representatives about the committee structure and terms of reference, in order to make a recommendation to the incoming Council.*

BY DIVISION

FOR	Cr Forbes, Cr McCall, Cr Mepham, Cr Noone Cr Somerville, Cr Weir, Cr Wilson, Cr Robertson.
AGAINST	Cr Kelliher, Cr Laws, Cr Malcolm.
ABSTAINED	None.

MOTION CARRIED (8 votes for / 3 votes against)

Resolution CM25-146: Cr McCall Moved, Cr Forbes Seconded
That the Council:

3) ***Considers*** *the discussion on delegations for committees and:*
   a. ***Directs*** *Co-Chairs and Senior Officers to consider downstream decisions for their respective committees over the next six months and where these would be best taken, to inform a further report to Council in September 2025 that makes recommendations to the incoming Council.*
   b. ***Directs*** *the Chair and Chief Executive to discuss delegations in further detail with mana whenua and iwi appointees, to inform a further report to Council in September 2025, that makes recommendations to the incoming Council.*

MOTION CARRIED
Cr Laws voted against the motion.

10.10. South Dunedin Future – Risk Assessment and Potential Adaptation Futures
[YouTube 7:06:20] The paper presented the technical reports relating to the South Dunedin Risk Assessment and Potential Adaptation Futures for South Dunedin, and sought Council endorsement to engage with affected communities and other stakeholders. Jonathan Rowe (Programme Manager - South Dunedin Future) and Tom Dyer (GM Science and Resilience) were available to respond to questions on the report.

Resolution CM25-147: Cr Wilson Moved, Cr Mepham Seconded
That the Council:

1) ***Notes*** *the background of the South Dunedin Future programme and work undertaken since the previous update report to Council on 25 September 2024.*
2) ***Notes*** *the contents of the South Dunedin Risk Assessment report, which identifies, classifies, and prioritises risk across the area by assessing exposure to natural hazards, vulnerability to those hazards, and likelihood of occurring, before assigning corresponding risk scores. The impacts of these risks, should they be realised, are also described.*
3) ***Notes*** *a mana whenua risk assessment has been undertaken for South Dunedin, which has identified and rated risks through a Kāi Tahu lens, based on an analysis of cultural values.*
4) ***Notes*** *the South Dunedin Risk Assessment has undergone technical peer review, and where technical issues remain outstanding, these are acknowledged in the report or will be addressed in subsequent stages of the SDF programme.*
5) ***Endorses*** *the attached South Dunedin Risk Assessment report for the purposes of community engagement.*
6) ***Notes*** *the contents the 7 Potential Adaptation Futures for South Dunedin and Context Summary reports, which respond to the risk assessment by outlining the options*

available for managing and mitigating the risks faced by South Dunedin, including the key characteristics, costs, benefits, and trade-offs involved.

7) ***Notes*** *the 7 Potential Adaptation Futures for South Dunedin and Context Summary reports have undergone technical peer review, and where technical issues remain outstanding, these are acknowledged in the reports or will be addressed in subsequent stages of the SDF programme.*
8) ***Endorses*** *the attached 7 Potential Adaptation Futures for South Dunedin and Context Summary reports for the purposes of community engagement.*
9) ***Notes*** *that there are two further stages of adaptation planning under the South Dunedin Future programme, through which further technical and economic analysis will support development of a shortlist of potential adaptation futures and then the preferred adaptation future and pathway for South Dunedin. This work will be presented as a final adaptation plan for South Dunedin.*
10) ***Notes*** *the next stage of the South Dunedin Future programme involves engaging with the community on the findings and implications of the South Dunedin Risk Assessment and the key characteristics of the 7 Potential Adaptation Futures for South Dunedin.*
11) ***Approves*** *the SDF programme team undertaking engagement with partners, stakeholders and affected communities on the basis of the South Dunedin Risk Assessment, 7 Potential Adaptation Futures of South Dunedin and Context Summary reports.*

MOTION CARRIED

Cr Kelliher and Cr Laws voted against the motion.

11. RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS

11.1. Recommendations of Environmental Implementation Committee

Resolution CM25-148: Cr Wilson Moved, Cr Noone Seconded

That the Council adopts the resolutions of the 5 March 2025 Environmental Implementation Committee.

11.2 Recommendations of the Public and Active Transport Committee.

Resolution CM25-148: Cr Wilson Moved, Cr Noone Seconded

That the Council adopts the resolutions of the 5 March 2025 Public and Active Transport Committee.

MOTION CARRIED

14. CLOSURE

There was no further business and Chair Robertson declared the meeting closed at 5:10pm.

DRAFT

_____ _____

Chair Date

Otago Regional Council

Council
MINUTES

Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 9 April 2025, at 12:00 PM.

https://www.youtube.com/live/CbwC4lafwPk?si=cto7H4G4duXK2GCl

DRAFT

PRESENT

Cr Gretchen Robertson	*(Chairperson)*
Cr Lloyd McCall	*(Deputy Chairperson)*
Cr Alexa Forbes	*(online)*
Cr Gary Kelliher	
Cr Michael Laws	*(online)*
Cr Kevin Malcolm	
Cr Andrew Noone	
Cr Alan Somerville	
Cr Elliot Weir	
Cr Kate Wilson	

1. WELCOME

Chair Robertson welcomed Councillors, members of the public and staff to the meeting at 12 pm with a karakia. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Tom Dyer (GM Manager Science and Resilience), Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh and Cara Jordan (Governance Support) Dianne Railton (Team Lead Governance).

2. APOLOGIES

Resolution: Cr Robertson Moved, Cr Wilson Seconded:

That the apology for Cr Tim Mepham be accepted.

MOTION CARRIED

3. PUBLIC FORUM

Pierre Marasti spoke to the Council on behalf of Extinction Rebellion. There was an opportunity for questions. Chair Robertson thanked Pierre for attending.

Elizabeth Soal spoke to the Council on behalf of the Waitaki Irrigators Collective Ltd. There was an opportunity for questions. Chair Robertson thanked Elizabeth for attending.

4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

This report will return to Council next month with updates. There was an opportunity for questions from Councillors.

DRAFT

7. MATTERS FOR CONSIDERATION

7.1. Large Scale Environmental Funding

[YouTube 36:00] This paper updated Council on the process to develop the framework for the Large-Scale Environmental Funding and sought feedback on the draft principles and delivery models for the fund, in advance of the final report to be presented to Council for decision making in May 2025. Jo Gilroy (GM Environmental Delivery) Emma Hodgkin (Senior Associate Project Management, Frequency NZ) and Libby Caldwell (Manager Environmental Implementation) were available to respond to questions.

Resolution CM25-149: Cr Forbes Moved, Cr Somerville Seconded

That the Council:

1. ***Receives*** *this report.*
2. ***Endorses*** *the draft principles and delivery models referred to in option 1 to inform the preparation of a paper which details the process for establishing and administering the $2 million large-scale environmental fund.*
3. ***Notes*** *that the establishment date for implementation of the $2m large scale environmental fund is subject to decisions made during the current annual plan process.*

MOTION CARRIED

Cr Kelliher voted against.

7.2. Waitaki Update

[YouTube 57:30] This report updated Council on progress on the investigation into managing the Waitaki catchment as a single integrated catchment and requested approval to collaborate with Environment Canterbury (ECan), to undertake a Section 35 assessment. Anita Dawe (GM Manager Regional Planning and Transport) and Richard Saunders (Chief Executive) were available to respond to questions on the report. Cr Robertson foreshadowed the alternative recommendations.

Resolution CM25-150: Cr Robertson Moved, Cr Malcolm Seconded

That the Council:

1. ***Notes*** *the report.*
2. ***Thanks*** *the members of the working group and all parties that have provided feedback during the process for their contributions.*
3. ***Refers*** *the matter back to the working group to consider the implications of proposed Resource Management Reform on the Waitaki review process and reports back to Council.*
4. ***Requests*** *that the working group consider holding hui to bring the key parties together to discuss aspirations and opportunities for the Waitaki catchment in light of the RM reform proposals.*
5. ***Notes*** *that ECAN have voted to complete a s35 review which is consistent with reviews they are undertaking across Canterbury.*
6. ***Requests*** *that staff provide an update to all parties who have been involved in this project to date on the decision made by ORC and next steps in the process.*

MOTION CARRIED

Cr Kelliher voted against.

7.3. ORC Membership Representation Review - Determination Outcome

[Youtube 1:42] This paper sought to formally receive the determination from the Local Government Commission on the Otago Regional Council's 2025 Membership Representation Review. Amanda Vercoe (GM Strategy and Customer) and Richard Saunders (Chief Executive) were available to respond to questions.

Resolution CM25-151: Cr Forbes Moved, Cr Wilson Seconded

That the Council:

1. ***Notes** this report.*
2. ***Notes** the determination from the Local Government Commission which upheld the final proposal adopted by the ORC (attached to this paper).*
3. ***Notes** the Local Government Commission has recommended Council looks at the population data in 2027 to see whether an out of cycle representation review may be justified.*
4. ***Notes** that the staff will bring a paper in 2027 to Council to provide advice on this issue.*

MOTION CARRIED

7.4. Six-Monthly report to the Minister under Section 27 of the Resource Management Act

[Youtube 1:52:30] To present for approval by Council, the eleventh progress report to the Minister for the Environment, in accordance with section 27 of the Resource Management Act 1991 in relation to the recommendations made under Section 24A of the Resource Management Act. Fleur Matthews (Manager Policy and Planning) and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions on the report.

Resolution CM25-152: Cr Wilson Moved, Cr McCall Seconded

That the Council:

1. ***Notes** this report.*
2. ***Approves** the eleventh report to the Minister for the Environment, that reports on progress against the recommendations made in the Minister's letter of November 2019.*

MOTION CARRIED

8. CLOSURE

There was no further business and Chair Robertson declared the meeting closed at 1:41 pm.

_____ _____

Chairperson Date

9.1. Chief Executive's Report

Prepared for: Council

Report No. {report-no-do-not-remove}

Activity: Governance Report

Author: Richard Saunders, Chief Executive

Date: 12 May 2025

PURPOSE

[1] This report provides Council with an overview of Otago Regional Council's key projects, financial performance and progress against our levels of service.

EXECUTIVE SUMMARY

[2] The Annual Plan consultation process has concluded with 51 submissions being received. Deliberations are scheduled for next week.

[3] At the end of April there are four measures being reported as at risk and eleven measures being reported as off track. The remaining thirty-seven measures remain on-track for delivery against targets.

[4] At the end of April 2025 ORC is reporting an underlying surplus of $6.345m against a budgeted surplus of $1.251m, a positive variance of $5.094m. Revenue is $3.776m ahead of budget and expenditure is $1.590 below budget. The organisation is currently forecasting a positive variance of $1.698m at year end.

RECOMMENDATION

That the Council:

a) ***Notes*** *this report.*

DISCUSSION

Annual Plan 2025/26

[5] Council have approved a draft annual plan for the purpose of consultation. The draft position proposes an average rate rise of 7.8% in year two compared to an average of 13.8% which was approved in the long-term plan.

[6] Overall spending in the draft annual plan has reduced $6m from the approved LTP position. The required rates take to fund the draft plan has reduced by $3.87m from the approved LTP.

[7] The proposed $3.87m reduction includes $1.2m in transport rates, $1m in freshwater implementation and integrated catchment management resourcing, an approximate $500k reduction through general efficiency savings and a reduction in inflation.

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[8] Consultation on the annual plan took place between 17 March and 15 April. A total of 51 submissions were received. Submissions included feedback on the draft Plan, policy recommendations, fees and charges feedback, and service requests.

[9] There was strong interest in public transport and the large-scale environmental fund and a small number of submissions on other topics such as the Biodiversity Strategy, climate change, flood protection and river management, pollution response and catchment plans. Submissions will be considered by Council at the Finance Committee on 27-28 May.

Non-financial Levels of Service

[10] Attachments 1 and 2 show the results for the non-financial levels of service contained in the LTP. At the end of April there are four measures being reported as at risk and eleven measures being reported as off track. Thirty-seven measures remain on-track for delivery in accordance with the targets set.

[11] The off-track measures relate to response times for official information requests, delivery of the biannual community engagement survey, a range of regional planning processes, and public transport punctuality.

[12] At-risk measures have improved since last reporting, with those remaining being in the delivery and timeframes associated with Biosecurity Operational Plan activities and capacity and capability of staff to support the coordination of a region-wide emergency response.

[13] A number of transport targets cannot be measured until Q4, so are not assessed in the preceding months.

Customer Experience

[14] The Customer Experience team handled 4,432 enquiries during the month of April, slightly below the 12-month average of 5,703 customer contact points. Customer satisfaction remains high at 95%, as shown in Attachment 3.

[15] The most common enquiries for April were rates, consenting matters, total mobility, public transport, and the Regional Public Transport Plan consultation process.

[16] The team handled 4,714 customer enquiries during March, slightly higher than the same month the previous year.

[17] The main themes for March included Bee card assistance, public transport, mortgage collection letters and Bus Hub Safety Campaign complaints.

Financial Performance

[18] The statement of comprehensive revenue and expenditure (SCRE) is included as Attachment 4 and the statement of financial position is included as Attachment 5.

[19] At the end of April 2025 ORC is reporting an operating surplus of $12.788m against a budgeted surplus of $3.144m, a positive variance of $9.644m. Revenue is $3.776m ahead of budget and expenditure is $1.590 below budget. The organisation is currently forecasting an underlying surplus of $1.698m at year end which accounts for the transport reserve repayments and receipt of funds for the sale of the Birch/Kitchener site.

[20] The gain on sale for Birch / Kitchener which was included in the 23/24 budget but realised this year, accounts for $4.550m of the surplus. Additionally, $1.5m and $385k of surplus are allocated to the Dunedin and Queenstown transport deficits respectively.

[21] At this stage of the financial year there are no risks to raise with Council. Expenditure is being carefully managed and full financial reporting including quarter three forecasting will be reported to the Finance Committee this week.

[22] The statement of financial position demonstrates that ORC is continuing to maintain a strong balance sheet that enables us to meet our financial obligations as they fall due.

Business Improvement and Efficiency Review

[23] The Executive Leadership Team (ELT) has reviewed the programme of business improvements, including the recommendations from the 2023 Efficiency Review. These recommendations have been guiding business-as-usual improvements since their adoption by the Council.

[24] While many actions are either underway or have been completed through routine work, additional resources are required to address more significant improvement opportunities.

[25] To support this, a Business Improvement Framework Governance Group (BIFGG) was established in February. This group is responsible for prioritising actions and overseeing implementation progress. The BIFGG has assessed each initiative based on effort and impact and will continue to prioritise new recommendations as new improvement opportunities emerge.

[26] To date, three actions have been completed, four are underway, and another four are in the planning stage. Additionally, three actions have been merged with others due to their similarities. A status report on each action is provided in Attachment 6.

OPTIONS

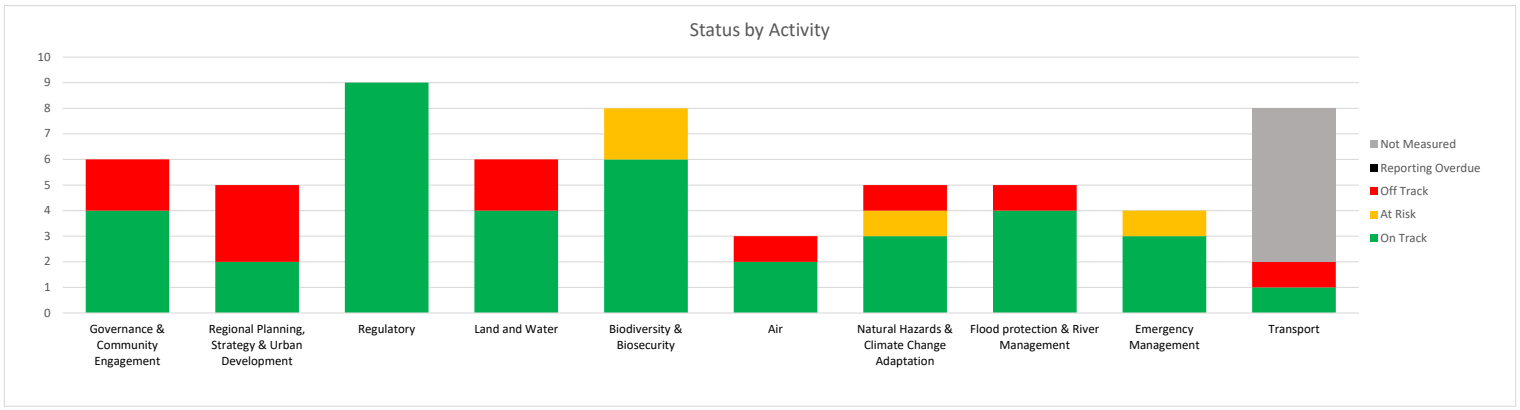
[27] As this is a report for noting there are no options to consider.

ATTACHMENTS

1. April Performance Reporting - Exceptions [**9.1.1** - 2 pages]

2. April Performance Reporting- Summary [**9.1.2** - 3 pages]
3. March and April 2025 Customer Reports [**9.1.3** - 4 pages]
4. Statement of Comprehensive Revenue and Expense Apr-2025 CE [**9.1.4** - 1 page]
5. Statement of Financial Position Apr-2025 CE [**9.1.5** - 1 page]
6. Efficiency review - Implementation update May 2025 FINAL [**9.1.6** - 3 pages]

APRIL PERFORMANCE REPORTING - EXCEPTIONS

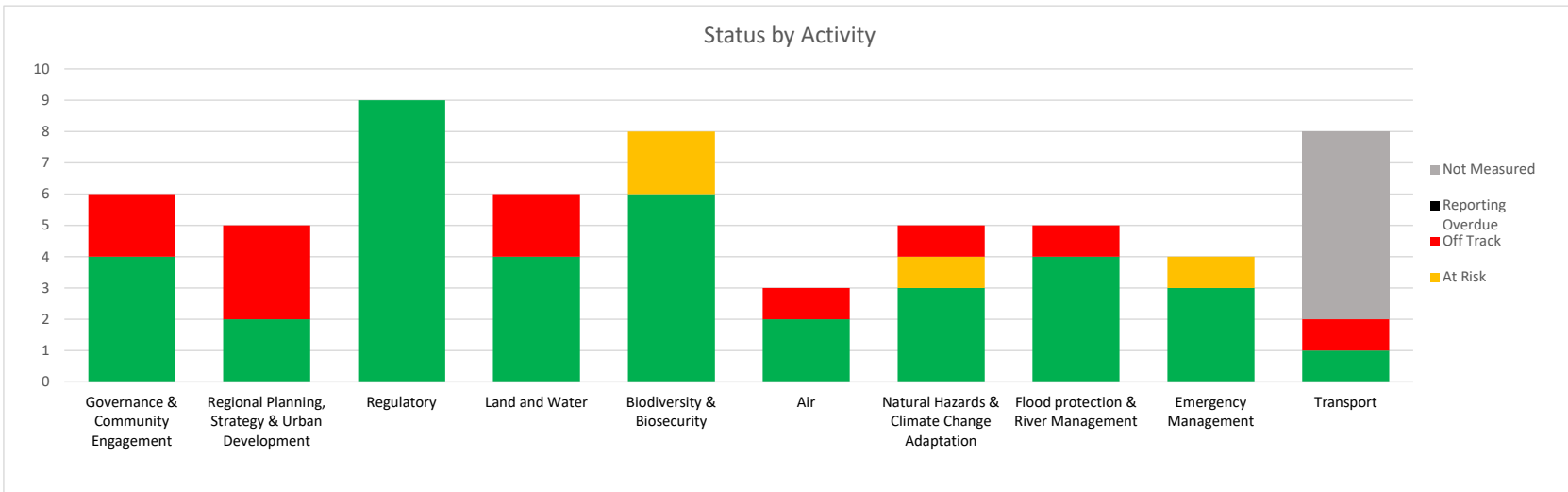


Service Measure and Target	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	COMMENT
REGIONAL LEADERSHIP											
Governance & Community Engagement											
Percentage of official information requests responded to within 20 working days of being logged - Target: 100%											As there are three late responses since 1 July 2024, we cannot be at 100% compliant at 30 June 2025. We continue to improve our compliance percentage and are 98.76% compliant.
Biannual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC - Target: Report against the action plan to Council by March 2025.											Report on action plan will be presented to the May/ June Council meeting
Regional Planning, Strategy & Urban Development	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Support integrated and well managed urban growth across Otago - Target: Joint Queenstown future development strategy completed by 30 June 2025											As the Housing and Business development capacity assessments (HBCA) for the joint ORC QLDC FDS (Spatial Plan Gen 2.0) is delayed it is uncertain when the FDS will be notified to the public, heard by a Panel and completed.
Support integrated and well managed urban growth across Otago - Target: Consultation on maps of highly productive land completed by 31 December 2024											Central government has indicated changes to the NPS HPL, causing a delay in adding HPL maps to the RPS.
Develop a Regional Air Quality Strategy and implement ORC actions. Target: Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.											A draft strategy will be presented to the ESP Committee in June, and to Council for endorsement in August, but it is unlikely to be released for public consultation until after the Elections in mid-October, at the same time as the draft Air Plan.
ENVIRONMENT											
Land and Water	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Complete the Land and Water Regional Plan (LWRP) - Target: Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.											The pLWRP and the section 32 report were ready for notification decision by end of October 2024, but this decision has been deferred due to legislative change.
Site specific projects are developed for selected degraded waterbodies - Target: New projects and associated milestones are developed and reported to Council											Decision pending with regard to how to administer this fund in the new financial year.
Biodiversity & Biosecurity	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 100% of targets for priority pests are delivered.											Continue to implement the Biosecurity Operational Plan for priority pests. All count based KPIs completed or tracking well. Some applied KPIs won't be formally assessed until the end of the FY.
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 90% of actions achieved within timeframes specified.											Continue to implement the Biosecurity Operational Plan for other pests. Some deliverables have been moved to the following FY to align with other work (eg. Marine pest plan). All count based KPIs completed or tracking well. Some applied KPIs won't be formally assessed until the end of the FY.
Air	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Complete review of the Regional Plan Air - Target: Council approves Regional Plan Air for notification by 30 June 2025											The draft Plan and section 32 report will be ready for an additional round of public engagement by October/ November 2025, delaying notification until at least early 2026.
CLIMATE CHANGE AND RESILIENCE											
Natural Hazards & Climate Change Adaptation	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Implement prioritised natural hazard risks adaptation works - Target: The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024; Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.											A revised schedule to deliver the first iteration of the strategy will be in early 2025 so we won't make it to the 31 December 2024 target. It is planned to present the Strategy to ORC Council meeting in May.
Implement prioritised natural hazard risks adaptation works - Target: Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan											Delays in annual work programme but this delay will not affect the expected final delivery date for the programme (2026). Public engagement sessions started in April and to continue in May.
Flood protection & River Management	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.											3 enquiries (out of 290) in October fell short of the KPI of 100% responses within 20 working days. Currently at 98.9%.
Emergency Management	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**	**COMMENT**
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response											Work continues on growing the existing pool of trained staff and is largely dependent on attracting further ORC staff to be available for training. A monthly report is supplied to ELT updating training offered and attendance information.
TRANSPORT											

Transport	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	COMMENT
Percentage of scheduled services on-time (punctuality – to five minutes) - Target: 95%											Services are heavily affected in both Dunedin and Queenstown by extensive roadworks, road closures and heavy congestion. It is unlikely targets will be achieved.
Overall passenger satisfaction with Dunedin Public Transport system at annual survey - Target: Maintain or increase 3 yr rolling average >=90%											The next survey will take place in Q4 2025.
Annual public transport boardings in Queenstown - Target: Increase											The next survey will take place in Q4 2025.
Annual public transport boardings in Dunedin - Target: increase											The next survey will take place in Q4 2025.
Overall passenger satisfaction with Whakatipu Public Transport system at annual survey - Target: Maintain or increase 3yr rolling average >=90%											Annual survey to be completed in Q4
Percentage of users who are satisfied with the provision of timetable and services information - Target: Maintain or increase 3 yr rolling average >=90%											Surveys are completed in Q4 - Targets are expected to be achieved.
Percentage of users who are satisfied with the overall service of the Total Mobility scheme- Target: Maintain or increase 3 yr rolling average >=90%											Surveys are done in Q4. We expect to achieve the target.

On Track | At Risk | Off Track | Reporting Overdue | Not Measured

APRIL PERFORMANCE REPORTING - SUMMARY



Service Measure and Target	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
REGIONAL LEADERSHIP										
Governance & Community Engagement										
Percentage of official information requests responded to within 20 working days of being logged - Target: 100%										
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements - Target: Annual Plan adopted by council prior to 30 June 2025										
Percentage of council agendas are publicly available two working days or more before a meeting - Target: 100%										
Biannual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC - Target: Report against the action plan to Council by March 2025.										
Customers express high levels of satisfaction with customer service provision - Target: Develop Customer Policy to determine satisfaction levels										
Increase opportunities for engagement with diverse groups across Otago to lift awareness and understanding of the work of the regional council and seek feedback on performance Target: Create and implement engagement plan and establish engagement data										
Regional Planning, Strategy & Urban Development	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Support integrated and well managed urban growth across Otago - Target: Joint Queenstown future development strategy completed by 30 June 2025										
Support integrated and well managed urban growth across Otago - Target: Consultation on maps of highly productive land completed by 31 December 2024										
Develop a regional biodiversity strategy and implement ORC actions. Target: Draft regional biodiversity strategy is made available for public consultation by 30 June 2025										
Develop a Regional Air Quality Strategy and implement ORC actions. Target: Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.										
Develop a Regional Climate Change Strategy and implement ORC actions -Target: ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.										
Regulatory	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Maintain 24-hour/7 day a week response for environmental incidents - Target: Pollution hotline staff available/on call 24/7										
Maintain 20 appropriately trained responders for maritime oil pollution incidents -Target: 20 responders attend 3 exercises per year										
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes - Target: ≥98%										
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%										
Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy - Target: 100%										
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%										
Maintain compliance with Port and Harbour Marine Safety Code - Target: External review is completed and deemed to be code consistent.										

The safety campaign for recreational 'boaters' is delivered - Target: 80% achieved										
Percentage of public enquiries for consent information completed within 10 working days - Target: Maintain or increase										
ENVIRONMENT										
Land and Water	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Complete the Land and Water Regional Plan (LWRP) - Target: Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.										
ORC led and community/landowner supported workshops and events are delivered which promote best practice land management for soil conservation, water quality and/or the efficient use of water. Target: At least 12 ORC led workshops or events are delivered annually										
Site specific projects are developed for selected degraded waterbodies - Target: New projects and associated milestones are developed and reported to Council										
Site specific projects are developed for selected degraded waterbodies - Target: Project actions have been progressed as scheduled (>80%)										
Catchment Action Plans (CAPs) give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community. Target: One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2025										
Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments. Target: Annual report for each of the 4 environments to Council prior to 30 June 2025.										
Biodiversity & Biosecurity	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 100% of targets for priority pests are delivered.										
Externally funded biosecurity projects/programmes are implemented as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled										
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed - Target: New projects and associated milestones are developed and reported to Council and forum partners										
Joint projects are implemented against milestones - Target: Project actions have been progressed as scheduled (>80%)										
Alignment between initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives - Target: 80% alignment										
Externally funded freshwater projects/programmes are delivered as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled										
Report the results of environmental monitoring for regional indigenous biodiversity ecosystems - Target: Annual report completed prior to 30 June 2025										
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 90% of actions achieved within timeframes specified.										
Air	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Implement a regional air monitoring programme - Target: Annual report on monitoring programme completed and reported to Council										
Report the results of environmental monitoring for air. - Target: Annual report for air monitoring for previous financial year reported to Council by 30 Sept 2024. Note: ≥95% = achieved										
Complete review of the Regional Plan Air - Target: Council approves Regional Plan Air for notification by 30 June 2025										
CLIMATE CHANGE AND RESILIENCE										
Natural Hazards & Climate Change Adaptation	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Natural hazards information is available via the web-based Otago Natural Hazards Database - Target: Database is accessible and up-to-date 100% of the time										
Percentage of flood warnings that are issued in accordance with the flood warning manual - Target: 100%										
Implement the findings of the regional natural hazards risk assessment and inform adaptation planning and implementation - Target: Implementation and additional assessments of natural hazards and risks based on the findings of the Otago Natural Hazards Risk Assessment. Phased delivery Yr 1 to 10										
Implement prioritised natural hazard risks adaptation works - Target: The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024; Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.										

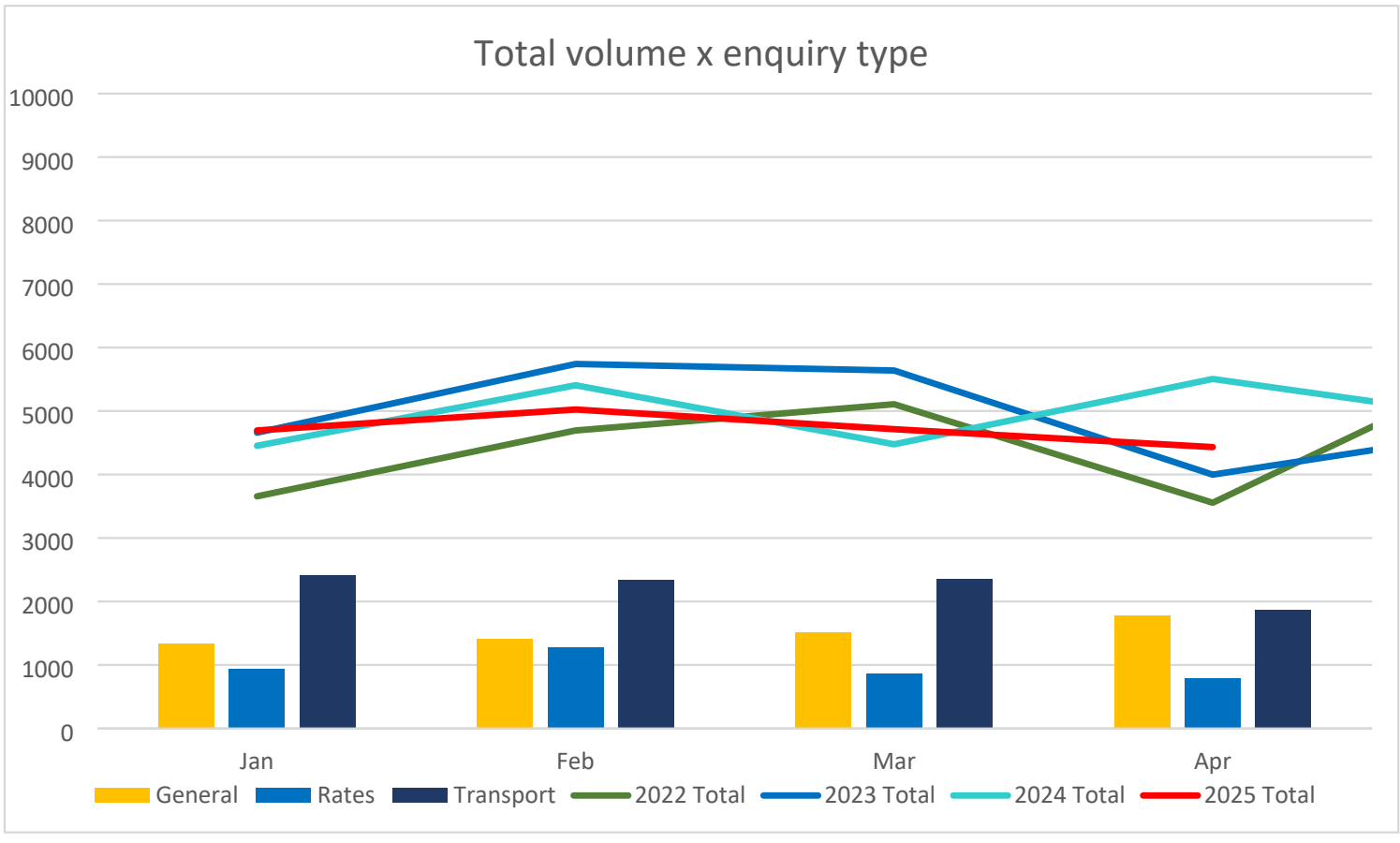
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Implement prioritised natural hazard risks adaptation works - Target: Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan										
Flood protection & River Management	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Percentage of scheme renewals programme: Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of renewal programmes completed										
Percentage of scheme maintenance programme: Major flood protection drainage and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of planned maintenance programme completed										
Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents - Target: >85% of planned maintenance programme completed										
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Flood repair programme: Damage identified, prioritised and a repair programme is made available to affected communities within 3 months of the event/100%.										
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.										
Emergency Management	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency - Target: Maintain a duty roster for 24/7 365 coverage for initial responses to Civil Defence emergencies										
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation. Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response										
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM - Target: Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement										
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response										
TRANSPORT										
Transport	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**	**JAN**	**FEB**	**MAR**	**APR**
Percentage of scheduled services on-time (punctuality – to five minutes) - Target: 95%										
Overall passenger satisfaction with Dunedin Public Transport system at annual survey - Target: Maintain or increase 3 yr rolling average >=90%										
Annual public transport boardings in Queenstown - Target: Increase										
Annual public transport boardings in Dunedin - Target: increase										
Percentage of scheduled services delivered (reliability) - Target: 95%										
Overall passenger satisfaction with Whakatipu Public Transport system at annual survey - Target: Maintain or increase 3yr rolling average >=90%										
Percentage of users who are satisfied with the provision of timetable and services information - Target: Maintain or increase 3 yr rolling average >=90%										
Percentage of users who are satisfied with the overall service of the Total Mobility scheme- Target: Maintain or increase 3 yr rolling average >=90%										

On Track	At Risk	Off Track	Reporting Overdue	Not Measured

April 2025 Customer Report

Rolling 12-month customer volume average is 5703 per month

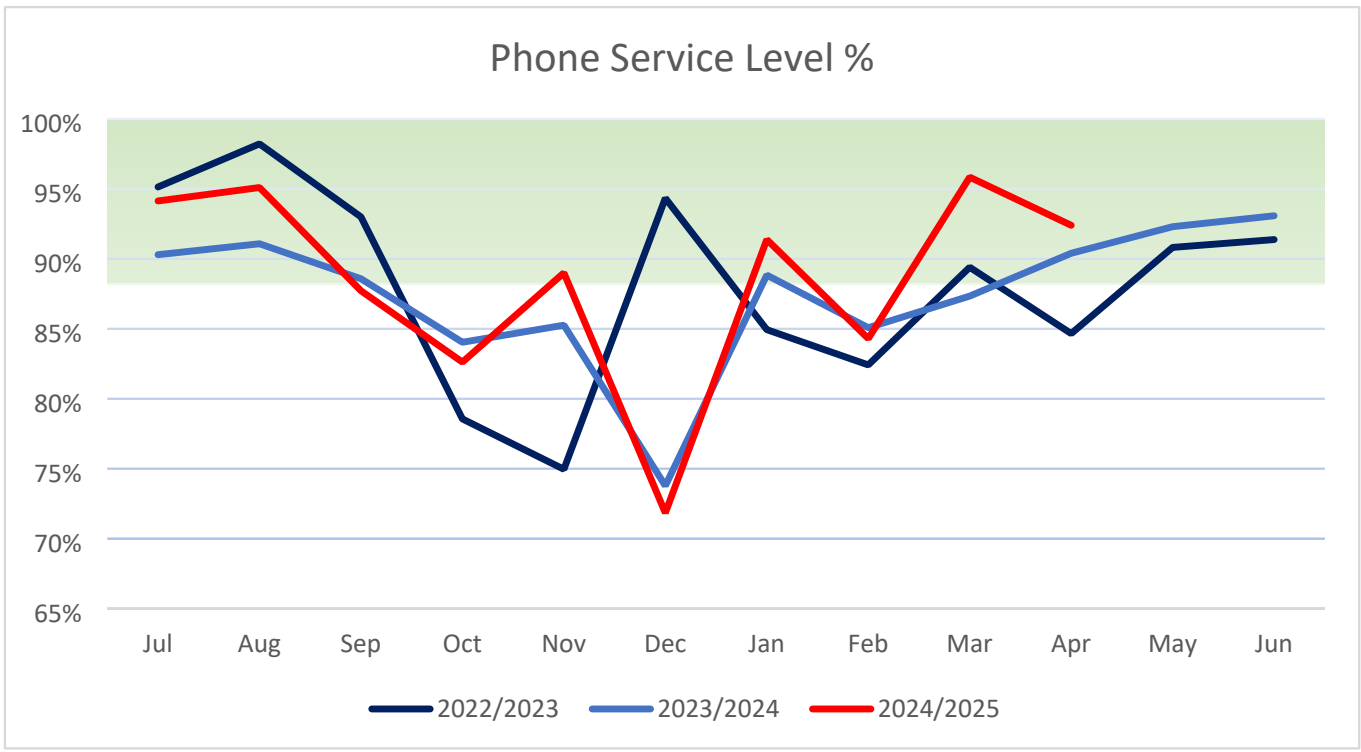
April customer volume total: **4432**
(reception = 472, phone = 1442, email = 1345, social 892, afterhours = 281)

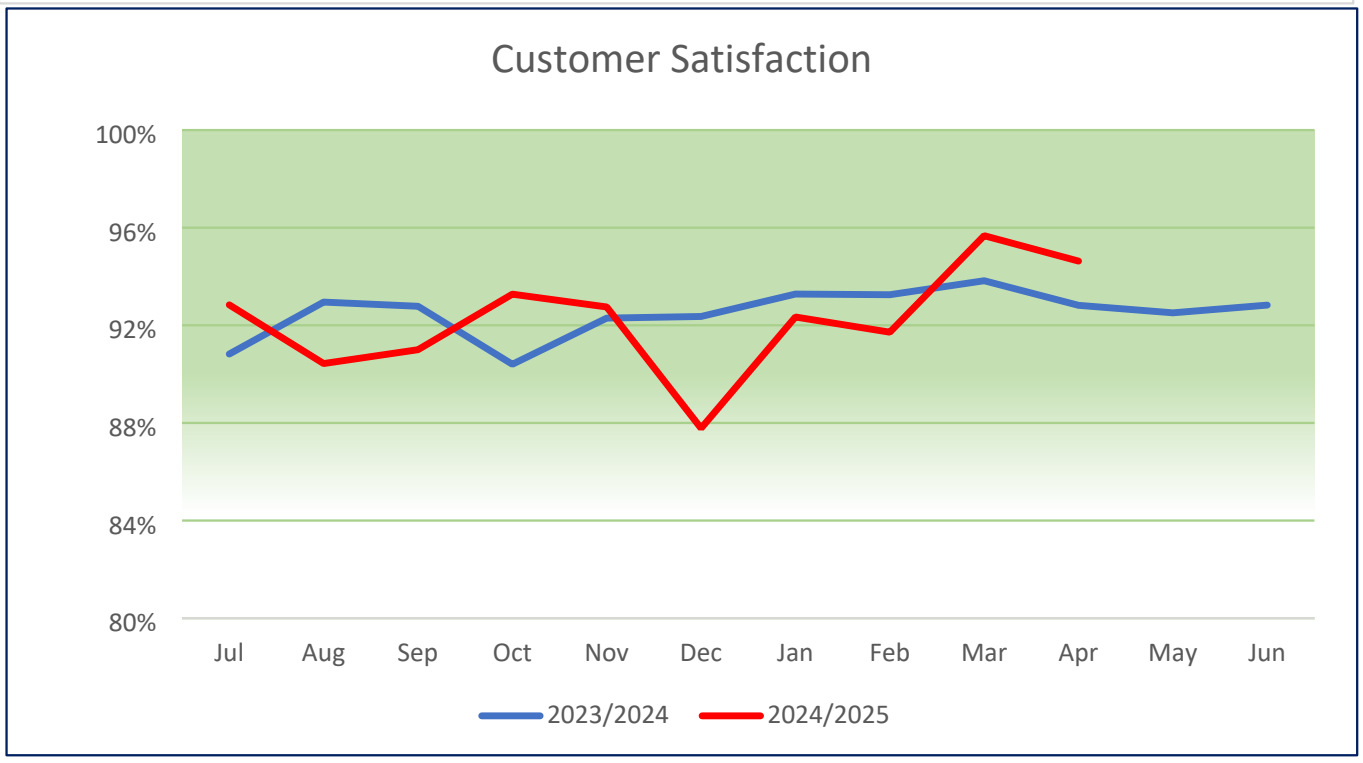


- Total customer interactions decreased by 6% (282) in April and were 19% lower than last April.
- Customer sentiment tracking was mixed.
- Total service level for all calls decreased to 92%
- Total customer satisfaction rating decreased to 95%.

Enquiry themes for April:

- Rates - mortgage and normal
- Consents/compliance calls (a range of consents, and some included boat sheds and Intensive Winter grazing)
- Total mobility calls (checking cards and regular BAU)
- Bus enquiries are normal levels
- Increased inactive bee card emails from outlets and drivers
- Bike rack enquiries
- RPTP consultation facebook campaign

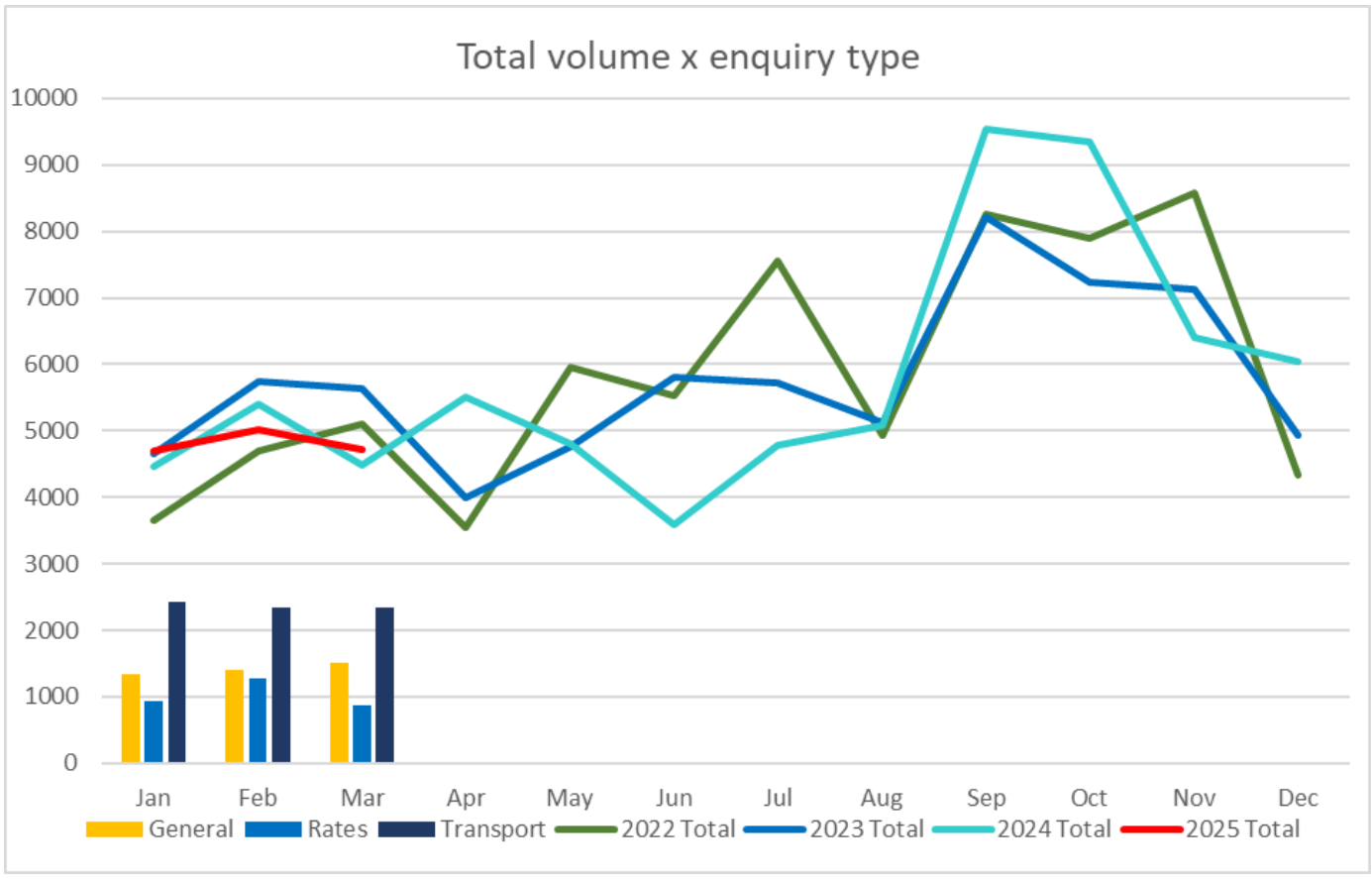




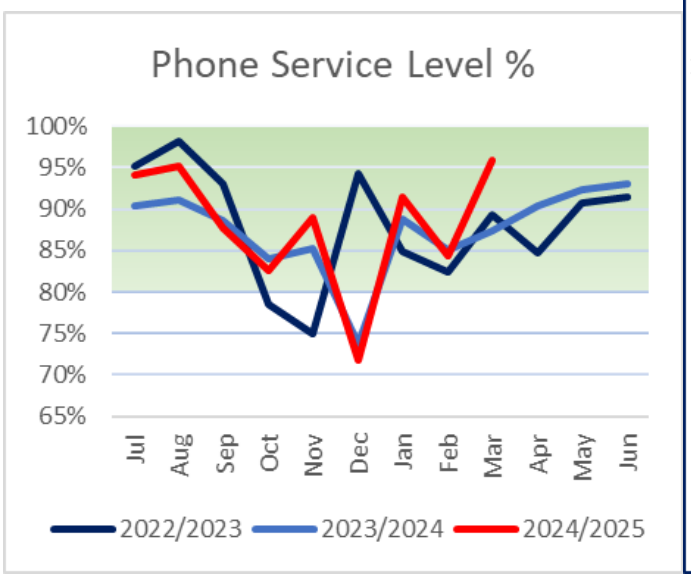
March 2025 Customer Report

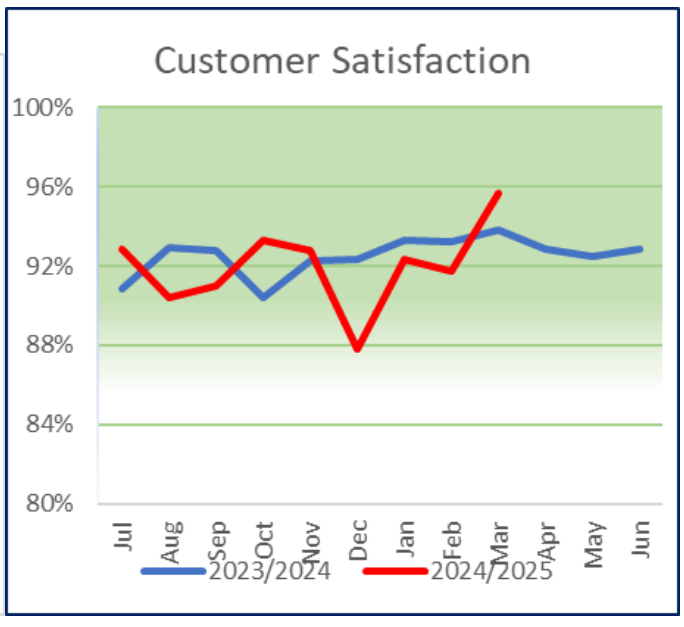
Rolling 12-month customer volume average is 5793 per month

March customer volume total: **4714**
(reception = 485, phone = 1791, email = 1599, social 535, afterhours = 304)



- Total customer interactions decreased by 6% (310) in March and were 5% higher than Mar 2024.
- Customer sentiment tracking was neutral.
- Total service level for all calls increased to 96%
- Total customer satisfaction rating for March increased to 96%.
- Customer Satisfaction benchmark is now set at 85%.





Top themes for March enquiries:

- Bus Hub Safety Campaign complaints
- Tail end of mortgage collection letter replies – setting up payment plans, payments.
- Bee Card –

  - Issue with inactive cards from retailers– particularly with concessions.
  - Issues with the Beecard website not performing correctly.
- Public Transport –
  - Driver behaviour
  - Route #3 service complaints
  - Complaints for “driver not stopping” remains higher than normal.
  - Delay complaints are increased

Otago Regional Council

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE PERIOD ENDING 30 APRIL 2025

	April 2025 Actual	April 2025 Budget	Variance Actual	2025 Forecast	2025 Budget	Forecast
Revenue	Year to Date	Year to Date	Year to Date	Full Year	Full Year	Full Year
Revenue from non-exchange transactions						
Rates Revenue	54,279	54,077	202	65,088	64,893	195
Grant revenue and subsidies	18,225	16,683	1,542	23,940	21,991	1,949
Other Revenue non exchange	9,257	5,784	3,473	11,288	9,179	2,109
Revenue from exchange transactions						
Interest and investment revenue	7,617	9,355	(1,738)	8,244	9,765	(1,521)
Dividends	15,463	15,000	463	18,396	18,000	396
Other Revenue Exchange	4,739	4,905	(166)	5,923	5,321	602
Total Revenue	**109,580**	**105,804**	**3,776**	**132,879**	**129,149**	**3,730**
Expenditure						
Employee benefits expense	32,786	32,979	193	39,641	39,574	(67)
Depreciation and amortisation	3,232	2,752	(480)	3,807	3,302	(505)
Finance Costs	6,860	7,853	993	8,636	9,424	788
Other Expenses	59,436	60,320	884	81,238	78,759	(2,479)
Total Expenditure	**102,314**	**103,904**	**1,590**	**133,322**	**131,059**	**(2,263)**
Other gains/(losses)						
Other gains/(losses)	5,522	1,244	4,278	6,274	1,493	4,781
Total Other gains/(losses)	**5,522**	**1,244**	**4,278**	**6,274**	**1,493**	**4,781**
Operating Surplus/(deficit)	**12,788**	**3,144**	**9,644**	**5,831**	**(417)**	**6,248**
Fair value gain/loss on shares in subsidiary	0	0	0	28,156	28,156	0
Total Comprehensive Revenue and Expense	**12,788**	**3,144**	**9,644**	**33,987**	**27,739**	**6,248**
Operating Surplus/(deficit) - as per SCRE above	**12,788**	**3,144**	**9,644**	**5,831**	**(417)**	**6,248**
Less:						
Birch/Kichener gain on sale (budgeted in 2023/24 year)	4,550	-	4,550	4,550	-	4,550
Transport Rates Deficit - Dunedin	1,508	1,508	-	1,810	1,810	-
Transport Rates Deficit - Whakatipu	385	385	-	463	463	-
Underlying Surplus/(Deficit)	**6,345**	**1,251**	**5,094**	**(992)**	**(2,690)**	**1,698**

Otago Regional Council

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025

	April 2025 Actual $000s	June 2024 Prior Year Actual $000s	Year to Date Variance $000s	June 2025 Budget $000s
Assets				
CURRENT ASSETS				
Cash and cash equivalents	21,444	13,605	7,839	2,455
Trade and other receivables	20,798	17,139	3,659	18,180
Property held for sale	0	3,350	(3,350)	0
Current related party receivable	34,483	38,480	(3,997)	0
Other financial assets	28,829	27,284	1,545	29,181
Other Current Assets	1,631	1,561	70	1,433
Total Current Assets	**107,185**	**101,419**	**5,766**	**51,249**
NON-CURRENT ASSETS				
Shares in subsidiary	732,720	732,720	0	780,239
Property, plant and equipment	104,100	96,161	7,939	109,835
Intangible assets	202	408	(206)	2,025
Non current related party receivable	92,832	75,198	17,634	150,088
Investment Property	16,850	16,850	0	17,134
Borrower Notes	625	500	125	500
Total Non-current Assets	**947,329**	**921,838**	**25,491**	**1,059,821**
Total Assets	**1,054,514**	**1,023,256**	**31,258**	**1,111,070**
Liabilities				
CURRENT LIABILITIES				
Trade and other payables	26,321	20,281	6,040	22,594
Employee entitlements	2,826	3,293	(467)	2,716
Borrowings	44,665	48,359	(3,694)	69,878
Total Current Liabilities	**73,812**	**71,934**	**1,878**	**95,188**
NON-CURRENT LIABILITIES				
Non current borrowings and other financial liabilities	107,832	90,528	17,304	110,438
Total Non-current liabilities	**107,832**	**90,528**	**17,304**	**110,438**
Total Liabilities	**181,644**	**162,462**	**19,182**	**205,626**
NET ASSETS (Assets minus Liabilities)	**872,870**	**860,794**	**12,076**	**905,444**
Equity				
PUBLIC EQUITY				
Public Equity	114,542	102,467	12,075	120,576
Total Public Equity	**114,542**	**102,467**	**12,075**	**120,576**
RESERVES				
Reserves	758,328	758,328	0	784,868
Total Reserves	**758,328**	**758,328**	**0**	**784,868**
Total Equity	**872,870**	**860,794**	**12,075**	**905,444**

Efficiency Review – Implementation Update May 2025

The recomendations from the 2023 Efficiency Review have been informing business as usual improvements, since the report was adopted by Council. Remaining recommendations were reviewed and prioritised by the recently established Business Improvement Framework Governance Group in February 2025. These were the ones that we were not able to easily respond, within business as usual work programmes.

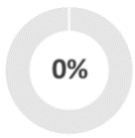
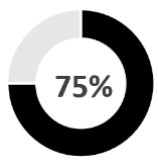
For each initiative the governance group determined the anticipated effort and the resulting impact. Recommendations were graded as either:

- "weighty projects" which require high effort and will have a high impact, or
- "quick wins" which require lower effort and will still have a high impact, or
- "could do" projects which require lower effort but are also low impact, or
- "low value" which require high effort and will have a low impact.

Some items were determined not to require prioritisation through this process as they were either addressed by business as usual work, were adequately covered by other initiatives, or had already been completed.

Implementation Update

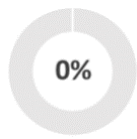
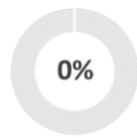
1. **Financial Processes**
   Sponsor: Nick Donnelly - GM Finance

Actions	Progress	Assessment	Notes	Progress
1) Review use of consultants, and processes for procurement and budget setting to ensure internal capabilities are considered	Commenced	*"could do" - low impact/ low effort*	*Reviewing Procurement Policy and Procurment Plan templates to include a requirement to consider internal resourcing before procuring externally. Revised documents going to ELT end of May 2025.*	
2) Review revenue targets and charge-out rates for cost recovered activities	Completed	*N/A - Action completed*	*Charge out rates and revenue targets were reviewed in LTP 2024-34, with revisions made for AP 2025-26. Further review is considered part of BAU work programme.*	
3) Review overhead allocation and reporting process to ensure visibility of "below the line" activities	Completed	*N/A - Action completed*	*Overhead allocation revised for LTP 2024-34. No further action needed.*	
4) Review timesheet function to reduce the reliance on timesheets for budgeting and cost allocation	Planning	*"could do" - low impact/ low effort*	*This review will be led by the Finance directorate and progressed within current budget. Timing is reliant on workloads and staff capacity. Will progress further once Annual Plan is completed.*	
5) Review of budgeting process and financial management/ financial reporting	Commenced	*"weighty project" - High impact/ high effort*	*This project is led by the Finance directorate and timing will align with Annual and Long-term Planning cycles. New planning/ reporting system (IBIS Breeze) has been implemented and configured in paralled to exising AP model for AP2025-26. Has now been used for actual and forecast reporting for the first 3 quarters of 2024-25. Configuring*	

			system, reports and dashboards for budget manager direct access over Q4.	

2. Integrated Planning and Reporting

Sponsor: Amanda Vercoe, GM Strategy and Customer/Deputy CE

Actions	Progress	Assessment	Notes	Progress
1) Review non-financial performance measures	Completed	*BAU*	*Service measures were reviewed in LTP 2024-34, with revisions made for AP 2025-26. Further review is considered part of BAU work programme.*	
2) Develop a definition of "efficiency" and an organisational approach to efficiency	Planning	*"could do" - low impact/ low effort*	*This project will be led by the Organisational Planning and Performance Team progressed within current budget. Project is expected to commence in Q1 2025-26.*	
3) Develop a strategic and operational planning framework, including an approach to coordinating resources and consolidating work programmes through the organisation	N/A	*N/A – incorporated into 2.4*	*This recomendation will be incorporated with the one below and addressed within one project.*	N/A
4) Develop integrated work planning process that is clearly aligned to resource planning, budget setting, strategic plan, delivery plans, external/internal resourcing	Planning	*"weighty project" - High impact/ high effort*	*This project will be led by the Organisational Planning and Performance Team. Timing will align with Annual and Long-term Planning cycles.*	

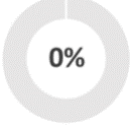
3. Project and Programme Management

Sponsor: Richard Saunders – Chief Executive

Actions	Progress	Assessment	Notes	Progress
1) Review existing projects and consider where a programme management approach may be approriate	N/A	*N/A incorporated into 3.2*	*This recomendation will be incorporated with the one below. IT projects, Datascape programme and the Business Improvement Framework all address this recommendation. Further review of projects will occur after a PM approach has been determined and via regular LTP review of projects.*	N/A
2) Develop an ORC approach to project and programme management and consider introducing a PMO	Commenced	*"weighty project" - High impact/ high effort*	*Programme management has been introduced to large projects. Further development of an ORC approach will be led by the Science and Resilience directorate and planning is expected to commence in Q1 2025-26.*	

4. Data Management

Sponsor: Tom Dyer – GM Science and Resilience

Actions	Progress	Assessment	Notes	Progress
1) Develop a data management framework and adopt common data standards	Planning	*"weighty project" - High impact/ high effort*	*This project will require a cross-directorate approach. Timing and scoping will be investigated in Q1 2025-26.*	

5. Additional Opportunities

Sponsor: Amanda Vercoe, GM Strategy and Customer/Deputy CE

Actions	Progress	Assessment	Notes	Progress
1) Aligning strategic goals and outcomes.	N/A	*N/A - incorporated into 2.4*	*This recomendation will be incorporated with the integrated work planning initiative. It is also being addressed through the develoment of Strategic Directions implementation plan. Outcome indicators have been drafted and will come to Council for approval.*	N/A
2) Communicating our value: - Communicate what, why, when and how work is being delivered - Develop processes and language for communicating "value for money"with the community.	Commenced	*N/A - Action addressed by BAU work*	*This is being addressed through the Engagement framework, the Communications Strategy, the Customer Strategy and the Strategic Directions Implementation Plan. It will also be supported by specific work on communicating value.*	

9.2. Chairperson's Report

Prepared for: Council

Author: Gretchen Robertson, Chairperson

Date: 21 May 2025

MEETINGS ATTENDED

Meetings attended during the period:

25 March: Update to Regional Sector Mayors/Chairs & CEOs - Resource Management Reforms Phase 3

27 March: CDEM Joint Committee
https://www.otagocdem.govt.nz/media/o0nhiyow/joint-committee-agenda-march-2025.pdf

28 March: Otago Mayoral Forum
https://otagomayors.org.nz
https://otagomayors.org.nz/latest/2025/march/omf-march-2025/

1 April: Waitaki Irrigators Collective Meeting (Oamaru)
Discussion on Waitaki Catchment Planning. Elizabeth Soal has since presented to public forum and a paper was considered in the Council meeting following.

4 April: Regional Sector Chairs/Mayors Monthly Informal Catch-up

10-11 April: LGNZ Zone 5 & 6

29 April: Otago Deep Water Lakes Management Working Group Meeting
A paper '*Deep Lakes Technical Advisory Group Proposed Work Programmes Report to: Otago Deep Water Lakes Management Group*' has been produced and will be considered at committee meetings. It has been highly useful to have the input of local and national lake experts deriving research work programme options for decision makers.

30 April: Otago Federated Farmers AGM
Several ORC Councillors and staff attended the event. My thanks to Federated Farmers Otago for the invitation and for providing ORC with the opportunity to present.
Tom Dyer gave an update on key matters, including the current timelines for resource management reforms and the work ORC is progressing. Minister Penny Simmonds also spoke, addressing her roles as Minister for Vocational Education and Minister for the Environment.

1 May: LGNZ All-of-local-government meeting (Online due to weather)

2 May: Regional Sector meeting (Online due to weather)

5 May: Submission: DCC LTP Hearing
I presented the ORC's submission to the DCC's 9-year LTP. This was developed through the submissions working group.

---

7 May: Meeting with Kainga Ora
Meet and greet with Kerrie Young, Regional Director Otago and Southland, Kainga Ora. ORC has roles in urban planning through urban development strategy partnerships and well as delivery of public transport and other community planning/infrastructure roles such has hazards and public transport.

Upcoming meetings at the time of writing follow:
14 May: Matakanui Station - Balance Awards open day
Congratulations to Tracy and Andrew Paterson of Matakanui Station, winners of the Ballance Farm Environment Awards Otago Regional Supreme Award, as well as the Otago Regional Council Water Enhancement Award and several other accolades.
The Patersons are hosting an open day, and I thank them for welcoming the community and sharing their knowledge and experience. It is a privilege to be invited to attend alongside fellow ORC Councillors and staff.
We wish the Patersons all the very best as they join the regional supreme winners from across the country at the New Zealand Farm Environment Trust's National Showcase in Wellington this June, where the prestigious Gordon Stephenson Trophy will be presented.

15 May: ORC Freshwater Forum (Cromwell)
Thank you to Councillor Kate Wilson for her initiative to host an informal meeting to discuss water resource user thoughts on opportunities and challenges with a focus on achieving positive environmental, community, and on-farm outcomes.

16 May: Otago Regional Growth Summit
Part of a series of regional growth summits hosted by Min Shane Jones. This meeting was rescheduled due to weather from earlier this year.

16 May: Opening of KiwiRail Hillside Workshops

16 May: Meeting with MP Tangi Utikere (Palmerston North)
Opposition spokesperson for local government, transport, small business and racing. Deputy Mayor of Palmerston North 2016-2020. Tangi reached out to mayors and chairs following appointment to his new role as opposition spokesperson on Local Government and took the opportunity to schedule a meet and greet while he was in Otago.

20 May: Mana to Mana

Letters Sent/Received
Incoming:

- **31 March – Min Chris Bishop**
- **2 April – Min Simon Watts**
- **9 April – Deputy PM David Seymour**
- **14 April – Min Penny Simmonds**
- **12 May - Min Mark Mitchell**
- **13 May – Min Chris Bishop**

Outgoing

- **30 April – Min Chris Bishop**

Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister of Transport
Leader of the House
Associate Minister of Finance
Associate Minister for Sport and Recreation

31 March 2025

Greetings,

I am writing to update you on the progress the Coalition Government is making to improve the resource management system, particularly in relation to Phase Three of our reform programme.

On 24 March 2025, Cabinet agreed to replace the Resource Management Act 1991 (RMA) with two new pieces of legislation:

- *The Planning Act* – focused on regulating the use, development and enjoyment of land
- *The Natural Environment Act* – focused on the use, protection and enhancement of the natural environment.

On Friday, I announced further detail on the approach to reform, including a refocused approach to national direction under the RMA through Phase Two of our reforms. You can read my speech on the Beehive website, at: *https://www.beehive.govt.nz/speech/speech-nz-planning-institute-conference.*

New Blueprint to replace the RMA

Last year, the Government set ten principles for the new resource management system. In September 2024, we established an Expert Advisory Group (EAG) to test and further refine these principles, and to develop a blueprint for reform.

The EAG delivered its blueprint earlier this year. It provides a workable package of 21 recommendations that address the main failings of the RMA and deliver a system that will make it easier to get things done in New Zealand, better recognise property rights, and improve environmental protection.

Cabinet has agreed that the EAG blueprint delivers a workable basis for a new planning system and has made in-principle decisions on a range of new features for the system, drawing upon the blueprint.

I encourage you to read the EAG blueprint which has been published on the Ministry for the Environment's (the Ministry's) website at: *https://environment.govt.nz/publications/blueprint-for-resource-management-reform/*.

The cabinet paper noting Cabinet's decisions on the EAG report can be read on the Ministry's website here: *https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/replacing-the-rma1991/*.

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Next steps and further information

Over the next few months, detailed policy work will be undertaken by government agencies to implement Cabinet's decisions. As part of this process, agencies will be consulting with local government, iwi and key stakeholders to provide good advice to Ministers.

I would welcome your participation in this process.

This is a once-in-a-generation opportunity to get RMA reform done properly and comprehensively. I want to stress to you that the government is intent on serious reform. A shift from a precautionary to a more permissive approach to resource management will unlock development opportunities, streamline processes, and enhance New Zealand's ability to meet its housing, infrastructure, and environmental objectives.

We are aiming to introduce two Bills in Parliament in late 2025 with a view to Parliament enacting these in mid-2026. We intend to engage with the Opposition during this process.

Rescoped National Direction

Cabinet has also reconsidered the scope of the national direction programme in light of the swift progress we have made on Phase Three of our reform programme. Last year I announced that we had decided to progress proposals on 21 national direction instruments.

Given the complexity of Phase Three reform, we will now be focusing on targeted proposals for 16 instruments that will have immediate impact on the resource management system while the new resource management system is developed and implemented.

We expect to release consultation documents relating to the national direction programme by mid-year 2025. You can find a fact sheet on the national direction on the Ministry's website here: *https://environment.govt.nz/publications/national-direction/.*

Thank you for your engagement on this important programme of reform.

Yours sincerely,



Hon Chris Bishop
Minister for Responsible for RMA Reform

Cc: Simon Court MP, Parliamentary Under-Secretary to the Minister Responsible for RMA Reform

Office of Hon Simon Watts

Minister of Climate Change
Minister for Energy
Minister of Local Government
Minister of Revenue

0 2 APR 2025

Jules Radich
Mayor of Dunedin

Gretchen Robertson
Chairperson, Otago Regional Council

C/o: Jonathan.Rowe@dcc.govt.nz

CORM-3619

Dear Jules and Gretchen,

Thank you for your letter of 13 March 2025 to the Minister for Emergency Management and Recovery, Hon Mark Mitchell, regarding the South Dunedin Future programme and the release of the *South Dunedin Risk Assessment* and *Seven Potential Adaptation Futures for South Dunedin* technical reports. I am replying to you as the issues you raise fall within my portfolio responsibilities as Minister of Climate Change.

I acknowledge the significance of this milestone and commend both Dunedin City Council and Otago Regional Council for the depth of analysis and community engagement undertaken. Assessing climate risks and developing potential pathways for managing those risks is a crucial step towards informed, long-term adaptation planning and resilience.

Adaptation is a key priority for me in 2025. I am working as quickly as possible to put in place the first building blocks for an enduring national adaptation framework, and I intend to introduce legislation this year. Establishing a national adaptation framework will support local government to consider and manage climate risks more effectively. The framework aims to clarify roles and responsibilities and improve access to risk information. It also aims to support more consistent and predictable approaches to cost-sharing and investment in resilience, the importance of which you highlight in your letter.

The Government is committed to ensuring our infrastructure is resilient and our communities are well prepared in the face of a changing climate. I appreciate your interest in how this work will interact with other major reform programmes, including emergency management, infrastructure, and resource management. I agree that real-world examples like South Dunedin are critical touchpoints for ensuring these reforms are grounded, coherent, and enable action where it matters most.

I am interested in keeping updated with your progress as you continue to develop your adaptation plan. Thank you again for your letter and for your continued leadership on this important issue.

Yours sincerely

Hon Simon Watts
Minister of Climate Change

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Hon David Seymour

MP for Epsom
Deputy Prime Minister (from 31 May 2025)
Minister for Regulation
Associate Minister of Education (Partnership Schools)
Associate Minister of Finance
Associate Minister of Health (Pharmac)
Associate Minister of Justice (Treaty Principles Bill)

09 APR 2025

Gretchen Robertson
Otago Regional Council
Gretchen.Robertson@orc.govt.nz

Dear Gretchen

As Associate Minister of Education with responsibility for school attendance, I am writing to share with you some recent work the Government has been doing to improve attendance. I am eager that community leaders, such are yourself, are aware of this work and ask you to consider what you can do to support the young people in your communities to be present at school so that they are setting themselves up for a bright future.

Student attendance in New Zealand has been declining for over ten years, and this remains a significant challenge. Research and evidence show that regular school attendance leads to better educational, employment and social outcomes. That's why the Government has set a target of improving student attendance.

It's going to take collective and collaborative action to turn around this declining trend. The schools and kura in your region and communities need your support to encourage students to attend school, where they can participate, engage and learn. By working together, we can help students build brighter futures.

The Government is working with schools on a range of initiatives to improve attendance. Here are some of the things we're doing:

- The Ministry of Education is now **publishing school attendance data daily** – this is available to the public via an interactive dashboard, which can be filtered by regional council. You can check out the dashboard and how your region is tracking at Daily attendance dashboard | Education Counts. Schools' attendance data is automatically sent daily to the Ministry by 6pm and published on the dashboard the next day. Daily reporting improves our understanding of attendance trends to help inform our decisions.
- We're working hard to **understand the barriers to attendance and how we can address these** through the provision of the right supports and services. This often involves working with our wider communities and across multiple government agencies.
- We're **growing public awareness and shifting attitudes and behaviours** around student attendance.

Here are four things you can do to help:

1) **Check out the dashboard** and how your region compares with other parts of New Zealand. Encourage others in your community to engage with this dashboard.
2) **Lead a conversation** with your community around how they can support schools to improve attendance. Even small steps like encouraging local businesses to be aware that school-aged children should be at school during school hours is helpful.

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3) **Amplify the message** that school is helping our young people achieve better outcomes.
4) **Let us know what's working** – or not working – in your community, to get our young people in school.

I truly appreciate your support with this important challenge – thank you. If you need any further information about the daily attendance dashboard, please contact the Ministry of Education via Requests.DataandInsights@education.govt.nz

Kind regards



Hon David Seymour
Associate Minister of Education

Hon Penny Simmonds

Minister for the Environment
Minister for Vocational Education
Associate Minister for Social Development and Employment

14 April 2025

PS-COR1116

Cr Gretchen Robertson
Chairperson
Otago Regional Council
Gretchen.Robertson@orc.govt.nz
c/o Lou.Stewart@orc.govt.nz

Dear Gretchen

Re: Request for legislative amendments to override provisions of the Regional Plan: Water for Otago

Thank you for your letter of 24 March 2025 outlining your request for legislative amendments to address unintended consequences associated with the restrictions on the notification of freshwater planning instruments.

As you are aware, the amendments to s80A of the Resource Management Act 1991 also provide a pathway for exemptions to accommodate circumstances where freshwater planning instruments must progress during the restriction period.

While I understand the reasons for your request, in the first instance I am directing my officials at the Ministry for the Environment (MfE) to work with Otago Regional Council (ORC) to explore how a plan change might be progressed using the exemption pathway including shortening the 13-15 month timeframe.

Yours sincerely,

Hon Penny Simmonds
Minister for the Environment

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | +64 4 817 6815 | p.simmonds@ministers.govt.nz

Hon Mark Mitchell

Minister of Corrections
Minister for Emergency Management and Recovery
Minister for Ethnic Communities
Minister of Police
Minister for Sport and Recreation

REF: EM COR 2024-25-095

May 12, 2025

Chairperson Gretchen Roberston
Otago Regional Council
Gretchen.Robertson@orc.govt.nz

Dear Chairperson Gretchen Roberston

As you will be aware there has been heightened public interest in how regional and local authorities have managed flood protection and control works during, and in the lead up to, significant weather events, e.g. the Wairoa River bar, and Lakes Ellesmere and Forsyth. This interest has come about as people's homes and/or businesses have been impacted from flood waters, with differing perspectives on what should have been done to manage the infrastructure (including waterways) to mitigate the flooding.

I am mindful that flood protection and control works decisions are taken at the local level and that there are a range of issues or factors that need to be considered when taking immediate remedial or precautionary work.

However, the consequences of these recent experiences have required Civil Defence Emergency Management (CDEM) to be involved. Even when local authority staff and volunteers have done exceptional work to respond to events, the perceived inability to effectively manage the flood protection schemes and waterways has contributed in some places to a lack of public trust in the emergency management system's ability to prepare for and respond to significant weather events.

It is important that, as Minister for Emergency Management and Recovery, I have full confidence that regional and local authorities can make fast, early and well-informed decisions on flood management before and during significant weather events.

For this reason, I am writing to all Council leaders to ask for your frank and honest assessment of your current decision-making processes to effectively manage local waterways to prevent flooding ahead of and during significant weather events. I would also like to hear of any issues and challenges that your Council is addressing to improve decision making, and additional regulatory levers that may be needed.

I would welcome hearing back from you by 30 May 2025. Please send your response to Darren Brunk, Emergency Management and Recovery Private Secretary, emprivatesecretary@parliament.govt.nz

Yours sincerely,

Hon. Mark Mitchell
Minister for Emergency Management and Recovery

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Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister of Transport
Leader of the House
Associate Minister of Finance
Associate Minister for Sport and Recreation

12 May 2025

CORM-3642/CB-COR1369

Gretchen Robertson
Chairperson
Otago Regional Council
By email: Lou.Stewart@orc.govt.nz

Dear Gretchen,

Thank you for your letter of 24 March 2025 to the Minister for the Environment, Hon Penny Simmonds, the Minister of Agriculture, Hon Todd McClay, and me, regarding your request for legislative amendments to override provisions of the *Regional Plan: Water for Otago*.

I understand that my colleague, Hon Penny Simmonds, has considered your request and provided a response on 14 April 2025. I encourage Otago Regional Council to continue engaging with officials at the Ministry for the Environment to explore potential solutions and ensure any ongoing concerns are appropriately addressed.

Thank you for your correspondence on this important issue.

Yours sincerely,

Hon Chris Bishop
Minister Responsible for RMA Reform

Cc: Hon Penny Simmonds, Minister for the Environment
Hon Todd McClay, Minister of Agriculture

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Otago Regional Council

From the Office of the Chairperson

30 April 2025

Hon Chris Bishop
Minister of Transport
Parliament Buildings
Wellington 6011

via Email: Chris.Bishop@parliament.govt.nz

Dear Minister

Change to Land Transport (Road User) Rule 2004 (Part 4) to prioritise bus egress from bus stops

Otago's public transport services are consistently attracting record numbers of users, and more people are choosing public transport as their preferred mode of travel. With lack of bus priority infrastructure and increasing congestion, especially in Queenstown, it is increasingly difficult for buses to re-enter traffic flows from a bus stop. Buses in New Zealand currently rely solely on other road users' courtesy to merge back into general traffic flow when egressing from a bus stop. This compromises service reliability and increases operating costs.

Otago Regional Council wishes to seek a change in legislation (Land Transport (Road User) Rule 2004 (Part 4) to prioritise buses into the traffic flow, to improve the efficiency and effectiveness of substantial government (local and central) investment into public transport.

We draw your attention to New Zealand Transport Agency research report 609.[1] This research project identified and quantified the economic and other benefits that would likely arise from a legislative change allowing buses leaving bus stops to have priority over general traffic. This report provides an evidence-based assessment of the efficiency of a legislation change, concluding that 'give way to bus' legislation provides a viable investment opportunity with resultant nationwide BCRs ranging from 4.0 using LED signage to 4.5 using bus decals to aid compliance. Sensitivity analysis of a variety of input assumptions provided confidence with the BCRs being within a range of 2.9 through 8.7.

The research also concluded any disbenefits to other road users of a law change would be either marginal or negligible.

Public transport has a key role in moving people, connecting communities, and supporting well-functioning urban environments. Reliability is one of the most important attributes for urban buses services. Prioritising bus egress movements would improve the reliability of bus service run times,

[1] Hyde, R. and D Smith (2017) Quantifying the economic and other benefits of enabling priority bus egress from bus stops. New Zealand Transport Agency research report 609. 79pp.

improving operational costs, and competitiveness with private car journeys. It may also defer the need for investment in other bus priority measures in some locations.

Value for money, and economic growth and productivity, are two of the government's key strategic priorities outlined in the Government Policy Statement on land transport 2024-2034. A review of existing regulatory settings and policy decisions to increase the priority of buses on New Zealand's road network is well aligned with these priorities. As co-investors in our region's public transport services Otago Regional Council seek your support to urgently progress a legislation review with a focus to improve the operation and perception of public transport services and optimise investment.

Yours sincerely,



Gretchen Robertson
Chairperson

10.1. Eco Fund Applications Recommendations

Prepared for: Council

Report No. GOV2503

Activity: Governance Report

Author: Libby Caldwell, Manager Environmental Implementation

Endorsed by: Joanna Gilroy, General Manager Environmental Delivery

Date: 21 May 2025

PURPOSE

[1] To seek endorsement of the recommended applications for Council to provide funding to for the ECO Fund March 2025 round.

EXECUTIVE SUMMARY

[2] ECO Fund supports projects that protect, enhance and promote Otago's environment. Council provided $1,059,500 to be awarded as part of the ECO Fund for the March 2025 round. This includes funding for the following funding categories:

a) large-scale biodiversity projects ($450,000),
b) general ($309,500),
c) sustained rabbit management ($100,000),
d) biodiversity enhancement on protected private land ($100,000),
e) critical source area management on private land ($50,000),
f) weed removal and revegetation ($50,000).

[3] The March 2025 funding round received 69 applications seeking a total of $2,872,157 from the $1,059,500 available. The ECO Fund Assessment Panel met on 15 April 2025 to assess the applications. Following this meeting, the Assessment Panel has recommended 28 applications to Council for funding to a total value of $1,059,178 (see paragraph 16). This includes the reallocation of $3,502 and $35,000 from the categories of weed removal and revegetation (Biodiversity operations budget) and critical source area management on private land (Land and Water operations budget) respectively, to other specific ECO Fund funding categories due to undersubscription.

[4] The ECO Fund programme will be reviewed in 2025 to ensure it is fit for purpose and the criteria and categories are appropriate. This is an annual process.

RECOMMENDATION

That the Council:

1) ***Approves*** *the reallocation of $3,502 and $35,000 from the internal budgets of Biodiversity operations and Land and Water operations respectively to provide funding towards the projects from Te Nohoaka o Tukiauau - Sinclair Wetlands and the Manuherekia Catchment Group (option 1 under budget reallocation).*

2) ***Approves*** *the funding recommendations of the ECO Fund Assessment Panel for the March 2025 round to a total value of $1,059,178, as outlined in tables 3 to 8 (option 1 under general recommendations)**.***
3) ***Notes*** *that the annual review of the ECO Fund will be completed by October 2025 and the outcome of this review will be presented to Council for endorsement to enable the funding categories and criteria to be communicated prior to the next round in early 2026.*

BACKGROUND

[5] The ECO (Environment. Community. Otago) Fund supports projects that protect, enhance and/or promote Otago's environment and was established in July 2018. To date, the ECO Fund has funded 166 projects, from 351 applications, totalling $2.59 million out of $7.58 million requested over 10 rounds. On average, each round has been oversubscribed by approximately 300%.

[6] Council provided $1,059,500 to the ECO Fund for the March 2025 round. This includes:

a) large-scale biodiversity projects ($450,000),
b) general ($309,500),
c) sustained rabbit management ($100,000),
d) biodiversity enhancement on protected private land ($100,000),
e) critical source area management on private land ($50,000),
f) weed removal and revegetation ($50,000).

[7] Council approved the funding for the 2025 ECO Fund, and adopted revised eligibility criteria, assessment criteria, terms and conditions and terms of reference for the assessment panel at the Council meeting on the 20 November 2024.

[8] The ECO Fund operates within the ECO Fund Terms and Conditions (**Attachment 1**) and eligibility criteria (**Attachment 2**). The Assessment Panel, made up of three Councillors (Cr Somerville as the Chair, Crs Mepham and Malcolm) and a mana whenua representative (Edward Ellison), followed the ECO Fund process to make the following recommendations to Council.

[9] The Environmental Implementation Team would like to acknowledge all Applicants for their time and effort writing their proposals, and for their commitment to Otago's environment. The Environmental Implementation Team would also like to express its gratitude to all assessors for their thorough review of applications.

DISCUSSION

Applications

[10] The ECO Fund 2025 round was open for applications between 1 and 31 March 2025 via an online application form. A total of 69 applications were received seeking a total of $2,872,157 from the $1,059,500 available as detailed in Table 1 below.

Table 1 – Summary of funds requested for the March 2025 ECO Fund round.

March 2025 Funding Round			
ECO Fund Category	**Number of applications**	**Funds requested**	**Funds available**
Large-scale biodiversity projects	15	$1,665,388	$450,000
General (on-ground and education)	26	$715,886	$309,500
Sustained rabbit management	10	$263,959	$100,000
Biodiversity enhancement on protected private land	12	$156,524	$100,000
Critical source area management on private land	1	$15,000	$50,000
Weed removal and revegetation	5	$55,400	$50,000
TOTAL	**69**	**$2,872,157**	**$1,059,500**

[11] Administration of the ECO Fund is a multi-staged process. This process is detailed in Figure 1 below. This paper and recommendation to Council marks Step 5 in the process.

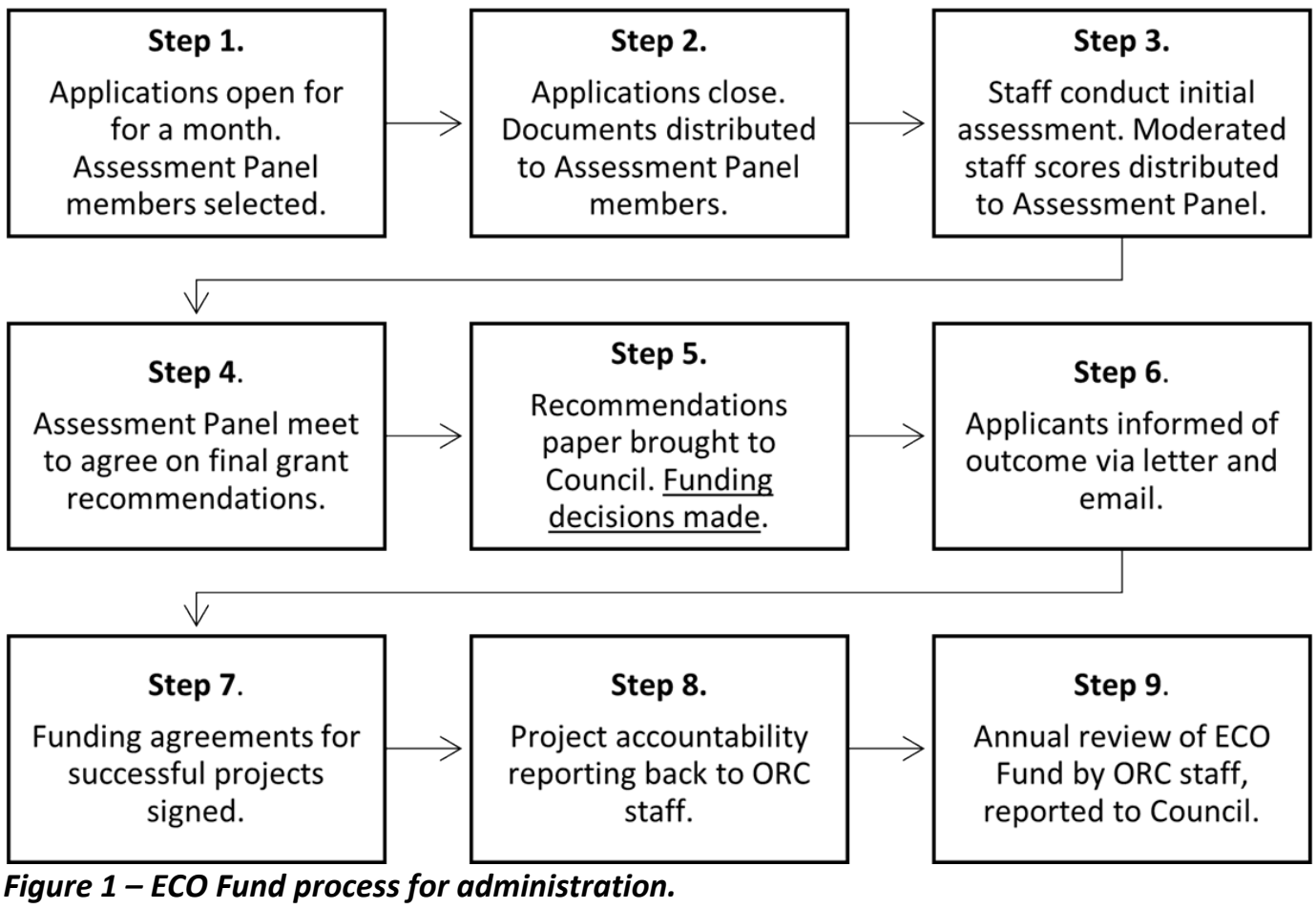


Figure 1 – ECO Fund process for administration.

Assessment and Recommendations

[12] Applications to the ECO Fund were assessed against the criteria listed in **Attachment 3**. Applications were given a score out of 27 for large-scale biodiversity projects; 24 for general, sustained rabbit management, weed removal and revegetation, and 20 for biodiversity enhancement on protected private land and critical source area management on private land. Funding recommendations are determined by how highly an application scores relative to the other applications assessed in the funding round. Applications that did not meet the eligibility criteria (**Attachment 2**) were not considered for funding.

[13] The staff panel included a core panel of three staff members who reviewed each of the 69 applications received. This core panel was supplemented by one ORC staff member with expertise for each of the six funding categories. A total of eight staff have been involved in assessing applications for the 2025 funding round. The staff panel

independently reviewed and scored all eligible applications. They then met on 9 April 2025 to discuss and provide a single moderated staff score for each application to the Assessment Panel. The Assessment Panel, consisting of three Councillors and one mana whenua representative, also independently reviewed and scored applications. The Assessment Panel met on 15 April 2025 to discuss the applications and consider individual and staff panel scores to determine final recommendations for funding to be presented to Council for approval.

[14] Members of the panels disclosed any conflicts of interest prior to reviewing applications. These conflicts were managed as they arose throughout the Panel meetings.

[15] The Assessment Panel did not consider 16 of the 69 applications for assessment. This was because the applications were incomplete or did not clearly meet eligibility criteria.

[16] Following the assessment process for the March 2025 round, the Assessment Panel are recommending 28 applications, as detailed in Tables 3-8 below, for funding at a total value of $1,059,178 (or 26 applications for funding at a total value of $1,018,992 if Council does not endorse the budget reallocation recommended):

Table 2 – Summary of recommendations from the Assessment Panel

Funding category	**Number of applications recommended for funding**	**Total recommended grant amount**
Large-scale biodiversity projects	4	$450,000
General	9 (or 7 if Council does not endorse the budget reallocation)	$348,001 (or $307,816 if Council does not endorse the budget reallocation)
Sustained rabbit management	3	$100,000
Biodiversity enhancement on protected private land	7	$99,757
Critical source area management on private land	1	$15,000
Weed removal and revegetation	4	$46,420
Total	28 (or 26 if Council does not endorse the budget reallocation)	$1,059,178 (or $1,018,993 if Council does not endorse the budget reallocation)

Table 3 – Large-scale biodiversity projects - Recommended projects and funding allocation - March 2025 round

Organisation	**Project Name**	**Project Activity**	**Recommended Grant Amount**
Southern Lakes Sanctuary Trust	Makarora Biodiversity Protection	Pest animal control	$ 105,572
Upper Taieri Wai	Restoring the Upper Taieri Scroll Plain	Weed control and native planting	$ 149,900
Central Otago Wilding Conifer Control Group	Contorta to Native Shelterbelt Transitions	Weed control and native planting	$ 150,000
Yellow-eyed Penguin Trust	Mapping Biodiversity Outcomes at Okia	Pest animal control, native planting	$ 44,528 (part)
Total			**$ 450,000**

Table 4 – General - Recommended projects and funding allocation - March 2025 round

Organisation	Project Name	Project Activity	Recommended Grant Amount
Te Nohoaka o Tukiauau - Sinclair Wetlands	Te Nohoaka o Tukiauau / Sinclair Wetlands	Weed and pest animal control, wetland hydrology enhancement	$ 49,800 (Recommend using underspent funds of $5,968 from Critical Source Area Management on Private Land, underspent funds of $3,502 from Weed Removal and Revegetation, and $40,330 from General)
Predator Free Cromwell	Predator Free Cromwell: Educate, Protect, Restore	Pest animal control	$ 42,791
Whakatipu Wildlife Trust	Building Community Monitoring Capability	Pest animal control and native fauna	$ 39,003
Whakatipu Reforestation Trust	Educate for Nature	Native revegetation	$ 49,500
Matukituki Charitable Trust	Innovation in the Matukituki Valley	Pest animal control	$ 49,490
Manuherekia Catchment Group	Keeping Orkney Wetland Flourishing	Weed control, wetland hydrology enhancement	$ 29,032 (Recommend using underspent funds of $ 29,032 from the Critical Source Area Management on Private Land)
Tomahawk-Smaills BeachCare Trust	Growing Habitat for New Zealand Sea Lions	Native planting	$ 48,200
Tucker Beach Wildlife Trust	Tucker Beach Wildlife Reserve Restoration	Weed control and native planting	$ 37,200
Dunedin Environment Centre Trust	Kaikorai Estuary Restoration Project	Native planting	$ 2,985
Total			**$ 348,001**

Table 5 – Sustained rabbit management - Recommended projects and funding allocation - March 2025 round

Organisation	Project Name	Project Activity	Recommended Grant Amount
Peregrine neighbours ECO group	Peregrine neighbours ECO group	Pest animal control	$ 42,570
Te Rūnanga o Ngāi Tahu	Kātiki Point Rabbit-proof Fencing and Planting	Pest animal control	$ 23,560 (part)
Titri Pest Management Group	Titri Pest Management	Pest animal control	$ 33,870 (part)
Total			**$ 100,000**

Table 6 – Biodiversity Enhancement of Protected Private Land - Recommended projects and funding allocation - March 2025 round

Organisation	Project Name	Project Activity	Recommended Grant Amount
Sutton Creek Trust	Jones Tors Covenant	Native planting and threatened species	$ 9,757
Remarkables Station National Trust Limited	Remarkables Station Sycamore Control	Weed control	$ 15,000
Reid Family Trust	Porteous Road Restoration Project	Native planting	$ 15,000
Matai Hill Trust	Matai Hill Restoration Project	Native planting	$ 15,000
Waitati Beach Reserve Society	Waitati Beach Reserve Habitat Restoration	Weed control and native planting	$ 15,000
Hazeldale Farming Limited	Hazeldale Fen Fencing	Fencing	$ 15,000
Makarara Farm	Makarara Farm QEII Enhancement	Native planting	$ 15,000
Total			**$ 99,757**

Table 7 – Critical source area management on private land - Recommended projects and funding allocation - March 2025 round

Organisation	Project Name	Project Activity	Recommended Grant Amount
Cardrona Alpine Resort Ltd	Pringles Creek Native Plant Restoration	Water quality	$15,000
Total			**$ 15,000**

Table 8 – Weed removal and revegetation - Recommended projects and funding allocation - March 2025 round

Organisation	Project Name	Project Activity	Recommended Grant Amount
Dog Owners Group Cape Wanbrow	DOG Cape Wanbrow	Native planting	$ 400
Otokia Creek and Marsh Habitat Trust	Weed removal on the Otokia Marsh	Weed control	$ 15,000
Ida Valley Catchment Group	Poolburn gorge willow removal and revegetation	Weed control	$ 15,000
Deborah Bay Residents' Association	DBRA Sycamores	Weed control	$ 16,020
Total			**$ 46,420**

[17] Applications could be transferred from one category to another if they met the eligibility criteria. For the March 2025 round, the Assessment Panel did not move any application from one category to another, as no unsuccessful application met the criteria of any of the undersubscribed funding categories.

[18] The Critical Source Area Management on Private Land (funded through the Land and Water Operations budget) and Weed Removal and Revegetation (funded through the Biodiversity Operations budget) categories had funds remaining due to undersubscription. After assessment by staff and the Assessment Panel, it was determined that no project from the General funding category met the eligibility criteria of these undersubscribed funding categories. It is therefore recommended that the remaining funds ($35,000 from the Land and Water Operations budget and $3,502 from

the Biodiversity Operations budget) be reallocated to the Nohoaka o Tukiauau – Sinclair Wetlands and Manuherekia Catchment Group projects (for which applications were made under the General funding category, and which scored highly enough to qualify for funding) as these projects give effect to the objectives of both undersubscribed funding categories.

[19] If Council does not endorse the reallocation of budget to enable full funding to the Te Nohoaka o Tukiauau – Sinclair Wetlands and Manuherekia Catchment Group projects the recommendations for which projects to fund will change. If this is the case it would be recommended that the General funding category of the ECO Fund with its original $309,500 would support funding the seven highest-scoring projects. This would include the projects from Te Nohoaka a Tukiauau – Sinclair Wetlands and Manuherekia Catchment Group. This means that if the funds are not reallocated the projects from Tucker Beach Wildlife Trust and Dunedin Environment Centre Trust would not be recommended for funding as they were lower scoring. A summary of applications recommended for funding under the General funding category is provided in **Attachment 4**, if Council decides to not approve the reallocation of budget.

[20] The amount of funding recommended to be granted to three projects is less than that requested. These are projects from:

a) Yellow-eyed Penguin Trust
b) Te Rūnaka o Ngāi Tahu
c) Titri Pest Management Group

[21] It is recommended that the projects from the Yellow-eyed Penguin Trust and Titri Pest Management Group receive part funding due to their applications being ranked lowest within the limit of funds available, this is why they are only being offered funding for the remaining balance of funds available. It is recommended to fund the part of the project from Te Rūnaka o Ngāi Tahu that directly aligns with the sustained rabbit management funding category objectives (i.e. rabbit fencing) and to exclude the costs associated with native planting from funding. The recommended funding for all three projects is shown in Tables 3 and 5.

[22] A summary of applications recommended to be declined from the March 2025 round of ECO Fund is provided in **Attachment 5**. A map showing the location of all 69 applications received is provided in **Attachment 6** which shows the regionwide spread of where applications have been received from.

ECO Fund Review

[23] The ECO Fund is reviewed annually with the last major review being late 2024. Changes were approved by Council and were implemented in the March 2025 round.

[24] An annual review following the 2025 funding round will commence following the approval of the 2025 round projects and once the funding agreements have been issued to successful applicants for 2025. Staff intend to undertake this review by October 2025 and findings and recommendations will be presented to Council. The review will be completed in time to implement any changes prior to the next ECO Fund round.

[25] The annual review will include, but may not be limited to:

a) Alignment of ECO Fund with the ORC Large-scale Environmental Funding Review, if required.

b) Review of applicant's status, particularly the timing of final report acceptance for past grant recipients to be eligible to ECO Fund.
c) Review of assessment criteria to address the scoring of ex-situ biodiversity conservation projects.
d) The opportunity to have a funding category that supports a coordinated/community approach to controlling pests as defined in the Regional Pest Management Plan.

OPTIONS

Budget reallocation

[26] Option One (recommended) – approve the reallocation of budget to fund the projects of Te Nohoaka o Tukiauau - Sinclair Wetlands and the Manuherekia Catchment Group. This option enables Council to maximise the amount of funding distributed to the Otago community for the March 2025 funding round.

[27] Option Two – decline the reallocation of budget and do not fund the projects of the Tucker Beach Wildlife Trust and Dunedin Environment Centre Trust (as per **Attachment 4**). This option enables Council a saving of $40,185.

Recommendations

[28] Option One (recommended) – endorse the recommendations of the Assessment Panel to award funding to the 28 applications as listed in paragraph 16 (Tables 3-8), to a total value of $1,059,178.

[29] Option Two – reject the recommendations of the Assessment Panel and direct the Panel to reassess the applications.

[30] Option Three – reject the recommendations of the Assessment Panel and provide the funding allocated to ECO Fund as savings for this financial year.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[31] This paper does not trigger Strategic Framework or Policy Considerations.

Financial Considerations

[32] Through the Long-Term Plan 2024-34 and a subsequent paper presented to Council on the 20 November 2024, Council has approved the allocation of a total of $1,059,500 for the March 2025 ECO Fund round.

Significance and Engagement Considerations

[33] This paper does not trigger ORC's Policy on Significance and Engagement.

Legislative and Risk Considerations

[34] This paper does not trigger legislative considerations.

Climate Change Considerations

[35] The administration of the ECO Fund aims to deliver projects to improve the resilience of local ecosystems and indigenous biodiversity, which overall contributes to climate change adaptation.

Communications Considerations

[36] All successful and unsuccessful applicants to the March 2025 round will be communicated with to inform them of the outcome and provide the option for feedback.

NEXT STEPS

[37] Following a final Council decision on funding, Staff will progress the next steps of the ECO Fund process detailed in Figure 1. The immediate next steps will be to advise applicants of the outcomes and to draw up funding agreements with successful applicants.

[38] Staff will start the annual review of the ECO Fund process to identify and act on opportunities for improvement. This review and subsequent improvements will be presented to Council for endorsement prior to the next ECO Fund round in early 2026.

ATTACHMENTS

1. ECO Fund 2025 Terms and Conditions [**10.1.1** - 3 pages]
2. ECO Fund 2025 Eligibility criteria [**10.1.2** - 3 pages]
3. ECO Fund 2025 Assessment criteria [**10.1.3** - 5 pages]
4. ECO Fund 2025 Alternative funding table for the General funding category [**10.1.4** - 1 page]
5. ECO Fund 2025 List of applications declined [**10.1.5** - 4 pages]
6. ECO Fund 2025 Map Application Project Locations [**10.1.6** - 1 page]

ECO Fund 2025 - Terms and Conditions

General

- The ECO Fund aims to protect, enhance and promote Otago's environment.
- The ECO Fund is made up of six funding categories:
    - General (on-ground and education)
    - Large-scale biodiversity
    - Biodiversity enhancement on protected private land
    - Sustained rabbit management
    - Critical source area enhancement on private land
    - Weed removal and revegetation.
- Funding is capped per project, as follows:
    - $15,000 for 'biodiversity enhancement of protected private land', 'critical source area enhancement on private land', and 'weed removal and revegetation' categories.
    - $50,000 for 'general' and 'sustained rabbit management' categories
    - Between $50,000 to $150,000 for 'large-scale biodiversity' category.

Applications

- Applicants can only submit one application per funding round.
- Applicants can not submit additional information to support their application once they have lodged their application.
- Applicants must disclose any other funding they have applied for or received for their project.
- If an applicant is unsuccessful in one round of the ECO Fund, they may apply again in a subsequent funding round.

Assessment

- Applications are assessed by the ECO Fund Assessment Panel. The assessment is limited to the content of the application.
- Applications that do not meet the funding category eligibility criteria are deemed ineligible.
- All eligible applications are assessed and ranked against the ECO Fund assessment criteria for the relevant funding category.
- If an application is not successful in the category it has been applied to, but it meets eligibility criteria for other funding categories, it may be moved by the ECO Fund Assessment Panel to another funding category to increase its chances of funding. It is then reviewed against the assessment criteria of the new funding category.
- There is no obligation for the Otago Regional Council to contact an applicant to request an update for their application to become eligible.

Decision

- Decisions are made by Council, based on recommendations made by the ECO Fund Assessment Panel.
- Decisions made by Otago Regional Council are final and are made at our sole discretion.
- Applicants may not speak to their applications at the Council meetings or approach representatives on Council to speak on their behalf.

Grant offer

- Grants are approved subject to the Otago Regional Council being satisfied that the information given by recipients is true and correct. Otago Regional Council reserves the right to refuse grant funding, and/or request return of grant funding where it determines that it has been misled, that the applicant or recipient has omitted relevant information, or if the recipient enters into receivership, liquidation or ceases to exist (e.g., removed from register).
- A letter of offer and funding agreement will be sent to successful applicants, detailing the general and specific obligations for both parties.
- Pre-conditions may be added to a funding agreement. The grant recipient will need to meet the pre-conditions prior to being able to claim the funding, which could delay the start of the project. Types pre-conditions include, but are not limited to, those addressing:
    - Health and safety plans for contractors' requirements
    - Resource consent or any formal approvals required (e.g. EPA approval for the use of herbicides by waterways)
    - Management agreements / written permissions from the landowner(s)
    - Insurance
    - Native plants to be used in the project.
- Obligations and responsibilities of successful applicants include, but are not limited to, that they must:
    - accept the grant by signing a funding agreement.
    - pay all costs associated with the project.
    - complete their project within the time specified.
    - meet at least once with ORC staff to discuss progress to date.
    - submit progress reports, where applicable, and a final report on the project outcomes to ORC within a specified timeframe, and account for how funds were spent.
    - report on their project at a council meeting, if requested.
    - acknowledge the grant in publications and any media release relating to the use of the funds.
    - agree to Otago Regional Council promoting their project.
- Funds granted expire six (6) months after Council approval. If the applicant fails to comply with the relevant terms and conditions of the funding agreement, including any pre-conditions, within 6 months (unless otherwise agreed), the funding lapses.
- For multi-year funding, funds will be released annually conditional upon appropriate progress reports being submitted and accepted. The progress report will demonstrate that:
    - milestones have been met or meaningful progress has been made, and
    - funding for the past year has been fully expended, as agreed.

- Applicants must have a bank account, or ability to establish one. ECO Fund grants will be transferred to a bank account in the name of the applicant. Grant funds will not be paid into individuals bank accounts, corporate bank accounts, unless otherwise agreed with ORC.
- If work funded is not completed within the specified time frame or funds are not spent as agreed, Otago Regional Council reserves the right to demand the return of funds.

Eligibility criteria – ECO Fund 2025 Funding Round

General Eligibility Criteria – apply to all funding categories

- Project must be located in Otago.
- Project cannot be funded for more than 3 years in duration.
- Project must align with the objectives of the relevant funding category (these can be found under the specific eligibility criteria).
- Management agreement(s) or relevant written permission(s) that allow the project to be completed on site must be in place before submitting your application.
- Wages are capped at:
    - $50,000 for the General and Large-scale Biodiversity funding categories
    - $15,000 for all other funding categories
- Maintenance costs for projects previously funded by ECO Fund will only be funded up to two times.
- Final reports for any previous ECO Fund grants received must be submitted using the template provided and accepted before the assessment of new applications takes place.

The following will not be funded:

- Activities required by legislation, regulation, consent conditions or compliance direction
    - Rabbit control costs, includes poisons (e.g. Pindone, Magtoxin) and shooting or rabbit contractor costs
- Resource consent or bylaw amendment application fees
- Projects for commercial or private gain
- Seed capital
- Non-native plants (unless assessed as appropriate for project outcomes and for improved environmental outcomes)
- Amenity purposes (e.g. cycleway, bridge, amenity planting)
- Retrospective costs for any projects

Specific Eligibility Criteria

Funding category objectives

Funding category	Objectives
General (on-ground and education)	• To protect and enhance Otago's environment. • To enable community-led environmental activities.
Large Scale Biodiversity Projects	• To protect and enhance native biodiversity. • To enable larger scale projects for significant biodiversity outcomes aligned with regional priorities.
Biodiversity enhancement on protected private land	• To enhance existing protected areas of biodiversity on private land. • To enable private landholders to maintain existing biodiversity.
Sustained rabbit management	• To manage rabbit populations in new or existing community programme areas. • To enable landowners and community to work together to manage rabbit populations.
Critical source area management on private land	• To improve water quality. • To support private landholder to manage critical source areas for native biodiversity.
Weed removal and revegetation	• To improve native vegetation through removal of weeds / pest plants and rehabilitation. • To increase area of native terrestrial biodiversity.

Funding category applicants and projects criteria

Criteria	Funding Categories					
	General	Large scale biodiversity projects	Biodiversity enhancement on protected private land	Sustained rabbit management	Critical source area management on private land	Weed removal and revegetation
Applicants						
Incorporated societies	✓	✓	✓	✓	✓	✓
Registered charitable trusts	✓	✓	✓	✓	✓	✓
Resident and ratepayer groups	✓	✗	✗	✓	✗	✓
Unincorporated groups	✓	✗	✗	✓	✗	✓
Iwi/hapū	✓	✓	✓	✓	✓	✓
Educational institutions	✓	✗	✗	✗	✗	✓
Private / individual landholders	✗	✗	✓	✗	✓	✗
Groups of private landholders (multiple adjacent landholdings)	✗	✗	✓	✓	✓	✗

Criteria	Funding Categories					
	General	**Large scale biodiversity projects**	**Biodiversity enhancement on protected private land**	**Sustained rabbit management**	**Critical source area management on private land**	**Weed removal and revegetation**
Private landowners of property/ies with the following status: • Māori customary land • Māori freehold land • Crown land reserved for Māori • Land within the boundary of an original native reserve, if that land is still owned or partly owned by Māori	✗	✗	✓	✓	✓	✗
State-owned enterprises	✗	✗	✗	✗	✗	✗
Government agencies	✗	✗	✗	✗	✗	✗
Territorial authorities	✗	✗	✗	✗	✗	✗
Projects						
Projects must engage or involve the community	✓	✓	✗	✓	✗	✓

Project Assessment Criteria, Guidance and Suggested Scoring – ECO Fund 2025 funding round

	Criteria	Guidance	Suggested Scoring This is a guide only as applications may not clearly or easily fit a specific score description	Applies to
1	**Project objectives align with the funding category environmental outcomes**	• This criterion aims to assess how well the objectives of the project will meet or deliver on the environmental outcomes sought from the funding category. • Refer to the stated project objectives. • NOTE: the objectives are different for each funding category.	4 – Objectives directly address relevant environmental outcomes sought (as per funding category) 3 – Objectives are mostly relevant to the environmental outcome sought 2 – Objectives indirectly address the relevant environmental outcome sought 1 – Project objectives are limited in terms of achieving environmental outcomes sought for the funding category 0 – Objectives are irrelevant (ineligible project)	All funding categories
2	**Applicant Capacity** (Feasibility)	• This criterion aims to assess if the project would be able to achieve the stated objectives within the timeframe, and the resources available (people, funds, knowledge). • Issues that might affect timing to be considered could include if consent is required? (e.g. resource consent, Flood Protection Management Bylaw approval, herbicides use by waterways), do they have that consent? do they have land owner agreement? etc. • Also consider experience of the applicant (track record) and/or expertise consulted or utilised in the project. • An unknown 'track record' does not necessarily result in a lower score.	4 – Highly likely to achieve outcomes sought based on applicants' capability, and/or project being technically simple, appropriate expertise involved and/ or evidence of past achievements (track record). 3 – Applicant is most likely able to achieve the outcomes sought, project is relatively simple, or some additional training, expertise or capacity development may be required. Track record might be patchy. 2 – Applicant could achieve the objectives, but the project may be technically difficult, and expertise required has not been sought or is not directly appropriate. Track record, if known, is questionable. 1 – Capacity of the applicant is questionable for the nature of the project, objectives are unlikely to be achieved within the timeframe, project is technically difficult, and no evident relevant expertise involved.	All funding categories

	Criteria	Guidance	Suggested Scoring This is a guide only as applications may not clearly or easily fit a specific score description	Applies to
			0 — Project is not feasible, unrealistic, or unachievable (ineligible project)	
3a	**Impact of the project – scale**	• This criterion aims to assess the geographical extent of the project. • This criterion is for on-ground type projects.	4 — Project site is >100ha 3 — Project site is >10 – 100ha 2 — Project site is 1 – 10ha 1 — Project site is less than 1 ha 0 — Project scale is unclear (score is null)	All funding categories, except General – Education (see Criterion 3b)
3b	**Impact of the project – scale**	• This criterion aims to assess the geographical extent of the project. • This criterion is for education / capacity building type projects. • It is assumed project develop and deliver education material or events. • On-ground projects with an education component will be assessed against both 3a and 3b and the highest score taken	4 — Project plan to engage with a district or region wide audience 3 — Project plan to engage with a town / locality wide audience 2 — Project plan to engage with a Group / School / Organisation wide audience 1 — Project plans to engage with people, but numbers or audience is not known / estimated 0 — No engagement or audience (ineligible project)	General - Education

	Criteria	Guidance	Suggested Scoring This is a guide only as applications may not clearly or easily fit a specific score description	Applies to

4	**Biodiversity and cultural environmental values**	• This criterion aims to assess the benefits the project might provide, beyond achieving the funding objectives, in terms of native biodiversity and cultural values.
		• This criterion assesses how the projects promotes, protects or enhances native biodiversity and/or cultural environmental values.
		• A project that promotes additional values is taken to be an education or capacity building type project or activity.
		• Additional values include:
		  ○ Biodiversity focus areas (refer to ORC mapping).
		  ○ Cultural environmental values, i.e. supports mahika kai species and/or habitat, supports taoka species and/or habitat.
		• NOTE: For large scale biodiversity projects only consider the cultural values present (or not) as Criterion 5 will assess the biodiversity values in more detail for these projects
			2 Project promotes, protects or enhances native biodiversity, in or focussed on a biodiversity focus area AND cultural environmental values
			1 Project is in or focussed on a biodiversity focus area OR cultural environmental values (not both)
			0 Project does contribute to any biodiversity and cultural environmental values
				All funding categories

5	**Special biodiversity values**	• This criterion aims to assess, special biodiversity values associated with a biodiversity project.
		• Special biodiversity values include:
		  • at-risk or threatened species,
		  • rare or much reduced ecosystem types,
		  • important or distinctive habitat types.
			4 Project addresses a first-tier biodiversity priority:
			• threatened naturally uncommon system,
			• habitats of threatened taxa endemic to Otago,
			and habitats of ‘Nationally Critical’ threatened species.
				Large scale biodiversity projects

<table>
<tr><th></th><th>Criteria</th><th>Guidance</th><th>Suggested Scoring
This is a guide only as applications may not clearly or easily fit a specific score description</th><th>Applies to</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>3</td><td>Project addresses a second-tier biodiversity priority: all other naturally uncommon ecosystems, and ‘much reduced’ ecosystems.</td></tr>
<tr><td>2</td><td>Project addresses a third-tier biodiversity priority: all other biodiversity focus areas.</td></tr>
<tr><td>1</td><td>Project does not address a biodiversity priority but has clear biodiversity outcomes.</td></tr>
<tr><td>0</td><td>Project does not address a biodiversity priority and has no clear biodiversity outcomes (ineligible project)</td></tr>
</table></td><td></td></tr>
<tr><td>6</td><td>Level of community engagement</td><td>• This criterion aims to assess how much community involvement is being proposed.
• This criterion is about assessing the involvement of community engagement in the project as opposed to assessing the community or groups who may be the focus of the project – e.g. audience for education campaign.</td><td><table>
<tr><td>4</td><td>Project is led by and includes multiple community groups.</td></tr>
<tr><td>3</td><td>Project is led and implemented by one community group</td></tr>
<tr><td>2</td><td>Not led by community but involves community in the implementation or multiple property owners</td></tr>
<tr><td>1</td><td>No community groups involved but outcomes will benefit or be utilised by the community.</td></tr>
<tr><td>0</td><td>No community involvement or benefit (ineligible project)</td></tr>
</table></td><td>- General – On ground
- General - Education
- Large scale biodiversity projects
- Sustained rabbit management
- Weed removal and revegetation</td></tr>
<tr><td>7</td><td>Value for money</td><td>• This criterion aims to assess the level of investment contributed by the applicant, as a measure of value for money.
• Applicant investment can include in-kind contributions such as labour or volunteer hours, monetary input from the group itself or project partners.</td><td><table>
<tr><td>4</td><td>Applicant contribution is greater than 51% of total project cost.</td></tr>
<tr><td>3</td><td>Applicant contribution is between 34% and 50% of total project cost</td></tr>
<tr><td>2</td><td>Applicant contribution is between 11% and 33% of total project cost.</td></tr>
<tr><td>1</td><td>Applicant contribution is up to 10% of total project cost.</td></tr>
</table></td><td>All funding categories</td></tr>
</table>

	Criteria	Guidance	Suggested Scoring This is a guide only as applications may not clearly or easily fit a specific score description	Applies to
		• Contributions from other grants are **not** considered applicant's investment and should not be used to leverage funding.	0 — Project relies solely on ECO Fund and other grants (not necessarily ineligible, but score is null)	
8	**New applicants**	• This criterion aims to assess the status of applicants in terms of past success with an ECO Fund application. • ECO Fund aims to encourage new applicants to access funding, however, recognises that previous applicants are also typically involved in good works and maintaining momentum can be good.	2 — New applicant or previously unsuccessful applicant to the ECO Fund (with eligible project). 1 — Previous successful applicants with all requirements completed on time. 0 — Previous successful applicant with outstanding / late reports as at the date of Assessment Panel (ineligible project)	All funding categories

Alternative funding table for the General funding category – March 2025 round, if the transfer of funds is not endorsed

Organisation	Project Name	Project Activity	Recommended Grant Amount
Te Nohoaka o Tukiauau - Sinclair Wetlands	Te Nohoaka o Tukiauau / Sinclair Wetlands	Weed and pest animal control, wetland hydrology enhancement	$ 49,800
Predator Free Cromwell	Predator Free Cromwell: Educate, Protect, Restore	Pest animal control	$ 42,791
Whakatipu Wildlife Trust	Building Community Monitoring Capability	Pest animal control and native fauna	$ 39,003
Whakatipu Reforestation Trust	Educate for Nature	Native revegetation	$ 49,500
Matukituki Charitable Trust	Innovation in the Matukituki Valley	Pest animal control	$ 49,490
Manuherekia Catchment Group	Keeping Orkney Wetland Flourishing	Weed control, wetland hydrology enhancement	$ 29,032
Tomahawk-Smaills BeachCare Trust	Growing Habitat for New Zealand Sea Lions	Native planting	$ 48,200
Total			**$ 307,816**

2025 ECO Fund – List of applications declined

Organisation	Project name	Project activity	Amount requested (excl. GST)	Recommendation
Large-scale biodiversity projects				
Catlins Coast Inc.	Catlins Possum Catch	Pest animal control	$ 119,477	Decline - rank
Hereweka Harbour Cone Management Trust	Hereweka Harbour Cone Coordination	Weed control and native planting	$ 90,000	Decline - rank
Kāti Huirapa Rūnaka ki Puketeraki	Te Tai o Araiteuru – Te Kaupapa o kā pūaha ika	Native enhancement	$ 84,270	Decline - rank
Mana Tāhuna Charitable Trust	Wai Whakaata Lake Hayes Catchment Restoration	Native planting, water quality	$ 126,603	Decline - rank
Mid Taieri Wai (Strath Taieri Agriculture & Rural Tourism Trust)	Shannon Stream Restoration Project	Native planting	$ 150,000	Decline - rank
Otago Peninsula Biodiversity Trust	OPBG Multi Species Pest & Tree Planting Project	Pest animal control, native planting, and threatened species	$ 101,887	Decline – ineligible Application does not include management agreement for work.
Save The Otago Peninsula Society Incorporated	Smiths Creek Catchment Revegetation Project	Native planting	$ 50,000	Decline - rank
Te Rūnanga o Ōtākou Inc	Te Nukuroa o Matamata	Pest animal control and native planting	$ 125,120	Decline - rank
The Landscape Connections Trust	The Halo Project - Mihiwaka/ Kāpukataumahaka	Weed control and native planting	$ 150,000	Decline - rank
The Wildlife Hospital Trust	Critical Hoiho Chick Interventions 2025	Threatened species	$ 50,000	Decline - rank
Waikouaiti Golf Club Inc	Waikouaiti Golf Club Native Tree Planting	Native planting	$ 123,750	Decline – ineligible Application does not meet the objectives of the funding category applied for.

Organisation	Project name	Project activity	Amount requested (excl. GST)	Recommendation
General				
Aspiring Beginnings Early Learning Centre	Water Sustainability Resources	Water use	$ 1,411	Decline – ineligible Application does not meet the objectives of the funding category applied for.
Daniels Spur Multisport Trapping Group	Daniels Spur multisport trapping group	Pest animal control	$ 3,000	Decline - rank
Farm Nutrient Advisory Ltd	Farming for a Successful Future	Soil health and water quality	$ 8,000	Decline - ineligible The project provides benefits to commercial activities.
Haehaeata Natural Heritage Trust	Improvements for biodiversity in Central Otago	Community plant nursery and native planting	$ 50,000	Decline - rank
Hawea Flat Primary	Water project	Water use	$ 2,000	Decline – ineligible Application does not meet the objectives of the funding category applied for.
Mokihi Reforestation Trust	Project Mokihi Restoration Sites - Support Costs	Native planting	$ 30,654	Decline - rank
NZ Landcare Trust	East Taieri Quarry Creek Wetland Project	Water quality, native planting	$ 35,023	Decline – ineligible Application does not include management agreement for work.
Otago South River Care	Identifying Habitat Sites of Freshwater Species	Threatened species	$ 16,167	Decline - rank
Palmerston School	Palmerston Community Pātaka Kai	Fruit and vegetables production	$ 10,000	Decline – ineligible Application does not meet the objectives of the funding category applied for.
Ravensbourne School	Coastal Sustainability	Fruit and vegetables production	$ 10,000	Decline – ineligible Application does not meet the objectives of the funding category applied for.
St Clair Golf Club	St Clair golf club native planting	Native planting	$ 30,000	Decline - rank

Organisation	Project name	Project activity	Amount requested (excl. GST)	Recommendation
Te Kura Tuatahi o Te Koau Grant's Braes School	Te Koau Kahere Tuko Iho Heritage Forest of Te Koau	Native planting	$ 7,151	Decline - rank
The Planetary Accounting Network	Planetary Accounting for Schools	Education on environment	$ 16,700	Decline - rank
Town Belt Kaitiaki	Town Belt Kaitiaki	Education involving native planting, ecological monitoring	$ 50,000	Decline - rank
WAI Wānaka	Lake Hāwea Predator Free Catchment Plan (Year 1)	Pest animal control	$ 45,777	Decline - rank
Whakatipu Wilding Control Group (WCG)	Upper Ben Lomond Wilding Project '25	Pest plant control	$ 50,000	Decline – ineligible Application seeks funding for activities required by the ORC RPMP 2019.
Sustained rabbit management				
Bronwyn and Murray Judge Partnership and NZRLC	Rabbit Fence Bluff Hills Rangimarie Eco Sanctuary	Pest animal control	$ 25,404	Decline - rank
Clarendon Rabbit Free	Clarendon Rabbit Free	Pest animal control	$ 10,400	Decline - rank
Friends of Cromwell Cemetery	Cromwell Cemetery Rabbit Control	Pest animal control	$ 42,300	Decline – ineligible Application does not meet the objectives of the funding category applied for.
Kirimoko Catchment Group	Kirimoko Cattle Stops	Pest animal control	$ 24,460	Decline - rank
Local Landowners Rabbit Control Group	Local Landowners Rabbit Control Group	Pest animal control	$ 7,556	Decline - rank
Mt Charles	Mt Charles	Pest animal control	$ 15,000	Decline - rank
Wilden Lodge Grazing	Wilden Lodge	Pest animal control	$ 30,000	Decline – ineligible Application does not meet the objectives of the funding category applied for.

Organisation	Project name	Project activity	Amount requested (excl. GST)	Recommendation
Biodiversity enhancement on protected private land				
Lake Hāwea Station	Lake Hāwea Station Grand Skink restoration	Native planting, pest animal control, and threatened species	$ 15,000	Decline - ineligible Application does not meet the objectives of the funding category applied for.
Moanariri Crib Owners Association	Moanariri (Bull Creek) biodiversity project	Weed control, pest animal control, and native planting	$ 6,780	Decline - ineligible Application does not meet the objectives of the funding category applied for.
Penguin Rescue	Penguin Protection	Pest animal control	$ 5,000	Decline - ineligible Application does not meet the objectives of the funding category applied for.
Puawanaga Ltd	Puawanaga track and fenceline	Pest animal control	$ 15,000	Decline - rank
The Otago Peninsula Eco Restoration Alliance	Land Stabilisation to Protect Biodiversity	Erosion control	$ 14,988	Decline - ineligible The project provides benefits to commercial activities.
Weed removal and revegetation				
Land Rover Owners Club Otago	Land Rover Otago: Connecting People and the Land	Weed control and native planting	$ 10,000	Decline – ineligible Application does not meet the "community involvement" criterion.

2025 ECO Fund Application Project Locations

Otago Regional Council



Funding not recommended

Recommended funding

0 15 30 60
Kilometres

Information on this map may not be used for the purposes of any legal disputes. The user should independently verify the accuracy of any information before taking any action in reliance upon it.
This map was generated for A4 printing on 28/04/2025 at the scale of 1:1,400,000.

10.2. Site led programme update and funding recommendation for 2024/25

Prepared for:	Council
Report No.	GOV2530
Activity:	Governance Report
Author:	Libby Caldwell, Manager Environmental Implementation
Endorsed by:	Joanna Gilroy, General Manager Environmental Delivery
Date:	21 May 2025

PURPOSE

[1] To provide an update on the current Site-Led Terrestrial Pest Management Programmes and to seek approval for the allocation of Site-Led budget to the areas as defined within the Otago Regional Pest Management Plan 2019-2029.

EXECUTIVE SUMMARY

[2] The Site-Led Terrestrial Programme is part of the Otago Regional Pest Management Plan 2019-2029 (RPMP) and seeks to manage pests to avoid, mitigate or prevent damage to the indigenous ecosystem values at specific sites. The current specific sites for terrestrial site led programmes include – West Harbour – Mt Cargill, Otago Peninsula and Quarantine and Goat Island.

[3] The budget allocated to deliver Site-Led outcomes is $200,000. This was approved through the Long-Term Plan 2024-2034. The Site-Led Working Group recommends that Council approve the allocation of $193,437 of this budget through a direct funding model to support community groups undertaking pest management:

a. $59,626 is proposed to fund a second year (2025-26) to support ongoing work within the first-round of sites: Aramoana and Sandymount – Sandfly Bay.
b. $133,811 is proposed to initiate the programme at the second-round of sites: Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka.

[4] This is the second year that the Site-Led programme has provided funding to community groups and organisations to achieve RPMP objectives.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report and progress made to support the Site-Led Terrestrial Programmes to date.*
2) ***Approves*** *the allocation of $59,626 to support biosecurity work on the first round of sites funded last financial year: Aramoana and Sandymount – Sandfly Bay sites.*
3) ***Approves*** *the allocation of $133,811 to support the initiation of work at the second round of sites: Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka.*

BACKGROUND

[5] The Site-Led programme is part of the Otago Regional Pest Management Plan 2019-2029 (RPMP) and seeks to manage Site-Led animal and plant pests to avoid, mitigate or prevent damage to the indigenous ecosystem values at specific sites (West Harbour – Mt Cargill, Otago Peninsula and Quarantine and Goat Island). These sites have high biodiversity value as identified through the development of the RPMP and are home to a range of ecosystem types and forest remnants, containing diverse indigenous flora and fauna, including rare and threatened Hoiho (Yellow-eyed Penguin), Pakake (New Zealand Sealion), and Toroa (Northern Royal Albatross).

[6] Through the development of the RPMP site led programmes were defined through the publicly consulted process and the pest species to be focussed on were defined through this process. The Biosecurity Strategy in Appendix 2 (Attachment 9) provides guidance for the inclusion of site-led programmes in the Pest Management Plan. It is important that for any new site-led area to be considered that it meets all the requirements of the Biosecurity Act. The guidance in the Biosecurity Strategy includes:

a) The area has significant value at a community, district, regional or national scale. For example:
   i. Significant indigenous vegetation
   ii. Significant habitats of indigenous fauna.
   iii. Outstanding natural character, features and landscapes.

b) There is strong volunteer and/or community support for the programme, including from landowners who are willing to provide access to private property.

c) The programme will result in environmental, social and/or cultural benefits.

d) The programme meets the requirements of the Biosecurity Act 1993 and the National Policy Direction for Pest Management 2015.

e) There is an agreement with the Otago Regional Council about:
   i. How the site will be managed.
   ii. How the programme will be delivered.
   iii. The nature and level of support needed from ORC.

f) The programme is resourced for its duration.

[7] The key role of Council in the Site-Led programmes is education and advocacy, to guide and support collaboration for community groups and agencies in bringing about the desired level of environmental protection to these sites. This is outlined in the Site-Led programme Action Plan 2024-25 (Appendix 1), in support of the Biosecurity Strategy 2019 (Action 3.4.1), the Biosecurity Operational Plan 2023-2024 (Objective 3.5.1), and RPMP objectives (Appendix 2).

[8] A Working Group was established in 2023 in partnership between mana whenua and Council, with representatives from Te Rūnanga o Ōtakōu and Kāti Huirapa Rūnaka ki Puketeraki. The purpose of the Working Group is to provide guidance for the delivery

and implementation of the Site-Led programme and to make recommendations on funding.

[9] Significant time has been invested by the working group since 2024 in site-led programmes. This process involved:

a) On 8 February 2024, the Environmental Implementation Committee approved allocation of $146,200 from the 2023/24 budget for the Site-Led programme (see EIC Minutes 2024 02 08). This paper seeks to do the same for the current financial year.
b) The Working Group has undertaken a site prioritisation process (see Site Prioritisation Process; Appendix 3) to evaluate biodiversity and cultural values in the Site-Led Terrestrial Programme area. The highest value sites identified through this process for 2024/25 were: Aramoana and Sandymount – Sandfly Bay.
c) On 27 March 2024, hui (meetings) were held for community groups and associated stakeholders to develop group projects into a holistic, site management plan for Aramoana and Sandymount-Sandfly Bay (Appendix 4). Funds were allocated to community groups on 1 June 2024. On 31 October and 12 November 2024, progress hui found that these groups were making great progress with their projects but additional funding for 2025/26 would support maintaining these gains.
d) On 20 November 2024, an ECO Fund review paper was presented to Council, this included a recommendation that the Site-Led funding be run independently to ECO Fund due to a combination of factors. This recommendation was endorsed.
e) On 17 January 2025, the Working Group met and discussed supporting the first round of sites to maintain the gains through providing additional funding in 2025/26 and initiating another round for the next priority sites to support the use of the approved budgets. These new sites have been identified through the site prioritisation process: Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka.
f) The Working Group reviewed applications for additional funding for maintaining the gains in the first round of sites for 2025/26: Aramoana, and Sandymount – Sandfly Bay (Appendix 5). Working Group recommendations for funding are shown in Table 1.
g) On 29 and 30 January, hui (meetings) were held for community groups and associated stakeholders to develop a site management plan for Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka (Appendix 6). Working Group recommendations for funding are shown in Table 2.

[10] This is the second year the Site-Led terrestrial programme is proposed to provide funding to community groups and organisations to enable increased environmental protection at priority sites with high biodiversity and cultural values.

DISCUSSION

Selecting Sites within the Site-Led Programme Area - Site Prioritisation Process

[11] In the RPMP, the Site-Led Terrestrial Programmes (West Harbour – Mt Cargill, Otago Peninsula and Quarantine and Goat Island) covers an area of ~22,000 ha. This Programme area was originally identified as having high biodiversity values and community groups were actively involved in conservation projects. These sites were

selected as part of the RPMP process to support the biodiversity objectives of the community groups working in these areas with the outcomes they are looking to achieve.

[12] Due to the large area, there was need to prioritise locations within it to support achieving RPMP objectives. In March 2024, to facilitate the delivery of the Site-Led Programme, a site prioritisation process was developed (Appendix 3) using the following sources to rank and prioritize sites through combining:

a) The *Stocktake Report* which demonstrates community groups and organisations active in the biosecurity space.
b) The *Values, Threats and Impacts Assessment* which reduced the Site-Led programme area, into 12 priority sites with high biodiversity values.
c) Information on cultural environmental values and cultural wāhi taoka values provided by Working Group mana whenua representatives.

[13] The sites shown in Map 1 that ranked highest based on the site prioritisation process for biodiversity and cultural values were:

a) Aramoana,
b) Sandymount – Sandfly Bay,
c) Leith Saddle – Mihiwaka,
d) Okia – Papanui – Taiaroa Hill.

[14] The first two site plans were actioned on 1 June 2024, and this paper proposes to fund a second year for these sites to support ongoing work (Aramoana and Sandymount – Sandfly Bay), as well as initiate the next two site plans to be actioned from 1 June 2025 (Leith Saddle – Mihiwaka and Okia – Papanui – Taiaroa Hill).



Figure 1. Map of the Site-Led programme sites that ranked highly through the site prioritisation process for biodiversity and cultural values. Dotted lines show the 2024/25 sites, and dashed lines show the 2025/26 sites.

Site-Led Programme 2024/25 Financial Year

[15] Through the Long-Term Plan 2024-2034, $200,000 of biosecurity funding has been allocated to delivery of Site-Led programmes. It is recommended that $193,437 is allocated through a direct funding model to achieve RPMP objectives[1]. The remaining $6,563 is allocated to administer the Site-led programme. Of this $193,437:

a) The Working Group propose allocating $59,629 of this budget to support maintain the gains at the Aramoana and Sandymount – Sandfly Bay sites (see Additional Funding for 2024 Sites; Appendix 5). These sites were funded in 2024. To ensure the environmental outcomes that have been achieved are preserved the Working Group recommends that these projects are funded for another year to ensure that the investment that has been made in these areas is maintained.

b) The remaining $133,811 is proposed to be allocated to the second round of sites identified through the site prioritisation process: Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka.

Project Update for 2024 Sites: Aramoana and Sandymount – Sandfly Bay

[16] On 31 October and 12 November 2024, progress hui (meetings) were held for the Sandymount – Sandfly Bay (Appendix 7) and Aramoana (Appendix 8) sites where community groups presented the progress they had made on their projects.

[17] Project updates for the Sandymount – Sandfly Bay sites were:

a) Forest and Bird had carried out track clearing, extended and updated a trapline for pest animal control, and installed and rolled out 20 trail cameras for pest animals monitoring.
b) Seek Weeds and Terminate have purchased a GPS, carried out drone pest plant surveillance, and subsequently pest plant control.
c) Otago Peninsula Biodiversity Group had carried out track clearing, installed traplines for pest animal control, installed and rolled out 30 trail cameras for pest animals monitoring, and part funded a Project Manager to coordinate the project.

[18] Project updates for the Aramoana site were:

a) The Halo Project carried out public engagement, track clearing to establish new traplines, and completed a pest plant survey over the whole Aramoana area.
b) Aramoana Conservation Trust have supported Halo with pest plant management, improved two existing traplines, and were preparing to install a new trapline.

Additional Funding Requests for 2025: Aramoana and Sandymount – Sandfly Bay

[19] After the hui (meeting), the Working Group saw a need for continued support for the Aramoana and Sandymount – Sandfly Bay sites to maintain the gains community have achieved, as the sites could revert without additional support.

[20] On 17 January 2025, the Working Group reviewed community group applications for additional funding (Table 1; Appendix 5), with the following outcomes:

a) Forest and Bird applied for a total of $26,286 for predator control ($21,896) and bird monitoring equipment ($4,390). The Working Group recommend funding

[1] Remaining budget has been/will be used to deliver hui and promote wider awareness of Site-Led pests.

$21,896 for predator control costs, however, they do not recommend funding for bird monitoring equipment as it is outside the scope of the Site-Led programme.

b) Seek Weeds and Terminate applied for $12,000 for pest plant management equipment.

c) Otago Peninsula Biodiversity Group applied for $18,500 but volunteered to reduce this amount to $15,530 for a project manager for volunteer labour and contractor hire for track maintenance.

d) The Halo Project applied for $22,000 for pest plant control, and business-as-usual track maintenance and trap servicing. The Working Group recommend funding of $10,200 for pest plant control. The Working Group did not recommend funding for business-as-usual expenses for track maintenance and trap servicing and have suggested this could be an in-kind contribution to the project ($11,800).

e) Aramoana Conservation Trust applied for $2,276 for native plants and planting consumables. The Working Group did not recommend funding as this is outside the scope of the Site-Led programme which has a focus on Site-Led pest species management.

[21] Eligible applications focused on Site-Led programme objectives through either maintaining, developing, or expanding on the groups initial project (Appendix 5). These projects included requests for funding for: specialist contractor mustelid trapping, track maintenance to keep traps serviceable, equipment and personal protective equipment such as glasses, overalls and gloves, and pest plant and animal control labour.

[22] Some applications were deemed ineligible, and were outside the scope of the Site-Led programme and did not meet programme objectives. The Working Group recommended groups with ineligible projects seek other funding sources and staff provided information on ECO Fund.

Table 1. Summary of additional funds requested for 2025/26, and funds approved by the Working Group for community groups involved in the Site-Led programme for the Aramoana and Sandymount – Sandfly Bay sites.

Sandymount - Sandfly Bay Additional Funding	**Funding Requested**	**Funding Recommended**
Forest and Bird	$ 26,286.00	$ 21,896.00
Seek Weeds and Terminate (SWAT)	$ 12,000.00	$ 12,000.00
Otago Peninsula Biodiversity Group (OPBG)	$ 18,500.00	$ 15,530.00
Sandymount Site Total	**$ 56,786.00**	**$ 49,426.00**
Aramoana Additional Funding	**Funding Requested**	**Funding Recommended**
The Halo Project	$ 22,000.00	$ 10,200.00
Aramoana Conservation Trust	$ 2,276.00	$ -
Aramoana Site Total	**$ 24,276.00**	**$ 10,200.00**
Total Additional Funding	**$ 81,062.00**	**$ 59,626.00**

Initial Funding Requests for 2025: Leith Saddle – Mihiwaka and Okia – Papanui – Taiaroa Hill

[23] Following the January 2025 hui, Council staff started working with community groups in these sites to develop the Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka Site Management Plan (Appendix 6). Staff requested groups submit funding applications which align with the Site-Led Programme objectives.

[24] In February 2025, funding requests were received and reviewed by the Working Group. As part of the funding requirements, community groups had to demonstrate they had a Health and Safety plan and permissions to carry out the work on the property.

[25] Funding applications from community groups exceeded available budget and where necessary, ORC staff engaged with some of the community groups to adapt their projects and budgets (Table 2) to ensure that if projects were to be funded then they could still be delivered with an amended budget. Table 2 shows that there were some significant funding requests received, and the recommended funding is a lot lower than what was requested. In these instances, staff worked with community groups to find an agreeable solution to reduce costs and look for project efficiencies.

Table 2. Summary of funds requested for 2025/26, and funds recommended by the Working Group for community groups for the Site-Led programme for the Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka sites.

Okia - Papanui - Taiaroa Hill	**Funding Requested**	**Funding Recommended**
Yellow-Eyed Penguin Trust (YEPT)	$ 103,374.30	$ 30,770.00
Seek Weeds and Terminate (SWAT)	$ 2,094.00	$ 4,190.00
Otago Peninsula Biodiversity Group (OPBG)	$ 24,349.00	$ 21,330.00
Total funding - Okia site	**$ 129,817.30**	**$ 56,290.00**
Leith Saddle - Mihiwaka	**Funding Requested**	**Funding Recommended**
Initial Volco Trust	$ 26,440.00	$ 15,040.00
The Halo Project	$ 51,500.00	$ 19,616.00
Friends of Burns Reserve	$ 36,128.00	$ 28,865.00
Open VUE	$ 19,000.00	$ 14,000.00
Total funding - Leith Saddle site	**$ 163,068.00**	**$ 77,521.00**
Total Funding Round 2	**$ 292,885.30**	**$ 133,811.00**

[26] The outcomes for the applications in Table 2 are as follows:

a) Yellow-eyed Penguin Trust applied for $103,374.30 for ranger wages (1.5 FTE for 12 months), pest animal control consumables, contractor costs for feral cat control and lizard monitoring and pest plant control. The Working Group requested clarification on this costing and recommend funding $30,700 for pest animal control costs and pest plant drone surveillance. They do not recommend funding wages and lizard monitoring as it is outside the scope of the Site-Led programme.

b) Seek Weeds and Terminate applied for $2,094 for pest plant consumables (tools, herbicide and personal protective equipment) and costs associated with holding an educational workshop in collaboration with the Yellow-eyed Penguin Trust. The Working Group requested clarification on the costing and the group revised the cost to $4,190.

c) Otago Peninsula Biodiversity Group applied for $24,349 for pest animal control and Project Manager wages (0.2 FTE) to coordinate volunteers. The Working Group requested clarification on this costing and the group revised the cost to $21,330.

d) Initial Volco Trust applied for $26,440 for pest plant removal (gorse), pest animal control, trapline maintenance costs, native plants and lizard monitoring. The Working Group recommends funding $15,040 for pest animal traps and trapline maintenance costs. They do not recommend funding gorse removal, native plants, and lizard monitoring costs as it is outside the scope of the Site-Led programme.

e) The Halo Project applied for $51,500 for pest plant surveying, two rounds of pest plant control, and consumables. The Working Group requested clarification on this costing and recommend funding $19,616.

f) Friends of Burns Reserve applied for $36,128 for pest plant drone surveillance, contractor landowner engagement costs, contractor pest plant control costs, and pest plant control consumables. The Working Group requested clarification on this costing and the group revised the cost to $28,865.

g) Open VUE applied for $19,000 for contractor pest plant surveying and control. The Working Group requested clarification on this costing and recommend funding $14,000.

Funding Process and Timeframes

[27] The direct funding model has proven to be an efficient way to empower community groups in the Site-Led programme. It means groups do not have to go through the traditional competitive funding process, and the community hui provided greater potential for collaboration across groups.

[28] The proposed timeframes are outlined in the Site-Led Action Plan 2024-25 which was approved in principle on 8 February 2024 by the Environmental Implementation Committee (Appendix 1).

OPTIONS

[29] **OPTION 1 (recommended): Approve** the allocation of $193,437 of the 2024/25 Site-Led budget through the direct funding process previously approved.

[30] **OPTION 2: Approve** Option 1 with changes, for the allocation of $193,437 of the 2024/25 Site-Led budget through the direct funding process previously approved.

[31] **OPTION 3:** Approve the allocation of $59,626 of the 2024/25 budget only for maintenance of the existing sites (Aramoana and Sandymount – Sandfly Bay).

[32] **OPTION 4:** Do not allocate $193,437 of the Site-Led programme budget to the Site-Led programme and absorb this allocated budget as savings for the 2024/2025 financial year.

[33] **Benefits and risks of options for consideration**

Benefits	Risks
Option 1	
- Supports the delivery of the RPMP Site-Led programmes. - Direct funding community groups has been effective to deliver the first round of Site-Led programme areas. - Community groups are engaged in projects that promote collaboration and positive environmental outcomes.	- The Site-Led Working Group might miss the opportunity to receive an application about an unknown community group or project.
Option 2	
Benefits and risks would be dependent on suggested changes	
Option 3	
- Supports the delivery of the RPMP Site-Led Programmes. - Supports the maintenance of projects with Council investment 2024/25.	- Not investing the the second round of sites (Leith Saddle – Mihiwaka and Okia – Papanui – Taiaroa Hill) decreases the trust of ORC as expectation of the groups would not be met – annual plan allowed for budget in these areas.
Option 4	
- Financial saving.	- Not investing in the Site-Led programme decreases trust of ORC as expectations of the groups would not be met – annual plan allowed for budget in this area.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[34] This paper does not trigger Council's Strategic Framework or Policy Considerations.

Financial Considerations

[35] This funding comes from existing budgets as approved through Council's Long-Term Plan. In the year 2 budget of the Long-Term Plan funding for the site-led programme is $200,000 which will be approved (or not) through the Annual Plan deliberations.

Significance and Engagement Considerations

[36] This paper does not trigger ORC's policy on Significance and Engagement.

Legislative and Risk Considerations

[37] This plan is being implemented to fulfil the objectives of the Otago Regional Councils Regional Pest Management Plan 2019-2029, Biosecurity Strategy 2019, Biosecurity Operational Plan 2023-2024, and the Biosecurity Act 1993.

Climate Change Considerations

[38] This paper does not trigger any Climate Change considerations.

Communications Considerations

[39] Communications will be direct with community groups identified in the Action Plan (Appendix 1) and site management plans (Appendix 4 and 6).

NEXT STEPS

[40] If approved, ORC staff will provide the community groups funding as approved, prior to the end of June 2025 to deliver on Site-Led programme objectives.

ATTACHMENTS

1. Appendix 1. Site- Led Action Plan 2024-25 [**10.2.1** - 11 pages]
2. Appendix 2. Supporting Documents [**10.2.2** - 4 pages]
3. Appendix 3. Site Prioritisation Process [**10.2.3** - 4 pages]
4. Appendix 4. Aramoana and Sandymount Site Management Plan [**10.2.4** - 17 pages]
5. Appendix 5. Applications for Additional Funding [**10.2.5** - 63 pages]
6. Appendix 6. Okia and Leith Saddle Site Management Plan [**10.2.6** - 18 pages]
7. Appendix 7. Aramoana Progress Hui Minutes [**10.2.7** - 4 pages]
8. Appendix 8. Sandymount – Sandfly Bay Progress Hui Minutes [**10.2.8** - 5 pages]
9. Pest Plan Strategy Section 20.3.18 [**10.2.9** - 1 page]

Site-Led Programme Action Plan

2024/26 – Version 2



The Pyramids, Okia Reserve, Otago Peninsula Community Programme, photo by Sophie Gibson-Pinn

Author: Sophie Gibson-Pinn

Updated 19 March 2025

Version	Amendment	Author	Date
V1		SGP	01/08/24
V2	- Version table and contents table added. - Stakeholder list updated to include stakeholders for each site. - Appendix 3 added to list all identified stakeholders' operation within wider Site-Led Programme area. - Round two, Site-Led Programme sites added: Okia – Papanui – Taiaroa Hill, and Leith Saddle – Mihiwaka. - Deliverables updated to include round two sites.	SGP	19/03/25

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Objective

For Otago Regional Council (ORC) to provide regional leadership and advocacy and support community groups and other agencies to take a lead role in enhancing biodiversity values within the Terrestrial Site-Led areas.

Background

The Site-Led Terrestrial Programme seeks to manage additional pests to avoid, mitigate or prevent damage to the indigenous ecosystem values at particular sites.

The key role of ORC in these programmes is education and advocacy, promoting collaboration, assisting, and facilitating groups to undertake control works, and supporting monitoring of key species. This will be achieved through providing regional leadership and advocacy and supporting community leaders in bringing about the desired level of environmental protection to these sites.

The objectives from the Biosecurity Strategy 2019, Biosecurity Operational Plan 2023-24, and Regional Pest Management Plan 2019-2029 for the Site-Led Terrestrial Programme areas (West Harbour – Mount Cargill, Quarantine and Goat Island, and Otago Peninsula; Figure 1) are outlined in *Appendix 1, 2 & 3*.

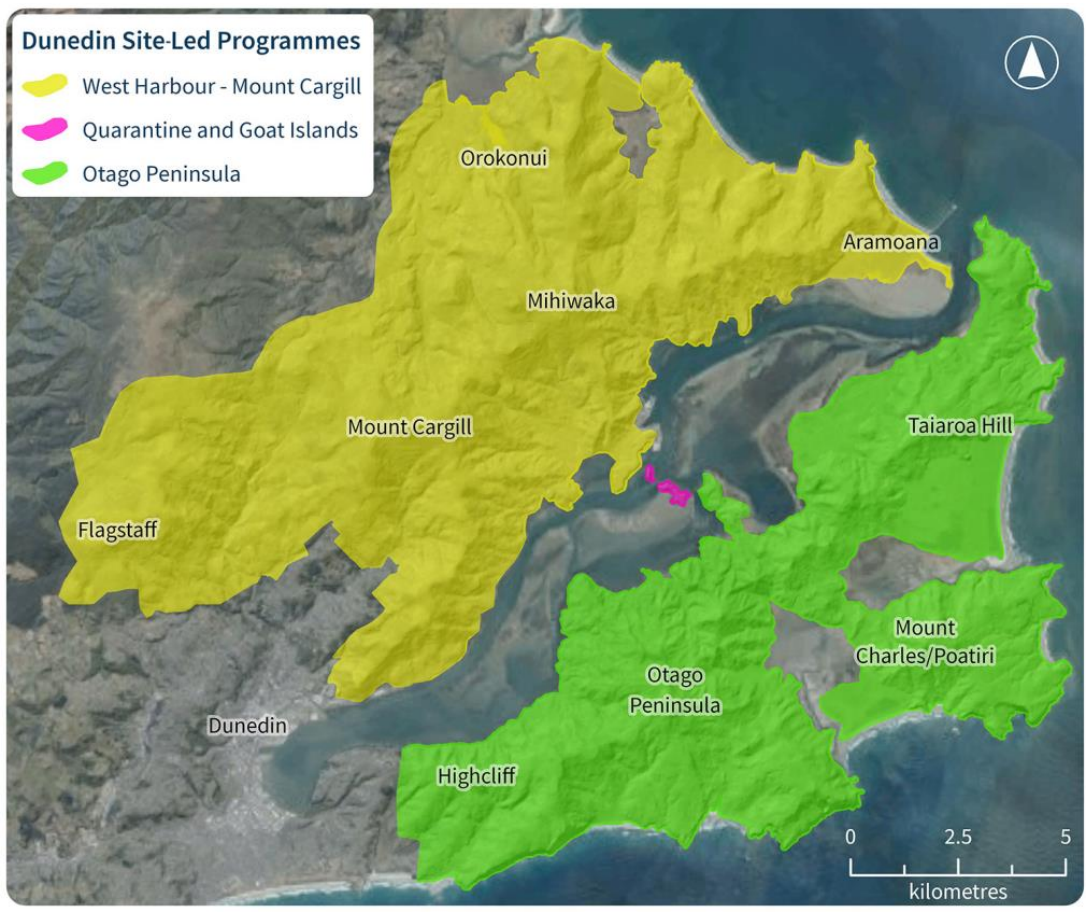


Figure 1. Site-Led Terrestrial Programme site locations for the West Harbour-Mt Cargill, Quarantine and Goat Island, and Otago Peninsula areas *(Otago Regional Council Biosecurity Strategy, 2019)*.

Delivery

The Site-Led Terrestrial Programme will be overseen by the Team Leader Projects Delivery and led by the Community Coordinator Biosecurity – Coastal. It may be supported by a Biosecurity Officer – Coastal and/or Catchment Advisor – Dunedin & Coastal.

Partnerships

This Programme will be led in partnership with Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki.

Stakeholders

A complete list of all of the stakeholders involved in the broader Site-Led Terrestrial Programme are listed in Appendix 1. The stakeholders and community groups that are involved in the 2024/25, first round of site plans: Aramoana or Sandymount – Sandfly Bay, and the 2025/26, second round of site plans: Okia – Papanui – Taiaroa Hill, and Leith Saddle – Mihiwaka, are listed below.

Site	**Stakeholders**
Aramoana 2024/25	Aramoana Conservation Trust The Halo Project Department of Conservation
Sandymount – Sandfly Bay 2024/25	Seek Weeds and Terminate Otago Peninsula Biodiversity Group Forest and Bird Department of Conservation
Okia – Papanui – Taiaroa Hill 2025/26	Yellow-eyed Penguin Trust Seek Weeds and Terminate Otago Peninsula Biodiversity Group Dunedin City Council Department of Conservation
Leith Saddle – Mihiwaka 2025/26	Friends of Burns Reserve The Halo Project Initial Volco Trust Open UVE (Valley Project) Dunedin City Council Department of Conservation

Deliverables

To achieve the objectives of the Biosecurity Strategy 2019, Biosecurity Operational Plan 2023-24, and Regional Pest Management Plan 2019-2029, we will complete the actions outlined in *Table 1*.

Table 1. Key Actions in development and implementation of a Site-Led Terrestrial Programme for 1st July 2024 to 30th June 2026.

Action	**Deliverable Date**
Develop Site-Led Terrestrial Programme plan for 2024/25	30 Sept 2024
EI Committee meeting paper to seek approval of the plan to direct fund the next two priority sites: 1) Leith Saddle – Mihiwaka, and 2) Okia – Papanui – Taiaroa Hill	Nov 2024
Six-month progress update on Site Plans for Aramoana and Sandymount – Sandfly Bay as either a site-visit or community meeting with community groups	Dec 2024
Stakeholder engagement for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill sites for direct funding opportunities	Nov 2024
Stakeholder meeting to develop Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill Site Plans	Jan 2025
Develop and implement a Site-Led Comms Plan to promote education and advocacy of Site-Led pest plants	Feb 2025
Develop Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill Site Plans	March 2025
Direct funding agreements prepared for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill Site Plans	April 2025
Wild Dunedin Community event to promote public awareness and education of Site-Led pest plants	April 2025
Council meeting paper to seek approval to direct fund community groups as part of the Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill Site Plans	May 2025
Direct funding agreements signed for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill Site Plans	May 2025
Final (12 month) Site Plan update per site held as either a site-visit or community meeting with community groups for Aramoana and Sandymount – Sandfly Bay sites	May 2025
Final Site Plan report submitted for Aramoana and Sandymount – Sandfly Bay sites	June 2025
Develop a long-term management plan with community groups for selected sites 2024/25 and outline any support/resources ORC can provide	June 2025
Pest Hub website content review for Site-Led species	July 2025
Six-month progress update on Site Plans for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill as either a site-visit or community meeting with community groups	Dec 2025
Final (12 month) Site Plan update per site held as either a site-visit or community meeting with community groups for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill sites	June 2025
Final Site Plan report submitted for Leith Saddle - Mihiwaka and Okia – Papanui – Taiaroa Hill sites	June 2025
Support will be provided to ensure there is collaboration between agencies undertaking pest plant and animal management	Ongoing
ORC will continue to educate and empower landowners, communities and volunteer groups around the benefits of participating in the programme and actively controlling	Ongoing

harmful organisms on their land. This will occur through the provision of education, information, facilitation, support and training where required.	
ORC will ensure compliance with the Regional Pest Management Plan within this area and as necessary, take enforcement action and issue formal notices to obtain compliance	Ongoing
Monitoring and surveillance will be undertaken by ORC. Other agencies/ groups may also contribute monitoring data from their individual programmes to support 'whole of site' monitoring.	Ongoing
Data collected is shared between agencies to affirm progress towards desired environmental outcomes and to inform the dynamic 'whole of site' management plan to ensure it remains current	Ongoing

Completed

Otago Regional Council

Appendix 1: Otago Regional Council Biosecurity Strategy 2019

Action 3.4.1 Provide regional leadership and support for the site-led programmes in the Pest Management Plan to protect indigenous biodiversity

- **Provide regional leadership and advocacy, and support community leaders** for the Otago Peninsula, West Harbour – Mt Cargill, and Quarantine Island and Goat Island site-led programmes.
- **Support the development of 'whole of site' management plans** for the Otago Peninsula, West Harbour – Mt Cargill, and Quarantine Island and Goat Island.
- Within each 'whole of site' management plan, **support the identification of smaller sites for specific objectives and activities** to protect the significant values of that place and encourage landowner participation in these initiatives.
- **Support the delivery of site-led objectives** by assisting and facilitating groups to undertake control works, undertaking monitoring of key species, leading some of these activities where needed, and undertaking control works where there are barriers to landowner participation.

Appendix 2: Otago Regional Council Biosecurity Operational Plan 2023-2024

3.5.1 Otago Peninsula, West Harbour – Mount Cargill and Quarantine and Goat Islands

Objective

Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to these sites [Otago Peninsula (9,000 ha), West Harbour-Mt Cargill (12,500 ha) and Quarantine and Goat Islands].[13]

Deliverable	KPI	Target
Confirm site-led programmes around Otago Harbour	Site-led programme plan (including each site-led location) reconfirmed by 31 July 2023	3
Site-led programme plan implemented	% of actions implemented within defined timeframes for 2023-2024	100%

Note: Any compliance actions are covered under 3.6 Integrated Programmes and 4.1 Compliance and Enforcement Actions.

Otago Regional Council

Appendix 3: Otago Regional Council Pest Management Plan 2019-2029

6.5.4 Site-led programmes on the Otago Peninsula

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under the site-led programme for the Otago Peninsula are set out in Table 26 below.

Table 26: Aims and means of achievement for site-led programmes on the Otago Peninsula

Objective, principal measures and rules	
Plan Objective 6.5.4.a Over the duration of the Plan: a) preclude establishment of feral deer, feral goats, feral pigs and Bennett's wallaby; and b) eradicate possums; and c) implement sustained control of feral cats, rats; hedgehogs and; d) progressively contain mustelids on the Otago Peninsula (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.4.b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) Darwin's barberry; d) Sycamore e) Gunnera; and f) tradescantia on the Otago Peninsula (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.4.a and 6.5.4.b. It is not proposed to introduce occupier control rules at this stage. However, this may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the Objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy.
Plan Rule 6.5.4.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present on the Otago Peninsula (identified on Map 3 in Appendix 3) any: a) Bennett's wallaby; b) feral deer; c) feral goat; d) feral pig; e) mustelid; f) feral cat; g) hedgehog; or h) possum.	**Explanation of rule** The reason for this rule is to help achieve the exclusion, eradication or control of these pests from the Otago Peninsula.
For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

Otago Regional Council

6.5.5 Site-led programmes at West Harbour – Mt. Cargill area

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under the site-led programme at West Harbour – Mt. Cargill are set out in Table 27 below.

Table 27: Aims and means of achievement for site-led programmes at West Harbour – Mt. Cargill

Objective, principal measures and rules	
Plan Objective 6.5.5.a Over the duration of the Plan: a) preclude establishment of feral deer and Bennett's wallaby; and b) implement sustained control of feral cats, feral goats, feral pigs, rats, hedgehogs; and c) progressively contain mustelids; and d) progressively contain possums to achieve a 2% RTC at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.5.b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) sycamore; d) gunnera; e) Darwin's barberry; and f) tradescantia at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.5.a and 6.5.5.b. It is not proposed to introduce occupier control rules at this stage. However, it may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the Objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy.
Plan Rule 6.5.5.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) any a) Bennett's wallaby; b) feral deer; c) feral goat; d) feral pig; e) mustelid; f) feral cat; g) hedgehog; or h) possum. For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	**Explanation of rule** The reason for this rule is to help achieve the exclusion, eradication or control of these pests from West Harbour – Mt. Cargill.
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

Otago Regional Council

6.5.6 Site-led programmes on Quarantine and Goat Islands

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under site-led programmes at Quarantine and Goat Islands are set out in Table 28 below.

Table 28: Aims and means of achievement for site-led programmes on Quarantine and Goat Islands

Objective, principal measures and rules	
Plan Objective 6.5.6a Over the duration of the Plan: a) preclude establishment of Bennett's wallaby, feral cats, feral deer, feral goats, feral pigs, mustelids, hedgehogs[5] and possums; and b) eradicate rats on Quarantine and Goat Islands (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.6b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) Darwin's barberry; d) Sycamore e) Gunnera; and f) tradescantia on Quarantine and Goat Islands (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.6a and 6.5.6b. It is not proposed to introduce occupier control rules at this stage. However, it may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy. There are no alternative measures that provide for satisfactory inspection, education or advocacy measures.
Plan Rule 6.5.6.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present on Quarantine and Goat Islands (identified on Map 3 in Appendix 3) any: a) Bennett's wallaby; b) feral cat; c) feral deer; d) feral goat; e) feral pig; f) mustelid; g) hedgehog; h) possum; or i) rat. For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	**Explanation of rule** The reason for this rule is to help achieve the exclusion or eradication of these pests from Quarantine and Goat Islands.
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

[5] Existing information suggests that hedgehogs are not present on Goat Island, however if further research demonstrates that they are, then the objective for hedgehogs on Goat Island will be eradication.

Appendix 4: Stakeholders operating in wider Site-Led Programme Area

- Aramoana Conservation Trust
- Aramoana League Inc
- Blueskin Bay Watch
- Blueskin Youth and Community Amenities Association
- City Sanctuary
- Community Catchment Group (Group formation in progress)
- Department of Conservation
- Dunedin City Council
- Forest and Bird
- Friends of Burns Reserve Proposal
- Halo Project – Aramoana Site Plan
- Hereweka Harbour Cone Trust (HHCT)
- Initial Volco Trust
- Kellas Street Reserve Group
- Korako Karetai Trust
- Landscapes Connection Trust
- Leopard Seal Group
- Monarch Tours
- Natures Wonders
- NZ Sea Lion Trust
- Open VUE (Valley Project)
- Orokonui Ecosanctury
- Orokonui Estuary Care
- Otago Peninsula Biodiversity Trust (OPBG)
- Otago Peninsula Catchment Group
- Otago Peninsula Community Board
- Otago Peninsula Trust
- Formerly Penguin Place
- Portobello Community Incorporated
- Predator Free Dunedin
- Quarantine Island Kamau Taurua
- Save the Otago Peninsula (STOP)
- Seek Weeds and Terminate (SWAT)
- Te Rauone Beach Coast Care
- The Pukekura Trust
- Tomahawk Lagoon Citizens Science Group
- Tomahawk-Smaills Beach Care Trust
- University of Otago (Ecology and Marine Dept)
- Waikouaiti Coast Community Board
- Waitati Beach Reserve Society
- West Harbour Community Board
- Yellow-eyed Penguin Trust

Appendix 2: Supporting Documents

Otago Regional Council Biosecurity Strategy 2019

Action 3.4.1 Provide regional leadership and support for the site-led programmes in the Pest Management Plan to protect indigenous biodiversity

- **Provide regional leadership and advocacy, and support community leaders** for the Otago Peninsula, West Harbour – Mt Cargill, and Quarantine Island and Goat Island site-led programmes.
- **Support the development of 'whole of site' management plans** for the Otago Peninsula, West Harbour – Mt Cargill, and Quarantine Island and Goat Island.
- Within each 'whole of site' management plan, **support the identification of smaller sites for specific objectives and activities** to protect the significant values of that place and encourage landowner participation in these initiatives.
- **Support the delivery of site-led objectives** by assisting and facilitating groups to undertake control works, undertaking monitoring of key species, leading some of these activities where needed, and undertaking control works where there are barriers to landowner participation.

Otago Regional Council Biosecurity Operational Plan 2023-2024

3.5.1 Otago Peninsula, West Harbour – Mount Cargill and Quarantine and Goat Islands

Objective

Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to these sites [Otago Peninsula (9,000 ha), West Harbour-Mt Cargill (12,500 ha) and Quarantine and Goat Islands].[13]

Deliverable	KPI	Target
Confirm site-led programmes around Otago Harbour	Site-led programme plan (including each site-led location) reconfirmed by 31 July 2023	3
Site-led programme plan implemented	% of actions implemented within defined timeframes for 2023-2024	100%

Note: Any compliance actions are covered under 3.6 Integrated Programmes and 4.1 Compliance and Enforcement Actions.

Otago Regional Council Pest Management Plan 2019-2029

6.5.4 Site-led programmes on the Otago Peninsula

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under the site-led programme for the Otago Peninsula are set out in Table 26 below.

Table 26: Aims and means of achievement for site-led programmes on the Otago Peninsula

Objective, principal measures and rules	
Plan Objective 6.5.4.a Over the duration of the Plan: a) preclude establishment of feral deer, feral goats, feral pigs and Bennett's wallaby; and b) eradicate possums; and c) implement sustained control of feral cats, rats; hedgehogs and; d) progressively contain mustelids on the Otago Peninsula (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.4.b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) Darwin's barberry; d) Sycamore e) Gunnera; and f) tradescantia on the Otago Peninsula (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.4.a and 6.5.4.b. It is not proposed to introduce occupier control rules at this stage. However, this may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the Objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy.
Plan Rule 6.5.4.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present on the Otago Peninsula (identified on Map 3 in Appendix 3) any: a) Bennett's wallaby; b) feral deer; c) feral goat; d) feral pig; e) mustelid; f) feral cat; g) hedgehog; or h) possum.	**Explanation of rule** The reason for this rule is to help achieve the exclusion, eradication or control of these pests from the Otago Peninsula.
For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

6.5.5 Site-led programmes at West Harbour – Mt. Cargill area

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under the site-led programme at West Harbour – Mt. Cargill are set out in Table 27 below.

Table 27: Aims and means of achievement for site-led programmes at West Harbour – Mt. Cargill

Objective, principal measures and rules	
Plan Objective 6.5.5.a Over the duration of the Plan: a) preclude establishment of feral deer and Bennett's wallaby; and b) implement sustained control of feral cats, feral goats, feral pigs, rats, hedgehogs; and c) progressively contain mustelids; and d) progressively contain possums to achieve a 2% RTC at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.5.b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) sycamore; d) gunnera; e) Darwin's barberry; and f) tradescantia at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.5.a and 6.5.5.b. It is not proposed to introduce occupier control rules at this stage. However, it may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the Objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy.
Plan Rule 6.5.5.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present at West Harbour – Mt. Cargill (identified on Map 3 in Appendix 3) any a) Bennett's wallaby; b) feral deer; c) feral goat; d) feral pig; e) mustelid; f) feral cat; g) hedgehog; or h) possum. For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	**Explanation of rule** The reason for this rule is to help achieve the exclusion, eradication or control of these pests from West Harbour – Mt. Cargill.
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

6.5.6 Site-led programmes on Quarantine and Goat Islands

The management aims and the range of methods to be used to accomplish the aims for the pest to be managed under site-led programmes at Quarantine and Goat Islands are set out in Table 28 below.

Table 28: Aims and means of achievement for site-led programmes on Quarantine and Goat Islands

Objective, principal measures and rules	
Plan Objective 6.5.6a Over the duration of the Plan: a) preclude establishment of Bennett's wallaby, feral cats, feral deer, feral goats, feral pigs, mustelids, hedgehogs[5] and possums; and b) eradicate rats on Quarantine and Goat Islands (identified on Map 3 in Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site. **Plan Objective 6.5.6b** Over the duration of the Plan, progressively contain: a) banana passionfruit; b) Chilean flame creeper; c) Darwin's barberry; d) Sycamore e) Gunnera; and f) tradescantia on Quarantine and Goat Islands (identified on Map 3, Appendix 3) to avoid, mitigate or prevent damage to the indigenous ecosystem values at this site.	**Principal measures to be used** Otago Regional Council will take a lead role in supporting community groups and agencies in bringing about the desired levels of environmental protection to this site. Appropriate measures drawn from the suite of activities listed under **collaboration, requirement to act, council inspection, service delivery, advocacy and education** described in section 5.3 of the Plan will be used by Otago Regional Council to achieve Objectives 6.5.6a and 6.5.6b. It is not proposed to introduce occupier control rules at this stage. However, it may become necessary in the future to maintain public investment of actions or funding or where lack of cooperation could jeopardise achieving the objectives. How the Otago Regional Council intends to deliver these objectives with the community is described more fully in the Biosecurity Strategy. There are no alternative measures that provide for satisfactory inspection, education or advocacy measures.
Plan Rule 6.5.6.1 No person shall keep, hold, enclose or otherwise harbour in any place, either in transit to or present on Quarantine and Goat Islands (identified on Map 3 in Appendix 3) any: a) Bennett's wallaby; b) feral cat; c) feral deer; d) feral goat; e) feral pig; f) mustelid; g) hedgehog; h) possum; or i) rat. For the purpose of this rule place includes any building, conveyance, craft, land, or structure. A breach of this rule creates an offence under section 154N(19) of the Act.	**Explanation of rule** The reason for this rule is to help achieve the exclusion or eradication of these pests from Quarantine and Goat Islands.
Advice note Sections 52 and 53 of the Biosecurity Act 1993, which prevent the communication, release, spread, sale and propagation of pests, must be complied with. These sections should be referred to in full in the Biosecurity Act 1993.	

[5] Existing information suggests that hedgehogs are not present on Goat Island, however if further research demonstrates that they are, then the objective for hedgehogs on Goat Island will be eradication.

Site-Led Programmes – Site Prioritisation Process



The Pyramids, Okia, Picture credit: Sophie Gibson-Pinn

Author: Sophie Gibson-Pinn

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Process 2
Outcomes 3

Background

In the Otago Regional Pest Management Plan (RPMP; 2019-2029), the Site-Led terrestrial programme (West Harbour – Mt Cargill, Otago Peninsula and Quarantine and Goat Island) covers an area of ~22,000 ha and seeks to manage additional pests to avoid, mitigate or prevent damage to the indigenous ecosystem values at specific sites.

A Working Group was established in 2023 in partnership between mana whenua and ORC, with representatives from Te Rūnanga o Ōtakōu and Kāti Huirapa Rūnaka ki Puketeraki. The purpose of the Working Group is to provide guidance for the delivery and implementation of the Site-Led programme. In these initial stages of developing the Site-Led Programme, the Working Group recognized the need to prioritize locations to support achieving RPMP objectives.

This brief depicts the development and outcomes of the site prioritisation process.

Process

In March 2024, to facilitate the delivery of the Site-Led programme, a site prioritisation process was developed using the following sources to rank and prioritise sites through combining:

1. The *Stocktake Report* which demonstrates community groups and organisations active in the biosecurity space.
2. The *Values, Threats and Impacts Assessment* which reduced the Site-Led programme area, into 12 priority sites with high biodiversity values.
3. The Working Group mana whenua representatives who provided information on cultural environmental values and cultural wāhi taoka values.

Data from the *Stocktake Report* representing the known community groups and organisations working in the priority sites, and data from mana whenua representatives on cultural values for each of the 12 priority sites was collated. Data was extrapolated from the *Values, Threats and Impacts Assessment*, including:

- Impact and likelihood of presence of the Site-Led Programme target pests
- Prediction of the ability to control the specified pests to levels specified in the RPMP
- ORC defined Naturally Uncommon Ecosystems (NUE)
- DOC Ecological Management Units (EMU) / Species Management Units (SMU)
- Areas of Significant Biodiversity Values (ASBV's)
- Significant habitats
- Protected land (including: DCC parks and reserves, DOC land, and QEII blocks)
- Threatened and At-Risk species

Outcomes

The sites that ranked highest based on the site prioritisation process for biodiversity and cultural values are shown in Table 1 below and were:

1) Aramoana
2) Sandymount – Sandfly Bay
3) Leith Saddle – Mihiwaka
4) Okia – Papanui – Taiaroa Hill

The Working Group initiated the Site-Led Programme for the first two, high ranking sites: Aramoana and Sandymount – Sandfly Bay for the 2024/25 financial year, and Leith Saddle – Mihiwaka and Okia – Papanui – Taiaroa Hill for the 2025/26 financial year.

Table 1. Site-Led Programme site prioritisation process detailing assessment criteria and raw data for the 12 priority sites with high biodiversity values from the Values, Threats, and Impacts Assessment.

Site-Led Site Prioritisation Criteria													
Focus Areas	Cultural Environmental Values Score (average)	Cultural Wāhi Taoka Values (average)	Impact of and likelihood of presence of the Site-Led Programme target pests on the key locations.	Prediction of the ability (based on expected impacts of pests and experience of current pest control projects) to control the specified pests to levels specified in the RPMP across the key locations.	Summary of Stocktake data, representing the work of community groups in each of the 12 areas representing high biodiversity values.	Summary of Naturally Uncommon Ecosystems identified by ORC at each of the Proposed Priority Sites.	Summary of DOC EMUs / SMUs at each of the Proposed Priority Sites.	Summary of Areas of Signficant Biodiversity Values (ASBVs) at each of the Proposed Priority Sites.	Summary of Significant Habitats identified by ORC at each of the Proposed Priority Sites.	Summary of Protected Land (incl. DCC Parks, DOC Land and QEII Blocks) at each of the Proposed Priority Sites.	Summary of the number of Threatened and At Risk species recorded within the Programme Areas.	**Combined Total**	**Overall order**
	Ranking (based on desktop exercise)	Ranking (based on desktop exercise)	Ranking (based on vulnerability to impacts of RPMP pest species, 1 = least vulnerable)	Ranking (based on predicted diffuculty to manage, determined by presence/absence of RPMP Site-led species, 1 = most diffucult)	Ranking (based on number of Community Groups working in the area, 1 = least number of groups)	Ranking (based on number and total area of Naturally Uncommon Ecosystems, 1 = least/smallest area NUE)	Ranking (based on number of EMUs / SMUs, 1 = least EMUs / SMUs)	Ranking (based on number of ASBVs, 1 = least ASBV)	Ranking (based on number of number and total area of Naturally Uncommon Ecosystems, 1 = least/smallest area NUE)	Ranking (based on number of Protected Land parcels, 1 = least Protected Land)	Ranking (based on number of Threatened and At Risk species, 1 = least species)		
01. Aramoana - Heyward Point	4	3	3	4	2	3	4	2	3	2	4	**35**	**1**
11. Sandfly Bay/Sandymount	4	4	2	3	3	4	2	2	2	2	4	**32**	**2**
02. Leith Saddle - Mihiwaka	4	3	4	4	1	2	0	2	3	3	4	**31**	**3**
08. Okia - Papanui - Taiaroa Hill	4	4	2	4	3	4	0	1	4	1	4	**29**	**4**
07. Peninsula tip	4	4	2	3	4	2	0	2	2	1	4	**27**	**5**
10. Hoopers - Allans Beach - Papanui Beach	4	3	2	3	3	2	2	2	1	1	4	**26**	**6**
09. Harbour Cone - Dicksons - Varleys Hill	3	1	3	3	3	1	0	2	2	4	4	**25**	**7**
04. Orokonui Ecosanctuary	2	1	3	2	1	1	0	4	4	2	4	**24**	**8**
12. Boulder Beach	3	1	2	3	2	3	0	2	1	2	4	**21**	**9**
03. Flagstaff - Swampy	1	2	3	3	0	1	0	1	3	1	4	**20**	**10**
05. Quarantine Island	2	2	2	2	1	1	0	1	1	1	0	**11**	**11**
06. Goat Island	1	1	1	2	1	1	0	1	2	1	0	**11**	**12**

Site-Led Programme Management Plan

Aramoana and Sandymount – Sandfly Bay

2024/25 - Version 2



Otago Peninsula, picture credit: Sophie Gibson-Pinn

Author: Sophie Gibson-Pinn

Updated 19 March 2025

Version	Amendment	Author	Date
V1		SGP	22/04/24
V2	- Cover page and table of contents added. - Additional funding for 2025/26 FY added P15-17. - Appendix 1: Otago Peninsula Objectives removed. - Appendix 2: West Harbour – Mt Cargill Objectives removed. - Budget availability sections combined and moved to P3.	SGP	19/03/25

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Background Information

A paper was presented to the Environmental Implementation Committee to approve the allocation of $146,200 budget to the terrestrial Site-Led Programme areas on 8th February 2024.

The decision from the Committee meeting was to approve allocation of $146,200 from the existing budget for the Site-Led Programme to be delivered through a direct funding process for specific projects to achieve Regional Pest Management Plan 2019-2029 (RPMP) objectives (see Appendix 1 & 2 for Site-Led Programme Objectives). The Committee also specified that the allocation of funding be recommended by the existing ECO Fund assessment panel.

The *Site-Led Values, Threats, and Impacts Assessment* was used to guide site prioritization. From this, a scoring process was developed to quantify the biodiversity values of the sites. Cultural environmental values and cultural wāhi taoka values provided by mana whenua Working Group representatives were also added to the site prioritisation scoring process. Sites were then ranked, with Aramoana and Pikiwhara (Sandymount) – Sandfly Bay identified as the two highest-ranking sites with the highest priority biodiversity and cultural values.

The selected sites were agreed at a Working Group hui and community groups undertaking relevant pest animal and plant work within these areas were identified from the *Site-Led Stocktake Report*. These groups, along with associated external stakeholders (e.g. DOC, DCC) were invited to a community hui for each priority area to promote collaboration and initiate the early stages of a whole of site plan and discuss funding requirements to achieve Site-Led Programme RPMP objectives in these areas on 27th March 2024.

Following the community huis, the Working Group consolidated options for direct funding community groups for each site, to progress the Site-Led Programme objectives, and provided recommendation to the ECO Fund Assessment panel.

This plan details the goals, proposed activities and expected outcomes for the Aramoana and Pikiwhara – Sandfly Bay areas, and outlines how the community groups identified in this plan will work towards the objectives of the RPMP.

Budget availability

In February, the Environmental Implementation Committee decision to approve the allocation of $146,200 through a direct funding process. During a Site-Led Working Group meeting, the group agreed to equally divide the approved budget across the two-highest priority sites. As a result, the total available budget for Aramoana is $73,100, and for Pikiwhara – Sandfly Bay is $73,100.

Recommendation: Approve the allocation of budget for the Aramoana Site-Led area as laid out in this plan.

Recommendation: Approve the allocation of budget for the Pikiwhara – Sandfly Bay Site-Led area as laid out in this plan.

Aramoana Site Management Plan

Community Hui

Event details: Wednesday 27th March 9:30am – 12 noon, Pioneer Hall, Port Chalmers

Attendees: Otago Regional Council Site-Led Working Group Representatives (3), Aramoana Conservation Trust (2), The Halo Project (1), and Department of Conservation (DOC; 1).

Apologies: Dunedin City Council, Delta, The Halo Project.

No response: Aramoana League Inc, West Harbour Community Board, NZ Sea Lion Trust, Leopard Seals.org.

Stakeholder Goals

Goal Type	Goals	Process
Community Goals	• Community collaboration • Peace • Education on pest plant control • Education on pest animal control	• Stick with the process • Volunteer workshops • Social activities – volunteer gatherings tagged with education at events. • Online and physical resources • ORC support – Biosecurity Officers and Catchment Advisors
Habitat Goals	• More habitat for Sea Lions and Hoiho • Wildlife at Aramoana first • Good Hoiho habitat – no Banana passionfruit • Safe habitat for seabirds expanding headlands and beaches. • Native Sea Lion habitat	• Protect habitat for Sea Lion and Hoiho colonies
Species Goals	• Heaps of Hoiho chicks and Sea Lions • Thriving sea bird population • Protection of the taonga species from humans and predators	• Protect Sea Lions, Hoiho, and sea bird habitats • Intensify mustelid and rat control around seabird habitat
Ecosystem Goals	• Enhancing the wilderness • Coastal forest ecosystem • Threatened endangered flora within coastal ecosystem. • Healthy sand dune systems • Healthy functioning ecosystem to support all native wildlife	• Dunes and salt marsh • Kaikai Beach • Established dunes and forests to ensure that pest plants are being continuously controlled. • Podocarp coastal ecosystem – remove pest plant species and promote forest to expand.

Priority Sites

1. Aramoana Ecological Area
2. Heyward Point
3. Sea Lion creche and penguin forest
4. Whole Site-Led Aramoana area including Kaikai Beach



Funding allocation

Please note that the figures provided below are estimated costs only. These are not quotes and were provided by community group members during discussions at the Aramoana Hui to initiate development of the plan and proportion direct funding accordingly to the groups based on activities that each group would be responsible for. Community groups will provide in-kind contribution in the form of volunteer hours to facilitate this site management plan.

Aramoana Ecological Area

Background: Over the last 10 years, the Aramoana Conservation Trust's goal has been to preserve and enhance the unique flora and fauna in the ecologically significant saltwater wetlands from the impacts of invasive pest plant and animal species in the Aramoana Ecological Area.

Aims: To conserve the ecologically significant saltwater wetlands and protect the native species living there from the impacts of mustelids.

Action	**Groups involved**	**Estimated Cost**
Extend / replace existing trap network for mustelids to wet area	Aramoana Conservation Trust	$6,000
Track clearing labour for establishment of trap lines	The Halo Project	$2,000
Total		**$8,000**

Expected outcomes: Building community capacity in the pest management space to increase the number of mustelids caught in trap network for the benefit of this regionally significant wetland and biodiversity. Creation of tracks along track lines to facilitate community members to check traps regularly.

Heyward Point Scenic Reserve

Background: The Halo Project, with support from Kāti Huirapa Rūnaka ki Puketeraki, have developed a sea bird restoration plan through an intensive mustelid and rat trapping network, and revegetation project at Heyward Point. This plan has been drafted but was on hold due to lack of funding, therefore, the Site-Led Programme has been proposed as a source of funding to initiate this project. DOC have also provided support for the project as Heyward Point Scenic Reserve is a DOC Ecosystem Management Unit (EMU).

Aims: To establish an intensive trap network for rats and mustelids will improve the protection of nationally declining Black-backed gull nesting sites. To protect and expand rare coastal podocarp forest and to enhance coastal shrublands and coastal turf communities. To promote potential habitat and nesting sites for additional sea bird species including the Spotted shag, Black-billed gull, Red-billed gull, Otago shag, Sooty shearwater (tītī), Fairy prion, Broad-billed prion, Royal spoonbill, and Southern Blue penguin (Kororā).

Proposed Action	Groups involved	Estimated Cost
Create an intensive trap network for rats and mustelids at Heyward Point	The Halo Project	$20,050
Track clearing labour for establishment of trap lines	The Halo Project	$2,500
Total		**$22,550**

Expected outcomes: Establish a trap network with rats and mustelids caught on trap line to reduce sea bird chick predation. If managed appropriately, this habitat has potential to support additional nesting sites for native sea bird species in the future (e.g. Spotted shag, Red-billed gull, Sooty shearwater, Otago shag, Fairy prion, Broad-billed prion, Royal spoonbill, and Kororā).

Sea Lion Creche and Penguin Forest

Background: Over the last 10 years, the Aramoana Conservation Trust has been actively conserving the ecologically sensitive Hoiho colony and Sea Lion creche. The Trust has a working relationship with The Halo Project and has received support from them to establish a trap network to manage pest animals.

Aims: To continue to conserve and protect known nesting sites for Hoiho and Sea Lions, specifically around nesting and pupping sites through maintaining existing trap lines for mustelids and rats.

Proposed Action	Groups involved	Estimated Cost
Trap maintenance of existing trap lines for mustelids and rats	Aramoana Conservation Trust	$1,500
Total		**$1,500**

Expected outcomes: Maintain trap network with rats and mustelids caught on trap line to protect vulnerable Hoiho chicks and Sea Lion pups.

The Whole Site-Led Aramoana area

Background: Little is known around the status of pest plants in the wider Aramoana Site-Led area. The Aramoana Site-Led area contains DOC EMU's, regionally significant coastal podocarp forest remnants, and ecologically significant saltwater wetlands.

Aims: To carry out monitoring and surveillance of Site-Led pest plant species and provide information to community groups and residents on the presence of pest plant species throughout the Aramoana area to inform future management. Based on surveillance findings, we plan to implement revegetation through facilitating the removal of invasive pest plant species and replacing them with native species using the Otago Native Planting Guide to prevent pest plants reestablishing. Sites will be prioritised for pest plant management and revegetation based on community values and remaining Programme budget.

Proposed Action	**Groups involved**	**Estimated Cost**
Monitoring and surveillance of pest plants for Aramoana Site-Led area, including Kaikai Beach. Combined volunteer and field team initiative.	The Halo Project	$17,120
Implementation and removal of pest plants and ongoing biosecurity maintenance, and revegetation for Aramoana Site-Led area, including Kaikai Beach.	The Halo Project	$11,965
Implementation and removal of pest plants and ongoing biosecurity maintenance, and revegetation for Aramoana Site-Led area, including Kaikai Beach.	Aramoana Conservation Trust	$11,965
Total		**$41,050**

Expected outcomes: A surveillance report detailing the presence or absence of Site-Led pest plant species across the Aramoana Site-Led area is available to the community to facilitate pest plant control. Resources will be made available to residents, supporting people to identify and control pest plants in their backyards. The allocation of remaining programme budget for Aramoana to implement pest plant removal and revegetation in prioritized areas. Native revegetation has been included in this plan and is an important step for long-term sustainability of pest plant management to prevent future infestation.

This surveillance would provide valuable ecological data for the Aramoana Site-Led area and sites such as Kaikai Beach that are labelled data deficient. This would also support the recent restoration project at Kaikai Beach completed by the Halo Project/Source to Sea, where Kaikai beach was identified as a regionally significant wetland that backs up to coastal forest remnant at Heyward Point. There are also further potential benefits as a recent Manaki Whenua report

detailed that Hoiho used to live at Kaikai beach and Aramoana. Following the recent stock exclusion fencing and restoration efforts, this is a highly viable location for rehabilitation.

Cost Breakdown by Community Group

Community Group	Area	Proposed Action	Total Estimated Fund Allocation
Aramoana Conservation Trust	Aramoana Ecological Area	Extend / replace existing trap network for mustelids to wet area	$6,000
	Sea Lion Creche and Penguin Forest	Trap maintenance of existing trap lines for mustelids and rats	$1,500
	Whole Site-Led Aramoana area	Implementation and removal of pest plants and ongoing biosecurity maintenance, and revegetation for Aramoana Site-Led area, including Kaikai Beach	$11,965
	Total		**$19,465**
The Halo Project	Aramoana Ecological Area	Track clearing labour for establishment of trap lines	$2,000
	Hayward Point Scenic Reserve	Create an intensive trap network for rats and mustelids at Heyward Point Track clearing labour for establishment of trap lines	$22,550
	Whole Site-Led Aramoana area	Monitoring and surveillance of pest plants for Aramoana Site-Led area, including Kaikai Beach. Combined volunteer and field team initiative. Implementation and removal of pest plants and ongoing biosecurity maintenance, and revegetation for Aramoana Site-Led area, including Kaikai Beach.	$29,085
	Total		**$53,635**
Total Programme Estimated Expenditure			**$73,100**

Pikiwhara (Sandymount) – Sandfly Bay Site Management Plan

Community Hui

Event details: Wednesday 27th March 1:30 pm – 5:00 pm, Macandrew Bay Boat Club

Attendees: Otago Regional Council Site-Led Working Group Representatives (3), Ōtakōu Site-Led Working Group Representative (1), Otago Peninsula Biodiversity Group (OPBG; 1), Forest and Bird (2), Seek Weeds and Terminate (SWAT; 2), and the Department of Conservation (DOC; 1).

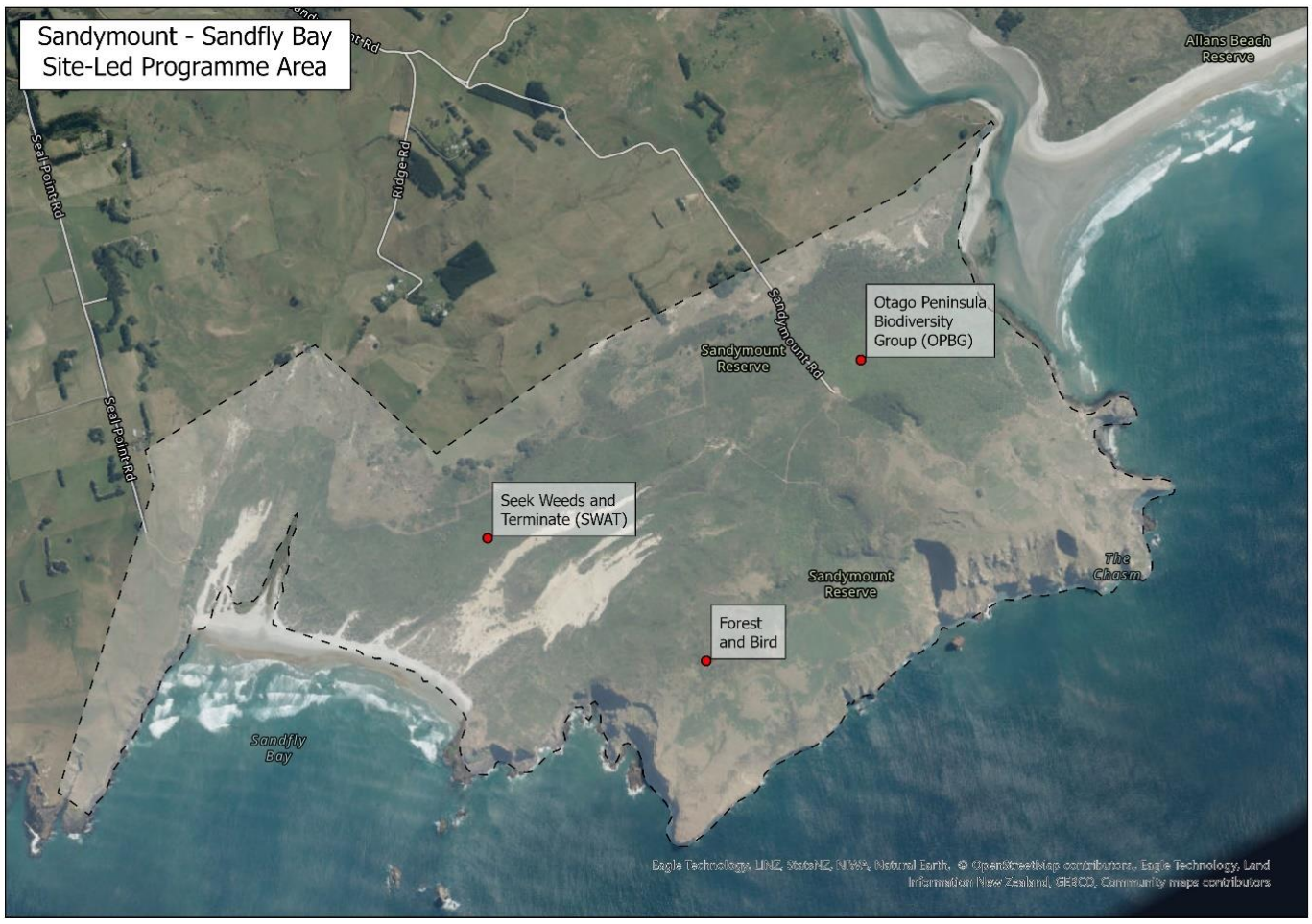
Apologies: Predator Free Dunedin.

Stakeholder Goals

Goal Type	Goals	Process
Habitat Values	• Enhance habitat for native terrestrial and sea birds, marine mammals, skinks, geckos and invertebrates • Protect remining forest remnants • Healthy habitat for species	• Reduce the risk of transported exotic pest plant seeds establishing and seed source by eradicating Darwin's Barberry seed source area around Pukehiki • Reduce weed/seed source from surrounding properties
Ecosystem Values	• Pest free peninsula involving possum eradication, long term goal eradication or suppression of other pest species to increase positive biodiversity outcomes • Landscape of the area • Outlier control? Survey unfeasible?	• Long term eradication or suppression of pest species
Species Values	• Sea birds – burrow nesting tītī, cliff nesting Red-billed gull, Spotted shag and White fronted tern, Black-backed gull, beach nesting Oystercatchers • Prioritise indigenous species over introduced species • Maintain Sooty shearwater – tītī colony • Hoiho – Yellow-eyed penguin • Kororā – Little blue penguin • Jewelled Gecko • NZ Fur sea colony • Leopard seal • Crabeater seal • Mataī • Kororā in Telfers Bay and E end of Sandfly Bay • Coastal Hebe declining • Thick-leaved scurvy grass – *Lepidium crassum* on Sandymount headland • Variable Oystercatcher on Sandfly Bay • Native *Renunculus recens* on bluff entrance to Lover's Leap	• Control of introduced predators to enable successful breeding and fledging • Reduce predation of native species from rats and mice • Eradication, not management of introduced pest species • Maintain native plant species present at Sandymount
Cultural Values	• Wahi Tipuna • Wahi Taoka	• Use traditional Māori names in Site-Led Programme
Community Values	• Ventifact polished rocks in sandbanks • Manage tourist impacts • Communities engaged in conservation work	• Control lupins to altering native habitat and preventing smothering of native plants

Priority Sites

1. Pikiwhara Reserve tītī colony
2. Pikiwhara – Sandfly Bay Management Area



Funding allocation

Please note that the figures provided below are estimated costs only. These are not quotes and were provided by community group members during discussions at the Pikiwhara – Sandfly Bay Hui to initiate development of the plan and proportion direct funding accordingly to the groups based on activities that each group would be responsible for. Community groups will provide in-kind contribution in the form of volunteer, staff, and contractor hours to facilitate this site management plan.

Pikiwhara Reserve tītī colony

Background: The Forest and Bird managed Pikiwhara tītī colony is one of the largest remaining mainland colonies and in good seasons can produce over 100 chicks, however, this summer it suffered a devastating loss of 21 chicks due to ferret predation (see ODT article Ferrets kill at least 21 tītī chicks at colony). This burrowing seabird colony ecosystem in coastal Otago is incredibly

vulnerable to introduced mammalian predators such as ferrets. Forest and Bird have worked at this site since initiating introduced predator control in 2016, during two seasons (2019 and 2024) ferrets were responsible for

OPBG are also currently working towards an eradication of possums in this area with a deadline of September 2024 to complete this work. In the final stages of this project, using drones to identify possums and ground-based contractors to shoot possums is a highly effective method of possum control, especially at low densities.

Aim: To develop a trial to inform future projects for mustelid control. This trial aims to protect the tītī colony nesting at Sandfly Bay, and to potentially provide habitat for other native sea bird species through expanding an existing trap network for mustelids and feral cats. To support the final stages of the possum eradication programme through use of thermal drones and contractors.

Proposed Action	**Groups involved**	**Estimated Cost**
Extend / replace existing trap network for live capture traps mustelids and feral cats	Forest and Bird	$18,800
Trail cameras (20) and field phone/tablet	Forest and Bird	$9,000
Track clearing labour for establishment and maintenance of trap lines	Forest and Bird	$5,000
Project manager (0.1 FTE) for mustelid and feral cat trap network	OPBG	$8,320
Trail cameras (30)	OPBG	$10,500
Trap maintenance, lures, and bait for all pest animal species	OPBG	$1,000
Drone surveillance and hunting, 3 nights	OPBG	$9,000
Total		**$61,620**

Expected outcomes: A trial is implemented and facilitated by a Project Manager knowledgeable of the site and pest animal trapping methodology to increase the number of mustelid and feral cat live capture trap lines to increase fledging sea bird success rates, and to provide a better understanding of effective trapping techniques for mustelids to help inform future projects.

Eradication of possums is achieved in the Pikiwhara area.

Pikiwhara – Sandfly Bay Site-Led management area

Background: Little is known around the status of pest plants in the wider Pikiwhara – Sandfly Bay Site-Led area. *The Values, Threats, and Impacts Assessment* illustrates Pikiwhara contains Naturally Uncommon Ecosystems (with basic cliffs, scarps, tors, and volcanic boulder fields; see www.landcareresearch.co.nz/publications/naturally-uncommon-ecosystems/), is a DOC EMU, and is regarded as an area of significant biodiversity value by DCC.

Furthermore, Banana Passionfruit, Chilean Flame Creeper and Darwin's Barberry are defined in the Regional Pest Management Plan as Site-Led species. These are highly invasive pest plants which if present in this site, could cause significant ecological affects and smother native vegetation. Furthermore, Banana Passionfruit and Darwin's Barberry seeds are highly palatable and are well-dispersed by native birds.

The Pikiwhara – Sandfly Bay area is also home to several native sea birds (tītī, Hoiho, Kororā, Red-billed Gull, Spotted Shag, White-fronted Tern, Black-backed Gull, Variable Oystercatcher), Pinnipeds (New Zealand Fur Sea, Sea Lion, Leopard Seal, Crabeater Seal), and native plant species (Mataī, Coastal Hebe, Thick-leaved scurvy grass, *Renunculus recens*, *Lepidium crassum*). Many of which would benefit from increased predator trapping as outlined above (see Pikiwhara Reserve tītī colony), and from either baseline surveillance to inform the current status of pest plants in the Pikiwhara – Sandfly Bay area, or management of seed source plants at Pukehiki.

Aim: To either carry out drone baseline surveillance of Site-Led pest plant species and provide information to community groups on the presence of pest plant species throughout the Pikiwhara – Sandfly Bay area, or to manage seed source plants at Pukehiki.

Proposed Action	**Groups involved**	**Estimated Cost**
Drone baseline surveillance for Darwin's Barberry (July-August), Sycamore and Banana passionfruit at Pikiwhara – Sandfly Bay, or management of seed source plants at Pukehiki	SWAT	$9,480
Herbicide gel	SWAT	$1,000
GPS + 1 Year subscription	SWAT	$1,000
Total		**$11,480**

Expected outcomes: Either a baseline surveillance report detailing the presence or absence of Site-Led pest plant species across the Pikiwhara – Sandfly Bay area is available to the community to facilitate pest plant control, or pest plants are removed at Pukehiki to remove potential seed

sources.

Cost Breakdown by Community Group

Community Group	Area	Proposed Action	Total Estimated Fund Allocation
Forest and Bird	Sandymount Reserve tītī colony	Extend / replace existing trap network for live capture traps mustelids and feral cats. Trail cameras (20) and field phone/tablet. Track clearing labour for establishment and maintenance of trap lines.	$32,800
	Total		**$32,800**
OPBG	Sandymount Reserve tītī colony	Project manager (0.1 FTE) for mustelid and feral cat trap network. Trail cameras (30). Trap maintenance, lures, and bait for all pest animal species. Drone surveillance and hunting, 3 nights.	$28,820
	Total		**$28,820**
SWAT	Pikiwhara – Sandfly Bay Site-Led management area	Drone baseline surveillance for Darwin's Barberry (July-August), Sycamore and Banana passionfruit at Pikiwhara – Sandfly Bay, or management of seed source plants at Pukehiki. Herbicide gel. GPS + 1 Year subscription.	$11,480
	Total		**$11,480**
Total Programme Estimated Expenditure			**$73,100**

Additional Funding 2025/26

Background

The additional funding is to **maintain the gains** of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Funding has been proposed from the 2024/25 budget to support community group mahi at these sites. Applications focus on either maintaining, developing, or expanding on the groups initial project.

Summary Additional Funding

Sandymount - Sandfly Bay Additional Funding	Funding Requested	Funding Granted
Forest and Bird	$ 26,286.00	$ 21,896.00
Seek Weeds and Terminate (SWAT)	$ 12,000.00	$ 12,000.00
Otago Peninsula Biodiversity Group (OPBG)	$ 18,500.00	$ 15,530.00
Sandymount Site Total	**$ 56,786.00**	**$ 49,426.00**

Aramoana Additional Funding	Funding Requested	Funding Granted
The Halo Project	$ 22,000.00	$ 10,200.00
Aramoana Conservation Trust	$ 2,276.00	$ -
Aramoana Site Total	**$ 24,276.00**	**$ 10,200.00**

Total Additional Funding	**$ 81,062.00**	**$ 59,626.00**

Aramoana Site

The Halo Project

Objectives:

1. Follow up surveillance of Site-Led pest plants in the Aramoana area.
2. Implement the control of pest plants discovered during surveillance.

Funding and budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Labour to survey and control pest plants	Field team suvey and control of Site-Led pest plants. Staff cost at $48/per hour, 200 hours field team labour.	$ 48.00	200	$ 9,600.00
Labour to survey and control pest plants	Volunteer suvey and control of Site-Led pest plants. Volunteers at $0/ hour.	$ -	32	$ -
Consumables	Pest plant control consumables including: herbicide gel, gloves, glasses, and tree saws.	$ 400.00	1	$ 400.00
Volunteer kai	Packed lunch for volunteers.	$ 200.00	1	$ 200.00
Funding Total				**$ 10,200.00**

Expected outcomes:

1. Removal of any pest plants discovered through pest plant surveillance.

Sandymount – Sandfly Bay Site

Forest and Bird

Objectives:

1. Expand existing trapping efforts through engaging a live capture trapping contractor to target ferrets and feral cats during tītī critical nesting periods.
2. Maintain existing tracks for predator trapping.
3. Implement two, two-day mustelid dog surveys within the 12-month funding period.
4. Increase efficiency of live capture trap network using a trap alert system.

Funding and budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Contractor labour for predator control	Predator control contractor specialised for live capture trapping for ferrets and feral cats, 300 hours at $40 per hour.	$ 40.00	300	$ 12,000.00
Contractor labour for track clearing	Track clearing contractor, 122 hours at $38 per hour.	$ 38.00	112	$ 4,256.00
Contractor labour for mustelid dog handler	Mustelid dog handler contractor, 4 days at $500 per day.	$ 500.00	4	$ 2,000.00
WTE base system	WTE trap alert system base system for remote monitoring of live capture traps for ferrets and feral cats.	$ 980.00	1	$ 980.00
WTE sensors	WTE trap alert system - sensors	$ 260.00	10	$ 2,600.00
WTE subscription	WTE trap alert system - cloud subscription	$ 60.00	1	$ 60.00
Total Funding				**$ 21,896.00**

Expected outcomes:

1. Expanding the trapping efforts with live capture traps should increase the number of trap catches and the level of protection for vulnerable nesting tītī.
2. Track maintenance will increase volunteer accessibility for trap maintenance.
3. A dog handler contractor should detect mustelids in the area, and should therefore provide guidance for trapping, which may lead to increasing the level of protection for vulnerable native species.
4. Establishing a live capture trap network alert system will increase efficiency for trap checking and maintenance, reducing the number of volunteer hours.

Seek Weeds and Terminate (SWAT)

Objectives:

1. Engage a contractor to remove Darwin's barberry (seed source) plants in areas that are inaccessible and unsafe for volunteers in Pukehiki.

Funding and budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Contractor labour for pest plant control	Contractor labour for Darwin's barberry control at Pukehiki - seed source area. Staff cost @$100/per hour, 120 hours field team labour.	$ 100.00	120	$ 12,000.00
Funding Total				**$ 12,000.00**

Expected outcomes:

1. Seed source plants removed from Pukehiki to reduce the potential of new infestations in Sandymount – Sandfly Bay.

Otago Peninsula Biodiversity Group (OPBG)

Objectives:

1. Redeploy traps into areas surveillance identified as holding mustelids and feral cats.
2. Maintain tracks using contractors to make traplines accessible for volunteers.
3. Project Manager to coordinate project, volunteer labour, contractors, and upskill volunteers.

Funding and budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Track maintenance	Contractor labour to carry out track maintenance, 4 staff for 3 days (24 hours) at $75 per hour.	$ 300.00	24	$ 7,200.00
Travel	Travel costs for 3 days at $110 per day.	$ 110.00	3	$ 330.00
Project manager	OPBG Project Manager to organise volunteers and contractors, 5 hours per week for 40 weeks (200 hours total) at $40 per hour.	$ 40.00	200	$ 8,000.00
Funding Total				**$ 15,530.00**

Expected outcomes:

1. Redeploying traps should increase the number of trap catches and the level of protection.
2. Track maintenance will increase volunteer accessibility for trap maintenance.
3. Enabling a Project Manager will provide a coordinated approach and support the upskilling of volunteers.

Applications for Additional Funding 2024/25

Site-Led Programme – Community Group Application for Additional Funding

Why offer additional funding?

This additional funding is to maintain the gains of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Applications for additional funding should focus on either maintaining, developing, or expanding on the groups intial project.

How to apply?

Please answer all questions on this form to apply for additional funding for your community group's project as part of the Site-Led Programme.

Applications for additional funding must be received by 15th January 2025. If you have any questions, please contact sophie.gibson-pinn@orc.govt.nz.

Once applications for additional funding are received, they will be reviewed, and a report will be taken to Council for approval. If approved, funding will be allocated to successful groups.

Applicant details

Name of organisation/group	**Aramoana Conservation Trust**
Contact person	**Bradley Curnow**
Contact number	**0272942565**
Email address	**conserve.aramoana@gmail.com**

Project summary

Site-Led Programme site location (highlight one)	**Aramoana**
Initial project start date	**1st June 2024**
Initial project end date	**1st June 2025**
Proposed project start date (must be after the initial project end date)	**2nd June 2025**
Proposed project finish date	**1st June 2026**

Project description

Objectives

Tell us in more detail what additional actions you plan to carry out as part of the proposed project and how they would achieve the Site-Led Programme objectives.

We have placed an order with Halo to start planting together this Spring in the Aramoana ecological area. When we developed the new trap line we discovered a massive area that Doc has controlled weeds in (photo attached). We simply don't have enough plants this year on order to maintain the gains from the current year to cover this area this Spring. If this area is not covered in our plantings then the weeds will simply come back which may well include our target pest weeds. The expanding of our plantings includes some unusual NZ native plants which will increase the biodiversity of the area as well as help out compete the return of the weeds (attached quote from Seeds and Friends) .

Funding

Total additional funding (2025-2026)	**$2276.00**

Additional Funding – budget

Tell us in more detail what the additional funding will be used for. Please provide a either a table or spreadsheet accounting for estimated project income and expenditure. Note any invoices/receipts will be required for expenses higher than $500 excl. GST.

Seed and Friends 218 plants (as per attached quote).

$1616.00

Estimate for consumables for 218 plants. Includes EmGuards, mulch mats and natural bamboo stakes.

$660.00

Supporting Documents

You are also welcome to provide additional information, including photos, maps etc.

Declaration

I have:

☒ **Applied for additional funding to either maintain, develop or expand on the groups intial project as part of the Site-Led Programme.**

☒ **Answered all the questions.**

☒ **Supplied required supporting information.**

☒ **Provided an email address that is checked regularly.**

☒ **I confirm that all information of this form is true and correct.**

Signature	**Bradley Curnow**
Date	**14/1/25**

SEED+FRIENDS
Anita Pillai: 021 479 114 | Gail Loughrey: 021 511 203
seedfriendsotago@gmail.com

Quote

8 January 2025

To: Aramoana Conservation Trust
Attn: Bradley Curnow

218 plants (see attached spreadsheet for species, size and cost)

Total $1616.00 (not gst registered)

	PHONE	
377 York Place City Central	021479114	021 511203
Dunedin 9016	Anita Pillai	Gail Loughrey

Seed and Friends Nursery

seedfriendsotago@gmail.com
Gail Loughrey and Anita Pillai

Species	No.	Size	Price	Total
Clematis paniculata	30	RX9	$7	$210
Coprosma foetidissima	10	PB2	$7	$70
Coprosma linnariifolia	10	PB5	$7	$70
Coprosma rhamnoides	60	PB5	$7	$420
Coprosma rigida	18	2l pot	$7	$126
Coprosma rubra	60	PB3	$7	$420
Olearia hectorii	10	PB3	$10	$100
Podocarpus laetus	20	PB2	$10	$200
Total	218			$1,616

Site-Led Programme – Community Group Application for Additional Funding

Why offer additional funding?

This additional funding is to maintain the gains of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Applications for additional funding should focus on either maintaining, developing, or expanding on the groups intial project.

How to apply?

Please answer all questions on this form to apply for additional funding for your community group's project as part of the Site-Led Programme.

Applications for additional funding must be received by 15th January 2025. If you have any questions, please contact sophie.gibson-pinn@orc.govt.nz.

Once applications for additional funding are received, they will be reviewed, and a report will be taken to Council for approval. If approved, funding will be allocated to successful groups.

Applicant details

Name of organisation/group	**F**orest & Bird Society (Dunedin Branch)
Contact person	**Francesca Cunninghame**
Contact number	**022 658 1349**
Email address	**f.cunninghame@forestandbird.org.nz**

Otago Regional Council

Project summary

Site-Led Programme site location (highlight one)	**Aramoana** **or** **Sandymount – Sandfly Bay**
Initial project start date	**1st June 2024**
Initial project end date	**1st June 2025**
Proposed project start date (must be after the initial project end date)	**2nd June 2025**
Proposed project finish date	**1st June 2026**

Project description

Objectives

Tell us in more detail what additional actions you plan to carry out as part of the proposed project and how they would achieve the Site-Led Programme objectives.

The Pikiwhara/Sandymount Tītī/sooty shearwater colony is one of the largest remaining mainland colonies (>100 chicks fledge in good seasons), while the burrowing seabird colony ecosystem is considered critically endangered within Otago. This colony contributes to some of the high biodiversity and cultural values that were identified during the ORC Site-led process that resulted in Pikiwhara being identified as one of two key sites to date. One of the key threats to the Pikiwhara colony comes from introduced mammal predation, and nest success monitoring conducted by F&B since 2016 has documented a range of species (ferrets, stoat, hedgehog, feral cat, rat) predating on eggs, chicks, and/or adult birds. As a result, both introduced predator control and Tītī monitoring efforts have intensified with the aim to more effectively protect the birds and their offspring from predation, in addition to better understanding other impacts (eg marine conditions) that also effect the colony's persistence. Furthermore, increased effective predator control can further enhance conditions for other native threatened (At Riask, In Decline) seabirds that nest close by such as Tara/white-fronted terns Tarapunga/red-billed gulls and Kororā/little blue penguins.

Current Site-led funding has enabled us to increase predator control contractor hours, ensure trap lines and access routes are maintained throughout the year, and increase the number of traps we operate, while counterpart funding has ensured the ongoing intensive breeding season monitoring using trail cameras, burrowscoping and pre-fledge chick marking to understand recruitment and long-term colony trends. Additionally, we were lucky to have had DOC support us with their programme lead conservation dog handler to carry out a mustelid survey early in the breeding season to inform our trap efforts.

To enable the ongoing protection of the Pikiwhara Tītī colony, site focused introduced predator control needs to be maintained, which fulfils the objectives of the Site-led plan in enhancing both

native ecosystems (burrowing seabird colony) and species (Tītī/Sooty shearwater, At Risk-In Decline) in addition to specifically targeting the introduced mammalian predators identified as site led species for control.

We plan to carry out the following specific activities from June 1, 2025, to June 1, 2026:

- Maintain current kill trap network targeting stoats, weasels, rats.
- Expand critical period live capture trapping network targeting ferrets, feral cats
- Increase efficiency of live capture trap network through reliable and user-friendly trap alert systems.
- Increase efficiency of live capture trap network through securing a minimum of two mustelid dog surveys annually.
- Maintain nest success and chick survival monitoring using trail cameras and burrow scoping to determine efficacy of predator control in protecting breeding adult Tītī, their eggs and chicks.
- Maintain pre-fledge chick capture, sampling (feather and blood), and marking (PIT tags, leg bands) to enable long term recruitment monitoring and contribute to seabird research.
- Initiate at sea movement monitoring of breeding Pikiwhara colony Tītī adults to determine breeding season foraging zones and increase our understanding of the impacts from marine heat waves and other ocean phenomena and potentially better determine chick starvation events (which we have documented in some previous seasons).
- Maintain all current trap lines and access routes open throughout the year to enable efficient work.
- Continue to collaborate with local community groups and Otakou Rūnaka that work at the same site to share information, increase our efficiency and build on positive relationships.
- Continue to work with a diverse range of volunteers who are key team members throughout the year for both introduced predator control and bird monitoring.
- Continue to collaborate with a wide range of stakeholders including tertiary institutions and government agencies to enhance the value of our work.

Funding

Total additional funding (2025-2026)	**$26,286.00**

Additional Funding – budget

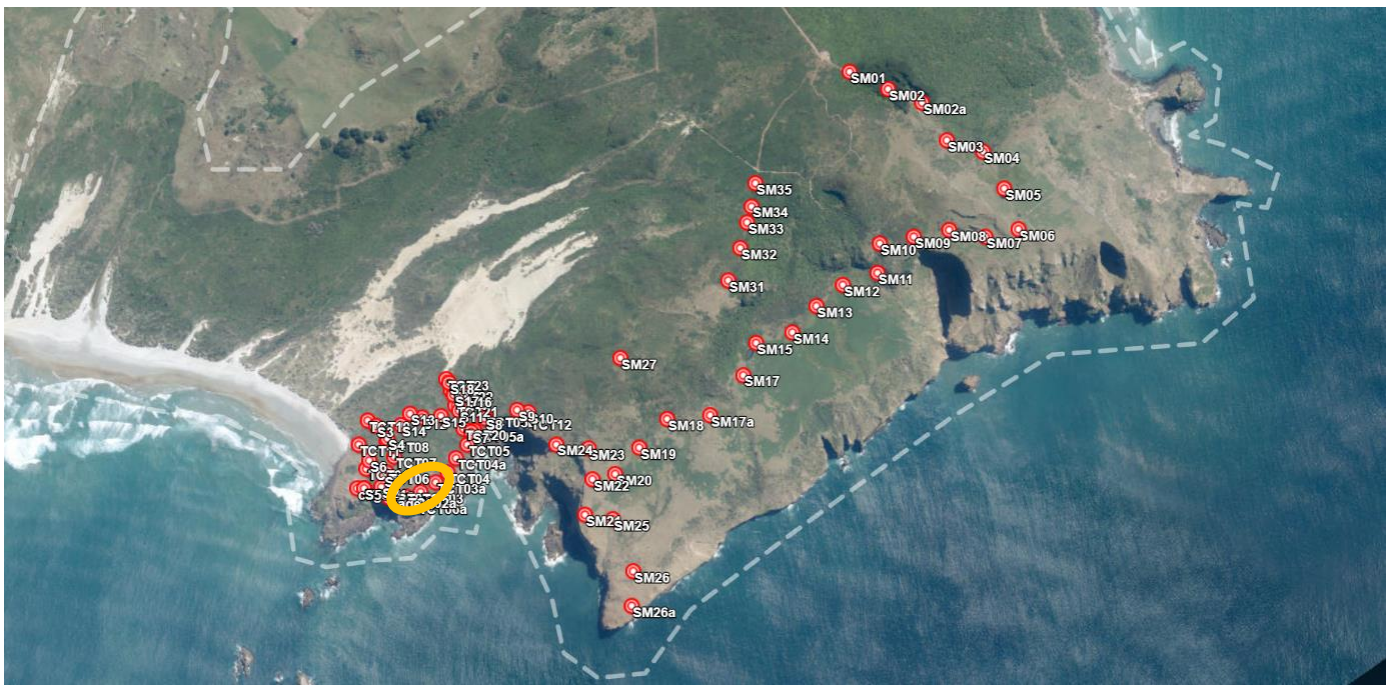
Tell us in more detail what the additional funding will be used for. Please provide a either a table or spreadsheet accounting for estimated project income and expenditure. Note any invoices/receipts will be required for expenses higher than $500 excl. GST.

Description	No. units	Price per unit	Total
Predator control contractor (specialised for live capture)	300 (hours)	$40.00	$12,000.00
Track clearing contractor	112 (hours)	$38.00	$4,256.00
Mustelid dog handler	4 (days)	$500.00	$2,000.00
WTE trap alert system – base station	1 (unit)	$980.00	$980.00
WTE trap alert system – sensors	10 (units)	$260.00	$2,600.00
WTE trap alert system – cloud subscription	1 (annual)	$60.00	$60.00
Microchips (PIT Tags) for Tītī chicks	7 (packs of 20 units)	$70.00	$490.00
GPS loggers for breeding adult Tītī	6 (unit)	$650	$3,900.00
TOTAL			$26,286.00

Otago Regional Council

Supporting Documents

You are also welcome to provide additional information, including photos, maps etc.



F&B permanent kill trap network centred to protect Tītī colony (yellow) for mustelid and rodent control, checked fortnightly throughout the year by volunteers, supported by one staff member. Source: TrapNZ



Pikiwhara colony S, Slope take off spot, Tītī leave pre-dawn, October 2024



Ange Newport, Senior Advisor Pest Detection Dogs, DOC, with Almo the dog survey the Sandfly Bay dunes and detect ferret sign. December 2024 (food dumps and traps have since been set to target this ferret with the aim to prevent it from arriving at the Tītī colony on the headland). Photo: F Cunninghame

Declaration

I have:

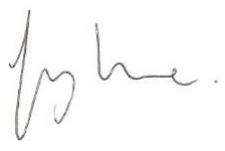
☒ **Applied for additional funding to either maintain, develop or expand on the groups intial project as part of the Site-Led Programme.**

☒ **Answered all the questions.**

☒ **Supplied required supporting information.**

☒ **Provided an email address that is checked regularly.**

☒ **I confirm that all information of this form is true and correct.**

Signature	
Date	**16 January 2025**

Site-Led Programme – Community Group Application for Additional Funding

Why offer additional funding?

This additional funding is to maintain the gains of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Applications for additional funding should focus on either maintaining, developing, or expanding on the groups intial project.

How to apply?

Please answer all questions on this form to apply for additional funding for your community group's project as part of the Site-Led Programme.

Applications for additional funding must be received by 15th January 2025. If you have any questions, please contact sophie.gibson-pinn@orc.govt.nz.

Once applications for additional funding are received, they will be reviewed, and a report will be taken to Council for approval. If approved, funding will be allocated to successful groups.

Applicant details

Name of organisation/group	**The Halo Project**
Contact person	**Alice Macklow**
Contact number	**028 402 3759**
Email address	**alice@haloproject.org.nz**

Project summary

Site-Led Programme site location (highlight one)	**Aramoana**
Initial project start date	**1st June 2024**
Initial project end date	**1st June 2025**
Proposed project start date (must be after the initial project end date)	**2nd June 2025**
Proposed project finish date	**1st June 2026**

Project description

Objectives

Tell us in more detail what additional actions you plan to carry out as part of the proposed project and how they would achieve the Site-Led Programme objectives.

1. **Implementation and removal of pest plants and ongoing biosecurity maintenance of Aramoana Site-Led area. This will primarily include revisiting the weeds which have received management in the first year, and re treating plants.**
2. **The A24 mustelid/rat trap line requires quarterly servicing.**
3. **Biennial track clearing of Aramoana Ecological Area trap line established in 23-24.**

Funding

Total additional funding (2025-2026)	**$22,000**

Additional Funding – budget

Tell us in more detail what the additional funding will be used for. Please provide a either a table or spreadsheet accounting for estimated project income and expenditure. Note any invoices/receipts will be required for expenses higher than $500 excl. GST.

Action	Estimated Cost

Track clearing labour of trap lines in Aramoana Ecological Area	**$4,000**
Labour to complete quarterly service of A24 network	**$6,000**
Labour to maintain pest plant control in Aramoana Site-Led Area	**$12,000**

Supporting Documents

You are also welcome to provide additional information, including photos, maps etc.

Declaration

I have:

☒ **Applied for additional funding to either maintain, develop or expand on the groups intial project as part of the Site-Led Programme.**

☒ **Answered all the questions.**

☒ **Supplied required supporting information.**

☒ **Provided an email address that is checked regularly.**

☒ **I confirm that all information of this form is true and correct.**

Signature	
Date	13/01/2025

Task	Breakdown	Cost	Total	Detail
Track clearing labour of trap lines in Aramoana Ecological Area	40 hours field team labour	$48	$1,920	Oct-25
	40 hours field team labour	$48	$1,920	Mar-26
Labour to complete biannual service of A24 network	32 hours field team labour	$48	$1,536	Dec-25
	32 hours field team labour	$48	$1,536	Jun-26
	Volunteer kai	$200	$200	Packed lunch pp. includes sandwiches, fruit, muesli bars
	2 * 100 A24 Consumables	$1,704	$3,408	GoodNature Meat Lovers A24
Labour to maintain pest plant control in Aramoana Site-Led Area	120 hours field team labour	$48	$5,760	Volunteer supported survey of Site-Led area to locate pest plants
	120 hours field team labour	$48	$5,760	Control of identified pest plants
	Pets plant control consumables	$400	$400	Consumables include tree saws, herbicide gel, gloves, glasses
	Volunteer kai	$600	$600	Packed lunch pp. includes sandwiches, fruit, muesli bars
TOTAL			**$22,440**	

Aramoana Site-led Weed Management Plan

The Halo Project

15 January 2025

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Report identifier: 250115-01050_Aramoana Site-led Weed management Plan

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Document Version History

Version	Date	Author	Reviewer	Change Status
1	7/1/25	Liz Sherwood	Craig Wilson	Draft for internal review
2	15/1/25	Liz Sherwood	Craig Wilson	Final version

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1 Otago Regional Council's site-led weed programme

Otago Regional Council (ORC) granted funding to Halo Project and Aramoana Conservation Trust to progress the ORC Regional Pest Management Plan's (2019-2029) West Harbour – Mt Cargill 'Site-led Programme' objectives at Aramoana. The Aramoana-Heyward Point area was identified as a priority within the West Harbour – Mt Cargill Site due to its high cultural and environmental values. 'Cultural values' included community use and interest, and wāhi taoka values. Refer to Figure 1 for a map of the area.

A number of animal and plant pests are targeted for control under the site-led programmes, the plant pests being banana passionfruit, Chilean flame creeper, Darwin's barberry, gunnera, sycamore and tradescantia. However, the extent of these and other invasive weeds in the Aramoana – Heyward Point area was unknown.

An excerpt from the ORC funding agreement is provided as follows:

> The Whole Site-Led Aramoana area
>
> **Background:** Little is known around the status of pest plants in the wider Aramoana Site-Led area. The Aramoana Site-Led area contains DOC EMU's, regionally significant coastal podocarp forest remnants, and ecologically significant saltwater wetlands.
>
> **Aims:** To carry out monitoring and surveillance of Site-Led pest plant species and provide information to community groups and residents on the presence of pest plant species throughout the Aramoana area to inform future management. Based on surveillance findings, we plan to implement revegetation through facilitating the removal of invasive pest plant species and replacing them with native species using the Otago Native Planting Guide to prevent pest plants reestablishing. Sites will be prioritised for pest plant management and revegetation based on community values and remaining Programme budget.

This report progresses the aims by providing the results of a weed survey of the Aramoana Area, and a plan for subsequent weed control priorities. The development and implementation of the plan compliments the work of Aramoana Conservation Trust in protecting wildlife and habitat at Aramoana. It also supports the restoration plan developed by The Halo Project with support from Kāti Huirapa ki Puketeraki, to protect a rare coastal podocarp forest remnant at Heyward Point Scenic Reserve, and protect and enhance the breeding area for sea birds at Purehurehu and Heyward Point.

The Halo Project will lead consultation relating to and the implementation of this plan. It is intended that this plan be used to support further funding applications to achieve protection of Aramoana's natural and cultural values.

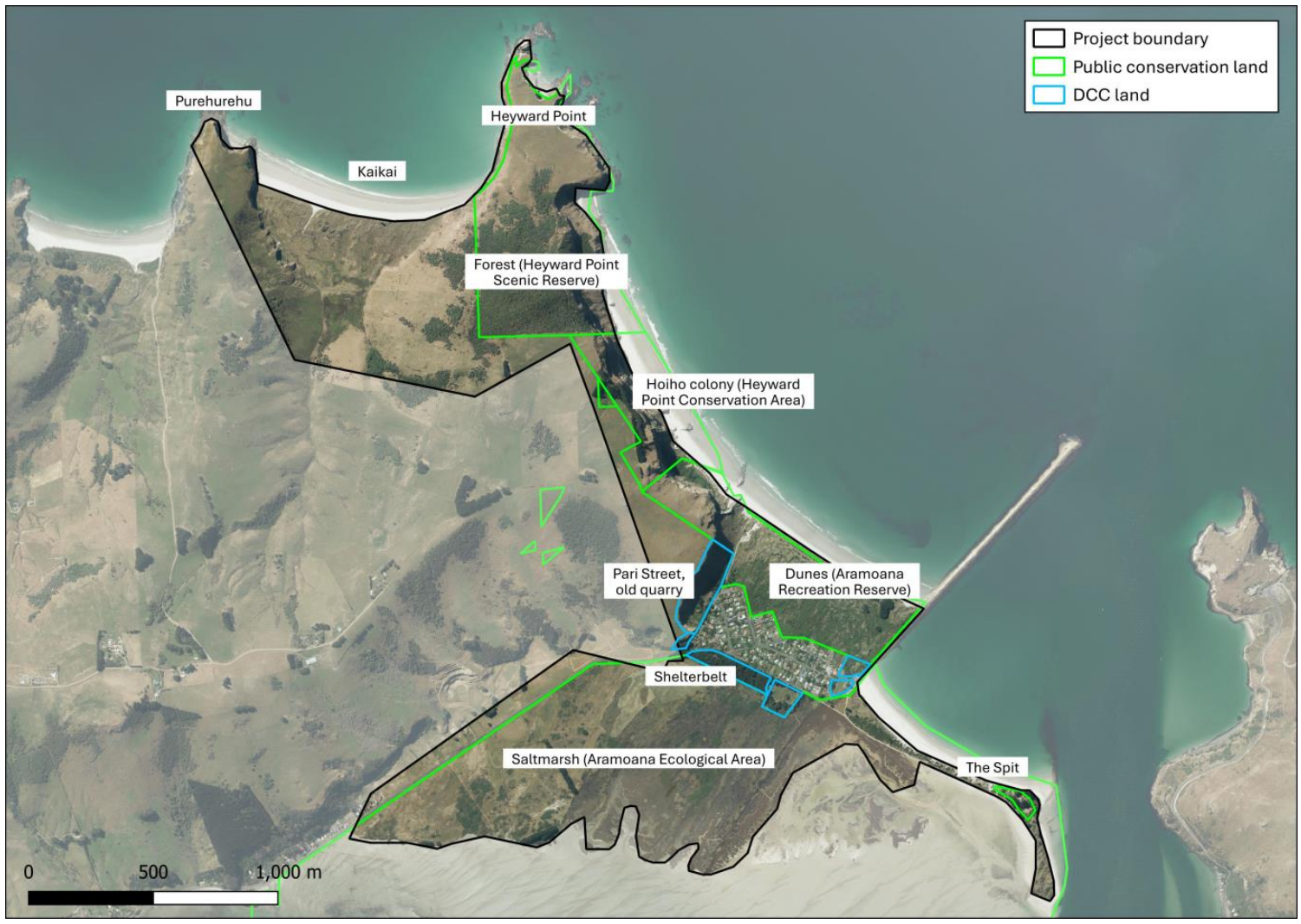


Figure 1. Map of the Aramoana site-led area including locations referred to in the plan.

2 Survey methods

The area was divided into four manageable parts for walking through over a day each, as described below. Locations of weeds were recorded with handheld GPS's. Surveyors recorded the species name and estimated the number of plants or the size of the infestation. Binoculars were used to view tree canopies and cliffs. The species identifier app 'Aotearoa Species Classifier' was used by all surveyors to support weed identification. Samples of unknown plants were collected for later identification.

Private property was surveyed only with permission from the landowner. A letterbox drop of the Halo Project's site-led weed flier was used to raise awareness of weeds and attempt to gain access to properties within the Aramoana settlement; two responses were received, both concerning the presence of tradescantia on private property.

A report from a survey of Kaikai and Purehurehu by the Botanical Society of Otago, carried out in 2022, was provided by the landowner in lieu of access.

In all areas surveyed, exotic plants were recorded except for common herbs, rushes, grasses, and tree lupin (which is widespread and considered relatively 'low threat' in the area).

Survey days

Day one (8 August 2024): Aramoana coastal cliffs and hoiho nesting sites from Pari Street access; Pari Street roadside, hillslope and old quarry (viewed from base of slope) (2 surveyors).

Day two (14 August 2024): Heyward Point Track, Heyward Point forest (edges) and slopes (viewed from above) (2 surveyors).

Day three (20 September 2024): Aramoana saltmarsh (walkable edges), farmland, boardwalk, domain, shelterbelt, and Aramoana Rd (3 surveyors).

Day four (17 October 2024): Aramoana settlement, dunes, and spit (6 surveyors).

3 Survey results

Aramoana coastal cliffs and Pari Street hillside

Marram and tree lupin are common on the lower slopes along Aramoana Beach, with native ice plant on beachfront rock ledges, with other weeds occasionally found. Macrocarpas are frequently scattered on the bare cliff faces (Figure 2). To the north, the lower slopes and cliff faces at Heyward Point are covered with native vegetation, with no weeds found (Figure 2).

The hill slope along Pari Street is dominated by exotic grasses and native and exotic shrubs (Figure 3).



Figure 2. (L) Macrocarpas on Aramoana Beach cliff face. Marram and lupin common on lower slopes, with native ice plant on beachfront rock ledges. Black-backed gulls were seen roosting/nesting on bare cliff face. (R) Native cover on Heyward Point cliff faces.



Figure 3. Soft broom spreading along the creek and hill slope from large planted specimens in the old quarry site on Pari St (DCC land). Elderberry and native *Veronica elliptica* (a hebe) are common on the slope.

Heyward Point

The Heyward Point area is strikingly free of invasive weeds - only common pasture grasses and herbs meet the forest edge (Figure 4). However, planted pines and macrocarpas along Heyward Point track at the top of the cliffs are spreading and are the source of wildings below (Figure 5).



Figure 4. Heyward Point podocarp/broadleaf forest. Forest edge surveyed and canopy scanned with binoculars.



Figure 5. View from Heyward Point Track. Stands of macrocarpa on cliff top, dunes, and spit stand out from low vegetation. Vegetation on the cliff face is mainly native, including kōwhai, wind-shorn coprosmas, hebe, and harakeke.

Aramoana ecological area, saltmarsh, domain and shelterbelt

The glasswort-dominated saltmarsh flats are weed free, however the slightly elevated ground above it has been invaded in places by the exotic grass sea couch. Above the saltmarsh and adjacent rushes and saltmarsh ribbonwood, gorse (with broom and blackberry) often dominates, amongst harakeke and regenerating broadleaved trees, as shown in Figure 6 and 7.

Boneseed was the only weed of concern found in the domain, however, the pine shelterbelt and adjacent native shelterbelt contain a variety of invasive weeds and exotic plants originating from local gardens, such as montbretia and Japanese honeysuckle.



Figure 6. Aramoana saltmarsh ‘finger’ as viewed during survey. Gorse in flower on higher ground behind rushes and saltmarsh ribbonwood. Sea couch amongst rushes in foreground.



Figure 7. The grazed edge of Aramoana Ecological Area. Gorse and broom are controlled within the grazed area but widespread outside of it.

Aramoana Spit, settlement and dunes

The Spit is largely dominated by marram with native and exotic trees and shrubs. There are invasive weeds spreading from the pilot house gardens, and the harbour edge is fringed with sea couch.

Marram dominates the foredunes (Figure 8). In the backdunes there are large patches of regenerating (and planted) native shrubland, dense cover of the native climber *Muehlenbeckia australis,* and a large infestation of sycamore.

Roadsides around the edges of the settlement contained the highest variety of invasive weeds in the site-led area, including banana passionfruit (Figure 9).



Figure 8. (L) Foredunes with marram, lupin and *Coprosma repens*; (R) Back dunes with regenerating broadleaf forest, marram, spindle tree, blackberry and male fern.



Figure 9. (L) Green arum lily and (R) bamboo on Moana Rd opposite residential area, planted or growing from garden waste.

Site-led weeds

Of the six target site-led weed species, four were found in and around the settlement (refer to Figure 10 for locations). Banana passionfruit is spreading on DCC reserve land on Pari Street, and in several gardens and road berms. Darwin's barberry was found on one private property, tradescantia saddles two properties, and sycamore was found to be spreading through the dunes. These species are 'Priority 1' for control. Chilean flame creeper and gunnera (Chilean rhubarb) were not found anywhere in the area. None of the site-led weeds were recorded as present at Kaikai.



Figure 10. Priority 1 weeds. Map of banana passionfruit, Darwin's barberry, sycamore and tradescantia locations recorded during the survey (August - October 2024).

Other invasive weeds

A further 30 invasive weed species were recorded during the surveys, mostly around the settlement, dunes, and saltmarsh. Of these, 18 species are uncommon or isolated (as shown in

Figure 11) and should be controlled where they occur on public land (DCC or DOC) to prevent their spread and damage to fragile habitats and native plant communities while this is still feasible. These 18 species are 'Priority 2' for control. None of the Priority 2 weeds were recorded as present at Kaikai.



Figure 11. Priority 2 weed locations, as recorded during surveys in August-October 2024.

4 Weed control plan

Priority 1 - Site-led Programme weeds

Control all site-led weeds with urgency (as soon as possible) before seed ripens. Control includes a thorough search for additional adult plants, seedlings and suckers (stems growing from underground stems or roots) around the recorded plant/s. Eradication of these species is the aim.

Annual summer visits to control sites will be needed until newly emerged plants stop being found. This may be several years or longer if a substantial seed-bank has developed in the soil. However, six-monthly monitoring and possibly spraying will be needed to control tradescantia. Search for regrowth from stumps and roots, and seedlings, within a 10m radius of controlled plants. Once no further weeds have been found at the control site for two years, further monitoring should be incorporated into the periodic weed surveys discussed below.

Priority 1 weeds (urgent)	**Abundance and distribution**	**Control method**
Banana passionfruit	Localised distribution centred on Pari Street old quarry. Single or spreading vines on six properties on Pari St (east). A 30x30m patch and 5+ vines on old quarry hillside and west side of Pari St (DCC).	Pull roots up (preferred) and tie up the stem and roots so that they cannot touch the ground. Or pull up roots and cut stem above the ground, bag-up roots for disposal at landfill. Alternatively, cut stems near ground and paste with herbicide. Remove fruit, if possible, bag-up for disposal in landfill.
Darwin's barberry	Rare. One large multi-stemmed shrub on one Pari St property.	Dig out and dispose in landfill or cut stumps and paste with herbicide, with landowner agreement. Dispose in landfill if fruit is present.
Sycamore	Localised in dunes at Aramoana Recreation Reserve. Abundant. Estimated 60 trees (likely more).	Cut stump close to ground level and paste immediately with herbicide, from summer to autumn. Hand pull seedlings. Conduct thorough search of dune area to ensure all plants mapped and controlled.
Tradescantia	Rare. One patch on Pari St, on fenceline of two private properties.	Dig out and/or spray. Repeat herbicide applications required. Spraying is required unless the entire infestation can be removed by digging.

Priority 2 - Invasive weeds for control

These 18 invasive weeds occur in very low densities or as isolated individuals. Control now (or in the near future) will be cost effective, and prevent damage to fragile habitats (dunes, spit, cliffs, saltmarsh, and coastal forest). They should be controlled wherever they are found on public land (DOC and DCC) (refer to

Figure 11 for map of locations). Additionally, residents can be encouraged to remove them from their sections through a public awareness campaign. Species are listed in alphabetical order.

Priority 2 weeds	Abundance and distribution	Priority sites for control	Reason for control	Control method
Bamboo	2 isolated clumps on Moana Road side.	Roadside adjacent domain.	Invasive, difficult to control, will spread into Conservation Area.	Dig out (preferred) or spray.
Boneseed	2 plants removed from Aramoana Domain	Conservation/ reserve land	Invasive in coastal sandy soils, seed spread by birds.	Monitor locations, hand pull any seedlings.
Boxthorn	Found only at old quarry (cliff top and roadside)	Conservation/ reserve land	Invasive on cliff faces, seed spread by birds and gravity.	Cut stumps and paste with herbicide. Hand pull seedlings.
Briar rose	1 plant	Conservation/ reserve land	Difficult to control once established.	Cut stumps and paste with herbicide or dig out if possible. Hand pull seedlings.
Buddleia (Madagascar)	Isolated – one plant	Conservation/ reserve land	Invasive, control to prevent establishment.	Cut stumps and paste with herbicide. Hand pull seedlings.
Cotoneaster	1 plant	Roadside berm Pari St	Invasive	Remove (cut and paste) with permission from landowner.
Flowering currant	2 isolated patches	Spit, conservation/ reserve land.	Invasive, forms dense thickets.	Dig out.
Giant bugloss (Echium pininana)	Planted in picnic area, isolated patches on Spit	Dunes, coastal cliffs, Spit	A weed in coastal areas in the north, planted by locals to beautify picnic area.	Public awareness; remove seed heads to prevent spread.

Priority 2 weeds (continued)	Abundance and distribution	Priority sites for control	Reason for control	Control method
Green arum lily	Three plants in isolated clump	Conservation/ reserve land	Will spread along waterway, difficult to control if allowed to spread.	Dig out (preferred) or spray.
Japanese honeysuckle	Isolated, 4 small patches under pine shelterbelt (DCC), 1 patch on Spit	Conservation/ reserve land	Cannot be shaded out. Smothering growth.	Hard to kill and stumps resprout therefore digging out now is best option. Alternatively, cut stumps close to ground and paste with herbicide (all year round).
Khasia berry	Isolated – 2 plants on edge of dunes close to settlement	Conservation/ reserve land	Invasive, seed spread by birds	Hand pull or dig out (preferred). Or cut at stump and paste with herbicide.
Monkey musk	1 patch on Aramoana beach rockface (waterfall)	Aramoana beach	Invasive plant in unique location, highly visible, easy to remedy.	Hand pull; monitor.
Montbretia	Locally scattered distribution centred on DCC shelterbelt, and Moana Rd	Conservation/ reserve land	Shade tolerant, invasive, difficult to control once established.	Spray or dig out.
Pampas	Isolated patches in dunes (5 plants), one plant Moana Roadside	Dunes, and ecological area.	Invasive, wind spread seed.	Hand pull seedlings. Spray large plants. Search area for seedlings (within 5-10m radius of control site).
Periwinkle	Scattered patches on roadsides and tracks around dunes.	Dunes, Spit	Invasive, shade tolerant, smothering, hard to kill.	Spray with glyphosate+metsulfuron; or cover with black polythene or weedmat for 12 months (preferred). Signage required, potential good publicity for project.

Priority 2 weeds (continued)	Abundance and distribution	Priority sites for control	Reason for control	Control method
Sea couch	Locally scattered/frequent along edge of saltmarsh with tall fescue and cocksfoot, between rush and shrub zones; frequent/almost continuous along harbour edge of Spit	Saltmarsh, Spit	Invasive, alters conditions to suit grasses by gradually building islands through decomposing leaf matter and sediment trapping. Closest recorded locations: Banks Peninsula and Riverton.	Spray and/or trial digging out clumps of grass to remove seedbank and the buildup of sediment. (Digging out would only be possible on a small scale with hand tools, with care taken to remove all rhizome fragments.)
Spanish heath	1 location (1 plant found)	Saltmarsh, dunes	Invasive in short vegetation, tolerates wet and dry soil	Dig out or spray in spring.
Stinking iris	Small plants at 2 separate locations near shelterbelt.	Near waterway/drain	Shade tolerant, invasive, difficult to control once established.	Dig out carefully to remove rhizomes.

Invasive weeds for control at high value sites

There are five weed species which are commonly found within the site-led area, or abundant in certain areas and, therefore, eradication is not a feasible approach currently. These weeds should be controlled where they threaten high natural value sites, including Heyward Point Scenic Reserve, the penguin colony, and the saltmarsh and its fringes. These weeds should also be controlled within native planting sites to ensure the success of plantings. For an indicative map of locations refer to Appendix 3.

Priority 3 weeds	Abundance and distribution	Priority sites for control	Reason for control	Control method
Blackberry	Common in saltmarsh, dunes and shelterbelt.	Saltmarsh 'fingers' of shrubland on edge of tidal zone; Sites to be planted or recently planted	Smothering growth, light and shade tolerant.	Dig out or cut stems at ground level and paste with herbicide, or spray in summer while leaves soft.
Broom	Common, frequent patches in saltmarsh and dunes.	Saltmarsh 'fingers' of shrubland on edge of tidal zone; Cliff tops; Sites to be planted or recently planted	Cannot be shaded out on cliff faces; out-competes planted seedlings	Cut stump and paste with herbicide before seeds set.
Elderberry	Scattered in dunes and saltmarsh.	Saltmarsh 'fingers' of shrubland on edge of tidal zone; Sites to be planted or recently planted	Cannot be shaded out.	Cut and paste stumps before fruit ripens.
Gorse	Abundant. Frequent patches in saltmarsh and spreading down cliff faces.	Saltmarsh 'fingers' of shrubland on edge of tidal zone; Clifftops; Sites to be planted or recently planted	Cannot be shaded out in saltmarsh shrubland or on cliff faces.	DOC to continue control of gorse on Heyward Point clifftops. Cut and paste stumps, replant with saltmarsh plants (eg. saltmarsh ribbonwood, harakeke)
Male fern	Localised in dunes (but could be abundant) and Spit, recorded at Kaikai.	Heyward Point Scenic Reserve, penguin nesting sites. Sites to be planted or recently planted	Highly invasive, light and shade tolerant.	Dig out (preferred) or spray.

Weed surveillance

Repeat weed surveillance every 3-5 years to check for any new locations and new species. Take different routes through areas where possible.

There are nine species that have been planted in and around the settlement that are known to be weedy. These plants should be monitored during regular surveillance and can be managed to ensure they do not spread beyond current locations (refer to Figure 12 for recorded locations). Removing them now would prevent future damage, however, they are common outside of the site led area and proposing their control could damage public relations.

Species to watch	Abundance and distribution	Priority sites for control	Reason for 'watch' status	Control method
Acacia melanoxylon (Tasmanian blackwood)	1 tree in arboretum/ shelterbelt area	Conservation/ reserve land	Invasive tree/ Environmental Weed (2024). Discussion/agreement needed from Aramoana Conservation Trust.	Cut and paste stump.
English honeysuckle	2 isolated locations, spreading from garden	Control if spreads into conservation area (dunes).	A garden plant, PR issue. Smothering growth.	As for Japanese honeysuckle.
English ivy	Uncommon – 2 isolated patches: spreading on quarry face and a patch on the spit.	The Spit	A garden plant, PR issue. Smothering growth, light and shade tolerant.	Cut stump and past immediately (all year round) or spray (summer).
Grey willow	2 trees planted on road berm, also recorded at Kaikai.	Conservation areas, wetland areas	Invasive tree but requires agreement from landowner.	Cut and paste stump. Replace with a native tree.
Red hot poker	Isolated individuals and patch planted at Aramoana reserve carpark	Conservation areas	Has potential to become invasive (an invasive weed in Australia)	Dig out carefully to remove rhizome.
Soft broom	Spreading from Pari St quarry/ picnic area along drain and slope, Moana Rd	Dunes where isolated. Coastal cliffs where cannot be shaded out.	Spreading towards coastal cliffs & dunes. Prevent from invading bare coastal cliffs.	Shade out through tree planting (eg. ngaio, harakeke, hebe)

Species to watch (cont.)	Abundance and distribution	Priority sites for control	Reason for 'watch' status	Control method
Tree mallow	Patches at three beach access points (Spit Beach, Pari St, Mole carpark), Aramoana Beach and Spit harbourside	Aramoana beach, Spit (harbourside).	Environmental Weed (2024) in dunes, sandy soils, coastal cliffs/banks, seeds sown by locals to beautify area.	Dig out plants on Aramoana Beach. Public awareness; remove seed heads to prevent spread.
Willow (unidentified Salix species)	1 tree planted	Near waterway	Willows are invasive in wet places.	Confirm species. Cut and paste stump if starts to spread by suckering.



Figure 12. Surveillance weed locations, as recorded during surveys in August-October 2024.

Replanting for weed management

Planting appropriate native species could help to manage weeds that are shade intolerant, such as gorse, broom, soft broom, pampas, and blackberry however planting alone will not achieve control. Planting could be effective in the dunes and on the hillside along Pari St (DCC land) to reduce the spread of weeds.

Native species such as ngaio, broadleaf, kōhūhū, toetoe, harakeke, small-leaved pōhuehue (*Muehlenbeckia complexa)* and shore hebe (*Veronica elliptica)* are suited to these habitats.

Planting for weed management is not an option on bare coastal cliffs, or on the tidal margins of the saltmarsh, hence the importance of preventing weeds establishing there.

Weed control at planting sites

Planting sites will require their own weed control and maintenance plan specific to the site. Site-specific plans should include species that smother young plantings such as grasses and pasture weeds, gorse, broom, greater bindweed and blackberry. Weed control should be ongoing until plantings are established.

Aramoana community awareness and issues

Consultation with the community and liaison with DOC and DCC is needed to determine their support for weed management. It is intended that this plan be used for consultation and for further funding applications to achieve protection of Aramoana's natural values.

The Halo Project will continue their community awareness campaign highlighting the control of Priority 1 (site-led) weeds, including why these species are targeted.

A 'plant me instead' approach could be used to raise awareness of local native plants to suit sandy soils, and their benefits for wildlife, soil, and flood and erosion mitigation.

Several issues arose during the weed survey that could be addressed through direct consultation and/or via the awareness campaign:

- Banana passionfruit poses a serious threat to the health of the remnant forest at Heyward Point and the regenerating forest in the dunes. While it can be controlled within the site-led area, there are massive infestations on properties along the roadside between Aramoana and Carey's Bay, posing a high risk of reinfestation. Similarly, the unabated spread of sycamores around Dunedin poses a constant threat of reinfestation.
- Wilding pines (radiata pine and macrocarpa) are spreading down coastal cliff faces from old shelterbelt plantings. Ironically, these trees will destabilise the cliff face during high winds or rain if the trees are allowed to grow large. Their growth and form is unlike the native vegetation growing on the slopes closer to Heyward Point. A cost-benefit analysis should be undertaken to

determine the benefits to wildlife posed by controlling vs not controlling wilding pines on the cliffs. Refer to Appendix 4 for a map and further information.

- Sealions use the shade and shelter of macrocarpas in the dunes. Until there is suitable native forest cover in the dunes, mature macrocarpas there should be left in place.
- Planting of inappropriate native or exotic species (eg. karo in dunes, soft broom in quarry, willow in shelterbelt, tree mallow at beach access points, South African ice plant for coastal erosion control). Respect differences in opinion and efforts to replant areas. Alternatives for planting (or replacements) can be suggested. Removing seed heads is an option to prevent spread of tree mallow and giant bugloss.
- Tree lupin and marram are common but not addressed in this plan. They can be shaded out through planting of suitable sites.
- Pōhuehue (*Muehlenbeckia australis*) dominates in some areas of the dunes. Where a forest canopy develops, the vine will be outcompeted. The vine provides food and shelter for invertebrates and the birds and lizards that feed on them.
- Great bindweed or “convolvulus” does not appear in this plan. No plants were flowering during the survey, making it difficult to determine whether the climber was *Calystegia sylvatica* (exotic) or a native or hybrid native-exotic calystegia. The small-leaved native *Calystegia tuguriorum* is also present. Future surveys or monitoring should be timed to coincide with great bindweed’s flowering season (summer-autumn). Control should not be carried out unless a positive identification is confirmed. No calystegia was recorded at Kaikai. *Calystegia sylvatica*/great bindweed should be controlled at planting sites.

Appendices

Appendix 1

List of all recorded weeds (common names). * denotes species also recorded at Kaikai.

agapanthus
balm of Gilead
bamboo
banana passionfruit
blackberry
blackwood
boneseed
broom
buddleia
canary spurge
common lionface*
cotoneaster
Darwin's barberry
elderberry*
English honeysuckle
English ivy
flowering currant
gorse*
green arum lily
grey willow*
Japanese honeysuckle
Khasia berry
macrocarpa*
male fern*
marram*
max chrysanthemum
monkey musk
montbretia
oxalis
periwinkle
purple groundsel*
purple-top vervain
radiata pine*
ragwort*
red hot poker
sea couch
soft broom
South African ice plant
spindle tree
stinking iris
sweet pea
sycamore
tall fescue
tradescantia
giant bugloss
tree lupin*
tree mallow
wall flower
white pampas
willow

Appendix 2

Weedbusters NZ infosheet links (containing control method details)

Banana passionfruit

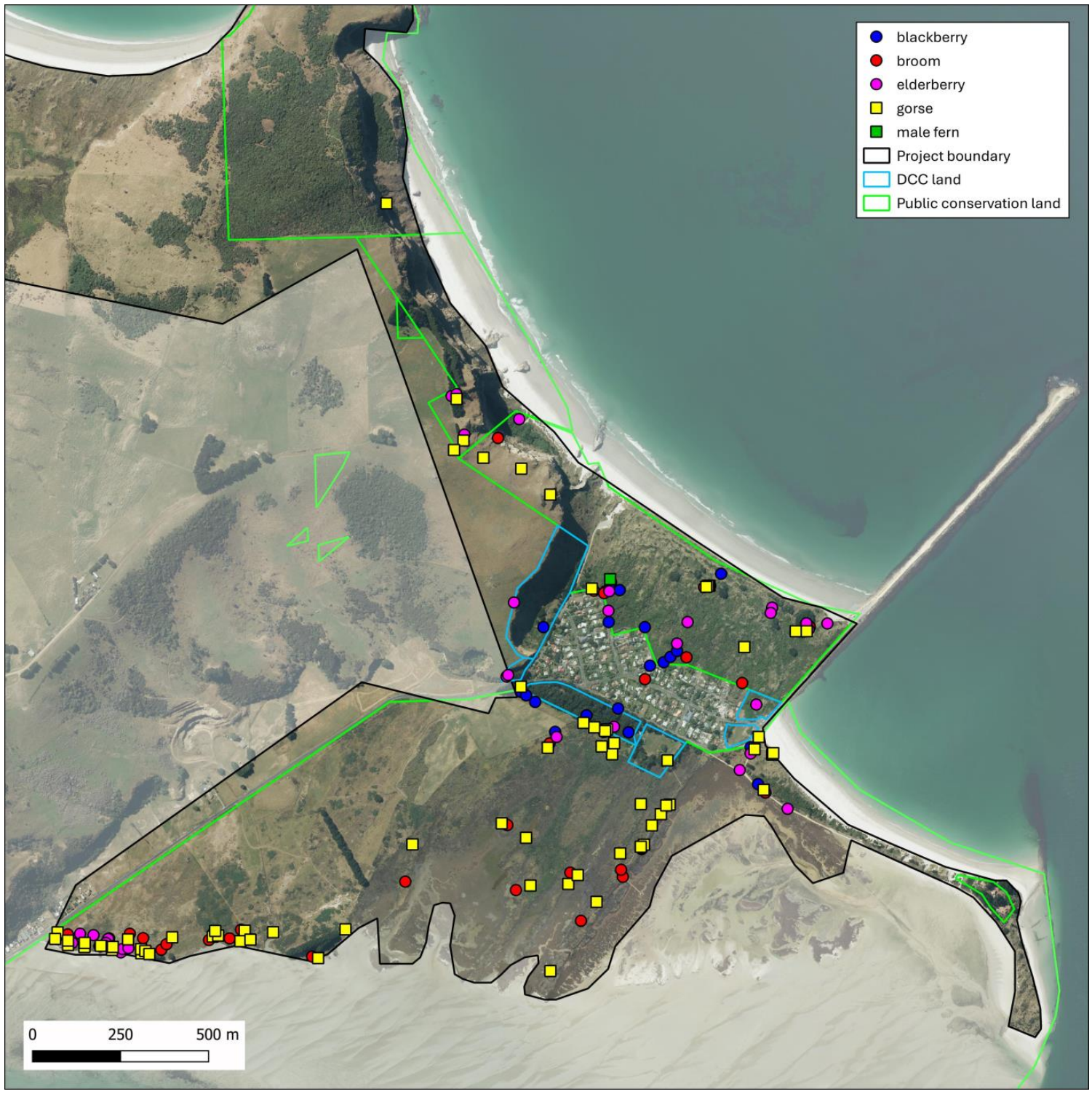
Darwin’s barberry

Sycamore

Tradescantia

Appendix 3

Indicative locations of invasive weeds for control at high value sites, as recorded during surveys in August-October 2024.



Appendix 4

Wilding pine location information and recommendations

Species	Abundance and distribution	Priority sites for control	Reason for control	Recommendation
Macrocarpa	Scattered on bare coastal cliff faces, ecological area, and dunes.	Top edge of cliff and bare faces, saltmarsh.	Spreading down cliff faces, invading BBG nesting sites. Will destabilise cliff faces and eventually fall.	Liaise with DOC over pine and macrocarpa management. Spray from drone. PR/ecology issue – may be used by roosting seabirds (shags and herons). Macrocarpas in dunes used by sealions.
Pines	Scattered on bare coastal cliff faces, ecological area (spreading from shelterbelt plantings)	Top edge of cliff and bare faces (especially Heyward Point Scenic Reserve), saltmarsh.	Spreading down cliff faces, invading gull nesting sites. Will destabilise cliff faces and eventually fall.	Liaise with DOC. Spray from drone.

Locations of wilding radiata pine and macrocarpa within Aramoana site-led area, as recorded during surveys in August-October 2024.



SITE LED PREDATOR CONTROL PLAN

Return of the sea birds - Pūrehurehu Heyward Point, Dunedin

Prepared by Alice Macklow on behalf of the Landscape Connections Trust

MARCH 2024



About Pūrehurehu

Pūrehurehu/Heyward Point Scenic Reserve is a prominent headland north of Ōtepoti Dunedin that partners with Taiaroa Head across the harbour mouth. The exposed, rolling cliff-top terrain, provides panoramic views of the Otago coast, and is a significant site for Kāti Huirapa Runaka ki Puketeraki.

The reserve is an Ecosystem Management Unit (EMU), containing rare coastal podocarp forest and seabird habitat. Black-backed gull nests abound and there is potential for other sea bird populations to return to the site.

The headland is fully fenced and was grazed by sheep until the grazing licence retired in 2002. The grass is now rank and could pose a fire risk to the forest remnant. Portions of adjacent forest are protected by QEII covenants.

A walking track provides access through the reserve and some animal pest control, targeting possums and stoats, is taking place. Dogs are not permitted in the reserve. It is a truly stunning location.

Two threatened plant species are present:

- **Hector's Tree Daisy *Olearia hectorii*** | Nationally Endangered
  A now rare example of a coastal population. This species is seriously threatened by recruitment failure. The seed of this species requires open sites to germinate in, and in most places such sites are scarce due to the presence of introduced grasses and herbs. Very few O. hectorii populations occur on protected land, and many are now dominated by old senescent trees. This species is also susceptible to browsing animals.

- **Thick-leaved scurvy grass *Lepidium crassum*** | Nationally Endangered
  One of the few remaining mainland scurvy grass populations here in Ōtepoti. Easily grown from fresh seed but often difficult to maintain in cultivation. Lepidium crassum is virtually confined to the Otago Peninsula though historically it ranged from the upper Waitaki River and Oamaru south to the Catlins Coast. It is estimated that there are less than 1000 plants left in the wild (de Lange et al. 2013).

Other Noted Species present include:

- **Fragrant tree daisy** *Olearia fragrantissima* | Declining
- **Climbing groundsel** *Brachyglottis sciadophila* | Declining
- **Fierce lancewood** *Pseudopanax ferox* | Naturally Uncommon
- *Crassula mataikona* | Naturally Uncommon

Seabirds species that could benefit from restoration of the site include:

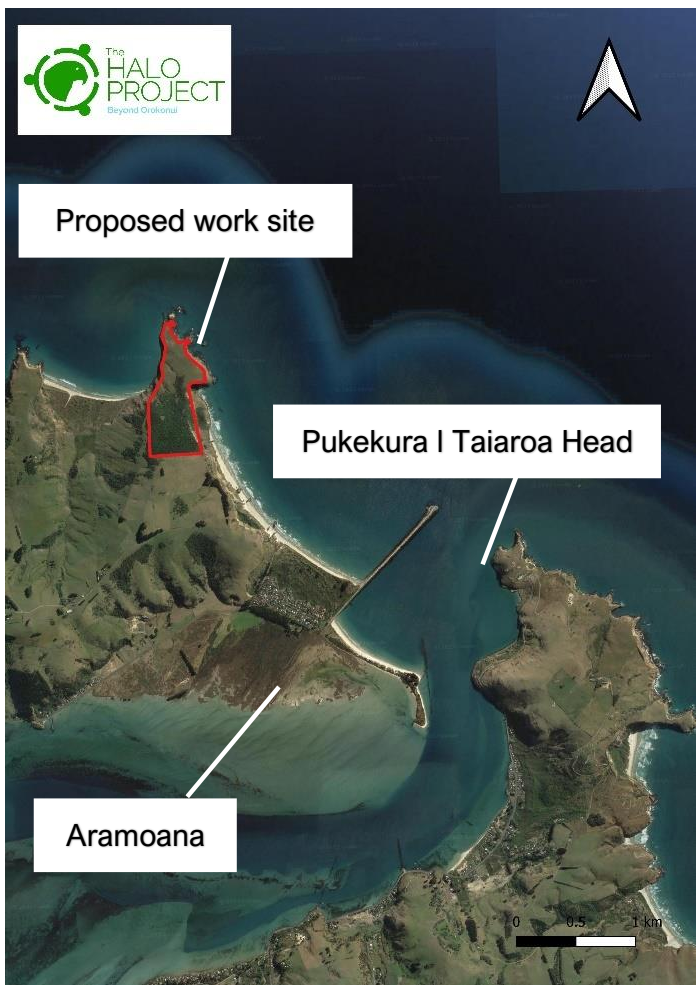
- **Spotted shag** *Phalacrocorax punctatus* **kawau tikitiki** / Nationally Vulnerable
- **Black-billed gull** *Chroicocephalus bulleri* **karoro** I Declining
- **Red-billed Gull** *Larus novaehollandiae scopulinus* **tarāpunga** | Declining
- **Southern Blue Penguin** *Eudyptula minor* **koraro** | Declining
- **Sooty shearwater** *Ardenna grisea* **tītī** I Declining
- **Otago shag** *Leucocarbo chalconotus* / **matipo** I Recovering
- **Fairy prion** *Pachyptila turtur* **tītī wainui** I Relict
- **Broad-billed prion** *Pachyptila vittate* **pararā** I Relict
- **Royal spoonbill** *Platalea regia* **kōtuku ngutupapa** / Naturally Uncommon

Project Objectives

Management of the restoration site will focus on achieving the following outcomes:

1. Eradicate possums from the EMU to help threatened plant species and seabird populations. Maintain mustelids and rats to very low levels.
2. Install additional predator control devices to target stoats and rats.
3. Reduce browse and foraging of seeds by introduced herbivores
4. Protect threatened plant species
5. Protect current population of seabirds (eggs, incubating adults, chicks and fledglings). Support recolonisation by other seabirds.





Left: Pūrehurehu Heyward Point Reserve project boundary.

Right The work site is in very close proximity to Aramoana and Pukekura/Taiaroa Head – both nationally significant sites for seabirds.

Pūrehurehu and the Halo Project

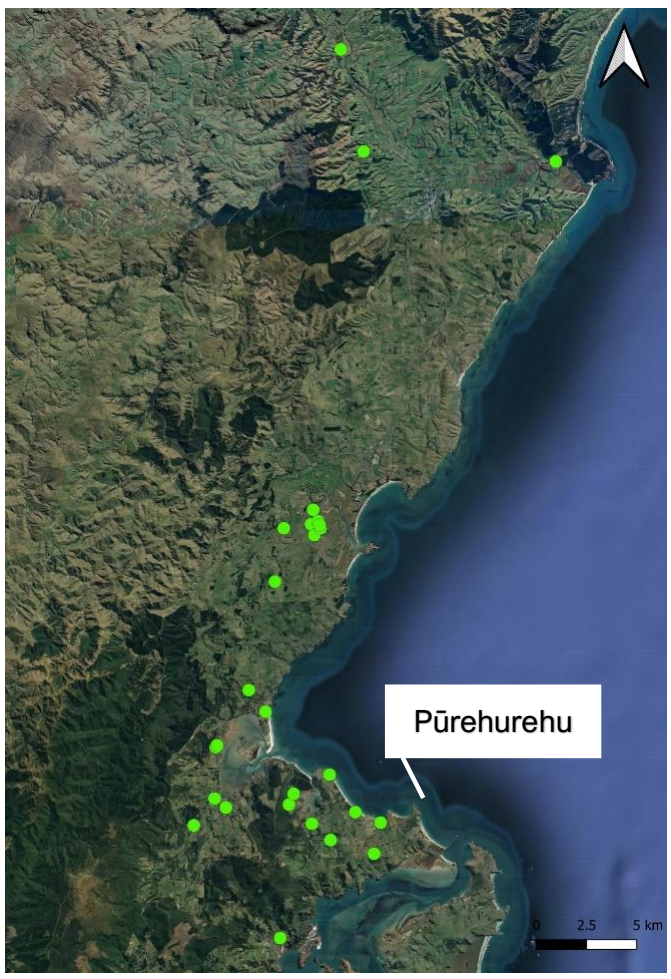
Pūrehurehu l Heyward Point is well connected to existing Halo Project activities.

The Halo Project aims to inspire and work with community to enhance, protect and connect with this landscape. Established in 2009, The Halo Project works with community to achieve collective biodiversity goals centred on the ‘halo’ around Orokonui Ecosanctuary.

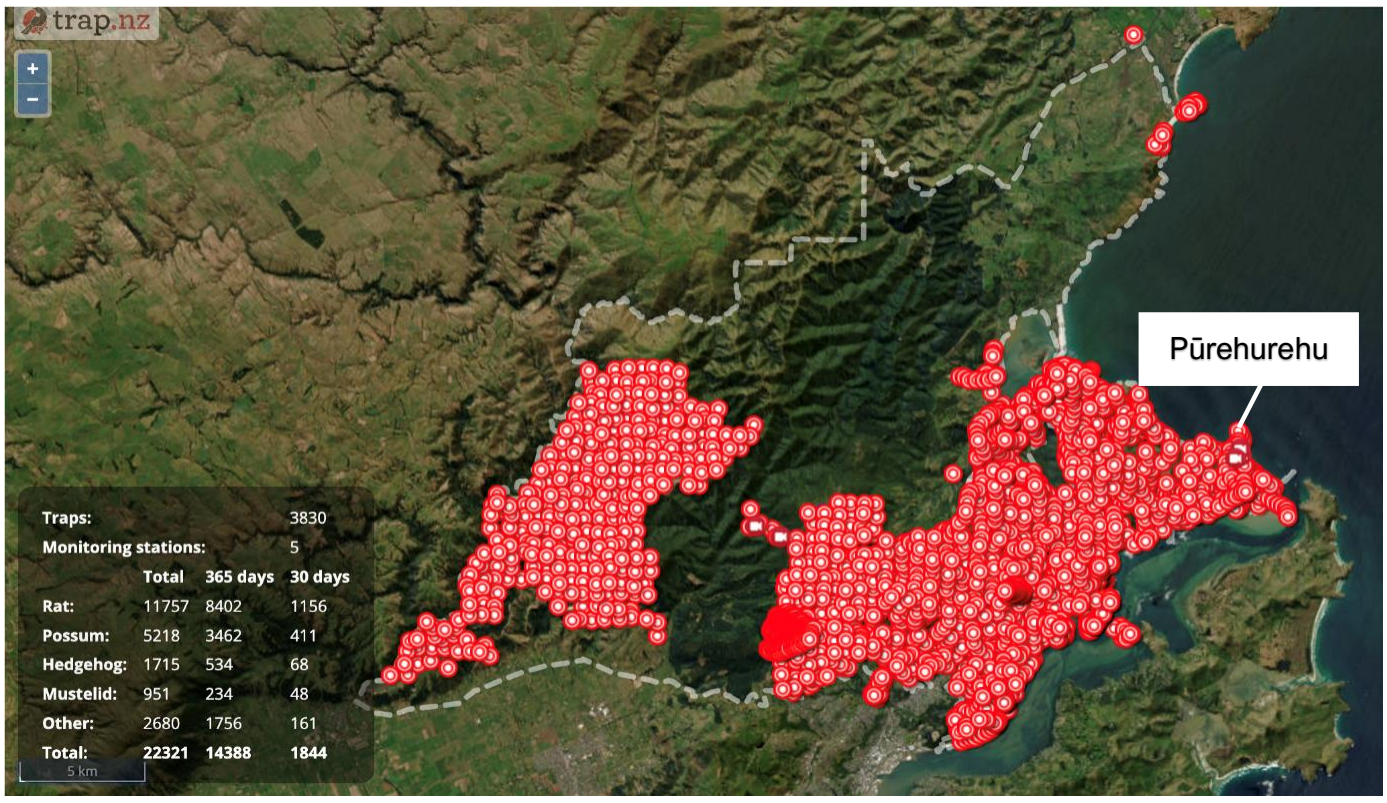
Since 2016, the Halo Project has been working with the communities which embrace Orokonui Ecosanctuary, Mihiwaka, and Mt Cargill/Kapukataumahaka to install and monitor networks of traplines. These traps target possums, mustelids, and rats from a core area across 12,500 hectares. In 2018, The Halo Project became a proud delivery partner of Predator Free Dunedin. The trap network has been expanded and we are currently working hard to install automatic self-resetting devices in a 500m x 500m grid to target possums across an additional 33,000 hectares. This will create a buffer against re-invasion of our Predator Free core area. With almost 4,000 traps on the ground and more added each day, over 20,000 predators have been removed.

The Halo Project – Source to Sea is a fencing and revegetation project that began in 2020. Collaborating with 26 public and private landowners, the project has planted and maintained over 134,700 native seedlings to date, with over 80% survival rate. Revegetation activities target hotspots in catchments across 52,000ha. Over 11km of fencing has been completed to protect wetland, riparian and forest habitat. A plant nursery was created, and 43,000 seedlings have been potted up. Planting is carried out by staff and volunteers.

The maps below show how Pūrehurehu l Heyward Point is supported by the immense restoration efforts already in place.



Left: Pūrehurehu in relation to existing Halo Project revegetation sites.



Above: Existing Halo Project traps



Above: Halo Project revegetation sites in close proximity to Pūrehurehu l Heyward Point, totalling 5km fencing and 80,559 plants.

Site Values

O. hectorii grows in several sites in Otago-Southland *(G. M. Rogers, 1996)* and can be grown from fresh seed and semi-hardwood cuttings. The strike rate of these can be variable, and best results are obtained from cuttings taken after leaf fall in autumn, and kept in a cold frame over winter *(de Lange, P.J., 2023).* Cuttings and seed will be collected, pending advice from John Barkla (DOC). There are healthy specimens of *O.hectorii* at the Dunedin Botanic Gardens and staff have indicated support of the project.

L. crassum grows readily from seed but is often difficult to maintain in cultivation *(de Lange, P.J., 2023a).* The approach here will be two-fold; seed will be both propagated and spread directly on bare sites where exotic grass has been controlled.



Above: The Lepidium crassum on the rock stack at Pūrehurehu. Other populations exist nearby on the Mole at Aramoana.

Below: Halo Project planting at Potato Point, 5km from Pūrehurehu. Completed with the help of Unicrew volunteers.



Predator control activities

Expansion of existing trapping

The aim of animal pest control at Pūrehurehu is to:

- Reduce browse and foraging of seeds by introduced herbivores
- Protect threatened plant species
- Protect current population of seabirds (eggs, incubating adults, chicks and fledglings). Support recolonisation by other seabirds.



Rats would be the key species to target at this site. The best practice for rat suppression is devices placed at 50m spacing with 100m between lines.

The Halo Project is a delivery partner of Predator Free Dunedin, as such, there are some stoat and possum traps already on site.

The quantity and variety of all trap types will be expanded (see Table 1).

There will be some track cutting and marking required (minimal) at the time of installation.

Left: Goodnature A24 trap installation

Pest control device	Primary target animal	Number of devices currently in the reserve	Additional number of devices to be installed
Goodnature A24	Rats	0	94
AT220	Possums	5	2
DOC200/DOC150	Stoats	11	2

Table 1: Number of new traps to be installed.







Top Left: Location of new A24 rat traps to be installed.

Above Right: Location of existing and new AT220 possum traps to be installed

Bottom Left: Location of existing and new DOC200 stoat traps to be installed

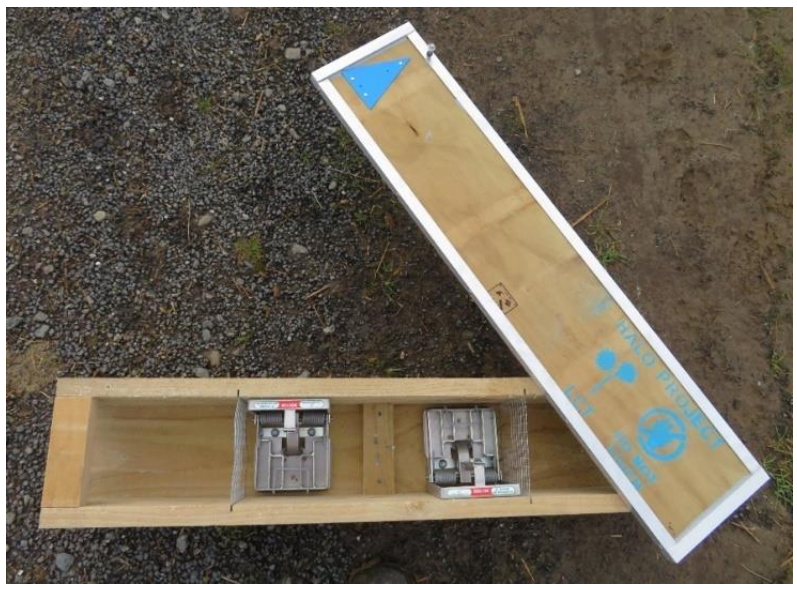


Above: Rats engage with a Motolure used to assess their prevalence at Pūrehurehu

Below: A stoat investigates a Motolure







Above left: Ten possums under an AT220 installed by the Halo Project
Above right: A double set DOC200

Trap checks

Traps will be checked and serviced following best practice. This will include disposing of carcasses, replacing batteries, lures, and CO2 cylinders as per the schedule below. All trap data will be captured during checks and will be uploaded to the Halo Project's trap.nz site.

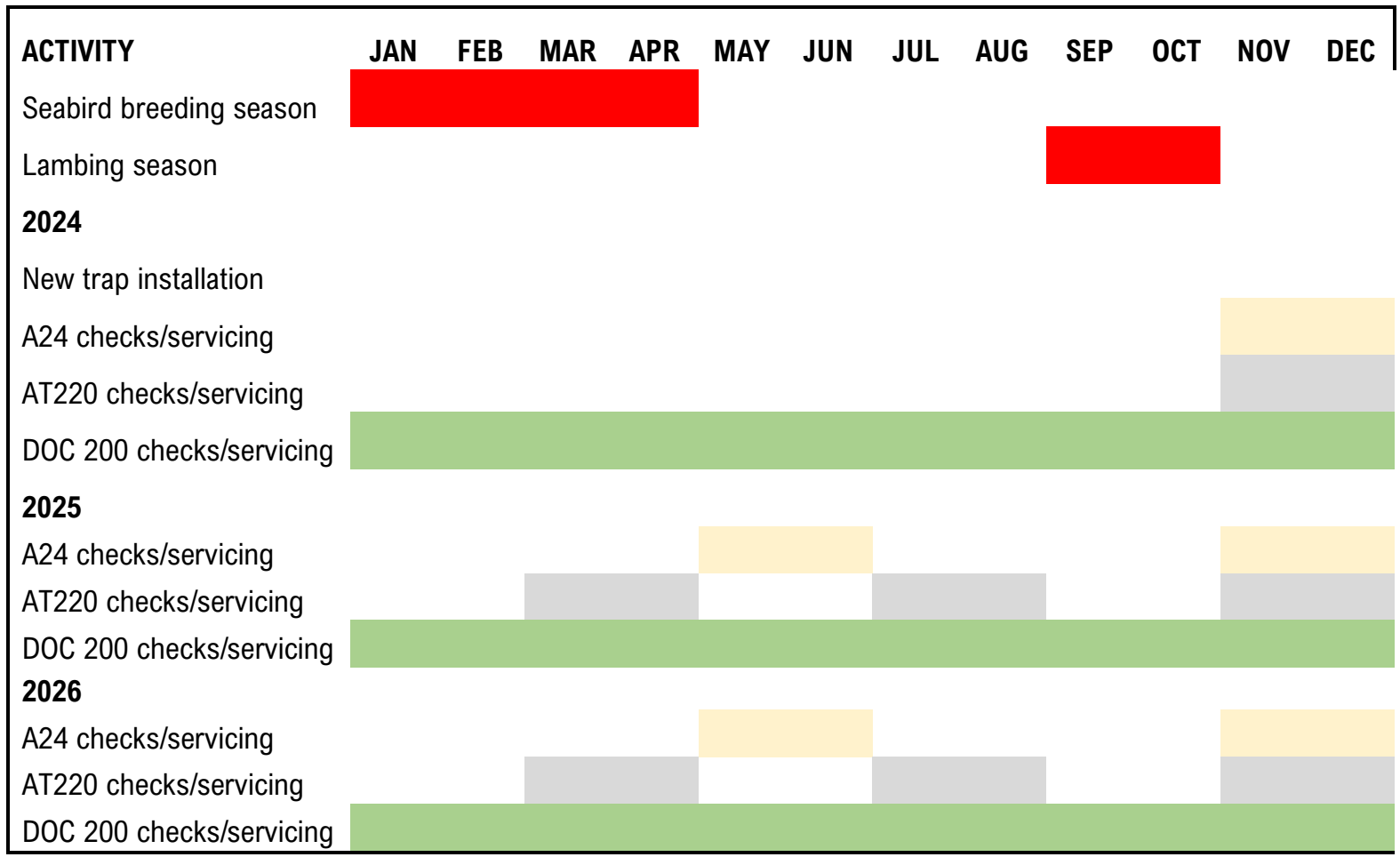
Device type	Frequency of checks/ servicing
Goodnature A24	Every 6 months
AT220	Every 4 months
DOC200	16 times per annum (monthly then twice monthly for 3-4 months during peak times)

Table 2: Frequency of checks per device type.

Timeline of activities

Prior to any work beginning, the Halo Project will request further feedback from DOC, particularly about the management of the threatened plant species, planting lists and walking track placement.

Activities will be timed to avoid the seabird breeding season and lambing on the adjacent farm. Seabird breeding season begins with pre-laying activities in December, with chicks fledging in April. Lambing occurs in September and October. The Halo Project has a good relationship with the farmer, Sue Chapman, having carried out trapping and planting on her property over the last three years.



Site-Led Programme – Community Group Application for Additional Funding

Why offer additional funding?

This additional funding is to maintain the gains of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Applications for additional funding should focus on either maintaining, developing, or expanding on the groups intial project.

How to apply?

Please answer all questions on this form to apply for additional funding for your community group's project as part of the Site-Led Programme.

Applications for additional funding must be received by 15th January 2025. If you have any questions, please contact sophie.gibson-pinn@orc.govt.nz.

Once applications for additional funding are received, they will be reviewed, and a report will be taken to Council for approval. If approved, funding will be allocated to successful groups.

Applicant details

Name of organisation/group	**Otago Peninsula Biodiversity Group**
Contact person	**Paula Cross**
Contact number	**0274780993**
Email address	**paula@roselle.co.nz**

Project summary

Site-Led Programme site location (highlight one)	**Sandymount – Sandfly Bay**
Initial project start date	**1st June 2024**
Initial project end date	**1st June 2025**
Proposed project start date (must be after the initial project end date)	**2nd June 2025**
Proposed project finish date	**1st June 2026**

Project description

Objectives

Tell us in more detail what additional actions you plan to carry out as part of the proposed project and how they would achieve the Site-Led Programme objectives.

Additional actions –

Prioritise areas that have biodiversity value and have been identified as holding pest animals such as mustelids and feral cats (results from surveillance)

Keep some of the tracks open and redeploy traps and bait stations into the priority areas

Organise and train volunteers to look after the traps in the priority areas

Please see the link in the supporting documents section for more detail

Funding

Total additional funding (2025-2026)	**$18,500**

Additional Funding – budget

Tell us in more detail what the additional funding will be used for. Please provide a either a table or spreadsheet accounting for estimated project income and expenditure. Note any invoices/receipts will be required for expenses higher than $500 excl. GST.

Additional funding is needed to redeploy traps and bait stations into priority areas that have high biodiversity value and is more enjoyable for volunteers. In this way we can sustain the gains we have made Please click on the link to review budget Sandymount budget 2025-26.xlsx

Supporting Documents

You are also welcome to provide additional information, including photos, maps etc.

Please click on the link to view the operational plan with supporting maps

OPBG Sandymount Operational Plan.pdf

Declaration

I have:

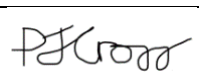
☒ **Applied for additional funding to either maintain, develop or expand on the groups intial project as part of the Site-Led Programme.**

☒ **Answered all the questions.**

☒ **Supplied required supporting information.**

☒ **Provided an email address that is checked regularly.**

☒ **I confirm that all information of this form is true and correct.**

Signature	
Date	

Budget for ORC/OPBG Sandymount Site Led Operation

Task/Personal	**Costs**
Monowai Ecological	
Track cutting, 4 x staff @$ 75hr	$300 x 24hours (3 days) = $7,200.00
Fuel/oil/travel	$330.00
OPBG Staffing to organise volunteers and contractors 5 hours a week for 40 weeks @ $40hr	$8,000
Total	**$18,500**

OPBG Sandymount Operational Plan

09/12/2024

Background:

The Sandymount and Sandfly reserve is around 350ha. There are many tracks through an area of steep terrain and challenging vegetation. It is made up of beautiful native bush, marram grass, flax and plenty of lupin, ongonga and mulenbeckia. There is a lot of work keeping the existing tracks open.

Intensive work has been undertaken to remove possums and we have 5 lines of DOC200 and DOC250. There is no known possums in the reserve and there has been a big reduction in rats and mice.

Forest and bird also trap for mustelids to protect the Titi

DOC work in the area to monitor the Hoiho , yellow eyed penguins

Toxin has been removed but bait stations are still installed. There are also 12 AT220 traps installed, automatic traps that kill possums, rats and mice.

With the possums gone and a reduction in funding, we need to assess the viability of keeping all the tracks open.

Challenges

Finding volunteers fit and willing to work in very challenging terrain.

Volunteers working in difficult terrain and having no satisfaction of successful trapping

Health and safety issues of working in a challenging environment

Solutions and Actions

Prioritise areas to work in that have native vegetation and significant birdlife and easier tracks

Remove traps from Sandfly Bay and concentrate on keeping tracks open and running the DOC 200 and DOC250 with volunteers in the Sandymount area only. See map

Lower toxin stations and top up with toxin in July - August

Remove bait stations from Sandfly Bay

The removal of the baitstations and DOC200 double sett traps is a very difficult job and would require contractors. We wish to redeploy the bait stations 22 DOC 200 double set traps.

Contractor team of 4 to track clear and remove DOC200/250 and 2 days to remove all the bait stations. Monowai have worked with us before and they are very good and know the area.

Wages for me to organise the volunteers and contractors 5 hours work over 40 weeks @ $40hr= $8,000

Include a map of the area and why we are proiritiseing the areas that have the greatest biodiversity value.



Blue – OPBG new working area

Yellow – Forest and Bird working area

Red – DOC hoiho area

Remove DOC200/250 from Sandfly and use them around the inlets or if we see a stoat or ferret on camera

Set some trapinator traps for cats in parts of sector E and A where there have been cat sightings



Site-Led Programme – Community Group Application for Additional Funding

Why offer additional funding?

This additional funding is to maintain the gains of the work already underway by community groups involved in the Otago Regional Council's (ORC) Site-Led Programme at the Aramoana and Sandymount – Sandfly Bay sites. Applications for additional funding should focus on either maintaining, developing, or expanding on the groups intial project.

How to apply?

Please answer all questions on this form to apply for additional funding for your community group's project as part of the Site-Led Programme.

Applications for additional funding must be received by 15th January 2025. If you have any questions, please contact sophie.gibson-pinn@orc.govt.nz.

Once applications for additional funding are received, they will be reviewed, and a report will be taken to Council for approval. If approved, funding will be allocated to successful groups.

Applicant details

Name of organisation/group	**SWAT (under the auspices of STOP, the umbrella entity)**
Contact person	**Fiona Morrison or Fran Hammond**
Contact number	**027 410 6094 (FM)**
Email address	**blueyfm9@gmail.com (FM)**

Otago Regional Council

Project summary

Site-Led Programme site location	**Sandymount – Sandfly Bay/Pikiwhara**
Initial project start date	**1st June 2024**
Initial project end date	**1st June 2025**
Proposed project start date (must be after the initial project end date)	**2nd June 2025**
Proposed project finish date	**1st June 2026**

Project description

Objectives

Tell us in more detail what additional actions you plan to carry out as part of the proposed project and how they would achieve the Site-Led Programme objectives.

A recent ORC-commissioned independent expert Site-Led assessment report assigned a **"Red Zone" High Risk/High Impact** from Darwin's Barberry (DB) invasion to native woodland and scrub habitats at the DOC Sandymount and Sandfly Reserves. Recent drone work and field checks by SWAT (Sep-Dec 2024) at Sandymount and Sandfly **fully confirm** that expert opinion. As proof of the High Risk, 16 well-established DB bushes have been eradicated in woods and shrubland across the Reserves in 3 months. Identification of DB on drone imagery and DB field checking are still in progress. This successful SWAT work was funded by an initial grant from the ORC Site-Led programme. Having knocked down the newly discovered DB bushes, additional funding is now sought to maintain our recent gains and contain any **future** invasion of Sandymount by DB. The only threat – the main threat - to Sandymount is from DB seed dispersed from major DB infestations at Pukehiki, a flying distance of 2.5 km from the Reserves. Bird numbers at Sandymount are markedly on the rise this spring since the recent possum eradication by OPBG. Not only are overall numbers of birds increasing, but birds are also increasing their range and being found in all parts of the Reserve now, even in the most remote parts. The risk to Sandymount of future DB invasion remains unacceptably high as those bird numbers continue to rise and the major Pukehiki seed sources survive. We have a very valuable window of time here in which to seriously knockdown the Pukehiki seed source before birds can disperse a new generation of DB seed into the Reserves. Hence SWAT is requesting additional funds to bolster and speed up our efforts at Pukehiki while Fiona continues checking for DB, sycamore and other site-led pest plants at Sandymount/Pikiwhara. There is much more DB at Pukehiki than was anticipated at the time of the award of the ORC Eco Fund grant to SWAT for Pukehiki. Additional funds are requested for another 5 days of contractor work to supercharge our efforts to knockdown the Pukehiki pest DB seed source so we don't lose the recent gains made by Fiona's 100+ hours of volunteer work at Sandymount/Sandfly.

SWAT and OPBG face a major challenge at Sandymount-Sandfly/Pikiwhara. DOC no longer maintains many of the access tracks that SWAT and OPBG regularly use for pest plant and pest animal control at Sandymount. Lack of access resulting from no track maintenance and rampant vegetation growth is now a big impediment to finding and treating pest plants. Fiona spends many volunteer hours cutting track. A number of arterial tracks need to be kept open just to give both groups broader access around the Sandymount/Pikiwhara site. SWAT supports OPBG's application for additional funds to keep critical tracks in the Sandymount area open.

Funding

Total additional funding (2025-2026)	**$12,000**

Additional Funding – budget

Tell us in more detail what the additional funding will be used for. Please provide a either a table or spreadsheet accounting for estimated project income and expenditure. Note any invoices/receipts will be required for expenses higher than $500 excl. GST.

Funding is requested for an extra 5 days of contractor time for Darwin's Barberry control at Pukehiki, the seed source for the DB proven to be invading Pikiwhara/Sandymount Reserve. The contractor is Habitat Restorations Aotearoa Ltd (Glenn Riley).
The $12,000 funding requested above is for 5 days containment work at $2,400 per day for a team of three workers as follows:

Labour rate: 3 rangers at $64/hr for 9 hrs/day = $1728/day + GST = $9936
Herbicides, PPE, fuels, chains, blades = $295/day + GST = $1696
Vehicle mileage = 55 km round trip at $54.45/day + GST = $313
Total for 5 days work (inc GST) = $11,945

Habitat Restorations were certified by ORC in 2024 for Darwin's Barberry control work. They have motor vehicle and public liability insurance as well as hazardous goods accreditation.

Fiona's ongoing expenses for gloves, flagging tape and chainsaw chains for DB control and track work at Sandymount can be met from the existing funding, no additional funds are required for this.

Fiona is also checking Wilding Pine locations and cutting access track to those pines for DOC. She will provide DOC with the Wilding Pine locations and photo data. DOC gets that work for free - an excellent unanticipated benefit to the landscape (and to DOC) from the Sandymount drone survey that ORC funded. Thank you.

Supporting Documents

You are also welcome to provide additional information, including photos, maps etc:

Please find attached to this application a spreadsheet listing all DB, Wilding Pines and other pest plants identified on the Sandymount-Sandfly/Pikiwhara block.
Name of file: ORC Sandymount Sandfly Pest Plant Data.xlsx

Please find attached to this application a map showing the locations (in orange) of all dead Darwins Barberry and locations (in apple green) of live Wilding Pines at Sandymount, Sandfly and Boulder Beach Reserves and their proximities to the main regional DB seed source at Pukehiki village.
Name of file: ORC Sandymount Sandfly Pest Plant Locations Map.pdf

Declaration

I have:

☒ **Applied for additional funding to either maintain, develop or expand on the groups intial project as part of the Site-Led Programme.**

☒ **Answered all the questions.**

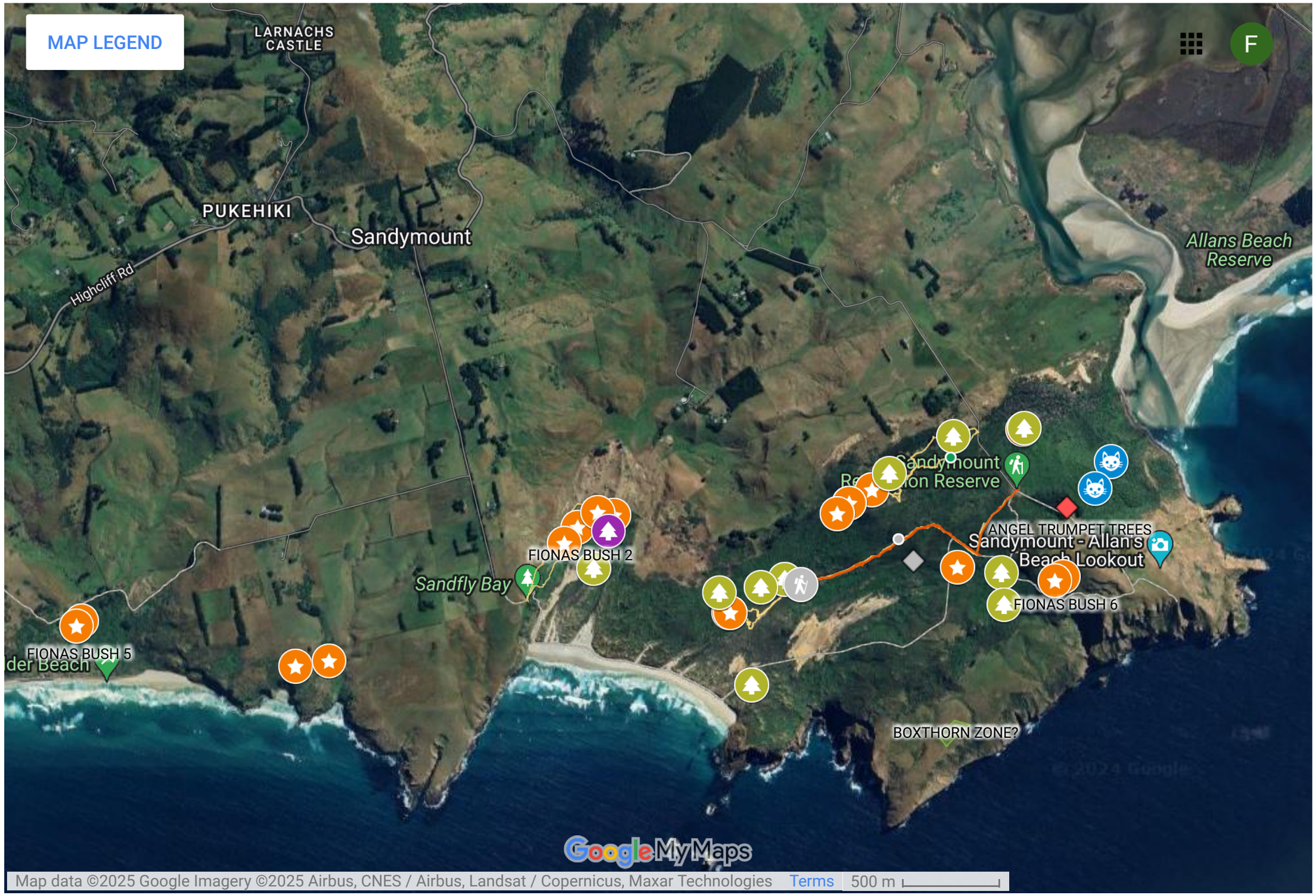
☒ **Supplied required supporting information.**

☒ **Provided an email address that is checked regularly.**

☒ **I confirm that all information of this form is true and correct.**

Signature	**Fiona Morrison**
Date	**15 January 2025**

	Common Name	Botanical name	Latitude	Longitude	Location	Sector	Found By	Found Date	Dealt With Date(s)	Dealt With By	Notes
1	Licorice Plant	Helichrysum petiolare	-45.8917	170.6644	Sandymount	D	Paula Cross OPBG	1/10/2023	6/08/2024	AW, FH, FM, JD	Bird seed drop? No
2	Red Angel's Trumpet	Brugmansia sanguinea	-45.8893	170.6744	Sandymount Woolshed	A	Paula Cross OPBG	24/07/2024	06/08/2024, 29/10/2024	A Webb, Fiona M	12-15 trunks, likely an old
3	Portuguese Angelica	Angelica pachycarpa	-45.8943	170.6537	Sandymount	E	Fiona M	28/12/2024	28/12/2024	FM	Several of these nearby
4	Himalayan cotoneaster	Cotoneaster simonsii	-45.8882	170.668	Sandymount	D	Fiona M	11/04/2021	11/06/2021	FM	Cotoneaster taking off in
5	Himalayan cotoneaster	Cotoneaster simonsii	-45.8873	170.666	Sandymount	D	Fiona M	17/12/2024	n/a	n/a	Still a bush here to remove
6	Himalayan cotoneaster	Cotoneaster simonsii	-45.8871	170.6667	Sandymount	D	Fiona M	2/01/2025	2/01/2025	FM	Big old tree and


MAP LEGEND
LARNACHS CASTLE
PUKEHIKI
Sandymount
Highcliff Rd
Allans Beach Reserve
Sandymount Reserve
ANGEL TRUMPET TREES
Sandymount - Allan's Beach Lookout
FIONAS BUSH 2
Sandfly Bay
FIONAS BUSH 6
FIONAS BUSH 5
BOXTHORN ZONE?
Google My Maps
Map data ©2025 Google Imagery ©2025 Airbus, CNES / Airbus, Landsat / Copernicus, Maxar Technologies
Terms
500 m

Otago Regional Council

Site-Led Programme Management Plan

Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka

2025/26 – Version 1



Burns Reserve, West Harbour – Mt Cargill, picture credit: Sophie Gibson-Pinn

Author: Sophie Gibson-Pinn

Version	Amendment	Author	Date
V1		SGP	20/03/25

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Background Information

On 8th February 2024, the Environmental Implementation Committee approved the allocation of $146,200 from 2023/24 budget for the Site-Led Programme to be delivered through a direct funding process to achieve Regional Pest Management Plan 2019-2029 (RPMP) objectives. The Committee also specified that the allocation of funding be recommended by the existing ECO Fund assessment panel.

The Site-Led Working Group developed a site prioritization process to quantify biodiversity values using the Values, Threats, and Impacts Assessment and Stocktake Assessment, and cultural values provided by mana whenua for cultural environmental and wāhi taoka. For the first round in 2024, the Aramoana and Pikiwhara (Sandymount) – Sandfly Bay sites were identified as the two highest-ranking sites encompassing these values.

On 27th March 2024, the Working Group held a hui with community groups and associated external stakeholders (e.g. DOC, DCC) undertaking relevant pest animal and plant work within Aramoana and Sandymount – Sandfly Bay sites. During the hui, groups discussed their goals, proposed activities and expected outcomes, and whether they wanted to be involved in the programme.

The Working Group consolidated this information to form a whole of site management plan and identified funding opportunities. On 22nd April 2024, the Working Group presented and provided recommendations on this plan to the ECO Fund Assessment panel, which was approved.

Funding agreements were established for each community group, and funds were released before the end of the 2023/24 financial year.

In October / November 2024, progress hui were held to review group progress and offer support.

In the 2024/25 budget, a total of $200,000 was allocated to the Site-Led Programme.

In January 2025, the Working Group decided to allocate additional funds to support the first round of sites and initiate the Programme at the next two priority sites: Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka. The Working Group held a hui with community groups and associated external stakeholders for the Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka sites.

This plan covers the community groups' objectives, any resources they require, and expected outcomes to facilitate mahi in the Okia -Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka sites.

Budget availability and allocation

Please note that many of the figures provided are estimated costs. When available, quotes have been provided. Community groups will provide in-kind contribution in the form of volunteer hours to facilitate site plans.

The total budget available to deliver the Site-Led Programme for the 2024/25 financial year is $200,000. Of this budget, $2,529 was used to deliver community hui and a comms plans to deliver the Site-Led pest plant social media campaign. For the first round of sites, Aramoana and Sandymount – Sandfly Bay, the Working Group would recommend the allocation of $59,629 to community groups as 'Additional Funding' to maintain the gains from their first year. This is outlined in the *Aramoana and Sandymount Site Mgmt Plan_V2*. For the second round of sites, Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka, the Working Group would recommend the allocation of $133,811 to community groups to initiate projects. During a Site-Led Working Group hui, the group decided to divide budget based on site and community group requirements. As a result, the Okia – Papanui – Taiaroa Hill site has been allocated $56,290, and the Leith Saddle – Mihiwaka has been allocated $77,521.

A full breakdown of this budget is provided in the plan below.

Okia - Papanui - Taiaroa Hill	**Funding requested**	**Funding granted**
YEPT	$ 103,374.30	$ 30,770.00
SWAT	$ 2,094.00	$ 4,190.00
OPBG	$ 24,349.00	$ 21,330.00
Total funding - Okia site	**$ 129,817.30**	**$ 56,290.00**

Leith Saddle - Mihiwaka	**Funding requested**	**Funding granted**
Initial Volco Trust-Volco	$ 26,440.00	$ 15,040.00
Halo	$ 51,500.00	$ 19,616.00
Friends of Burns Reserve	$ 36,128.00	$ 28,865.00
Open UVE	$ 19,000.00	$ 14,000.00
Total funding - Leith Saddle site	**$ 163,068.00**	**$ 77,521.00**

Total Funding Round 2	**$ 292,885.30**	**$ 133,811.00**

Okia – Papanui – Taiaroa Hill Site Management Plan

Community Hui

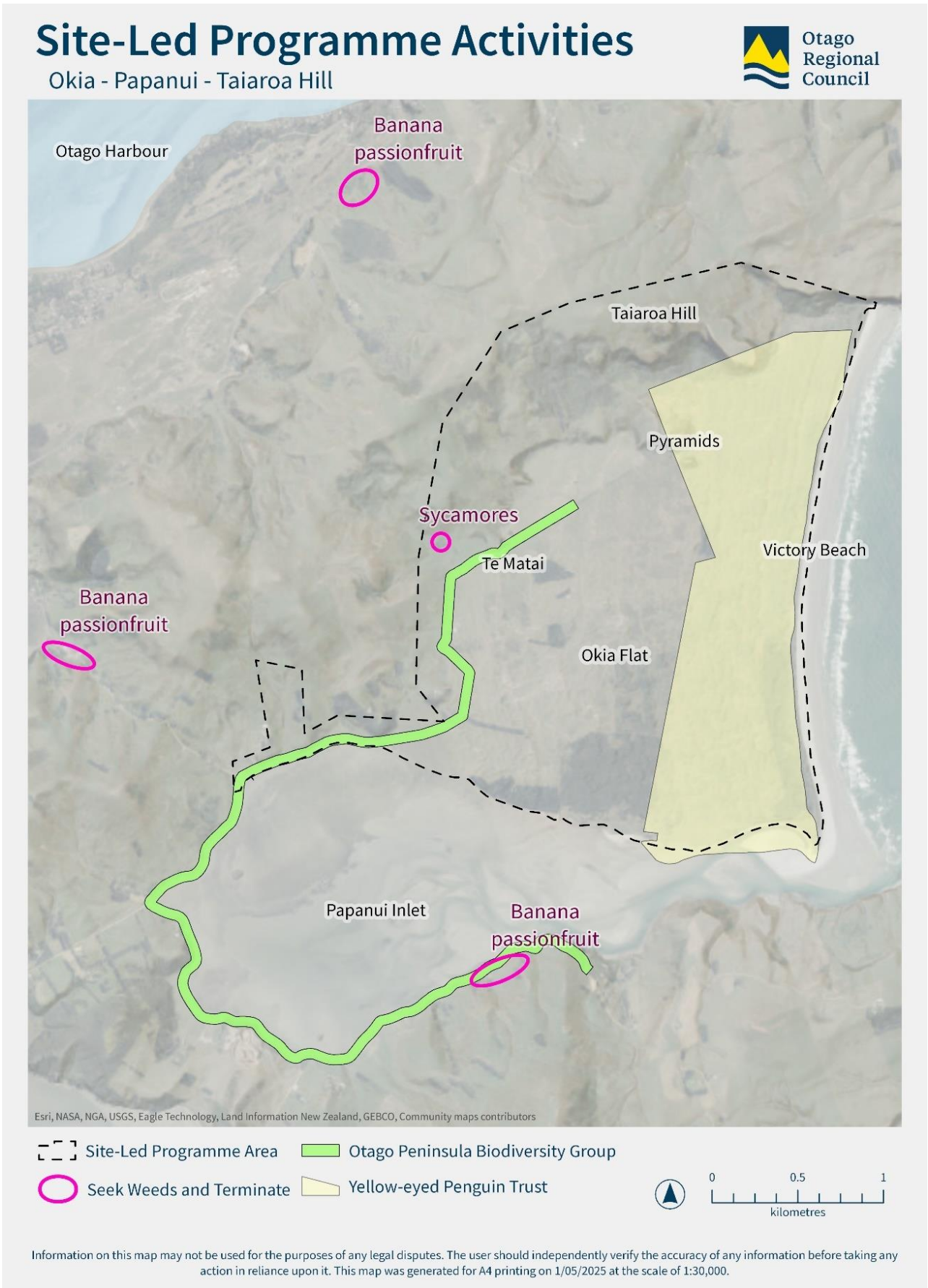
Event details: Wednesday 29th January 2025 8:00am – 1:00pm, Philip Laing House, Level 6, Kererū Meeting Room.

Attendees: Otago Regional Council staff (3), Site-Led Working Group Mana Whenua Representatives (2), Dunedin City Council (DCC; 3), Department of Conservation (DOC; 1), Yellow-eyed Penguin Trust (4), NZ Sea Lion Trust (1), Otago Peninsula Biodiversity Group (OPBG; 1), and Seek Weeds and Terminate (SWAT; 2).

Apologies: The Halo Project.

No response: Leopard Seals.org.

Priority Sites



Cost Breakdown by Community Group

Yellow-eyed Penguin Trust

Background: The Yellow Eyed Penguin Trust (YEPT) has been running an ongoing programme of pest animal control in Okia Reserve since the 1990's. This has taken on a more concerted, systematic effort implemented jointly by DCC, YEPT staff and contractors since 2002/2003 with the onboarding of Task Force Green to assist with servicing. YEPT currently own traps to target hedgehogs, mustelids, rodents and cats with the majority installed on the loop 4WD track. The expansion of target species to possums in 2009 was managed and executed by the Otago Peninsula Biodiversity Group (OPBG) and currently there are no known possums in the reserve with ongoing surveillance being conducted by the Halo Project.

Objectives:

1. Expand existing trap network for hedgehogs, rats and mustelids to enhancing the potential nesting habitat and breeding success for Hoiho and other native wildlife species within the Reserve.
2. Carry out feral cat control in the Okia Reserve.
3. Aerial drone surveillance to evaluate Site-Led pest plant infestations within the Okia Reserve.
4. Collaborate with OPBG for pest animal control, and SWAT for pest plant control in adjacent areas.
5. Increase YEPT ranger knowledge and capacity through a workshop with SWAT on effective pest plant control.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
AT220 Traps	33 AT220 traps in: - Northern end - 5 AT220s - Margaret Hazel/Taiaroa Bush - 8 AT220s - Pine Forest - 18 AT220s	$ 565.00	33	$ 18,645.00
AT220 Spare Batterie	33 Spare batterie packs for AT220 traps	$ 50.00	33	$ 1,650.00
AT220 Lures	AT220 Lures for 12 months	$ 11.50	33	$ 379.50
Erayz Jerky Blocks	Diversify exisHng DOC200/250/BT200 kill trap lures For 12 months $290 for block of 400	$ 290.00	5	$ 1,450.00
Agreeable Nature Eggs	Current supplier $5.04 per dozen/$27.30 per service round for 12 months	$ 27.30	26	$ 709.80
Feral cat management	Contractor costs for feral cat management	$ 4,140.00	1	$ 4,140.00
Drone pest plant survey	Contractor costs for drone mapping for pest plant species over Okia reserve	$ 3,795.00	1	$ 3,795.00
Total Funding (nearest $)				**$ 30,770.00**

Expected outcomes:

1. Expanding the trap network will increase in the number of traps in the Reserve, and should therefore, increase the number of trap catches and the level of protection for vulnerable native species such as Hoiho.
2. A contractor carrying out feral cat control should decrease the number of feral cats in the Reserve, and should therefore, increase the level of protection for vulnerable native species.
3. Aerial drone surveillance for pest plants will provide baseline data for pest plants within the Reserve and provide direction for pest plant removal going forward.
4. Collaboration with OPBG and SWAT will provide a holistic, multi-tiered approach to multiple pest species for the area.
5. Attending the SWAT workshop will increase YEPT ranger capacity and knowledge base to manage pest plants in the Reserve going forward.

Seek Weeds and Terminate (SWAT)

Background: The SWAT team manage pest plants, including Chilean Flame Creeper, Banana Passionfruit, Darwin's Barberry, sycamore and Bomerea in areas of high biodiversity value across public and private land on the Otago Peninsula. Their weed work often targets seed sources to prevent the spread of pest plants into native bush.

Objectives:

1. Remove two large sycamores from private properties.
2. Provide volunteers with consumables (tools, herbicide and PPE) so they can effectively, and safely carry out Banana passionfruit removal.
3. Lead a workshop for YEPT rangers to increase capacity and knowledge base in their team to manage pest plants in the Reserve going forward.
4. To provide education and advocacy on pest plants to the public via a letterbox drop.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Volunteer labour	Volunteer pest plant control labour for Banana passionfruit infestations. Four trips with 10 volunteers for 3 hours (120 hours total).	$ -	120	$ -
Tools	Purchasing tools, such as silky saws, replacement blades, replacement chains & bars, ASA 20 secateurs, and spare tool sets. In addition to servicing existing tools, such as handheld GTA pruning tools.	$ 100.00	13	$ 1,300.00
Herbicide	Cut and paste glyphosate based gel	$ 40.00	13	$ 520.00
PPE	Personal protective	$ 100.00	13	$ 1,300.00
Removal of Sycamores	Contractor costs to cut and poison 2 large Sycamores	$ 874.00	1	$ 874.00
Workshop with YEPT	Travel costs	$ 100.00	1	$ 100.00
Workshop volunteer labour	Workshop volunteer labour for 3 people for 4 hours (12 hours total).	$ -	12	$ -
Printing costs	Flyers for landowners	$ 96.00	1	$ 96.00
Total Funding				**$ 4,190.00**

Expected outcomes:

1. Removal of the two sycamores as a seed source will help prevent the spread of sycamores into the Reserve.
2. Control of Banana passionfruit plants from Cape Saunders Road and Harington Point Road will help prevent the spread of Banana passionfruit into the Reserve.
3. Leading a workshop will increase YEPT ranger capacity and knowledge base to manage pest plants in the Reserve going forward.
4. Engagement with the public will increase awareness of pest plants.

Otago Peninsula Biodiversity Group (OPBG)

Background: OPBG, previously a stakeholder in Predator Free Dunedin, is a community group that carries out pest animal control on the Otago Peninsula on both private and public land for possums, mustelids, feral cats, rats and hedgehogs to enhance environmental protection. The have recently disbanded from Predator Free Dunedin and shifted their focus from possum control to mustelid control.

Objectives:

1. Establish a trap network adjacent to Okia Reserve and around Papanui Inlet for mustelids, feral cats, hedgehogs, rats and mice.
2. Project Manager to coordinate project and volunteer labour.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Traps DOC200	Traps for stoats, hedghogs, rats and mice	$ 115.00	35	$ 4,025.00
Traps DOC250	Traps for ferrets and cats	$ 145.00	25	$ 3,625.00
Lures	Fake eggs (n=70) for traps at $2.99 each	$ 2.99	60	$ 179.40
Jerky/poaka blocks		$ 700.00	1	$ 700.00
Staff	OPBG Staff FTE0.2 - One day a week to organise resources, volunteers and collaborate data and reports	$ 40.00	320	$ 12,800.00
Total Funding (nearest $)				**$ 21,330.00**

Expected outcomes:

1. Establishing a trap network adjacent to Okia Reserve and on the roadsides of Papanui Inlet will increase the number of traps in the Okia – Papanui – Taiaroa Hill Site-Led area, and should therefore, increase the number of trap catches and the level of protection for vulnerable native species.
2. Collaboration with YEPT to trap the surrounding area will support the pest animal control carried out within the Reserve.

Leith Saddle – Mihiwaka Site Management Plan

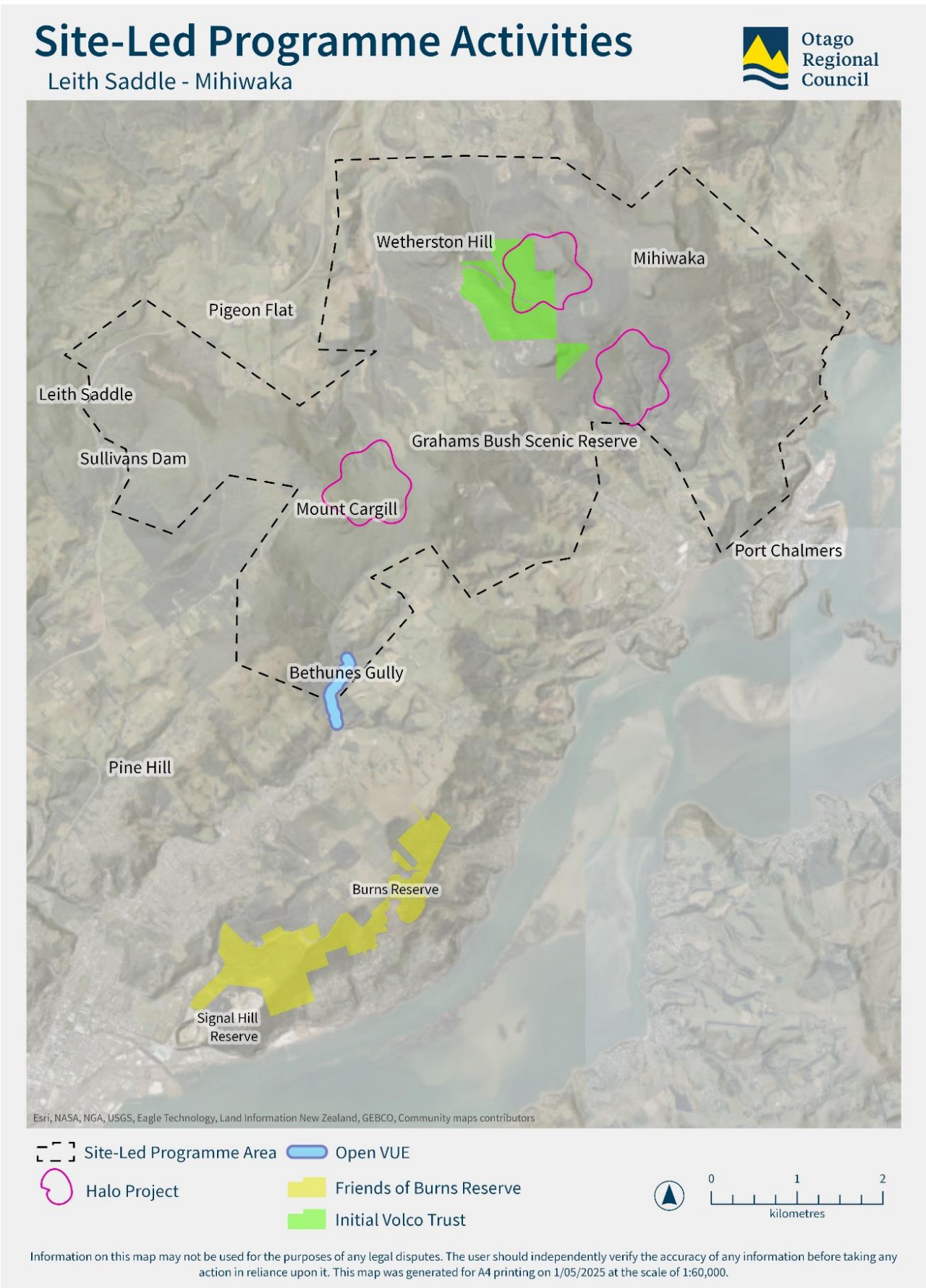
Community Hui

Event details: Thursday 30th January 2025 9:00am – 2:00pm, Philip Laing House, Level 2, Council Chambers.

Attendees: Otago Regional Council staff (4), Site-Led Working Group Mana Whenua Representatives (2), Dunedin City Council (DCC; 3), Department of Conservation (DOC; 1), The Halo Project (2), OpenVUE (1), and Friends of Burn's Reserve (2).

Apologies: The Initial Volco Trust, West Harbour Community Board.

Priority Sites



Cost Breakdown by Community Group

The Initial Volco Trust

Background: The Initial Volco Trust safeguards ~120 hectares of virgin and regenerating QEII covenant native bush below the summit of Mt Cargill. The Trust has been operating since 1972 and aims to protect native bush and to encourage good environmental practices and sustainable living in the environment.

Objectives:

1. Replace existing trapline with DOC200 double trap box traps to catch rats, hedgehogs, weasels, and stoats.
2. Support volunteer labour for checking live capture trap for feral cats and possums.
3. Carry out feral pig trapping.
4. Collaboration with Halo for monitoring native lizards.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
DOC200 Traps	DOC200 double trap box delux version	$ 220.00	20	$ 4,400.00
Trapline maintenance	Clearing, rebaiting, setting traps	$ 30.00	144	$ 4,320.00
Live capture trapping	Volunteer labour for feral cat and possum trapping. Traps will be set in evening, and cleared in morning Traps will be moved around the property.	$ 30.00	144	$ 4,320.00
Pig trap	Cost of purchasing a pig trap	$ 2,000.00	1	$ 2,000.00
Total Funding				**$ 15,040.00**

Expected outcomes:

1. Replacing exiting single trap boxes with DOC200 double trap box traps will increase the number of trap entry points, which may lead to an increase the number of trap catches.
2. Expanding the trap network to include live capture traps for feral cats and possums should increase the number of catches.
3. Live capture traps will reduce potential harm to non-target animals (e.g. kaka).
4. Increasing the number of traps on the property should, therefore, increase the number of trap catches and the level of protection for vulnerable native species.
5. Collaborating with Halo will support Initial Volco Trust members through expanding their knowledge base to effectively manage a range of pest animals on the property going forward.

The Halo Project

Background: The Halo Project, delivery partner of Predator Free Dunedin, focuses on activities around predator control, forest and seabird habitat restoration and freshwater enhancement from source to sea. Halo have developed the Mihiwaka – Mt Cargill Habitat Restoration Plan in collaboration with Dunedin City Council (DCC) and City Forests, in which Halo survey and control Site-Led pest plants, DCC carry out ungulate control, and City Forests carry out wilding conifer removal within the Leith Saddle – Mihiwaka area.

Objectives:

1. Collaborate with DCC and City Forests to deliver the first stage of the Mihiwaka – Mt Cargill Habitat Restoration plan (year 1).
2. Survey and control of Site-Led pest plants at priority locations in the Mihiwaka – Mt Cargill area.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost
Labour to survey and control pest plants	Field team suvey and control of Site-Led pest plants. Staff cost at $48 per hour, 367 hours field team labour.	$ 48.00	367	$ 17,616.00
Labour to survey and control pest plants	Volunteer suvey and control of Site-Led pest plants. Volunteers at $0 per hour, 270 hours.	$ -	270	$ -
Consumables	Pest plant control consumables including: herbicide gel, gloves, glasses, and tree saws; kai for volunteers; and PPE including: gloves and eyeglasses for volunteers.	$ 2,000.00	1	$ 2,000.00
Funding Total				**$ 19,616.00**

Expected outcomes:

1. Collaborating with DCC and City Forests for the Mihiwaka – Mt Cargill Habitat Restoration Plan will increase the level of environmental protection through increasing control efforts for Site-Led pest plants (Halo), feral goats (DCC), and wilding conifers (City Forests).
2. The pest plant survey will provide baseline data on the level of infestation in the Mihiwaka – Mt Cargill area.
3. The pest plant control will reduce the amount of Site-Led pest plants in the Mihiwaka – Mt Cargill area, and reduce seed dispersal potential.

Friends of Burns Reserve

Background: The Friends of Burns Reserve community group initiated in 2022 and carry out restorative work in the Burns Park Scenic Reserve (Burns Reserve). The Reserve contains 87 hectares of regenerating native bush, with a native orchid grove and many mature podocarps. Challenges the Friends of Burns Reserve seek to remedy include poor public access, and incursions of invasive fauna and flora, including Darwin's barberry and sycamores.

Objectives:

1. Drone surveillance for Darwin's barberry in sections of Burns Reserve adjacent to Ravensbourne and Burkes to establish infestation levels.
2. Pest plant control of Darwin's barberry and sycamore in sections of Burns Reserve adjacent to Ravensbourne and Burkes.
3. Engagement with neighbouring landowners, such as Signal Hill Reserve, with large infestations of Darwin's barberry and sycamores to promote awareness and coordination of control efforts.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost (Inc GST)
Volunteer labour	Weed control at Gerry's Rock	$ -	400	$ -
Drone survey for Darwins barberry in Burns and Signal Hill Reserves	Contractor drone pre-work and post-work survey, mapping, GIS (seek and destroy) and follow up reporting. 1 staff, 3 days	$ 805.00	3	$ 2,415.00
Ground based weed control	Contractor ground-based weed control work for Darwin's barbery and sycamore control throughout burns reserve for 3 staff for 9 days.	$ 2,415.00	9	$ 21,735.00
Materials and herbicides	Contractor materials, herbicide (x-tree basal and gly 540), drills, sundry operational consumables. Approx $100/p/d.	$ 115.00	27	$ 3,105.00
Communications with landowners and associated admin.	Contractor admin, H&S, letterbox drop info, meetings with owners having large infestations, coordination with Burns Trust not including Monowai owners volunteer time.	$ 805.00	2	$ 1,610.00
Funding total				**$ 28,865.00**

Expected outcomes:

1. Aerial map that demonstrates the level of infestation of Darwin's barberry and sycamore in sections of Burns Reserve adjacent to Ravensbourne and Burkes.
2. As Burns Reserve is potentially a seed source, implementing control of Darwin's barberry in sections of Burns Reserve adjacent to Ravensbourne and Burkes should reduce potential seed dispersal into adjacent areas.
3. Engaging neighbouring areas and properties will increase awareness of pest plants and may encourage landowners to take action on their properties.

OpenVUE

Background: The Open Valley Urban Ecosanctury (OpenVUE) addresses the community desire to North East Valley to be a rich biodiversity corridor connecting Orokonui to Dunedin. The group aims to restore native forest along the riparian area of Lindsay Creek to improve indigenous ecosystems within the riparian margins.

Objectives:

1. Surveillance to evaluate sycamore infestation levels at Lindsay Creek from Bethune's Gully to the North East Valley Bowling Club.
2. Pest plant control of sycamore within Chingford Park riparian margin.
3. Engagement with neighbouring landowners with large infestations of sycamores to promote awareness and coordination of control efforts.

Funding and Budget:

Task/Resource	Description	Unit Cost	No. Units	Total Cost	Total Funding
Consultation	Expert consultation and electronic mapping of riparian sycamores too large to remove by hand (2-3 people)	$ 50.00	80	$ 4,000.00	$ 4,000.00
Arborist	Sycamore removal	$ 10,000.00	1	$ 10,000.00	$ 10,000.00
Total Funding				**$ 14,000.00**	**$ 14,000.00**

Expected outcomes:

1. Surveillance for sycamore on Lindsay Creek will provide baseline data for pest plants within the riparian margin and provide direction for pest plant removal going forward.
2. As Lindsay Creek is potentially a seed source, implementing control of sycamore in Chingford Park may reduce seed dispersal downstream.
3. Engaging neighbouring properties will increase awareness of pest plants and may encourage landowners to take action on their properties.

Next Steps

Project Planning and Reporting

- If approved by Council, the Working Group will facilitate this plan to support community groups to undertake control work in the Okia – Papanui – Taiaroa Hill and Leith Saddle – Mihiwaka sites.
- Funding agreements will be established for each community group, and funds will be released before the end of the 2024/25 financial year.
- Community groups will provide a project plan to demonstrate how they will achieve their objectives.
- All communications and any changes to community group projects will be recorded.
- A progress update Hui approximately halfway through the projects (~6 months) will be held to look at community group projects and groups can showcase what they have been doing.
- An annual Hui (~June 2026) will be held for community groups to report the outcomes of their projects.
- An annual report will be provided by community groups to document these outcomes.

Quality Assurance

- The Working Group facilitator, Community Coordinator Biosecurity will support community groups with the project planning and reporting process described above.
- The Working Group will host Hui to check in on the community groups progress and provide opportunities for community groups to highlight the progress they have made, any wins or challenges they have experienced, and any additional support they may require.

Risk Assessment

- The Working Group facilitator, Community Coordinator Biosecurity will work closely with community groups and organisations to check in on progress, support open lines of communication, and ensure any deviations to the plan are recognized early.
- The Working Group have tried to mitigate risks through working with community groups to provide clear and achievable expected outcomes using a best practice approach. This approach should reduce the risk of these outcomes not being achieved.
- While this plan provides a set of objectives and expected outcomes, we recognize that community groups may need to deviate from this plan. We may, therefore, need to be flexible as project managers to recognize that effective pest management can be challenging and changes to the community groups' approach may be needed at times.
- This Programme will only support selected projects which focus on the management of Site-Led Programme pest plant and animal. The fund is pitched for projects that should not require

ongoing funding to maintain the desired level of control. For example, purchasing DOC200 predator traps to control mustelids.

- This Programme is included in the ORC Long-Term Plan over the next 10 years, however, the Programme needs to be approved through each annual plan. This means that there is no guarantee for funding these community groups and sites going forward. There is the risk that withdrawing resource at these sites may lead to reversion back to the sites previous state. To try to mitigate this risk, we can provide community groups with education and advice on best practice and pest management, connect them with other groups as well as experts, and support them with tangible resources through this Programme. We will also connect groups with other funding sources to support community group projects.

Site-Led Aramoana Progress Hui Minutes

MEETING DETAILS

Date: Tuesday 12th November 2024
Time: 11:00am – 2:00pm
Venue: Carey's Bay Historic Hotel, 17 Macandrew Road, Dunedin

ATTENDANCE

Attendee	Group/Organisation
Sophie Gibson-Pinn	Otago Regional Council; Site-Led Working Group
James Bradley	
Emma Burns	DOC
Alice Macklow	Halo
Bradley Curnow	Aramoana Conservation Trust
John Neilson	
Gillian Elliot	

Apologies: Hoani Langsbury (Site-Led Working Group), Jessica Goodall (DOC), Rhys Millar (Halo).

1. KARAKIA & INTRODUCTIONS

- The meeting was opened at 11:00am and Emma opened the meeting with a karakia.

2. PROGRESS UPDATE ORC

Sophie welcomed groups and updated them on ORC actions to date in relation to the Site-Led Programme:

- 'Native or Nuisance?' is an educational social media campaign on Facebook features 6 Site-Led pest plants and 2 native plants. These posts are running from Nov-Dec. Groups are asked to share posts to get greater outreach and education for these pest plant species.
- Updating ORC Pest Hub website pages.
- Creating a printable, PDF page for each of the Pest Hub pages.
- Site-Led paper going to Council on 20th November to get Site-Led separated from ECO Fund so it can be run independently in the future.
- Groups will be required to complete a report at the end of the Site-Led Programme (approximately June 2025). Reporting needs to be transparent, and groups will need to demonstrate the deliverables and any outcomes of the work they have carried out. Suggestion for groups to keep track of what they have done and how funding is spent for reporting purposes.

3. **PROGRESS UPDATE FROM BRADLEY FOR ARAMOANA CONSERVATION TRUST:**

- Botanical Society visit in August 2024. Botanists advised native species to plant and to plant Ngio's close together to form clumps of habitat.
- ~500 Ngio trees coming next year to expand sealion forest and remove weeds.

Outcomes:

- Six DOC200 traps out – inspected once every fortnight.
- Purchased 35 DOC predator traps for rats and mustelids.
- Installed five replacement traps in the penguin forest before breeding season.
- One replacement trap installed at edge of forest early November.
- Maintaining DOC200's in the ecological area.
- Purchased 11 *Myoporum laetum* from Box of Birds in Port Chalmers.
- Undertaken two planting days in the Sea Lion forest and planted over 111 *Myoporum laetum* (~ 100 plants purchased prior to Site-led programme). Promoted via a letterbox drop in the Aramoana community – progress with engagement in the community.
- Purchased consumables such as plant guards for next Winter's plantings.
- Created a pest weed identification guide for trapping and planting volunteers.
- Carried out pest plant surveillance in penguin forest with Halo before breeding season.
- Identified two infestations of Banana Passionfruit and a few Sycamore trees.

Next steps:

- DOC200 traps currently in storage and they are waiting for the ecological area to dry out before they can install trap lines in area.
- Tracks to be marked in ecological area.
- Need to purchase bait blocks.
- Order for 500 *Myoporum laetum* from Ribbonwood to expand Sea Lion forest.
- Order for suitable plants through Halo to plant in ecological area along the new trap line next Winter. Species include: *Coprosma propinqua, Totara Podocarpus, Griselinia littoralis, Melicytus ramiflorus, Leptospermum scoparium, Dacrycarous dacrydioides, Cordyline australis, Coprosma rhamnoides, and Sophora microphylla.*
- Plantings should out complete any future weed infestations.
- DOC controlling woody weeds over the next 6 months. Gabe from DOC came for a site-visit, discussions about spraying in the future.
- Discussions with DOC about dune maintenance in front of creche.
- Next weeding plans to look at purple Ragwort and Mellow plant.

Plans after Site-Led:

- Family members will fund the Trust via their Trust accounts.

Wins:

- Traps installed in penguin forest before breeding season.
- Grateful to be able to work on DOC land.
- Two successful planting days with 60 plants per planting around May and June 2024.
- Group formation underway for planting Ngio's – plants are expected to be in the ground in May 2025.
- DOC summer ranges coming – Trust will work closely with them and hope they will help increase public awareness.

Challenges:

- Community flooding and rockfalls in the area due to recent floods.
- Time limitations in terms of volunteer workload and other work commitments.
- Large-scale spraying of Muehlenbeckia over 3 DCC reserves in aera. Delta plans to plant trees there.
- Challenging area to be working in.
- Respect for Aramoana – quad bikes in ecological area.
- Time – desire to do more work alongside Halo but time is a limitation.
- Getting volunteers – desire to help pay for gas money to get to site for volunteer work.

Actions:

- Support needed from finance team about process for returning GST component as the Trust is not GST registered.
- Halo offered to support the Trust by promoting events and the Trust on their social media.

4. PROGRESS UPDATE FROM ALICE FROM HALO:

Outputs:

- Engaged the community:
    - Public newsletters - Blueskin news, Rothesay news.
    - Website page on Halo website for Site-Led – www.haloproject.org.nz/aramoana.
    - Halo Project social media platforms - Facebook.
    - Door knocking and flyer drop to all homes.
    - Volunteer pest plant surveys x 2.
    - Halo staff pest plant surveys x 3.
- Pest plant survey results:
    - Half of the village has no pest plants on their properties.
    - No Old Man's Beard or Bomarea found in Aramoana area.
    - Banana Passionfruit on private properties and DCC Reserve.
    - Lots of Sycamore found in beach/dune area.

    - One Darwin's Barberry bush found on private land in a pot.
    - Tradescantia found over two properties.
- Installed ~500 m of track for mustelid line for Aramoana Conservation Trust in ecological area.

Next steps:

- Aramoana contains a relatively low density of pest plants when compared to other sites in the Halo area. More pest plant surveys of dune habitat.
- Heyward Point seabird habitat predator line install.
- Finalize weed management plan and control weeds.
- Purchasing 6000 seedlings for plantings next year from consultation with Whirika Consultancy and Kāti Huirapa Rūnaka ki Puketeraki.
- Plans after the Site-Led Programme: Funded till end of 2025 to carry out work over several key locations (Warrington Spit, Orokonui Estuary, Doctor's Point and Pūrākaunui Estuary). Completed pest plant surveys at Doctor's Point using this method.

Wins:

- Comprehensive baseline data from draft pest plant survey.
- Few Site-Led weeds found. Other weed species found.
- Possibility to control Site-Led weeds while they are still manageable, is positive but some species are everywhere.
- Some unique native plants observed in new locations – great to see species diversity.
- Using Aotearoa Species Classifier App.

Challenges:

- *Juncus ardius* and sea couch in saltmarsh – DOC is spraying.
- Borders are superficial – seeking pest plants on the road to Aramoana and in other areas as these present a threat to biodiversity in Aramoana and elsewhere.
- Gorse, broom and sea couch in the DOC reserve needs attention.
- Macrocarpa/pine seedlings on cliffs coming from seed source at the top – drone spraying needed to remove seed source.

Support:

- 15 Pari St is unmanaged – locals planting exotics here i.e. soft broom– unknown owner.
- Support continued restoration planting in Aramoana dunes and saltmarsh.
- Funding, consider broadening the scope of pest plants to be controlled or the area in which pest plants are controlled.

5. NEXT MEETING

The final Aramoana Hui will be in June 2025. Meeting details will be sent closer to the time.

Site-Led Sandymount – Sandfly Bay Progress Hui Minutes

MEETING DETAILS

Date: Thursday 31st October 2024
Time: 9:00-1:00pm
Venue: Macandrew Bay Boating Club – 475 Portobello Road, Macandrew Bay, Dunedin

ATTENDANCE

Attendee	Group/Organisation
Sophie Gibson-Pinn	Otago Regional Council; Site-Led Working Group
James Bradley	
Hoani Langsbury	Site-Led Working Group; Otago Peninsula Biodiversity Group (OPBG)
Paula Cross	OPBG
Francesca Cunninghame	Forest and Bird
Fran Hammond	Seek Weeds and Terminate (SWAT)
Fiona Morrison	

Apologies: Jessica Goodall (DOC), Emma Burns (DOC), Graeme Loh (Forest and Bird).

1. KARAKIA & INTRODUCTIONS

- The meeting was opened at 9:15am and Sophie opened the meeting with a karakia.

2. PROGRESS UPDATE ORC

Sophie welcomed groups and updated them on ORC actions to date in relation to the Site-Led programme:

- 'Native or Nuisance?' is an educational social media campaign on Facebook features 6 Site-Led pest plants and 2 native plants. These posts are running from Nov-Dec. Groups are asked to share posts to get greater outreach and education for these pest plant species.
- Updating ORC Pest Hub website pages.
- Creating a printable, PDF page for each of the Pest Hub pages.
- Site-Led paper going to Council on 20th November to get Site-Led separated from ECO Fund so it can be run independently in the future.
- Groups will be required to complete a report at the end of the Site-Led Programme (approximately June 2025). Reporting needs to be transparent, and groups will need to demonstrate the deliverables and any outcomes of the work they have carried out. Suggestion for groups to keep track of what they have done and how funding is spent for reporting purposes.

3. **PROGRESS UPDATE FROM FIONA AND FRAN FOR SWAT:**

- Pukehiki is the seed source for Darwin's Barberry (DB) spreading into the DOC Reserves at Sandymount-Sandfly. The seeds are bird and possum dispersed. Areas with high rat numbers often don't have DB seedlings as rats grind the seeds.

Outcomes:

- OPBG provided SWAT with DB location data from Sandfly-Boulder Beach in July-August 2024 during OPBG's final possum knockdown work (a very successful collaboration).
- Three known DB bushes were culled at Sandymount-Sandfly in 2016, 2020 and 2021. But another nine DB bushes were found and destroyed in August-September at Sandymount-Sandfly and Boulder Beach just from those OPBG leads.
- Ryan Adams of Peak Geospatial flew orientation drone surveys at Pukehiki in August and September before he flew the main Sandymount-Sandfly survey over six days in September. This confirmed the optimal time to fly for DB spotting in this region is first two weeks of September when DB in full flower.
- SWAT used the Avenza app to field-check locations in Pukehiki that Ryan identified in the orientation images as perhaps being DB. He had a 95% correct strike rate, only one false positive. This gave us confidence the drone would successfully pick up all DB bushes at Sandymount-Sandfly.
- Drone flown in series of set parallel lines over the survey area at a height of 50 m above the terrain. Hundreds of high resolution images were stitched together into geolocated orthophotos. It took several days to process the data.
- The canopy view from the drone is really useful for finding tall DB trees that have no flower or fruit expression at ground level. The bigger trees are easily missed during foot inspection. Many DB trunks were found during ground checks at Pukehiki to be growing horizontally up to 6 m long and not breaching the canopy.
- Could do a test run to see if drone can pick up Banana Passionfruit.
- SWAT bought a GPS – very useful for map production/project management.
- SWAT energized by cross-group collaboration with OPBG.
- ORC funding has provided concentrated focus and incentive for SWAT to rid this region of DB.

Next steps:

- Analyse the drone footage for Darwins Barberry, wilding pines and other pest plants.
- Ground check of suspect plants from in drone footage.
- Eradication of all DB bushes found. Treatment plan for any other pest plant types discovered.
- OPBG continues to share DB finds and locations.
- Potential to put a SOP together to detail drone surveying for pest plan surveillance.

Challenges:

- Flowering DB in images looks similar to three other regional vegetation types: horopito bushes, dead bracken and beach spinach (*Tetragonia*). Some risk SWAT will generate a number of false

positives from image analysis. Access difficult in some areas at Sandymount. A considerable effort is required to ground check likely DB points, but it must be done.

- DOC has closed tracks at Sandymount used by pest plant volunteers. It will be very difficult to access some areas of the block for ongoing pest plant monitoring when the tracks close over.
- Large invasive licorice plant infestation found at Sandymount. Carpet roll technique used to remove it in September. Good outcome, grass has already regrown on the site, no regrowth.
- Wilding pines (WP) are a threat. Some WP zones were drilled and poisoned by DOC in 2023. SWAT will provide DOC with all WP locations spotted on the drone survey.

4. **PROGRESS UPDATE FROM PAULA FOR OPBG:**

- Over the last 15 years, they have been working in Otago Peninsula to control possums through a variety of toxin and trapping techniques.
- Outside the Site-Led programme, OPBG, PFD and Banks Peninsula have installed and filled 965 bait stations with brodifacoum at a rate of 1 trap per 50 m.

Outputs since 1st June 2024:

- Intensive track clearing using Monowai contractors to do difficult tracks.
- Trapped 16 possums, 21 rats, 12 mice and 3 stoats.
- Removed ~600 old possum bait safes (Forest and Bird offered to remove them if they see any).
- Installed and rolled out 30 cameras (Browning Trail Cameras) from mid Aug.
    - Cameras are facing bait stations and set in a location for 2 weeks at a time then they are moved to a new location.
    - Cameras have seen 19 feral cats, 1 ferret, 1 possum, 4 hares, 32 mice, 4 rats and 13 hedgehogs.
- Project manager funded for 24 h/w through Site-Led Programme.
- DOC 200 trap lines for mustelids and rodents along Sandymount Reserve boundary.

Next steps:

- Drone night surveillance for possums in late November for whole of Sandymount area. We don't know if there are any possums in the area – none seen on camera footage.
- Complete roll out of cameras – started in mid-August.
- Continue to set new traps or detox old traps and top up bait in certain areas.
- Continue trapping DOC200's and DOC250's.
- Opportunity for trapping cats – lots of feral cats seen on camera footage. Discussion within OPBG on direction for this going forward.
- Apply for funding for this work to continue.

Challenges:

- Funding – it is ongoing work to keep tracks open.

- Challenging terrain and vegetation.
- Meeting the expectations of the Otago Peninsula community is challenging as their expectations are very high.

Opportunities:

- Options of using drones to target spay tracks.

5. **PROGRESS UPDATE FROM FRANCESCA FOR FOREST AND BIRD:**

- Tītī biggest colony ~200 burrows per season.
- Lots of slips recently which have negatively effected tītī and hoiho nesting areas in Sandfly Bay.
- Tītī have already returned for the start of the breeding season.

Outputs:

- Catches lower this winter compared to previous years (potentially could coincide with OPBG brodifacoum work).
- DOC200's run fortnightly; focus is around Tītī colony.
- Winter trail cam monitoring:
    - Wanting to find out if the 4th ferret observed earlier in the year is still in the area, or if it will return to the area? This animal has not been detected on the cameras since the last fledgling left. Speculation that this may be due to the fact that the Tītī have been at sea, so the ferret's food source is gone.
    - Three feral cats have been observed in the area. They have a plan to try to catch these cats using Steve Allan's kill traps. They will do this by starting with food dump sites, then put this food into open cage traps with cameras, once cats are confirmed to be going into the traps, then activate the traps to try to catch them.

Next steps:

- Going forward, keeping pressure on pest animals during times when the chicks are very vulnerable.
- Live capture contractor to catch feral cats.
- Contractor – Ange with dog for ferret detection in November then again in February/March to help direct focus going forward.
- Continued pressure on key predators – priority for ferrets, then other mustelids, feral cats and rodents.

Challenges:

- Runners detected on trail camera footage.
- Potential for these runners to disturb wildlife and collapse burrows.

Wins:

- Otago University post DOC student Nico is looking into a holistic approach to seabird monitoring.

6. GENERAL DISCUSSION

- Hoani provided an update for Sustainable Otago Peninsula. He will send a copy of the Sustainable Otago Peninsula - Initial Position Paper to the Site-Led group for feedback on the Rūnanga-led collaboration of Te Rūnanga o Ōtākou, Otago Peninsula Trust and Otago Peninsula Biodiversity Trust. Note this document has not been distributed to the community yet.
- Future generations – how can we get schools and the next generation involved.
    - Sustainable Otago Peninsula could help with this.
- Otago Trails Trust plans to put a cycle trail for St Clair to Portobello through Sandymount. They are planning to start this in the next few years.

7. NEXT MEETING

The final Sandymount – Sandfly Bay Hui will be in June 2025. Meeting details will be sent closer to the time.

Appendix 2: Guidance for the inclusion of site-led programmes in the Pest Management Plan

ORC may consider including an additional site-led programme or amend an existing site-led programme in the Pest Management Plan where this meets the requirements of the Biosecurity Act and results in positive benefits to the environment and people.

This appendix provides guidance for when a site-led programme may be included without the need to undertake a plan change to the Pest Management Plan:

- The area has significant value at a community, district, regional or national scale. For example:
    - Significant indigenous vegetation.
    - Significant habitats of indigenous fauna.
    - Outstanding natural character, features and landscapes.
- There is strong volunteer and/or community support for the programme, including from landowners who are willing to provide access to private property.
- The programme will result in environmental, social and/or cultural benefits.
- The programme meets the requirements of the Biosecurity Act 1993 and the National Policy Direction for Pest Management 2015.
- There is an agreement with the Otago Regional Council about:
    - How the site will be managed.
    - How the programme will be delivered.
    - The nature and level of support needed from ORC.
- The programme is resourced for its duration.



10.3. Environmental Funding

Prepared for:	Council
Report No.	GOV2541
Activity:	Governance Report
Author:	Libby Caldwell, Manager Environmental Implementation
Endorsed by:	Joanna Gilroy, General Manager Environmental Delivery
Date:	21 May 2025

PURPOSE

[1] To present options to Council for approval for the delivery model of the new 'large-scale environmental fund'.

EXECUTIVE SUMMARY

[2] Through the Long-Term Plan 2024-2034, Council approved the allocation of $2M per year to fund 'large scale environmental projects, funded by an Otago-wide rate'. The Long-Term Plan details that the additional $2 million per annum comes into effect from 1 July 2025. Council needs to decide on a delivery model and criteria for the new fund, noting that any decision on the amount of money for the fund, will be through the Annual Plan processes.

[3] Frequency has supported Council in the development of options for delivery of the fund and these are detailed in the final report on the project. It is recommended that Council implements a delivery model of Prioritised Funding: Structured Purchasing through either an Expression of Interest (EOI) and/or Request for Proposal (RFP) or Direct Engagement, aligned where appropriate to CAP Implementation. This delivery model will achieve the principles of intergenerational impact, facilitation of collaboration across the system and alignment to organisational strategy and strategic direction. Eligibility criteria have been developed to support the implementation of the fund.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*
2) ***Approves*** *Option 1 which endorses staff progressing to implement the Prioritised Funding Model 1: Structured Purchasing – ROI, RFP or Direct Engagement, aligned where appropriate to CAP implementation as the model to be used for managing the large-scale environmental fund.*
3) ***Notes*** *that the establishment date and funding of the large-scale environmental fund is subject to decisions made during the current Annual Plan process and Staff will prepare a finalised implementation timeline post Annual Plan decisions.*

BACKGROUND

[4] Through the Long-Term Plan 2024-2034, Council consulted on a proposed increase in environmental funding of $500,000 per year from 2025/26 to support large scale environmental projects. Following consultation, Council approved the allocation of $2M per year to fund 'large scale environmental projects, funded by an Otago-wide rate'. The Long-Term Plan details that the additional $2 million per annum comes into effect from 1 July 2025.

[5] Two workshops have been previously held with Councillors, and interviews have been completed with stakeholders and partners. Workshop materials and a list of who was interviewed as part of this project were attached as appendices to the report which was presented to Council on 9 April 2025.

[6] At the Council meeting on 9 April 2025, Council endorsed the draft principles that were presented which will be used to define 'large-scale' and the delivery models to be detailed to inform a decision on the preferred delivery model. These principles and delivery models are detailed in Attachment 1 and are discussed further throughout this report.

[7] Council discussed in the workshops, and it was endorsed in the Council meeting on 9 April 2025, that that the large-scale environment fund be based on the following principles instead of setting a specific definition for what is 'large-scale':

a. **Intergenerational impact** – achieving enduring impacts that are in partnership with mana whenua and communities.
b. **Facilitation of collaboration across the system** – ORC should take a leadership role of the funding system, but local leadership and action should be driven by communities.
c. **Alignment to organisational strategy and strategic direction** – knowing that the right investment decisions are being made in the right place at the right time to support ORC's strategic directions and goals as set by Council.

[8] Council endorsed on 9 April 2025, that the final report was to provide further detail on the following funding model options (section 7 of attachment 1). These options are:

a. A hybrid model that allocates funds by bringing together a structured procurement approach aligned where appropriate to funding the implementation of Catchment Action Plans in line with the ICM process. This would account for funding decisions against a set criteria that invites expressions of interest and also accounts for utilising the mechanisms and processes as part of the ICM process through a direct/expression of interest process and funding via Catchment Action Plans.
b. A model that allocated funds via a Joint Venture (such as a collaborative or co-funded approach) in partnership with other entities.
c. A model that would see funds allocated via a standalone Council Controlled Organisation (such as a Trust). This entity could also be set up to leverage additional investment to support large-scale environmental initiatives. Council asked for this model to be investigated to assess the potential benefits to Council and ratepayers in the long term.

[9] A number of other funding models were discussed in workshops, but not explored further in detail. This information is in the report in Attachment 1. Council also provided direction to focus solely on the new 'large-scale environmental' funding and to not consider this within the context of a review of all funding allocated by ORC to meet environmental outcomes (namely our direct agreements and ECO Fund). This means the ECO Fund will continue to operate in parallel to the new fund.

[10] This paper does not pre-empt any formal decision on the continued existence or amount in the fund (this is through the Annual Plan process), and the delivery model recommended can be successfully implemented with various levels of funding. The Annual Plan process is still underway.

DISCUSSION

[11] Each of the prioritised models are explored throughout the reports prepared by Frequency. For each of the three models strengths and weakness are provided on pages 13-15 of the summary report (Attachment 3) and further detail can be found for each of the prioritised funding models in section 8 of the report (Attachment 1) which covers the benefits and challenges for each of these models. An overview of these models is provided below.

Prioritised Funding Model 1 - Structured Procurement

[12] For Prioritised Funding Model 1 –aligned where appropriate to CAP Implementation the strengths of this model include:

a. Funding decisions are aligned with organisational strategy (CAPs) and community priorities.
b. Is underpinned by data, evidence and community-led planning.
c. Region-wise consistent approach.
d. CAP development is already a collaborative process, incentivises communities to engage in the planning process when there is potential funding for implementation to follow.
e. The CAP process assists ORC to measure environmental impact.
f. Enables enhanced collaboration, stronger relationships with partners and increased coordination with stakeholders.
g. Likely to be less time and resource intensive than a competitive grant allocating process and likely to be one funding round over three years (enabling three-year contracts to be put in place).
h. Supports innovation within communities.

[13] The risks associated with this model include:

a. May be limited capacity within some catchments to manage and administer funding.
b. Short-term inequity in funding distribution for those areas which don't have CAPs.
c. Not all communities have mature entities to receive and manage funds which could limit access.
d. Risk that new processes could duplicate existing mechanisms such as ECO Fund.
e. Could have impact on existing relationships between community organisations and ORC if those organisations feel they are excluded or don't meet criteria for applications.

[14] It is important to note that with Prioritised Funding Model 1, if this were to be endorsed that the Integrated Catchment Management work programme will not have delivered a CAP for every area in the region prior to the funding being available (if approved). The intention of this model is that it does not exclude those areas who do not have CAPs in place yet and it will take some time to roll this programme out region wide. To ensure that there is equity across the region other strategic documents can be utilised to support development of criteria and funding applications. This would include alignment to documents such as the ORC led biodiversity and biosecurity strategies.

Prioritised Funding Model 2 – Investing in Joint-Ventures and Co-Funding

[15] For Prioritised Funding Model 2 – Investing in Large-Scale Environmental Initiatives via a Joint Venture or Co-Funding Arrangement the strengths of this model include:

a. Reduces internal administration and capacity requirements for ORC staff.
b. Increases coordination of investment decisions across the region.
c. Potential to solidify a formal partnership with mana whenua and/or a philanthropic investor.
d. Reduces the perception of conflicts of interest in decision making.
e. Potential to leverage co-investment opportunities.

[16] The risks associated with this model include:

a. Funding of overhead fees would be required.
b. Challenges in aligning the environmental and investment priorities of partners.
c. Internal cost could be high to establish this model.
d. Feasibility is not conclusive. Staged processes over the next few years to determine viability would be required.
e. Minimum of three to five years would be required to fully operationalise.
f. Success is dependent on long-term commitment to investment and relationship building.
g. Potential for some inequity in funding distribution as some areas of the region have a higher change of attracting investment than others. This may not support environmental outcomes sought regionwide if significant co-investment is a requirement.

Prioritised Funding Model 3 – New Council Controlled Organisation

[17] For Prioritised Funding Model 3 – Investing in Large-Scale Environmental Initiatives via a New Council Owned CCO the strengths of this model include:

a. Independent governance board and structure removes funding decisions from political decisions.
b. Opportunity to leverage additional funding.
c. Opportunity for community to have closer involvement in decision making which can support community empowerment.
d. Could be considered as a medium to long-term option. Further feasibility work is required to determine viability.

[18] The risks associated with this model include:

a. Investment decisions could become more closely linked to community expectations rather than council priorities or strategy which can lead to reduced accountability to ratepayers.
b. Would require formal community consultation.
c. Significant time and resource is required for this option.
d. Costs associated to managing and monitoring the performance of the entity.

Proposed Eligibility Criteria

[19] The summary report (Attachment 3) details in the Recommendations section what eligibility criteria should include as a minimum. This paper is seeking Council approval of these being included as eligibility criteria and includes the following:

a. Alignment to intergenerational aspirations of Mana Whenua, with a demonstrated level of support obtained for the initiative from Mana Whenua/Papatipu Rūnaka.
b. Directly contributes towards achieving priorities identified by ORC and provides a line of sight to those priorities outlined in documents such as Catchment Action Plans.
c. Initiatives or projects meet the intent of 'large-scale' from an ecological perspective (multifaceted approach).
d. Investment allows for an increase in scale and/or impact of those projects and initiatives that are already in place (rather than funding new projects or idea) which are already contributing to environmental outcomes and that demonstrate value for money.
e. They are a legal entity, able to demonstrate they have capacity, capability and stability (Governance and Financial for example) to deliver 'large-scale' initiatives.
f. Initiatives are community-led with a high degree of collaboration at all levels of the system.
g. The extent to which they can act as an umbrella entity and/or collectives of organisations (this should be encouraged but only where appropriate governance and management structures are in place to effectively deliver on requirements).
h. Their commitment to work together in partnership (with ORC and others), to further enhance collaboration, community activation and sustainable funding and leverage opportunities beyond the initially agreed investment term.

[20] The above eligibility criteria will enable community organisations to determine if they align with the outcomes intended by this funding.

[21] ORC staff also suggest that it would be good to add to the eligibility criteria that the fund supports the establishment (seed funding) of groups that are needing to demonstrate the ability to sustain projects in the long term. Part of this criteria will require the groups to demonstrate that they have other sources of funding and are not solely reliant on funding from ORC to sustain their projects into the future.

OPTIONS

Option 1 (recommended)

[22] Council approves staff progressing to implement the *Prioritised Funding Model 1: Structured Purchasing – ROI, RFP or Direct Engagement, aligned where appropriate to CAP implementation.* This option would enable the fund to be in place and administered this financial year. The specific reasons why this model is recommended are included in section 8.2 of the Frequency report. This option achieves the intent of the original hybrid model Council was seeking to explore. The report highlights that the CAP process should be a consideration of priority but not in itself be the only consideration of how large-scale funds should be allocated.

[23] Council approves inclusion of eligibility criteria as detailed in the summary report recommendations section (Attachment 3) (paragraph 18).

[24] Council endorses the principles on page 4 of the summary report (Attachment 3) (summarised in paragraph 7) being utilised for the definition of 'large-scale'.

Option 2

[25] Council provides staff with:

a. an alternative delivery model to progress to implementation.
b. an alternative eligibility criteria to include as a minimum.
c. alternative principles to be utilised to define 'large-scale'.

[26] This option would result in a delay for stakeholders and community in understanding what principles and funding model are being progressed by ORC for the large-scale environmental fund.

Option 3

[27] Council does not:

a. approve any funding delivery model.
b. approve the inclusion of eligibility criteria.
c. approve the principles detailed in the report being utilised to define 'large scale'.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[28] ORC's strategic directions commit ORC to delivering integrated environmental management, engaging communities and collaborating to deliver. Appropriate design of the large-scale environmental fund will support these objectives.

Financial Considerations

[29] Funding of $2 million is included in the budget for the Long-Term Plan 2024-2034, commencing in Year 2 of the Long-Term Plan. This is still subject to the Annual Plan approval process and any decisions through that process.

Significance and Engagement Considerations

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

Legislative and Risk Considerations

[31] Nil

Climate Change Considerations

[32] There are no climate change considerations associated directly with this report, however large-scale environmental funding investment could support climate outcomes.

Communications Considerations

[33] Given the significant interests of many stakeholders, and the broader community, it will be important to communicate the delivery model for the large-scale environment fund. Communications and engagement plans will be developed.

NEXT STEPS

[34] Once a decision is made on which delivery model is to be progressed, staff will work to implement the option approved by Council. Staff will ensure that partners, stakeholders and the wider community are updated on Council's decision and are kept informed about the development of the large-scale environment fund. This will include an implementation plan which details important timeframes for potential funding recipients.

ATTACHMENTS

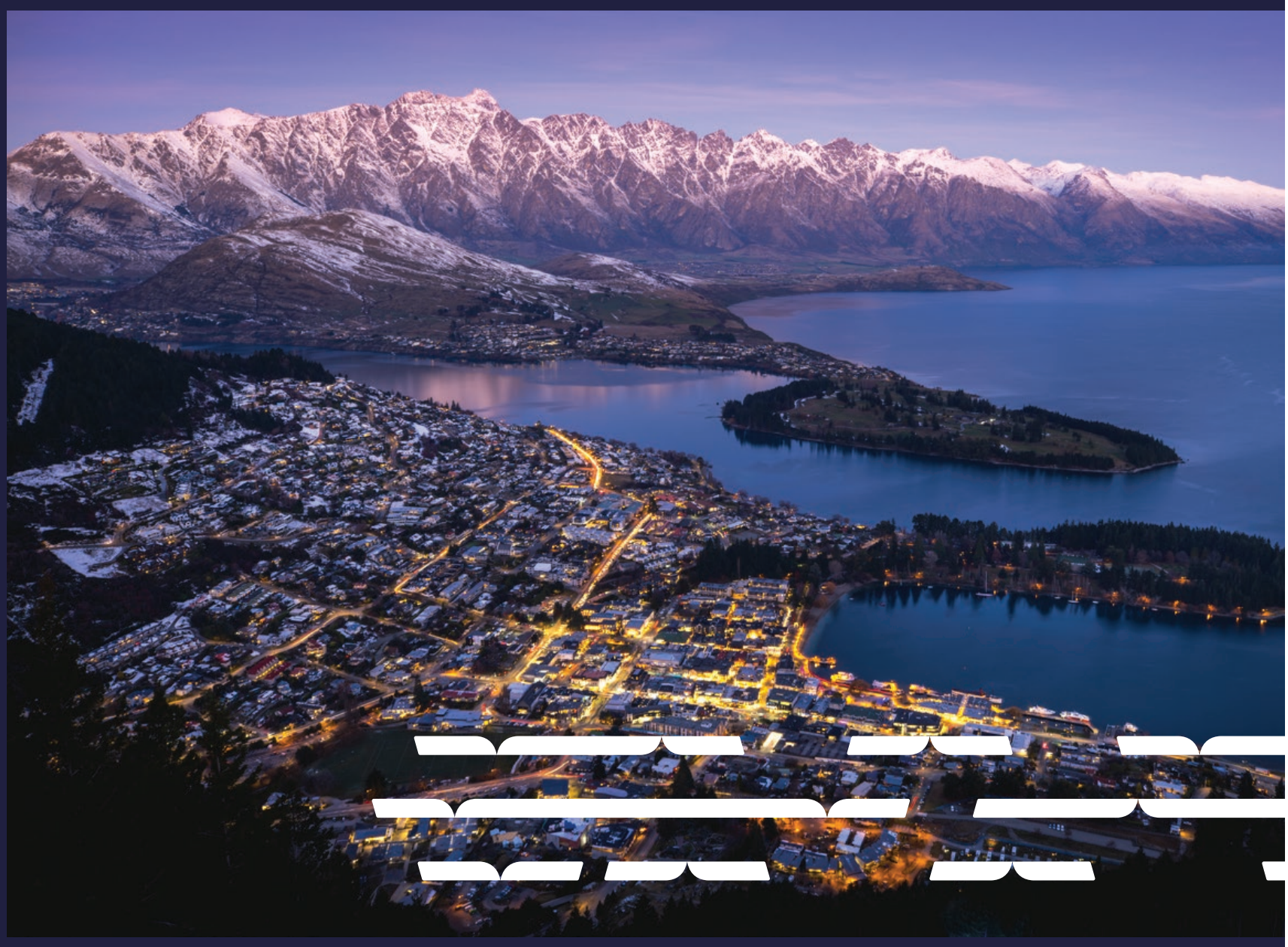
1. FR E-049 ORC Report-v 3 [**10.3.1** - 79 pages]
2. Frequency - ORC Environmental Funding Report - Appendices [**10.3.2** - 222 pages]
3. FR E-049 ORC Report- Summary [**10.3.3** - 21 pages]

Creating a thriving Aotearoa
for future generations

Development and Implementation of ‘Large-Scale’ Environmental Funding

Analysis and Recommendations for Otago Regional Council

May 2025 | Frequency NZ Ltd



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In addition, the following should be noted:

- We are not qualified investment advisors, financial analysts or accountants and therefore we have not considered detailed accounting or tax implications of the advice in our report.
- Our advice and recommendations are made at a conceptual level, accounting for applicable legislation, rules and regulations in relation to government contracting and procurement (that were accurate and relevant at the time of writing this report), as well as the feedback and learnings from partners and stakeholders.
- Should ORC wish to understand the detailed financial and tax implications of the funding models outlined in this report, they should seek the advice from those qualified to make such a detailed analysis or assessment.
- The observations and advice, as relevant, within this report are made within a historical context (experience and learnings from others that have already taken place). As events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. Accordingly, we express no opinion as to how closely the actual benefits and opportunities identified in each funding model will correspond to those predicted and we take no responsibility for the achievement of predicted results.
- This document references high level analysis to inform our findings and recommendations. By its very nature this analysis cannot be regarded as an exact science and the conclusions arrived at in most cases will of necessity be subjective and dependent on the exercise of individual judgement.
- Any reference in this report to financial parameters and impacts has been completed to compare options; it does not constitute formal financial or investment advice and cannot be used or relied upon for this purpose.



1.0 Introduction

Otago Regional Council (ORC) provides environmental funding through various means across the Otago region. This includes both direct and contestable funding which contributes to various environmental outcomes and supports community-led environmental action, in line with the strategic direction of the organisation, national policy statements, strategies and regional planning and regulatory documents that the council is required to adhere to.

This report is the output of a six-month project that we have conducted on behalf of the ORC that sought to investigate the strategic and policy context, the current and past funding environment, an analysis of the research and literature into the effectiveness of funding models and approaches for 'large-scale' or landscape scale environmental outcomes. This was conducted with the purpose of providing advice and recommendations to council in relation to the establishment and administration of a new 'large-scale' environmental fund.

Our work has included significant partner and stakeholder engagement to gain the views and experiences of mana whenua, other local authorities across Otago, environmental organisations and community and government funders in the planning, funding and delivery of environmental initiatives across the region. Additional consultation has been undertaken with regional and territorial authorities around New Zealand Aotearoa to gain a detailed understanding of their investment models to enhance environmental and biodiversity outcomes in their communities.

The new 'large-scale' environmental fund was approved under the Long Term Plan (LTP) 2024-34 process that approved $2 million per annum of funding be spent to support 'large-scale environmental projects' in the region, funded by a district wide rate. Funds were budgeted for years two and three of the current LTP budget, becoming available from 1 July 2025.[1] An analysis of a range of procurement and funding options was undertaken to allow council to make an informed assessment regarding a range of investment options that ORC could consider and implement, on their own, or in potential partnership with others.

In addition to our partner and stakeholder engagement, and desktop analysis, Councillors participated in two workshops to discuss possible definitions of large-scale and to determine a long and short list of potential funding model options for investigation. At the conclusion of these workshops, through a Council paper an agreed list of principles the funding seeks to achieve was agreed, as well as a prioritised short list of funding model options that warranted further investigation based on their likelihood of success, achieving value for money and achievement of the councils desired outcomes in the short to medium term.

The purpose of this report is to bring all elements of this work together, combining the detailed research and evidence, partner and stakeholder feedback, aligning this to a range of high-level funding and investment options (that are in line with government procurement rules and best practice), and provide further details of prioritised options and their likely path to transition or implementation. The report concludes with a range of recommendations for ORC to consider, both in terms of implementing the new 'large-scale' funding, as well as opportunities for ORC to achieve greater efficiency and effectiveness in its approach to planning, investing, monitoring and evaluating environmental initiatives across the region (both 'small-scale' and 'large-scale') into the future.

1 This figure is accurate based on current LTP budget allocations but acknowledges that actual level of funding available may change as part of the Annual Plan process.

2.0

Problem Statement and Project Scope

2.1 Introduction

The LTP 2024-34 consultation outlined that with much of the central government investment into environmental initiatives ending, the impact of this locally would be significant, with less funding available for environmental initiatives into the future than had been available. The consultation document noted that while ORC would not be able to completely fill the gap left by the funding reduction[2], there was a desire to commit additional investment to help off-set this gap, and ORC proposed that a new environmental fund be established, specifically to support large-scale environmental projects.

Council proposed three investment levels to support the new fund, with the preferred option being an investment of $500,000 per annum. Initially, Council indicated that their preferred option was to fund this investment from a targeted rate for each of the five districts across the region. An alternative option of a district-wide rate was posed so that funds could be allocated to the greatest areas of need rather than direct to a particular district (relative to the funds a targeted rate would raise for each area).

The draft LTP also noted a desire for council to seek out further investment opportunities from third parties to grow the value of the funding available. A summary of the funding options consulted on in the LTP is outlined in Figure 1 below.

During the consultation process, Council received substantial feedback on the above proposal, with submitters reiterating the uncertainty of ongoing funds and resources available to ensure the continuation of existing pest management and biodiversity projects. Submitters also suggested that ORC should focus investment in this area to also include education and research activities, as well as investing in upskilling communities to engage in large-scale projects.

The feedback received through the consultation process reinforced the importance of this funding and the need for ORC to continue to support communities to address issues with:

- Funding for large-scale projects
- Providing clear direction on project funding
- Flood land resilience
- Climate change
- Water quality
- Air quality
- Pest management
- Biosecurity
- Research activities

Through the deliberations process, council resolved to fund $2 million per annum for large-scale environmental projects from year two of the LTP (from the 2025/26 financial year), which was to be funded from an Otago-wide rate.

Following sign-off of the LTP, the Environmental Implementation Team sought approval to obtain outside support to determine how this new funding could be established and managed, noting that to date, ORC had not developed an approach or criteria to allocate the additional funding approved through the LTP.

Large-scale environmental funding options

	Level of Service	Areas Impacted:
Option 1: **$500,000 dedicated funding per year for large-scale environmental projects** Rates Impact: See table below (Preferred option)	Increase in ORC level of service	Districts that participate
Option 2 **$1 million dedicated funding per year for large-scale environmental projects** Rating Impact: See table below	Increase in ORC level of service	Districts that participate
Option 3: **$2 million of dedicated funding per year for large-scale environmental projects** Rating Impact: See table below	Increase in ORC level of service	Districts that participate
Option 4: **No new funding for large-scale environmental projects** Rates Impact: No additional rates	No change	No change

Figure 1: Large-scale funding options outlined in LTP (2024-34) consultation

2 A significant portion of this funding reduction was due to the Jobs for Nature investment ending after a four-year investment by central government.

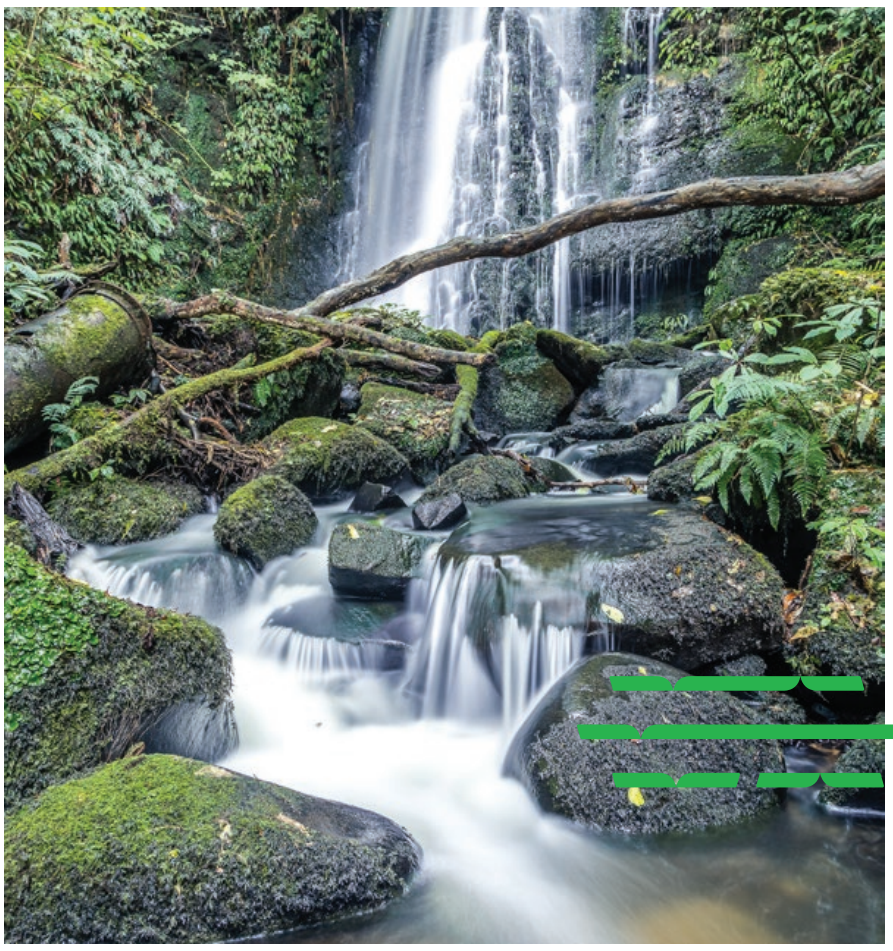
2.2 ORC Requirements and Project Scope

In July 2024, ORC sought support from an external supplier to analyse the current environmental funding models being used by ORC to support biodiversity outcomes, and to explore funding model options that could be used to inform funding decisions around large-scale projects moving forward. Frequency was engaged in September 2024 to undertake this work and support ORC in resetting the direction of the current investment undertaken by the Environmental Implementation Team – with an initial scope to look at all environmental funding allocated (including the ECO Fund, direct contracting arrangements, and the proposed 'large-scale' fund).

This scope was redefined following the first workshop to focus solely on the 'large-scale' funding and subsequently excluded further review and analysis of the direct contracting arrangements or the ECO Fund (including the General and Incentive funds). The project was broken down into three key phases, with several requirements and milestones agreed. A summary of this is outlined below.

Phase 1: Determining Strategic Priorities and Outcomes

- Plan and facilitate a workshop (or workshops) with ORC Councillors to assist with setting the strategic framework and priorities for future environmental funding. The outcome of this workshop was to achieve alignment on the strategic outcomes and priorities of the fund.
- Complete consultation (in conjunction with ORC) with mana whenua and/or Aukaha and Te Ao Marama (or mana whenua nominated representatives) to understand their priorities, aspirations or concerns for the future development on this fund, its distribution and management.
- Complete an assessment and analysis of the outcomes from the strategic discussions and develop a scope and structure of the delivery of Phase 2.



Phase 2: Analysis and Review of Current State and Potential Future Arrangements

- Complete a desktop review and analysis of the current/existing/legacy arrangements for the distribution of environmental funding by ORC including contestable and non-contestable sources.
- Provide further analysis to review the suitability of current or existing funding to determine the:
  - Types of funds available and the environmental challenges they seek to address
  - Eligibility and application criteria and processes
  - Alignment to mana whenua priorities and values
  - Models of distribution (such as contestable vs non-contestable, one-off grant vs long term investment)
  - Accountability arrangements
  - Evaluation framework (value for money, outcomes, environmental impact)
- Complete stakeholder consultation to understand views around how the funding could be maximised in the future (building on the strategic outcomes and priorities identified by Council). This consultation was to include existing or previous fund recipients (from both contestable and non-contestable funds), and any other key community stakeholders as identified and agreed by ORC.
- Complete a desktop review and analysis of comparative environmental funding models across New Zealand Aotearoa and internationally (where applicable), with a specific focus on contestable and non-contestable funds. This review was to include interviews with staff or stakeholders involved in similar initiatives in comparable organisations or regions in New Zealand.
- Complete a review and analysis of potential future funding model opportunities for the management and administration of large-scale environmental funds. This was to include reviews of other models in New Zealand Aotearoa and internationally that may be applicable to the Otago context.

All deliverables prepared under Phases 1 and 2 formed the basis of the content of the second Councillor Workshop held in February 2025. The outcomes of the workshop have informed the structure and content of Phase 3 of this project – that is to prepare and present a final report and recommendations for ORC consideration.



Strategic Context and Background Information

A summary of the key legislative and regulatory requirements that ORC is required to consider in relation to large-scale investment/funding decisions is outlined below:

3.1 Long Term Plan (LTP)

Under Section 93 of the Local Government Act (2002), local authorities are required to set out their long-term plan, under consultation, which is required to set out the organisation's priorities for the next ten years. The purpose of the LTP is to:

- Describe the activities of the local authority
- Describe the community outcomes of the local authority's district or region; and
- Provide integrated decision-making and coordination of resources of the local authority; and
- Provide a long-term focus for the decisions and activities of the local authority; and
- Provide a basis for accountability of the local authority to the community.[3]

In the case of ORC, this strategic document is the Otago Regional Council Strategic Directions 2024-2034, which outlines the ten-year vision and goals for the region. An infographic depicting this vision and the key goals is outlined below in Figure 2.

Under each of the six focus areas, the Council's aspirations are outlined, and the document goes into further detail outlining the goals that ORC wishes to achieve over the next ten years. Many of these goals are directly relevant to the aspirations of the council to protect, improve, and enhance the environment.

These goals and aspirations need to be at the forefront of decisions that Council makes about where it invests and what types of projects or initiatives it invests in. Not all goals outlined in the LTP are directly relatable to 'large-scale' environmental investment, but the goals most relevant are summarised below as follows:[4]

3 Local Government Act (2002), Section 93(1-7)
4 These goals and graphics have been taken directly, with permission, from the ORC Strategic Directions Document



Figure 2: Summary of ORC Strategic Directions 2024-34 Goals

Focus Area: Partnership

Goals

1. Te Ao Māori concepts of intergenerationally and deeply connected systems are incorporated throughout Council's work programmes.
2. Māori and the principle of te mana o te wai are incorporated into our environmental planning, management, and decision making.

Focus Area: Communities

Goals

1. Our communities trust us, and they are satisfied with us and the outcomes that we are delivering.
2. Our communities are supported and empowered to achieve better environmental outcomes.
3. The social, cultural, economic, and environmental wellbeing of Otago is consistently improving.

Focus Area: Environment

Goals

1. Ecosystems are healthy, our water and air are clean, and biodiversity loss is arrested across the region.
2. We predict and address emerging environmental issues before they arise.
3. Our regional plans are effective at ensuring our resources are managed sustainably within biophysical limits in a planned and considered way.

Focus Area: Resilience

Goals

1. Plans are in place to ensure that the region's most vulnerable communities (geographic and demographic) and ecosystems are resilient in the face of natural hazards.

Focus Area: Climate

Goals

1. Plans are in place to ensure that the region's most vulnerable communities (geographic and demographic) and ecosystems are resilient in the face of natural hazards.

3.2 National Policy Statements

The operating environment for local authorities is continually evolving as statutory, regulatory, and policy systems shift with changes in community expectations and needs, changes in environmental and biodiversity priorities, and the evolution of science and data. The strategic context for environmental funding is no different – with the priorities and actions of ORC being influenced by key pieces of legislation such as the Resource Management Act (1991) which is currently undergoing major reform, and the Biosecurity Act (1993) which is also currently being reviewed.

Under the Resource Management Act, territorial authorities are required to implement 'national direction' by giving effect at a regional level to national environmental standards (NES), national policy statements (NPS) and the national planning standards.

The following NPS' are currently in place and ORC is required to give effect to them locally through its regional policy statements (RPS), regional plans, and district plans:

- NPS for Indigenous Biodiversity (2023)
- NPS for Greenhouse Gas Emissions from Industrial Process (2023)
- NPS for Highly Productive Land (2022)
- NPS on Freshwater Management (2020)
- NPS on Urban Development (2020)
- National Policy Direction for Pest Management (2015)[5]
- NPS on Renewable Electricity Generation (2011)
- New Zealand Coastal Policy Statement (2010)
- NPS on Electricity Transmission (2008)

3.3 National Biodiversity Strategies and Plans

Nationally, biodiversity is governed by the Te Mana O Te Taiao Aotearoa - New Zealand Biodiversity Strategy (2020), while the Implementation Plan (2022) sets a pathway for meeting the goals of the strategy and who will be working towards them.

The strategy includes national goals and outcomes for the protection, restoration, and sustainable use of biodiversity, particularly indigenous biodiversity.

The strategy sets out five outcomes to be achieved by 2050:

1. Ecosystems and species from mountain tops to ocean depths are thriving.
2. Indigenous species and their habitats, across New Zealand Aotearoa and beyond, are thriving.
3. People's lives are enriched through their connection with nature.
4. Treaty partners, whānau, hapū, and iwi are exercising their full role as rangatira and kaitiaki.
5. Prosperity is linked with a thriving biodiversity.

The Implementation Plan sets out a number of actions that the system needs to achieve by 2025. Many of these actions are to be led centrally by DOC and MPI, but regional, unitary, and district councils are tasked with leading the response to a number of these. These action areas will align with the regional planning processes as part of the revised ORC Biodiversity Strategy, which will be consulted on later this year.

DOC leads the strategy and its implementation however ORC has a key role to play in supporting the implementation, with large-scale environmental funding providing opportunities to support the achievement of the strategy's outcomes.



5 Note ORC is required to give effect to this under the Biosecurity Act 1993, while the other NPS are required under the RMA (1991)



3.4 Otago and ORC Strategies and Plans

As noted above, at a regional level, ORC is required to give effect to a number of national policies and standards through the development of local plans, many of which are developed in partnership with the other local authorities in the region.

Currently, a number of strategies exist, with decisions on the future standing and revision of these documents still under review, some pending outcomes of the proposed reforms to the RMA (1991).

Strategically at a regional level, large-scale environmental funding decisions should be made in line with the priorities and approaches outlined in the following plans:

- ORC Air Quality Strategy (2018)[6]
- ORC Biodiversity Strategy (2018)[7]
- ORC Biosecurity Strategy (2019)[8]
- The Future Development Strategy for Ōtepoti Dunedin[9]
- The Future Development Strategy for Queenstown[10]
- The Head of Lake Whakatipu Adaptation Strategy[11]
- ORC Infrastructure Strategy (2024-2054)
- Regional Erosion Control Strategy (2023-2033)
- Regional Wilding Conifer Strategy (2023-2029)
- ORC Climate Strategy (2024)

We note the existence of a number of flood-management strategies that are now largely completed and less relevant to the allocation of large-scale funding into the future.

While not specifically discussed in this report, we also note the Iwi Natural Resource Management Plans that are in place and have been developed by, and are owned by, the Otago and Murihiku rūnaka. They are important documents which aid councils in meetings their statutory obligations under the RMA (1991) and LGA (2002). These documents identify the primary issues associated with natural resource and environmental management from the perspective of rūnaka across the takiwā and should be considered in any decisions relating to implementation of a 'large-scale' environmental funding.

6 This strategy is currently under revision and will be replaced with a new strategy in 2025.
7 Revision of this strategy is well underway, with community consultation on a draft document to take place later in 2025.
8 This strategy will be absorbed into the new Biodiversity Strategy which will supersede this document.
9 This is being developed in partnership with Dunedin City Council.
10 This is being developed in partnership with Queenstown Lakes District Council.
11 This is being developed in partnership with Queenstown Lakes District Council.

3.5 ORC Biodiversity Strategy (2018) and Strategy Review (2025)

The operative ORC Biodiversity Strategy (2018) identifies how ORC will add value and strategic leadership to the biodiversity initiatives of communities and other organisations in Otago. The current strategy identifies how ORC will support and foster coordination and collaboration across the existing 70+ organisations and community groups, as well as private landowners and individuals that work to enhance Otago's biodiversity.

The strategy outlines five desired outcomes which ORC seeks to achieve which are:

- All indigenous species and ecosystems that support them are maintained.
- Threatened indigenous species and ecosystems that support them are actively protected and enhanced.
- People are aware and proud of Otago's biodiversity.
- Kāi Tahu's role as kaitiaki is acknowledged and supported.
- Otago's biodiversity adds value to the regional economy.

These outcomes are underpinned by a range of activities that were set to guide implementation through to 2024/25. The key implementation activities focused on delivery in the areas of:

- Leadership and collaboration
- Education and information sharing
- Monitoring and research
- Regulatory activities

This strategy is currently under review, and we feel it is important to mention the review and its relevance to this project. In an ideal world, funding and investment decisions would follow the development of a revised strategy and implementation plan (after endorsement by partners and approved by Council). Within the short-term, this necessary alignment will not be able to be achieved.

Through this project, we have signalled these challenges to both Council and internally with ORC staff, including consultation with the Biodiversity Strategy Working Group. This was to obtain their input, including their views on the way forward for 'large-scale' funding in the absence of a revised Strategy or Implementation Plan.

Further information on the timing of the Strategy in relation to this work is outlined below in Figure 3. This was presented to Councillors as part of the Second Councillor Workshop.

3.6 Integrated Catchment Management & Catchment Action Plans

Integrated Catchment Management (ICM) is a generic term which refers to the holistic approach to natural resource management, recognising the interconnectedness of land, water, and people, and aims to achieve sustainable outcomes for an entire ecosystem (or catchment). ORC is leading the way in the evolution and implementation of this approach and is focused on facilitating and empowering communities within a catchment to plan how collectively they wish to manage and restore the area.

This approach brings together the community, iwi, stakeholders, and the council to develop a long-term plan (10-year plan) that outlines how the catchment will be protected and managed. Each Catchment Action Plan (CAP) will outline areas of priority and the key outcomes that the community and council wish to achieve for the catchment – with the initial focus being on what should be achieved (that is, the desired outcomes) rather than the how the outcomes will be achieved (that is, what projects should be delivered).

To date, the pilot phase of this work has been completed with the Catlins catchment, and a plan for the Upper Lakes area is currently under development. There are potentially a further eight catchment areas that have been identified by ORC and a process and timeline for the development of these plans is currently in progress internally. Currently, no set funding is available to support the implementation of these CAPs once they have been developed and signed off, but the Catlins Action Plan recently received one-off funding from council in the 2024/25 financial year to support their first stage of implementation.

The ICM and CAP processes are outlined further in Sections 6.0 and 7.0 of this report, as this approach has a strong correlation to the work that was undertaken to define 'large-scale environmental funding' and was identified as a possible framework and model for allocating 'large-scale' funding.

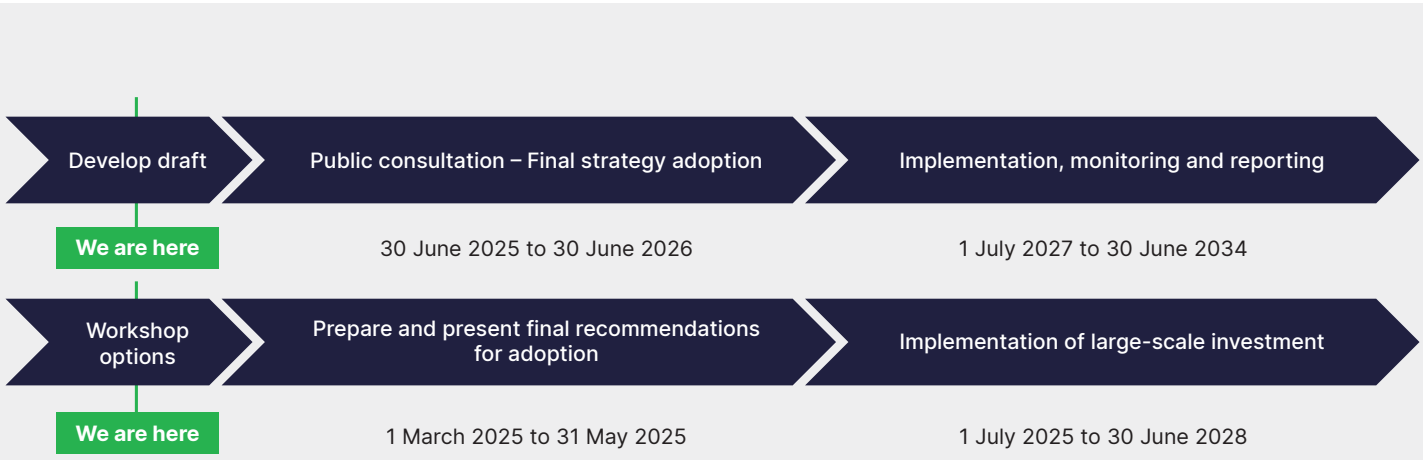


Figure 3: Timeline of Development and Implementation of Biodiversity Strategy in relation to 'large-scale' environmental funding.

3.7 Investment in Environmental Implementation

In the development of this report, it was important to investigate the ways in which these strategies and plans are being implemented on the ground. In the context of this report, this specifically relates to the funding mechanisms that are in place to support environmental implementation and how it contributes to achieving environmental and biodiversity outcomes.

This section outlines the strategically relevant funding mechanisms that have been available or are available to communities across Otago, and that either support or enhance ORC's ability to deliver on their core obligations.

3.7.1 Jobs for Nature (JfN)

The Jobs for Nature (JfN) initiative was launched in mid-2020 as part of a government wide COVID-19 recovery package that had the primary aim of increasing employment in the regions, and with a secondary outcome of creating environmental benefit. Investment was targeted to the regions that were projected to suffer considerable economic and employment losses due to the pandemic. This multi-agency response was administered by the Department of Conservation (DOC), Ministry for the Environment (MfE), Ministry for Primary Industries (MPI), Kānoa, and Land Information New Zealand (LINZ), with an initial funding package of $1.245 billion. Over the past four financial years, the funding levels have changed, with the funding reduced to $1.185 billion as a result of government reprioritisation however the funding was only ever intended to be in place for a four-year period.

Successful funding recipients included local government, iwi, charitable trusts, community groups, and private companies. Nationally the initiative had cumulatively funded 524 projects and employed 15,568 people to December 2024[12] (by December 2024 only 958 were still employed under the initiative as many projects had begun to wind down as investment had ended).

The impact of this initiative in the Otago region was significant, with the construction and tourism sectors hit hard by the pandemic. This impact was disproportionally weighted to the Queenstown-Lakes area which relies heavily on tourism to support employment and GDP. Employment estimates made during the pandemic, predicted that employed in the Queenstown-Lakes area would fall by 25.3% between March 2020 and March 2021, with a total projected loss of 7,900 jobs.[13] Jobs for Nature data to 30 September 2023 showed that $62.1 million had been invested into Otago across 33 projects, which lead to a contribution of $103.2 million to GDP and that had supported 491 FTE in jobs.[14]

3.7.2 ORC Investment

The initial scope of this project (and our report) was to review all funding allocated by the Environmental Implementation Team and make recommendations on the future use and opportunities for funding allocated under the ECO Fund process (including Incentive Funding), as well as direct funding agreements, and the new 'large-scale' environmental fund.

Following the first workshop, it was agreed that the scope would be refined to focus on the new investment only, noting that ORC had a range of processes in motion and existing agreements in place for the delivery of projects and services, and that the timing was not right to look at their investment package in its entirety. It was agreed that it was strategically imperative to determine where and how 'large-scale' funding/investment 'fitted' before looking at the other funding allocated by council.

Regardless of this change in scope, it has still been important to look at the investment being made by ORC as a whole, to gain a better picture of what investments are being made where, how and for what reasons, so that our advice is made with these arrangements in mind, and so that our advice does not unintentionally lead to recommendations that could create duplication, exaggerate existing gaps, create internal confusion, or create confusion within the sector or communities.

There are a number of existing funding and grant making mechanisms used by the Environment Implementation Team to support on the ground delivery across the region. These include:

- The ECO Fund (General)
- The ECO Fund (Incentive Funds)
- Direct funding arrangements

ORC also contributes other funding related to environmental outcomes, which were outside of our scope of work and have not been considered as part of this work, including the Consent Fee Fund, ad hoc or one-off requests that may receive funding, or nationally funded initiatives such as Toitū Te Hakapupu.

The ECO Fund & Incentive Funds

The ECO Fund was introduced in 2018 to support communities to implement projects that sought to either enhance or promote biodiversity, biosecurity, and water quality outcomes for the region. Since the inception of the Fund, it has evolved and diversified with Incentive Funding introduced in the 2020/21 FY and large-scale biodiversity funding introduced in the 2022/23 FY.

The ECO Fund is administered annually through a contestable funding round held in March. Each category of funding has a specified scope of investment, eligibility criteria, term of investment available (ranging from 1-3 years), and a maximum level of funding available per project. ORC has the ability to amend the categories (and value of each category) each year, subject to council approval, to reflect the needs and demands on the funding from the previous year.

Since its inception, the ECO Fund has supported 166 projects, totalling an investment of $2.59 million, over ten funding rounds. On average, each funding round has been oversubscribed by 300%. Currently, ORC has one dedicated resource to support all aspects of the management and administration of the fund and grant process, however there are many roles across the organisation that support the ECO Fund process, to ensure that there is a collaborative approach to criteria development and to ensure that strategic alignment is maintained to funding decisions. These other roles across the organisation do not have a specific ECO Fund component to them, but they collectively take a shared responsibility for the administration of the fund as part of their day-to-day work.

The continued demand for funds allocated under the ECO Fund was a significant contributing factor to council approving the establishment of the 'large scale' environmental fund.

12 This is the number of employees who are or have been working in a Jobs for Nature funded project. This includes all employment types, full time, part time, fixed term and contractors.
13 Brunsdon, N. et al (May 2020).
14 Jobs for Nature, Annual Review Year 4, June 2024.

The structure and parameters of the ECO Fund in 2023/24 and 2024/25 financial years is outlined below in Figures 4 and 5:

Figure 4: 2023/24 ECO Fund Allocation

2023/24 ECO Fund Allocation					
Fund Type	Total $$	Max. $ allocation p/project	Term of Investment	Scope of Investment	Eligibility
General ECO Fund	$318,630	$50,000	1-3yrs	Community projects that protect, enhance or promote ORC environment. Can fund up to 50% salary/wage costs.	▪ Groups of landowners ▪ Educational Institutions ▪ Community groups ▪ Iwi/hapū
Incentive Funding – native planting (pest management)	$50,000	$15,000	1-3yrs	Native planting or regeneration after the removal of pest plants.	▪ Groups of landowners ▪ Educational Institutions ▪ Community groups ▪ Iwi/hapū
Incentive Funding – native planting (water)	$50,000	$15,000	1-3yrs	Planting or regeneration of native vegetation in riparian areas to improve water quality.	▪ Groups of landowners ▪ Educational Institutions ▪ Community groups ▪ Iwi/hapū
Incentive Funding – biodiversity on private land	$100,000	$15,000	1-3yrs	Protecting privately owned land.	▪ Individual landowners
Incentive Funding – rabbit management.	$100,000	$50,000	1-3yrs	Long-term coordinated community-led rabbit management.	▪ Groups of landowners ▪ NFP community groups ▪ Some individual properties
Large Scale Biodiversity	300,000	$50,000-$150,000	1 year	Projects with large scale biodiversity outcomes.	▪ May involve pest management, habitat enhancement, protection of high value areas.

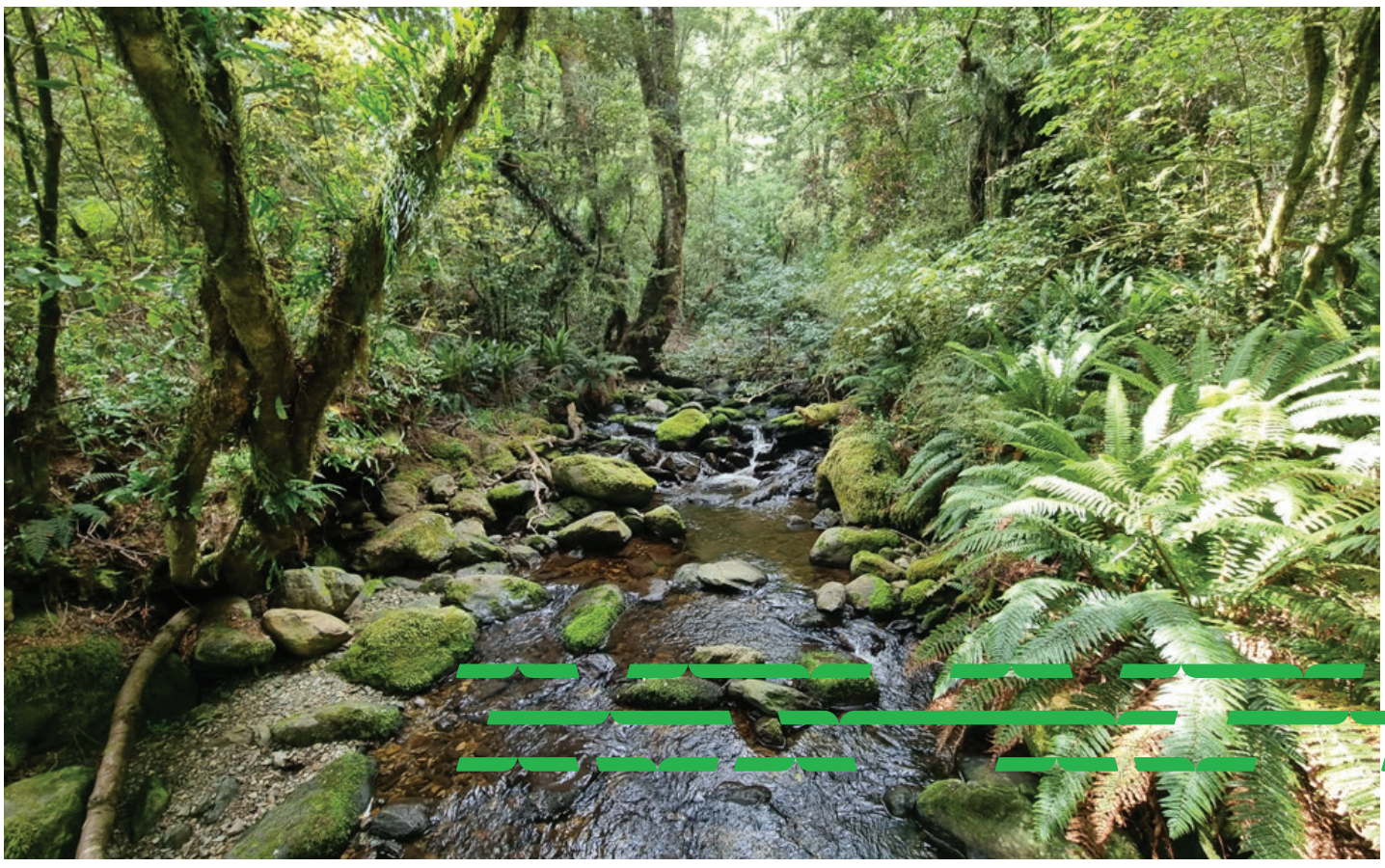


Figure 5: 2024/25 ECO Fund Allocation

2023/24 ECO Fund Allocation					
Fund Type	Total $$	Max. $ allocation p/project	Term of Investment	Scope of Investment	Eligibility
General ECO Fund	$309,500	$50,000	1-3yrs	▪ To protect and enhance Otago's environment. ▪ To enable community-led environmental activities.	▪ Incorporated societies and charitable trusts ▪ Resident and ratepayer groups ▪ Unincorporated societies ▪ Educational institutions ▪ Iwi/hapū
Biodiversity enhancement on protected private land	$100,000	$15,000	1-3yrs	▪ To enhance existing protected areas of biodiversity on private land. ▪ To enable private landholders to maintain existing biodiversity.	▪ Incorporated societies ▪ Registered charitable trusts ▪ Individual or groups of landholders ▪ Private landowners whose property is on Māori customary land, freehold land or Crown land reserved for Māori ▪ Iwi/hapū
Sustained rabbit management	$100,000	$50,000	1-3yrs	▪ To manage rabbit populations in new or existing community programme areas. ▪ To enable landowners and community to work together to manage rabbit populations.	▪ Incorporated societies and charitable trusts ▪ Resident and ratepayer groups ▪ Unincorporated societies ▪ Groups of private landholders ▪ Private landowners whose property is on Māori customary land, freehold land or Crown land reserved for Māori ▪ Iwi/hapū
Critical source area management on private land	$50,000	$15,000	1-3yrs	▪ To improve water quality. ▪ To support private landholder to manage critical source areas for native biodiversity.	▪ Incorporated societies and charitable trusts ▪ Private /individual landholders ▪ Groups of private landholders ▪ Private landowners whose property is on Māori customary land, freehold land or Crown land reserved for Māori ▪ Iwi/hapū
Weed removal and revegetation	$50,000	$15,000	1-3yrs	▪ To improve native vegetation through removal of weeds / pest plants and rehabilitation. ▪ To increase area of native terrestrial biodiversity.	▪ Incorporated societies and charitable trusts ▪ Resident and ratepayer groups ▪ Unincorporated societies ▪ Educational institutions ▪ Iwi/hapū
Large Scale Biodiversity	$450,000	$50,000-$150,000	1 year	▪ Protect and enhance native biodiversity. ▪ To enable larger scale projects for significant biodiversity outcomes aligned with regional priorities.	▪ Incorporated societies ▪ Registered charitable trusts ▪ Iwi/hapu

Direct Funding and Contracts

In addition to the contestable grant process (the ECO Fund) outlined above, ORC also has a number of direct contract and service arrangements with strategically important providers across the region. This direct or non-contestable funding currently makes up 56% of ORCs investment in environmental implementation initiatives and programmes, compared to the 44% invested via contestable funding (all ECO Fund categories).[15]

Funding directed under these arrangements supports nationally significant work and the implementation of key policy and strategy documents such as the QEII National Trust and Wilding Conifer Trusts. The length of time that these agreements have been in place is variable, with some long-term and historic arrangements in place.

We make some high-level recommendations regarding the future place and role of the ECO Fund and direct funding arrangements in our recommendations section in Section 12.

3.7.3 Other Local Authorities Biodiversity Funding

In addition to ORC investment, other local authorities within Otago all invest in biodiversity initiatives in their communities, to varying degrees. The scale and nature of these funds are all slightly different, and at a staff level, there is some alignment between the application and administration processes, their eligibility requirements, and timing of the funds to avoid duplication.

Through this process however, both councils and community stakeholders noted that there is opportunity to create closer alignment and potentially more formal partnership arrangements to administer and allocate this type of small-scale, contestable grants across the region, that would be more effective and efficient than the current model, which is being replicated six times across the local authorities and ORC.

It is also important to note that many councils have made (or are in the process of making) changes to their overall approach to funding and grant making at either an environmental or organisational level. The data we provide below has been approved for release by the local authorities and is accurate as of March 2025.

The information provided is all publicly available and the investment each council makes should be viewed considering their level of regulatory responsibility, the strategic priorities they have identified, and the ratepayer base they have access to that supports investment in these types of initiatives.

A summary of the other biodiversity funds available across local authorities is outlined in the tables below.

Dunedin City Council (DCC)	
Fund name	DCC Biodiversity Fund
Funds available	$81,300 per annum GST exclusive.
Funding rounds per annum	Two: ▪ March (decisions in mid-May). ▪ September (decisions in mid-November).
Maximum funds per application	$5,000 GST exclusive.
Scope or conditions of investment	▪ Provides up to half the cost of a project, up to $5,000. ▪ Project must be finished within two years.
Eligibility	▪ Private landowners and community groups can apply. ▪ Grants are to support practical activities that benefit native biodiversity including: - Revegetation plantings of locally appropriate native species. - Weed or predator control that benefits a native ecosystem. - Fencing off native forest remnants or wetlands from stock. - Native fauna projects e.g. nest boxes. - Shared contractor costs. ▪ Grants can be used for materials such as plants, traps, herbicide or fencing materials.

Waitaki District Council (WDC)	
Fund name	Waitaki Biodiversity Fund
Funds available	$30,000 per annum.
Funding rounds per annum	Two per financial year ($15,000 per funding round).
Maximum funds per application	$5,000 (inclusive of GST) however larger grants may be considered in exceptional circumstances. There is no minimum amount.
Scope or conditions of investment	Investment and projects are prioritised that: ▪ Protect native habitat through fencing and other measures and provide long term legal protection of native habitat through covenants (i.e. QEII). ▪ Manage threats to biodiversity such as pest animals and weeds.
Eligibility	To be eligible for funding, a project principally on private land should either: ▪ Be protected by a formal covenant (i.e. QEII), OR: ▪ Be recognised as a Significant Natural Area, OR: ▪ Meet the Significant Natural Area criteria.

15 Based on investment figures for the 2023/24 FY.

Clutha District Council (CDC)	
Fund name	Clutha Biodiversity Funding
Funds available	$13,514.00 2024/25 FY
Funding rounds per annum	Discretionary allocation (first come, first served basis)
Maximum funds per application	Not stated but allocated on cost share basis, with fund providing up to 50% of the total project costs (GST exclusive and recognising reasonable 'in kind' labour costs invested by the applicant.
Scope or conditions of investment	▪ Provided for any activities that protect or enhance biodiversity, including but not limited to fencing, planting, pest control and weed control ▪ Preference will be given to those biodiversity values that are covered by government priorities, area of significant that are outlined in the District Plan or sites which are recommended for protection by DOC.
Eligibility	Applications must be accompanied by a: ▪ Site Plan ▪ Photographs of the project area ▪ Quotes for any proposed work ▪ Assessment of the significant values of the site that has been undertaken ▪ Any other supporting material or information.

Central Otago District Council (CODC)	
Fund name	Council Community Grant (broader than environmental)
Funds available	$151,000
Funding rounds per annum	One held in 2024/25 due to funds being fully allocated.
Maximum funds per application	Not specified but likely under $5,000 per application.
Scope or conditions of investment	Community grants are available for projects and activities that enhance the wellbeing of Central Otago communities across the number of categories including social, cultural, environmental, and economic wellbeing. Multi-year grants are available, but these are offered sparingly to ensure sufficient available funding in out-years.
Eligibility	Individuals and groups can apply for projects and activities that meet council criteria.

Queenstown Lakes District Council (QLDC)	
Fund name	QLDC Community Fund
Funds available	QLDC administers an annual budget of approximately $1.8M to support community funding across three broad outcome areas: people, place, and community. This includes projects focused on community wellbeing, built environment, and natural environment outcomes, among others. As part of this, $200,000 has been contributed by the Resilience and Climate Action team to specifically support community-led environmental projects. This level of funding applies to the first year of the three-year funding cycle. In the two subsequent years of the triennium, the available funding is significantly lower, with $180,000 available in 2025/26. QLDC also provides in-kind support to community and volunteer groups.
Funding rounds per annum	One
Maximum funds per application	Not specified, however data from the 2024 recipients outlines the size of grants ranging from $2,000 - $125,000. Noting that many of these initiatives were not environmental.
Scope or conditions of investment	▪ Can be multi-year in one year of the triennium; only single-year funding is available in the subsequent two years. ▪ Provides operational funding to support rent, administrative costs and utility costs ▪ Provides project funding to support project materials, services and payment of project staff.
Eligibility	Applicants must be: ▪ Be a not-for-profit, charitable, or voluntary entity and a legal entity ▪ Have no outstanding debt owing to QLDC ▪ Operate within QLDC boundaries ▪ Demonstrate sound financial management and provide supporting documentation such as financial reports and project budgets ▪ Comply with all QLDC regulatory and statutory requirements relating to the delivery of services and projects ▪ Deliver services within the timeframe of the approved funding.





Large Scale Definition and Criteria

Prior to determining an appropriate model for allocating 'large-scale' funding, it was necessary to develop an agreed definition of the meaning of 'large-scale' within the context of ORC and this funding. In the process of determining suitable options for a definition, we conducted a review of the literature and evidence to determine how others define 'large-scale' or 'landscape scale'. During our partner and stakeholder interviews, we also sought input from those we met with to determine what 'large scale' meant to them at an individual and organisational level.

4.1 Literature Definitions

4.1.1 Large scale

As a basic definition, 'large-scale' can be defined as "an action or event that happens over a very wide area or involves a lot of things or people".[16] Equally, the term 'landscape scale' often provided broad and generic language that is difficult to quantify – for example, the Scottish Environment Protection Agency defines landscape-scale as "working in collaboration at a big scale to deliver more benefit for the environment and people."[17]

From our review of the literature on terms, the explanations and interpretations of both 'large-scale' and 'landscape scale' have many consistent features, but the interpretation and application of these are highly contextual.

It is important that ORC recognises the contextual importance of the definition when defining and communicating their interpretation of 'large-scale' and how this will apply in the application of the 'large-scale' environmental funding. The consistent variables that the literature determines to constitute large-scale' includes:[18]

- **Spatial scale** – defining 'large-scale' from a land-scale perspective which can range from a region to a global scale.
- **Time scale** – using time to determine and define 'large-scale' which could range from years to decades to an intergenerational focus.
- **Biological scale** – defining 'large-scale' by the level of biodiversity complexity that exists in a region through to focusing on entire ecosystems.
- **Evidence scale** – defining 'large-scale' by the level of priority it is deemed to have from a biodiversity science and data perspective.
- **Implementation scale** – defining 'large-scale' by the size of the groups or people leading the response such as the size of the organisation responding to the environmental needs identified or prioritised.
- **Collaboration scale** – using the level of community activation and engagement or the level of cross-organisation or agency collaboration present between communities, agencies, volunteers, and mana whenua to determine what is considered 'large-scale'.

16 Cambridge Dictionary, Collins Dictionary
17 Scotland's Environment - Landscape-scale conservation | Scotland's environment web
18 See full bibliography for further information on references used.

- **Financial scale** – using the value of an investment to define the scale of the work, with 'large-scale' being defined by the value of the investment allocated as well as the level of co-investment obtained, or additional funding leveraged from additional sources (such as cross agency, joint ventures, or additional philanthropic investment).

4.1.2 Landscape scale

'Landscape scale' is a more recognisable term in the environmental sector and literature with the term being used more consistently to explain the scale of projects and initiatives in relation to environmental conservation. Scott and James (2007) noted that "landscape scale conservation is a recently derived concept which brings together principles of landscape ecology and biological conservation" and that it is "carried over an area of landscape where the mix of local ecosystems or land uses is repeated in similar form over kilometres-wide areas".[19]

The key consideration from the evidence is that landscape scale is based on the premise that the spatial configuration of a landscape has a profound effect on the ecology and biodiversity found within it, but that landscape scale is also complex and at times the elements can be considered contradictory.

Those elements that repeatedly came through the literature as being used to define landscape-scale are as follows:

- **Interconnected** landscapes that have many land uses and
- Where **multiple ecosystems** are present; that may also cover
- **Large** geographical areas; and that may also
- Provide multiple benefits including **environmental, social and economic** to the area
- Where **multiple stakeholder interests** may be present

The right 'scale' for ORC to use in this context will likely be dependent upon the features of the landscape, the people and groups of people involved, consideration of the cultural features of the land as well as the ownership structures (such as protected land vs privately owned land vs Crown land).

4.2 Stakeholder Definitions

During all partner and stakeholder interviews, we asked participants to provide their views and opinions of 'large-scale' and asked for examples of an actual definition they use in practice (for example, other local authorities with 'large-scale' funds in place) and/or their thoughts and interpretation of what 'large-scale' meant to them or what they interpreted 'large-scale' as meaning. This process provided a range of responses, which reinforced the complexity and ambiguity of defining 'large-scale'. It confirmed the notion that it means different things to different people – with the context being critically important.

4.2.1 Local Government Definitions

Some councils we met with have specific funds in place that they define as 'large scale', with the administration of these being conducted in a number of ways. Both Auckland Council and Waikato Regional Council have worked through the process of defining and refining their definitions and approach to 'large-scale' in recent years, to ensure their use of the term is contextually relevant within their organisation and with their suppliers, stakeholders, and ratepayers. Examples of their approaches are outlined below.

Auckland Council

Auckland Council provides funding for 'large-scale' initiatives using a direct procurement method to engage or purchase services from qualified suppliers. Through their recent reviews of their Grant Strategy and the implementation of pilot initiatives (such as the Community Coordination and Facilitation Grant Programme) they have evolved (and are continuing to evolve) their definition of 'large-scale', moving their investment towards those entities mature enough to take on a core delivery role (for services that council may have traditionally delivered in the past).

They recognise 'large-scale' as requiring a partnership approach, where the council and community entity/organisation can enter into a mutually beneficial relationship– where the council plays a key role in supporting the ongoing capability building of these organisations, to ensure they have the capacity and capability to deliver what they have been contracted or funded to do.

Currently, for a project or programme to be deemed 'large-scale' in the eyes of Auckland Council, the following conditions need to be met:

- There are usually multiple land tenure arrangements – this is the situation where more than one person or group holds rights or interests to the same piece of land, where different individuals or entities may have different rights to use, control, or benefit from the land; and
- The project or initiative must be community led; with
- Strong connections to mana whenua; and ideally
- The initiative is governed and managed by an umbrella organisation or entity representing multiple community groups or organisations.

19 Scott, A.V and James, P. 2007. *What is landscape-scale conservation and how does it apply to urban regeneration?* 7th International Postgraduate Research Conference in the Built and Human Environment. University of Salford, UK.

Waikato Regional Council

Earlier this year, Waikato Regional Council administered funding under their 'Natural Heritage Fund' (NHF) programme where they have developed a comprehensive criterion to communicate to their community what they define as a 'large-scale' investment. The broader Natural Heritage Fund Partnership Programme is not new and has been in place for 15-20 years in the region.

Those wishing to apply to the NHF were required to self-assess against the criteria to determine whether they met the threshold to apply to the fund for projects and initiatives. The self-assessments were then verified by assessors before applicants moved further along the process. Their definition and 'pre-application' criteria include six different components which allow the council to take a multifaceted approach to defining and articulating 'large-scale' within the context relevant to their council and communities.

Applicants need to be able to provide evidence that they are able to meet at least one element of each of the components below (except the 'community led' requirement, where all elements must be met). The key components of the pre-application process include:

- **Landscape scale** where applicants need to meet at least one of the following definitions of landscape scale:
  - Larger than 400 hectares
  - Ecological connectivity through the development and enhancement of an ecological corridor or stepping stone
  - A natural defined or defendable ecological region such as a catchment boundary
  - Ecological variation, incorporating multiple ecosystems
  - Connecting community effort by incorporating multiple groups and/or landowners to achieve landscape scale biodiversity, and a collective approach to delivery these outcomes (for example via a hub or collective).
- **Community led and collaborative** where applicants must be able to demonstrate all of the components of collaboration including:
  - Community are part of the governance and strategic planning
  - There is ongoing volunteer input
  - It is mana whenua led or there is ongoing cultural and mana whenua collaboration, support or leadership
  - There are relationships in place with other relevant stakeholders such as funders, businesses, technical experts or local authorities
- **Involvement and support of mana whenua** where applicants need to provide evidence of at least one of the following:
  - The initiative is mana whenua led, including incorporation of mātauranga Māori into planning and delivery
  - There is active mana whenua involvement in governance
  - Mana whenua is actively involved in the delivery of the initiative
  - There is a letter of support from mana whenua confirming alignment with iwi aspirations
  - There is evidence that a cultural framework, plan or guiding document has been developed and is available
- **There are long-term and inter-generational benefits of their initiative**, where applicants need to demonstrate at least one of the following:
  - A history of success with biodiversity outcomes, and a clear plan for the future which incorporates succession planning (for an established organisation)
  - A clear plan for the future and demonstrate the long-term biodiversity outcomes the organisation is working towards (if a new organisation)
  - There are a range of people involved in the initiative who come from diverse backgrounds, cultures, age groups, with a range of expertise to support ongoing success
- **Co-funding needs to be demonstrated** to show that funding is not reliant on council investment. Applicants need to demonstrate one or more of the following:
  - There is confirmed funding from other entities
  - There is significant in-kind volunteer support in place
  - Funding is available through a business model (e.g. tourism)
- Applicants **must provide evidence that landowner support and permission** has been granted by providing a signed letter that outlines support for the initiative or granting of permissions (if applicable)

A copy of the full application form and criteria is included in Appendix 1.

4.2.2 Stakeholder Feedback

Through our interviews and discussions, we asked stakeholders to provide their personal thoughts and opinion on what came to mind for them when the phrase 'large-scale environmental initiatives or projects' was used to describe this fund and the priorities or approach that ORC could take to invest these funds.

A similar approach was also undertaken with elected members during the two Councillor Workshops, firstly to test the level of alignment that existed in their interpretation at the start of the project, and again during the second workshop after they had seen some initial findings from the literature review and partner and stakeholder engagement.

The feedback we received through this process was consistent with the academic evidence and data and reinforced that there is no one single agreed interpretation or understanding of what 'large-scale' can be defined as. The feedback we received was highly contextual and based on the individual experiences and views of the people we spoke with, the community they lived and worked within, and the breadth of knowledge and experience they or their organisation had working across multiple environmental domains.

The word cloud in Figure 6 below outlines the concepts and terms that were regularly and consistently raised during this process, regardless of entity or organisation. The larger the text, the more the term was used to explain the interpretation of 'large-scale'.

At a high level, there is some overall consistency and alignment with the views of council and community stakeholders that 'large-scale' environmental funding should:

- Have an intergenerational focus.
- Be aligned to the aspirations of mana whenua.
- Allow for community-led solutions.
- Focus on change at a landscape or ecosystem level at a catchment level as a minimum.
- Encourage, enable and reward collaboration.
- Provide medium term investment commitments by having funding agreements in place for at least three years.
- Support existing initiatives to up-scale rather than encourage the development of new projects or initiatives.
- Allow for funds to be used to support research, evaluation, education and system enhancement.

Figure 6: Key Terms Used to Articulate a Definition of 'Large-Scale' Environmental Funding



4.3 Proposed ORC Definition

A key deliverable of this work was for us to guide council through the process of developing and agreeing a suitable definition (which include clarification of what environmental domains the funding could look to target) of 'large-scale', that aligned to the intent of what was approved through the LTP. This could include providing clarification of what environmental domains this funding could look to target, as this was not specified as part of the LTP approval process.

At the end of the first Workshop, Councillors agreed that it was more important for this funding to focus on achieving environmental outcomes and impact, rather than focusing on one or more environmental areas (such as investing in biodiversity projects but not air quality). The only exception to this was transport, which was to be excluded as an area of focus under 'large-scale' investment.

The workshop outcomes, our findings from the evidence, and our feedback from stakeholders highlighted and reinforced the challenges and complexity of developing a concise definition that could be linked to a priority list of 'environmental domains', that ORC should seek to invest in. We initially proposed a number of 'draft' definitions for council to consider, but it was felt that none of them effectively reflected the local context, with concerns raised that a rigid definition that may reduce innovation, flexibility, and collaboration when it came time to implement and use the funding.

We concluded that it would be difficult to develop one single clear and concise definition that could encapsulate all necessary elements of 'large-scale' or 'landscape-scale' effectively. As a result, in Workshop Two, we facilitated an alternative approach with councillors, choosing instead to focus on developing and agreeing a set of key principles and outcomes that ORC wanted this investment to achieve (or contribute towards achieving).

Following this process, there was consistent agreement that the intent and role of 'large-scale' environmental funding would be aligned to the environmental impact that council wishes to make, with key principles and outcomes identified that would be used to communicate their intentions, guide decisions around the type of funding model used, and ultimately guide the parameters of how 'large-scale' investment would be made. Councillors confirmed these principles and approach at the Council Meeting held on 9 April 2025. The principles are:

- **Our investment will have contributed to creating intergenerational impact** – that is making investment decisions to support initiatives and projects that are focused on enhancing biodiversity and environmental outcomes for the benefit of future generations. These will either be mana whenua led or supported and will be undertaken in partnership with mana whenua and communities.
- **We will have strengthened and enabled collaboration across the system by providing clear leadership** – this recognises that while the ORC has a statutory and regulatory in environmental stewardship, they also play a key role in leading the wider environmental system (in partnership with key government agencies and local authorities). Through this funding, ORC will work to lead and enable collaboration on the ground that will enhance community leadership and action.
- **We will have made investment decisions that align with our strategic priorities, in partnership with our communities** – this recognises the importance of connecting our organisational and strategic priorities to implementation priorities, and then ensuring our investment contributes towards these. It is ensuring we use our scarce resources effectively to have a positive environmental impact while also delivering value for money to our ratepayers.

4.4 Proposed Eligibility Criteria

The principles and outcomes outlined above are aspirational in nature and allow council to articulate the impact they want this investment to create. Making investment decisions against aspirational outcomes alone will not be sufficient, and it is recommended that along with these core principles, ORC develops a clear criterion to further identify and quantify the elements that ORC defines as 'large-scale' within their local context.

This criterion would be developed in parallel with overall funding model decisions, but refined and confirmed by council staff once a funding model to allocate funds is agreed. This criterion should then be approved by Council.

It is also our recommendation that this criterion be used as a 'screening' or 'pre-procurement' tool to determine eligibility to apply to the 'large-scale' fund ahead of making formal applications. This criterion would then sit alongside more detailed procurement evaluation methodologies (which are discussed in more detail in Sections 7 and 8 of this report). Based on our research and engagement, it is recommended that an eligibility criterion should include the following:

- Initiatives/projects needs to align with the intergenerational aspirations of mana whenua, with a demonstrated level of support obtained for the initiative from mana whenua/papatipu rūnaka.
- Initiatives/projects needs to directly contribute towards achieving priorities identified by ORC and other local authority partners and provide a line of sight to those priorities in documents such as Catchment Action Plans.
- The scale of the initiative or project proposed is sufficient to meet the intent of 'large-scale' from an ecological perspective (that is, a multifaceted approach to enhancing the overall biodiversity of an area, rather than focusing on one element such as invasive mammal control).
- Criterion should be weighted towards allowing for an increase in scale and/or impact of those projects and initiatives that are already in place (rather than funding new projects or ideas), are already contributing achieving environmental outcomes and that are able to demonstrate value for money.
- Criterion should be weighted towards investing funds to legal entities who are able to demonstrate that they have the capacity, capability, and stability (governance and financial for example) to deliver a 'large-scale' initiative.
- Initiatives/projects need to be community-led with a high degree of collaboration at all levels of the system (including local authorities, mana whenua, landowners and other stakeholders).
- Criterion should be weighted towards supporting applications from umbrella entities and/or collectives of organisations (but only where appropriate governance and management structures are in place to effectively deliver on requirements).
- The permitted use of the funds should allow for all types of costs to be met that are deemed reasonable and relevant including staff and personnel costs, administration and overhead costs, and costs to support education, evaluation, and monitoring of deliverables.
- The term and value of the investment granted should be viewed as a two-year investment initially, with opportunities for right of renewal is performance is satisfactory, and funding is ongoing. A maximum term should be outlined to ensure a long-term reliance on council funding is avoided.
- There is collective commitment from ORC and the community organisation/provider to work together in partnership, with the intention of further enhance collaboration, community activation and sustainable funding and leverage opportunities beyond the maximum term of investment.



Literature Review

Phase Two of this project required us to conduct a comprehensive desktop review of the literature from New Zealand Aotearoa and overseas to identify the trends and challenges in community environmental funding and stewardship that existed. This was to not only investigate and understand the most effective environmental initiatives being led and delivered but to also understand what the research and evidence says about the most effective grant making and funding approaches available to ORC.

To inform our approach and recommendations, we sought out, reviewed and considered a large body of evidence-informed or evidence-based data and research that included academic and journal articles, programme and project evaluations, independent reviews and investigations as well as several legislative and regulatory documents, both from New Zealand Aotearoa and internationally.

A detailed summary of this literature review is included in Appendix 2 which outlines the key themes and outcomes from our review of the literature against a number of parameters including:

- The effectiveness of contestable (competitive) vs directed (non-competitive) funding models.
- The effectiveness of funding project delivery vs funding system enhancement, capability building and collaborative activities.
- The effectiveness of investing in 'umbrella' entities to achieve efficiencies and outcomes vs repetitive funding into singular entities.
- The evidence linking the length of time investment with the likely achievement of outcomes.
- Evidence indicating the level/value of funding required to warrant the achievement of outcomes or impacts.
- Evidence on the effectiveness of joint funding arrangements either between public agencies or between the public sector and the community and/or charity sectors.
- Existing examples of definitions of large-scale and landscape scale that may be applicable in the ORC context.[20]
- Examples of funding models, programmes or initiatives that have been successful in sustaining long-term delivery, attracting and leveraging additional funding or attracting significant third-party investment (both within and outside of the environment sector).

20 Note our findings from this area of the literature is outlined and discussed in Section 4.

Legislative and regulatory documents as well as key research and evaluations into grant making activities have been used to inform our assessment and analysis of each funding model outlined in Section 7 and are not necessarily referred to in this section of the report. A full list of the references used in the development of this project are outlined in Section 13 of this report.

The narrative in this section should be read in conjunction with the key themes and feedback we obtained during the partner and stakeholder consultation process (which is outlined in Section 5), as together, these sections identify and outline consistent themes and challenges facing the environmental sector towards achieving sustainable and impactful organisational and environmental outcomes into the future.

Our review of the literature did not provide us substantive concrete evidence that would recommend one single, 'right' approach to funding model design and implementation. As is often the case with research, there are differing views or opinions present and there are several external factors that contribute to the success of each initiative, programme or project, such as socioeconomic or political factors. Success can be highly situational and contextual, and not always attributable to the funding model used to support project or programme delivery.

What is clear from our review, is that the body of evidence to support councils and other funders to make effective decisions regarding their funding model design and implementation, is still evolving. There are however consistencies in the trends that emerged from the literature which are summarised below:

- **A movement away from competition to collaboration:** There is consistency and alignment with the view that competitive funding models are detrimental to sector cohesion and the achievement of outcomes. This is evidenced in other sectors outside of environmental management or conservation.
- **The need to professionalise community efforts:** Embedding paid staff and building the infrastructure to support the wider system is vital to achieving outcomes. Having the right expertise to activate volunteers enhances impact.
- **Sustainability needs to be a core guiding principle:** Both ecological and financial sustainability require long-term thinking and a commitment by funders (both government and non-government) and community organisations.
- **Systemic flexibility and responsiveness:** System leadership (which in this case should be provided by ORC) requires a purposeful effort to provide adaptive funding, streamlined processes, and reduced administrative burden for all parties. This requires a deliberate intention to change behaviours and support the system to create a culture of self-sufficiency and sustainability that reduces the reliance and expectation of long-term and ongoing council investment.





Partner and Stakeholder Consultation

A valuable component of this project was to obtain the views and insight from a range of partners, stakeholders (and future potential partners) in relation to current environmental funding models, as well canvasing thoughts and opinions in relation to future funding models and focus areas for investment.

ORC requested that we speak with their partners and various stakeholders to obtain feedback and insight from:

- **Mana whenua**, initially via Aukaha and Te Ao Marama, with individual rūnaka subsequently invited to participate to gain a better understanding of their intergenerational aspirations for the biodiversity of the region. Note that as part of this process, no individual meetings were held with representatives from Te Ao Marama or any of the papatipu rūnaka.
- **Territorial authorities** located within the ORC boundaries to gain a better understanding of their current biodiversity investment approaches, as well as their views and aspirations for the future large-scale environmental fund.
- **Environmental groups and delivery partners across Otago** that may or may not receive (or have received in the past) funding from ORC to deliver environmental projects or initiatives.
- **Community and philanthropic funders across Otago and nationally**, to better understand their funding drivers and constraints in relation to supporting investment in environmental initiatives, and the potential for future strategic and operational funding alignment.
- **Government agencies and departments** who have a strategic role in environmental management, or who have undergone significant challenge or change in their funding models in recent times.
- **Other local authorities across the motu** (including city, district and regional councils), who currently have either large-scale funds in place, or who manage, administer, co-fund or strategically support several different models to support biodiversity outcomes in their region.
- **ORC Councillors** who play a key role in governing the future development and use of these funds. Engagement with Councillors was conducted via two interactive workshops, Councillor Workshop 1 was held in October 2024 and Councillor Workshop 2 was held in February 2025. Copies of the PowerPoint Presentations and pre-reading packs distributed to Councillors as part of these workshops is included in Appendix 3 (Workshop 1 – Presentation); Appendix 4 (Workshop 1 – Pre- reading and survey); Appendix 5 (Workshop 2 – Pre-reading pack); and Appendix 6 (Workshop 2 – Presentation).

A list of the organisations consulted as part of this project are outlined in Appendix 7, with examples of the questions asked for each type of stakeholder, outlined in Appendix 8 (letter to other local authorities), Appendix 9 (letter to community stakeholders) and Appendix 10 (letter to rūnaka).

It was important that this process allowed stakeholders to provide honest and open feedback in relation to their experiences with funding and contracting in the past and provided the opportunity for them to discuss their challenges openly with the project team. Given that many of these interviews involved the sharing of commercially sensitive information, and/or that ORC is, or has been their funder, the decision was made that the actual data collected from our interviews was to be kept

confidential to the project team and stakeholder in order to preserve the relationship that existed between the stakeholder entity and ORC.

The key themes are summarised below and have been grouped by partner/stakeholder type as identified above.

6.1 Mana whenua

Mana whenua is both a key statutory and strategic partner to ORC and plays an important role in informing the future direction and decisions regarding the investment in 'large-scale' environmental initiatives and projects. During this work, ORC staff consulted with mana whenua via the ORC Mana-to-Mana forum to seek advice on how rūnaka should be engaged and involved in this process. The project team was advised that Aukaha and Te Ao Marama were the best points of engagement, with the opportunity extended to individual rūanaka to be consulted as part of this process. Contact was made with both organisations and a subsequent meeting held with Aukaha.

During our partner consultation, Aukaha facilitated communications with papatipu rūnaka on ORC's behalf, inviting them to participate in this process and offer their thoughts around possible strengths, opportunities, concerns, risks, and challenges they saw through the establishment of a large-scale fund. They were also asked to contribute their thoughts on the scope of a 'large-scale' definition and the parameters of a criteria that could be used for such a fund, as well as the environmental priorities the investment should focus on.

Although no formal hui was held with a collective group or individual rūnaka as part of the project, through our informal discussions with both Aukaha and individuals representing their rūnaka (for example, Edward Ellison), both water quality and the ongoing protection of, and access to mahinga kai was mentioned as being strategically important to mana whenua. It is recommended that further discussions are held with rūnaka, either individually or collectively before parameters or requirements/criteria for a 'large-scale' fund are agreed and implemented.

6.2 Territorial Authorities in Otago

Under the Local Government Act (2002) (LGA), there is a clear delineation of roles and responsibilities for local authorities, with the regulatory roles of regional and unitary councils of protecting the environment made clear in the legislation. However, all local authorities play an active and important role in the protection and enhancement of their natural environments, either in their obligations under the RMA (1991), or through priorities identified by their ratepayers in the long-term planning processes.

Within the ORC boundaries there are six local authorities (including ORC), each with a very different ratepayer base, geographic landscape, and each facing very different, but equally significant environmental challenges. These issues range from environmental degradation caused by climate change factors such as sea level rise, or degradation caused by massive urban development in areas such as Central Otago.

As part of this project, we met with a variety of staff at Waitaki District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, and Queenstown Lakes District Council, who all have an operational, regulatory, and strategic relationship with ORC. These discussions were collaborative and engaging, with staff in these local authorities dedicating significant time, attention and care to provide input and data to support this project.

As outlined in Section 3.7.2, all five local authorities across Otago are currently administering and investing in their own biodiversity grant allocation processes. These processes are currently more aligned to the ORC ECO Fund Model, rather than supporting large-scale investment.

As outlined in the earlier tables, in most cases, the funding the local authorities have available is small, is one-off, and is used to support project costs for community groups or private landowners (such as financial support for pest management).

Throughout the discussions, a range of challenges were raised that are important for ORC to consider in the development of their future 'large-scale' environmental fund. These challenges should also be considered with the context of ORCs other existing grant making and funding structures. The key challenges identified were:

- It is not clear what the definition of 'large-scale' should be, but determining its meaning within the Otago context is vital.
- The current focus on contestable funding and grant allocation processes places a significant administrative burden on staff, especially when the pot of funding available is small and the funds are continually over-subscribed.
- The community groups delivering on the ground are struggling financially and with ongoing cuts to council and central government budgets, there is no reprieve in sight for them.
- Local authorities urged a level of caution to ORC that the new 'large-scale' fund does not perpetuate the reliance on short term funding for groups/organisations, nor that it focuses on investing in new projects.
- There is a desire for a more strategic approach to funding and investment decision making across local authorities in the region to ensure that investment is not being duplicated, to ensure that investment decisions are efficient and effective, and that collectively across the region there is a focus on the achievement of outcomes, supported by best practice and environmental priority.
- Councils may not always be well informed about what projects and initiatives are being funded in neighbouring areas or what is being funded across boundaries within the Otago region. This may be contributing to duplication or gaps in what councils are funding and supporting at a region wide level.
- There is a perception that there is still a lack of up-to-date research and monitoring data to support funding decisions and to provide evidence whether the gains made are sustainable.

The specific themes and recommendations that were made by the local authorities in relation to the development and implementation of a 'large-scale' environment fund were:

- Consideration should be given to the development of a region-wide funding strategy solidify the definition of 'large-scale' funding and how this could complement the 'small-scale' investments and grants that are being made by the other local authorities.
- Ideally large-scale investment decisions would come following the completion of the new/refreshed ORC Biodiversity Strategy.
- Future 'large-scale' environmental funding should focus on the achievement of intergenerational and ecosystem level outcomes.
- It was important to the local authorities that ORC acknowledged that the environmental issues facing each region are different, as is the capacity and capability of environmental organisations and community groups within those areas to deliver a programme or project of 'large-scale'.

6.3 Environmental Groups and Delivery Partners across Otago

There are many volunteer and not-for-profit entities around the region who play a key role in protecting the environment and biodiversity of their local communities and land. These groups range from small volunteer led landowner and resident groups, through to large established charitable trusts who receive funding directly via a government appropriation. In recent years, there has also been a rise in the number of 'umbrella' type entities (both regionally and nationally), who play a key role in supporting the governance and/or operations of groups of smaller entities to create alignment in service delivery and efficiencies in operations (such as Southern Lakes Sanctuary Trust). These groups can focus on aligning the activities of groups working to address a particular environmental issue – such as predator control, or increasingly, they work to coordinate and support the activities of organisations working across multiple environmental domains to achieve landscape scale impact.

These environmental groups and delivery partners receive funding from a range of sources, with the ORC and other local authorities in the region being a key contributor to their activities. Local philanthropic funders such as the Otago Community Trust and Central Lakes Trust have also supported these organisations in the past or currently, with some organisations reporting that they have received or are receiving one-off project grants or have multi-year agreements in place to support their ongoing administration and salary costs.

Most organisations reported receiving funding from multiple sources, and that there was an urgent need for them to investigate and secure additional funding sources to remain financially viable, particularly in the wake of JfN funding ending. The organisations we spoke to also noted that this was becoming increasingly difficult in the current economic environment.

Within the current funding structures of councils (and in some cases community funders), all environmental groups we met with spoke openly regarding the challenges they face when looking to secure ongoing funding. These were consistent across all groups, regardless of their size and structure, and these are important points for local authorities and ORC to consider when making future investment decisions.

The key challenges reported by environmental groups and delivery partners included:

- **The existence of short-term (usually annual) funding cycles and contracting**. While providers understood the political and budgeting cycles of councils (and central government), short-term funding agreements and one-off grants made it hugely challenging for the groups to develop effective long-term strategies or work plans, retain pain staff, or to leverage additional funding without longer term investment security.
- **The application process to obtain these small or one-off grants is incredibly resource intensive and time consuming**. Some groups told us that they are having to secure a paid resource or employ staff to focus on making repeated grant and funding applications – often seeking funding to retain their own paid role within the organisation. They noted that each organisation (including local authorities) and Fund has their own application processes, criteria, and accountability requirements, which can be confusing for groups and create inefficiencies. Frustrations were also noted with the misaligned timing of council grant application processes when these funds are open and closed at different times of the year. Groups noted that these systems were not sustainable in the future.
- The structures and parameters of many of the Funds that these groups can currently access **inadvertently encourages competition between organisations** and are not conducive to encouraging or enhancing collaboration between providers.
- **Funding is often siloed into pots to address a certain environmental or biodiversity issue** (such as pest management or weed management), and while these activities are distinctly different in nature (and cost), achieving real gains often requires an ecosystem approach which is not easy to achieve within current funding structures.
- **Activating volunteers is incredibly challenging without having paid staff** to undertake robust planning and allocation of volunteer time and resources.
- **Obtaining funding to support the maintenance of existing activities is challenging**, as many Funds target investment towards new projects or activities. Providers also reported that they face similar challenges in securing commercial or corporate sponsorship or support, as these businesses are keen to support 'exciting' activities over the more mundane maintenance work that is needed (for example, sending staff to support tree planting days rather than clearing possum traps or releasing plants).
- **Obtaining funding to support education and public relations activities or to effectively evaluate activities and projects was equally difficult to secure**.

Through the discussions, the following key themes emerged that identified options and opportunities for the 'large-scale' environmental fund. These included:

- The opportunity to build stronger relationships between funders (ORC and other local authorities, as well as between local authorities and philanthropic funders) was seen as strategically important to enhancing and supporting stronger collaboration on the ground between organisations.
- It will be vitally important that ORC is able to clearly articulate their vision, aspirations and priorities for the use of the funding, as well as having a clear and criteria reflecting these to ensure that there is clarity on the role and purpose of the 'large-scale' environmental fund. This will allow organisations to clearly determine whether they meet the capability and capacity requirements and expectations of council. Organisations noted that they did not want to undertake resource intensive proposals for funds they had no likelihood of securing.

- There is a desire for this funding to be used more widely than just for the purposes of project delivery. Organisations saw opportunities for the 'large-scale' funding to contribute to enhancing organisational capability, as well as supporting training and education activities for landowners and communities, or to support organisations with evaluation and monitoring activities that would allow them to better articulate the impact and value of their work.
- Community and engagement with the sector will be critical following ORC decisions, as providers will need time to determine how they will respond to a funding proposal, consolidate, and upscale (work and resources) to effectively deliver if successful. This may also include the need to leverage additional funding, depending on the agreed criteria.
- Regardless of the funding mechanism used to allocate 'large-scale' funding, organisations expressed the need for strong leadership and clarity from ORC, noting that they will require ongoing support, if successful in obtaining funding, to ensure they can effectively deliver the outcomes sought.
- Overall, the groups we met with were not supportive of establishing another contestable grant process to allocate 'large-scale' funding, nor did they want to see a focused investment on new projects or initiatives. There was a strong desire for longer-term funding agreements (no less than three years), if ORC wanted to achieve environmental impact and foster collaboration. Some felt that there are already many organisations trying to achieve the same thing in the sector, and a funding mechanism that focused on reducing duplication and addressing gaps within the system would be of value to all groups.

6.4 Community and Government Funders

We undertook limited consultation with community funders and government departments who provide direct funding to community groups and organisations – both within, and outside of the environmental sector. It is important to understand that many entities invest in environmental initiatives outside of local authorities, such as government departments (for example, DOC via their Community Fund – Pūtea Tautiaki Hapori, which is allocated nationally to support community-led conservation projects on public and private land), Class Four Gaming Funding (allocated by organisations such as Pub Charity Ltd, for example), and philanthropic trusts and community foundations (such as Otago Community Trust or the Whakatipu Community Foundation).

Most of these entities have a much broader remit than just supporting environmental projects and initiatives (and some we spoke to don't fund environmental initiatives at all). The purpose of our consultation with these groups was two-fold, firstly to understand their current funding activities and investment decisions in relation to large-scale projects and/or environmental initiatives, and secondly, to assess the appetite for a collaborative or co-investment arrangement with local authorities or regional councils in the medium to longer term.

The feedback relating to their funding priorities and processes highlighted that for these organisations, their Constitution or Deed directs where and what the organisation invests in/ donates to, both from the type of investment made and the geographical area that the investment/donation needs to be directed to. For these entities, if investing in environmental initiatives is strategically not currently a high priority, redirecting investment or donations to this area would require changes to strategic documents and/or approval by their Board. For those philanthropic organisations, investment and donation decisions were often driven by specific donor requests or bequests with no ability to deviate from the explicit wishes of the donor. This could impact on the ability of these organisations to work with local authorities but should not preclude it.

The funders we consulted spoke of their deliberate and strategic shift away from providing one-off and annualised grants or project funding, where they could. They echoed the challenges with these processes that we have already identified in this report in our literature review and stakeholder consultation. The funders we spoke with noted that they were seeing better value for money in their investment through their support of longer-term funding arrangements and investment in 'system level' capability building activities.

Regardless of the approach implemented to allocate 'large-scale' funding, it would be beneficial for ORC to continue our initial discussions with these funders, to open the door to future and more long-term opportunities for co-investment and co-funding of 'large-scale' environmental initiatives in the medium term. These discussions should be expanded to a wider group of possible collaborative or funding partners than we were able to speak with as part of this project. This could include other funders within the region, such as Central Lakes Trust, or those groups with a national or international remit, such as the Tindall Foundation, NEXT Foundation, New Zealand Nature Fund, or the Nature Conservancy.

6.5 Other Local Authorities

Consulting with other local authorities around the country has provided valuable insight and the opportunity to learn from the experience of other local authorities in their grant making and funding allocation processes. In Phase 1 of this project, we were asked by ORC staff and councillors to investigate some particular models that the staff and elected members were aware were in place around the country and as a result we approached and had discussions, to varying degrees. Those councils that provided significant time and insight included:

- Auckland Council (unitary council)
- Waikato Regional Council
- Hawkes Bay Regional Council (and their delivery partner, Biodiversity Hawkes Bay)
- Taranaki Regional Council (and their delivery partner, Wild for Taranaki).
- Environment Canterbury

Many of the Councils we met with have undergone an evolutionary process to redefine and define their grant making and funding allocation processes in recent years. For some Councils, change was sparked ongoing economic challenges and the need to create efficiencies or from increasing pressure from communities or from community organisations to change the structure of investment, or to address resourcing issues created by high internal administration requirements, or to shift to more effective investment decisions that are better aligned to achieving outcomes.

Regardless of the model that each council has in place, or the level of funding they have available to distribute, all have similar experiences and face similar constraints in this area. These offer valuable insight and learnings for ORC as they move to defining and articulating what 'large-scale' environmental funding means to them. The key themes identified by other local authorities and regional councils is summarised below:



- **There is a deliberate shift away from providing short-term funding agreements** or allocating one-off funding. Councils noted that they knew these approaches provided low funding certainty for organisations which impacted on organisational sustainability and staff retention, provided a limited connection to outcomes, and created a high internal administration burden for councils and their stakeholders.
- The **impact of funding into communities has been amplified where councils have been able to intentionally fund collaborative activities or umbrella entities** that bring together a number of organisations or groups – either at a community level or by environmental issue.
- Implementing **collaborative and connected funding models is easier for unitary councils** where they have an expanded regulatory role, and are a significant landowners compared to regional councils and local authorities alone. Their expanded scope allows for processes to be streamlined, and complexity reduced due to the number of stakeholders involved.
- It is **not always possible in a dynamic and political environment to align strategy and evidence to investment and funding decisions in a linear way** and this can provide ongoing challenges to effectively align strategy and policy development with on the ground delivery.
- There is **no 'one size fits all' approach to manage grant making or fund allocation activities** to allocate 'large-scale' funding. The 'right' model for ORC will likely depend on a range of factors such as:
  - The risk appetite of council and councillors.
  - The strength of the partnerships and relationships in the region – high trust is key for meaningful collaboration however.
  - Developing the depth of partnerships and collaborations needed to shift to collaborative funding models take significant time to embed and require ongoing evolution.
  - The funding model implemented will need to be cognisant of the capacity and capability of environmental organisations and other potential funding partners in the region and ORC may need to be prepared to provide ongoing support to grow the capability and capacity going forward.



Broad Funding Model Analysis and Discussion

7.1 Introduction

At the first workshop, council identified several possible funding models that were investigated as part of this project and determine their appropriateness in the ORC context. Six models were identified across the procurement spectrum, from upscaling existing grant making approaches, to full devolution of funding to a third-party entity. We undertook an assessment of each of the models, assessing their strengths, opportunities, weaknesses and risks, as well as identifying the operational and financial implications of their use. The findings of the assessment were presented back to council during the second workshop.

This assessment used a consistent approach for each model to determine its suitability for use within the 'large-scale' environmental funding context. This approach consisted of a review of the model against the following:

- Permitted activities under the Local Government Act (LGA) 2002.
- Permitted for use or application under the New Zealand Government Procurement Rules (4th ed.)[21] and
- In line with the Office of the Auditor General Government Procurement Guides.
- Existing evidence, literature or evaluation on the effectiveness of the model.
- Experiences and lessons learned from entities who already have this model in place within their organisation (or who have used the model previously).
- The likelihood of the model contributing towards the achievement of the three key principles agreed by council that constitute 'large-scale' in the ORC context.

21 Our assessment of suitability has been made against the current Rules (4th edition) and not against the draft Rules outlined in the 5th edition. The future suitability of these models should be revalidated if substantial changes to the Rules are made prior to ORC implementing a 'large-scale' funding model or procurement approach.

7.2 Procurement & Grant Making Rules for Public Entities

Public entities have the responsibility for spending funds obtained from taxpayers and rate payers, and as such are required to adhere to stringent accountability and transparency standards when making decisions around how these funds are spent. Local authorities are experiencing significant increases in costs which has resulted in large rates increases for their communities in the last few years. This situation is unlikely to change in the short term with the ongoing cost pressures facing councils face as well as the urgent need to invest in the maintenance and replacement of strategic infrastructure.

It has never been more important for ORC to ensure that funds obtained from ratepayers are being invested in:

- Supporting the achievement of strategic and organisational goals (to plan and manage for great results)
- Achieving value for money investment (to get the best deal for everyone and play by the rules)
- The right opportunities in the right places and at the right time (to get the right supplier)
- Activities that provide opportunities to leverage and grow investment over time (to get the best deal for everyone)

New Zealand Government Procurement Rules

The New Zealand Government Procurement Rules support sustainable and inclusive procurement through the promotion of good practice for procurement planning, approaching suppliers and community contracting. The Rules must be used if procurement is valued at more than $100,000 and if procurement is being made by a government department, by the New Zealand Police, or New Zealand Defence Force, and applies to most Crown Entities.

The current set of Rules have been in place since 2019 (4th edition) and are currently under review by the Government, with a proposed 5th edition recently released for consultation. The consultation period closed on 8 April and will be reviewed by Cabinet before confirming any approved changes or a timeline for implementation.

Under the Rules, **ORC is not mandated to apply the Government Procurement Rules but is strongly encouraged to apply them in purchasing processes and decisions.** There have been instances where local authorities have not adhered to best practice and these situations have been highlighted in a number of reviews by the Auditor General.[22]

The Rules outline requirements and considerations in procurement decisions in the areas of procurement planning, market research, approaching the market, evaluating responses, and negotiating and awarding contracts.[23]

The Rules are governed by five key principles and are highly relevant in not only ORCs approach to 'large-scale' environmental funding, but in all procurement decisions the organisation makes. These principles are:[24]

- **Plan and manage for great results.** This includes identifying needs and broader outcomes the entity wishes to achieve and then outlining the roadmap or plan to get there. Establishing a team with the right mix of skills and experience is crucial, as is taking the time to understand the market and your likely effect on it. Involving suppliers early and choosing the right process relative to the complexity, level of risk and size of investment.
- **Be fair to all suppliers.** This relates to treating all suppliers fairly, making it easy to do business with government entities while creating competition and encouraging responses from capable suppliers. It includes seeking opportunities for Māori, Pasifika and regional businesses and social enterprises to be involved, clearly explaining how proposals will be evaluated and assessed, as well as giving feedback to unsuccessful suppliers so they have opportunities to improve next time.
- **Get the right supplier.** To ensure the right supplier(s) are selected, public entities need to ensure they're clear about what they're looking to purchase and how suppliers will be assessed, so that the right supplier can be selected based on capability, at a fair price, and on time. Obtaining the right supplier(s) also ensures that they're able to comply with Government Supplier Code of Conduct, and that suitable risks have been identified and managed. Creating and building demand allows for fair and productive relationships as well as encouraging and rewarding suppliers for delivering results.
- **Get the best deal for everyone.** This encourages best overall public value including whole of life costs and benefits for goods and services; while considering social, environmental, economic and cultural outcomes and impacts. The procurement arrangement needs to ensure clear performance measures are in place that are effectively managed and monitored with accountability for results in place.
- **Play by the rules.** Ensuring that public entities act with integrity, and that both parties are accountable, transparent and reasonable. Commercially sensitive information and intellectual property needs to be protected, and public entities need to effectively manage conflicts of interest and stay impartial.

OAG New Zealand Government Procurement Best Practice Guides

The Controller and Auditor General (OAG) sets out procurement guidance for public entities in its Good Practice Guide[25] which emphasises the importance of taking a strategic approach to managing the allocation of public funds and recommends developing and agreeing a strategic procurement plan prior to making investment decisions.

In the process to developing and agreeing the strategic procurement plan, the OAG expects that public entities have a thorough understanding of the importance of the procurement in achieving the overall goals and strategy for the organisation, the types of procurement available, and the value and risks associated with the procurement.

Although they key output of this project was to produce a final report and recommendations for council decision making, it does serve a secondary purpose as the content of this report includes the key components required in a Strategic Procurement Plan, and therefore, meets the AOG expectations in this procurement planning.

The best practice guidance provided by the OAG and probity auditors, provides clear recommendations on how purchasing decisions should be conducted through the procurement review process – including the level of independence that is required in the evaluation of proposals seeking investment. This strongly advocates for processes that are conducted independently of elected members and independently of those staff who have a close relationship with those who are seeking funding.

22 Engagement of consultants by Horowhenua District Council — Office of the Auditor-General New Zealand, Queenstown Lakes District Council – Development of Lakeview land — Office of the Auditor-General New Zealand, Local government procurement — Office of the Auditor-General New Zealand
23 Guides | New Zealand Government Procurement
24 Government procurement principles | New Zealand Government Procurement
25 Procurement guidance for public entities

We support this approach and recommend that the allocation of 'large-scale' funding is conducted independently of elected members and staff working closely with communities for the following reasons:

- Effective management of perceived or actual conflicts of interest, especially when procurement decisions may involve community organisations or groups representing the community that members are elected to represent, or where staff have worked closely with that organisation (such as in the development of a Catchment Action Plan).
- Elected members are unlikely to have the level of training, qualifications, and expertise required to lead a public sector procurement process.
- Elected members and senior managers (particularly and in this case, specifically CEO and ELT) have several competing commitments and are unlikely to have the time needed to effectively participate in procurement review processes.
- The division between governance and management needs to be maintained with the role of elected members to ensure that the professionals providing the advice are qualified and equipped to do so, not that elected officials are making management recommendations in place of this.

Throughout Sections 7.4.1 – 7.4.6 we outline the proposed procurement approach that in all cases aligns to best practice – assuming that elected members and key staff are not involved in the review process. However, this does not assume any deviation from key council policies – such as ORC Delegations of Authority policy, and it is likely that any procurement (under any model) would not proceed without a level of council endorsement or approval prior to contracting and implementation, depending on the requirements specified in ORC Delegations of Authority policy.

In these sections we have also assumed that the agreed principles and outcomes are the drivers for the 'large-scale' funding approach. Lastly, we have also assumed under all models that an agreed eligibility criteria also drives funding allocation decisions.



7.3 Procurement Approaches and Prioritisation Framework

Permitted Procurement Approaches

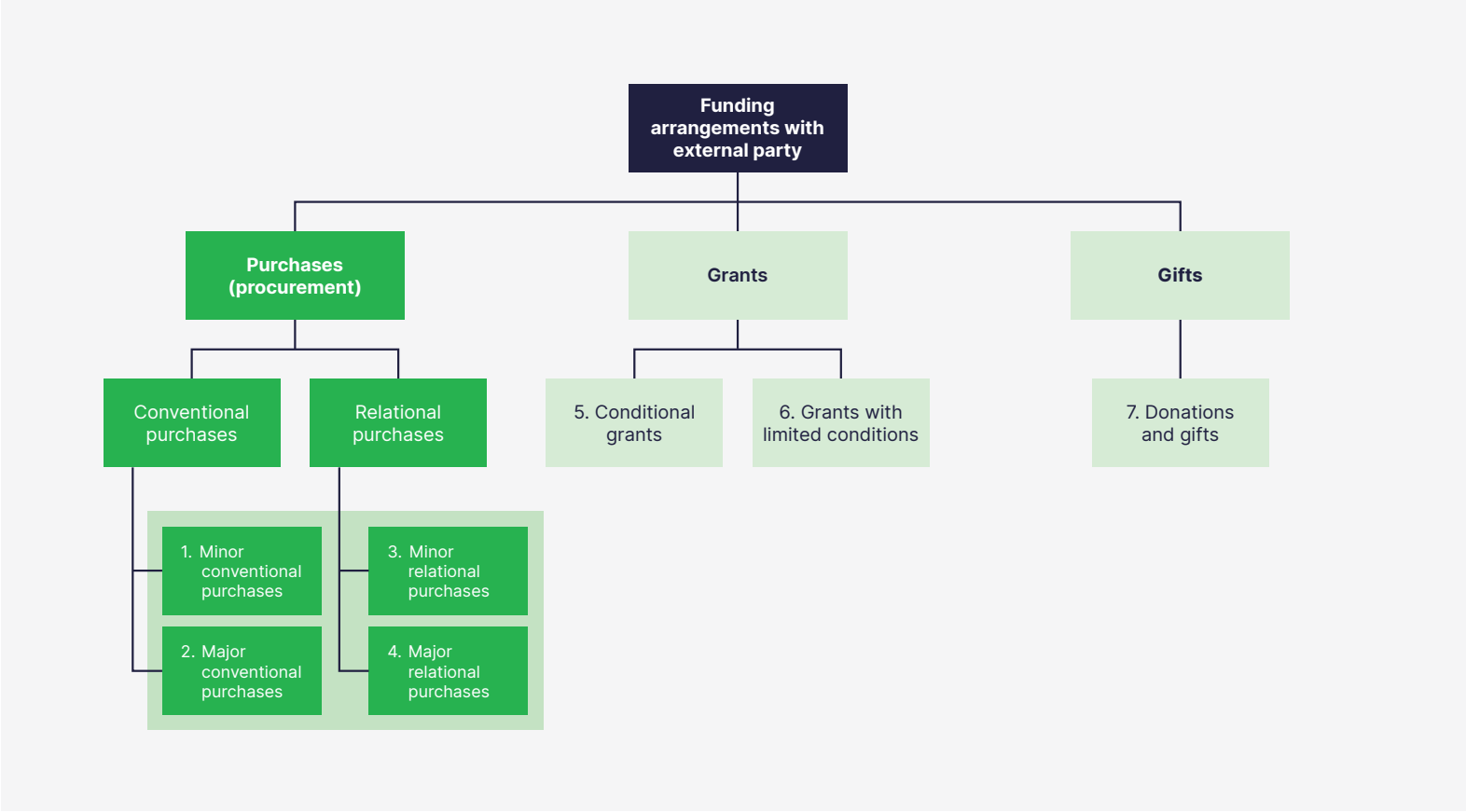
The AOG breaks down funding arrangements with external parties into a number of categories that seek to provide guidance on the type of arrangement or contract that should be used. The most suitable arrangement is based on the intent of the purchase, the procurement methodology needed, the type of contract to be used, the market, and the value of the purchase. These approaches are outlined in Figure 7 below.

For the purposes of this project, 'large-scale' environmental funding would be deemed either a **purchasing (procurement) arrangement or a grant making arrangement**. We have excluded gifting as we do not believe this to be an appropriate funding category to allocate ratepayer funds.

Under a purchasing or procurement approach, we have made the assessment that investment in environmental initiatives or projects would constitute either a **major or minor relational purchase** as more conventional purchases relate to the purchase or development of capital. If considering a grant making approach, we have determined that 'large-scale' environmental funding would be **considered a conditional grant, allowing for reasonable and appropriate accountability of expenditure**. For clarity, the current ECO Fund (General Fund) would be considered a conditional grant.

Our assessment of each funding model considers which arrangement would be most suitable or applicable in each situation and whether the model aligns to one of these funding arrangements.

Figure 7: Categories of Funding Arrangements with External Parities[26]



26 Taken from the AOG Procurement Guidance document Part 4: Types of funding arrangements with external parties — Office of the Auditor-General New Zealand.

Procurement Prioritisation Frameworks

In the process of preparing a strategic procurement analysis, it is good practice to undertake a prioritisation exercise utilising a matrix approach to help identify and determine strategic risks and opportunities, potential costs, or value that can be sought from procurement decisions.

During the second Councillor Workshop, councillors were guided through this process, using the six models were initially undertook an assessment of. There are a range of models that can be used to undertake this exercise – and in our assessment, we used a comprehensive matrix known as the RVCE Matrix for Decision Making (Risk, Value, Cost, Effort), which is widely used in project management methodology. It supports decision making and prioritising decision making to assist leaders in developing actions, projects, and decisions that should be avoided, investigated further, considered and prioritised.

Alternatively, the OAG suggests a basic four quadrant approach to identify risks to the organisation from poor contract performance against each dollar spent on the procurement. Examples of these two models are outlined in Figures 8 and 9 below.

It is important to note that no matrix is perfect but does allow for some objectivity in decision making and prioritisation activities. In this context, the experience with Councillors was no different, and while some options did not neatly fit into a certain matrix, or there were differing views about placement, the exercise did allow councillors to identify those models where the risk was either too high, the cost too high, and/or the value too low, to warrant further investigation. The models that were discounted for further analysis are included in the section below; however, if they have been discounted from further investigation, this will be noted.

Figure 8: Analysing type of procurement to identify procurement method[27]

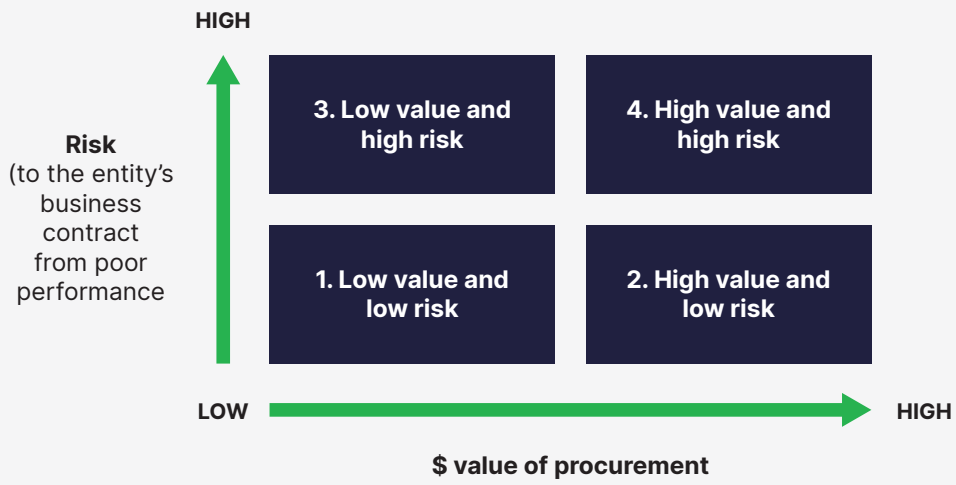
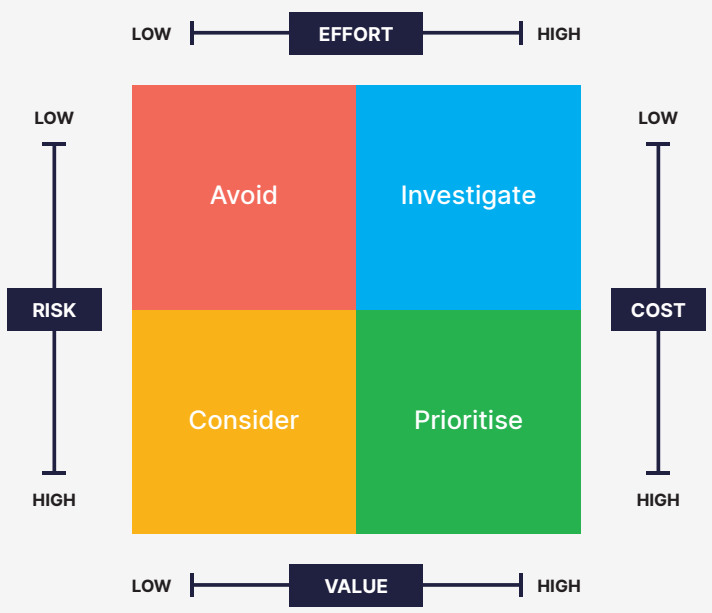


Figure 9: Risk – Value – Cost – Effort Matrix



27 Taken from AOG Procurement Guidance document.



7.4 Funding Model Options

The six models identified during Workshop One and assessed as part of this project fall along a continuum of complexity and risk. The models that were initially considered are outlined below including:

- Large-scale contestable funding or grant making activities (an expansion of the existing ECO Fund).
- A structured procurement approach – such as an ROI, RFP or direct engagement as a relational purchase.
- Funding 'large-scale' initiatives via the Integrated Catchment Management (ICM) Programme or by Catchment Action Plans (CAP).
- Devolving 'large-scale' funding to a third-party entity (such as a charitable entity or council-controlled organisation [CCO]) to administer on behalf of ORC. This could include the requirement to also grow the value of the investment available.
- Entering into a joint venture (such as a collaborative funding arrangement or co-funding arrangement) with entities which could include neighbouring local authorities, philanthropic funders or a mana whenua partner.
- Establishing a new council-controlled organisation as a non-profit making entity (such as a Trust) to administer the funding on behalf of ORC. This could also include the requirement to leverage additional bequests, donations and investment to grow the overall value of funding available to invest in large-scale initiatives.

Under each model we provide a description of the model and its key features in relation to its use to manage and administer 'large-scale' environmental funding for ORC. We include an explanation of how we would envisage this model to be governed and managed in practice, and provide an assessment of the likely strengths, opportunities, challenges and risks of the models use by ORC. This further outlines the operational and financial considerations that ORC should take into account in the assessment of the suitability of the model. Finally, our assessment and analysis considers the likelihood and relevance of the model aligning to the principles and outcomes that ORC seeks to achieve under its definition of 'large-scale'.

7.4.1 Large-Scale Contestable/Grant Making Fund

Introduction to the Model and Procurement Approach

This model would not look dissimilar to the grant making and funding approaches already being used by ORC such as the ECO Fund. Under this model, 'large-scale' funding would be allocated via a contestable process that would constitute a **conditional grant** under the Government Procurement Guidelines.

The model could be implemented within the current ORC grant system and structures and could run alongside the current ECO Fund process and timing. The additional 'large-scale' investment could be added to the existing ECO Fund budget, with a specific 'large-scale' category being added to the fund or alternatively, these funds could be added to the existing $450,000[28] tagged to 'large-scale biodiversity initiatives' fund that is already established under the ECO Fund (General).

Currently, the ECO Fund is administered on an annual basis, with applications received in March. If 'large-scale' funding was to be added to the ECO Fund, consideration would need to be given whether the new money was administered within, or outside of the current grant making cycle. If aligned to the ECO Fund, applications would not be received until March 2026, resulting in a considerable time delay from the 2024-34 LTP decisions. Establishing a stand-alone funding round outside of the ECO Fund would allow for better management of workload and capacity for both ORC staff and community organisations and would allow for the 'large-scale' fund to develop some independence from the ECO Fund process.

Governance of the Model

This model would be governed in a similar way as currently occurs under the ECO Fund with final investment decisions either being endorsed, or approved by Councillors/Council, depending on the value of the grant (as per the ORC Delegations of Authority policy).

It would be the role of Council to ensure that appropriate grant making best practice and organisational policies have been adhered to, and that value for money decisions have been made as a result. It would not be the requirement or expectation of governance, to review grant applications and make allocation decisions as this would be an operational and management function, unless required under the Delegations Policy.

Council would likely be asked to endorse procurement recommendations and approve the overall allocation of funds under the 'large-scale' grant. They would then receive regular updates on grant implementation and performance as required.

Fund Allocation Process

Under the existing ECO Fund, ORC has a robust criterion in place to administer the fund, including appropriate documentation and processes to support the application process (including an online portal), undertake review of applications and to monitor the delivery of projects to monitor accountability. Although these processes are in place for the ECO Fund currently, the addition of 'large-scale' funding would increase the pool of funds under this grant significantly (by 208%) which would add complexity to the current processes.

In the development of a 'large-scale' contestable fund, ORC would need to develop separate eligibility criteria, application forms, evaluation criteria and funding agreements to reflect the differences in this fund compared to the current ECO Fund parameters.

Consideration would need to be given to the number and value of the grant rounds held to ensure there is no duplication or confusion created between the 'large-scale' fund and the ECO Fund process. If aligning this fund to existing processes, it could be assumed that this grant would be offered annually, which will significantly impact on staff time and resource.

An independent appointments panel would convene and review the applications against the evaluation criteria set by ORC. It would need to be determined whether the Panel was the same or different to that convened for the ECO Fund, and the timing, number of applications received and level of complexity in the review process, would likely dictate whether two different panels were required (but it is assumed that it would).

Ongoing Management of the Model

The ECO Fund is currently managed and administered in-house by the Environmental Delivery Team, with many staff (across many teams) contributing to the administration of the Fund across all stages – from the application process, to providing Panel oversight and review input, to contract/grant award, to monitoring project implementation. In this contestable model, the 'large-scale' funding would be included under the current management model, with this fund also overseen by the Environmental Implementation Team.

Following the grant allocation process, ORC staff would be required to oversee the implementation of projects, ensure accountability documentation is completed and that funds are spent within the agreed parameters. While this report does not specifically recommend an increase in number of staff to manage this process, it is possible that additional resources would need to be allocated to support the administration and management of this Fund. Higher value investment brings higher risk, and therefore the requirement for more robust and complex contracting and monitoring to be in place. It is unlikely that this could be effectively managed within current resources within the Environmental Implementation Team.

Likely Timescale to Full Implementation

This model could be implemented reasonably quickly given the structures are already in place to manage and administer the process. Time would still need to be taken to prepare and develop appropriate documentation to govern and administer the application process.

ORC would need to undertake considerable marketing and communications exercises ahead of opening a 'large-scale' contestable fund, to ensure that there was an understanding in the sector of how this fund differed from the existing ECO Fund categories. This could delay the release of the funds but would reduce ambiguity and hopefully inefficiencies that could be created by organisations applying to the 'wrong' fund.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – this model encourages short term investment, focused at project level investment, usually with a singular organisation or entity. There are opportunities to enhance the criterion for the allocation of this funding to better align with the outcomes sought, however this type of fund is usually focused on short term investment, aligned to inputs and outputs.

Facilitation of collaboration across the system – funds of this nature are usually highly contestable and do not foster a system level approach to investment and delivery, and they usually deter or discourage collaboration. While a new criterion could support or enable collaborative proposals or approaches (or look to fund umbrella type entities), in the short term the current system and structures have not likely evolved enough to enable or support this collaborative investment.

Alignment to organisational strategy and strategic direction – this model can enable alignment to strategic direction by determining priorities within the fund criterion, however this type of fund typically requires tight parameters to allow for equity and consistency in evaluation and review of applications. This can reduce the level of innovation and experimentation that can come through a less rigid procurement framework and approach.

28 This is the value approved in 2024/25 FY with funding between $50,000 to $150,000 per project, currently available to support projects that will take up to three years to complete.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses, and risks of this model that ORC considered during the second Council Workshop. A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.

7.4.1 Large-Scale Contestable/Grant Making Fund	
Strengths	▪ The administration and management of the funds can be undertaken internally within the existing systems that are already in place. ▪ This model could be implemented within a short time frame (quick to stand up). ▪ Has the ability to fill an immediate gap created by the ending of Jobs for Nature funding.
Opportunities	▪ Allows ORC to examine and realign all types of funding under the broad ECO Fund banner to ensure that all types of 'needs' are met across the range of available funds. ▪ A consistent approach to fund establishment, allocation and management can provide opportunities to better understand and articulate return on investment.
Weaknesses	▪ Allocating large-scale funding under existing structures does not ensure that investment is made into the right places, projects and initiatives at the right time. ▪ A highly competitive process reduces the ability for Council to work in collaboration with stakeholders and communities to understand where and how investment should be made. ▪ A highly competitive process reduces opportunities for collaboration between communities and providers. ▪ It is unlikely that the internal resources currently managing the ECO Fund process will have the capacity to stand up and administer a new funding stream of this scale without additional support. ▪ This model limits the opportunity for collaborative co-funding discussions with other funders or potential partners. ▪ If detailed guidance was not provided around suitable criteria and scale of investment, ORC may make investment decisions based on good ideas rather than science and evidence.
Risks	▪ This model perpetuates the cycle of highly competitive funding. ▪ The short-term nature of the current ECO Fund model reinforces short term funding arrangements which do not support staff continuity and financial sustainability for community organisations. ▪ It is likely to discourage collaboration between providers/suppliers which may impact on the level of biodiversity outcomes that can be achieved. ▪ May inadvertently fuel a culture of funding 'new' projects rather than maintaining existing initiatives (particularly if the current ECO Fund criteria were used to make funding decisions). ▪ May create duplication or enhance gaps in areas in priority areas have been identified through other processes such as the Integrated Catchment Management programme.
Financial Implications	▪ Can risk investing in the providers/organisation's that are able to or have the resources to write the best funding applications. ▪ Investment may not be targeted towards the highest priorities or the best environmental outcomes. ▪ Depending on the value of funds available and funding rounds held, it could create financial inefficiencies given the resource intensive nature of administering funding rounds and then managing and monitoring delivery – contestable funds are expensive to administer. ▪ Depending on the length of investment, short-term investments are less likely to be able to demonstrate value for money or positive environmental impact.
Operational Implications	▪ Contestable funds are incredibly time and resource intensive to effectively manage and monitor and it's unlikely that this process could be managed within existing resources. ▪ ORC will need to develop and implement a clear communications strategy to articulate how this funding would be different to the existing ECO Fund which may create confusion in communities – requiring greater internal resource to communicate. ▪ Consideration of the timing of this Fund will be important to ensure the workload for community organisations and ORC is balanced. The addition of extra ECO Fund application and allocation rounds will have significant operational implications, particularly if the Fund is open to anyone to apply. ▪ The current ECO Fund reporting and performance monitoring is likely to be insufficient for larger-scale levels of investment and a new criterion to account for this would need to be considered and developed. ▪ This model does not easily allow for sector wide or cross-Council collaboration due to the competitive nature of the application and review process.

7.4.2 Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)

Introduction to the Model and Procurement Approach

Under this model, 'large-scale' funding would be allocated via a **structured procurement/purchasing approach that would constitute either a minor or major relational purchase** under the Government Procurement Guidelines. Whether the purchase was minor or major would depend on the value and complexity of the purchase.

Implementing this approach would require a more detailed and structured approach than what is required under a conditional grant. This approach would see council undertake a single or multi-staged structured procurement, that require ORC to take a more proactive approach in articulating what it wants to purchase, and the criteria used to assess how purchasing decisions will be made. It could involve the use of the Government Electronic Tendering system (GETs), or another suitable procurement platform and should seek to identify suitable organisations in the first stage of procurement, via a Registration of Interest. This will allow both environmental organisations and ORC to determine who is most suitably placed to receive 'large-scale' funding. The second stage would focus on receiving detailed proposals from compliant organisations who would outline their approach (and the funding they required).

ORC may be able to make a case for a direct source approach if no suitable organisations are identified through the ROI and the RFP process. This would likely be difficult to determine as environmental organisations would likely argue that there is more than one suitable organisation across the region who would have the capability to deliver against Council's requirements. ORC will need to ensure that eligibility criteria is not too stringent or aspirational to avoid this scenario. Furthermore, investing the full budgeted amount into one initiative or organisation would create high risk for Council and would not be a recommended approach.

This structured procurement approach differs from grant making in several ways and allows for:

- Clear pre-procurement or first stage procurement requirements that allow organisations to determine their eligibility or suitability to apply. Those organisations not meeting this threshold can be excluded early in the process which saves everyone time and money.
- A clear criterion to be developed and communicated as part of the procurement process that gives community organisations clarity on what ORC wishes to purchase, and the level of capability and capacity needed by respondents to qualify.
- ORC clearly defining the outcomes and impacts it seeks to purchase but allows the community to respond to how they will achieve the outcomes and impacts (rather than setting a ceiling of funding for a project by category).
- Greater collaboration and engagement between potential funding precipitants and ORC as this process allows for the Council to undertake market briefings, allow for Q&A features through the procurement process, and pre-procurement engagement with potential suppliers (through ECI and EOI processes).
- Is a more appropriate approach to allocating multi-year or longer-term funding that are of a higher value (as service contracts are usually more comprehensive than grant agreements).

Relational purchasing allows for the building of long-term relationships between purchaser and supplier that can be mutually beneficial. This approach values collaboration, trust, and open communication beyond the transactional process to ensure certain benefits and outcomes are achieved. It provides greater flexibility for the Council to encourage or direct collaborative arrangements if the procurement process does not identify suitable delivery partners at the outset. The procurement process also provides an opportunity for ORC to work alongside more than one possible community organisation to develop a collaborative or more cohesive relationship between ORC and communities.

It is likely that only one procurement process will need to take place over the current agreed timeframe for funding allocation (currently in the LTP as the next two financial years) to account for multi-year arrangements. This model also provides opportunities to leverage other mechanisms to renew funding past this date (30 June 2027), for those organisations meeting or exceeding their key deliverables through contracting arrangements (such as right of renewal) which can reduce the future administration burden on ORC staff and community organisations.

Governance of the Model

This model would be governed in the same way other contracting agreements are within Council, depending on the value of the contract (as per the ORC Delegations of Authority policy).

It would be the role of ORC to ensure that procurement best practice and policies have been adhered to, and that value for money decisions have been made as a result of the processes undertaken. It would not be the requirement or expectation of Councillors, to review funding applications during either stage of the process or to make overall funding decisions as this would be an operational and management function (unless outlined in the Delegations Policy).

Council would likely be asked to endorse procurement recommendations and approve the overall allocation of funds under the 'large-scale' fund. They would then receive regular updates on project implementation and performance as required under the contract/funding agreements.

Fund Allocation Process

As outlined above, funds would be allocated via a two-stage process. Firstly, interested organisations would complete a Registration of Interest (ROI) which would require them to assess their capability of delivering 'large-scale' initiatives against a pre-eligibility criterion to assess whether they qualified to submit a full proposal. The registration process would be advertised on GETs or a similar procurement platform.

Preparing for this process would require ORC to develop a full and detailed RFP document, including a weighted scoring criteria that would be provided to organisations applying. The procurement document would also need to include a response template to guide proposals and ensure that ORC captured all information sought. The procurement pack should include some guidance on the recommended maximum funding that ORC would look to contribute towards initiatives and should also clarify the maximum contract/funding period that council would expect to fund or support projects (such as two years plus possible right of renewals).

This process also provides the opportunity for organisations to submit questions and answers to seek clarification prior to submitting a proposal and further provides opportunities for ORC to host briefing sessions to directly engage with interested organisations prior to receiving applications. These processes all contribute to efficient procurement activities by front ending the planning and administration requirements early in the process and reduces the likelihood of receiving non-conforming or ineligible proposals.

Once proposals were received, they would be assessed against the evaluation criteria by an independent Evaluation Panel that consisted of suitably qualified staff (with possible outside expertise sought) with recommendations prepared for Council. Any procurement recommendation made by the Panel would likely need either endorsement or approval by Council before

proceeding to contracting and delivery – depending on the length of agreement, overall funding value and how the purchase aligned to the ORC Delegations of Authority policy.

Ongoing Management of the Model

As with the contestable grant making process, a structured purchase could be managed internally within ORC by the Environmental Delivery Team who in the absence of a centralised procurement team within ORC, the Environmental Implementation Team would need to design and administer the initial procurement process, including the development of the procurement documentation (including confirmation of the pre-eligibility criteria), RFP documentation and guidance documents, including scoring criteria. It is likely that this team would also need to oversee and respond to questions submitted and facilitate any sector briefings.

An advantage of this model is the administrative efficiency that can be gained through this funding model. Given the level of sophistication in this procurement approach and the financial value that each initiative is likely to attract, it would be recommended that only one funding round was held over the two-years of the funding. This would mean that this process would seek to allocate the total approved value of the funding in one funding round, rather than revising this annually. These administrative processes can further be reduced by including Right of Renewal clauses or 'stop-go' mechanisms within the contracting process which rewards high performing organisations and initiatives and allows for contracts and funding to be extended into the next LTP cycle (if the same level of funding were to be approved in out-years) without running additional procurement processes.[29]

Regular ongoing contract monitoring would be managed by ORC and undertaken by staff with the relevant skills and experience to monitor performance against contracted outputs and outcomes.

Likely Timescale to Full Implementation

This model could be implemented in the short term, with funds allocated by the end of this calendar year. To achieve this, investment in time and resource is needed to ensure that robust and detailed procurement documentation is completed and that timelines, as required under the Government Procurement Rules, can be adhered to.

Ensuring effective communications and support, both internally within ORC and out to the environmental sector, as well as ensuring that ongoing resources are in place, will be vital to support the ongoing and effective management of contract delivery once funds are allocated.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – this model will focus on developing a longer term, relational approach to service delivery, encouraging multi-entity partnerships with ORC and focusing delivery at a programme level rather than individual projects. There are opportunities to develop the criterion and focus purchasing decisions towards the outcomes sought rather than focusing on inputs and outputs as ORC will purposefully be taking a longer-term view of the procurement, focused on enhancing relationships and the delivery of outcomes, rather than the delivery of a discrete, one-off project within a set time frame.

Facilitation of collaboration across the system – traditional procurement processes are still competitive in nature as they seek to determine the best provider/s who are best placed to achieve the outcomes sought and value for money and therefore can discourage collaboration. There are greater opportunities for collaboration and innovation to be achieved through this process, depending on the procurement mechanism used, and whether the criteria requires collaboration to be evidenced in proposals.

Using a staged process, which allows for engagement with potential providers during the procurement process, can support the achievement of this outcome and longer-term contracting. Bespoke specifications can allow for funding and delivery that is targeted to the delivery and achievement of outcomes linked to collaboration and system wide capability.

Alignment to organisational strategy and strategic direction – this model can enable alignment to strategic direction by determining priorities within the fund criterion, however there will still need to be rigidity to allow for equity and consistency in evaluation and review of proposals. This can reduce the level of innovation and experimentation that can come through a less rigid procurement framework and approach however, given that this procurement approach establishes a more collaborative and robust relationship between providers and ORC following the award of a contract, the relationship has greater longevity (when compared to a conditional grant) and provides greater opportunities for the council to continue to influence and monitor the achievement of outcomes against strategic priorities within the contract monitoring framework.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses and risks of this model that ORC considered during the second Councillor Workshop. A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.

29 This may only be applicable and valid for some agreements and may not apply to all funding budgeted or all contracts/projects/initiatives.

7.4.2 Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)	
Strengths	▪ Clearly defined procurement process and can direct funding to address higher priority issues or communities. ▪ Allows ORC to establish and communicate clear outcomes, requirements and criteria for which purchasing decisions will be made. This can help identify a short list of suitable providers early in the process, and let others know whether they align with Council expectations. This can save everyone time and money. ▪ It is likely to be less time and resource intensive than a competitive grant allocating process and there is only likely to be one funding round over the three years (allowing for three-year contracts to be put in place). ▪ It can allow for greater innovation and collaboration during the procurement process, particularly if the council provides a market briefing at the start of the procurement process, allows Q&A's to be submitted as part of the process, or where a multi-stage process is run.
Opportunities	▪ It can drive innovation and collaboration and gives communities a greater ability to propose and outline how they will address the Council's issues/priorities/requirements. ▪ Can enable opportunities for Council and providers to work together on long term sustainable funding options. ▪ Allows for more robust contracting processes that are available through conditional grant making processes. ▪ Given the longer term and higher value, the council has the ability to allow for more robust planning, monitoring, and evaluation activities under the agreement.
Weaknesses	▪ This model will require substantial upfront internal capacity and capability to get the process established. Planning and undertaking a comprehensive procurement process can take significant time and resources to execute effectively. ▪ The criteria could be too narrow to attract a good range of respondents to the procurement. ▪ Depending on the agreed criteria, there may be a limited number of community organisations with the capacity and capability to deliver the requirements, or those with capacity and capability may be confined to one geographic area of the region.
Risks	▪ There may be limited capability of some providers to respond to a formal procurement process such as this which may impact on their willingness to respond. This may place further pressure on small numbers of staff or volunteers within these organisations. ▪ This process may impact on existing relationships between community organisations, the ORC if those organisations feel they are being excluded from a process if they do not meet the criteria set out in either the ECO Fund or the 'large-scale' fund. They may not feel that their work is valued by the council. ▪ Provider capability may be stronger in one catchment or geographical area, leading to the perception that only one part of ORC area is receiving funding or that funding is not distributed equitably.
Financial Implications	▪ Risk investing in the providers that are best placed, or with the resources to write the best funding applications. ▪ This can be mitigated by a pre-procurement screening process, but this may result in investment in only one or two catchment areas. ▪ Investment may not be targeted at the highest priorities or the best environmental outcomes. ▪ It will likely require an up-front commitment and commitment to invest the full value of approved funding in one procurement round (rather than by annual or one-off grants). There are both efficiencies and risks in this approach. ▪ May place procurement requirements onto community organisations that they are not familiar with or adept at managing. This may require ORC to invest in time and resource to ensure organisations are supported through the process. ▪ The length of investment needs to be long enough for there to be mutual benefit to both ORC and communities. If a mulit-year term is not agreed, this will be an inefficient model operationally and financially for both council and community organisations.
Operational Implications	▪ While the procurement process may be less intensive due to a reduced number of applications, the ongoing management and monitoring of contracts/programmes will be more resource intensive than the grant process, requiring a more specialised procurement skill set than may already be in place to effectively administer, manage, and monitor these agreements. ▪ The strength of this model will be reliant on the procurement parameters and timings put in place to give ORC time to implement this model effectively, as well as giving respondents suitable time to submit a proposal in response to the Council requirements.

7.4.3 Funding via the Integrated Catchment Management Programme or by Catchment Action Plan

Introduction to the Model and Procurement Approach

Integrated Catchment Management (ICM) is a generic term used to articulate a system-based approach to resource management that looks at a catchment, rather than addressing individual environmental or biodiversity issues as individual parts (such as addressing pest management or water quality issues individually). This approach takes the view that environmental change will come from integrating social, economic, and environmental factors together to achieve landscape scale outcomes.

The ICM programme was approved as part of the ORC 2021-31 LTP, which enabled ORC to facilitate the development, implementation, and review of Integrated Catchment Action Plans in collaboration with iwi and the community. As part of this process, ORC has tentatively identified eight catchment communities that over time, will each have a Catchment Action Plan (CAP) in place which will support active management of natural resources across each catchment.

The ICM process is a community led approach, supported and facilitated by ORC, that focuses the community, iwi, and stakeholders towards action that has a positive environmental impact. ORC supports the planning, implementation, and monitoring of the actions outlined in the CAP, focusing on a coordinated response, ensuring that CAPs are collectively owned by iwi, the community, and ORC. The CAP process is currently being supported with funding from the Ministry for the Environment (MfE), enabling the employment of an ORC staff member until April 2026 to support catchment groups who are wanting to develop a catchment action plan on a smaller scale than is proposed as part of the ICM programme. The plans build on the work already being undertaken by catchment groups and is incorporated into the ORC ICM programme as it is rolled out across the region.

This model is still evolving, with one CAP currently in place and another two in the earlier stages of development. There is currently no set funding stream within ORC to financially support the delivery of initiatives identified in the Action Plans; however, Council did approve a one-off investment of $100,000 in the 2024/25 FY to support the implementation of the Catlins Catchment Action Plan. The funding required to support ongoing implementation will be significantly higher than what has already been allocated, with the need for ongoing and sustainable funding raised as a concern by some Councillors as well as the community.

Under this model, it is proposed that large-scale funding would become the funding mechanism to fund the implementation of the CAPs. This model would see 'large-scale' environmental funding allocated outside of an openly contestable model, allowing ORC to direct funding to support the implementation of CAPS as they were completed.

This would constitute a closed competitive process or a direct source process under the Government Procurement Rules.[30] This would allow ORC to direct funding to support the implementation of CAPs as they were completed. Under a **closed competitive approach**, ORC could request proposals to a limited number of known organisations, which would be feasible when CAPs are confined to a specific region (and therefore a more limited pool of community organisations available to support implementation activities).

ORC may also be able to allocate funding via **direct source funding**, where ORC runs a closed process to request a tender, proposal or quote which is restricted on only one known supplier, in this case allocating funding directly to Catchment Action Groups. A direct source approach does not mean that funds are automatically allocated, these Groups would still need to submit a proposal that was evaluated, assessed on its value, and that underwent due diligence before ORC determined that the group or entity had the capability to deliver on the required outcomes. This approach would however likely require the Catchment Action Groups to be legal entities which is unlikely to be the case currently.

Alternatively, Council may allocate these funds via a **conditional grant** to align with Implementation Plan delivery. This could be administered within the ECO Fund process as a separate fund tagged for '**CAP Implementation**' however the value needed for such a fund is not yet quantifiable and would likely constitute 'small-scale' investment if considered at a project-by-project scale.

If a group or organisation within the ICM programme governance structure is directly allocated funds to support the implementation of a CAP, further processes will need to be developed and agreed to determine where and how funds are directed to support CAP implementation. This is due to the fact that currently no CAP governance group is a legal entity, and it may still be unknown whether these groups have the capacity required to lead and fund the implementation of projects within the Plan. These governance groups will still likely need the skills and capability of existing community organisations to deliver projects on their behalf.

Governance of the Model

The ICM programme is currently governed at various levels within ORC, with the Council having overall ownership of the programme and serving as the approval function to endorse CAP's, Implementation Plans and Funding.

At an organisational level, the programme is governed by the ICM Working Group which includes elected members, senior staff, mana whenua and representatives from Otago Catchment Communities Inc. The role of the Working Group is to oversee and guide the development of the programme and its ongoing future functioning. They review proposals or identify issues and guide the development and review process of CAPs. They act as the filter to Council, reviewing proposals or escalating issues to Council for endorsement or resolution.

Community governance of the ICM programme is undertaken by Integrated Catchment Groups (ICGs) which include representatives from the CAP area including community representatives, mana whenua, local authority representatives, ORC staff, DOC staff, LINZ staff and other key stakeholders. This group oversees and development of the CAP and presents it to Council to endorsement. This group and their governance function ceases once the CAP has been developed.

Locally, following CAP endorsement by Council, the CAP Governance Group is established to oversee and drive implementation of the CAP. The various groups within all levels of the overall governance structure are supported by the ICM Team within the ORC's Environmental Implementation Team who assist with the facilitation and functioning of all groups involved in the ICM programme.

The governance model above relates to the governance of the ICM Programme and CAP development. We do not propose that any changes are made to this Council approved process. The governance of this model for the context of this report, specifically relates to the governance of funding decisions, not governance of the ICM programme itself.

We propose that this model would be governed in the same way other contracting agreements are within Council, depending on the value of the contract (as per the ORC Delegations of Authority policy). It would be the role of Council to ensure that procurement best practice and policies had been adhered to, and that value for money decisions have been made as a result of the processes undertaken.

30 See Rule 14.

Fund Allocation Process

As highlighted in our introduction to this model, no consistent precedent has currently been set to allocate funds to support CAP implementation, with the funding allocated to the Catlin's CAP Governance Group still in the early stages of implementation. There are a range of procurement approaches available to Council to consider in the longer term – such as a direct funding (which is the case for the funding allocated to the Catlin's CAP), a conditional grant (which may work when only a few CAPs are in place) but this does process does not necessarily align with the intent of the 'large-scale' fund principles. The other option is to allocate funds via a closed competitive approach; however this is only feasible once more CAPs have been developed and endorsed for implementation (there is currently no one for the Catlin's CAP Governance Group to compete with).

For the purposes of our assessment under this model, we have assumed that 'large-scale' **funds would be allocated to CAP Governance Groups via a direct source approach** where funds would be allocated based on a detailed Implementation Plan that was supported by a budget that prioritised activities and outlined a staged implementation over the life of the CAP. This would outline the cost of the investment needed annually, the duration of each project or initiative under the Plan as well as identifying the outcomes that each initiative would achieve or contribute towards. A significant challenge in this approach is that funding would likely be required over a 10-year period to align with the life of the CAP. Over time, the number of CAP's will increase as will the demand for funds.

If CAP Governance Groups are not undertaking project delivery (and the name suggests that they will not), these groups will need to establish their own procurement structures to allocate the funds received from ORC further into the community to support delivery. This may inadvertently create the evolution of multiple pseudo- ECO Fund processes that become replicated across each Catchment Area or Group. Consideration also needs to be given to the ongoing role of existing organisations and legal entities that already support the CAP process on a smaller scale, such as Otago Catchment Communities Inc.

In this scenario (and which is currently the case for the Catlin's), it may be better for Council to hold the funding and allocate it to implementation activities directly, and/or to the most appropriate group to deliver the project or initiative. Caution is also needed here to ensure that Council is also not duplicating the ECO Fund process by replicating processes and structures to support CAP Implementation. This will create significant inefficiencies and pressure on internal resources with a further risk that the intent of 'large-scale' funding will be lost. Attention could become focused on the delivery of many small or one-off projects (even if they are seen to collectively contribute to a landscape scale impact over the long term).

Under this model, and a direct investment approach, Council would need to determine a set investment value for an agreed period of time to allow for CAP Implementation. This would align the priorities, with an agreed budget between the CAP Governance Group and Council. If the CAP Governance Group was not a legal entity, Council will need to work with stakeholders in the Catchment Area to identify and agree a suitable organisation who is able to hold and manage the funds on behalf of the Council and CAP Governance Group.

As the development of CAPs evolves and expands, Council will have less 'large-scale' funds to go around to support the implementation of each CAP. Once the current two-year allocation of funding ends (under the current LTP), the number of completed CAP's will have increased across the region.

At this point, Council will need to consider whether investment to support CAP implementation is equally split across each catchment group or whether investment is made through an objective measure that compares priorities against each other. This approach will also still need to consider those catchments/communities that still will not have a CAP in place by 30 June 2027.

Ongoing Management of the Model

Under this model, management of the ICM Programme and CAP process would remain unchanged, with this approach only applying to the process of the ongoing management of the allocation of the funding to support implementation of the CAPs.

ICM Programme staff would need to continue to work alongside CAP Governance Groups to source and secure additional and ongoing revenue to support the Implementation Plan past the life of the current approved ORC investment. The Council will need to consider whether this team is currently resourced to the right level to take on this additional function and role which will include the need to determine whether funding allocated is sufficient to fully fund implementation and if not, how ORC will support catchment groups to source additional funding.

Likely Timescale to Full Implementation

Currently one CAP has been completed and endorsed by Council, with a further CAP well underway and a third in the early stages of development. Through the LTP process, Council agreed to implement a staged approach to the implementation of the CAPs, with a schedule and timeline still to be approved by Council.

Implementation of this model in its entirety is likely to take five years to ensure all CAPs are completed and with endorsed Implementation Plans in place. This approach will mean that many communities and Catchment Action Groups will have to wait a long time before they can access the benefits of 'large-scale' environmental funding. This approach is not likely to be supported by ratepayers and environmental groups within those communities who have not yet begun the CAP process or who are unlikely to being this process in the short to medium term.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – introducing a funding mechanism that supports the ICM process, and the implementation of community-led CAPs is highly relevant to achieving this outcome, as the CAP process takes a landscape scale approach, involves multiple stakeholders, and takes a long-term approach to environmental management. Funding against a CAP that is supported by evidence and science, that is endorsed by mana whenua, the community, and ORC and that aligns with the community's environmental aspirations to protect the area for future generations, is highly relevant to the alignment of investment toa chieving intergenerational impact.

Facilitation of collaboration across the system – the CAP process is inherently based on the premise of collaboration and a joined-up approach to planning by ICM or catchment area, therefore implementing a funding mechanism that aligns with the CAP process would inherently meet this outcome. The prioritised projects and initiatives have already been put through a rigid planning, prioritisation, and sign-off process by the time they appear in CAP, and they have been endorsed by key stakeholders and partners. The challenge in aligning the delivery to the planning element of this work, will be the allocation framework that is used to distribute the funds, and whether this can be achieved without putting highly competitive grant processes in place that could erode the collaborative work already undertaken.

Alignment to organisational strategy and strategic direction – in theory, funding via the CAP mechanism, should create a strong alignment to strategic direction, particularly as the priorities outlined in the plans are aligned to data and evidence. Prioritising all elements within the implementation plans will be the challenge for catchment groups to determine where investment needs to be put first, especially if the funding is not guaranteed for the long term. The way in which Council actually allocates funds

towards the implementation of the Plan can impact the success of this outcome, as there is the risk that low-hanging fruit may be implemented first (to prove value), while more complex pieces of work (that could achieve greater outcomes), may be avoided if their overall value is difficult to prove in the short term. If ORC continues to use the ICM process to guide work in this area, the model to allocate funding in line with the approach will achieve strategic alignment, as long as the intent of 'large scale' funding is maintained.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses and risks of this model that ORC considered during the second Councillor Workshop. A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.



7.4.3 Funding via the Integrated Catchment Management Programme or by Catchment Action Plan	
Strengths	▪ Provides a systematic and structured approach to funding that is grounded in the key principles and outcomes Council seeks to achieve. ▪ Allows for a stronger alignment of organisational strategy to community strategy and implementation and community action. ▪ Can allow for a phased implementation of the funding approach, that can align to CAP development. ▪ A precedent for the process is already set with the CAP process in place. This will continue to evolve and develop in line with best practice. ▪ Supports the implementation of a data driven approach which is already supported by ORC and other key partners and is endorsed by mana whenua. ▪ The implementation plans are endorsed and supported by ORC, mana whenua and the community and are therefore 'implementation ready' and will require little planning and lead in time before delivery can begin. ▪ There is an internal structure already in place to support the coming together of catchment groups and supporting plan development. Allocation of funding through this model could be achieved quickly and cost effectively (but would still require additional resource). ▪ Supports cross sector and cross partner/stakeholder collaboration.
Opportunities	▪ Provides an incentive for communities to come together and commit to the planning process if they know that they will be financially supported by ORC to implement the plan. ▪ It allows for greater opportunities to plan and evaluate the projects/initiatives delivered and inform future decision making through data and evidence gained through the development of intervention logic (conducted during the development of the CAP). ▪ Provides a framework and funding to directly support communities to implement the CAPs that currently does not exist (linked to incentivisation). ▪ Can remove some of the confusion around 'large scale' funding and the decisions around its purpose and process of allocation. ▪ Can enhance on the ground collaboration and coordination by actively bringing together mana whenua, community stakeholders and ORC. ▪ Can cement ORCs leadership role in the sector by demonstrating an ongoing commitment to support both CAP and implementation in communities.
Weaknesses	▪ Investment decisions will be driven to those communities 'ready' and 'willing' to develop a CAP with catchments with high environmental needs or priorities missing out or being deprioritised if there is not an achieve CAP process in place. ▪ Currently there is not the appetite or resourcing to expedite the development of CAPs across all catchment areas simultaneously. This means that the funding may incentivise communities to develop a plan, but ORC will not be able to effectively meet demand for this within the current ICM approach. ▪ The value of the funding available and the level of investment that can be made will dilute over time. For example, Catlins as the only approved plan, could seek the full amount of the funding available in the 'large-scale' fund, but competition for the available funding would increase significantly with more CAPs being implemented. ▪ In some catchment areas, suitable governance and management structures may not be in place to hold/spend/allocate ORC funds to support CAP implementation. This is especially true where delivery against the plan needs to be completed by a third party (such as a contractor). These community groups may not have the capacity and capability to manage ratepaying funding in this manner. ▪ Capable and reliable community organisations may not have the opportunity to deliver projects or initiatives of 'large-scale' if funds are only able to be allocated to community organisations working in areas that have an approved CAP in place. This may lead to lost opportunities as a response to 'waiting'.
Risks	▪ ORC's ability to adhere to procurement best practice, accountability and transparency requirements may be limited if funding is not able to be allocated to an experienced community organisation or legal entity to oversee CAP implementation. ▪ If entities leading the implementation process are required to allocate grants and small-scale funding to other groups within the community to deliver against the plan, this could create significant inefficiencies by recreating multiple allocation and accountability structures at catchment levels. ▪ If CAP implementation is not effectively coordinated and managed to achieve landscape scale impact, the intent and purpose of 'large-scale' funding could be lost, giving rise to ad hoc delivery of a variety of projects that are uncoordinated and unconnected. ▪ Community enthusiasm and engagement (and access to suitable volunteers to drive implementation) may wane over time. It is important to note that this could occur regardless. ▪ The impact of the investment and outcomes that can be achieved in each community may wane over time as more CAPs are developed and funding is diluted. ▪ Work needs to be done to support communities to identify and secure sustainable funding streams to support ongoing delivery (if ORC does not intend on being the sole, long-term funding partner to the CAP implementation process). ▪ Groups and communities may struggle to leverage additional investment or resources if they are a newly established group (established in response to there being no suitable legal entity for ORC to invest in) and do not have a strong track record of delivery).
Financial Implications	▪ Sustainability of the funding – the impact and value will become diluted over time as more CAPs develop and the implementation requirements will be ongoing. ▪ Potentially sets the precedent and expectations within communities that ORC is the sole funder of CAP implementation. ▪ Risk that some communities will not have the opportunity to access funding, regardless of need, if there is no CAP in progress or in place. ▪ May require significant internal resourcing and support to establish and support community 'readiness' for CAP implementation. This is currently being managed internally within existing resources to support the Catlins, but it is not likely sustainable once the process is in varying stages of development across the region. ▪ Should MfE funding to support the CAP process cease, ORC will need to source this funding from other internal budgets, or source from outside the organisation. ▪ The internal capability and capacity required to shift from CAP development to funding implementation may be different to what is in place. ▪ Community readiness may drive funding prioritisation and allocation decisions that may create inequities across the region. That is, community readiness may direct funding decisions rather than environmental need.
Operational Implications	▪ An increase in internal resourcing, capacity (and potentially different capability) will likely be required as the need to support and invest in implementation activities ramps up. ▪ Resources may become spread too thin on the ground over time. ▪ Duplication and inefficiencies may occur if projects and initiatives are developed and invested in on a CAP-by-CAP basis rather than looking at opportunities for a region wide approach to meeting outcomes or addressing issues.

7.4.4 Devolving 'Large-Scale' Funding to a Third Party to Administer & Grow

Introduction to the Model and Procurement Approach

The Oxford Dictionary defines devolution as the transfer or delegation of power to a lower level, especially by central government to local or regional administration. In this case, we refer to devolution as the process of ORC relinquishing some of its power or authority to a smaller governing body within the region in relation to 'large-scale' environmental funding.

Under this model, ORC could devolve roles and responsibilities for 'large-scale' funding in several ways, such as:

Allocating the budgeted large-scale funding to an entity inside of the ORC legislative system but with arm's length control – such as an existing council-controlled entity.[31] This entity would then have the role and responsibility of administering the large-scale funding on behalf of ORC.[32]

OR

Allocating the budgeted large-scale funding to an entity outside of the council legislative and controlled system – but one that has experience and expertise in grant making or funding allocation processes. This entity would then have the role and responsibility of administering the large-scale funding on behalf of ORC. This could be a community funder or charitable entity.[33]

OR

Funding the administration costs of a separate third-party entity, whose primary purpose is to leverage additional funds or raise funds on behalf of ORC to raise the profile of the need and increase the overall pool of funds available to invest in large-scale environmental initiatives. Under this option, the function and responsibility for managing and administering the existing ORC funds could either be managed internally by ORC or contracted as a requirement of this entity (in addition to fund leveraging or raising activities). This could be a charitable entity or philanthropic fundraising organisation.

Section 17A(5) of the LGA (2002), allows for the devolution of responsibilities from local authorities to third parties, so long as the entity that is responsible for governance (in this case ORC), ensures that there is a contract or other binding agreement in place to manage these arrangements. By law, an arrangement that would see ORC contract out their roles and responsibilities to allocate funding and/or leverage additional funding on behalf, would be required to clearly specify the following:

- The required service levels; and
- How performance measures and targets were to be used to assess compliance within required service levels; and
- How performance is to be assessed and reported; and
- How the costs of delivery are to be met; and
- How risks are to be managed; and
- What penalties for non-performance may be applied; and
- How accountability is to be enforced.

The LGA (2002), also goes on to outline that these requirements do not apply where ORC is satisfied that:

- The entity responsible for delivery under the agreement is a community group or not-for-profit organisation, and if
- The arrangement does not involve significant cost or risk to the local authority.

Under this model, once a third-party organisation had been identified **(via a ROI or closed tender process)** and contracted by ORC **(under a Letter of Expectation or similar service agreement)** to administer 'large-scale' funding, they would be able to allocate the funds through a process that the contracted party considered suitable.

This process would need to align with the Government Procurement Guidelines as the funds they received were obtained from ratepayers. It would be deemed most likely, that a third-party would implement a **conditional grant** to allocate funding on behalf of ORC. If the third-party was able to leverage additional investment to support ORC's investment, the suitable contracting mechanism to govern and manage this arrangement would need to be determined and agreed by all parties.

Governance of the Model

To implement this model, ORC would need to identify, negotiate with, and confirm a suitable partner to whom it could devolve this funding to under a suitable contract or legal agreement. As well as the requirements outlined in the legislation, this agreement would need to clearly outline the expectations of ORC regarding the parameters and use of the funding, as well as the strategic intent and purpose of the 'large-scale fund'.

If a requirement was for the contracted entity to raise additional funds to leverage ORC investment, clear KPIs would need to be agreed, and it is further recommended that ORC outlines some parameters that would constitute appropriate fundraising activities, to ensure these are aligned to the values and expectations that ORC wishes to uphold.

Governance of the 'large-scale funding' would come under the remit of the contracted partner/entity, with ORC becoming a step removed from the process and having no direct governance oversight of the allocation of the 'large-scale' funds. The governance role that Council would assume under this model, would be to ensure that ORC was effectively managing the contracting arrangement between the council and the third party, and not to govern how funds are allocated.[34]

The exception to this would be where Port Otago was the contracted entity, as they would be required to include the parameters and processes to allocate the large-scale funding as part of their Statement of Intent (SOI) and Annual Report which ORC is required to approve as the shareholder.

Fund Allocation Process

Following the process to identify and contract a suitable third-party entity, it would be the role of the contracted entity to establish the systems and processes to administer and allocate 'large-scale' funding on behalf of ORC. It is likely that through the negotiation phase, ORC would request stage-gates or check points to ensure that the fund parameters were developing in line with Council approved process and expectations.

As the entity is tasked with allocating ratepayer funds on behalf of Council, the agreed process to allocate funding would need to align with Government Procurement Rules and best practice guidelines to protect the transparency and validity of the process. This may include having ORC representation on an Evaluation Panel or Fund Allocation Committee.

31 Which in this case would need to be Port Otago as the only CCO owned by ORC.
32 Note that this option has not yet been discussed or socialised with Port Otago to determine the suitability of this option.
33 For example, Otago Community Trust.
34 Unless Council representation was negotiated as part of the agreement.

In the short term, it would be considered most likely that a third-party would implement a conditional grant to allocate funding on behalf of ORC. If the third-party was able to leverage additional investment to support ORC investment, the suitable contracting mechanism to govern and manage this arrangement would need to be determined and agreed by all parties, and the allocation mechanism may change over time.

Following the allocation of funds, the contracted party would report back to ORC against their contracted outputs and outcomes while the entity would continue to monitor the performance of the funds allocated to community organisations to achieve 'large-scale' environmental impacts.

Ongoing Management of the Model

This model would effectively remove the day-to-day management functions that are required in the establishment, administration and monitoring of the 'large-scale' fund. These functions would now reside with the contracted third party and it would be their role (under the service agreement) to plan and execute the application process, review and evaluate applications or proposals (depending on the procurement model used by the third party), allocate funding, and manage delivery and performance against these funding agreements or contracts.

During the negotiation phase of the agreement with the third party, it would be expected that ORC would seek to have an ongoing role in the funding allocation decisions made by the third party to maintain suitable transparency for ratepayer funding. This ongoing role would need to be negotiated from the outset, and the ability of the ORC representative to influence grant/funding decisions may be limited.

Through contract monitoring processes, ORC would then receive regular accountability documentation from the contracted entity that would detail how they were meeting their required KPIs against the agreement. This would relate to either the allocation of 'large-scale' funding and/or the value of additional funds raised or leveraged, depending on the scope of the agreement and the agreed role of the provider.

Although the day-to-day management is transferred to another entity, ORC has an obligation to its ratepayers to effectively monitor the agreement it has in place with the third-party entity. This needs to be undertaken by someone within the organisation that has the capacity and capability to effectively manage the agreement, ensuring that the council's interests are met and that outcomes and value for money are achieved for ratepayers. This will attract an internal cost to the council.

In addition to this internal cost, the third party would seek a management fee to cover the costs of administering the fund on behalf of the council. The fee sought will vary depending on the systems already in place by the entity. For example, if ORC contracted the Otago Community Trust to administer and allocate funds on their behalf, they are likely to already have substantial skills, experience and systems in place to implement this (and a precedent of doing this with other local authorities), and the fee may be smaller than an if the contracted party was Port Otago, as they are unlikely to have grant or funding allocation systems in place to easily administer this funding on behalf of council.[35]

The key point to note in this model is that the decisions around the criteria for the use of the large-scale funding, the procurement process, the allocation decisions and the monitoring of the programmes or projects funded, becomes a step removed from ORC and therefore at arm's length control from Council. This carries an element of risk for council with decisions around the use of ratepayer funds given the proposed level of investment (currently agreed at $2 million per annum).

Likely Timescale to Full Implementation

This model could be implemented in the short-term depending on the availability of suitable third-party entities for Council to partner with.

The ability of a third-party entity to leverage additional investment to support the funds provided by ORC and to grow the overall pot of funding available for allocation, is likely to take longer to achieve.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – implementing a funding model that is at arm's length from ORC processes will result in Council also becoming at arm's length from the decisions around where investment is directed and to what priorities and communities it is directed to. The ability of ORC to direct this funding towards contributing to intergenerational impact will be dependent on how the entity prioritises investment, the focus it places on purchasing outcomes on behalf of ORC (as opposed to purchasing inputs and outputs). It is not known how effective the entity is at monitoring and reporting on the use of funding and assessing how well those working on the ground are contributing to intergenerational impact through what, and how, they deliver environmental initiatives.

Facilitation of collaboration across the system – under this model, the ability of the fund to continue to foster collaboration across the system will be dependent on the way in which the entity develops and implements the funding criteria and parameters. There are both risks and opportunities to the model achieving this outcome, both dependent on the scale of influence and control the entity has independently of ORC, and the ongoing influence ORC has in terms of influencing focus areas of the funding.

Alignment to organisational strategy and strategic direction – under this model, maintaining a strong alignment to ORC strategy and strategic direction will be challenging as investment decisions will become a step removed from the council decision making process. There are opportunities for ORC to retain this alignment, if staff can retain a role in the prioritisation and investment decisions being made by the third party on behalf of Council. There is a risk that this alignment can reduce over time and maintaining it will require a strong and enduring relationship with the contracted party (built on great communication, and sound contract management skills) to ensure funds are allocated in line with council priorities and strategy.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses and risks of this model that ORC considered during the second Councillor Workshop. A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.

35 Note we do not imply here that Port Otago would not have sufficient financial management or accountability systems in place, but more specifically, they are unlikely to have systems in place to manage the collection and review of online grant proposals, for example.

7.4.4 Devolving 'Large-Scale' Funding to a Third Party to Administer & Grow	
Strengths	▪ It reduces the internal administration and capacity requirements on ORC staff to administer and manage the funding/procurement process. ▪ It can allow for more efficient and effective procurement outcomes if contracted entities acting on behalf of ORC have the skills and expertise currently not held within Council. ▪ Can keep the Council at arm's length from the procurement process and delivery, which can reduce the perception of conflicts of interest, make the fund more attractive to co-investment opportunities, and may be viewed more favourably by the community and stakeholders. ▪ The contracted entity may be more cost effective in providing skills and expertise needed depending on overhead structures and costs.
Opportunities	▪ May open doors to additional leveraging and co-investment, or philanthropic investment opportunities if the fund is operated outside of the ORC structure and political process. ▪ Could allow for funds to be pooled across different organisations that can then be allocated and administered independently so not to favour one organisation or funder over another, contributing to more equitable funding decisions. ▪ Provides opportunities for the fund holder to benefit from charitable tax exemptions which could positively affect the overall value of the funds available to grant/allocate.
Weaknesses	▪ A portion of the ORC investment will need to be retained by the entity as an administration or overhead fee, or this fee will need to be covered from additional ORC funds. ▪ Investment decisions are made by people removed from day-to-day delivery who may hold important contextual information and existing relationships. ▪ It is not currently known if there are any suitable entities in the region who have the desire, capacity or capability to partner with ORC to implement this model in the short term. ▪ Port Otago, as an existing CCTO, is not set up to undertake charitable activities, and this fund does not align with their priorities outlined in their Statement of Intent. Therefore, ORC may need to seek an arrangement with an entity that is completely outside of the local government legislative and regulatory framework. ▪ The model will still require significant ORC oversight and management to ensure delivery against KPIs and contract is being achieved. ▪ May take some time to stand up and be fully operational, and the ability of this arrangement to leverage additional funding will likely take significant time to achieve.
Risks	▪ Transparency of the use of ratepayer funds is reduced by devolution to an entity outside of ORC. ▪ The entity contracted could be too far removed from the day-to-day work happening in the region, particularly if their core business is not supporting environmental initiatives or investment. ▪ The ORC may not be able to find a suitable entity to contract to administer funding on their behalf, or those with suitable capacity and capability may not have a regional mandate across the region (and therefore not know the communities or understand their issues). ▪ There is a reputational risk to ORC if the contracted entity does not effectively deliver what was intended, or there is a misalignment in values between the entities, or communities do not feel implementation has been fair, equitable or transparent.
Financial Implications	▪ The funding available for investment will be diluted (circa 10% p/a) to cover the administration costs met by the contracted entity. ▪ The ability (and/or appetite) of an outside entity to raise additional funds/investment on behalf of ORC may be limited. ▪ The Council may not achieve value for money if the entity is not capable of effective delivery. ▪ May create duplication or gaps in the transfer of information, data, and grant information between organisations. ▪ Duplicate funding allocation decisions may be made without insight into who each entity is allocating funding to (noting that ORC has funding streams outside of the large-scale fund). ▪ To be cost efficient, all grant making and funding activities undertaken by ORC could be transferred to an outside entity, but this could attract larger overhead costs and increased probity concerns relating to the use of ratepayer funds.
Operational Implications	▪ The model will take time to set up and establish, especially if there is no entity willing and able to take this role on. ORC will need to establish trusting relationships prior to entering a formal contracting arrangement. ▪ It is unlikely that one single entity exists that could take on this role and that also has full regional reach and coverage that aligns with ORC boundaries. This may mean multiple agreements could be required to achieve coverage, which would create a range of risks and financial considerations. ▪ Administering this arrangement would still require a significant level of internal capacity and capability to ensure the fund was effectively being administered and aligned to ORC strategy and priorities. ▪ The ability of the contracted entity to make sound and effective funding decisions may be at risk if the scope or scale of this fund is outside of their core business, or area of expertise.

7.4.5 Joint Venture – Collaborative or Co-Funded Arrangement

Introduction to the Model and Procurement Approach

Sections 12 and 14[36] of the LGA (2002), outline that a *regional council must exercise its powers wholly or principally for the benefit of its district for all or for significantly part of its region, and not for the benefit of a single district*. These sections, however, do not preclude territorial authorities or regional councils from engaging in a joint undertaking, joint activity, or a co-operative activity as would be the case in this proposed model.

Equally, these sections in the legislation do not prevent local authorities from making donations (money, resources, or otherwise) to another local authority, or to another person or organisation outside of the district, region, or outside New Zealand Aotearoa if the authority considers that there are reasonable grounds to do so that create benefit to its district, region, or the communities within. Section 14 (1) further states that a local authority should collaborate and cooperate with other local authorities and bodies, as it considers appropriate, to promote or achieve its priorities and desired outcomes, and make efficient use of resources.

Essentially, the legislation allows for regional councils to undertake collaborative and joint activities in partnership with their local authorities, and other reasonable parties, where there is deemed a benefit to their communities in doing so. Collaborative arrangements look very different depending on the partners involved, the outcome, and purpose of the collaboration, and the regulatory environment. Collaborative practices fall on a spectrum from soft or informal arrangements to hard or more formal arrangements. A joint venture is at the hardest end of the spectrum and will therefore likely apply in a fewer number of settings.[37]

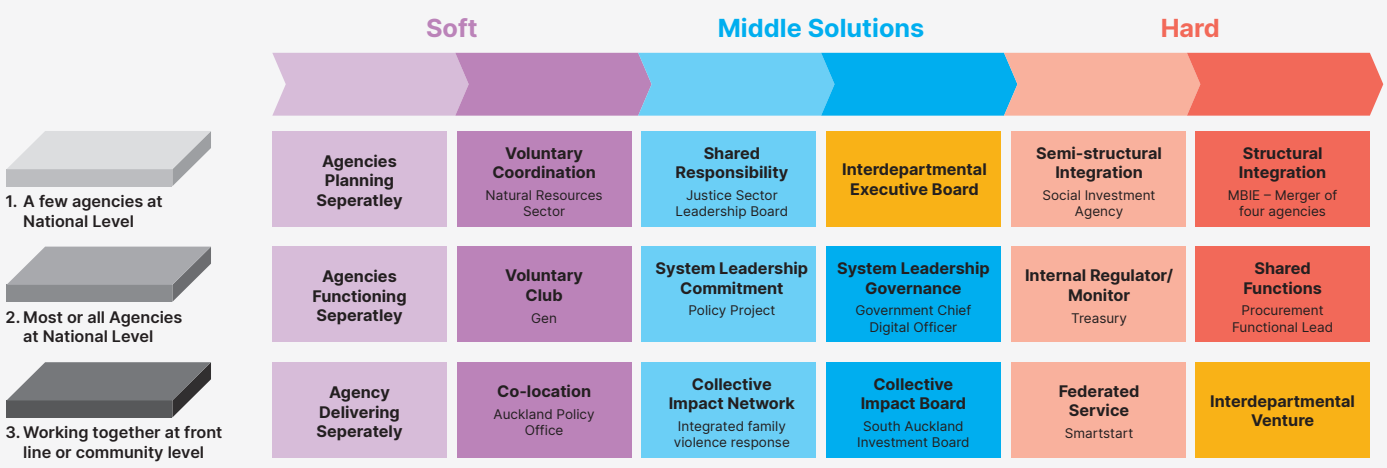
In 2017, the Public Service Commission released a Toolkit for Shared Problems and outlined the continuum of aligning problem contexts with collaborative solutions. While this is focused on central government responses, there is relevance in understanding this continuum from a local government perspective, and the implications for ORC of a joint or collaborative arrangement in the allocation of large-scale funding.

This continuum is outlined in Figure 10 below, noting the most relevant activities on the continuum in this context relate to those in the bottom line of the continuum (where entities are working together at the front line or community levels).

Over recent years, reviews of collaborative models have been investigated with the OAG undertaking a review of local authorities working together in May 2004. While now reasonably outdated, this review did investigate 12 different joint arrangements that were in place across the country, which ranged from staff sharing arrangements, joint procurement, combined planning, and cooperative service delivery models.

The opportunity for ORC to enter a collaborative or joint model to allocate large-scale environmental funding does exist, with a range of options being available for ORC to consider. These models could contribute to enhancing best practice, achieving economies of scale, improving coordination, and collaborative funding of services/projects that contribute to achieving better community and environmental outcomes.

Figure 10: Toolkit for Shared Problems Continuum



36 Section 12(6), subsections (4) and (5), and Section 14(1) (e)
37 Scott and Gill, Public Service Commission & Public Service Act 2020.

It could potentially be argued that if ORC focuses on the development and strengthening of relationships with key stakeholders and the wider funding sector, then a variation of this collaborative model will organically develop over the longer term. Our assessment under this model is taken from the standpoint that a deliberate and intentional joint venture should be the intended outcome, noting that mutually beneficial, high trust and strong strategic relationships will be a precondition for any informal or formal joint venture or collaboration.

Given the size of the available funding, the maturity of the existing relationships and partnerships across the region[38], and the current models of investment being used by ORC and other local authorities, we would envisage a collaborative, joint, or co-funded model to constitute one of the following:

A collaborative arrangement between ORC and one or more of the other local authorities in the region.

OR

A collaborative arrangement between ORC and another philanthropic or community partner that either has a regional or national remit to support environmental initiatives. This could include a collaborative arrangement with a community, or philanthropic funder (such as Otago Community Trust), or a central government agency or department (such as DOC).

OR

A collaborative/joint arrangement between ORC and an iwi-based entity such as Aukaha or direct with Ngāi Tahu.

From a procurement perspective, **a joint venture or collaborative/co-funded arrangement could constitute a conditional grant or a relational purchase** under the Government Procurement Guidelines, depending on the scope and scale of the partnership/collaboration.

Governance and Management of the Model

Collaborative arrangements take time to develop, both at a governance and management level, and it's acknowledged that no one model is the 'right' model to implement. The right model is one that meets the needs and aspirations of the partners involved and can work within the financial and regulatory constraints faced by the partners.

At a governance level, there are a range of frameworks and options that can be put in place to govern a collaborative arrangement, however, regardless of a formal mechanism, there will need to be commitment, buy-in, and regular engagement at a CEO and Board/Councillor level to ensure effective leadership.

The scope of the collaboration (taking a continuum approach) for ORC to consider managing and 'large-scale' funding could include:

A Formal Partnership or Arrangement (hard end)

This would see ORC enter a formal arrangement with at least one other partner/organisation to outline a framework for the governance and management of pooled or joined funding for investment into large-scale environmental projects of initiatives (with a scope that could also expand over time).

This formal arrangement could include a Service Level Agreement or Shared Service Arrangement between one or more partners and would clearly outline the roles and responsibilities of each partner as well as the accountability mechanisms to ensure transparent and effective use of funds. The parameters of this arrangement would change depending on the nature and purpose of the joint venture, with more stringent requirements in place if shared funding arrangements were used, compared with an agreement or intent to collaborate to achieve better grant making and funding allocation decisions.

A Memorandum of Understanding (middle solution)

The establishment of a Memorandum of Understanding (MoU) could include a spectrum of governance and management arrangements which could include the existence of a formal steering group or advisory group that exists at a governance and senior leadership level within the partners. This structure would help ensure that duplication is reduced, gaps are identified, and efficiencies are identified in funding decisions. Care would need to be taken with this type of arrangement to ensure that privacy and sensitive financial information are shared appropriately.

Regardless of the formality of the joint venture, or how the partnership develops to shift from softer to harder along the continuum, ORC needs to be cognisant of the following governance (and management) considerations:

- How internal resources and costs would be allocated and managed to support the establishment and operations of the joint venture, and agreement on the internal staff and administrative costs that would be met by ORC and other parties.
- How ORC would support external costs that may be incurred through a joint venture (such as branding and marketing costs to implement a co-funding initiative).
- The decision making and accountability mechanisms that would be used to account for multi-agency investment, particularly if the investment is not equal across partners, and/or where investment is balanced between cash and in-kind investment.
- How the joint arrangements would be monitored and evaluated in relation to both the strength of the relationship or collaboration as well as the success of the co-investment/co-funding.

At a management level, there will need to be a clear understanding of the aspirations and outcomes that the relationship sets out to achieve, and a clear line of sight from governance to the day-to-day management of the relationship and arrangement. Collaborative partnerships rarely succeed where there is an absence of either consistent and aligned goals, values, and approach at either a management or governance level. The way that the arrangement would be managed within ORC will be dependent on the nature and extent of a collaborative or co-funded arrangement, but clear roles and responsibilities will need to be outlined and agreed, particularly if the arrangement requires the pooling or coming together of funds, where one agency may be holding and administering funds on behalf of another.

Fund Allocation Process

This process assumes that the joint venture involves co-investment and goes beyond an MoU or commitment to work together. Following the full establishment of the Joint Venture, funds would be allocated to the collective governance group under a Shared Service Arrangement or Service Level Agreement.

The governance group of the Joint Venture, of which ORC would play a key strategic role, would work together to establish and agree suitable systems and processes for allocating the funds. Under this model, one entity may need to take the 'lead' role, offering up the use of their existing systems and structures to support the administration, allocation and monitoring of the funds. It would be inefficient and ineffective to create new and independent systems and structures under this approach with

38 We are specifically referring to the lack of an existing arrangement with a non-government partner or potential co-funder in this example.

suitable mechanisms available to the partners to confirm these types of arrangements, including any suitable administration or overhead fee that might be incurred by the 'lead' partner.

Depending on the size and scale of the investment available, and the number of partners to the joint venture, it is likely that the funding arrangements would evolve over time as the joint venture becomes more sophisticated. It may start as a conditional grant allocation process and evolve to a more structured procurement or purchase arrangement over time (and as investment grows). The impact of the investment initially may be focused towards reducing duplication and increasingly efficiencies, which may be achieved through a conditional grant making process that is inherently collaborative in nature.

Funding allocation decisions would be made by an Evaluation Panel which would include representatives from the partners of the Joint Venture, with the outcomes of the process reported back to the ORC by the Governance Group representative.

The Joint Venture may require that ongoing fund administration and management processes are undertaken via a collective management group that includes representatives from the partner organisations (such as a Steering Group). This group could collectively monitor the delivery of contracted outputs and KPIs and report this back to the Joint Venture Governance Group and to ORC.

If over time, the funds allocated by each partner to the collaboration may change, and while it is assumed that ORC would take the lead role in this model, this may change over time if the level of investment made by ORC was to change. This could have an impact on the level of influence ORC had through the funding and allocation processes and in allocation decisions. This could also result in funding allocation processes and decisions moving away from the priorities identified by ORC and closer towards the priorities of other funders (should the value of their funding increase in line with or exceeding that of ORC).

Likely Timescale to Full Implementation

Developing high trust and collaborative models can take significant time to develop and embed and there are several factors that need to come into alignment simultaneously to ensure an arrangement such as this is achievable. This includes alignment of organisational priorities and expectations, budgeting and funding cycles and the need for collective leadership at all levels to make these types of initiatives successful. They require a commitment to look beyond the achievement of operational efficiencies and towards the long-term vision of the collaboration.

Considering the current strengths of the existing partnerships and relationships across the region (as identified during the consultation process), we would anticipate this model to be a longer-term aspiration for Council, with an expected timeframe to full implementation to be at around three to five years. This timeline could change however if the right conditions for collaboration are able to be met sooner.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – this model can encourage a long-term view of investment that is based on the aspirations of multiple partners, particularly when mana whenua are key partners in a joint venture or collaborative model. The level of intergenerational impact a joint venture can achieve will, however, be dependent on all partners being able to align their priorities and approaches and collectively agree to continue to support the collaboration for longer than one funding or LTP budget cycle. The ability to achieve intergenerational impact will likely correlate with the ability of the partners to collectively align their priorities and investment.

Facilitation of collaboration across the system – a truly collaborative model by nature allows for more relational approaches to problem solving and service delivery that usually allow for innovation. It is important to distinguish between the collaboration at a funder or regulator level, and collaboration at a community or provider level. For this model to support the achievement of increased collaboration across the system, ORC will need to lead by example, with clear roles and responsibilities in place (and working effectively), before enabling collaboration at a community level. Instilling a culture of collaboration at all levels within the system is ideal in the long term.

Alignment to organisational strategy and strategic direction – this model can enable alignment to strategic direction if priorities, and criterion for funding are agreed by all partners in the joint venture and are clearly communicated. This could prove challenging where multiple partners may have competing, or misaligned priorities, or where investment or decision-making rights are not equitable across all partners of the collaboration, particularly if ORC did not remain the 'dominant' partner over time. All partners to the Joint Venture will need to be in alignment to ensure investment decisions are aligned to the collective strategy and priorities.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses, and risks of this model that ORC considered during the second Councillor Workshop. A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.

7.4.5 Joint Venture – Collaborative or Co-Funded Arrangement	
Strengths	▪ The model can be developed and scaled up over time – it can grow and evolve as it becomes more mature and embedded, for example, growing the number of partners involved, the level of funds committed or the addition of non-government partners in the joint arrangement. ▪ Has the ability to reduce administration and compliance costs of grant making and procurement activities in environmental initiatives across local authorities in the region. ▪ Greater coordination of investment decisions across local authorities can strengthen capacity and capability in this area. ▪ Provides opportunities for ORC to leverage additional investment and funds that contribute to enhanced environmental outcomes. ▪ Allows ORC to take a clear leadership role with their stakeholders and partners.
Opportunities	▪ Potential to solidify a formal partnership with mana whenua and path to co-investment with mana whenua. ▪ Potential to solidify a path to formal partnership with a philanthropic entity and a path to co-investment with a philanthropic investor. ▪ Has the ability to reduce duplication in grant making and procurement activities in this area, as well as streamlining the application and accountability processes for community groups and providers. ▪ Has the potential to increase trust between partners – at all levels within the system. ▪ May provide ORC with opportunities to access systems and processes that are not currently available to the organisation, that may arise as a result of a collaborative arrangement. For example, access to sophisticated grant/funding allocation and accountability technology or frameworks a partner may have access to.
Weaknesses	▪ It may be challenging to align the environmental and investment priorities of partners under a joint arrangement, particularly given regional variance. ▪ It is unlikely that other potential partners will have the scale of responsibility and investment available that matches ORC – creating an imbalance of power and potential risks to collaborative decision making. ▪ Achieving alignment of funding priorities across multiple mandated geographical boundaries can be difficult. ▪ ORC cannot implement this model alone, and regardless of the readiness and desire of ORC to progress this, implementation will require the existence of at least one other partner who is at the same state of maturity or readiness to also commit/come together/co-invest.
Risks	▪ The political and media environment may identify any negative situation that arises from a joint arrangement as a ‘failure’ or ‘waste’ which may cause reputational damage for all parties. ▪ The internal cost to establish a collaborative or joint arrangement can be high, including time of internal staff resources to identify, negotiate, and manage joint arrangements, as well as legal costs. ▪ There may be disruptions to the existing arrangements or funding allocations while ORC transitioned to a new joint arrangement. ▪ The value proposition and benefit of a joint arrangement may not be strong enough for ORC to attract potential partners. ▪ The partnership and collaborations need to be already working in practice before becoming formalised – forced partnerships are rarely effective. ▪ It may be difficult to identify and implement an equitable joint arrangement, if, in a co-funding arrangement, all partners are not able to equally contribute. This may create challenges with perceived power imbalances or imbalanced distribution of funds.
Financial Implications	▪ It may be difficult to obtain equality in investment across partners able/willing to collaborate. This can create challenges and tensions in achieving equity in funding allocation and investment decisions (e.g. those with more money wanting to have more power in decision making). ▪ The collaborative partnership will need to clearly determine and agree the scope of the partnership – whether that is to work together for better environmental outcomes, or whether they will contribute joint funding to support grant funding or investment into community initiatives. ▪ The administration costs (both internally to ORC and of the collaborative arrangement) may outweigh the direct financial benefit of the arrangement - that is, it may not be cost efficient or effective to have the arrangement in place. ▪ The financial sustainability of the arrangement needs to be considered, especially if the collaborative arrangement is with an entity outside local government, due to differences in their planning and budgeting cycles. This can be equally challenging within the council structures as commitments are only likely to be made for one three-year LTP budget cycle (and then revisited annually as part of the Annual Plan process).
Operational Implications	▪ The planning cycle and process for operational decision making may not align across ORC and others in a collective arrangement, especially those entities or funders outside of local government. ▪ Long-term trusting relationships and partnerships take time to evolve and develop and required commitment and leadership from senior levels within the organisation. ▪ It will likely take time, effort, and resource, to find the right partnership opportunities and alignment to suitable partners where there is alignment in strategic and operational aspirations, and geographical reach and coverage. ▪ Working to develop and confirm an arrangement such as this in place will take considerable internal leadership capacity and capability to drive this forward – this type of collaboration does not happen by chance and will require intentional commitment and dedication to move forward. ▪ Future-proofing the arrangement can be challenging if leadership or priorities of partners and/or co-funders changes, even if ORC’s commitment doesn’t wane. This can impact long-term funding relationships and credibility with communities and the environment sector.

7.4.6 Establish a Council Controlled Organisation (CCO)[39]

Introduction to the Model and Procurement Approach

The Local Government Act (2002) provides local authorities with the ability to establish subsidiary entities to conduct both commercial and non-commercial activities. Under this model we refer to the establishment of a CCO in the broadest terms, which could mean a Trust or Incorporated type structure, with the intent of undertaking non-profit making activities. Amendments to the Act in July 2004 now outline the following definitions and explanations of the meaning of "council-controlled organisations" (CCOs) and Council Organisations[40] In the legislation, a CCO can relate to a range of structures including:

- A partnership
- A profit-sharing arrangement (excluding port, energy and electricity lines companies and their parent companies, as defined under Section 6(4) of the Act[41])
- A Trust
- Union of Interest
- A Joint Venture or
- Other similar arrangement (but excluding a company, committee or joint committee of a local authority)

Under this model, ORC would seek to establish a separate entity in line with the statutory requirements of the applicable legislation – being one or more of either the LGA (2002), the Charities Act (2005) and/or the Incorporated Societies Act (2022). This entity would then hold the funds allocated by ORC as an endowment that would then have grant making powers to distribute funds to communities with the interest earned from investments.

Over time, there could be opportunities for the Trust[42] to leverage and benefit from additional tax incentives that come through this structure or model or receive and hold additional investments made to the Trust by way of donations from individuals or other groups/funders.

This report does not detail these potential opportunities, as we are not qualified to do so, and with pending changes to the tax policies governing Charities and Incorporated Societies (which are currently under consultation), these may not apply to the same extent in future decision-making processes.

Regardless of the potential tax benefits from having these funds held in a standalone entity outside of ORC (but that is essentially owned by ORC), there are a number of factors ORC need to consider in determining whether this is a suitable funding mechanism to adopt in the short term. This acknowledges that there is "no perfect model" of CCO, and the structure, directors, monitoring and accountability framework used will all be dependent on the purpose of the CCO.

In considering whether a CCO should be established to administer environmental funding, ORC needs to consider the statutory requirements that it must meet in establishing, operating, and monitoring a CCO which include:

- The requirement for community consultation prior to establishment
- The requirement to adopt and enact a policy relating to the objective and transparent process of identifying required skills and experience of directors, appointment of directors, and remuneration of directors
- Considering and commenting on a draft Statement of Intent which the entity must prepare
- ORC outlining the policies and objectives of the CCO in the LTP and AP
- Effectively monitoring the performance of the CCO to determine whether it is achieving its objectives
- Monitor actual performance and achievements against planned performance in the Annual Report
- Provide audited financial accounts

These elements come with considerable resource and monetary costs to both ORC as the establishing body, as well as the CCO in its operations to ensure both parties meet their statutory requirements.

Governance of the Model

To implement this model, ORC would need to facilitate and support the process of establishing the new legal entity which would require ORC to undertake community consultation (as required under the LGA, and if favourable) establishment of a Trust Deed or Constitution, develop a policy to appointing directors and their renumeration, lead the process to appoint directors, and develop key policies and procedures required to establish the entity. This initial process would require significant investment from ORC in time and resource and would require significant governance and management oversight from Councillors and senior staff.

Following its establishment, of the CCO, ORC would need to take an interim governance role until staff and directors could be appointed to the entity and begin operations independently of ORC. Once these systems were in place, the CCO or Trust would set to develop their funding criteria and parameters and establish the structures necessary to make investment allocation decisions to support 'large-scale environmental projects or initiatives.

Governance of the 'large-scale funding' would then come under the remit of the new entity, with ORC becoming a step removed from the process and having no direct governance oversight of the allocation of the 'large-scale' funds. The governance role that Council would assume under this model, would be to ensure that ORC was effectively managing the contracting arrangement between the council and the Trust and not to govern how funds are allocated. In this case, as the ORC would be the sole shareholder of the CCO or Trust (at least initially), it is likely that suitable ORC representation can be negotiated on the Board and reflected in the Trust Deed or Constitution. In this situation, a senior staff member would be the most appropriate member to sit on the Board given there can be regular turnover of elected members.

Fund Allocation Process

Following the process to establish the CCO and establish the scope of roles and responsibilities, it would be the role of the CCO or Trust to establish the systems and processes to administer and allocate 'large-scale' funding on behalf of ORC.

It is likely that through the establishment phase of the entity, that ORC would request a seat at the table, specifying that ORC has a senior management or Councillor acting as a Trustee or Director under the Constitution, to retain an ongoing involvement in funding decisions.

As the CCO or Trust is tasked with allocating ratepayer funds on behalf of Council, the agreed process to allocate funding would need to align with Government Procurement Rules and best practice guideline to protect the transparency and validity of the process. This can be achieved by having an ORC appointed Trustee or Director.

39 We use CCO here in its broadest sense as defined by the LGA to include both profit making and non-profit making entities but do exclude the notion of establishing a CCTO from this analysis.
40 Reference LGNZ legislation – Section 6
41 The activities of these entities are governed by the Energy Companies Act 1992, and the Port Companies Act 1988.
42 We use the term Trust in our analysis as we have deemed this the most appropriate non-profit making CCO structure available to ORC through the legislation.

In the short term it would be considered most likely, that a CCO or Trust would implement a conditional grant process to allocate funding on behalf of ORC. If the CCO or Trust was able to leverage additional investment to support ORC investment, the suitable contracting mechanism to govern and manage this arrangement would need to be determined and agreed by all parties, noting that the allocation mechanism may change over time.

Following the allocation of funds, the CCO or Trust would report back to ORC against their contracted outputs and outcomes while the CCO or Trust would continue to monitor the performance of the funds allocated to community organisations to achieve 'large-scale' environmental impacts.

Ongoing Management of the Model

Once established, the new entity would have the ability to develop funding criteria and parameters and make investment decisions as it saw fit within the confines of its Statement of Intent or Constitution, with investment decisions made by the appointed Trustees or Directors. The performance of the entity would be contractually agreed and managed by the entity and ORC, but ORC would not have direct control over the funding decisions made by the Trust or CCO.

It is likely that this management role would also look at additional investment opportunities through donations, bequests, or other opportunities to leverage funds. The CCO or Trust would then report their performance against these measures back to the ORC.

Likely Timescale to Full Implementation

ORC is required to undertake a detailed statutory process prior to proceeding with establishing or funding a CCO or Trust and a key requirement of this process is to undertake community consultation. Given the time, cost and resource required to undertake consultation, it would be feasible to consult on this approach in the development of the ORC's next LTP, which will take place in late 2026/early 2027 for the 2027-2037 LTP cycle.

The outcome of the consultation process, and whether ORC should proceed with the establishment of an entity will not be known until mid-2027. If at this point, this approach is deemed reasonable, as the other required statutory processes will take significant time to put in place, depending on the level of internal resource dedicated to its establishment and operations.

For these reasons, we would anticipate this model to be a longer-term aspiration for Council, with an expected timeframe to full implementation to be at least five years.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – establishing a separate entity to plan, administer, and monitor investment in large-scale environmental initiatives/projects (and possibly in time, additional ORC environmental investment) can achieve enduring impacts as the funding system can operate outside of the direct local government planning and budgeting cycles. The level of impact will be dependent on how the entity is established and initially funded, and its success in obtaining additional funding or leveraging additional investment. The true impact of the investment will however be contingent upon the funding allocation mechanisms that are put in place and the criteria established to allocate funding. As decision making will be removed from ORC and undertaken by a standalone governance board, intergenerational impact will be dependent upon the entity establishing processes that align with best practice and avoiding the pitfalls of other funding structures (such as contestable unconditional or conditional grant making processes).

Facilitation of collaboration across the system – the ability of this model to facilitate collaboration across the system will be dependent on the how the entity is established and operated. If this outcome is clearly defined in the establishment documentation of the entity, and if the performance against this outcome is clearly monitored by ORC, there is the opportunity for this model to support system collaboration. As is the case under each model, the success of enhanced collaboration across the system will be dependent on the leadership provided by ORC and having funds and processes in place that incentivise and reward collaboration.

Alignment to organisational strategy and strategic direction – there is a risk that funding and investment decisions made by an independent entity can lose their alignment to the ORC strategy and direction. In time, if the Trust acquired funding from additional partners, this could be further challenged if priorities became competing between funders (for example, ORC may not remain the dominant funder over time, and priorities of another investor may dwarf the priorities of Council). As a standalone entity, funding and investment decisions will be based on aligning with the organisations Statement of Intent, Constitution, or Trust Deed (depending on the legal structure) and made by an independent governance structure. It may be possible for there to be ORC management or Councillor representation on a funding allocations committee or panel, but careful consideration would be needed to determine if this was appropriate, given that a key reason for establishing such as entity is to allow it to operate at arm's length from Council.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

In our review of the literature and from the feedback we received in the stakeholder interviews, we formed an assessment of the strengths, opportunities, weaknesses and risks of this model that ORC considered during the second Councillor Workshop.[43] A summary of this analysis is outlined below. In addition, further operational and financial considerations for ORC are also outlined in this section.

43 Additional information has been added to this assessment following further review of the literature and data.

7.4.6 Establish a Council Controlled Organisation (CCO)	
Strengths	▪ The entity can have a separate brand and identity that distances it from the Council. This can allow for more meaningful engagement with communities and potential funders/donors. ▪ The entity could access charitable tax benefits and leverage charitable benefits and additional investment. ▪ The entity can leverage additional investment in the way of donations, bequests or investments. People may be more likely to make these types of directed donations to a charitable entity over a council entity. ▪ An independent governance board and structure removes funding decisions from political decisions. ▪ A skills-based governance board allows for improved commercial and investment decision making. ▪ Financial risk is ring-fenced under a charitable or incorporated society structure which protects ORC from financial liability from an activity or another party. ▪ Separation of financial from political decision making.
Opportunities	▪ If additional funding is leveraged, it can Increase the overall pot of funding available to invest in environmental initiatives. ▪ It could lead to the creation of innovative funding and partnership arrangements, led by ORC. ▪ Could achieve regional spread and landscape scale environmental outcomes if the scale of leveraged investment allows (for example, additional funding secured from a funder that has cross-regional coverage). ▪ Can lead to greater community empowerment as a Trust model allows for communities to have a closer involvement in decision making. ▪ The entity can access additional revenue from a wider source of funding options than would be available to Council – such as receiving bequests, donations and grants from individuals or other Trusts and philanthropic investors. It may also create opportunities for alignment to the tourism and commercial sectors.
Weaknesses	▪ It will take considerable time and resources to establish and to be fully operational. ▪ Will require separate policies to outline the governance, management and accountability requirements of the entity to ORC. ▪ The new entity will require funding to administer and run its operations, including remuneration of directors/trustees and it may not be cost-effective to do so. ▪ There will be additional workload and expectations placed on existing Councillors and/or ORC staff to ensure the new entity has effective representation. ▪ Investment decisions could become more closely linked to community expectations rather than council priorities or strategy. ▪ This can lead to reduced direct accountability to ratepayers for the funding and allocation decisions made by the Trust/entity. ▪ The Trust will incur additional ongoing costs to manage and monitor the performance of the entity that can dimmish the value of the investment that can be made directly into communities.
Risks	▪ Until such time as additional investment is leveraged to support initial ORC investment, the model can be seen as costly, with little direct benefit to ratepayers. ▪ ORC policy and environment expertise and knowledge becomes removed from the decision making and grant allocation processes. ▪ Investment decisions can lose alignment with strategy and ORC priorities. ▪ There is a reduced ability for Council to manage risk – arm's length delivery can make managing reputational risk more challenging. ▪ If ORC seeks to appoint Councillors as directors, this raises a concern in relation to management of conflicts of interest and potential double payment to elected members for undertaking a role they were already undertaking before the entity was established.
Financial Implications	▪ There will be an ongoing annual cost to manage and administer the entity as it will require its own financial accounts, staff to administer the activities of the entity and possible renumeration of Trustees/Directors. ▪ The charitable incentives that could be achieved through this model may not out way the costs, especially considering possible proposed tax changes for charitable entities. ▪ ORC needs to determine the long-term sustainability of the Trust in the long term and whether leveraged investment is likely, or whether the interest earned off the initial endowment is sufficient to sustain investment in large-scale environmental initiatives in the long-term. ▪ The model may not present value for money without committed co-investment or funding.
Operational Implications	▪ The model will take considerable time, cost and resources to establish and to become operational. ▪ Will require internal support to establish a legal structure, board and to establish and employ staff to manage the ongoing operations of the entity plus any contracting or funding arrangements between ORC and the entity. ▪ Will need dedicated resource to attract and confirm co-funding or co-investment arrangements. ▪ Council needs to consider whether this model is the best mechanism to achieve the Councils objectives. ▪ The model will need to prove it can provide value for money and increase efficiency over other models. ▪ ORC will need to determine whether it has ongoing capacity and capability to oversee the entity as ongoing oversight will include requirements to: ▪ Appoint/reappoint Directors or Trustees ▪ Manage an effective relationship between Council and the entity ▪ Set up and ongoing adherence to an appropriate monitoring framework ▪ Engaging with accountability and reporting documents prepared by the entity and ▪ Meeting the ORCs own accountability and reporting requirements under the LGA (2002). ▪ ORC will need to ensure that the LGA (2002) requirements of a CCO/Trust are met including the preparation and auditing of separate financial accounts, as well as branding, marketing etc.

7.5 Summary of Model Alignment to Key Principles and Outcomes

Below is a summary of the key factors and variables for each of the six-models. We have also assessed the likelihood of the model achieving the agreed key principles and outcomes of 'large-scale' environmental funding. Note that an assessment of 'likelihood' has been made based on our assumptions from the information we had available to prepare this report. A model's overall likelihood of success cannot be identified as this stage of the process and would be dependent on several factors that are not yet confirmed or are unknown.

Figure 11: Summary of Funding Model Features and Alignment to Key Principles and Large-Scale Fund Outcomes

Funding Model – Large-scale Contestable or Grant Making Fund		
Procurement Approach	Conditional Grant administered by ORC	
Governance of the Mode	ORC CEO & Councillors	
Process to Allocate Funds to Project Delivery	▪ Open application process via existing grant portal. ▪ Applicants reviewed and scored against consistent criteria. ▪ Top scoring or complying applicants receive funding (values usually variable). ▪ ORC enters into grant agreement and undertakes monitoring and accountability to project completion.	
Ongoing Management of the Model	Administration of the Fund and ongoing contract management undertaken by Environmental Implementation Team.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Unlikely**
	Facilitation of Collaboration across the system	**Unlikely**
	Alignment to organisational strategy and strategic direction	**Possible**

Funding Model – Structured Purchasing Approach (minor or major relational purchase)		
Procurement Approach	Single or multi-stage process via ROI, RFP, RFT administered by ORC	
Governance of the Mode	ORC CEO & Councillors	
Process to Allocate Funds to Project Delivery	▪ ORC seeks interested organisations to complete a ROI which assessing their eligibility against a pre-set criterion. Offer is advertised via GETs. ▪ Interested organisations who meet the eligibility conditions, register their intent to apply. ▪ RFP is released to those parties who have submitted and met the conditions of the ROI (either directly or via GETs). ▪ RFPs reviewed against a weighted scoring matrix and preferred suppliers identified. ▪ Contracts negotiated and agreed following approval from Council. Delivery monitored against contracts outlining key milestones and KPIs.	
Ongoing Management of the Model	Administration of the Fund and ongoing contract management undertaken by Environmental Implementation Team.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Likely**
	Facilitation of Collaboration across the system	**Likely**
	Alignment to organisational strategy and strategic direction	**Likely**

Funding Model – Funding via the ICM Programme or by CAP		
Procurement Approach	Direct source purchase administered by ORC	
Governance of the Mode	ORC CEO & Councillors	
Process to Allocate Funds to Project Delivery	▪ Following ORC endorsement of a CAP, the CAP Governance Group prepares a staged Implementation Plan and budget with input from ORC. ▪ CAP Governance Group prepares a proposal to seek investment from ORC for a 2-yr period. ▪ ORC reviews the proposal and allocates funds to support CAP implementation via a direct source purchase. ▪ CAP Governance Group (or other suitable legal entity acting on behalf of the Governance Group such as an 'umbrella entity') distribute funds to projects and initiatives prioritised within the CAP. ▪ CAP Governance Group report back to ORC on delivery of projects against Implementation Plan. ▪ After the initial two years of the 'large-scale' funding, the process is reviewed and a prioritisation framework developed to help guide future CAP investment decisions. This accounts for more CAPs being in place and greater competition for funds across the region.	
Ongoing Management of the Model	Administration of the Fund and ongoing contract management undertaken by Environmental Implementation Team	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Likely**
	Facilitation of Collaboration across the system	**Likely**
	Alignment to organisational strategy and strategic direction	**Likely**

Funding Model – Devolving 'Large-scale' Funding to a third party		
Procurement Approach	Purchase arrangement to secure a third-party entity via closed RFT or direct purchase administered by ORC Allocation of funds by the third-party to the community could be via conditional grant or purchase.	
Governance of the Mode	ORC CEO & Councillors to ensure performance of the third-party. CEO & Board of the Contracted Party to govern the 'large-scale' fund.	
Process to Allocate Funds to Project Delivery	▪ ORC seeks ROI from interested entities wishing to partner with them. ▪ If multiple parities come forward, ORC runs a closed tender to determine the most suitable partner. ▪ If only one interested party is identified, following due diligence, ORC enters into an agreement (such as letter of expectation) to outline roles and responsibilities and processes for allocating ORC 'large-scale' funding. ▪ The contracted party develops and administers their own fund process and parameters to allocate 'large-scale' funding. ▪ Funds are allocated via the process established by the contracted entity. ▪ The contracted party reports back to ORC against their contracted outputs and KPIs and ORC monitors their performance.	
Ongoing Management of the Model	▪ Administration of the Fund is undertaken by the contracted entity. ▪ The contract administration and monitoring of contract performance undertaken by either an experienced ORC staff member within the Procurement or the Environmental Implementation Teams.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Possible**
	Facilitation of Collaboration across the system	**Possible**
	Alignment to organisational strategy and strategic direction	**Possible**

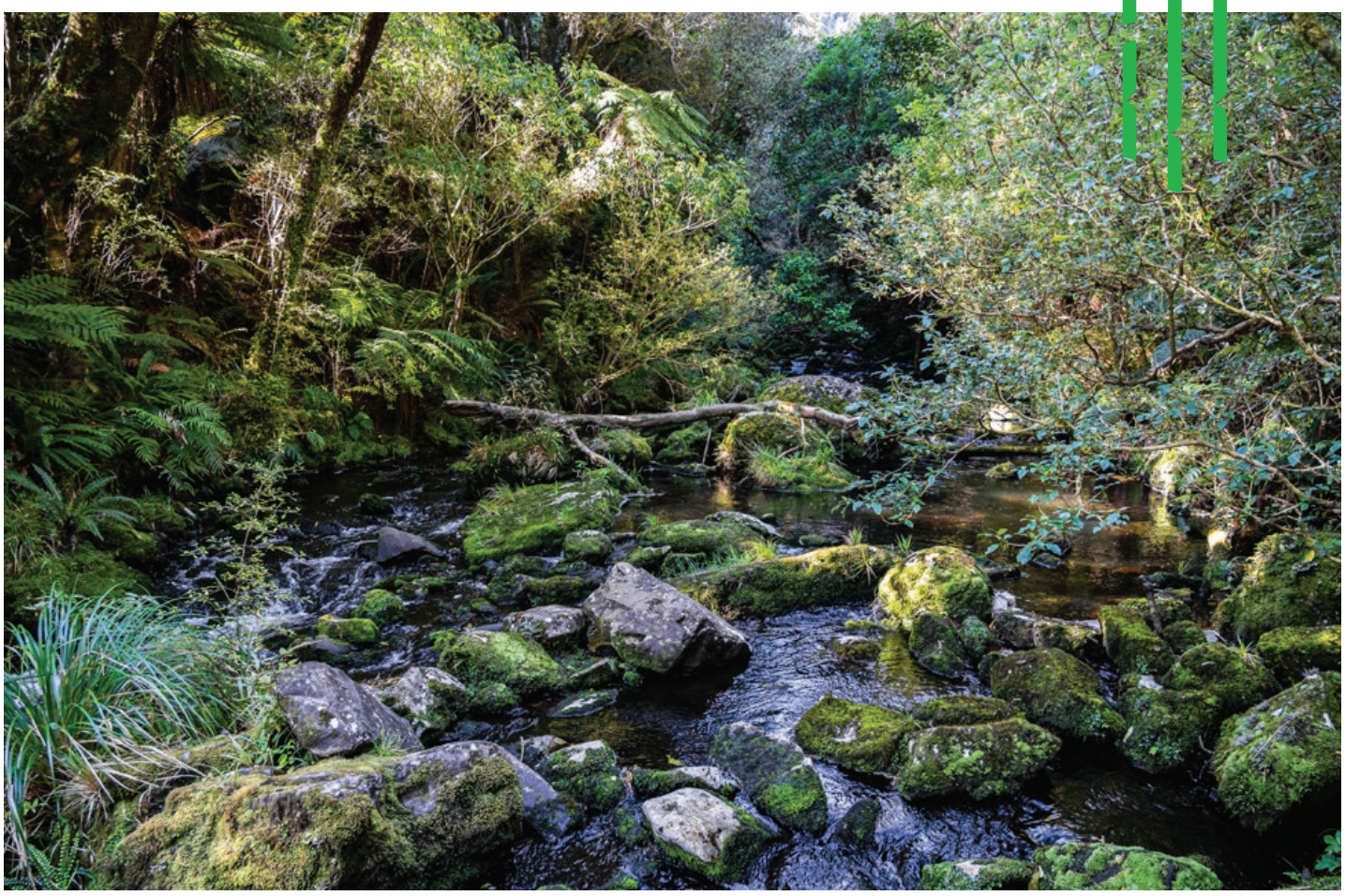
Funding Model – Joint Venture		
Procurement Approach	▪ MoU or Shared Services Arrangement between ORC and collaboration partners. ▪ Allocation of funds to the community by the collective or partnership could be via conditional grant or purchase.	
Governance of the Mode	▪ ORC CEO & Councillors to ensure performance of the Joint Venture. ▪ Collective Governance Group established under the Shared Service or MoU to govern the 'large-scale' fund.	
Process to Allocate Funds to Project Delivery	▪ Following the full establishment of the Joint Venture, funds would be allocated to the collective governance group under a Shared Service Arrangement. ▪ The governance group of the Joint Venture would establish the systems and processes for allocating the funds. A Council staff member or Councillor would sit on the governance group. ▪ Funds are allocated via the process established by the Joint Venture Governance Group. ▪ The Joint Venture Governance Group (via the ORC representative) reports back to ORC against their contracted outputs and KPIs and ORC monitors their performance, ensuring ORC interests are maintained. ▪ If over time, the funds allocated by each member changed, ORC's role and level of influence may reduce (if they were no longer the primary funder).	
Ongoing Management of the Model	▪ Administration of the Fund is undertaken by the Collective Governance Group or Allocation Panel (which would include ORC senior management representation). ▪ The overall management and monitoring of the Joint Venture would be undertaken by ORC CEO and may include Councillor representation to ensure effective ongoing monitoring of the collaboration.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Likely**
	Facilitation of Collaboration across the system	**Likely**
	Alignment to organisational strategy and strategic direction	**Possible**

Funding Model – Establish a CCO		
Procurement Approach	▪ Statement of Intent and Letter of Expectations set out by the CCO and agreed by ORC, plus additional purchase contract. ▪ Allocation of the funds by the CCO to the community could be via a conditional grant or purchase.	
Governance of the Mode	▪ ORC Councillors to ensure performance of the CCO. ▪ Board of the CCO to govern the 'large-scale' fund.	
Process to Allocate Funds to Project Delivery	▪ Following the full establishment of the Entity, funds would be allocated to the CCO via a letter of expectation with the intended use of the funds outlined in their SOI or Deed. ▪ The Trust would establish the systems and processes for allocating the funds. A Council staff member or Councillor may be an appointed Trustee on the CCO. ▪ Funds are allocated via the process established by the CCO/Trust. ▪ The CCO/Trust reports back to ORC against their contracted outputs and KPIs and ORC monitors their performance.	
Ongoing Management of the Model	▪ Administration of the Fund is undertaken by the CCO. ▪ Ongoing monitoring of the CCO and Fund performance (including administration and monitoring of performance against the Letter of Expectations) to be undertaken by senior ORC staff member within the Procurement or the Environmental Implementation Teams.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Possible**
	Facilitation of Collaboration across the system	**Possible**
	Alignment to organisational strategy and strategic direction	**Possible**

Figure 12: Models to be included in prioritised analysis and assessment

The outcome of the prioritisation process undertaken by Council is outlined below which forms the basis of the content in the following sections of this report.

Funding Model	Model Prioritised for Further Consideration
Large-scale contestable or grant making Fund	✗
Structured Purchasing Approach	✓
Funding via the ICM Programme or by CAP	
Devolving 'large-scale' funding to a third party	✗
Joint Venture	✓
Establish a CCO	✓





Prioritised Funding Model Analysis

8.1 Introduction

As part of the second Councillor Workshop, attendees were asked to prioritise each model identified against a two-dimensional, four quadrant model (as deemed best practice guidance by the AOG). The outcome of that review is identified under each option in the sections above, but the overall outcome of the process was to allow Councillors to determine what options warranted further analysis and investigation.

This process concluded that:

- Increasing the scope and reach of the current ECO Fund model (to allow for a further sub-set under this structure focused on supporting 'large-scale environmental initiatives) would not effectively support Council to achieve its desired outcomes and aspirations that this fund seeks to achieve and therefore was discounted from further consideration.
- A more defined model of contestable investment that outlined clear criteria and sought investment from suitably qualified suppliers against a list of clear priorities (in line with the outcomes to achieve) had merit but should be investigated in conjunction with a model that supported implementation of the ICM process and associated Catchment Actions Plans. Councillors agreed that this report was to further investigate options for a new model that was a hybrid of the structured procurement approach initially proposed, and the model that proposed funding by ICM or CAP.
- The risks associated with all scenarios outlined that would involve contracting a third-party to administer the funding and/or grow the funding on behalf of ORC were deemed to erode transparency of ORC to ratepayers and therefore discounted from further consideration.
- The opportunities to build a collaborative model were encouraging, and developing a joint venture or co-funded model was a future state that Council aspired to. It was also recognised that the likelihood of implementing a collaborative model from the outset was low, and more time and a deliberate plan would be needed to reach this model in future. Council agreed that this report was to further investigate how this model may be developed and implemented over the medium to long term.
- There are opportunities and advantages to establishing a separate entity such as a Trust or CCO to both hold and invest ORC funds as an endowment to support and grow future investment, and to potentially attract additional philanthropic investment. It was recognised however that the advantages and opportunities need to outweigh any administrative or financial costs in establishing and maintaining such a structure. Council acknowledged that establishing such a model takes significant lead in time and the existence of high trust partnerships, as well as significant commitment and drive from the lead entity (in this case, ORC). Council agreed that this report was to further investigate how this model may be developed and implemented over the long term.

8.2 Prioritised Funding Model 1 – Structured Procurement aligned to CAP Implementation

Introduction to the Model and Procurement Approach

This hybrid model was to take the elements of a more structured procurement approach and align it to the ICM framework currently being used by ORC to plan and prioritising areas of focus at a catchment level. This model outlines a procurement approach/funding model that is aligned to implementing a structured procurement approach, aligned to the implementation of Catchment Action Plans.

As outlined above, implementing a more structured purchasing model (as opposed to a grant making purchasing model) allows for greater clarity and efficiency in funding decisions, and would allow ORC to provide greater leadership and direction to the market/sector as to the nature of the projects/initiatives it seeks to fund against a pre-determined eligibility criterion. Under this model, several procurement options were identified as being available to Council, with a multi-stage process being suggested, that would ask organisations to self-assess against a detailed eligibility criterion and submit a ROI if they met the criteria. The second stage proposed that eligible organisations to submit an RFP against a Council defined process.

Using this structured procurement approach and aligning the use of the funding to the Catchment Action Planning process allows ORC to have a clear line of sight from strategy to funding prioritisation and service or programme delivery directly into communities. It would allow for investment decisions to be linked to robust prioritisation processes, informed by science and evidence, that have been community led, and have achieved engagement and endorsement from mana whenua.

As identified earlier in this report, there is currently no defined funding stream within Council to support the implementation of CAPs once they have been completed and endorsed by Council. The $100,000 currently approved to support implementation of the Catlin's CAP is a one-off investment with no mechanism currently in place to support ongoing funding to fund implementation of this CAP or others across the region. Logically, the 'large-scale' fund provides opportunities to align the funding to the CAP process, while implementing a robust procurement approach to ensure equity and transparency in investment decisions.

Purchasing decisions would be made against a detailed eligibility criteria that would include a **weighting towards initiatives and projects that support implementation of CAPs** however this would not be the only determining factor to assess eligibility.

This hybrid model does however present several limitations, most arising from the intention to align the CAP process with a structured procurement approach to support 'large-scale' investment. These limitations are outlined in detail in our analysis of the strengths, opportunities, weaknesses and risks of the model outlined further in this section of the report.

We do want to stress that aligning 'large-scale' funding to the CAP process alone will not increase the likelihood of ORC achieving the intended outcomes of the large-scale fund in the short term and create further inequities and inefficiencies in the way environmental implementation initiatives are funded. A more conservative approach would be required in the short term to ensure that there is greater alignment of the structured procurement process to the breadth and depth of CAPs that have been undertaken.

Some key features that warrant additional mention in relation to this hybrid model are outlined below:

- There is **currently only one approved CAP in place** (Catlins), with another one likely to be completed by the end of the 2025 calendar year (Q1 and Q2 of the 2025/26 FY) being the Upper Lakes CAP. Based on the current planning trajectory, **only three to four plans will likely be completed during the approved LTP cycle of funding**, with further CAPs (possibly as many as six) needing completion during the full 10 year LTP planning cycle.
- The **process and approach to ICM evolves and develops as learnings from one process are taken into the next**. This means that the look and feel of a CAP will change over time, which may potentially unfairly disadvantage those CAPs completed earlier in the process.
- There is a **potential advantage towards those groups (such as the Catlins) who have already completed their CAP**. They have time and opportunity to develop and grow ahead of other regions that may still be more immature. Groups who develop CAPs later in the process will not be afforded the same opportunity.
- There are **communities developing their own catchment plans that are being completed without ORC support or investment**. These processes have good community engagement and ownership but may not be detailed or comprehensive enough to meet a procurement threshold for ORC investment.
- There is **currently a level of confusion around the ICM and CAP process with a variety of catchment groups existing across the region that range in size and scale** (usually farmer and landowner led and focused on water quality) and several planning processes being undertaken by these groups. In addition, ORC funds Otago Catchment Communities Inc to support these groups, and they offer small funding grants to support these groups and their activities.
- **Some communities and capable/sustainable community organisations/providers may not be eligible to access large-scale funding** if a mandated CAP process is not in place in their community. This is inequitable and unfair to those organisations who have the ability to make a meaningful impact.
- Many of the environmental gains that have been made because of work conducted on individually or privately owned land. **Bigger community providers and entities don't have or can't access this land**.
- As with the case in the Catlins, **some communities may not have formal organisational structures in place that can hold and administer ORC funding to support CAP implementation**. The current CAP implementation funding allocated to the Catlins is being held by ORC in lieu of a formal entity being in place, and the process to establish an entity takes time and resources to establish.
- Eventually, a **criterion will still need to be in place to allow for prioritisation decisions to be made between/across plans and initiatives and guide investment decisions**. Once the CAPs cover the region, it will not be possible to prioritise every activity across every catchment area.

- Depending on the scope and parameters of investment via the CAP process, **ORC will need to be extremely careful not to duplicate small grant making distribution structures**. For example, current CAP funding to support the implementation of the Catlin's CAP is likely to be allocated to smaller community groups to support their projects that focus on achieving deliverables and outcomes against the plan. This potentially duplicates the role of the ECO Fund and Otago Catchment Communities Inc and shifts funding and accountability requirements to community groups that may not have the capacity and capability to effectively do this. It will require the development of additional application, allocation, and monitoring processes that reduce efficiency and increase fragmentation and duplication.

Although the coming together of both models into a hybrid structure has merit, it is unlikely that the CAP process alone will be adequate to allocate the level of funding budgeted over the next two years.

A possible way of bringing these approaches together into a hybrid model, would be to include the robust elements that a relational procurement purchase can enable (such as implementing a clear eligibility criteria), while incentivising the adoption of the formal ORC CAP process at the same time.

Governance of the Model

Governance of this hybrid model relates to the specific governance of the funding model and does not relate to the governance of the overall ICM Programme which is outlined in detail in Section 7.4.3.

We propose that this model would be governed in the same way other contracting agreements are within Council, depending on the value of the contract (as per the ORC Delegations of Authority policy). It would be the role of Council to ensure that procurement best practice and policies have been adhered to, and that value for money decisions have been made because of the processes undertaken

As we have identified in earlier sections, we recommend that elected members are not part of the Evaluation Panel process to make funding decisions. They play a key governance role in ensuring sound procurement decisions are made and monitored, and while they have a keen interest and passion for what is taking place within their wards, this negatively affects the transparency of the process, especially when multiple catchments may be competing for funding over time.

Given the heavy ORC staff input and guidance that is required throughout the ICM Programme and CAP development, these staff should also be excluded from participating in procurement or funding allocation decisions due to the perceived conflicts of interest or inherent bias that their involvement in the CAP development may create.

Fund Allocation Process

As outlined above in Section 7.2.2, funds could be allocated via a two-stage process. Firstly, interested organisations would complete a **Registration of Interest** which would require them to assess their capability of delivering 'large-scale' initiatives against a pre-eligibility criterion to assess whether they qualified to submit a full proposal. The registration process would be advertised on GETs or a similar procurement platform.

The alternative to this, is that funds are allocated via another methodology that is outside of an openly contestable model such as a closed competitive process or a direct source process.[44] This would allow ORC to direct funding to support the implementation of a CAP as it was completed. Under a **closed competitive approach**, ORC could request proposals to a limited number of known organisations, which would be feasible when CAPs are region specific.

ORC may also be able to allocate funding via **direct source funding**, where ORC runs a closed process to request a tender, proposal or quote which is restricted on only one known supplier. This is the model proposed in Section 7.4.3 which suggested allocating this funding by CAP and directing it to communities to support CAP Implementation Plans as they were completed.

A direct source approach does not mean that funds are automatically allocated to a catchment group, they would still need to submit a proposal that was evaluated, assessed on its value, and undergo due diligence before ORC determined that the organisation had the capability to deliver on the required outcomes.

A hybrid allocation process is possible, where organisations will still need to provide suitable evidence that they are eligible to apply for 'large-scale' funding. This model could include a two-stage process, where the first stage (ROI) includes a more stringent eligibility or pre-procurement criteria that is weighted towards those organisations and communities that are actively engaged in the CAP process or that have a CAP Implementation Plan prepared that has been endorsed by mana whenua and Council.

To maintain the integrity of the procurement process, ORC will need to ensure that the following elements are retained within the allocation process including:

- Administering the process through a suitable procurement platform.
- Preparing detailed procurement documentation including an outline of the services sought, weighted scoring criteria and response template to ensure key information was captured.
- Guidance on the value of contracts and contracting period.
- Providing structures and transparent processes for submitting and answering questions (to ensure every organisation receives the same information at the same time, and no one is unintentionally advantaged or disadvantaged).
- Proposals assessed against the evaluation criteria by an independent Evaluation Panel. Those staff working alongside communities in the development and preparation of CAPs should not be included on the Panel to avoid any perceived or actual conflicts of interest or bias that may arise from their close working relationship with community organisations.
- Any procurement recommendations made by the Panel are submitted to Council for endorsement or approval (subject to ORC Delegations of Authority Policy).
- Detailed contracting agreements would be negotiated and signed between the successful organisations and Council that would outline the key deliverables and milestones for the initiative as well as the expectations around monitoring and evaluation of delivery. This may include the rights of Council to undertake external evaluation or an annual review of performance.
- Establish robust contract management processes internally that align with and support the work being undertaken within communities by other parts of council and the Environmental Implementation Team.

Ongoing Management of the Model

The ongoing management of this model is comparable with the approaches outlined in both Sections 7.4.2 and 7.4.3 with the ongoing management of this model to be undertaken by ORC staff within the Environmental Delivery Team.

44 As per Rule 14 of the Government Procurement Rules.



The Environmental Delivery Team could design and administer the initial procurement process, including the development of the procurement documentation (including confirmation of the pre-eligibility criteria), RFP documentation and guidance documents, including scoring criteria.

An advantage of this model is the administrative efficiency that can be gained through this funding model. Given the level of sophistication in this procurement approach and the financial value that each initiative is likely to attract, it would be recommended that only one funding round was held over the two-years of the funding. This would mean that this process would seek to allocate $4 million over a two-year period (rather than undertaking this annually) – assuming investment stays at the level that it is currently approved at. These administrative processes can further be reduced by including Right of Renewal clauses or 'stop-go' mechanisms within the contracting process which rewards high performing organisations and initiatives and allows for contracts and funding to be extended into the next LTP cycle without running additional procurement processes.[45]

Regular ongoing contract monitoring would be managed by ORC and undertaken by staff with the relevant skills and experience to monitor performance against contracted outputs and outcomes.

Likely Timescale to Full Implementation

This model could be implemented in the short term, with funds allocated by the end of this calendar year.

Ensuring effective communications and support is provided to both to communities and community organisation and internally within ORC will be as vital as ensuring ongoing resources are in place to manage the contract delivery once funds are allocated.

Once funds are allocated, it is expected that contracts would be in place for 18 months (of the 24 months available to account for the procurement process) beginning 1 January 2026 and ending on 30 June 2027.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

Intergenerational Impact – introducing a funding mechanism that supports the ICM process, and the implementation of community-led CAPs is highly relevant to achieving this outcome, as the CAP process takes a landscape scale lens, involves multiple stakeholders, and takes a long-term approach to environmental management. Funding against a plan that is supported by evidence and science, is endorsed by mana whenua, the community, ORC and aligns with the community's environmental aspirations to protect the area for future generations, is highly relevant in aligning investment to achieving intergenerational impact.

Facilitation of collaboration across the system – this model has the opportunity to facilitate collaboration, particularly as it is a key requirement of the CAP process and can be woven into a formal procurement process depending on the criteria and priorities outlined in the procurement documentation. Where facilitating collaboration may fall down under this model, is where communities may need to compete to access funds to support the CAP implementation, or where the process to completing CAPs is evolving – not every community will have a CAP in place at the same time, so may not be able to access funding more years later than a neighbouring community.

Alignment to organisational strategy and strategic direction – funding CAP mechanism via a structured procurement approach, should create a strong alignment to strategic direction, particularly as the priorities outlined in the plans are aligned to data and evidence. Prioritising all elements within the implementation plans will be the challenge and the way in which Council actually allocates funds towards the implementation of the Plan can impact the success of this outcome. There is a risk that low-hanging fruit may be implemented first (to prove value), while more complex pieces of work (that could achieve greater outcomes), may be avoided if their overall value is difficult to prove in the short term. This model will likely maintain alignment to strategy, as long as the intent of 'large scale' funding is maintained.

45 This may only be applicable and valid for some agreements and may not apply to all funding budgeted or all contracts/projects/initiatives.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

As outlined in Section 7, we undertook an analysis of the strengths and weaknesses, opportunities and challenges that ORC may encounter in relation to each of the six funding models identified.

In looking at the hybrid approach as a prioritised model, we undertook further analysis and have outlined this in relation to this model below. You will note that many of the strengths, opportunities, weaknesses and challenges identified in Sections 7.4.2 and 7.4.3 are replicated here, as well as new ones identified to reflect the proposed hybrid model.

7.4.6 Establish a Council Controlled Organisation (CCO)	
Strengths	▪ Allows for clear alignment from organisational strategy to community priorities, supported by data and evidence. ▪ Clear plan and pathway to development, implementation and a region-wide consistent process. ▪ Provides a clear commitment to communities that priorities and issues will be supported by ORC once planning has been undertaken. ▪ Incentivises communities to undertake the CAP. ▪ The process is collaborative in nature, involving the Council, landowners, community groups and mana whenua in the development of the CAP. ▪ Internal structures are already in place that is effectively supporting the ICM process with communities. ▪ There is a plan and processes in motion internally that outline the timing and resources required to complete the CAP process across all 10 catchments. ▪ Allows ORC to target particular outcomes, activities, groups, or all three. ▪ If there is collective alignment of ORC work programmes and community delivery to the CAPs (that is, alignment of the strategy to the 'doing'), then the council, mana whenua and communities all experience good outcomes.
Opportunities	▪ The CAP process is developed in such a way that allows for the recording of data and evidence that can support ORC to meet its objectives relating to environmental impact and outcomes. ▪ Increased community engagement in the CAP process if implementation funding is more likely to follow. ▪ Increased credibility of ORC with communities as providing a commitment to communities to support implementation after planning has been completed. ▪ There are existing mechanisms in place (such as existing strategies and plans) that can be used to guide equitable funding allocation that can act as a placeholder until there is a more regional spread of approved CAPs. ▪ If funding was only allocated by CAP as implementation plans were completed, ORC may be able to rate for less funding as it's unlikely that $2 million would be needed in the first year of allocation. ▪ Increased opportunities for better relationships, collaboration and coordination between ORC, community partners and mana whenua.
Weaknesses	▪ The relationship with mana whenua is variable depending on the catchment area and the level of maturity in collaboration is not equal across the region. ▪ It will take a decade for a consistent CAP process to be in place across all catchments. ▪ Likely limited capacity and capability of groups leading CAP processes to hold, administer and be accountable for funding. ▪ The current internal capacity and capability is targeted towards the technical skills needed to develop a CAP (planning and analyst etc) and additional procurement capacity and capability would be needed to effectively implement this model.
Risks	▪ Funding allocation is not equitable in the short term if groups are only eligible to apply for funding if an approved CAP is in place. ▪ Not all communities will have established and mature entities and organisations in place to receive and use funding allocated by ORC. ▪ Need to ensure that this process does not duplicate current small grant making processes, particularly in the large-scale funds allocated through the CAP process are then further allocated to support individual small projects within communities. ▪ Will need to be careful that the ECO Fund process is not duplicated through another mechanism (by funding small community led projects). ▪ Will need to ensure there is clarity to differentiate the role of the ECO Fund with large-scale funding in supporting CAP implementation. For example, will catchment groups be excluded from applying to the ECO Fund. ▪ Reputational risk to Council if 'large scale' was scaled back significantly to account for a small number of CAPs and their inequitable distribution across the region. ▪ Appropriate accountability and transparency mechanisms will need to be put in place to ensure that money given to Catchment Groups is used within appropriate guidelines set out by ORC (for example, will Catchment Groups further allocate funding to support local project delivery?). These groups will need to have suitable capability and experience to do this in line with council procurement requirements.
Financial Implications	▪ Without an additional funding mechanism (outside of the CAP), it is unlikely that the full funding can or will be allocated over the three years. ▪ There will need to be clear parameters for the use of the funding once allocated to communities, to ensure that further grant making processes are not put in place or duplication created.
Operational Implications	▪ An increase in internal resourcing, capacity (and potentially different capability) will likely be required as plan development and funding implementation activities ramp up. ▪ Managing community expectations may be challenging, particularly those that may have a CAP process underway (and therefore may not receive funding). This can suck time and resource away from the work with those communities already active in the ICM process. ▪ Duplication and inefficiencies may occur if projects and initiatives are developed and invested in on a CAP-by-CAP basis rather than looking at opportunities for a region wide approach to meeting outcomes or solving issues. ▪ The model may require variances in funding criteria and approach (such as having different criteria and prioritisation frameworks in place for those community organisations where a CAP is not in place). This could lead to confusion and risk consistency if variable methods were introduced to ensure the fund achieved regional coverage or funding equity.

Pathway and Conditions to Model Implementation

It is likely that this model is a realistic option for ORC to consider implementing in the short to medium term, but it may not be possible to effectively implement the alignment to the CAP process in its entirety within the current LTP allocation.

It is more feasible, that over the short-term, a robust procurement approach is put in place, which focuses on establishing and monitoring effective relational agreements, investing in mature and capable providers, targeting the delivery of outcomes, and supporting existing initiatives.

These conditions could then be assessed against a clearly defined and communicated eligibility criteria that gives communities and community organisations clear signals on the following:

- The principles and outcomes by which ORC defines 'large-scale' investment.
- The ability of the organisation to contribute to achieving the goals and objectives of ORC (where clear attribution exists between initiatives and achievement of outcomes via an intervention logic).
- How the initiative aligns with the outcomes and aspirations of the Catchment Action Plan, or in lieu of this (noting it may be under development or on a path to development), how it aligns with other key documentation such as the Biodiversity Strategy and implementation Plan (after 2026), or Wilding Conifer Strategy.
- The commitment of Council to invest in multi-year agreements that span two years initially, with opportunities to extend these agreements should funding allow.

Should ORC wish to pursue this model (that is full alignment to the CAP process) as a suitable medium to long term option, then further work should be undertaken over the next two to three years to more clearly understand the feasibility of this model on an ongoing basis. Conducting further analysis and feasibility should include the following:

- Determining a process for equitable distribution of funding to those catchments that still will not have a CAP in place by 2028 or
- Determining options to accelerate the development and adoption of CAPs to ensure that wider coverage is achieved following the first two years of 'large-scale' funding. This could include increasing internal capacity and capability to achieve this.
- Allocating investment (if the current funding available is not fully allocated in the first two years) to support community readiness to complete the CAP process, whether that be investing in capability building and governance activities of smaller entities and organisations.

8.3 Prioritised Funding Model 2 – Investing in Large-Scale Environmental Initiatives via a Joint Venture or Co-Funding Arrangement

Introduction to the Model and Procurement Approach

Following the second workshop with Councillors, we were asked to provide further analysis of this funding model, specifically with the view to this model being a medium to long term option for Council to consider.

We have provided a thorough explanation of this model in Section 7.4.5 above and have outlined a robust explanation of the model as well as the likely strengths, opportunities, weaknesses, and risks to implementing this model.

Pathway and Conditions to Model Implementation

It is difficult to provide definitive recommendations as to whether ORC should proceed with the development and use of this model to allocate 'large-scale' funding (or other environmental funding it currently allocates to landowners or community organisations).

The scope of this project has not gone far enough to allow us to provide advice to ORC on the appetite of other potential partners or stakeholders (including, but not limited to, other local authorities or philanthropic investors) to set up a collaborative or co-funded joint venture to drive investment in this area. While our discussions with possible funding partners have been positive, they have been brief, and have not necessarily been held within the senior management or governance levels of the organisation, who have the mandate to make such commitments.

Should ORC want to pursue this model as a suitable medium to long term option (that is, past the first two years of budgeted funding (from 2027/28 FY onwards), then further work should be undertaken over the next two to three years to more clearly understand the feasibility of this model. Conducting further analysis and feasibility should include the following:

- Undertake detailed feasibility and financial analysis to better understand the internal and administrative costs required to govern, manage, and administer such an arrangement. This should provide an assessment of the costs and benefits to ORC and the community by having such a model. This may or may not be an initial first step and may need to be conducted once partners have been identified and indicated a high-level intention to partner or co-invest.
- Begin more formal conversations with potential statutory joint venture/co-funding partners to determine the scope of opportunity that is available. Initial discussions should be prioritised with mana whenua as well as the existing local authority partners in Otago.
- Depending on the outcome of the recommendation above, begin more formal conversations with potential community or philanthropic joint venture/co-funding partners. Initial discussions should be prioritised with Otago Community Trust (as they have already expressed an interest), as well as other funders operating within ORC boundaries, particularly Central Lakes Trust, Whakatipu Community Foundation and the Community Trust of Southland.[46]
- If this model cannot be progressed locally (due to insufficient interest or commitment), seek to begin discussions with other potential joint venture or co-funding partners outside of the Otago region. Possible entities to engage could include (but are not limited to) DOC, MfE, The Nature Conservancy, NZ Nature Fund and NEXT Foundation.

46 Note that we did not consult with CLT or CTOS through this process so are unaware of their level of interest to engage in further discussions at this point.

- Undertake consultation with community groups and organisations to obtain their views and feedback on the appropriateness of this model, noting that consulting on a developed idea (that has tangible partners interested) will be of greater benefit and importance that consulting on an aspirational idea (which is what this report has done).
- Direct internal resources to work through the policy, contracting, financial and accountability requirements needed to establish a structure under this model. This will also need to determine the levels of internal resource to establish as well as maintain a joint venture or co-funded model. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

Considering the necessary conditions, as well as the experience of others in establishing this model, we would expect a joint venture or collaborative model to be a long-term aspiration of Council. We would envisage that it could take at least three to five years to have this model fully operational, depending on the level of priority and investment that it is given by ORC.

8.4 Prioritised Funding Model 3 – Investing in Large-Scale Environmental Initiatives via a new, ORC owned CCO[47]

Introduction to the Model and Proposed Procurement Approach

We were asked to include this model in the prioritised list and provide further analysis of this option, specifically with the view to this model being a medium to long term option for Council to consider.

We have provided a thorough explanation of this model in Section 7.4.6 above and have outlined a robust explanation of the model, as well as the likely strengths, opportunities, weaknesses, and risks of implementing it. Further information and an example of this model currently in action is outlined in the case study of Biodiversity Hawkes Bay and Hawkes Bay Regional Council included in Appendix 16.

Pathway and Conditions to Model Implementation

It is difficult to provide definitive recommendations as to whether ORC should proceed with the development and use of this model to allocate 'large-scale' funding (or other environmental funding it currently allocates to landowners or community organisations).

The scope of this project has not gone far enough to allow us to provide advice to ORC on the appetite of ratepayers to set up a new entity or CCO for this purpose. Nor has it allowed us to (or were we asked to) provide the actual costs that the management and governance of such as entity would incur.

Should ORC seek to pursue this model as a suitable medium to long term option (that is, past the first two years of budgeted funding from 2027/28 FY onwards), then further work should be undertaken over the next two years to more clearly understand the feasibility of this approach. Conducting further analysis and feasibility should include the following:

- ORC undertakes or commissions a detailed feasibility and financial analysis to better understand the internal and administrative costs required for the CCO/Trust to meet its planning, management and auditing requirements under the LGA (2002). The findings of this should be included in the community consultation process to allow ratepayers to make their own value for money assessment of the model.
- ORC undertakes community consultation as required under the LGA (2002) to determine the level of support for the establishment of a CCO/Trust. For efficiency, this should be undertaken as part of the consultation process for the ORC Long Term Plan 2027-2037.
- Direct internal resources to work through the policy, financial and accountability needed to establish an entity (if approved). This will also need to determine the levels of internal resource that will be needed to establish as well as maintain the CCO/Trust, including the development of a constitution or Trust Deed, policy for the appointment and remuneration of Directors/Trustees, and the procurement or contracting policies that may be needed to oversee the allocation of funds to the new CCO/Trust. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

8.5 Summary of Prioritised Model Alignment to Key Principles and Outcomes

Below is a summary of the key factors and variables for each of the three prioritised models. We have also assessed the likelihood of the model achieving the agreed key principles and outcomes of 'large-scale' environmental funding. Note that an assessment of 'likelihood' has been made based on our assumptions from the information we had available to prepare this report. A model's overall likelihood of success cannot be identified as this stage of the process and would be dependent on a number of factors that are not yet confirmed or that are unknown.

47 A non-commercial making CCO, most likely a Trust

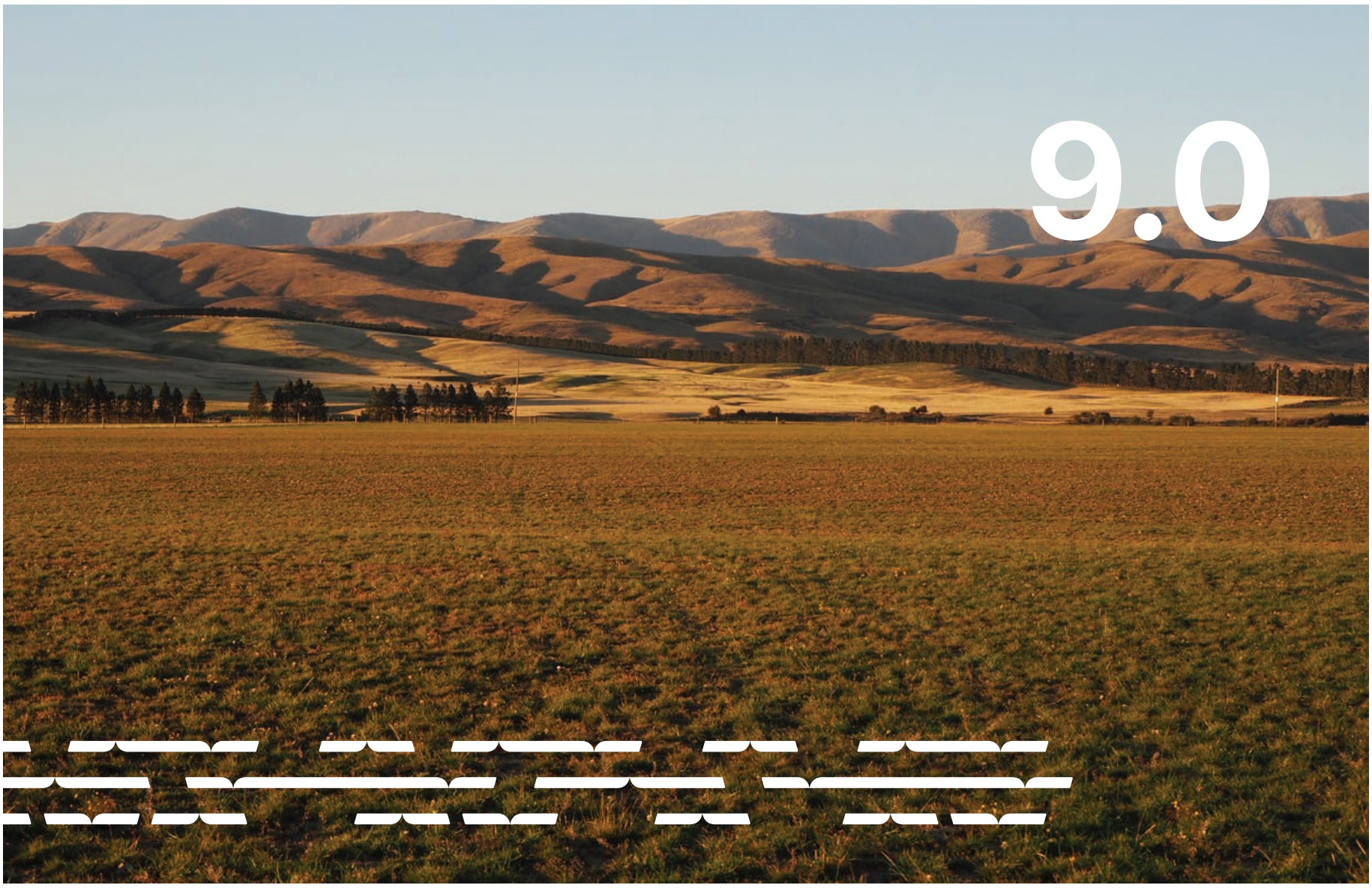
Figure 13: Summary of Prioritised Funding Model Features and Alignment to Key Principles and Large-Scale Fund Outcomes

Prioritised Funding Model – Structured Procurement aligned to CAP Implementation		
Procurement Approach	Single or multi-stage process via ROI, RFP, RFT administered by ORC.	
Governance of the Mode	ORC CEO & Councillors.	
Process to Allocate Funds to Project Delivery	▪ ORC seeks interested organisations to complete a ROI which assessing their eligibility against a pre-set criterion. Offer is advertised via GETs. ▪ Eligibility criteria developed and heavily weighted towards those groups able to meet the outcomes and priorities outlined in Catchment Action Plans or other applicable Council plans. ▪ Interested organisations who meet the eligibility conditions, register their intent to apply. ▪ RFP is released to those parties who have submitted and met the conditions of the ROI (either directly or via GETs). ▪ RFPs reviewed against a weighted scoring matrix and preferred suppliers identified. ▪ Contracts negotiated and agreed following approval from Council. Delivery monitored against contracts outlining key milestones and KPIs.	
Ongoing Management of the Model	Administration of the Fund and ongoing contract management undertaken by Environmental Implementation Team.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Likely**
	Facilitation of Collaboration across the system	**Likely**
	Alignment to organisational strategy and strategic direction	**Likely**

Prioritised Funding Model – Joint Venture – Collaborative or Co-funded Agreement		
Procurement Approach	▪ MoU or Shared Services Arrangement between ORC and collaboration partners. ▪ Allocation of funds to the community by the collective or partnership could be via conditional grant or purchase.	
Governance of the Mode	▪ ORC CEO & Councillors to ensure performance of the Joint Venture (as will the other Boards/Councils of the partner entities – for example, CEOs and Councillors of other local authorities if the joint venture included other councils). ▪ Collective Governance Group established under the Shared Service or MoU to govern the 'large-scale' fund (which will have ORC representation, likely the CEO or delegated Executive Leader).	
Process to Allocate Funds to Project Delivery	▪ Following the full establishment of the Joint Venture, funds would be allocated to the collective governance group under a Shared Service Arrangement. ▪ The governance group of the Joint Venture would establish the systems and processes for allocating the funds. A Council staff member or Councillor would sit on the governance group. ▪ Funds are allocated via the process established by the Joint Venture Governance Group. ▪ The Joint Venture Governance Group (via the ORC representative) reports back to ORC against their contracted outputs and KPIs and ORC monitors their performance, ensuring ORC interests are maintained. ▪ If over time, the funds allocated by each member changed, ORC's role and level of influence may reduce (if they were no longer the primary funder).	
Ongoing Management of the Model	▪ Administration of the Fund is undertaken by the Collective Governance Group or Allocation Panel (which would include ORC senior management representation). ▪ The overall management and monitoring of the Joint Venture would be undertaken by ORC CEO and may include Councillor representation to ensure effective ongoing monitoring of the collaboration.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Likely**
	Facilitation of Collaboration across the system	**Likely**
	Alignment to organisational strategy and strategic direction	**Possible**

Prioritised Funding Model – Establish a new non-commercial CCO (Charitable Trust)		
Procurement Approach	▪ Statement of Intent and Letter of Expectations set out by the CCO and agreed by ORC, plus additional purchase contract. ▪ Allocation of the funds by the CCO to the community could be via a conditional grant or purchase.	
Governance of the Mode	▪ ORC Councillors to ensure performance of the CCO. ▪ Board of the CCO to govern the 'large-scale' fund. ▪ ORC CEO likely to be appointed as a Trustee of the CCO (or a Councillor may be appointed, or delegated representative of the CEO) depending on the structure of the Deed or Constitution.	
Process to Allocate Funds to Project Delivery	▪ Following the full establishment of the Entity, funds would be allocated to the CCO via a letter of expectation with the intended use of the funds outlined in their SOI or Deed. ▪ The Trust would establish the systems and processes for allocating the funds. A Council staff member or Councillor may be an appointed Trustee on the CCO. ▪ Funds are allocated via the process established by the CCO/Trust. ▪ The CCO/Trust reports back to ORC against their contracted outputs and KPIs and ORC monitors their performance.	
Ongoing Management of the Model	▪ Administration of the Fund is undertaken by the CCO. ▪ Ongoing monitoring of the CCO and Fund performance (including administration and monitoring of performance against the Letter of Expectations) to be undertaken by senior ORC staff member within the Procurement or the Environmental Implementation Teams.	
Alignment to Key 'Large-Scale' Principles and Outcomes Sought	**Intergenerational Impact**	**Possible**
	Facilitation of Collaboration across the system	**Possible**
	Alignment to organisational strategy and strategic direction	**Likely**





Options & Recommended Approach

From our assessment of the prioritised models, we have outlined our recommended approach to the development and implementation of a 'large-scale' environmental fund. We believe this recommendation considers all strengths, opportunities, weaknesses and challenges and it most likely to support ORC with achieving its desired outcomes for this investment in the short to medium term (that is, over the next 3-5 years).

9.1 Recommended Approach

Recommended Procurement Approach

As a result of the extensive review and analysis we have undertaken to complete this project, we recommend that ORC implement Prioritised Option 1 - **Structured Purchasing – ROI, RFP or Direct Engagement, aligned to CAP Implementation**.

Please note that our recommended approach may not strictly align with the intent of the 'hybrid' model proposed by Council and recognises that it may not align to the Catchment Action Plan process as closely as was intended.

We propose that the CAP process should be a consideration of priority but should not in itself be the only consideration of how large-scale funds should be allocated.

In making this recommendation we have taken many factors into consideration, including:

- The ORC's current appetite for risk.
- The current strength of ORC's existing relationships and partnerships.
- The level of internal capacity and resources available to manage additional funding/contracting arrangements and processes.
- The maturity of the environmental sector locally and regionally to deliver initiatives or projects of landscape scale.
- The inconsistency of geographical spread of those ready, willing and able to deliver initiatives and projects at scale.
- The current state and stage of evolution of the Catchment Action Planning process and the limited availability of approved Action Plans and their alignment to mature legal entities that have a track record of large-scale delivery.
- The inequities that could be created regionally if the model for funding allocation is too heavily weighted towards an immature an evolving planning process (that is the Catchment Action Plans).

Recommended Governance Model

It is our recommendation that this model is governed by the CEO and Council as per appropriate procurement guidance and in line with existing Catchment Action Plan and procurement processes. The recommended approach does not deviate from standard or existing governance models in place. We encourage continued engagement at a governance level with ORC's partners, particularly to continue to engage with mana whenua during this process (via mana-to-mana).

Nothing in our recommended governance approach is different from the approach outlined in Section 8.2.

Recommended Fund Allocation Process

Nothing in our recommended fund allocation approach is different from the approach outlined in Section 8.2.

In addition to the fund allocation process we have recommended, we propose that the following key features and processes are also considered and implemented. These are included in our recommendations in Section 11 but are summarised below:

- Confirm timelines, eligibility criteria, process and internal resources, including the ways in which communities without CAPs will not be unreasonably disadvantaged from accessing 'large-scale' funding.
- Share information with mana whenua, stakeholders and communities to inform them of the outcome of this process.
- Retain a portion of the investment package to allow ORC to invest directly into education, evaluation or monitoring activities of initiatives.[48]
- Retain a portion of the investment package as well as investing in funding and development opportunities to support organisational governance, management and funding sustainability.

Recommended Ongoing Management Model

We would like to stress that this recommended approach does not preclude ORC from prioritising the CAP process as a criterion to determine eligibility, nor does it preclude using large-scale funding as a way to incentivise communities to engage in the CAP process. Our recommendation is made on the basis that the CAP process alone should not be a key determining factor on how the funding is distributed and who what communities are eligible to receive investment.

Nothing in our recommended management approach is different from the approach outlined in Section 8.3.

Recommended Timescale for Use

This model can be implemented in the short term, with funds allocated by the end of this calendar year. To achieve this, investment in time and resource is needed to ensure that robust and detailed procurement documentation is completed and that timelines as required under the Government Procurement Rules can be adhered to.

Ensuring effective communications and support is provided to both to communities and community organisation and internally within ORC will be as vital as ensuring ongoing resources are in place to manage the contract delivery once funds are allocated. Once funds are allocated, it is expected that contracts would be in place for 18 months (of the 24 months available to account for the procurement process) beginning 1 January 2026 and ending on 30 June 2027.

Further details on the proposed procurement and implementation timings are outlined in Section 10 below.

We recommend that this model and the parameters that we propose for its use to guide the allocation and management of large-scale environmental funding be put in place for the first two to five years of the 'large-scale' fund (that is the current committed two years of funding, plus funding allocated under the next LTP cycle). Our rationale for this approach is outlined in Section 9.2 below and is further evidenced in our Recommendations section of this report.

9.2 Alternative Approaches

We are not currently recommending that the council looks to implement a Joint Venture or CCO/Trust model within the first three years of 'large-scale' investment due to the number of unknown factors and variables that exist. We cannot provide concrete and detailed information to determine with accuracy the level of risk involved in these models, the likelihood of their success, nor the extent of the possible financial and operational implications that ORC would incur through their development.

The future suitability and use of the all the prioritised models we looked at will be dependent on many factors, some of these are inside the control of the council (such as committing to undertake further feasibility and assessment of the models) and some the council will have less control over (such as the appetite of philanthropic investors to partner with council or the priorities of an incoming new Council).

Pathways and Conditions to Implementation of Joint Venture or Trust Models

It is our recommendation that ORC considers proceeding with implementing our recommended approach, but that work is undertaken over the next two years (once the first agreements are in place) to determine the suitability of the alternative models in the medium to long term.

In an ideal situation, the recommended approach would be implemented, with successful applicants receiving funds over two financial years, with a right of renewal put in place for a maximum of three years (to align with the next LTP cycle). This could see 'large-scale' environmental investment in place to the end of the 2029/30 financial year under the structured purchasing approach but would also provide sufficient time for ORC to not only undertake the further analysis required, but to undertake the work needed to establish a new and more sustainable structure, that could be operational from 1 July 2030.

The pathways to implement each of these models has been outlined in Sections 8.3 and 8.4 and are consolidated again below.

Investing in Large-Scale Environmental Initiatives via a Joint Venture or Co-Funding Arrangement

- Undertake detailed feasibility and financial analysis to better understand the internal and administrative costs required to govern, manage, and administer such an arrangement. This should provide an assessment of the costs and benefits to ORC and the community by having such a model. This may or may not be an initial first step and may need to be conducted once partners have been identified and indicated a high-level intention to partner or co-invest.
- Begin more formal conversations with potential statutory joint venture/co-funding partners to determine the scope of opportunity that is available. Initial discussions should be prioritised with mana whenua as well as the existing local authority partners in Otago.

48 Note this assumes that the $4 million available across two FYs is allocated under one procurement process, rather than $2 million being allocated per annum. This would mean one funding round is held over the term that funding is currently available.

- Depending on the outcome of the recommendation above, begin more formal conversations with potential community or philanthropic joint venture/co-funding partners. Initial discussions should be prioritised with Otago Community Trust (as they have already expressed an interest), as well as other funders operating within ORC boundaries, particularly Central Lakes Trust, Whakatipu Community Foundation and the Community Trust of Southland.[49]
- If this model cannot be progressed locally (due to insufficient interest or commitment), seek to begin discussions with other potential joint venture or co-funding partners outside of the Otago region. Possible entities to engage could include (but are not limited to) DOC, MfE, The Nature Conservancy, NZ Nature Fund and NEXT Foundation.
- Undertake consultation with community groups and organisations to obtain their views and feedback on the appropriateness of this model, noting that consulting on a developed idea (that has tangible partners interested) will be of greater benefit and importance that consulting on an aspirational idea (which is what this report has done).
- Direct internal resources to work through the policy, contracting, financial and accountability requirements needed to establish a structure under this model. This will also need to determine the levels of internal resource that will be needed to establish as well as maintain a joint venture or co-funded model. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

Investing in Large-Scale Environmental Initiatives via a new, ORC owned CCO

- ORC undertakes or commissions a detailed feasibility and financial analysis to better understand the internal and administrative costs required for the CCO/Trust to meet its planning, management and auditing requirements under the LGA (2002). The findings of this should be included in the community consultation process to allow ratepayers to make their own value for money assessment of the model.
- ORC undertakes community consultation as required under the LGA (2002) to determine the level of support for the establishment of a CCO/Trust. For efficiency, this should be undertaken as part of the consultation process for the ORC Long Term Plan 2027-2037.
- Direct internal resources to work through the policy, financial and accountability needed to establish an entity (if approved). This will also need to determine the levels of internal resource that will be needed to establish as well as maintain the CCO/Trust, including the development of a constitution or Trust Deed, policy for the appointment and remuneration of Directors/Trustees, and the procurement or contracting policies that may be needed to oversee the allocation of funds to the new CCO/Trust. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.



49 Note that we did not consult with CLT or CTOS through this process so are unaware of their level of interest to engage in further discussions at this point.



Proposed Plan and Timeline to Implementation

Using our recommended funding model and approach outlined in 9.1 above, we have provided a high-level timeline of key deliverables and dates that ORC will need to refine and confirm if large-scale funding is to be allocated before the end of Q2 of the financial year (that is 31 December 2025). Our recommended implementation plan including key activities and likely due dates is outlined below:

Phase 1 – Confirm the Recommended Approach and Obtain Required Signoffs	
Deliverable	Due Date
Gain endorsement of the recommended approach internally within ORC	30 April 2025
Report presented to Council for decision making	**Wednesday 21 May 2025 (Council meeting)**

Phase 2 – Confirming the Eligibility Criteria and Procurement Timeline	
Deliverable	Due Date
Develop and agree internally eligibility criteria and pre-procurement approach	6 June 2025
Report presented to Council for decision making	6 June 2025
Prepare and submit Council Report including eligibility criteria and detailed procurement plan	11 June 2025
Obtain sign off from Council on eligibility criteria and detailed procurement plan	**Wednesday 25 June 2025 (Council meeting)**

Phase 3 – Communication and Engagement with the Sector including mana whenua on agreed approach	
Deliverable	Due Date
Develop and agree a communications and engagement plan including key messages and timeframes for delivery	Throughout July and August 2025
Update mana whenua and local authority partners on the project and the outcomes of the review and report	
Update stakeholders who contributed to the project on the outcomes of the review and report	
Prepare and circulate key messages to ensure accurate messaging to those not directly involved in the consultation.	

Phase 4 – Procurement Planning and Implementation	
Deliverable	Due Date
Draft procurement documentation completed and ready for release to GETs (or other suitable procurement platform). At a minimum, documentation should include: ▪ RFP documentation ▪ Draft contract ▪ Evaluation criteria and scoring system	**TBC**
Procurement live on GETs	**TBC**
Hold a supplier briefing with interested organisations to provide clarity in requirements and answer questions	TBC
ROI process closes with those organisations meeting the 'pre-procurement' eligibility criteria submitting their intentions formally	TBC
Formal RFP closes with short listed applicants having the opportunity to present their proposal in an alternative format (such as presentation)	TBC
Responses are formally evaluated by an appointed evaluation panel that includes ORC management and other experts (but not elected members)	TBC
Due diligence is conducted	TBC
Report procurement outcomes and recommendations to Council for endorsement and/or approval	**TBC**
Negotiations and contracting commences with preferred suppliers	TBC
Contracts are awarded and unsuccessful organisations debriefed	TBC
Research and evaluation frameworks and parameters are established	TBC
Contracts are enacted and delivery commences, with contract monitoring taking place regularly between ORC and organisations	**TBC**
Investigations into the feasibility and validity of other preferred funding model options is undertaken.	1 January 2026 to 30 June 2027

▪



Recommendations

As part of our scope of work, we were asked to provide ORC with a range of recommendations that would support the successful implementation of additional funding to support 'large-scale' environmental initiatives and projects. The funding is currently approved under the LTP as $2 million per annum for the 2025/26 and 2026/27 financial years.

These recommendations have been identified and discussed through various parts of our report, with the contextual relevance of them outlined in the discussions. These recommendations are consolidated into this section which includes recommendations in relation to the project overall, as well as recommendations for ORC to consider as part of the recommended model and recommended alternative long-term options.

11.1 Project Recommendations

Regardless of the model chosen to implement and allocate 'large-scale' funding, the breadth and depth of the impact and outcome that this investment can achieve will be contingent on ORC considering and implementing a number of the following recommendations.

Eligibility Criteria and Definition Related Recommendations

- A detailed eligbility criteria to allow community organisations to assess whether they align to ORC's intended outcomes and expectations is needed to support implementation of the fund. At a minimum, we propose that this criterion should include how organisations will demonstrate the following:
  - Achieve alignment to intergenerational aspirations of mana whenua, with a demonstrated level of support obtained for the initiative from mana whenua/papatipu rūnaka.
  - Directly contributes towards achieving priorities identified by ORC and provide a line of sight to those priorities outlined in documents such as Catchment Action Plans.
  - Initiatives or projects sufficiently meet the intent of 'large-scale' from an ecological perspective (that is, a multifaceted approach to enhancing the overall biodiversity of an area, rather than focusing on one element such as invasive mammal control).
  - Investment allows for an increase in scale and/or impact of those projects and initiatives that are already in place (rather than funding new projects or ideas), that are already contributing towards environmental outcomes and that demonstrate value for money.
  - They are a legal entity, able to demonstrate they have capacity, capability, and stability (governance and financial for example) to deliver 'large-scale' initiatives.
  - Initiatives that are community-led with a high degree of collaboration at all levels of the system (including local authorities, mana whenua, landowners and other stakeholders).
  - The extent to which they can act as an umbrella entity and/or collectives of organisations (this should be encouraged but only where appropriate governance and management structures are in place to effectively deliver on requirements).
  - Their commitment to work together in partnership (with ORC and others), to further enhancing collaboration, community activation and sustainable funding and leverage opportunities beyond the initially agreed investment term.
- Continue to engage and consult with mana whenua through the next phases of fund development and implementation.
- Determine and agree the size and scale of investment that ORC deems reasonable and appropriate in relation to this fund (for example, is a $100,000 or a $500,000 investment considered reasonable) and the overall risk appetite of Council.

General Procurement and Funding Recommendations

- Agree and communicate internally and externally, a clear implementation plan that sets out reasonable timeframes for the process to procure, review, and award funding, allowing communities and organisations to plan and upscale where needed. This will ensure that communities and providers are not set up to fail.
- Following the procurement process, enter into multi-year funding agreements with organisations that aligns with the budget decisions under the LTP (that is $4 million over two financial years), noting that this is likely to only be around 18 months under the current approved funding.
- ORC should consider including a stop/go mechanism or right of renewal clause in funding agreements for successful organisations (up to a maximum of five years would be recommended – that is 2+3 years) to align with future LTP cycles. This would reduce the procurement administration required to administer a fund and provide reasonable timeframes for initiatives to achieve 'large-scale' impact (outcomes cannot be achieved in 18 months).
- The investment and permitted use of the funds allows for all types of costs to be met that are deemed reasonable and relevant including staff and personnel, administration costs, and costs to support education, evaluation, and monitoring of deliverables.
- Within the parameters of the fund, ORC allows for the use of some funds to support and enhance organisational capability (management and governance) to strengthen the overall system, as well as to support education, and evaluation and monitoring initiatives.

Specific Recommendations in Relation to Each Prioritised Funding Model

We have outlined a number of recommendations that ORC could consider across the three prioritised funding models. The outcomes from our recommendations under each model will help inform what the most appropriate long-term model to govern large-scale environmental investment will look like for ORC (for example, the outcome of community consultation in relation to establishing a CCO or Trust will contribute towards whether this model is likely in the long-term).

These recommendations were outlined in Sections 8.2 – 8.4 and are summarised again below:

Structured Procurement Aligned to CAP Implementation

- Determine a process for equitable distribution of funding to those catchments that still will not have a CAP in place by 2028/29 or accelerate the timeline for development of CAP's.
- Ensure that all elected members as well as those staff working directly with communities in the development and implementation of CAPs are excluded from procurement evaluation and decision-making to manage perceived or actual conflicts of interest.
- Undertake further analysis and feasibility to the ongoing use of the model to ensure an equitable process for distributing 'large-scale' funds to those communities/catchments that do not or will not have an approved CAP in place by 2028/29.
- Agree a comprehensive assessment and prioritisation criteria to allow for objective investment decisions to be made as to the use of 'large-scale' funding. This recognises that as more CAPs are completed, not all activities within a CAP, and not all CAPs will be able to be funded.
- Consider the long-term allocation criteria of this funding model and the reach and impact that can be achieved if it becomes diluted across multiple CAPs.

Joint Venture of Co-Funding Arrangement

- Undertake detailed feasibility and financial analysis to better understand the internal and administrative costs required to govern, manage, and administer such an arrangement. This should provide an assessment of the costs and benefits to ORC and the community by having such a model. This may or may not be an initial first step and may need to be conducted once partners have been identified and indicated a high-level intention to partner or co-invest.

- Begin more formal conversations with potential statutory joint venture/co-funding partners to determine the scope of opportunity that is available. Initial discussions should be prioritised with mana whenua as well as the existing local authority partners in Otago.
- Depending on the outcome of the recommendation above, begin more formal conversations with potential community or philanthropic joint venture/co-funding partners. Initial discussions should be prioritised with Otago Community Trust (as they have already expressed an interest), as well as other funders operating within ORC boundaries, particularly Central Lakes Trust, Whakatipu Community Foundation and the Community Trust of Southland.[50]
- If this model cannot be progressed locally (due to insufficient interest or commitment), seek to begin discussions with other potential joint venture or co-funding partners outside of the Otago region. Possible entities to engage could include (but are not limited to) DOC, MfE, The Nature Conservancy, NZ Nature Fund and NEXT Foundation.
- Direct internal resources to work through the policy, contracting, financial and accountability requirements needed to establish a structure under this model. This will also need to determine the levels of internal resource that will be needed to establish as well as maintain a joint venture or co-funded model. the level of internal resources (people and time) needed to establish and administer such an arrangement. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

Establish a Non-Commercial CCO such as a Trust

- ORC undertakes or commissions a detailed feasibility and financial analysis to better understand the internal and administrative costs required for the CCO/Trust to meet its planning, management and auditing requirements under the LGA (2002). The findings of this should be included in the community consultation process to allow ratepayers to make their own value for money assessment of the model.
- ORC undertakes community consultation as required under the LGA (2002) to determine the level of support for the establishment of a CCO/Trust. For efficiency, this should be undertaken as part of the consultation process for the ORC Long Term Plan 2027-2037.
- Direct internal resources to work through the policy, financial and accountability needed to establish an entity (if approved). This will also need to determine the levels of internal resource that will be needed to establish as well as maintain the CCO/Trust, including the development of a constitution or Trust Deed, policy for the appointment and remuneration of Directors/Trustees, and the procurement or contracting policies that may be needed to oversee the allocation of funds to the new CCO/Trust. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

50 Note that we did not consult with CLT or CTOS through this process so are unaware of their level of interest to engage in further discussions at this point.



Acknowledgements

Frequency would like to acknowledge the input of the following people who have voluntarily and passionately contributed their time, experience and insight during this project.

Thank you to the staff across ORC, and in particular the Environmental Implementation Team who have contributed to this work, providing the project team with important background information, introductions and connections to stakeholders, and who have ensured the factual and contextual validity of our early work and assumptions. The input from senior leaders and elected members, both from Mana-to-Mana and wider council has been valuable and has provided good governance oversight to this project.

The local government structures across Otago are complex, with the region being home to a regional council, and five local authorities, ranging in size from Dunedin City to Clutha District. Waitaki District has the added complexity of cover regional council boundaries of both ORC and Environment Canterbury. During this project, staff across all Otago local authorities made themselves available to answer questions, share their learnings and discuss opportunities to biodiversity outcomes across the region. Thank you to the staff at Waitaki District Council, Dunedin City Council, Clutha District Council, Central Otago District Council, and Queenstown Lakes District Council for your input into this project.

We have engaged with many community organisations stakeholders from across the region as well as many outside of Otago. These discussions have been constructive and the desire for open and collaborative relationships, evidence based and best practice investment decisions and strengthening of relationships and partnerships is evident. We would like to acknowledge the input of Predator Free Dunedin, the QEII National Trust, Wai Wānaka, Southern Lakes Sanctuary Trust, Otago Catchment Communities Trust, Whakatipu Wilding Conifer Trust, Biodiversity Hawkes Bay, Wild for Taranaki Trust and Kotahitanga mō te Taiao (KMTT).

The input provided by other local and regional authorities around the motu was invaluable and we would like to acknowledge their openness to share their successes, failures and lessons learned from their own experiences with ‘large-scale’ environmental funding and their use of a range of procurement and funding approaches. We would like to thank Environment Canterbury, Taranaki Regional Council, Hawke’s Bay Regional Council, Waikato Regional Council and Auckland Council for sharing their experiences and allowing their approaches to be showcased as case studies in this report.

Not all learnings came from within the environment sector or from within local government, and we sought out examples from different sectors and organisations to inform the content of the Councillor Workshops and this report. We acknowledge and thank staff from Sport New Zealand and the Department of Conservation, Otago Community Trust and Whakatipu Community Foundation for contributing to this project.

Lastly, we would like to acknowledge the volunteer governors, managers and staff who dedicate their time to supporting the delivery of environmental initiatives in their communities, and who gave so generously to this project. These discussions provided important contextual information and valuable insights and lessons learned that cannot be understood from a strategy document or evaluation report. We met with a range of regional and national environmental action groups

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Appendices

Please refer to our second and accompanying document titled Environmental Funding Model Review Appendices and Supporting Documents for the information referred to in this Report.

Creating a thriving Aotearoa
for future generations

Development and Implementation of ‘Large-Scale’ Environmental Funding

Appendices

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Appendix 1: Waikato Regional Council – Natural Heritage Fund Application Form

NHF Application Form 2024
Form Preview

Introduction

The Natural Heritage Fund (NHF) is designed to support community led, collaborative projects that have long term, landscape scale, intergenerational ecological benefits, including assisting in securing public assets and public access.

Eligibility Checklist

The Natural Heritage Partnership Programme Funding Policy outlines what the Natural Heritage Fund (NHF) can provide funding for. Applicants must be able to demonstrate they meet the eligibility checklist below. Only initiatives that satisfy **all six** eligibility checklist items can continue to the application form. For each section, please tick all that are applicable as a self check of your eligibility. Note, this will be verified through the application and assessment process by Council.

1. Landscape scale

*Landscape scale can be defined in the following ways. Your application must provide evidence of **one or more** of the following, as a guide. Tick all that apply.*

☐ Scale: initiatives that are larger than 400 hectares
☐ Ecological Connectivity: through the development and enhancement of an ecological corridor or ecological stepping stones.
☐ Defined / Defendable Area: a naturally defined ecological region such as a catchment boundary.
☐ Ecological Variation: incorporating multiple ecosystems e.g. a dune, wetland and terrestrial forest.
☐ Connecting community effort: incorporating multiple groups and/or landowners to achieve landscape scale biodiversity outcomes and a collective approach to delivering these outcomes (e.g. a hub or collective).

2. Community led and collaborative

*Must be led by the community and must incorporate collaboration at multiple levels of your organisation. Community is defined as any stakeholders within the area where your work will be undertaken. You must be able to demonstrate **all** of the following:*

☐ Community are part of the governance and strategic planning.
☐ Ongoing volunteer input.
☐ Mana whenua led or ongoing cultural and mana whenua collaboration, support or leadership (see point 3 below for more detail).
☐ Relationships with other relevant stakeholders. Examples may include local and central government, technical experts, funders, businesses, or school communities.

3. Involvement / support of mana whenua

*You must provide evidence of **one or more** of the following. Tick all that apply.*

NHF Application Form 2024
Form Preview

☐ Mana whenua led initiative, including incorporation of mātauranga Māori into planning and delivery.
☐ Active mana whenua involvement in governance e.g. trustee / board members.
☐ Mana whenua involved in the delivery.
☐ Letter of support from mana whenua confirming alignment with iwi aspirations.
☐ Cultural framework, plan or guiding document developed and available.

4. Long term, inter-generational benefits

*Your initiative must have long term inter-generational biodiversity benefits by demonstrating **one or more** of the following. Tick all that apply.*

☐ If you are an established organisation, you must be able to demonstrate a history of success with biodiversity outcomes, and a clear plan for the future which incorporates succession planning.
☐ If you are a new organisation you must have a clear plan for the future and demonstrate you will have long term biodiversity outcomes.
☐ The initiative has a range of people involved from diverse backgrounds, cultures, age groups and with a range of expertise that will support ongoing, long-term success.

5. Demonstrate co-funding

*The initiative does not rely solely on funding from Waikato Regional Council and must provide evidence of **one or more** of the following. Tick all that apply.*

☐ Confirmed funding from other entities.
☐ Significant in-kind volunteer support.
☐ Funding through a business model (e.g. tourism, providing services to others).

6. Landowner support and permission

If applicable, you must be able to provide evidence of the following:

☐ Letter of support or permission from landowners (note complete signed landowner permission will be required before funding can be granted to groups/organisations).
☐ Not applicable (e.g. you are the sole landowner, or you are operating as a community hub).

Before you apply

You must complete all required sections of the application form. Failure to provide the necessary information will impact the success of your application.

If you have any questions about your application please contact **Andrew Thomas** on **0800 800 401** or email **nhf@waikatoregion.govt.nz.**

Applicant Information

* indicates a required field

Applicant Name * Organisation Name

NHF Application Form 2024
Form Preview

Must be the full legal name of your organisation.

Applicant Type *

- ○ Incorporated Society
- ○ Iwi/hapū
- ○ Charitable Trust
- ○ Limited Liability Company
- ○ Education Institution
- ○ Other

Please select your legal entity status. Only one choice may be selected.

Applicant NZBN

The NZBN provided will be used to look up the following information. Click Lookup above to check that you have entered the NZBN correctly.

New Zealand Companies Register Information
NZBN
Entity Name
Registration Date
Entity Status
Entity Type
Registered Address
Office Address

Must be formatted correctly.
If you don't know your NZBN number you can find it here.

Applicant Contact Details

Primary Address *

Address

Postal Address *

Address

If your address is a PO Box or Private Bag, click on "Can’t find your address?" to enter it manually.

Phone Number *

Email *

Must be an email address.

NHF Application Form 2024
Form Preview

Website

Must be a URL.

Project Contact

Project Contact Person *

Title | First Name | Last Name

The primary person responsible for this project

Project Contact Position *

Role within the organisation.

Project Contact Phone Number *

Project Contact Email *

Must be an email address.

Organisation Details

Please provide a brief description of your organisation *

Word count:

Must be no more than 100 words.
This can include a brief summary of your structure, how long your organisation has been operating and any over-arching objectives of your group.

How many staff does the organisation have?

Full time

Part time

Volunteers

Financial Information

Is your organisation GST registered *

- ○ Yes
- ○ No

Please enter your GST number *

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Must be at least 8 characters.

Bank Account Details

Bank Account *
Account Name

Account Number

Bank account must be in the name of the applicant organisation. Please note: Council does not pay to accounts belonging to individuals.

Please attach proof of bank account *
Attach a file:

Bank account proof can be any of the following:

- Pre-printed bank deposit slip
- Bank statement showing account name and number (dated within the last year)
- Certified bank details - stamped and signed by bank teller (dated within the last year)

Internet banking screenshots are **not** accepted.

Project Details

* indicates a required field

Project title *

Must be no more than 10 words.

Short project description *

Word count:
Must be no more than 200 words.
Please provide a short description of the specific project for which you are applying for funding.

How does this specific project fit within the context of your organisation’s wider programme of work?

Word count:
Must be no more than 150 words.

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What are the expected outcomes of this project? Select all that apply. *
- ☐ Enhanced existing native habitat
- ☐ Improved biodiversity through creating habitat
- ☐ Improved biodiversity by controlling pest animals
- ☐ Improved biodiversity through controlling pest plants
- ☐ Improved native biodiversity
- ☐ Increased community participation
- ☐ Increased community engagement in biodiversity
- ☐ Other:

What activities do you have planned as part of the specific project and how do these contribute towards achieving the project's expected outcomes?

Example 1: Activity = baiting pulse twice a year; undertaken by = volunteers; outcome = improved biodiversity by controlling pest animals; monitoring = RTI twice a year.

Example 2: Activity = quarterly workshops; undertaken by = paid staff; outcome = increased community participation; monitoring = number of attendees.

Activity	Undertaken by	Which of your expected outcomes does this activity contribute towards?	Monitoring metric
e.g. Fortnightly servicing of rat and mustelid traps	Volunteer, paid staff, contractor	Select from the dropdown list below.	e.g. RTI's Tracking tunnels biannually

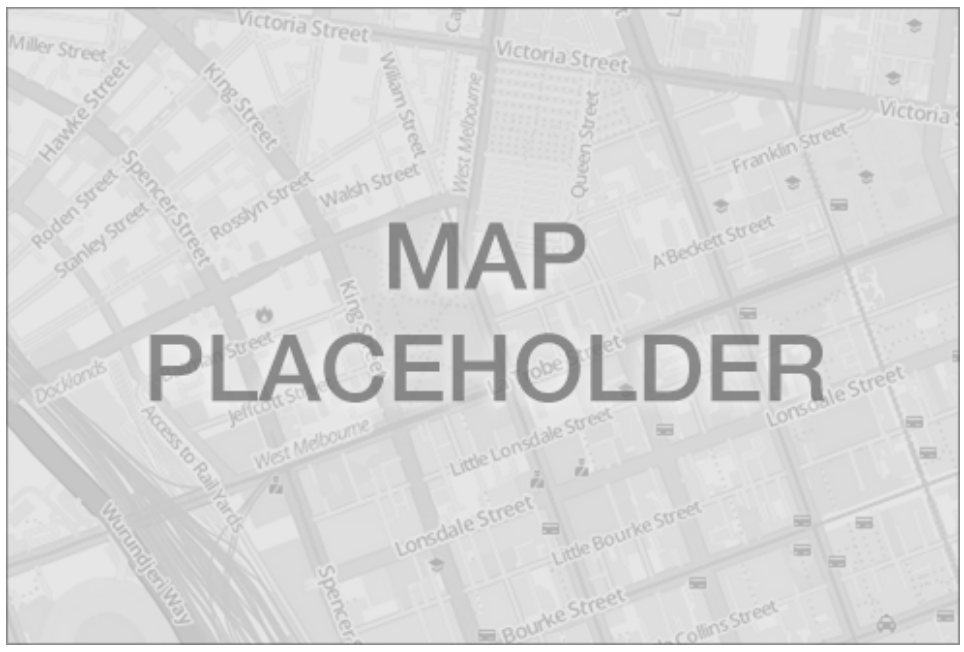
Location details

Start typing an address into the field below and select from the list. Your location will be displayed on the map. You can re-position the pin on the map if required. Coordinates of the location you have selected will be displayed at the bottom of the map.

Address

Address

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The map above is designed to give a general indication of the project location. A detailed map showing the extent of the project area must be attached below.

Within which district/city council area is your project located? *

☐ Hamilton City	☐ Rotorua	☐ Waikato
☐ Hauraki	☐ South Waikato	☐ Waipa
☐ Otorohanga	☐ Taupō	☐ Waitomo
☐ Matamata-Piako	☐ Thames-Coromandel	☐ Region-wide (all districts)

Please select all options that apply to your project.

Total size of project area in hectares *

Enter a number only. Do not enter units.

Please attach a detailed map showing the scope of the project for which you are applying for funding *

Attach a file:

Include traps, bait stations and other infrastructure either in place or proposed.

Climate change

Describe how your project will increase resilience to climate change impacts and/or contribute to positive carbon sequestration. *

Word count:

Must be no more than 100 words.

Please refer to Council's climate change webpage for more information.

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Assessment Criteria

* indicates a required field

Fit with Council’s regional outcomes, strategic priorities, and policies

How does your project fit with Council’s regional outcomes, strategic priorities, and policies? *

Word count:
Must be no more than 150 words.
Refer to community outcomes, strategic priorities, and policies such as NHPP policy.

Environmental enhancement

How the project will directly promote, enhance or protect the Waikato region’s environment, with a focus on improved ecological and biodiversity outcomes.

How will your project be working towards environmental enhancement and/or protection? *

Word count:
Must be no more than 150 words.
Identify why this project is needed in this part of the region.

What are the existing ecological values or significance of the project area? *

Word count:
Must be no more than 150 words.
Does the project area include the protection of threatened ecosystems, or threatened/at-risk species, or habitats that are important to protect in the region/nationally?

How do you plan to monitor biodiversity outcomes of this project? *

Word count:
Must be no more than 200 words.
For example, the use of tracking tunnels before and after a baiting pulse, five-minute bird counts, photo points. TrapNZ (or equivalent) must be used for any predator control programmes.

Please describe how your project is working at landscape-scale. *

Word count:

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Must be no more than 150 words.
Please refer to Eligibility Checklist 1 for guidance.

Please describe how you plan to ensure there are long term, intergenerational benefits to your project. *

Word count:
Must be no more than 150 words.
Please refer to Eligibility Checklist 4 for guidance.

Community participation and awareness

How the project involves iwi Māori, the wider community and increases public awareness of environmental issues. What is the level of mana whenua and community support for the project.

What level of volunteer involvement do you have in your project? *

Word count:
Must be no more than 200 words.
What role will volunteers play in this specific project? For example, how many volunteers will be involved and approximately how many hours will they spend on this project?

How are the wider community involved, including how this project will strengthen public awareness of environmental issues? *

Word count:
Must be no more than 150 words.
For example, any advocacy your organisation does within the wider community such as workshop events, social media, or work involving schools. Please also describe how they are a part of your governance and strategic planning.

Collaboration and partnerships

How have you explored and developed opportunities for collaboration and partnership with others, including any co-funding and support from other parties.

Explain how you are collaborating with other community groups and/or stakeholders *

Word count:
Must be no more than 200 words.
This can include working in conjunction with neighbouring community conservation groups, sharing knowledge with other groups, working with local councils and/or DOC.

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Landowner Consent

Does your project include work on: *
- ☐ DOC land
- ☐ Private land
- ☐ LINZ land
- ☐ District Council
- ☐ Iwi land
- ☐ Multiple Māori owned land
- ☐ Not applicable (e.g. community hub)

Please select all that apply.

How many landowners are within your project area? *

Must be a number.

How many landowners do you have signed permissions from? How many landowners do you have only verbal support from? Explain how you intend to obtain signed permission from all of the necessary landowners. *

Word count:
Must be no more than 100 words.
Please note signed landowner permission will be required before funding can be granted.

Please attach letter(s) of support from project partners or relevant stakeholders
Attach a file:

Note: letters of support from Waikato Regional Council staff cannot be accepted.

Viability

The likelihood of the projects success and the applicants capability to deliver the outcomes of the project.

What plans do you have in place to ensure that your project is successful? *

Word count:
Must be no more than 200 words.
How have you ensured that your organisation has the capacity and capability to complete your project?

Mana whenua

How does the project involve iwi Māori including their cultural values, interests and associations, the effect on Māori historic heritage or the relationship of Māori and their

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culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga including fauna and flora.

Please describe how mana whenua are involved in, or supporting, your project. *

Word count:
Must be no more than 150 words.
Provide any examples of how you are ensuring iwi aspirations are central to your project, ongoing collaboration and shared decision making with mana whenua. Please refer to Eligibility Checklist 3 for guidance.

Please describe how Māori values, culture, and mātauranga Māori will guide your project *

Word count:
Must be no more than 200 words.
Provide any specific examples of how Te Ao Māori, mātauranga Māori, and tikanga will be integrated into the project. Include any strategies for protecting cultural and spiritual connections to the land, water, and biodiversity.

Please attach any relevant letters of support from local mana whenua.
Attach a file:

Supporting Documentation

You can include up to four supporting documents. These may include management plans, strategic documents etc. These supporting documents may not be reviewed by Council in their entirety. Please include any key information contained in supporting documents in the application form to ensure it is considered in the assessment process.

Please attach any relevant supporting documents
Attach a file:
A maximum of 4 files may be attached.

Budget

* indicates a required field

Please enter all budget information in **GST exclusive** amounts.
The total amount requested must be greater than $40,000 and can be for up to four years.
Sub-totals and totals are automatically calculated at the end of this section.

How many years are you requesting funding for this project? *

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○ 1 ○ 2 ○ 3 ○ 4

SmartyGrants will bring up the correct number of tables for the funds requested. Labour and Materials will form different tables.

Labour Costs

Please enter all budget information in **GST exclusive** amounts.

If you are requesting funding of labour costs for a role within your organisation, please provide a role description below.

Include all volunteer, in-kind, or self funded labour contributions from your organisation (volunteer labour should be costed at $23.15 per hour).

Role Description(s) Attach a file:

Labour Costs - Year 1

Labour type	Supplier	Project Activity	No. hours	Hourly rate ($)	Labour Cost ($)	NHF funding requested ($)
Please select one.	Include name if known.	Identify the project activities to be completed by this resource.	Must be a number only	Must be a dollar amount.	Automatically calculated	Must be a dollar amount.
Contractor Paid staff Volunteer						

Labour Costs - Year 2

Labour type	Supplier	Project Activity	No. hours	Hourly rate ($)	Labour cost ($)	NHF Funding requested ($)
Please select one.	Include name if known.	Identify the project activities to be completed by this resource.	Must be a number only	Must be a dollar amount.	Automatically calcuated	Must be a dollar amount.
				$	$	$
				$	$	$

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				$	$	$

Labour Costs - Year 3

Labour type	Supplier	Project Activity	No. hours	Hourly rate ($)	Labour Cost ($)	NHF Funding requested ($)
Please select one.	Include name if known.	Identify the project activities to be completed by this resource.	Must be a number only	Must be a dollar amount.	Automatically calculated.	Must be a dollar amount.

Labour Costs - Year 4

Labour type	Supplier	Project Activity	No. hours	Hourly rate ($)	Labour Cost ($)	NHF Funding requested ($)
Please select one.	Include name if known.	Identify the project activities to be completed by this resource.	Must be a number only	Must be a dollar amount.	Automatically calculated	Must be a dollar amount.

Materials costs

Please provide estimates of the funds you would be requesting from the NHF to complete your project.

Please enter all budget information in **GST exclusive** amounts.

Materials Costs - Year 1

Description of materials	Estimated Quantity	Total Cost ($)	NHF Funding requested ($)
e.g. traps including consumables	Must be a number only	Must be a dollar amount.	Must be a dollar amount.

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			$
			$
			$

Materials Costs - Year 2

Description of materials	Estimated Quantity	Total Cost ($)	NHF Funding Requested ($)
e.g. traps including consumables	Must be a number only.	Must be a dollar amount.	Must be a dollar amount.
		$	$
		$	$
		$	$

Materials Costs - Year 3

Description of materials	Estimated Quantity	Total Cost ($)	NHF Funding requested ($)
e.g. traps including consumables	Must be a number only	Must be a dollar amount.	Must be a dollar amount.

Materials Costs - Year 4

Description of materials	Estimated Quantity	Total Cost ($)	NHF Funding requested ($)
e.g. traps including consumables	Must be a number only	Must be a dollar amount.	Must be a dollar amount.

Funding contributions from other organisations

Please describe any other funding or in-kind support you have already received that will contribute towards this project or any other funding you are in the process of securing.

For example, traps that have been donated to your group/organisation, volunteer hours (at $23.15 per hour), monetary donations from fundraising events, named funds that you are also applying to. The amounts can be estimated.

Organisation	Product or service	Amount ($)	Funding status
Name of the group/ organisation	Description of the contribution (e.g. monetary funding, volunteer hours, or materials)	Must be a dollar amount.	

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Budget Totals

Below are the sub-totals and totals for your budget. Please check carefully to ensure they are correct.

These fields are automatically calculated. If any information is not totalling correctly, please adjust your budget details above.

Sub-totals Year 1

Total costs	Labour requested	Materials requested	Total requested
	$		$

Sub-totals Year 2

Total costs	Labour requested	Materials requested	Total requested
$	$	$	$

Sub-totals Year 3

Total costs	Labour requested	Materials requested	Total requested

Sub-totals Year 4

Total costs	Labour requested	Materials requested	Total requested

Totals

Total project costs *	Total NHF funding requested *	Percentage NHF contribution *	Total other contributions
Automatically calculated.	Automatically calculated.	% of total project cost. Automatically calculated.	Automatically calculated

Declaration

* indicates a required field

Terms and Conditions

- Waikato Regional Council may discuss the application with other persons or organisations as part of the evaluation process.

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- Waikato Regional Council will determine funding allocations and their decisions will be final.
- Approval may be subject to funding conditions.
- Successful applicants will be required to sign a Funding Agreement with Waikato Regional Council outlining how funds will be spent.
- Projects must be started within six months of funds being paid. Should the project not proceed within six months of payment, funding approval will become null and void (with funds being returned to Council) unless other provisions are arranged between the applicant and the Council.
- A successful application does not guarantee funding in subsequent NHF funding rounds.
- Biosecurity legislation and best practice guidelines are expected to be a key consideration of any project receiving funding as part of Council's funding programmes, e.g. kauri protection.
- If your application is successful, you will be required to have a discussion with Waikato Regional Council to outline overlapping duties under the Health and Safety at Work Act 2015.

Privacy Statement

Any information you provide with your application is official information. Your information is held and administered by the Waikato Regional Council in accordance with the Local Government Official Information and Meetings Act 1987 and the Privacy Act 1993. This means that your information may be disclosed to other people who request it in accordance with the terms of these Acts. It is therefore important you let us know if your application includes trade secrets, commercially sensitive materials or any other information you consider should not be disclosed. Under the Privacy Act 1993 you have right of access to personal information held by the Waikato Regional Council.

In making this declaration I declare that:

1. I am authorised to do so, and to the best of my knowledge the information contained in this application is true and correct.
2. I have read and agree to the Terms and Conditions and Privacy Statement above.

I agree * ○ Yes

Name * Title | First Name | Last Name

Phone Number *

Must be a New Zealand phone number.

Email *

Must be an email address.

Date *

Must be a date.

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When your application is submitted, Smartygrants will email you to confirm receipt. If you do not receive confirmation please check your 'spam' filter.

Appendix 2: Detailed Literature Review

Phase Two of this project required us to conduct a comprehensive desktop review of literature from New Zealand and overseas to identify the trends and challenges in community environmental funding and stewardship that existed. This was to not only investigate and understand the most effective environmental initiatives being led and delivered but to also understand what the research and evidence says about the most effective grant making and funding approaches available to ORC to examine and seek to adopt.

To inform our approach and recommendations, we sought out, reviewed and considered a large body of evidence-informed or evidence-based data and research that included academic and journal articles, programme and project evaluations, independent reviews and investigations as well as several legislative and regulatory documents, both from New Zealand and internationally.

This section of the report focuses on the key themes and outcomes from our review of the literature that we sought against the following parameters:

- The effectiveness of contestable (competitive) vs directed (non-competitive) funding models.
- The effectiveness of funding project delivery vs funding system enhancement, capability building and collaborative activities.
- The effectiveness of investing in 'umbrella' entities to achieve efficiencies and outcomes vs repetitive funding into singular entities.
- The evidence linking the length of time investment with the likely achievement of outcomes.
- Evidence indicating the level/value of funding required to warrant the achievement of outcomes or impacts.
- Evidence on the effectiveness of joint funding arrangements either between public agencies or between the public sector and the community and/or charity sectors.
- Existing examples of definitions of large-scale and landscape scale that may be applicable in the ORC context.[1]
- Examples of funding models, programmes or initiatives that have been successful in sustaining long-term delivery, attracting and leveraging additional funding or attracting significant third-party investment (both within and outside of the environment sector).

Legislative and regulatory documents as well as key research and evaluations into grant making activities have been used to inform our assessment and analysis of each funding model outlined in Section 7 and are not necessarily referred to in this section of the report. A full list of the references used in the development of this project are outlined in Section 13 of this report.

The narrative in this section should be read in conjunction with the key themes and feedback we obtained during the partner and stakeholder consultation process (which is outlined in Section 5), as together, these sections identify and outline consistent themes and challenges facing the environmental sector towards achieving sustainable and impactful organisational and environmental outcomes into the future.

In addition to the content in this section of the report, specific real-world examples of a range of funding models in use is also included in the Appendices document which accompanies this report which provides six relevant New Zealand examples that further support the literature.

The seven consistent themes we identified from the literature include:

2.1 The Community Sector in New Zealand is Economically and Strategically Significant but the Funding System is Fragmented

In 2018, the New Zealand philanthropic sector, including charities, and not-for-profits contributed approximately $8.1 billion (or 2.8%) to New Zealand's GDP, which highlights the economic and societal importance of the sector and the contribution that volunteers make to our overall economy. New Zealand has around 28,000 registered charities, roughly 24,000 registered Incorporated Societies (of which around 7,000 of these are also registered charities). The sector represents around 5% of the country's paid workforce with around 145,000 staff, who are supported by over 217,000 volunteers across multiple sectors.[2]

The community sector has become large and potentially unsustainable, as there is now one registered charity for every 183 people in this country which is one of the highest ratios internationally (compared with 1:221 people in the United States; 1:460 people in Australia and 1:396 people in the United Kingdom). As the number of community organisations has grown (noting that this includes but not limited to the environment or conservation sector), central and local government funding has reduced in challenging economic conditions. Funding available through other traditional sources such as Class Four Gaming Funding (funding that comes from gambling revenue such as Pokie Machines or Lotteries) has reduced, (particularly post-COVID-19 as investment returns dropped), premises have closed and/or where regulators have moved to proactively reduce the number of machines or new licenses granted (in a bid to improve social outcomes).

The philanthropic sector in New Zealand has remained relatively stagnant with charitable giving increasing by only 1.4% annually over the last decade. Philanthropy New Zealand reported that in 2022, philanthropic funding in New Zealand totalled around $3.8 billion, with government grants making up 57% of this amount. However, these figures are not keeping pace with inflation and the growing needs of communities. Additionally, the charity sector's reliance on government contracts has created an environment where charities are often required to focus on compliance rather than on innovative delivery.

There is evidence to suggest that the charitable and philanthropic sectors are in part, perpetuates the challenges they are facing, with Charities Services noting in their 2021/2022 Annual Review, that 74% of charities were providing services in overlapping areas, often delivering similar activities in the same communities. This fragmentation and duplication were further evidenced by Charities Services Annual Review in 2023, where their survey found that 67% of charities reported that they were unaware of similar organisations working on similar initiatives within their region. The same is likely to be true for the funders supporting these organisations, who are likely duplicating resources and investment across communities, community organisations.

Fragmented and duplicated approaches to funding and delivery within the sector may inadvertently encourage organisations to address 'symptoms' rather than the 'root cause' of the issues they're trying to address. This creates a risk that there will be a failure in achieving strategic alignment and coordination between organisations contributes to reduced inefficiencies, higher operational costs and reduced outcomes. This is further exasperated by the fact that available funding sources often do not cover core operational costs such as wages.

1 Note our findings from this area of the literature is outlined and discussed in Section 6.
2 These figures will have likely reduced in the past 12 months due to funding reductions in a number of areas.

2.2 There are Capacity and Capability Gaps in Community-led Environmental Management

Effective management of the use of public funds requires specialised knowledge and skills that are not uniformly available across communities. The ability to strategically plan, acquire funding, effectively implement activities and projects, and then undertake reporting and accountability activities is variable across community organisations, particularly those that are heavily reliant on volunteer support. This capacity and skill gap often hinders the long-term sustainability of organisations, both financially and in terms of the long-term impact of well-intentioned initiatives.

There is a growing body of evidence (such as Peters, Hamilton, and Eames (2015) and the Cawthron Institute (2021) that identifies that community-led environmental organisations and not-for-profit entities require substantial and ongoing administrative and technical support to operate effectively. In the case of ORC, this would imply that for 'large-scale' funding to be successful at achieving environmental outcomes, and reducing the reliance on long-term council funding, staff will need to provide consistent, dedicated and ongoing support to community organisations to achieve success.

2.3 The use of Contestable Grants creates Misalignment between Short-Term Funding and Long-Term Outcomes

The literature identifies a consistent challenge and tension between short-term funding cycles and the need for achieving long-term environmental outcomes. While contestable grant processes can provide an even playing field for community organisations, allowing smaller or newly established groups to compete for funding in a transparent way, the funding model undermines project continuity, forces groups into an unsustainable cycle of seeking new funding and shifts the focus away from a focus on strategic planning or long-term delivery. A contestable model further impacts on the organisation's ability to retain paid staff and contributes to fuelling the cycle of low organisational sustainability, especially if funding does not cover salary related costs.

It has been highlighted in the research that the over-saturation of charitable organisations is placing pressure on the availability of a skilled workforce, with smaller organisations being disproportionally affected by this, as they may struggle to attract skilled professionals who may be drawn to larger, more financially secure organisations.

The research and evaluations we reviewed highlighted that these inherently competitive funds incredibly time and resource intensive to manage and administer for both the funder and applicant. There is also evidence to suggest that they can inadvertently drive negative behaviours – by encouraging organisations to redirect or retarget their priorities (or deviate from strategy) to meet certain funding criteria to ensure their financial viability. There is evidence to suggest that these funds are often targeted towards supporting project costs, with 'new' initiatives often being given priority over investment in existing, maintenance or 'business as usual' activities.

2.4 The Importance of Flexible, Collaborative and Multi-Year Funding Models

The research uniformly calls for funding models that are more flexible, and that provide longer-term commitment and predictability for communities and community organisations. Several of the studies we reviewed emphasised the need for multi-year contracts as well as proposing the availability of untagged funds or overhead funds that could support the operating costs of organisations.

Recommendations further highlighted the importance of providing low competition or direct funding approaches that are based on high-trust and collaborative relationships between funder and deliverer/supplier. These approaches are likely to be resource intensive while relationships and trust are established however once in place, are time and cost-effective compared to annual grant making processes. Evaluations of both the Auckland Council's Community Coordination and Facilitation (CCF) Grant Pilot and Jobs for Nature Programme found that cross-agency partnerships and embedding funded roles within communities (such as paid coordinators) increased community and environmental impact.

While these models are encouraged and provide opportunities for enhanced collaborative action (aligned to strategic long-term plans and goals), this approach may disadvantage smaller, newer, or lesser-known groups from securing funding. More flexible models do not assume that procurement rigour or transparency is lost or minimised, nor are they intended to create the conditions for a long-term (or 'forever') reliance or expectation that council funding will be ongoing for significant periods of time. Funder managers (in this case ORC staff) will need to ensure stringent adhere to due diligence and conflict of interest processes are maintained to ensure that perceived or actual conflicts are identified and managed. This is relevant for both ORC staff and elected members who can form close relationships and high levels of trust with potential funding recipients and community organisations as collaborative planning and delivery activities grow and evolve.

A think piece produced by the Western Bay of Plenty Regional Council (2024) identified a number of reasons why collaborative arrangements struggle to become embedded and sustainable, such as the slow speed of councils to respond to requests, needs or opportunities, high turnover of council staff, the extent of reporting and monitoring needs required by council, the inability or unwillingness for projects to be fully funded, and a loss of intellectual property. A significant finding of the paper identified that collaborative and high trust relationships between community organisations and the council were usually reliant on an individual council staff member, and not with the organisation, and therefore these collaborative relationships broke down when/if the individual left council.

2.5 The Role of Council Beyond 'Funder'

Modern approaches to funding and procurement require councils (as well as other funders) to evolve their processes and approaches from being merely grant makers to being enablers of collaboration and innovative practices. ORC could play a key leadership role in this future space, working in partnership with neighbouring local authorities, other grant funders and community organisations. This shift has been advocated for in several key reports, such as the 2017 evaluation of the Ministry for the Environment's Small-Scale Contestable Fund and Sustained Network Fund. The literature recommends that this leadership could be enacted in the following ways:

- Aligning investment with larger groups or umbrella type organisations who have a proven track record of delivery.
- Investing in organisational capability and sustainability that enhances the wider delivery system.
- Incentivising innovation.
- Collaborating across agencies.
- Supporting regional and national networks where relevant and applicable.

2.6 Monitoring, Evaluation and Reporting

Evidence shows that effective environmental stewardship depends on outcome-based monitoring, but that community groups and organisations are often either under-resourced from a capacity, financial or capability perspective that provides meaningful information to support ongoing investment or environmental outcomes.

The literature recommends that monitoring should be fit-for-purpose and aligned to the value and accountability requirements of the funding received. Doole, 2024, urged that funders work together at a local and regional level to become better aligned in their reporting requirements (especially when multiple funders are supporting the same organisations or initiatives), to simplify processes and reduce duplication.

2.7 Summary

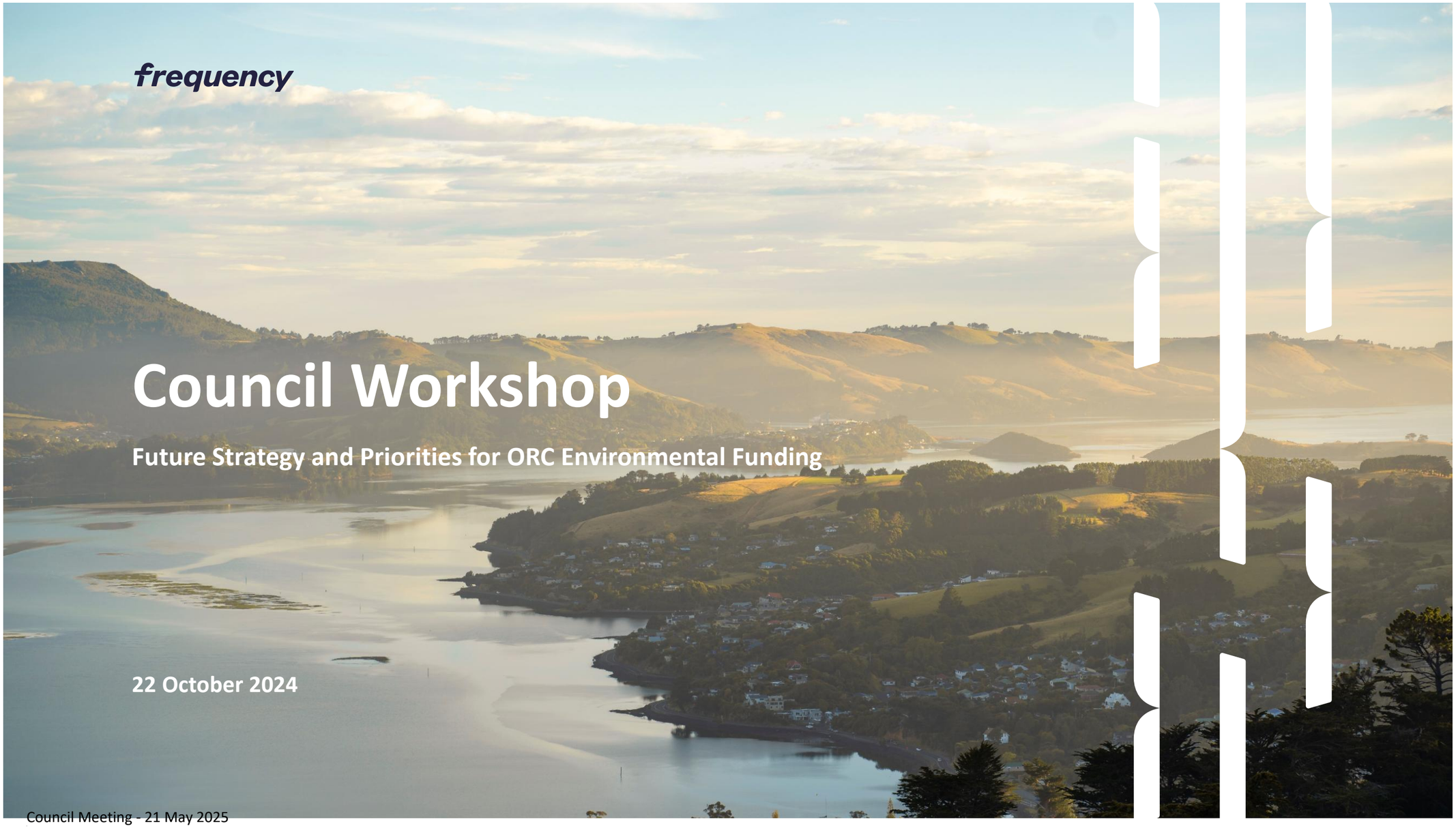
As we anticipated, our review of the literature did not provide us substantive concrete evidence that would recommend one single, 'right' approach to funding model design and implementation. As is often the case with research, there are differing views or opinions present and there are several external factors that contribute to the success of each initiative, programme or project, such as socioeconomic or political factors. Success can be highly situational and contextual, and not always attributable to the funding model used to support project or programme delivery.

What is clear from our review, is that the body of evidence to support councils and other funders to make effective decisions regarding their funding model design and implementation, is still evolving. There are however consistencies in the trends that emerged from the literature which are summarised below:

- **A movement away from competition to collaboration:** There is consistency and alignment with the view that competitive funding models are detrimental to sector cohesion and the achievement of outcomes. This is evidenced in other sectors outside of environmental management or conservation.
- **The need to professionalise community efforts:** Embedding paid staff and building the infrastructure to support the wider system is vital to achieving outcomes. Having the right expertise to activate volunteers enhances impact.
- **Sustainability needs to be a core guiding principle:** Both ecological and financial sustainability require long-term thinking and a commitment by funders (both government and non-government) and community organisations.
- **Systemic flexibility and responsiveness:** System leadership (which in this case should be provided by ORC) requires a purposeful effort to provide adaptive funding, streamlined processes, and reduced administrative burden for all parties. This requires a deliberate intention to change behaviours and support the system to create a culture of self-sufficiency and sustainability that reduces the reliance and expectation of long-term and ongoing council investment.



Appendix 3: ORC Councillor Workshop 1 – Presentation


frequency
Council Workshop
Future Strategy and Priorities for ORC Environmental Funding
22 October 2024

frequency

Welcome and Introductions

frequency

Workshop Purpose

- Revisit the purpose, allocation and structure of **existing** environmental funding allocated by ORC
- Consider and discuss the ORC's **future vision, strategy, and environmental priorities** for future investment in environmental programmes and activities
- **Agree a high-level approach** to the purpose, design and implementation of future environmental funding and priority investment areas
- Help inform staff and consultants in their development of a **detailed report and recommendations** that will guide future decision making around investment structure, investment opportunities; and
- Note any **unresolved issues or concerns** that will need to be addressed in this work





Meet Our Team

01. **EMMA HODGKIN** ***SENIOR ASSOCIATE***

Emma is based in our Ōtepoti office and comes to Frequency with over 20 years' experience in senior roles, predominately in the public sector. She has worked for the last decade as a consultant, providing strategic support and advice, procurement, programme and project mgmt. services to central and local government, and NFP clients.

02. **MARINAH RONDEL** ***GRADUATE***

Marinah is a valued graduate in our Ōtautahi team and comes with a diverse background in architecture. A significant part of her studies focused on the practical implementation of the Christchurch Central Recovery Plan and Kaikoura District Council's LTP emphasising sustainable strategies and their impact on communities in post-earthquake environments.

frequency

Workshop Agenda

Time	Item	Discussion Lead
2.00pm – 2.15pm	Welcome and Workshop Opening	Chair
2.15pm – 3.00pm	Analysis and discussion of current structure Environmental Funding Structure	Libby Caldwell & Emma Hodgkin
3.00pm – 3.20pm	NZ and overseas examples of Environmental Funding Initiatives	Emma Hodgkin & Marinah Rondel
3.20pm – 3.30pm	BREAK	
3.30pm – 4.15pm	Presentation and Discussion of pre-workshop survey findings to obtain agreement and alignment	Emma Hodgkin
4.15pm – 4.45pm	Unsolved issues and questions to address before moving forward	Emma Hodgkin & Libby Caldwell
4.45pm – 5.00pm	Agreed actions and next steps	Emma Hodgkin
5.00pm	Closing	Chair

frequency

Current Environmental Funding Structure

A brief snapshot of the ‘current state’

frequency

Background Context and Strategic Intent

- Currently supports areas of biodiversity, biosecurity and water quality
- Since 2018 funding increased and diversified
- 2024-34 LTP consultation proposed increased investment of $500,000 a year from 2025/26.
- Feedback from submissions confirmed the need for ongoing investment
- Final LTP resolved to allocate $2 million a year of funding for large-scale environmental projects from 2025/26, funded by an Otago-wide catchment management rate, with interim increase of $500,000 in 2024/25 funding
- Additional $2M will be on top existing funds and is to support ‘large-scale environmental initiatives’



frequency

Jobs for Nature

- Was a $1.19B multi-agency programme to benefit the environment and create jobs as part of the govt wide COVID-19 recovery package
- Project ended 30 June 2024 after providing investment of $61.9M into Otago, supporting 32 projects (to 30 Sept 2023)
- Provided 910 employment opportunities and funded 588,845 worker hours
- Projects were supported by DOC, MfE, MPI, LINZ and Kānoa
- Significant investment in a number of strategically important projects at risk by loss of funding – such as the Te Wai Whakaata Restoration Project - $5.45M total funding

frequency

Current Environmental Funding Structure



Funding currently consists of

- General ECO Fund
- Various incentive funds
- Large scale biodiversity funding

Direct funding currently includes

- Wilding Conifer groups
- One-off activities or initiatives such as Ballance Environmental Awards

Related to environmental outcomes but outside this scope

- Consent fee fund
- Ad hoc requests
- Nationally funded initiatives such as Toitū Te Hakapupu

Fund Type	Total $$	Max. $ allocation p/project	Term of investment	Scope of Investment	Eligibility
General ECO Fund	$318,630.00	$50,000	1-3yrs	Community projects that protect, enhance or promote ORC environment. Can fund up to 50% salary/wage costs.	• Groups of landowners • Educational Institutions • community groups • Iwi/hapū
Incentive Funding – native planting (pest mgmt.)	$50,000.00	$15,000	1-3yrs	Native planting or regeneration after the removal of pest plants.	• Groups of landowners • Educational Institutions • Community groups • Iwi/hapū
Incentive Funding – native planting (water)	$50,000.00	$15,000	1-3yrs	Planting or regeneration of native vegetation in riparian areas to improve water quality.	• Groups of landowners • Educational Institutions • Community groups • Iwi/hapū
Incentive Funding – biodiversity on private land	$100,000.00	$15,000	1-3yrs	Protecting privately owned land.	• Individual landowners
Incentive Funding – rabbit mgmt.	$100,000.00	$50,000	1-3yrs	Long-term coordinated community-led rabbit management.	• Groups of landowners • NFP community groups • Some individual properties
Large Scale Biodiversity	$300,000	$50,000 - $150,000	1 year	Projects with large scale biodiversity outcomes.	• May involve pest management, habitat enhancement, protection of high value areas

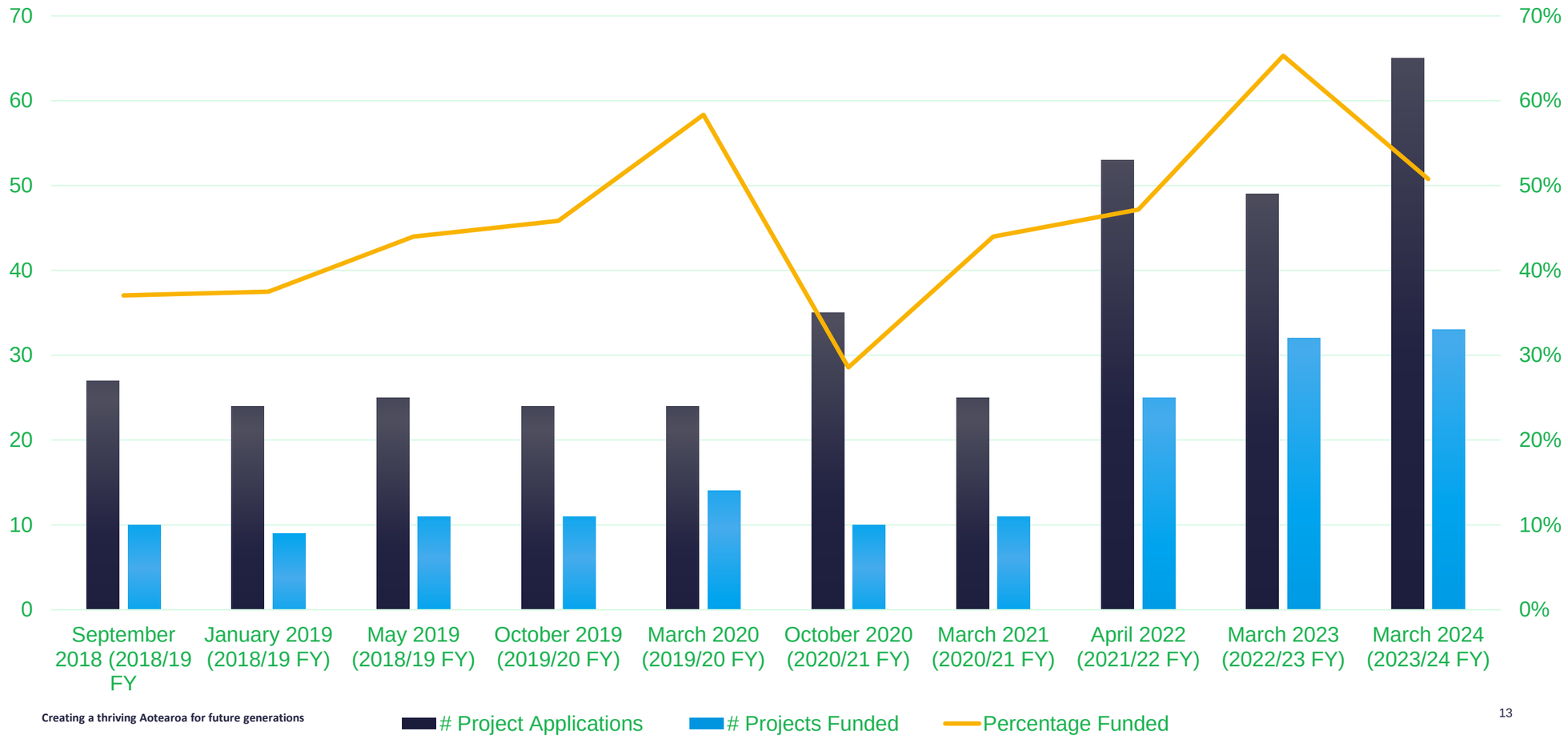
frequency

Environmental Funds Requested in 2023/24 Application Process (March 2024)

Category	# of Applications	Funds Requested	Funds Available	% over or under subscribed
ECO Fund (general)	31	$989,091.15	$318,600.00	310%
Incentive Funding – sustained rabbit mgmt.	10	$249,740.78	$100,000.00	250%
Incentive Funding – native planting after plant pest removal	4	$47,978.17	$50,000.00	96%
Incentive Funding – native planting for water quality	0	$0	$50,000.00	100%
Incentive Funding – biodiversity enhancement on protected private land	10	$149,379.00	$100,000.00	149%
Large-scale biodiversity	10	$1,270,387.82	$300,000.00	423%
TOTAL	**65**	**$2,706,576.92**	**$918,600.00**	**295%**

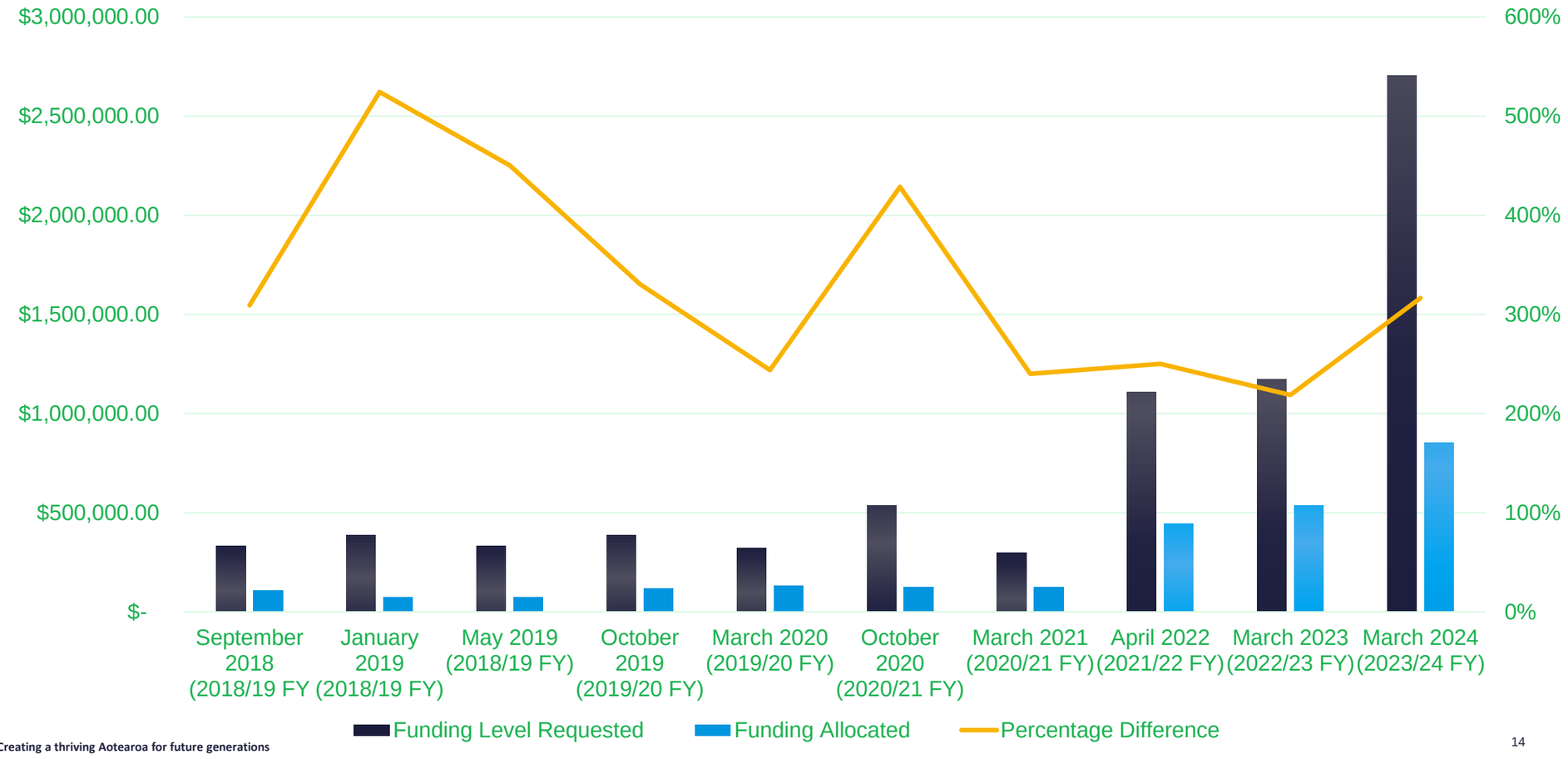
frequency

Changes in Number of Applications and Number of Funded Projects (Contestable Funding) 2018/19 -2023/24 FY

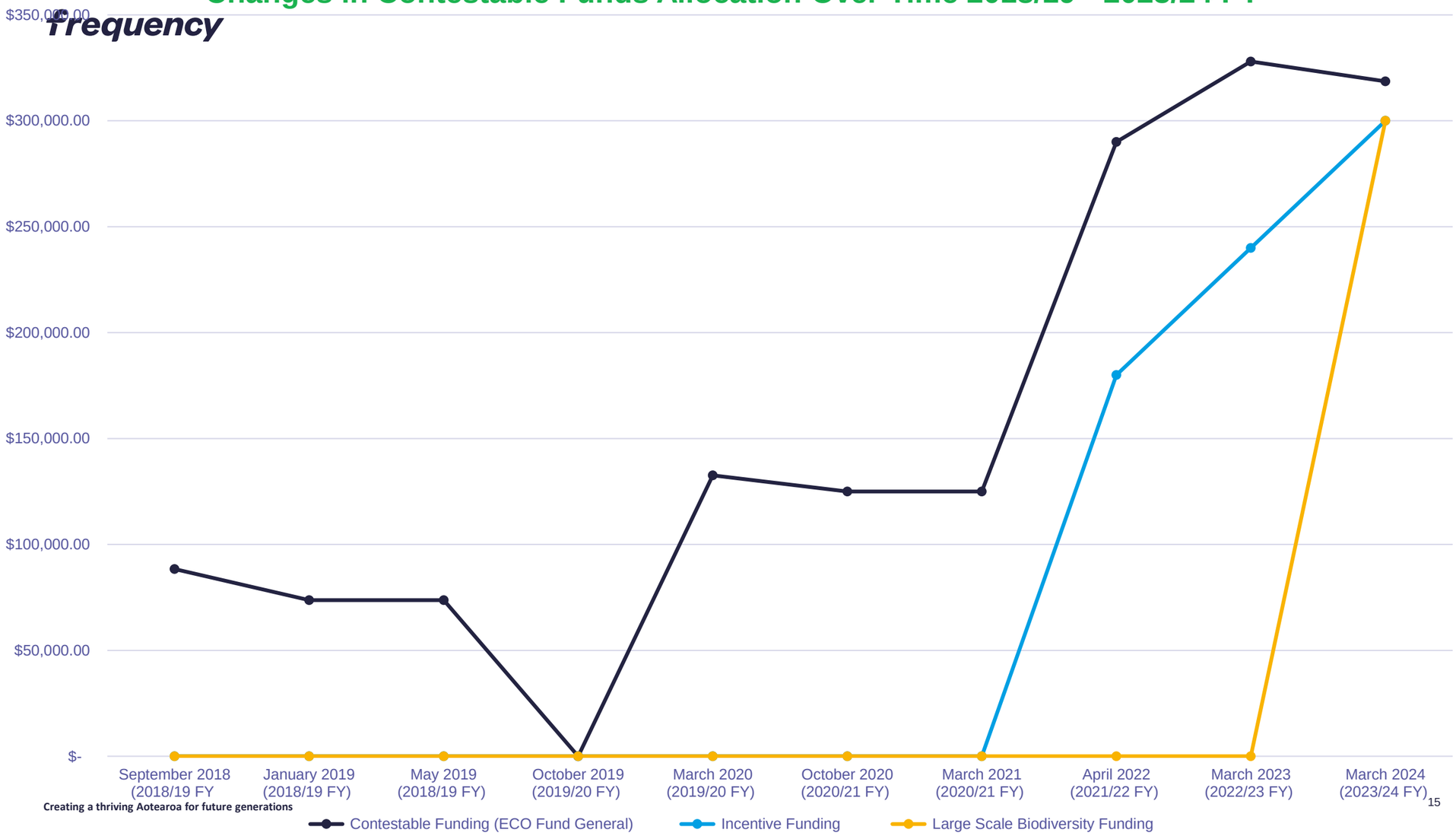


frequency

Changes in Levels of Contestable Funding Requested and Funding Allocated 2018/19 – 2023/24 FY

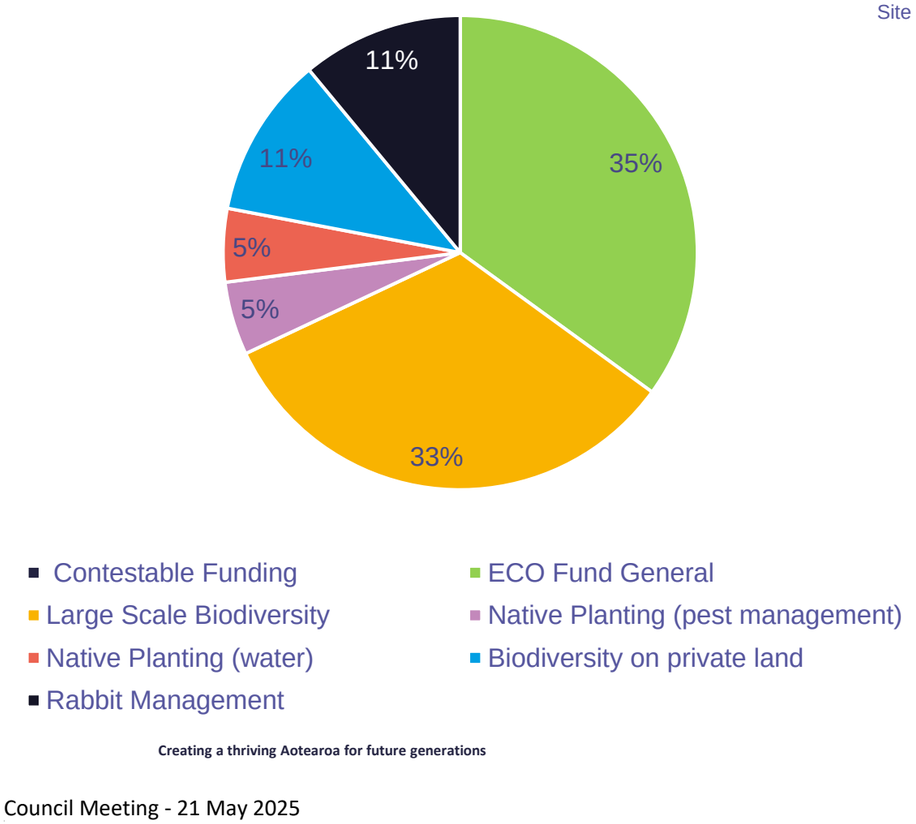


Changes in Contestable Funds Allocation Over Time 2018/19 - 2023/24 FY

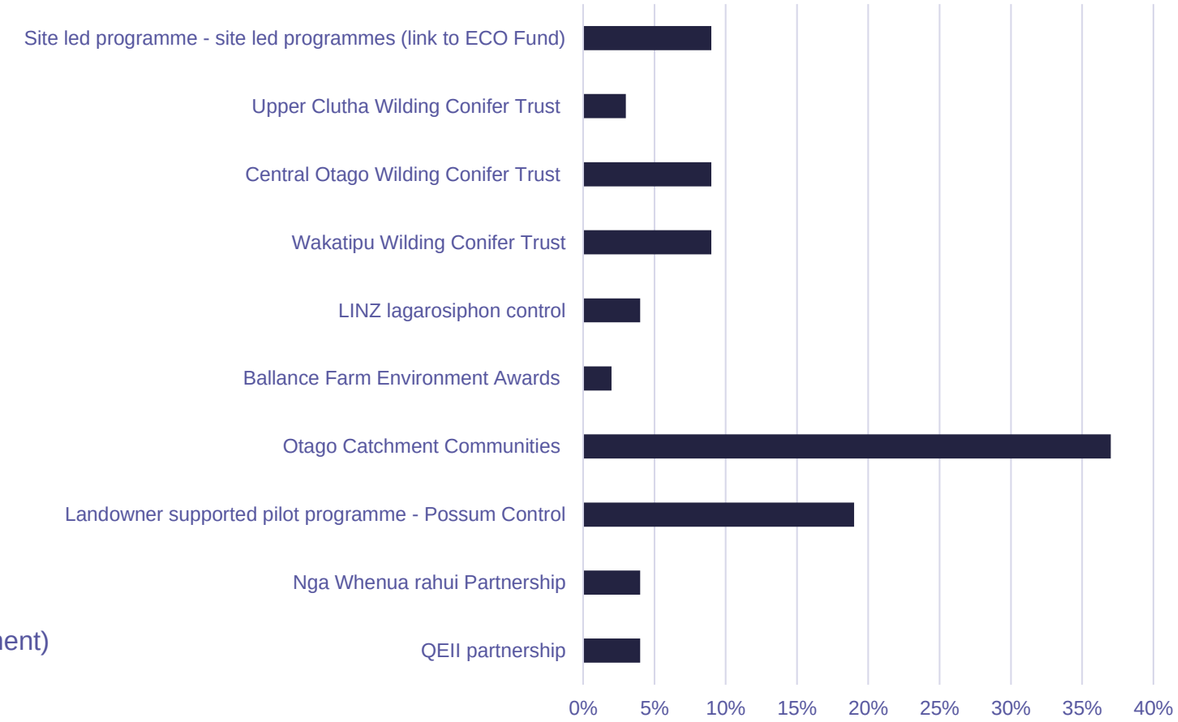


Contestable Funding	Non-Contestable (Direct) Funding
44%	56%

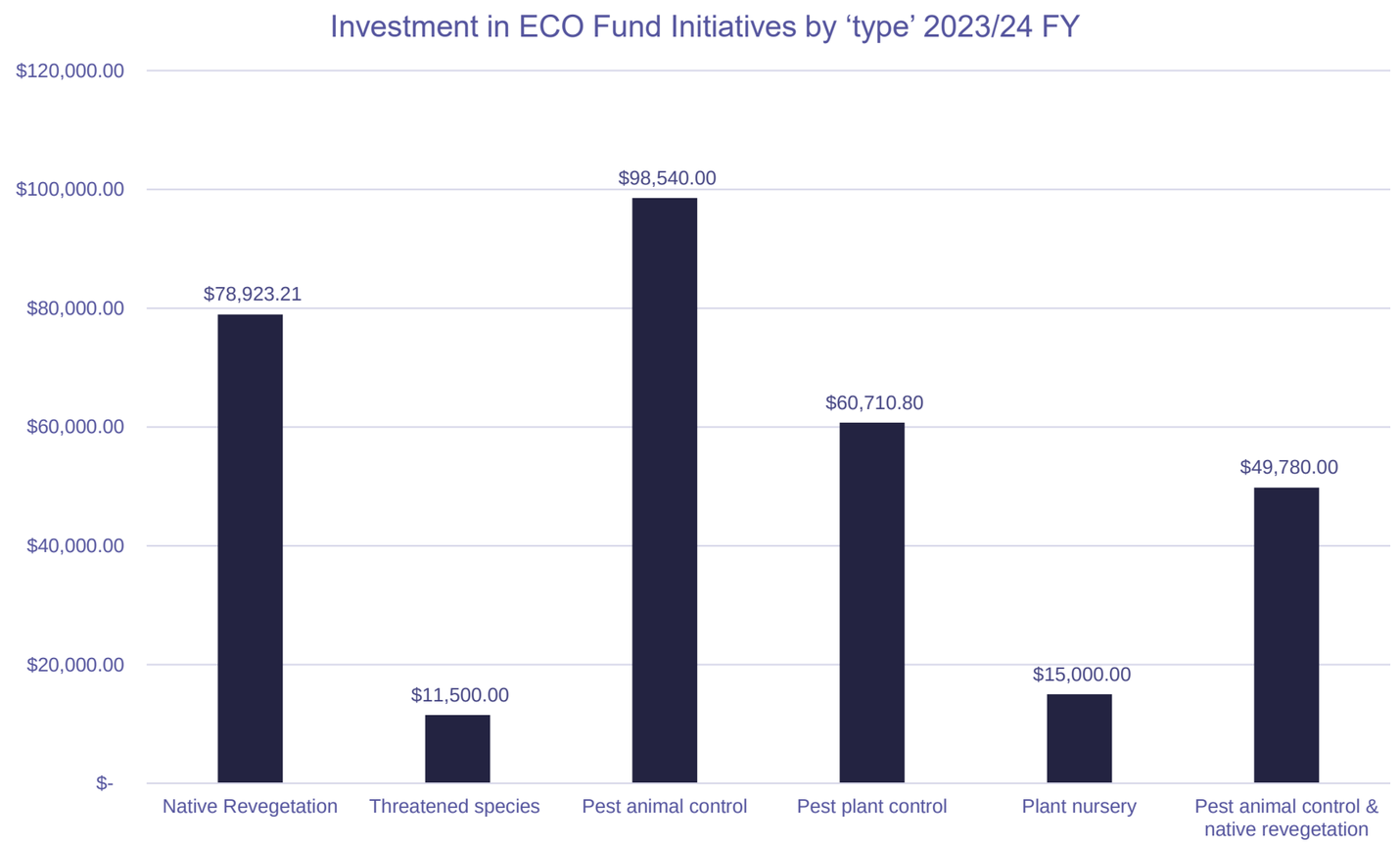
Contestable Funding by Type

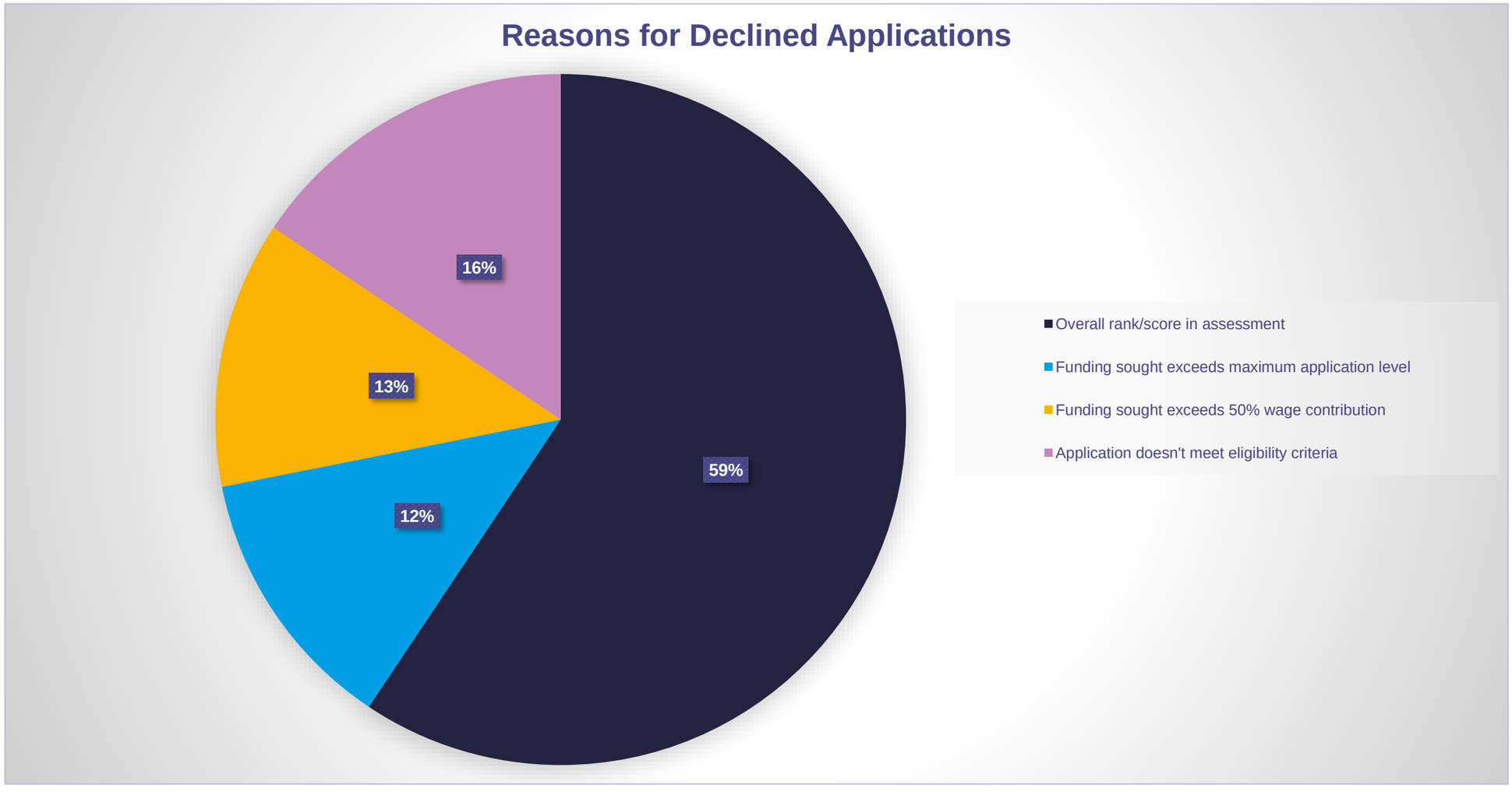


Non-Contestable Funding by Contract



frequency


Investment in ECO Fund Initiatives by ‘type’ 2023/24 FY
$120,000.00
$100,000.00
$80,000.00
$60,000.00
$40,000.00
$20,000.00
$-
$78,923.21
$11,500.00
$98,540.00
$60,710.80
$15,000.00
$49,780.00
Native Revegetation
Threatened species
Pest animal control
Pest plant control
Plant nursery
Pest animal control & native revegetation


Reasons for Declined Applications
16%
13%
12%
59%
Overall rank/score in assessment
Funding sought exceeds maximum application level
Funding sought exceeds 50% wage contribution
Application doesn't meet eligibility criteria

frequency

LTP Feedback on Environmental Funding

A significant item re-iterated was the uncertainty of ongoing funds and resources for the continuation of pests and biosecurity projects. This is further supported by many suggestions of providing education, research and upskilling the community to engage in large-scale projects.

Climate change

- Concerns about the response to climate change events including flooding and environmental resilience.

Biosecurity & Pest management

- More resources for pest management between large groups and individuals are required over areas of significant ecological value.

Research/Education

- Concerned about the lack of knowledge on environmental issues within the community and resources to carry out monitoring and research.

Trending Themes:

- Flood land resilience
- Climate change
- Funding for large-scale projects
- Water quality
- Air quality
- Pest management
- Biosecurity
- Clear direction on project funding
- Biosecurity; Pest Plants and Animals
- Research

frequency

Findings from ECO Fund Survey

Applicants

Challenges in the ECO Fund Application Process

- Lengthy forms, duplicated details, and complex eligibility requirements.
- 33% of organisations applying are unregistered or incorporated societies.

Improvements Suggested by Applicants

- Clearer criteria and access to personalised help.
- Greater number of funding rounds, better feedback processes & increased support for wage costs.

The Importance of ECO Fund for Projects

- Half (49%) of the projects could not proceed without ECO funding.
- Most common projects: pest management, biodiversity conservation, securing additional funding, and engaging the community.

Assessors

Landowner Access to Grants

- Support for private landholders to apply for grants to some funds such as pest control and water quality.

Eligibility and Ongoing Funding

- Eligibility criteria should allow for the maintenance of a handful of existing projects.
- Supports capping the amount unformed groups can apply for.

Project Evaluation

- All staff to be familiar with assessment criteria.
- Challenges in scoring a diverse range of projects.

Educational Projects

- Concern that educational projects not scoring well under the current criteria.

frequency

Examples of Environmental Funding Initiatives

An example from NZ and overseas

frequency

Waikato Regional Council– Environmental Funding

Small Scale Community Initiatives Fund (SSCIF) (Contestable)
- To support projects in ecological restoration through animal and plant pest control.

Natural Heritage Fund (Contestable & Direct Funding)
- To support community projects with long-term, large-scale, intergenerational ecological benefits.
  Or assisting in securing public assets.

The Environmental Initiatives Fund (EIF) (Contestable)
- To provide one-off grants to projects which provide environmental benefit or education.

Enviro Schools Fund (Contestable)
- To assist Enviro Schools with environmental projects that enhance nature or are educational.

Dr Stella Frances Scholarship (Contestable)
- In partnership with DOC, the scholarship supports final year students in studying environmental issues in the Waikato region, with the intention that the funds are to pay research expenses.

Fund type	Total $$	Max allocation	Term	Who can apply	Assesment Criteria
Small Scale Community Initiatives Fund (SSCIF)	$150,000	$5,000	1 year	• Individuals • Volunteer community groups	• Aligns with Pest Management Plan. • Ecological significance. • Community participation. • Collaboration. • Project budget. • Viability.
Natural Heritage Fund	$1.4 million	$300,000	4 years	• Legal entities/groups • Tertiary education institutions	• Environmental enhancement. • Long-term benefit/viability. • Participation/awareness. • Collaboration. • Mana Whenua (involvement and values).
The Environmental Initiatives Fund (EIF)	$380,000	$40,000	Undefined	• Legal entities • Community Groups • Landowner groups • Tertiary education institutions	• Fits within LTP values. • Promote and/or enhance. • Collaboration. • Viability. • Budget. • Value to Mana Whenua .
Enviro Schools Fund	Undefined	$5,000	6 months	• Enviro schools within the Waikato region	• An Enviro school • New initiative, new to the area, extension of existing project. • Follow Enviro school guidelines.
Dr Stella Frances Scholarship	$6,000	$6,000	1 year	• University of Waikato final year master students	• Natural or physical sciences. • Human perspectives in the environment. • Environment management practice. • Technology.

frequency

Environment Victoria – Environmental Funding

Victorian Landcare Grants – Environment (Contestable)
- To support land care/volunteer group projects involving education, capacity building, and protecting and restoring the natural environment.

Strengthening Local Government Partnerships (Contestable & Direct Funding)
- To support local governments and communities collaboratively to reduce bushfire risks and build resilience.

Bush Bank – Public Restoration & Protection Grants (Contestable)

Bush Bank – Private Restoration & Protection Grants (Contestable)
- To support the restoration of the natural environment, increase biodiversity and carbon sequestration on private land.

Victorian Junior Landcare and Biodiversity Grants (Contestable)
- To support projects that educate young people about biodiversity and the natural environment.

Nature Fund (Contestable)
- To support high-impacting projects that are within the scope of Victoria's Environment – Biodiversity 2037 (Biodiversity 2037), the Government's plan

Fund type	Total $$	Max allocation	Term	Who can apply	Assessment Criteria
Victorian Landcare Grants - Environment	$3.62 million	$20,500	1 year	• Registered Groups • Unregistered organisations	• Land & environment outcomes. • Community engagement and capability building. • Demonstrates fulfillment of a need & community benefit. • Project design & group/network capacity. • Value for money.
Strengthening Local Government Partnerships	Not provided	$150,000	2 years	• Local Government Authorities	• Add value & fill a gap in projects needed. • Collaborative with government and communities. • Community orientated. • Sufficient capacity and capabilities. • Outlines how funding is used. • Delivery and sustainability.
Bush Bank – Private Restoration & Protection Grants	$30.9m	Undefined	5 years	• Private entities • Individuals	• Expertise and experience. • Landowner relationship. • Priority landscape value alignment. • Biodiversity benefit. • Carbon outcomes. • Broader Project benefits.
Bush Bank – Public Restoration and Protection Grants	$46.1m	$5 million	5 years	• Registered organisations • Not-for-profit entities	• Expertise and experience. • Project Risk • Self-determination enabled. • Biodiversity benefits. • Carbon benefits. • Broader project benefits.
Victorian Junior Landcare and Biodiversity Grants	$405,000	$5,000	1 year	• Schools • Childcare centers • Youth groups	• Meets “Victoria Value Nature“ scheme. • Meets “Victoria’s natural environment is healthy“ scheme. • Project activities. • Student or youth involvement. • Community engagement. • Budget

frequency

Findings of the Pre-Workshop Survey

Discussion to achieve alignment

frequency

The survey tested the following thinking and ideas…

1. Strategic Priorities

And the importance of alignment to organisatonal and environmental outcomes

2. Vision for the Future

The scale of environmental outcomes you want this funding to achieve and the level of impact

3. Size and Scale of Initiatives

The level of investment you want to make in individual projects, the term you want to invest for and the types of initiatives you want to fund

4. Funding Type

The scale of funding you'd like directly allocated vs contestable community funding

5. Project Delivery

Who you want to deliver programmes and projects on your behalf and the level of formality and accountability desired

6. Defining Large Scale for Future Investment

Defining what your future increased investment will look like

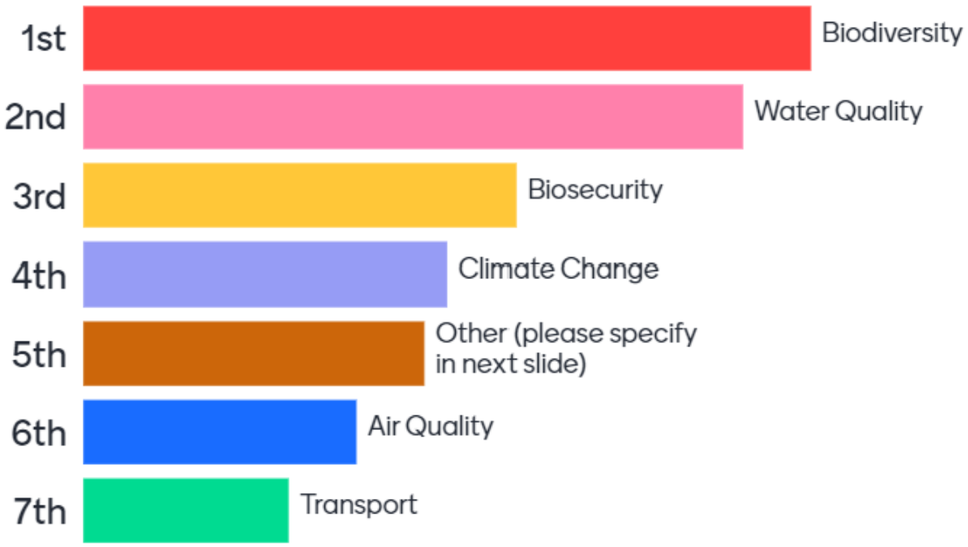
frequency

The Results

Priority funding domains and long-term vision

frequency

Results Question 1a



Environmental Area	Range of Responses
Biodiversity	1st – 2nd
Water Quality	1st – 3rd
Biosecurity	2nd – 7th
Climate Change	1st – 6th
Other	
Air Quality	4th – 7th
Transport	5th – 6th

frequency

Discussion

- Why did you rank the domains the way you did?
- Did you rank any equally that the survey wouldn’t let you show/choose?
- What do we need to understand/discuss/agree before we can agree a final priority list?
- Why do you think there’s such a range of views in areas such as biosecurity and climate change?
- What are the ‘other’ domains that you thought of?

frequency

Question 1b.

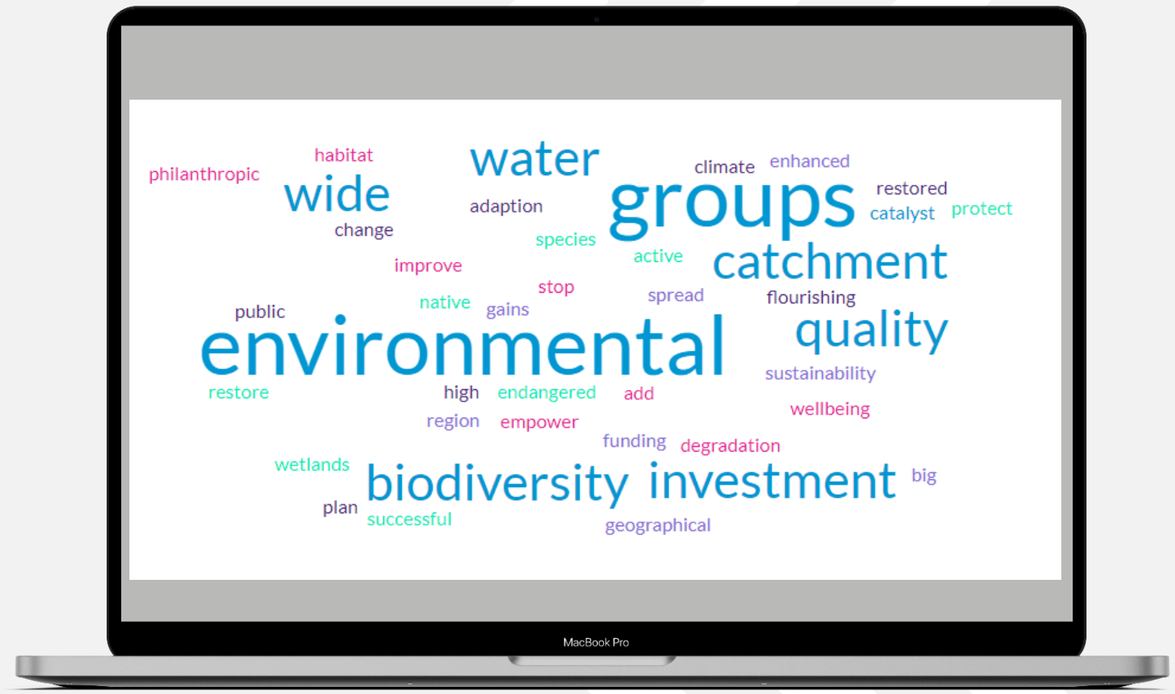
5-year vision



frequency

Question 1b.

10-year vision



frequency

Discussion

- Do you currently have an agreed or united vision?
- If you don’t already share the same vision, how do they differ?
- What are the outcomes you want to achieve or the impact you want to make?
- What do you need to achieve alignment?
- What’s your elevator pitch for investment in this area?

frequency

The Results

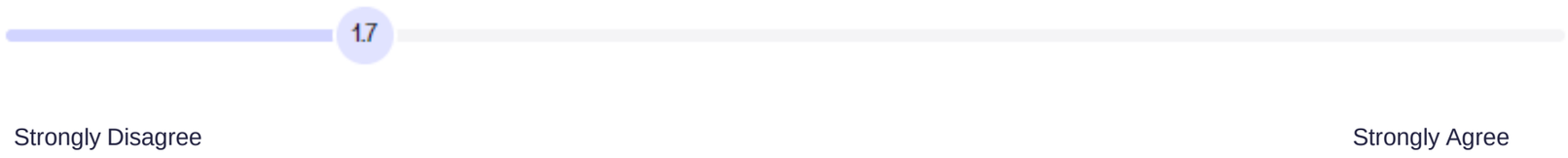
Funding Intent, Outcomes and Structure – level of agreement on statements

frequency

a. Environmental Funding decisions should directly align with ORC strategic outcomes and priorities

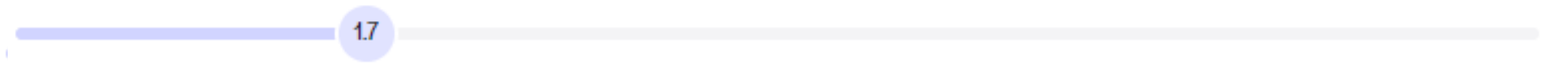


b. Initiatives that contribute to or enhance community engagement are more important than funding initiatives that contribute to environmental outcomes



frequency

c. I am more comfortable funding small one-off projects or single year projects than investing in large-scale or long term initiatives

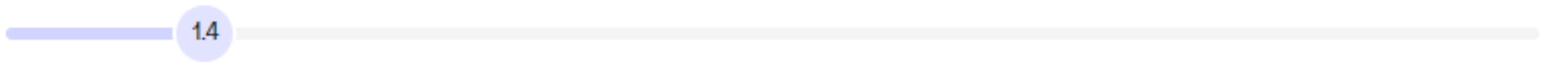


d. It is the role of ORC to fund long-term environmental programmes over discrete one-off projects

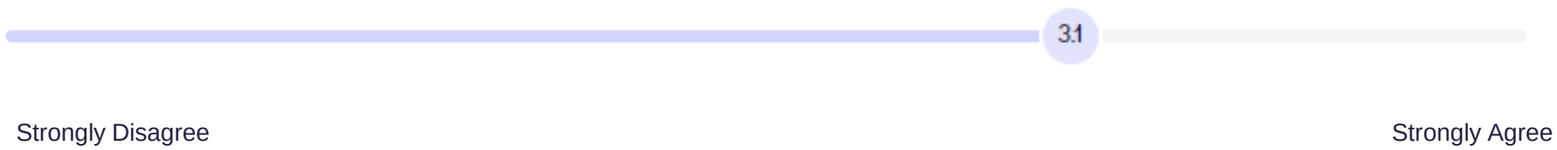


frequency

e. Environmental Funding should be equally allocated across Wards, regardless of alignment to our environmental needs



f. In current ECO Fund eligibility criteria, applicants can apply for up to 50% of salary costs for project delivery. ORC should continue supporting these costs



frequency

g. The purpose of Environmental Funding is to give groups a 'hand up' not a 'hand out' projects we support need to be sustainable past 3 years of ORC funding

h. In future, we should increase our investment in initiatives that enhance environmental outcomes on private land

frequency

i. In future, ORC should investigate other funding 'pots' such as offering scholarships to support environmental or action-based research



j. I am comfortable with the level of accountability the Council receives from our investment, and we receive value for money



frequency

Discussion

Areas of Alignment

- Investment should align to strategic outcomes and have environmental impact
- Level of comfort funding multi-year high investment projects
- Funding should be assigned based on need
- Importance of environmental outcomes of private land

Areas of Misalignment

- Role of ORC to fund one-off projects vs long term funding
- Whether funding purpose is a hand-out or hand up
- Level of comfort with funding large, multi-year projects is high but this doesn't flow into question around ORC role
- ORC role in contributing to salary costs
- The importance of other funding 'pots' to support education and research
- Level of comfort with accountability of spend and current value for money

frequency

Discussion

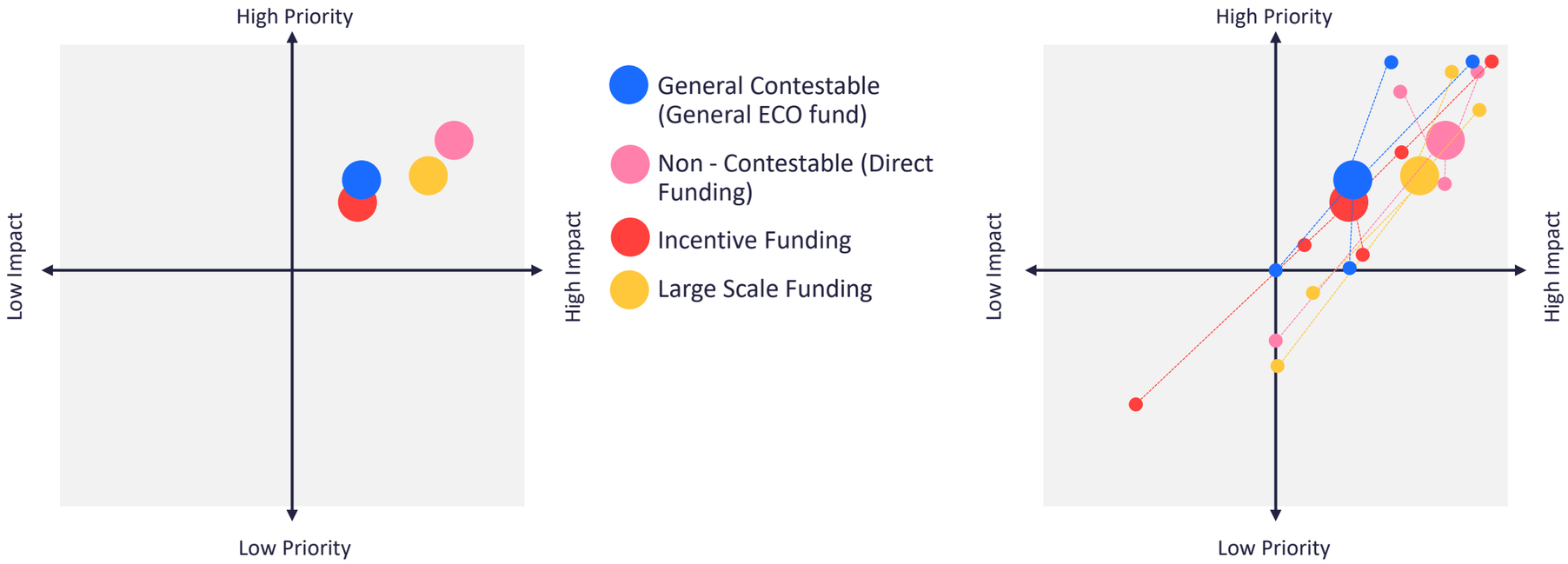
frequency

The Results

The Way Environmental Funding initiatives are funded

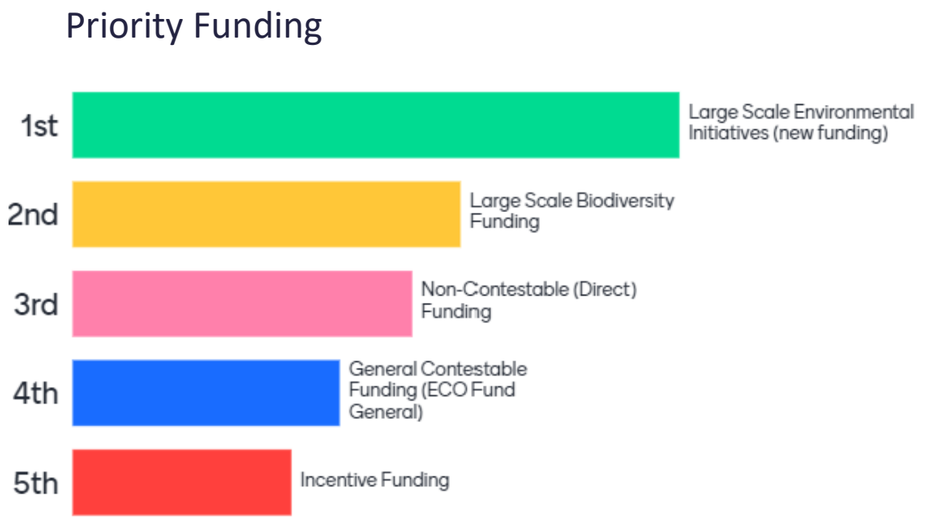
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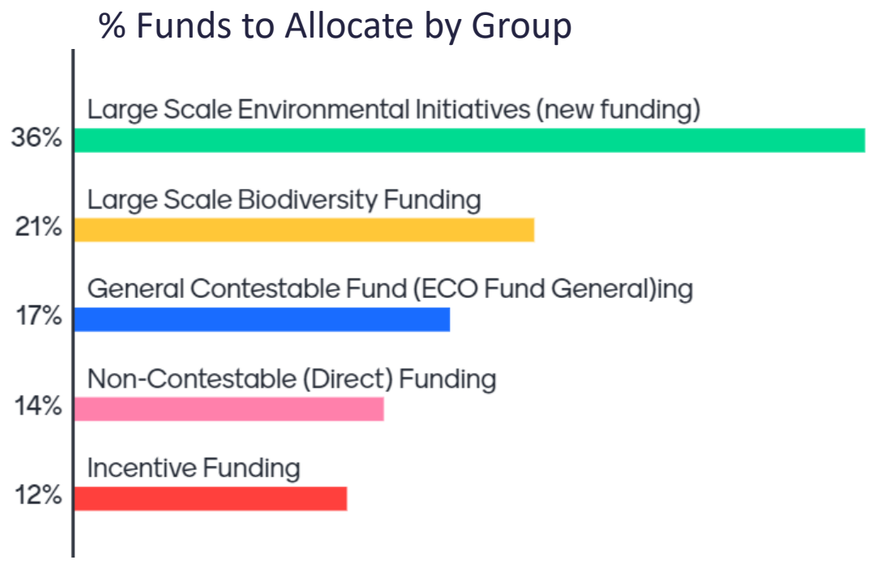
Priority and Impact of Funding by Type



frequency

Importance of Funding by Type and % Allocation by Fund





frequency

What this allocation would mean in the future

Funding Type	Proposed Rank	Current %	Current $	Future %	Future $
Large-scale environmental (new funding)	1	0%	$0	39%	$1,560,000*
Large-scale biodiversity	2	14.5%	$300,000	22%	$880,000
Direct Funding (non-contestable)	3	56%	$1,151,000	15%	$600,000
Contestable Funding (ECO Fund only)	4	15%	$318,630	15%	$600,000
Incentive Funding	5	14.5%	$300,000	9%	$360,000
TOTAL		**100%**	**$2,069,630**	**100%**	**$4,000,000**

* Current LTP approval $2M but noting large-scale not yet defined

frequency

Discussion

- What basis did you make your assessment of priority and impact?
- Are you surprised by the range and distribution of views?
- Looking at the future preferences with current funding, what's the level of comfort in what the future of direct funding would look like?

frequency

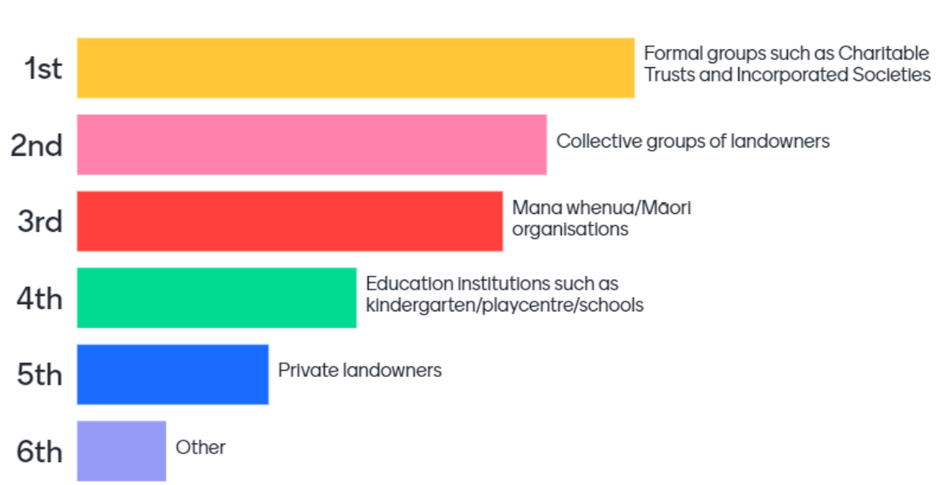
What would you like to see established?



frequency

Priority Funding Groups and % Funds to Allocate by Group

Priority Funding Groups



% Funds to Allocate by Group



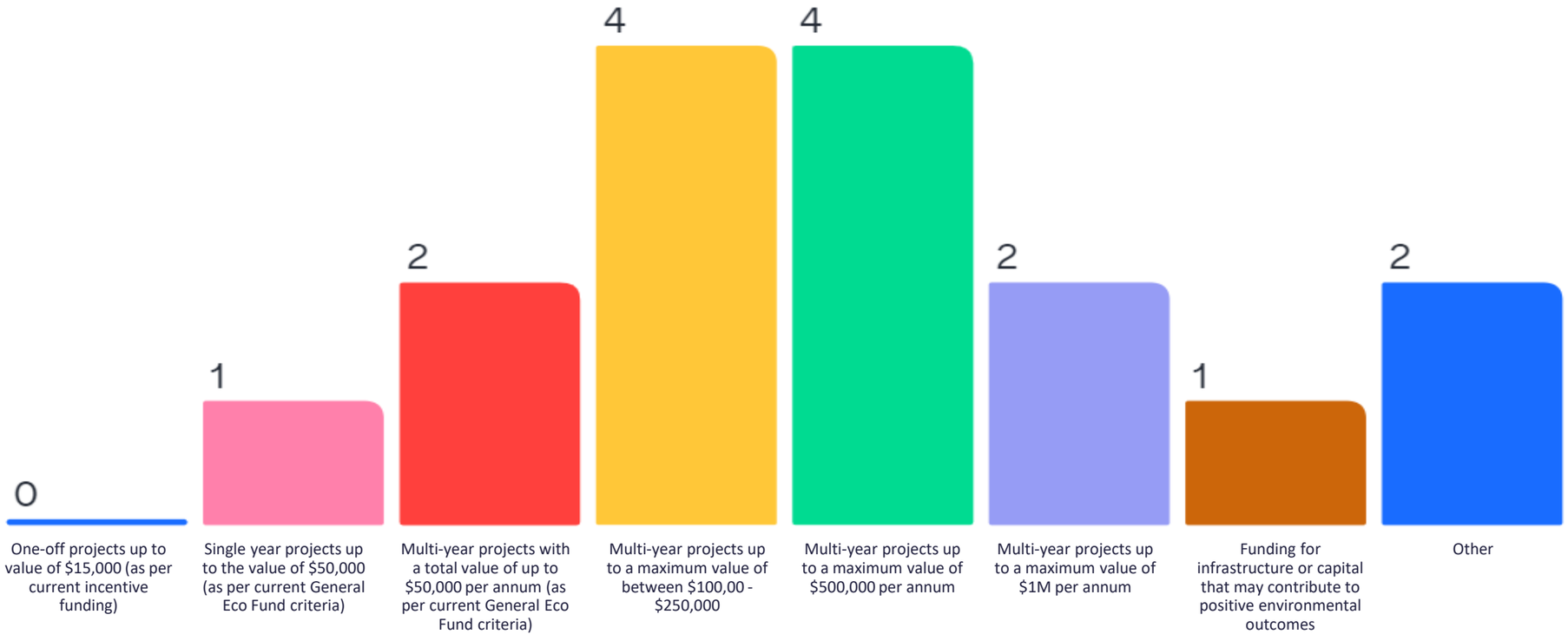
frequency

Discussion

- Is distribution by priority groups relevant or is the type of project and outcomes more important?
- Where do universities sit in the ranking of priority funding given on average 10% of funding could be allocated to Tertiary and CRI?
- Is there a level of additional comfort that comes with funding ‘official’ organisations or is this based on your experience of the groups that currently receive funding?
- Is there anything here that surprises you or you feel is inconsistent with other answers or views?

frequency

What does ‘large scale environmental projects’ mean to you?



frequency

Discussion

- There’s reasonable distribution in the results here (noting you could pick up to 3 answers)
- Shows an interpretation that large scale sits somewhere between $100-$500K of funding per project. Does this still feel right given the other results you’ve seen?
- Should our definition of ‘large scale’ be based on monetary investment or environmental impact?

frequency

Unsolved Issues and questions that need addressing



frequency

Agreed Actions

frequency

Next Steps

- Engagement with mana whenua
- Engagement with stakeholders
- Further analysis of current model and possible options and structures (including case studies)
- Timeline for completion of a draft Report end January 2025 to ORC staff
- Proposed report and workshop with Councillors March 2025

frequency

Thank you

Nga mihi nui

Follow us on LinkedIn

Appendix 4: ORC Councillor Workshop 1 – Pre-reading and Survey

Mentimeter

Environmental Funding Strategy Pre-Workshop Survey

Otago Regional Council

Mentimeter

Pre-Workshop Questions

Please answer the following questions based on your opinion, while keeping in mind the vision for the region (as set out in the ORC Strategic Directions), and the current scope of environmental funding initiatives (which includes biodiversity, biosecurity and water quality).

Mentimeter

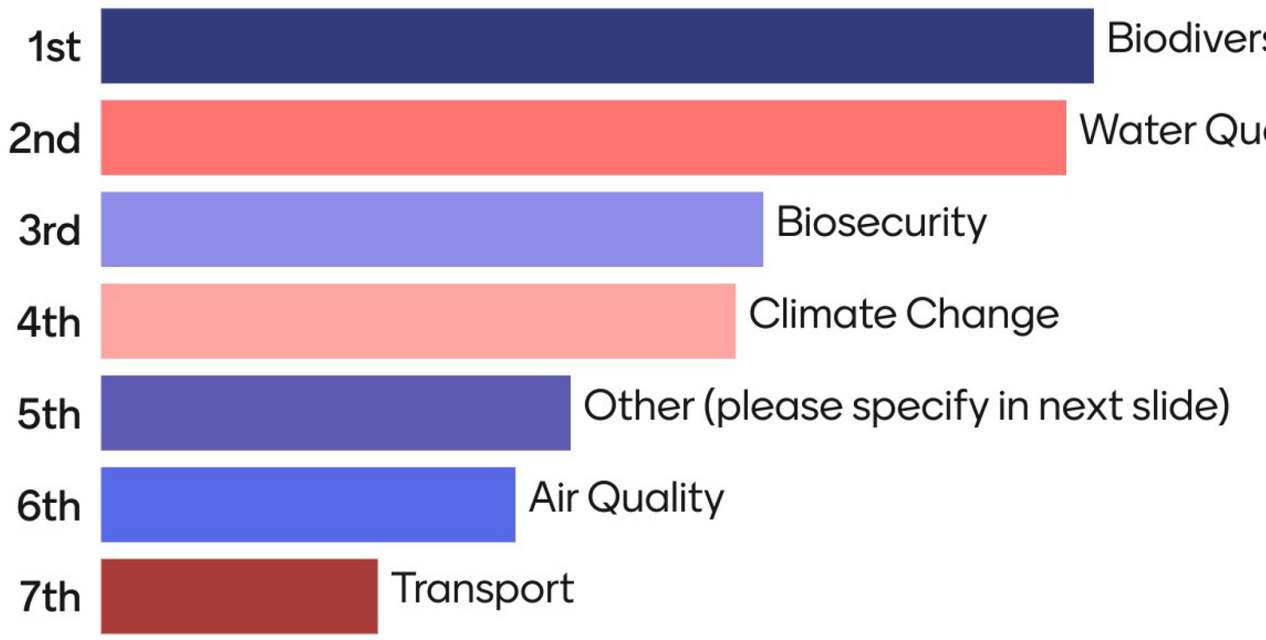
Section 1: Strategic Direction and Outcomes

Our vision for Otago



Mentimeter

Question 1a: In your opinion, what environmental challenges should Environmental Funding be addressing ?



6

Mentimeter

Please outline your vision/aspirations for environmental funding?

Mentimeter

My 5-year vision for the use, impact and outcomes of this funding and investment is...

Funding is spread across all of Otago to assist community groups to achieve environmental outcomes. Funding of both large and small projects. Priority to protect existing good water and biodiversity

Second priority smaller project creating awareness. Third promoting mitigations eg sed traps, bunds to reduce contaminant discharge, then creation of new initatives

Coherent plan of where to put resources i.e. priorities clear Cooperation & empowerment of local groups Devolved decision making from ORC to sub-regional (umbrella) groups

Cooperation & empowerment of local groups Devolved decision making from ORC to sub-regional (umbrella) groups

Focussed & effective action on priorities e.g. identified pest species

Well-funded, community-led protection and restoration of indigenous ecosystems ki uta ki tai. ("Other" re the last question is mahika kai and other mana whenua values)

Investment in empowering communities to do good things informed from our priority framework. Sometimes the actions needs to be visible, not always in best needed place- but ICM work will drive that.

Each fmu will have different priorities - depending on issues and its vision Fund to improve septic tanks or fire improvement should be considered

7

Mentimeter

My 5-year vision for the use, impact and outcomes of this funding and investment is...

This is seed funding not all funding - should be looking at &1:$3 ie 1/3 funding max in general

Support for community led initiatives that repair environmental damage, restore natural environments and protect endangered species

Ongoing improvement environmental wellbeing. Empowering catchment & community in general, helping to stop further degradation

Helping stop further degradation

Funding should predominantly be seed fund to get projects underway & encourage communities to take action.

Need to be careful initiatives don't have long term reliance on fund esp for paid positions

Success would see philanthropic environmental groups wanting to add to the fund to support Otago's environmental sustainability

7

Mentimeter

My 10-year vision for the use, impact and outcomes of this funding and investment is...

ORC funding is the catalyst for public investment in environment funding. Otago is recognised for high quality water, flourishing biodiversity and has a plan for climate change adaptation

Improved outcomes re biodiversity, biosecurity, water quality, air quality - including on some specific issues

Same as 5 year vision, but biodiversity values, water quality, etc are all even more improved and an even wider area is covered.

Landscape scale change - focussed on biggest gains for worst issues, but with a region wide investment

Restored wetlands and lakes (Tunaheketaka), active and successful catchment groups, improved water quality, empowered community groups working to protect endangered species and restoring native habit

Same as 5 year vision - improve enviro wellbeing, empower Catchment groups and community & stop further degradation

Success would see philanthropic environmental groups wanting to add to the fund to support Otago's environmental sustainability

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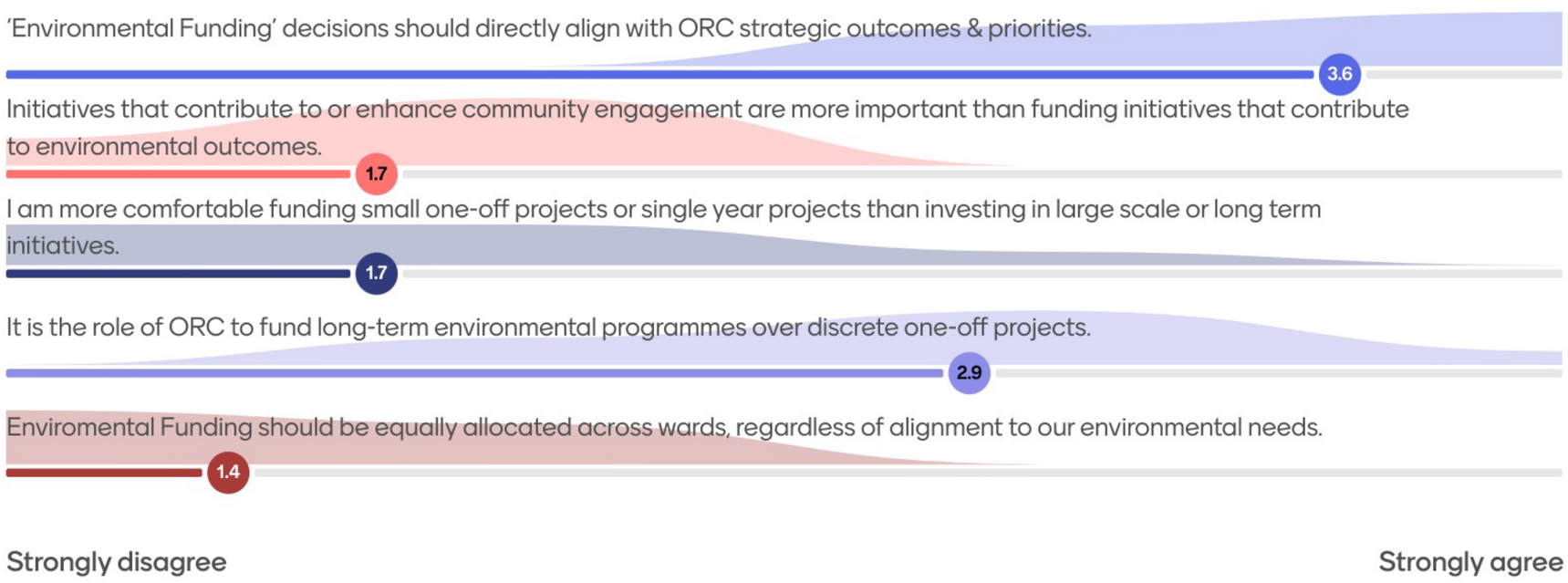
Mentimeter

Section 2: Funding Intent, Outcomes and Structure

Environmental impacts are long-term and not always easily attributable to the investment in one project or programme. They take time, significant resources and behavioural change. While $4M can be considered a small investment for the level of change required, it is also a considerable sum of rate payer funding to contribute to environmental initiatives that may or may not have an impact on the achievement of environmental outcomes. The following statements are to assess your level of agreement with the intent and level of outcome and impact you wish to see from this funding. They are not exhaustive but will be used to prompt further discussion and debate in the workshop.

Mentimeter

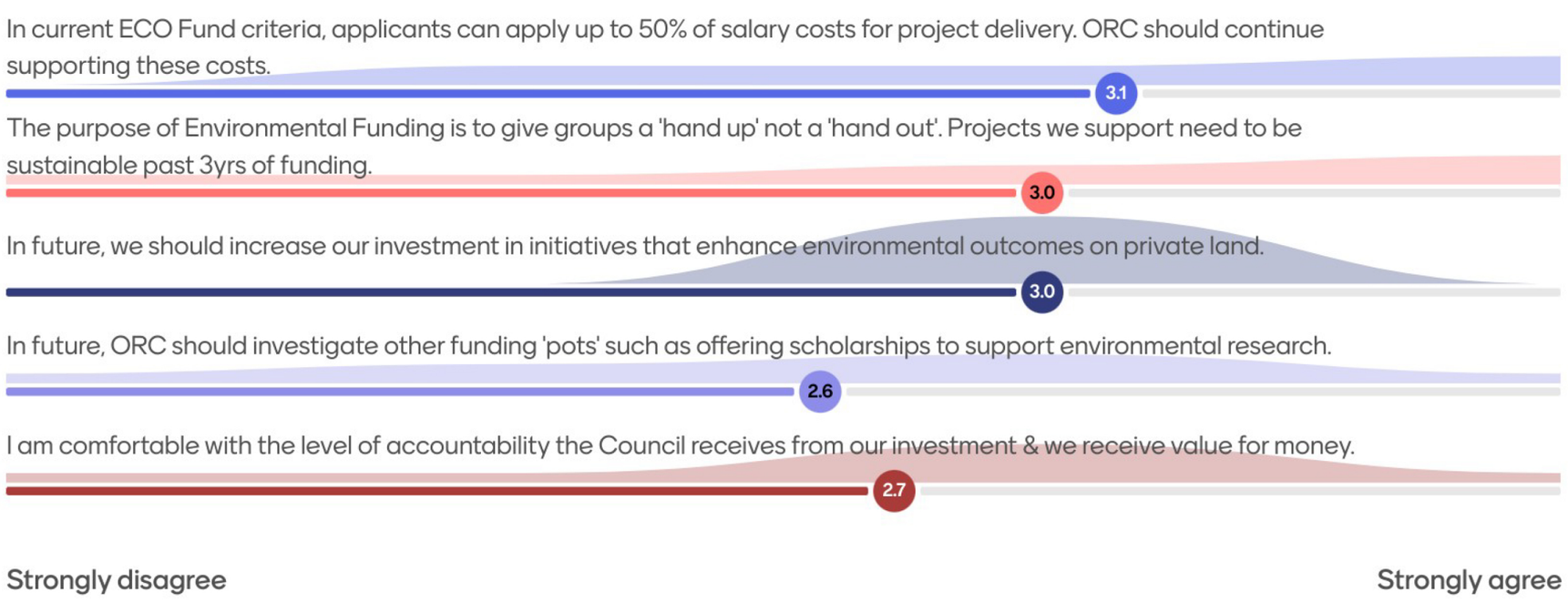
Please rate your level of agreement with the following statement



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Mentimeter

Please rate your level of agreement with the following statement



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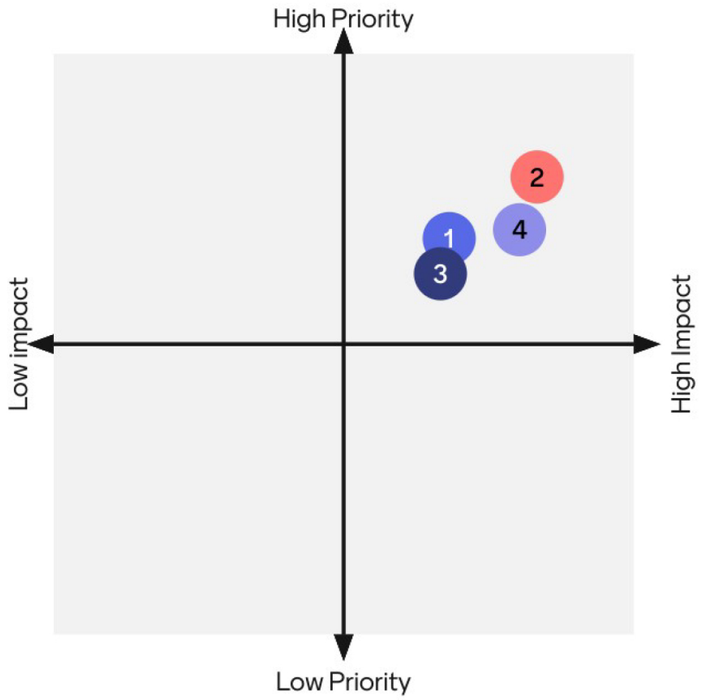
Mentimeter

The way we fund Environmental Initiatives

Reflecting on your answers above, and the level of agreement to each of the statements, the next series of questions asks for your thoughts on a few of the areas in more detail about how and who we fund

Mentimeter

In your opinion, what level of priority and impact do you give to each funding type

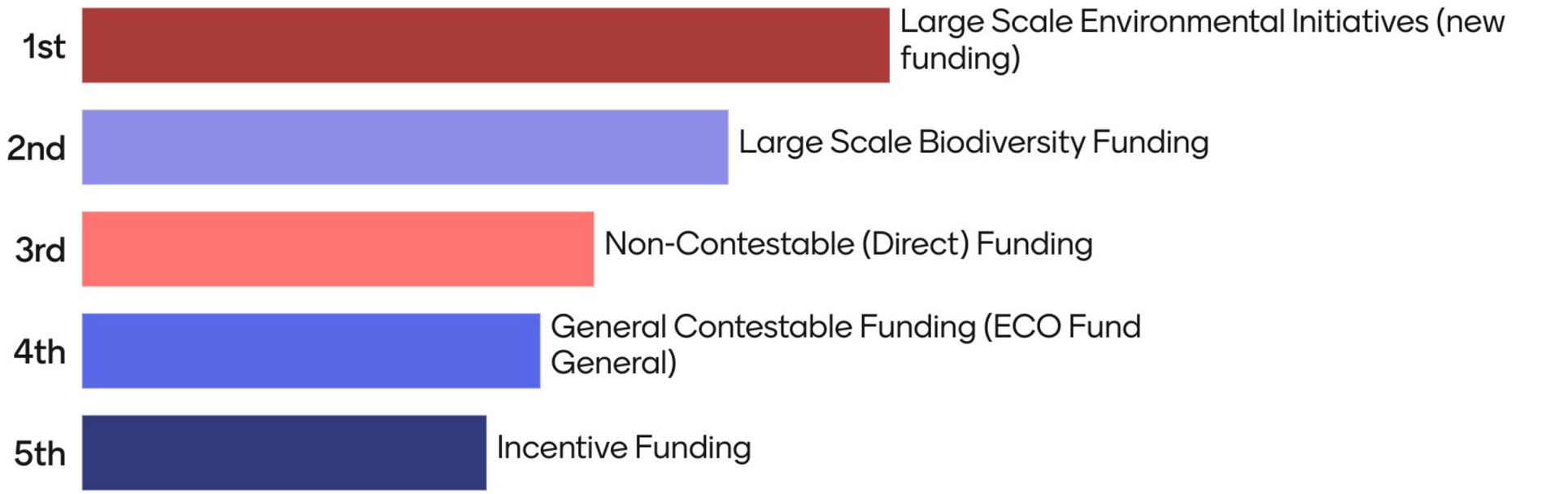


1 General Contestable (General ECO fund)
2 Non - Contestable (Direct Funding)
3 Incentive Funding
4 Large Scale Funding

6

Mentimeter

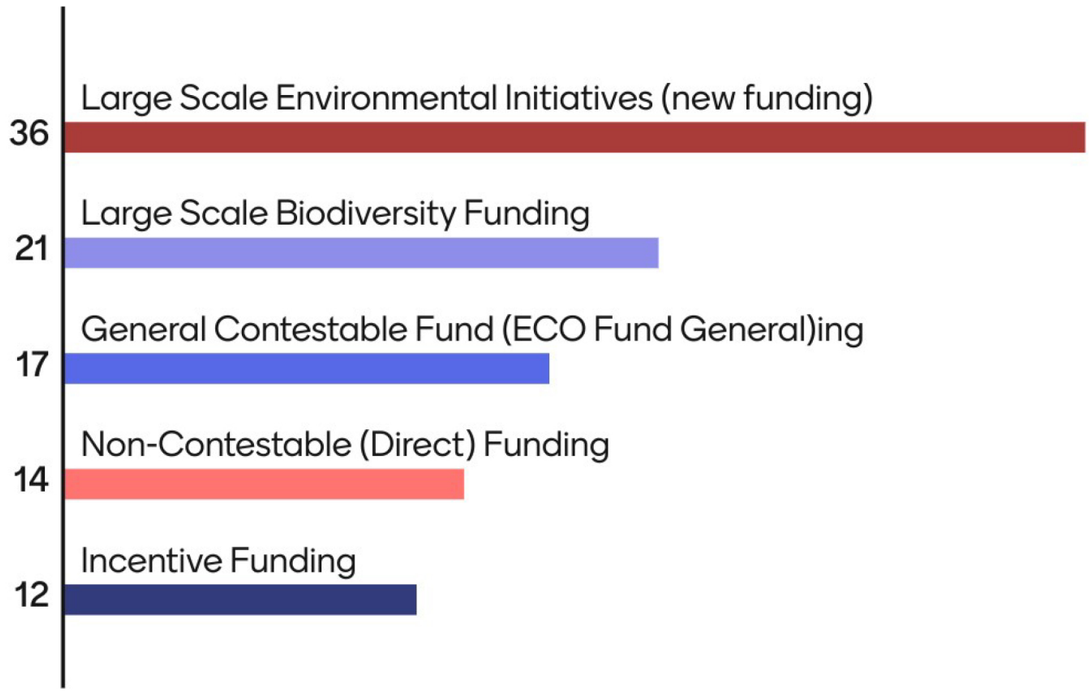
Of the funding available, please rank these in order of importance to you (based on existing or possible 'new pots' of funding).



7

Mentimeter

Based on your answers in the previous question, how would you allocate funds by % of funds available?



7

Mentimeter

Please provide a short explanation for your rationale.

5

Mentimeter

Please provide a short explanation for your rationale.

5

Mentimeter

Are there types of environmental initiatives you don't think are captured in the current funding 'pots' that you would like established?

Home insulation & clean home heating

I do think the incentives funding pools could probably be incorporated into the general competitive funding (with alignment to those incentives scoring higher points perhaps.

Septic tank and or indoor fire replacement fund to assist a cost neutral for transition using rates mechanism to pay over 2-6 years

Access easements in riparian planting or setback areas - iwi or general

3

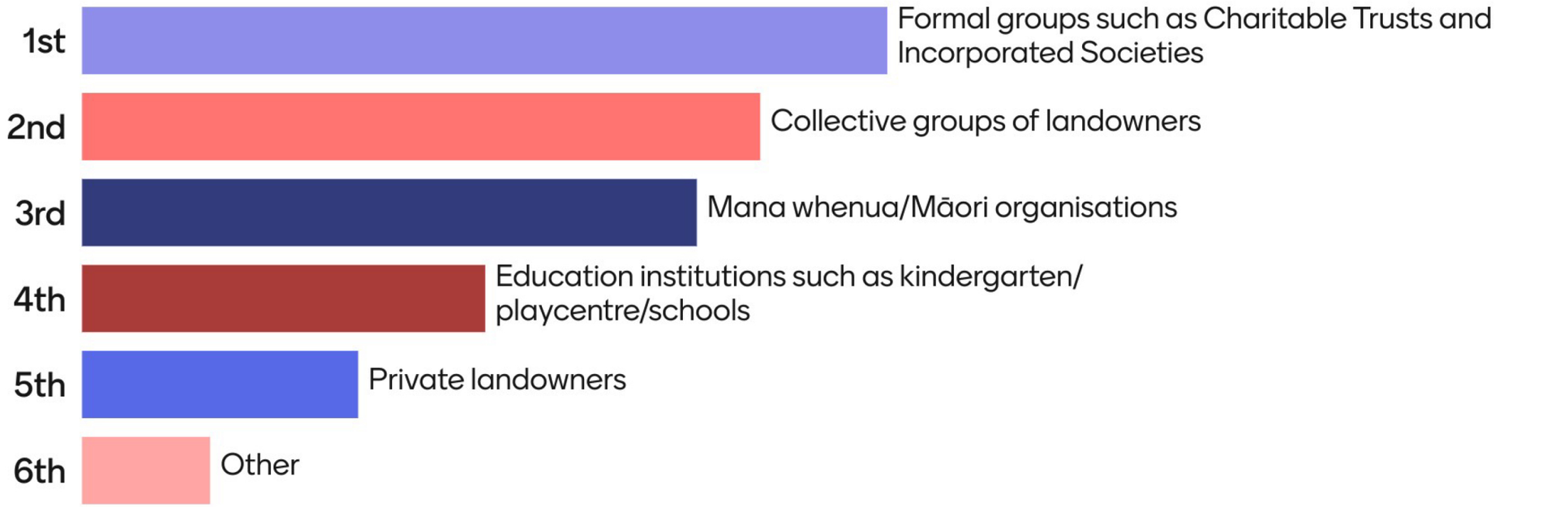
Mentimeter

Who we Fund

Contestable Funding is currently available to a wide range of community groups and organisations such as schools, charitable trusts, incorporated societies, as well as collective groups of landowners. Incentive Funding is available to individual landowners, and directo funding is to a mixture of larger and smaller organisations such as Otago Catchment Communities.

Mentimeter

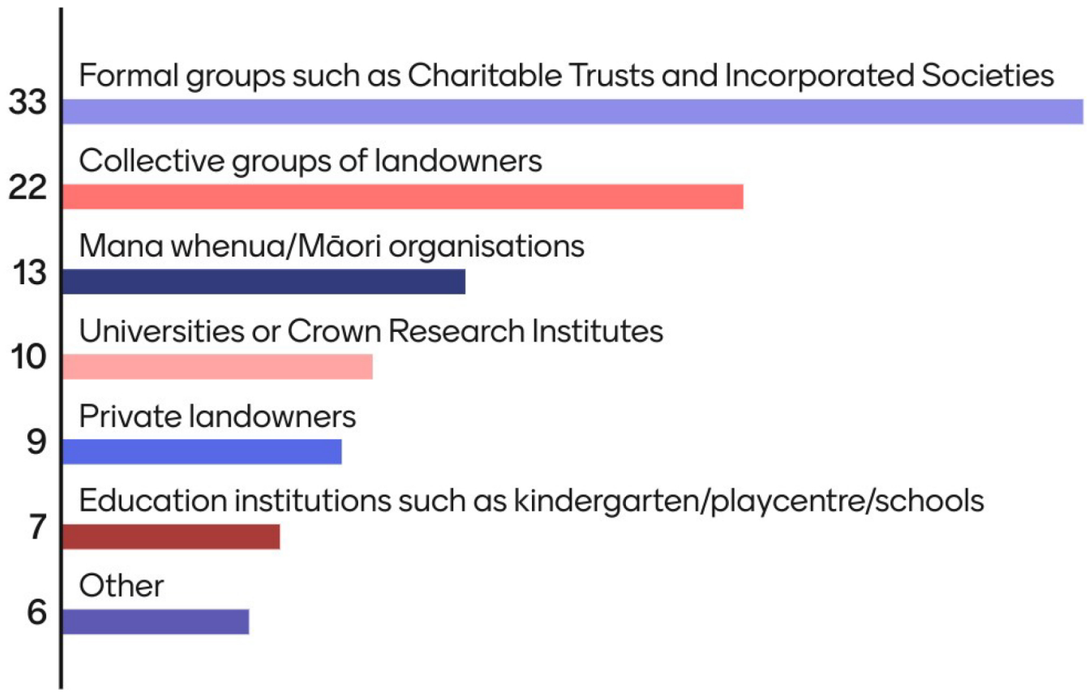
Please rank in priority order what groups you believe should receive environmental funding?



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Mentimeter

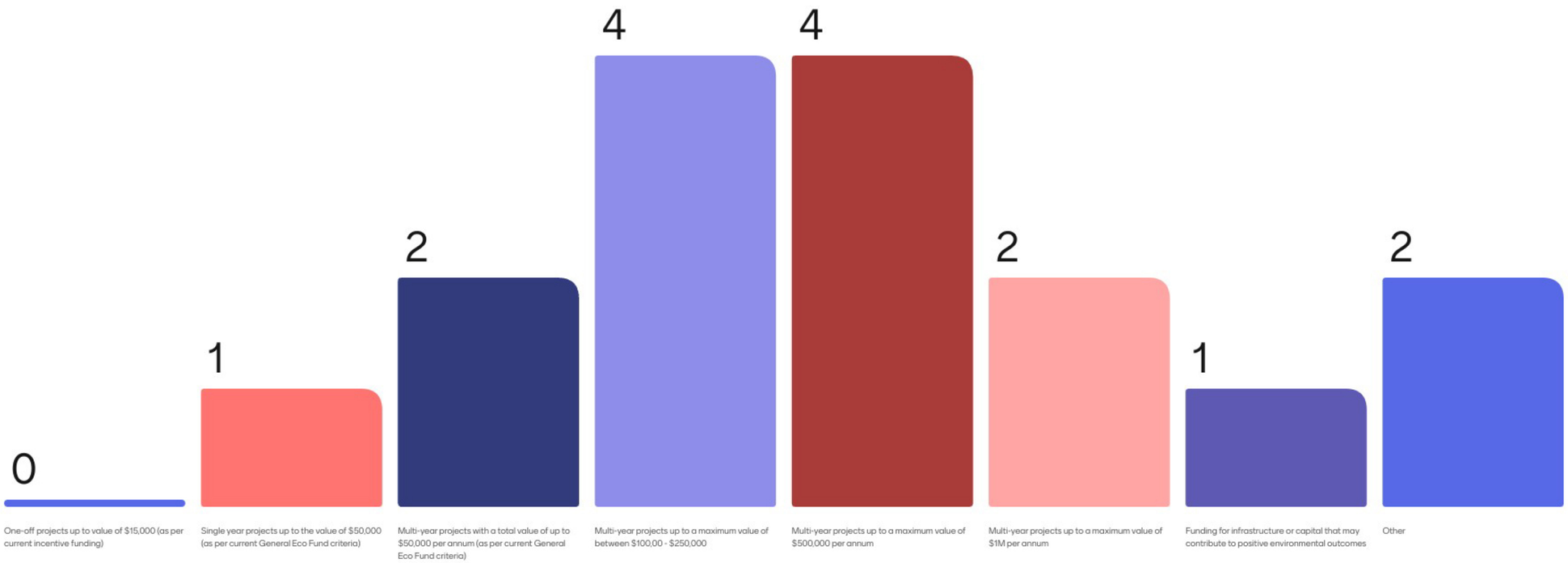
Based on your answers above, how would you allocate funds by % across the different groups eligible to receive funding?



7

Mentimeter

The Council's resolution was the allocate $2M to *"large scale environmental projects"*. Large scale means the following to you. (choose up to 3)



7

Mentimeter

The unresolved questions I have, or other challenges or issues I would like this workshop to address include:

Options to use ORC funding as a catalyst for attracting external funding to build the pool of funds for environmental enhancement

How we can make it easier for community groups with limited resources to access this funding (applying can be challenging and there are some unnecessary hurdles I think)

How we can create efficiencies and connect groups. eg. provide shared resources for these groups (physical tools, staff expertise, a space to store things, connections with nurseries, etc)

Large scale is jmportant - not the funding need or mechanism. We need projects to be focussed on big picture stuff - unless area eg bats is discreet

Should consider funding for opex in question 4.3

Max value of project shouldn't determine eligibility. Funding for infrastructure etc yes. Rest options for last question don't rate

5

Appendix 5: ORC Councillor Workshop 2 – Pre-reading


frequency
Council Workshop
Pre-reading Pack
18 February 2025

frequency

Purpose of the Pre-Reading Pack

The purpose of this information is to give a detailed level of content prior to the workshop, including :

- Detailed feedback and commentary from the stakeholder engagement work to date, which includes discussions with
  - other local authorities in the ORC boundaries,
  - other Regional Councils, Unitary Councils and local authorities nationally,
  - central agencies and
  - environmental delivery organisations
- Detailed information on what the research and evidence says about ‘large-scale’ and the feedback we had from others on what ‘large-scale’ means to them
- Detailed information about the possible funding models, their features and SWOT for each
- Pose key questions for your thought and consideration prior to the workshop that will help inform our assessment of each model
- Allow you to form your own view and opinion (from the information provided), where each model ranks against a Risk, Value, Cost and Effort Matrix which will drive the further discussion – getting us to the point of resolution on the model/s for further investigation
- Note that both documents can be read together, although the notes are standalone (and therefore may be covered in both the reading and slide deck)

frequency

Instructions to Prepare for the Workshop

To set us up for success, and to reach a point of agreement in the Workshop, we seek the following:

- Read and review the documentation and notes provided in this page
- After reading the information on ‘definition’s please create your own thoughts and bring these to share
- Under each of the funding models, review the questions and answer these against each model and bring your thoughts to share
- Rate each option against the Risk, Value, Cost and Effort Matrix, using the definitions and guidance provided – we will share these and reach an agreed position on each
- Allow you to form your own view and opinion (from the information provided), where each model ranks against a Risk, Value, Cost and Effort Matrix which will drive the further discussion – getting us to the point of resolution on the model/s for further investigation
- Note down any ‘burning questions’ you may still have that you would like the workshop to resolve

frequency

Intended Outcomes of the Council Workshop

By the end of the workshop, Councillors will:

- **Understand what evidence and best practice tells us** about how to invest to support and achieve environmental gain
- Have a greater understanding of how this **fund and funding mechanism could impact** local TA's, community stakeholders and other funders
- **Discuss a definition of 'large-scale'** and the high level criteria that will form this definition from the Otago context
- **Discuss on the ideal long-term aspiration** of the Council for the future model of funding – determine the 'end game'
- Understand the **implications and timing of the implementation** of the large-scale fund in relation to the ORC Biodiversity Strategy refresh
- Be more **familiar with the range of funding mechanisms available**, their strengths and risks, the potential long term impacts and considerations, and insight into how the model is currently working in practice
- Identify and **agree a short list of funding model options,** based on an assessment against risk, value, cost and effort**,** that require further investigation for the final report to be presented to Council in May 2025.

frequency

Understanding what the evidence and best practice tell us

A summary of the key themes from our review of the research

frequency

Effectiveness of Contestable Funding

- Can foster a level playing field, allowing smaller, newly established groups to compete for funding opportunities in a transparent process
- Inherently competitive and can stifle collaboration among organisations
- Incredibly time and resource-intensive on both the funder and the providers
- Negatively impact staff retention and contribute to organisational sustainability given short-term nature, and if salary costs are not covered
- Can drive providers to alter their delivery to funding criteria over delivery against need
- Usually very project based, with ‘new’ initiatives given priority over maintenance of BAU activities
- Limited communication and support can be given between provider and funder to protect process transparency

frequency

Effectiveness of Direct Funding

- Greater ability for collaborative strategic long-term plans and goals to be developed in partnership between funder and provider
- Reduced administrative time and effort compared to contestable processes
- Funders can engage directly with groups or providers to address priority environmental objectives, and encourage/guide collaboration
- Smaller, newer groups, or less well-known groups may be disadvantaged
- Potential loss of transparency in the process if decisions are based on known providers, or due to individual relationships
- Can contribute to reputational risk if some groups are directly approached and others are missed out completely

frequency

Effectiveness of Investing to support partnerships, capability and collaboration (enhancing the system)

- Aligning investment with larger groups or umbrella type organisations has a number of benefits – such as greater efficiencies across entity and leveraging additional investment
- Groups can help share ideas and information, promote projects, and strengthen group identity
- There is advantage and opportunity to invest in funds to support provider sustainability and to facilitate collaboration opportunities (not necessarily through this fund)
- Collectives are still relatively new and untested, which introduces additional risk
- Collectives and groups are often geographically restricted and may not align with the ORC region.

frequency

Effectiveness of Devolution (fund management by another entity)

- Can remove the administrative burden from the Council to an entity more experienced in this role but
- The admin costs of a third party can be significantly higher, depending on systems and processes
- Makes Council a step removed from the funding and decision making processes but , those knowing what is happening on the ground are then also removed
- Ability to access other funding and donation levers such as growing endowments
- Requires significant management by the funder to ensure transparency of use, and alignment to values and goals
- Usually requires additional governance structures to support management and administration

frequency

Effectiveness of Establishment of Trust or CCO Model

- Cost to establish, administer, govern and report can be inefficient depending on the level of investment
- Provides opportunities to off-set costs and gain additional philanthropic revenue
- Can remove investment decisions closer the community and future proofed in election cycles
- Provides formal structures for co-funding and co-investment
- Allows for a brand and identity away from Council, but can also create a disconnect from the strategy to the implementation (ORC to on-the-ground delivery)
- Without significant collaboration and partnership, can lead to duplication of effort and investment

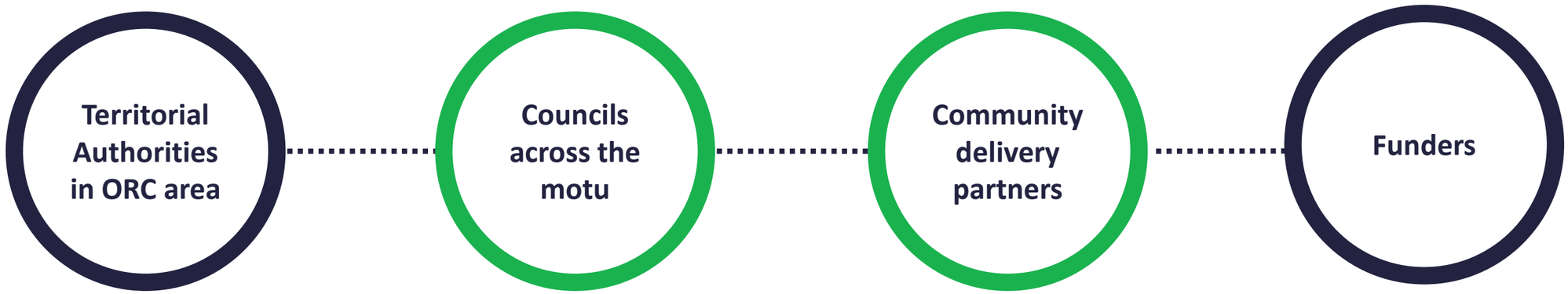
frequency

Key Themes from Stakeholder Consultation

What we have been told so far

frequency

Stakeholder Engagement



frequency

Territorial Authorities in ORC Region

- All Councils consulted with (except Clutha DC) with representation from many staff and teams. Very engaged and supportive of this project
- It is not clear what large-scale means in the Otago context
- The contestable funding process places a significant administrative burden on council staff, especially when funding is over-subscribed and grant size is small
- Councils are often not well informed about initiatives happening in other districts and there is likely duplication and gaps in what is being funded
- There is a lack of research and monitoring data to support if the gains made are sustainable
- Other funders are investing in the same providers and projects that Council's are investing in, and there is a need for a more strategic approach
- Providers are really struggling in the current financial environment & concern that this could be perpetuated depending on the funding model

Key Themes:

- Region-wide funding strategy needed
- Data and evidence still evolving
- Investment decisions would ideally come following Strategy
- Investment focused on outcomes and intergenerational gain important
- Investing in the wider 'system' is equally important as investing in activities
- The environmental issues across each TA are vastly different, as is provider capability

frequency

Other Council's across the Motu

- Range of discussions across City, District, Regional and Unitary Councils
- Many have been on a journey to evolve their funding and grant processes and models for some time, with many models being tested
- Impact has been amplified where Council's have been able to prioritise collaboration or fund collaborative activities or umbrella entities
- There is a move away from short term, contestable funding processes due to their sustainability, over-subscription, limited connection to outcomes, and high admin burden
- There is a lack of research and monitoring data to support investment prioritisation and to know if the gains made are sustainable
- There's no one-size fits all funding model – is the all dependent on the risk appetite of Council, the availability of providers and funders in the region and dependent on the capability and capacity of providers
- Implementing collaborative and connected funding processes is easily for unitary councils where roles and responsibilities are expanded and reduced complexity

Key Themes:

- Strategy & evidence before implementation
- Strength of partnership and collaboration is key
- Know the opportunities and constraints in your region and act from there
- It is a long process to evolve – some of the current models and initiatives have been in place 10+ years

frequency

Community Providers and Delivery Partners

- Range of discussions with community providers across the region
- Short-term competitive funding cycles are the biggest constraint to achieving impact and outcomes and retaining staff
- Having clear definitions and criteria are key to knowing what is priority to ORC and what will be delivered
- On the ground delivery is enhanced by strong relationships at funder level (Councils and other funders) and through collaboration on the ground
- Collaboration is more challenging in a competitive funding environment
- Variances in funding timing, requirements, criteria and accountability requirements is confusing and draining valuable resources
- Activating volunteers effectively is impossible without paid staff to support delivery
- Most receive funding from multiple sources – often from multiple Councils
- Obtaining funding to maintenance existing delivery, support education and PR, and to evaluate effectiveness very hard to secure

Key Themes:

- Providers will need time to scale up and consolidate for new investment
- There needs to be clarity of what ORC wishes to purchase
- Regardless of the funding model, providers need leadership and ongoing support to be effective
- Competitive funding models are largely ineffective and not foster collaboration
- There are a large number of organisations trying to achieve the same thing creating both duplication and gaps within the system

frequency

Current and Future Funders of Environmental Initiatives

- Their investment decisions are usually driven by donor requests and the parameters of a bequest
- Their constitution or strategic plan directs where and who they will invest in – and environmental investment may not be a high priority
- There is an inherent risk for these entities to partner with Councils
- Partnering with another entity or co-funding still attracts an administration cost that needs to be covered
- Their level of maturity and standing in the community is linked with their ability to leverage additional funding
- Many are moving away from funding level projects to investing in 'system level' capability building and support for organisations

Key Themes:

- Stand alone entities have their own strategies and priorities and able to invest in areas of their choosing
- The willingness and ability to partner is very dependent on the entity, their level of maturity and mandate
- Aligning geographical coverage is challenging
- Significant deliberate push to better align funding decisions across Councils and community funders in many areas (within and outside the environment sector)

frequency

Alignment and Timing in relation to the ORC Biodiversity Strategy

- Intent of the Strategy is to align collective biodiversity outcomes for Otago with the ways we're going to achieve them, in alignment with the NPSIB (2023)



frequency

Defining Large-Scale

Definitions from the evidence and proposed definition for ORC

frequency

What is large-scale?

- Basic definitions – broad, involving many people, extensive, wide-ranging, global
- No clear definition of ‘large-scale’ exists – from an environmental perspective or more generally
- The interpretation of large-scale is highly contextual
- There are many variables that can inform the definition of large-scale

- Spatial scale – from regions to global scale
- Time scale – from years to decades to inter-generational
- Biological scale – level of biodiversity complexity such as entire ecosystems
- Evidence scale – the level to which a project or initiative is deemed a biodiversity priority backed up by data and evidence
- Implementation scale – the size of the group or organisation leading the change
- Collaboration scale – the level of community activation and collaboration across groups and volunteers, including involvement of mana whenua
- Financial scale – not only level of investment, but co-investment and partnership investment

frequency

By comparison, what is landscape scale?

- Again, no clear agreed definition of what constitutes landscape scale
- Premise that spatial configuration of landscape has profound effect on ecology and biodiversity found within
- Landscape scale is complex and occasionally contradictory
- Consistent wording in definitions usually relate to
    - Interconnected landscapes with many land uses and ecosystems present
    - Large geographical areas
    - Multiple benefits including environmental, social and economic
    - Multiple stakeholder interests
- The ‘right scale’ depends on the features of the landscape, the people and groups of people involved, recognition of cultural features and ownership of the land (such as protected land vs private land)

frequency

What others told us ‘large-scale’ meant to them



frequency

Some concrete examples – ‘large-scale’ definitions and criteria already in place

Auckland Council

- Channel direct funding streams into their ‘large-scale’ initiatives
- For a project or programme to be seen as large-scale, the following conditions need to be met
    - multiple land tenure,
    - community led,
    - mana whenua connected,
    - Funding and incentivizing organisations that serve an umbrella function
- Their definition of large-scale is starting to move towards those groups who can start to take on delivery roles and responsibilities that Council would have traditionally tried to deliver on, but where they’re better placed to provide.
- AC supports these groups to by investing in their capability and capacity to ensure they are able to deliver great work in line with Council policy.

frequency

Some concrete examples

Waikato Regional Council

- Large-scale definition has six components including:
  - Landscape scale
  - Community led and collaborative
  - Involvement and support of mana whenua
  - Long-term and inter-generational benefits
  - Co-funding
  - Landowner support and permission
- Each component has a range of elements that make up that part of the definition
- Initiatives/programmes/providers must meet at least one element of each component, except ‘community led’ where all elements must be demonstrated

frequency

Proposed Definition for ORC of ‘large-scale’

- No one single definition is likely to be effective at encompassing all important elements
- A high-level definition is proposed (for governance purposes) with
- More detailed criteria explaining the application of the definition at a management/operational level
- The recommended criteria will be included in the final report

frequency

An Example of a Detailed Criteria Against Definition

This will need to fall under the definition, and some elements could include:

- Contribution to ORC priorities as outlined in the Biodiversity Strategy, and environmental priorities of the TA partners in the region
- Alignment with intergenerational aspirations of mana whenua, and level of support received by rūnaka
- If the programme is existing, and evidence of its effectiveness and impact
- Allowing for increased scale and/or impact, with providers demonstrating they have the capacity and capability to deliver at increased scale (such as financial and governance stability)
- Community-led with a high degree of collaboration at all levels
- Investment will be made to a legal entity
- Investment will be a minimum of three-years
- Investment is contingent on co-funding, or being on a path to co-funding
- The value of investment is contingent on how effectively providers achieve against the criteria

frequency

Some options we created – what are your thoughts?

Option 1

"Initiatives or programmes that address environmental challenges across a significant geographical area or ecosystem (as defined in our Biodiversity Strategy), and that have the goal and outcome of achieving landscape-scale or ecosystem-wide improvement. We will align our investment to work that has a high degree of coordination and collaboration at a community level, is backed by evidence, and can be sustainable, past the term of ORC investment"

Option 2

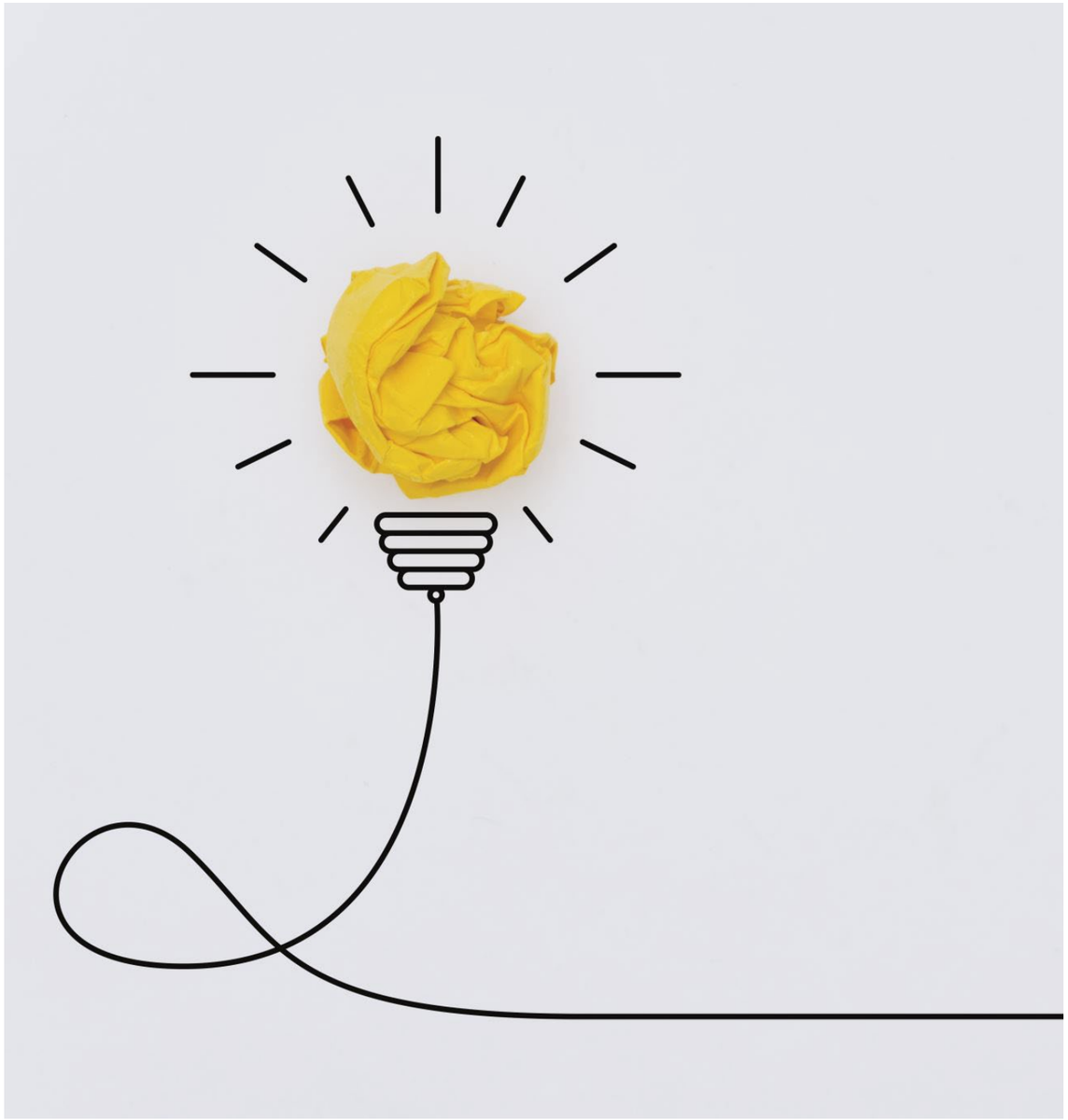
"Initiatives or programmes that will contribute to intergenerational enhancements in our environment, having positive outcomes at an ecosystem level in the areas of biodiversity, water quality, ecosystem restoration and climate change mitigation. We will align our investment to our strategic priorities and the priorities or our mana whenua partners"

Option 3

"initiatives or programmes that can achieve intergenerational outcomes at ecosystem or multi-ecosystem scale, that are community-driven, backed by evidence and science, supported by mana whenua and that enhance engagement and activation at a community and funder level."

frequency

What does your definition look like?



frequency

Funding Model Discussion

Discussion of six possible options and agreement on preferred models for further investigation

frequency

Instructions for Assessing the Funding Models

- This section outlines six models for discussion. It also contains information on the ‘other’ models we found, which are slight variations on the core 6 models.
- Each model is outlined by it’s overall features, the timescale to implementation and an analysis of the strengths, opportunities, weaknesses and risks.
- Please review the content, and then note your thoughts on the questions we pose as part of each model.
- Then we ask, using your own judgement, to plot where you think each model ranks on the Risk, Value, Cost and Effort (RVCE Matrix) at the end of the reading pack.
- The notes contain guidance on how to use this matrix, and our group discussion will focus on getting alignment/consensus on the where the 6 models fit.
- We will provide A3 print outs of the questions and the consolidated SWOTs for the workshop.

frequency

Funding Models for Discussion

1.
Contestable Funding Model
(i.e. upscaling the ECO Fund)

2.
Direct Funding Model or EOI

3.
Funding by Catchment or Biodiversity priority/plans

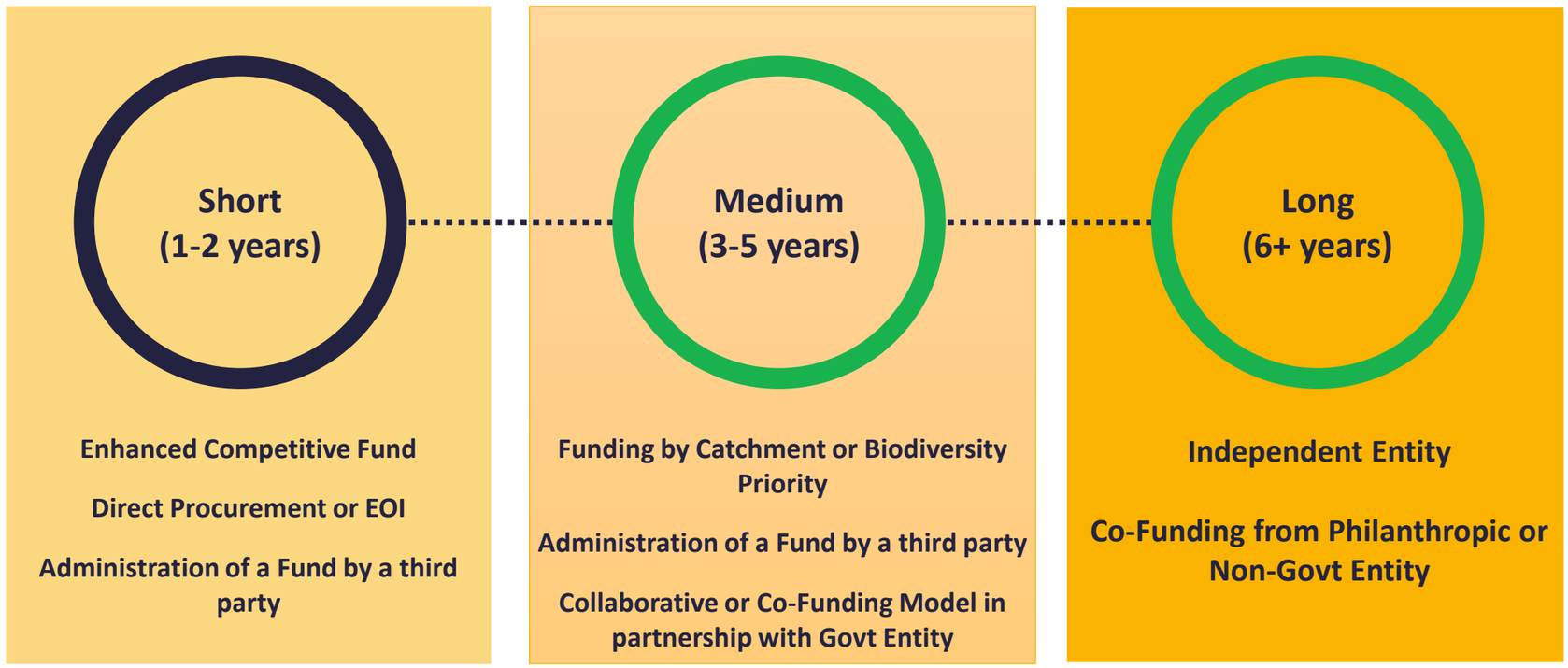
4.
Administration of a Fund by a third party
(i.e. existing Trust or CCO)

5.
Collaborative or Co-funding model in partnership with established organisations
(i.e. philanthropic or other TA's)

6.
Establish stand alone Trust or CCO entity to leverage and administer funds

frequency

Likely Timescale per Option



frequency

Funding Model 1: Contestable Funding Model

Key Features of Governance and Management (in the large-scale context)

- Management of the Fund would be undertaken by ORC internally
- Detailed criteria would need to be developed by mgmt. in line with agreed definition and fund parameters
- Allocation of project size and value dependent on detailed criteria and agreed funding cycle
- Timing of the fund allocation to be determined against internal and provider capacity
- Governance and allocation decisions could be undertaken via a panel like ECO Fund
- Delivery against agreed outputs and outcomes contractually managed between provider/s and ORC staff
- Will need to determine length of contracting and number of rounds (i.e. $6M allocated every 3 years)

Example of the Model in Practice: Waikato Regional Council's Natural Heritage Fund

Strengths	• Can be administered internally as systems already in place • Implemented effectively in the short term • In the short term, can fill funding void created by JfN ending
Opportunities	• Examine and realign all fund types to ensure all 'needs' are met across available funding • Consistent investment can result in being able to determine return on investment
Weaknesses	• Doesn't necessarily ensure investment into the right place for the right project • Reduces ability for a collaborative approach between Council and communities • Internal capacity within current resourcing to effectively manage and administer • Limited opportunity for co-funding or relationship with other funders • Investment decisions made before Biodiversity Strategy completion
Risks	• Perpetuates the cycle of highly competitive funding • May discourage collaboration between providers • May inadvertently fuel the culture of funding 'new' projects rather than maintaining existing • Doesn't clearly foster or support long-term org. sustainability
Financial Implications	• Risk investing in the providers best placed, or with the resources to write the best funding applications • Investment may not be targeted to the highest priorities or the best environmental outcomes • Will need to decide number of rounds and length of investment (i.e. $2M annually, or $6M allocated for three years) • Contestable funds are expensive to administer • If this is a short-term measure, the length of investment needs to be long enough for benefit to the provider and community
Operational Implications	• Contestable funds are incredibly resource intensive to effectively manage and monitor • Timing of the fund to either align with, or different timing to the current ECO Fund processes • How evaluation or review of performance may be undertaken • Doesn't easily allow for opportunities for sector wide, or Council wide collaboration

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
5. Are there any surprises in this or the financial and operational considerations we’ve outlined?
6. What is the level of cost required to get this model up and running effectively (low vs high)?
7. What is the level of effort required to get this model up and running effectively (low vs high)?
8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Funding Model 2: Direct Funding or EOI

Key Features of Governance and Management (in the large-scale context)

- Management of the Fund would be undertaken by ORC internally
- Detailed criteria would need to be developed by mgmt. in line with agreed definition and fund parameters
- Allocation of project size and value dependent on detailed criteria and funding cycle
- Decisions around the type and location of initiatives funded could be Council driven and determined (as opposed to community driven and determined under a contestable model, or could be community driven)
- Providers/suppliers could be required to complete a self-assessment tool against the criteria to determine suitability to apply (pre-procurement process to get to the start line)
- Timing of the fund allocation to be determined against internal and provider capacity
- Governance and allocation decisions could be undertaken via a panel like ECO Fund
- Delivery against agreed outputs and outcomes contractually managed between provider/s and ORC staff
- Will need to determine length of contracting and number of rounds (i.e. $6M allocated every 3 years)

Example of the Model in Practice: Auckland Council's Direct funding by Biodiversity Focus Areas

Strengths	• Can direct funding to high priority issues and ecosystems • Can determine suitable (or preclude) providers early due to the procurement process • Can be less resource and time intensive than a competitive process • Can allow for more provider collaboration during the process
Opportunities	• Can drive innovation and collaboration • Can enable opportunities for Council and providers to work together on long term sustainable funding options
Weaknesses	• Still requires significant capacity and capability internally during implementation • Can lose some transparency in the process if only certain providers approached
Risks	• May limit the pool of suitable providers if base assessment too heavily on past performance alone • Criteria may be too narrow and excludes some groups or communities unknowingly • Could damage relationship with existing providers or communities who feel excluded • Provider capability may be stronger in one catchment or geographical area, leading to the perception that only one part of ORC area is receiving funding
Financial Implications	• Risk investing in the providers best placed, or with the resources to write the best funding applications • This can be mitigated by a pre-procurement screening process, but this may result in investment into only one or two catchment areas • Investment may not be targeted to the highest priorities or the best environmental outcomes • Will need to decide number of rounds and length of investment (i.e. $2M annually, or $6M allocated for three years) • Contestable funds are expensive to administer (even if undertaken via direct procurement) • If this is a short-term measure, the length of investment needs to be long enough for benefit to the provider and community
Operational Implications	• While the procurement process may be less intensive, the ongoing management and monitoring of contracts/programmes is resource intensive • The SWOT of this model will be largely reliant on the procurement parameters and criteria put in place

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
5. Are there any surprises in this or the financial and operational considerations we’ve outlined?
6. What is the level of cost required to get this model up and running effectively (low vs high)?
7. What is the level of effort required to get this model up and running effectively (low vs high)?
8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Funding Model 3: Funding by Catchment or Biodiversity Priority

Key Features of Governance and Management (in the large-scale context)

- Development of the plans would occur under the current structure and partnership
- Plans would be developed as communities became activated and engaged in the process
- Implementation Plans and budgets would follow Plan sign off
- Agreed investment would be given to a community group/entity (which may be new or newly established) or to an existing community provider or umbrella entity
- Investment would need to be for a set amount and time
- Contractual arrangements and monitoring of delivery would be undertaken internally
- A timeline and plan for investment would need to be developed and managed to ensure investment would start and stop at certain times (ensuring the fund doesn't become diluted)

Example of the Model in Practice: Catlins Catchment Action Plan (Pilot)

Strengths	• Allows for systematic funding approach that is grounded in evidence and priority • Pilot already completed and best practice approach evolving/developing
Opportunities	• Allows for stronger alignment from strategy and data to implementation and action • Develop closer on the ground relationships and collaborations with community groups to lead action • More science in action initiatives • May allow for greater partnership and collaboration between existing community groups/providers • Can work with the willing – quick wins to be had
Weaknesses	• Investment may not go to area of highest biodiversity need but driven by level of community engagement • Likely to be only short-term investment as will dilute value and effectiveness as more plans are completed • Capable providers may miss out on opportunities if community action and engagement doesn't follow • Impact diluted over time as more Plans are completed • Significant internal resource required to drive the process
Risks	• May not be a suitable provider in the catchment area to hold and administer the funds on behalf of Council • Community enthusiasm and engagement may wane over time • Sustainability of the work post-investment if the group has no mandate or activity past the implementation of the CAP • May struggle to leverage additional investment if a new group needs to be established (no history of delivery)
Financial Implications	• Sustainability of the funding – probably can't fund all 10 catchments at once • May need a lot of support to transition groups to deliver past the life of the funding (implementation plan may be very aspirational and/or inter-generational) • Depending on who is funded, capability and capacity may be limited, or no formal entity to fund may exist • Prioritisation and timing of the funding will need to take place, but this may not align with community readiness
Operational Implications Creating a thriving Aotearoa for future generations	• The internal resource and capacity required will increase as more Plans are developed • Additional resources will be needed to support Plan implementation in addition to Plan development • Resources may become spread thin on the ground over time

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
5. Are there any surprises in this or the financial and operational considerations we’ve outlined?
6. What is the level of cost required to get this model up and running effectively (low vs high)?
7. What is the level of effort required to get this model up and running effectively (low vs high)?
8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Funding Model 4: Administration of a Fund by a Third Party

Key Features of Governance and Management

- ORC would enter into a service agreement or contract with an existing entity or organisation to administer the funds on behalf of ORC – could be a Charitable Entity or Community Funder or an existing CCO (Port Otago)
- The third-party entity would be responsible for the full administration costs of the fund such as the promotion of the fund, gathering applications, convening review panels, contracting with providers for delivery
- ORC staff could/would be involved in the allocation process and decision making
- The entity would be accountable under contract for all components of the fund
- In addition, it could be a requirement for the entity to leverage or raise additional funds on top of the ORC investment, but this may be long term
- Likely in the short term, the purpose would be to develop and administer on behalf of ORC

Example of the Model in Practice: Environment Canterbury and the Christchurch Foundation (Green Philanthropy) or Destination Queenstown and the Wakatipu Community Foundation (I LOVE Wānaka and I LOVE Queenstown initiatives)

Strengths	• Reduces internal administration and capacity for ORC staff • Keeps the fund at arm's length from Council and can be seen as a community fund rather than Council • Third party may be more cost effective compared to Council overhead costs
Opportunities	• Removes Council from direct funding decisions, allowing for greater opportunities to attract co-investment or philanthropic investment , and lever charitable entity benefits • Enhance relationship and collaboration with external providers • Allows for pooling for funds from multiple local authorities to achieve greater efficiency and impact of investment
Weaknesses	• Portion of the funds needed to cover admin of the Fund • Investment decisions are made by those removed from the day-to-day delivery on the ground • Currently unknown if there are any existing organisations with the capacity and capability to deliver this on behalf of ORC & not currently within PO core business or strategy • Still requires significant ORC management to ensure delivery against contract and KPIs • The ability to lever additional funds or investment will likely take significant time
Risks	• Transparency of use of rate-payer funds is potentially reduced • Entity is too far removed from day-to-day work, particularly if environmental funding is not their core business and investment moves further away from strategy • Reputational risk if contracted entity does not effectively deliver
Financial Implications	• Overall investment likely be diluted by circa 10% p/a to account for administration costs which may be able to be met by other internal ORC sources • Ability (and/or appetite) of a third-party to raise additional funds on behalf of Council may be limited • May not achieve value-for-money if the entity is not capable of delivering in the medium to long term
Operational Implications	• Will take time to get in place, especially if no willing party comes forward or existing relationship is established • No existing organisation may have regional mandate or reach that matches ORC boundaries • Significant level of internal capacity and capability required to ensure that fund is effectively being administered and ensure alignment is maintained with strategy • Effective investment decisions may be at risk if administering this fund is outside of their core business

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
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8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Funding Model 5: Collaborative or Co-Funding Model in Partnership

Key Features of Governance and Management:

- ORC would enter into a formal agreement with another party or parties under an SLA, MoU, Shared Services Agreement or other agreement. Likely partners would be other TA's, an iwi-owned entity, or a philanthropic partner
- Funding is held by a 'host' entity – which could be ORC or another partner
- This arrangement is often used for the purposes of pooling funds to achieve collaborative outcomes – to fund a coordinator or a programme manager or to contribute to achieving shared outcomes (e.g. Regional Software Holdings Ltd – which is also a CCO)
- The next phase of this model could be the pooling of funds that are to be collectively administered for grant making purposes
- An allocation panel, representing the partners would allocate funding under their terms of reference
- The 'host' or 'lead' entity may take an administrative fee to oversee and manage the process
- All entities would collectively be responsible for the investment decisions and accountability of deliverables

Example of the Model in Practice: Biodiversity Hawkes Bay Environmental Enhancement Contestable Fund (HBRC & ECCT)

Strengths	• Can be built and eased into over time – from one partner to many, from pooling of funds to leverage additional funds and additional partners • Greater efficiency for providers in application process and potential streamlined accountability • Greater coordination of investment decisions • Can result in everyone 'singing from the same song sheet'
Opportunities	• Potential to solidify a formal partnership with mana whenua and path to co-investment • Potential to solidify a path to formal partnership with a philanthropic entity and a path to co-investment • ORC to demonstrate true regional leadership with other local authorities and community
Weaknesses	• Challenge to align the environmental and investment priorities of co-funders with Council processes (or alignment across Council's) • May require additional time and resource for ORC to act as a 'host' or 'lead' • Can mean that ORC is required to report to many 'masters' who may have differing expectations • Achieving alignment on funding priorities, across multiple mandated geographical boundaries can be difficult
Risks	• ORC value proposition will need to be strong to attract potential partners • The partnership and collaborations need to be already working in practice before becoming formalized – forced partnerships are rarely effective • Inequity in contribution can disrupt the partnership and balance of power
Financial Implications	• Level of investment others are able and willing to contribute • If funding available is to support collective action (such as Kotahitanga mō te Taiao) or if funding is available to support grant making/programme funding • Whether the administration costs outweigh the benefits by having a co-funding arrangement • The sustainability of the arrangement and investment (obtaining commitment past LTP cycles)
Operational Implications	• A long-term trusting partnership needs to be in place prior to collaborative investment coming • Timing for operational decisions may not align across entities (unless partnering with other local authorities) • Future proofing the arrangement if priorities change for the partner or co-funder • It may be difficult to find the right partner who matches priorities, aspirations and geographical reach • The internal capacity and capability required if ORC were to lead this (which logically they would)

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
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8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Funding Model 6: Establishment of New Entity (Trust or CCO)

Key Features of Governance and Management (in the large-scale context)

- Council would establish a new entity as allowed for under the LGA
- Consideration needs to be considered of the rules and requirements, their timing and cost (e.g. developing a constitution, appointing governance and trustees, appointing staff and clarifying roles and responsibilities)
- It would likely require a number of appointed independent directors, including a Chair
- This would need to be completed prior to the distribution of funding
- Management of the Fund would be undertaken by the new entity, including development of criteria and fund parameters
- Governance and allocation decisions could be undertaken by the entity, which could have ORC Councillor and staff representation
- Delivery against agreed outputs and outcomes contractually managed between provider/s and the Trust
- Until additional funds could be raised, it is likely that funds would just be transferred in and out of the entity (but with additional overhead and operational requirements)

Example of the Model in Practice: none identified as yet

Strengths	• Can have a separate brand and identify from Council that is meaningful and engaging for communities and potential funders • Leverage charitable benefits and additional investment • Independent governance board
Opportunities	• Increase the overall pot of investment in environmental initiatives • Create innovative funding and partnership arrangements • Achieve regional spread and landscape scale environmental outcomes if scale of leveraged investment allows
Weaknesses	• Time and resource intensive to establish and administer • Requires separate governance, management and reporting structures which all need to be funded • Additional workload and expectations on existing Councillors and/or ORC to ensure effective representation • Investment prioritized directly to community over alignment with Council/Govt
Risks	• Until such time as additional investment is leveraged, the model can be seen as costly, with little direct benefit to rate payers • ORC expertise and knowledge becomes removed from decision making processes • Investment can lose alignment with strategy
Financial Implications	• Annual cost to manage and administer – own financial accounts, likely payment of Trustees/Board members • The charitable incentives from this model, may not out way the additional costs • Sustainability of the Trust in the long term, should funding decisions change with changes politically • May not provide value for money without committed co-investment or funding • May be financially better suited to a delivery partner rather than funding administration
Operational Implications	• Time, cost and resource to stand up and set up • Will require constitution, board/trustees and staff to manage if no internal ORC resource is allocated • Will need dedicated resource to attract and confirm co-funding or co-investment arrangements • Will need to meet LGA requirements of a CCO or Trust including separate financial accounts and auditing, as well as branding, marketing etc

frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
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9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

Other ‘sort of’ Models

In our discussions, we found other models being implemented by Council’s which didn’t quite fit the parameters we were given. These included:

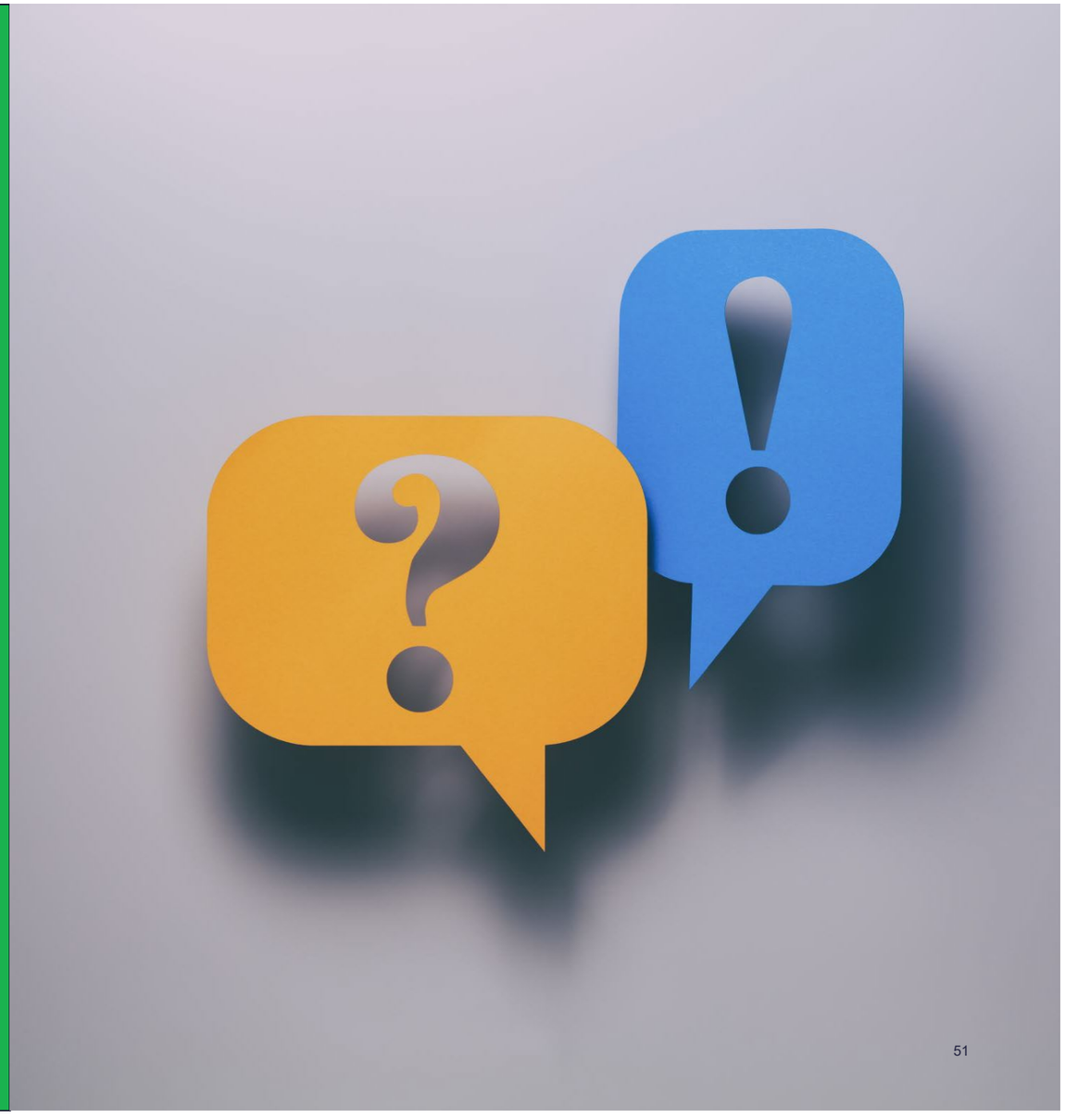
- Auckland Regional Council – relationship with the NZ Nature Fund
- Taranaki Regional Council – Wild for Taranaki
- Hawkes Bay Regional Council – An Incorporated Society and a Trust in place
- Kotahitanga mō te Taiao (KMTT) – alliance between TA’s, iwi and NZ Nature Conservancy

What we struggled to find (but may still find)

- Partnership between Council’s and an iwi entity where they co-invest and both have funds to distribute
- Partnership between Council’s and a philanthropic entity where they both have funds to distribute
- A stand-alone Trust owned by a Council (or groups of Councils) who have a mandate and role to allocate funding – most Trust and CCO models are set up as delivery partners – such as Zealandia in Wellington. Hawkes Bay is a partial fit
- Where collaborative or co-funding investment is of ‘large-scale’ – e.g. some models see investment circa $50K

frequency

Assessing each model against a Risk, Value, Cost and Effort Matrix



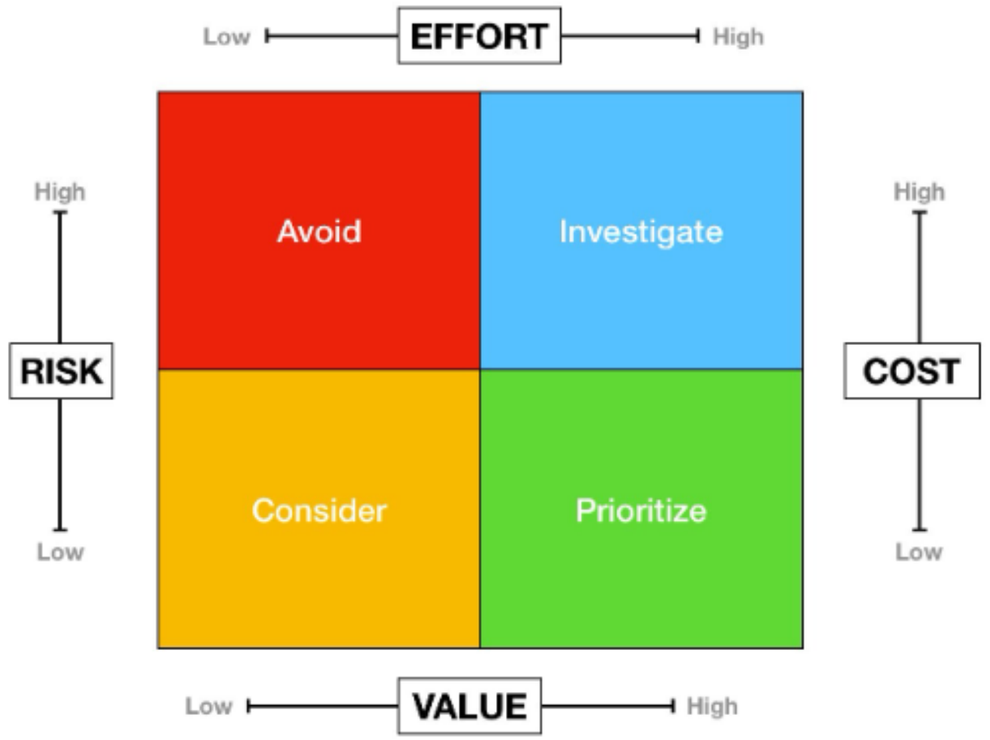
frequency

The RVCE Matrix

- Now that you have read the detail on each model and have considered the questions please use a Risk-Value-Cost-Effort Matrix to assess each model
- This matrix provides a framework to help prioritise decisions using a criteria (and definition of each criteria) in a structured and efficient way
- The final prioritisation is best determined as a group to discuss viewpoints and promote transparency
- The matrix will allow us to assess whether each model requires a low or high level of risk, value, cost and effort
- Each model must be clearly placed in a quadrant – not on a line

frequency

RVCE Matrix for Decision Making



frequency

Category Definitions

- **Risk –** the level of risk to Council by using this model, which may include relationship risk, loss of money, risk to achieving your intended goals and outcomes with the funding. It can also relate to the risk of overall effective delivery, and can extend to the risk that may extend into communities/catchments
- **Value –** this relates to the alignment to what you want the fund to achieve, the economic value the investment can bring, as well as value to communities and the environment
- **Cost –** this relates to both the investment to stand up and continue to operate and administer the model, as well as the ongoing cost implications – such as the level of investment you can make in initiatives, or how thin you spread the investment
- **Effort –** this is the level of effort required to make the model operational and functional in the long-term and should take into account quality and quantity of resources needed, management time, level of in-kind support needed internally and to the sector/partners/communities

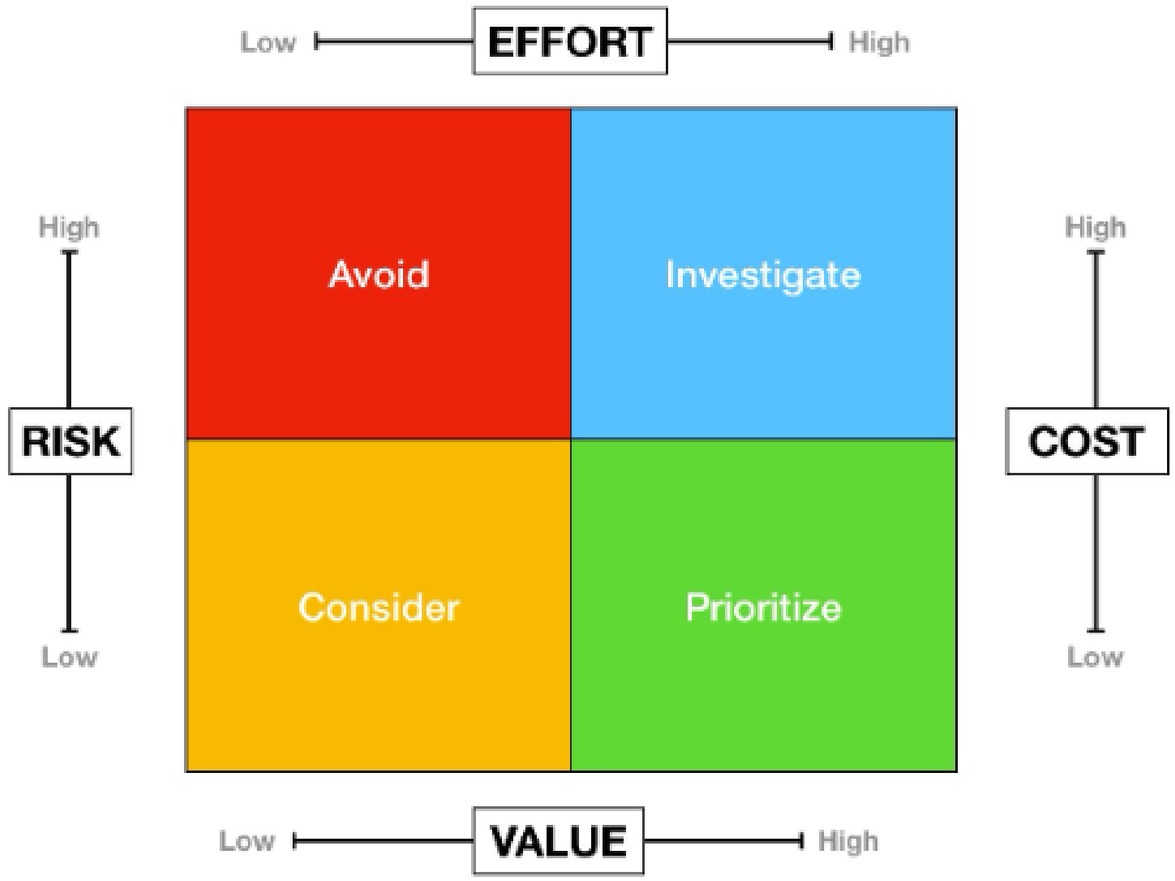
frequency

Quadrants Explained

- **Quad 1: Avoid –** these models should be avoided as they are assessed as high cost, high risk and low/lower value.
- **Quad 2: Considered** – these models could still be considered as opportunities as they require low effort, cost and risk to ORC. There value may still be low or unknown.
- **Quad 3: Prioritised** – these models should be investigated further as we believe they create high value, and although require high effort, are low risk and cost effective
- **Quad 4: Investigated** – these models rank highly across all four assessment areas and they should be investigated further as the payback in time and effort put in may achieve substantial value

frequency

Plot each model on the matrix – make any notes for your reasons why



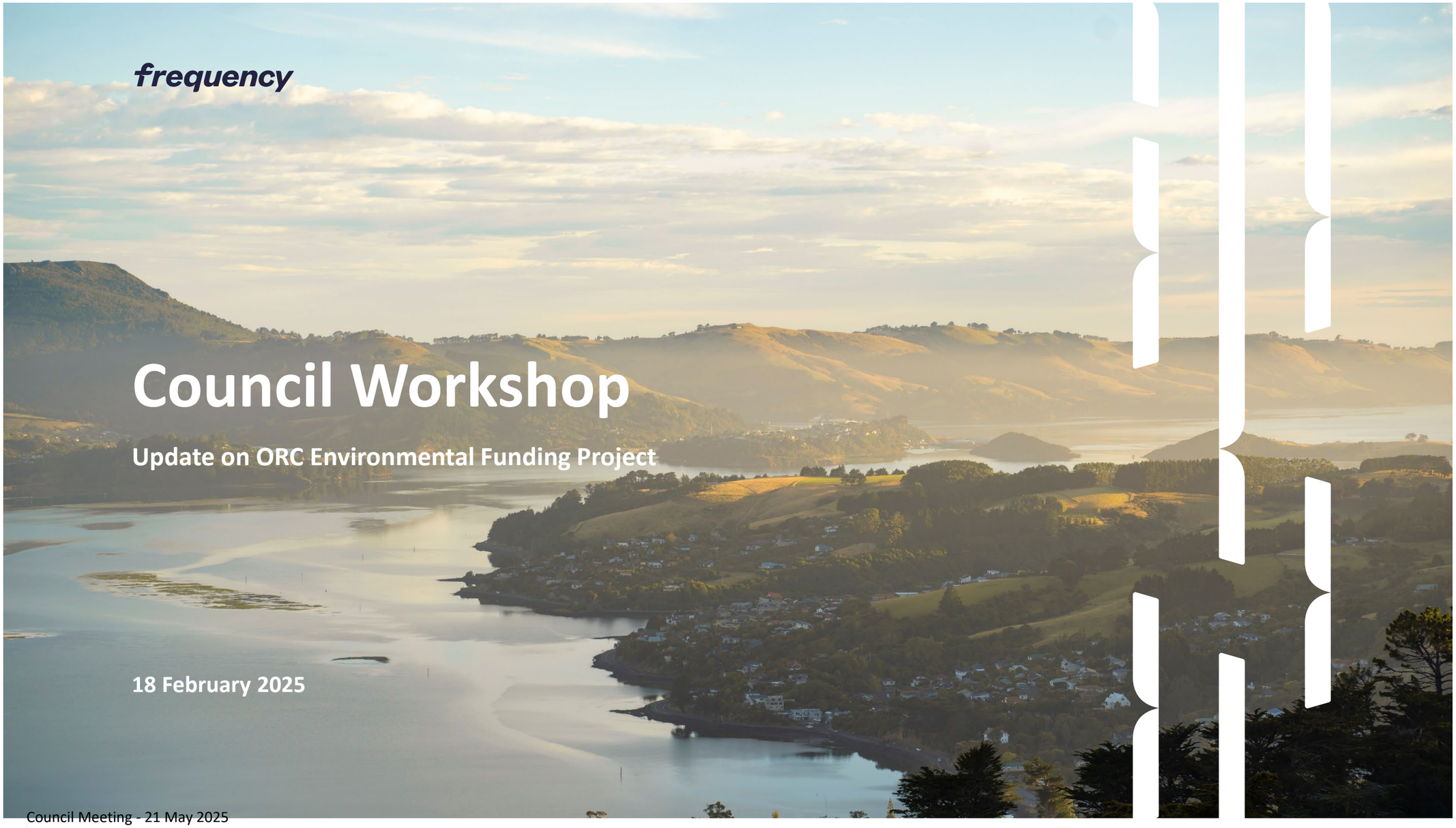
frequency

Follow us on LinkedIn

Thank you

We look forward to the discussion!

Appendix 6: ORC Councillor Workshop 2 – Presentation


frequency
Council Workshop
Update on ORC Environmental Funding Project
18 February 2025

frequency

Workshop Agenda

Time	Item	Discussion Lead
2.00pm – 2.05pm	Welcome and Workshop Opening	Co-Chairs
2.05pm – 2.15pm	Questions and Discussion on Research and Stakeholder feedback (contained in the pre-readings)	Emma Hodgkin
2.15pm – 2.45pm	Discussion and agreement on definition of ‘large-scale’	Emma Hodgkin & Marinah Rondel
2.45pm – 3.00pm	BREAK	
3.00pm – 4.45pm	Funding Model discussion, Q&A and assessment against RVAC Matrix	Emma Hodgkin & Marinah Rondel
4.50pm – 5.00pm	Confirmation of agreed models for further review and other agreed actions	Libby Caldwell
5.00pm	Closing	Co-Chairs

frequency

Intended Outcomes of the Council Workshop

By the end of the workshop, Councillors will:

- **Understand what evidence and best practice tells us** about how to invest to support and achieve environmental gain.
- Have a greater understanding of how this **fund and funding mechanism could impact** local TA's, community stakeholders and other funders.
- **Discuss a definition of 'large-scale'** and the high level criteria that will form this definition from the Otago context.
- **Discuss on the ideal long-term aspiration** of the Council for the future model of funding – determine the 'end game'.
- Understand the **implications and timing of the implementation** of the large-scale fund in relation to the ORC Biodiversity Strategy refresh.
- Be more **familiar with the range of funding mechanisms available**, their strengths and risks, the potential long term impacts and considerations, and insight into how the model is currently working in practice.
- Identify and **agree a short list of funding model options,** based on an assessment against risk, value, cost and effort**,** that require further investigation for the final report to be presented to Council in May 2025.

frequency

Previous Workshop Outcomes

What we heard from you last time:

- The scope of this project was to focus on the definition, and use of this new funding only (not all funding).
- A more precise definition was needed to define what “large-scale environmental funding” means from the ORC context.
- Many environmental areas are considered a priority for this funding, apart from Transport.
- Investment should be directed towards need, not necessarily allocated out across catchments evenly.
- Supporting salary costs with ORC funding was seen as important to continue.
- That ORCs investment into large-scale should be viewed as a ‘hand up’, and that co-funding arrangements would need to be in place to avoid long-term reliance on ORC funding.

frequency

Previous Workshop Outcomes

Councillors wanted to see further information and analysis on the following areas/topics:

- Research and evidence to inform a local definition of ‘large-scale environmental initiatives’.
- Evidence on the funding mechanisms most effective to contribute to outcomes (e.g. direct vs contestable funding).
- Evidence on the level of, or duration of funding needed to meet biodiversity or environmental outcomes.
- Details and analysis of the types of funding mechanisms available to Council to administer these funds in the short and long-term, with examples of the structures and learnings of other Council’s.
- Detail of the opportunities open to Council to grow investment through co-funding, CCO and Trust type mechanisms.

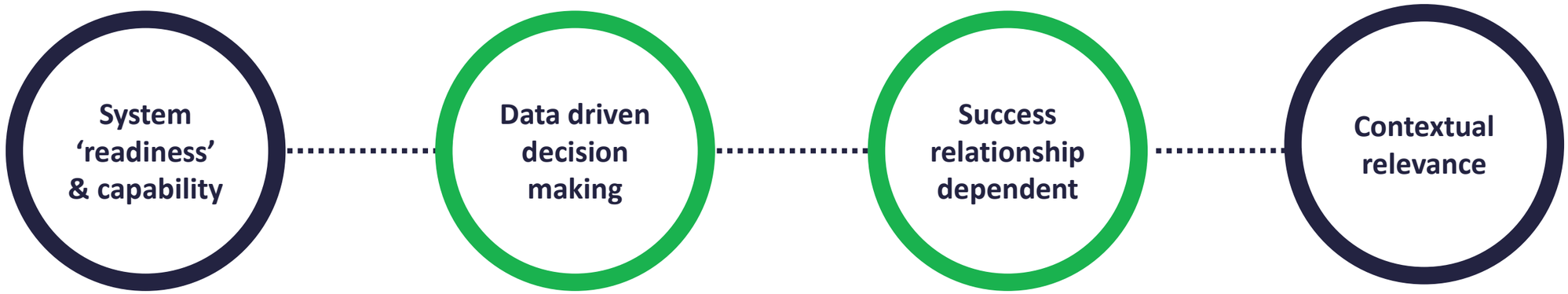
frequency

Understanding what the evidence and our stakeholders are telling us

A summary of the key themes from our review of the research and stakeholder engagement to date

frequency

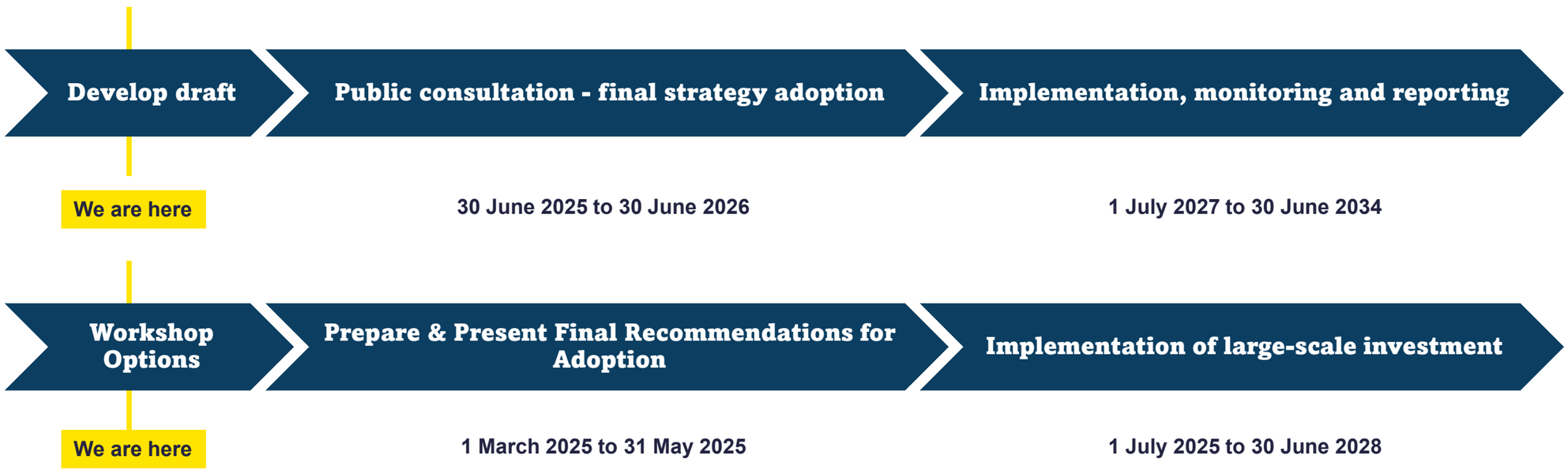
Key Themes



frequency

Alignment and Timing in relation to the ORC Biodiversity Strategy

- Intent of the Strategy is to align collective biodiversity outcomes for Otago with the ways we're going to achieve them, in alignment with the NPSIB (2023)



frequency

Defining Large-Scale

Definitions from the evidence and proposed definition for ORC

frequency

So what is large-scale?



frequency

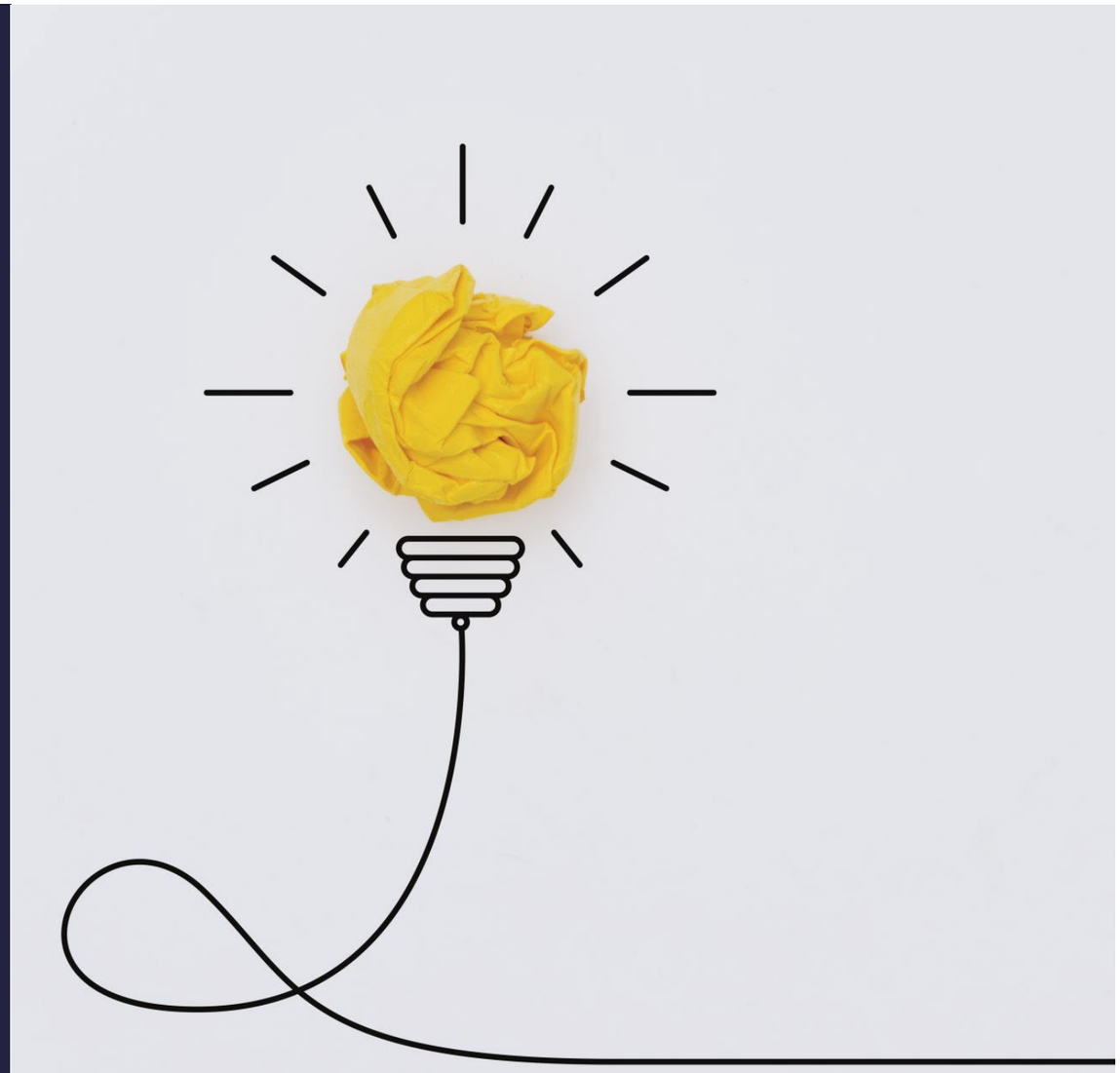
Our Proposed Approach

- A high-level definition is proposed (for governance purposes) with
- More detailed criteria explaining the application of the definition at a management/operational level
- The recommended criteria will be included in the final report

frequency

Activity 1

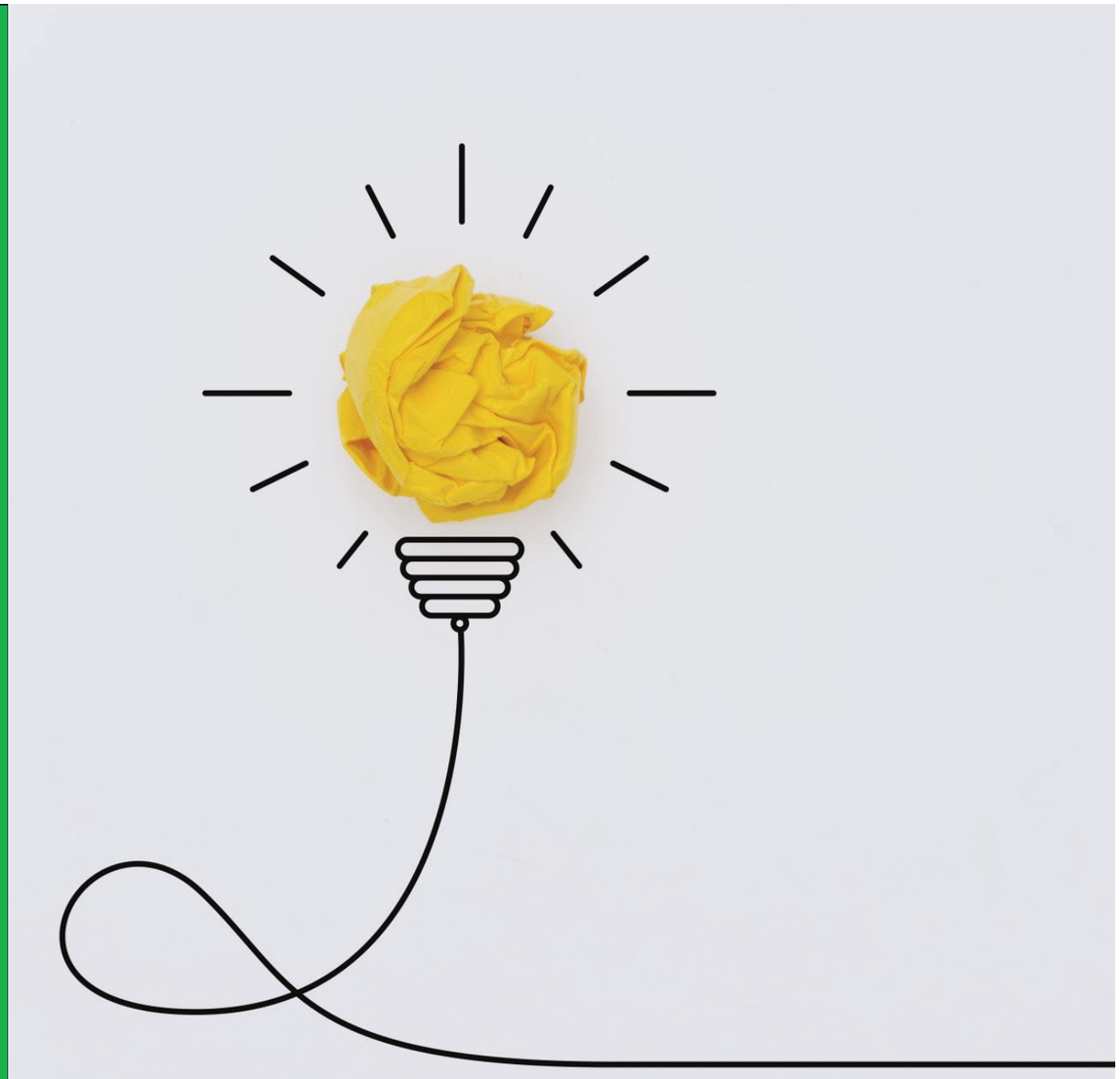
- Split into two groups
- Write down three things that you want the fund to achieve
- Present back your outcomes to the group



frequency

Activity 2

- Stay in your two groups
- On one piece of paper write your definition of large-scale
- On the other piece of paper, write your definition of landscape-scale
- Think about the funding cycles as part of this – i.e. is this $2M p/a or $6M over three years?
- Present back your definitions to the group



16

frequency

Definition of Large-Scale

frequency

Funding Model Discussion

Discussion of six possible options and agreement on preferred options for further investigation

frequency

Quick recap from the feedback and evidence

- Contestable funding mechanisms drive competition and are time and resource intensive
- Short term funding and focus on ‘new’ creates significant challenges to delivery and sustainability
- Balancing transparency and accountability with good environmental outcomes is difficult
- ORC and the sector need to be ‘ready’ for the model ORC wish to
- Leveraging additional investment is harder than it sounds
- The impact of investment is likely to be greater, where the model allows for continued ORC leadership and involvement
- Feedback tells us that the most effective models function a step removed from elected officials

frequency

Funding Models for Discussion

1.

Contestable Funding Model
(i.e. upscaling the ECO Fund)

2.

Direct Funding Model or EOI

3.

Funding by Catchment or Biodiversity priority/plans

4.

Administration of a Fund by a third party
(i.e. an existing Trust or CCO)

5.

Collaborative, Co-funded or Joint Venture model
(i.e. pooled funding or joint funding with philanthropic entity or other local authorities

6.

Establish stand alone Trust or CCO entity to leverage and administer funds

frequency

The RVCE Matrix

- Now that you have read the detail on each model and have considered the questions please use a Risk-Value-Cost-Effort Matrix to assess each model
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frequency

Category Definitions

- **Risk –** the level of risk to Council by using this model, which may include relationship risk, loss of money, risk to achieving your intended goals and outcomes with the funding. It can also relate to the risk of overall effective delivery, and can extend to the risk that may extend into communities/catchments
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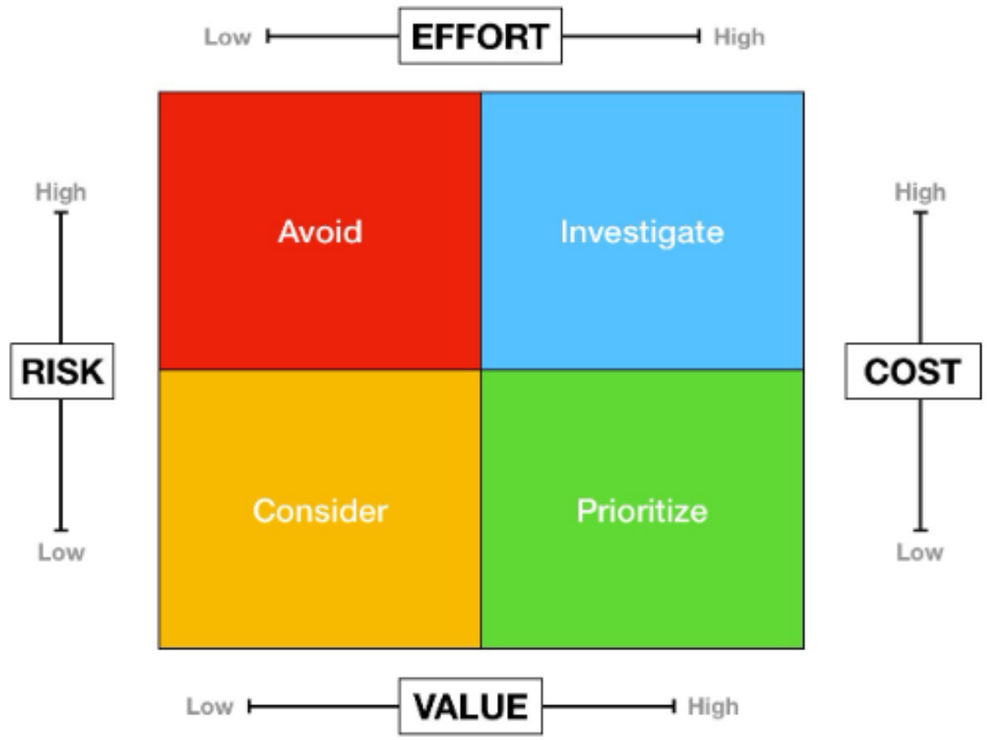
frequency

Quadrants Explained

- **Quad 1: Avoid –** these models should be avoided as they are assessed as high cost, high risk and low/lower value.
- **Quad 2: Considered** – these models could still be considered as opportunities as they require low effort, cost and risk to ORC. There value may still be low or unknown.
- **Quad 3: Prioritised** – these models should be investigated further as we believe they create high value, and although require high effort, are low risk and cost effective
- **Quad 4: Investigated** – these models rank highly across all four assessment areas and they should be investigated further as the payback in time and effort put in may achieve substantial value

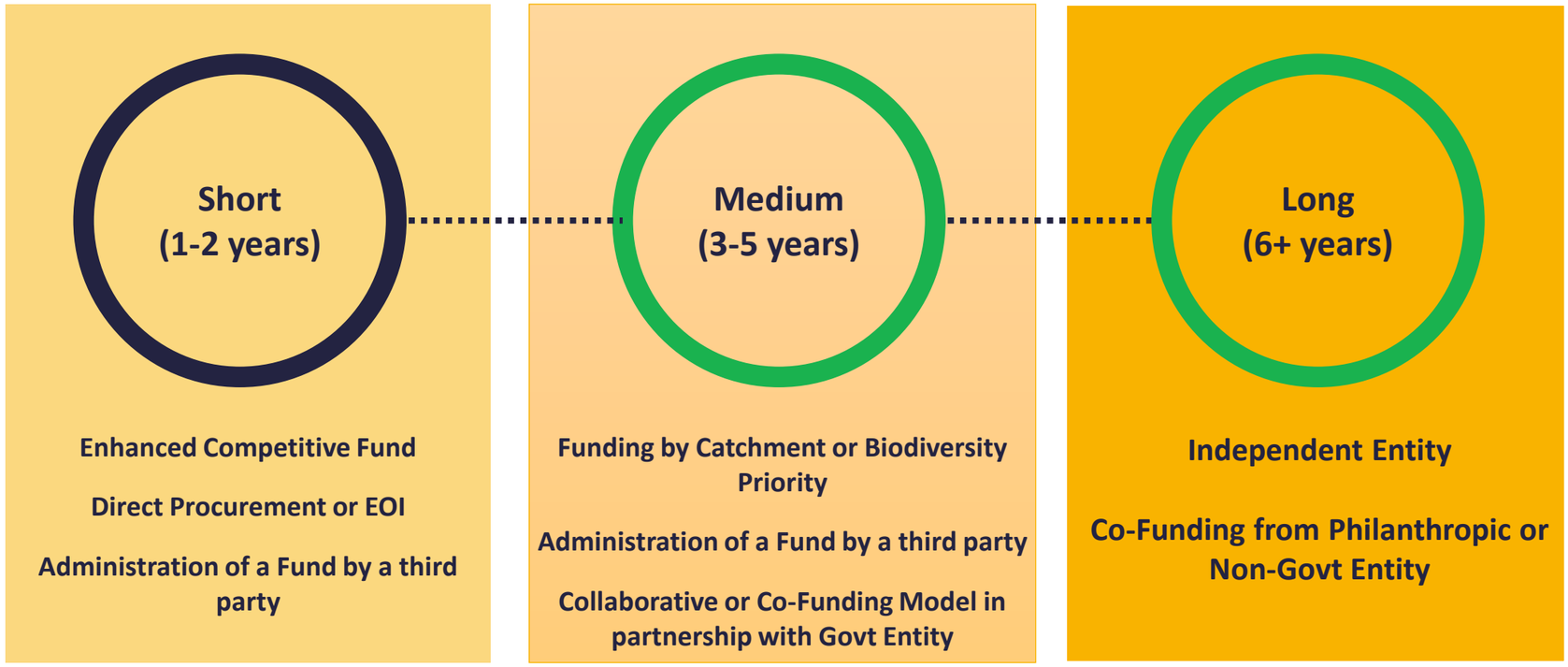
frequency

RVCE Matrix for Decision Making



frequency

Likely Timescale per Option



frequency

1.

Contestable Funding Model

Timescale
Short
(1-2 years)

How this could work/look in practice:

- New contestable fund
- Upscale existing ECO Fund
- All or only part of the new funding allocated to this

Strengths	• Can be administered internally as systems already in place • Implemented effectively in the short term • In the short term, can fill funding void created by JfN ending
Opportunities	• Examine and realign all fund types to ensure all 'needs' are met across available funding • Consistent investment can result in being able to determine return on investment
Weaknesses	• Doesn't necessarily ensure investment into the right place for the right project • Reduces ability for a collaborative approach between Council and communities • Internal capacity within current resourcing to effectively manage and administer • Limited opportunity for co-funding or relationship with other funders • Investment decisions made before Biodiversity Strategy completion
Risks	• Perpetuates the cycle of highly competitive funding • May discourage collaboration between providers • May inadvertently fuel the culture of funding 'new' projects rather than maintaining existing • Doesn't clearly foster or support long-term org. sustainability
Financial Implications	• Risk investing in the providers best placed, or with the resources to write the best funding applications • Investment may not be targeted to the highest priorities or the best environmental outcomes • Will need to decide number of rounds and length of investment (i.e. $2M annually, or $6M allocated for three years) • Contestable funds are expensive to administer • If this is a short-term measure, the length of investment needs to be long enough for benefit to the provider and community
Operational Implications	• Contestable funds are incredibly resource intensive to effectively manage and monitor • Timing of the fund to either align with, or different timing to the current ECO Fund processes • How evaluation or review of performance may be undertaken • Doesn't easily allow for opportunities for sector wide, or Council wide collaboration

frequency

Discussion Notes

frequency

2.

Direct Funding Model or EOI



How this could work/look in practice:

- Set and agree criteria against definition
- Provide support & engagement with interested providers/delivery partners
- Determine procurement timelines in partnership to ensure best outcomes for all parties

Strengths	• Can direct funding to high priority issues and ecosystems • Can determine suitable (or preclude) providers early due to the procurement process • Can be less resource and time intensive than a competitive process • Can allow for more provider collaboration during the process
Opportunities	• Can drive innovation and collaboration • Can enable opportunities for Council and providers to work together on long term sustainable funding options
Weaknesses	• Still requires significant capacity and capability internally during implementation • Can lose some transparency in the process if only certain providers approached
Risks	• May limit the pool of suitable providers if base assessment too heavily on past performance alone • Criteria may be too narrow and excludes some groups or communities unknowingly • Could damage relationship with existing providers or communities who feel excluded • Provider capability may be stronger in one catchment or geographical area, leading to the perception that only one part of ORC area is receiving funding
Financial Implications	• Risk investing in the providers best placed, or with the resources to write the best funding applications • This can be mitigated by a pre-procurement screening process, but this may result in investment into only one or two catchment areas • Investment may not be targeted to the highest priorities or the best environmental outcomes • Will need to decide number of rounds and length of investment (i.e. $2M annually, or $6M allocated for three years) • Contestable funds are expensive to administer (even if undertaken via direct procurement) • If this is a short-term measure, the length of investment needs to be long enough for benefit to the provider and community
Operational Implications	• While the procurement process may be less intensive, the ongoing management and monitoring of contracts/programmes is resource intensive • The SWOT of this model will be largely reliant on the procurement parameters and criteria put in place

frequency

Discussion Notes

frequency

3.

Funding by catchment or biodiversity priority/plans

Timescale
Medium
(3-5 years)

How this could work/look in practice:

- Set and agree criteria against definition
- Align the planning process and implementation plans to investment
- Determine order and timing of delivery and sustainability of funding investment

Strengths	• Allows for systematic funding approach that is grounded in evidence and priority • Pilot already completed and best practice approach evolving/developing
Opportunities	• Allows for stronger alignment from strategy and data to implementation and action • Develop closer on the ground relationships and collaborations with community groups to lead action • More science in action initiatives • May allow for greater partnership and collaboration between existing community groups/providers • Can work with the willing – quick wins to be had
Weaknesses	• Investment may not go to area of highest biodiversity need but driven by level of community engagement • Likely to be only short-term investment as will dilute value and effectiveness as more plans are completed • Capable providers may miss out on opportunities if community action and engagement doesn't follow • Impact diluted over time as more Plans are completed • Significant internal resource required to drive the process
Risks	• May not be a suitable provider in the catchment area to hold and administer the funds on behalf of Council • Community enthusiasm and engagement may wane over time • Sustainability of the work post-investment if the group has no mandate or activity past the implementation of the CAP • May struggle to leverage additional investment if a new group needs to be established (no history of delivery)
Financial Implications	• Sustainability of the funding – probably can't fund all 10 catchments at once • May need a lot of support to transition groups to deliver past the life of the funding (implementation plan may be very aspirational and/or inter-generational) • Depending on who is funded, capability and capacity may be limited, or no formal entity to fund may exist • Prioritisation and timing of the funding will need to take place, but this may not align with community readiness
Operational Implications	• The internal resource and capacity required will increase as more Plans are developed • Additional resources will be needed to support Plan implementation in addition to Plan development • Resources may become spread thin on the ground over time

frequency

Discussion Notes

frequency

4.

Administration of a Fund by a third party

Timescale
Short
(1-2 years)

Timescale
Medium
(3-5 years)

How this could work/look in practice:

- Contracting an existing Charitable Trust to manage and administer funds on behalf of council
- Contracting Port Otago to manage and administer funds on behalf of council (as ORC only existing CCO)
- Determine procurement criteria, application and accountability mechanisms directly with the third party
- ORC would need to pay an admin cost
- Role could be to administer and/or attract additional investment
- ORC staff would still need to support allocation process

Strengths	• Reduces internal administration and capacity for ORC staff • Keeps the fund at arm's length from Council and can be seen as a community fund rather than Council • Third party may be more cost effective compared to Council overhead costs
Opportunities	• Removes Council from direct funding decisions, allowing for greater opportunities to attract co-investment or philanthropic investment , and lever charitable entity benefits • Enhance relationship and collaboration with external providers • Allows for pooling for funds from multiple local authorities to achieve greater efficiency and impact of investment
Weaknesses	• Portion of the funds needed to cover admin of the Fund • Investment decisions are made by those removed from the day-to-day delivery on the ground • Currently unknown if there are any existing organisations with the capacity and capability to deliver this on behalf of ORC & not currently within PO core business or strategy • Still requires significant ORC management to ensure delivery against contract and KPIs • The ability to lever additional funds or investment will likely take significant time
Risks	• Transparency of use of rate-payer funds is potentially reduced • Entity is too far removed from day-to-day work, particularly if environmental funding is not their core business and investment moves further away from strategy • Reputational risk if contracted entity does not effectively deliver
Financial Implications	• Overall investment likely be diluted by circa 10% p/a to account for administration costs which may be able to be met by other internal ORC sources • Ability (and/or appetite) of a third-party to raise additional funds on behalf of Council may be limited • May not achieve value-for-money if the entity is not capable of delivering in the medium to long term
Operational Implications	• Will take time to get in place, especially if no willing party comes forward or existing relationship is established • No existing organisation may have regional mandate or reach that matches ORC boundaries • Significant level of internal capacity and capability required to ensure that fund is effectively being administered and ensure alignment is maintained with strategy • Effective investment decisions may be at risk if administering this fund is outside of their core business

frequency

Discussion Notes

frequency

5.

Collaborative, Co-funded or Joint Venture model





How this could work/look in practice:

- Pooled funding across local authorities to increase the overall value and ensure more collaborative investment
- Joint venture with philanthropic entity to allow greater, more efficient investment
- Will require a leader agency to oversee and administer
- Could be a scaled up over time from an MoU, Shared Service Agreement or long-term arrangement
- Relies on the desire to partner with Council

Strengths	• Can be built and eased into over time – from one partner to many, from pooling of funds to leverage additional funds and additional partners • Greater efficiency for providers in application process and potential streamlined accountability • Greater coordination of investment decisions • Can result in everyone 'singing from the same song sheet'
Opportunities	• Potential to solidify a formal partnership with mana whenua and path to co-investment • Potential to solidify a path to formal partnership with a philanthropic entity and a path to co-investment • ORC to demonstrate true regional leadership with other local authorities and community
Weaknesses	• Challenge to align the environmental and investment priorities of co-funders with Council processes (or alignment across Council's) • May require additional time and resource for ORC to act as a 'host' or 'lead' • Can mean that ORC is required to report to many 'masters' who may have differing expectations • Achieving alignment on funding priorities, across multiple mandated geographical boundaries can be difficult
Risks	• ORC value proposition will need to be strong to attract potential partners • The partnership and collaborations need to be already working in practice before becoming formalized – forced partnerships are rarely effective • Inequity in contribution can disrupt the partnership and balance of power
Financial Implications	• Level of investment others are able and willing to contribute • If funding available is to support collective action (such as Kotahitanga mō te Taiao) or if funding is available to support grant making/programme funding • Whether the administration costs outweigh the benefits by having a co-funding arrangement • The sustainability of the arrangement and investment (obtaining commitment past LTP cycles)
Operational Implications	• A long-term trusting partnership needs to be in place prior to collaborative investment coming • Timing for operational decisions may not align across entities (unless partnering with other local authorities) • Future proofing the arrangement if priorities change for the partner or co-funder • It may be difficult to find the right partner who matches priorities, aspirations and geographical reach • The internal capacity and capability required if ORC were to lead this (which logically they would)

frequency

Discussion Notes

frequency

6.

Establish stand alone Trust or CCO entity to administer and leverage additional funds



How this could work/look in practice:

- Suitable model to be determined and the ‘why’ clear
- Administratively heavily to set up and cost to administer
- May be able to leverage additional investment but likely take time
- ORC staff would need to retain involvement in decisions to ensure alignment with policy, strategy and evidence base

Strengths	• Can have a separate brand and identify from Council that is meaningful and engaging for communities and potential funders • Leverage charitable benefits and additional investment • Independent governance board
Opportunities	• Increase the overall pot of investment in environmental initiatives • Create innovative funding and partnership arrangements • Achieve regional spread and landscape scale environmental outcomes if scale of leveraged investment allows
Weaknesses	• Time and resource intensive to establish and administer • Requires separate governance, management and reporting structures which all need to be funded • Additional workload and expectations on existing Councillors and/or ORC to ensure effective representation • Investment prioritized directly to community over alignment with Council/Govt
Risks	• Until such time as additional investment is leveraged, the model can be seen as costly, with little direct benefit to rate payers • ORC expertise and knowledge becomes removed from decision making processes • Investment can lose alignment with strategy
Financial Implications	• Annual cost to manage and administer – own financial accounts, likely payment of Trustees/Board members • The charitable incentives from this model, may not out way the additional costs • Sustainability of the Trust in the long term, should funding decisions change with changes politically • May not provide value for money without committed co-investment or funding • May be financially better suited to a delivery partner rather than funding administration
Operational Implications	• Time, cost and resource to stand up and set up • Will require constitution, board/trustees and staff to manage if no internal ORC resource is allocated • Will need dedicated resource to attract and confirm co-funding or co-investment arrangements • Will need to meet LGA requirements of a CCO or Trust including separate financial accounts and auditing, as well as branding, marketing etc

frequency

Discussion Notes

frequency

Other ‘sort of’ Models

In our discussions, we found other models being implemented by Council’s which didn’t quite fit the parameters we were given. These included:

- Auckland Regional Council – relationship with the NZ Nature Fund
- Taranaki Regional Council – separate Trust that Council supported the establishment of (not a CCO and no political representation) and provides funding for administration and delivery
- Hawkes Bay Regional Council – separate Trust and Incorporated Society
- Kotahitanga mō te Taiao (KMTT) – alliance between TA’s, iwi and NZ Nature Conservancy

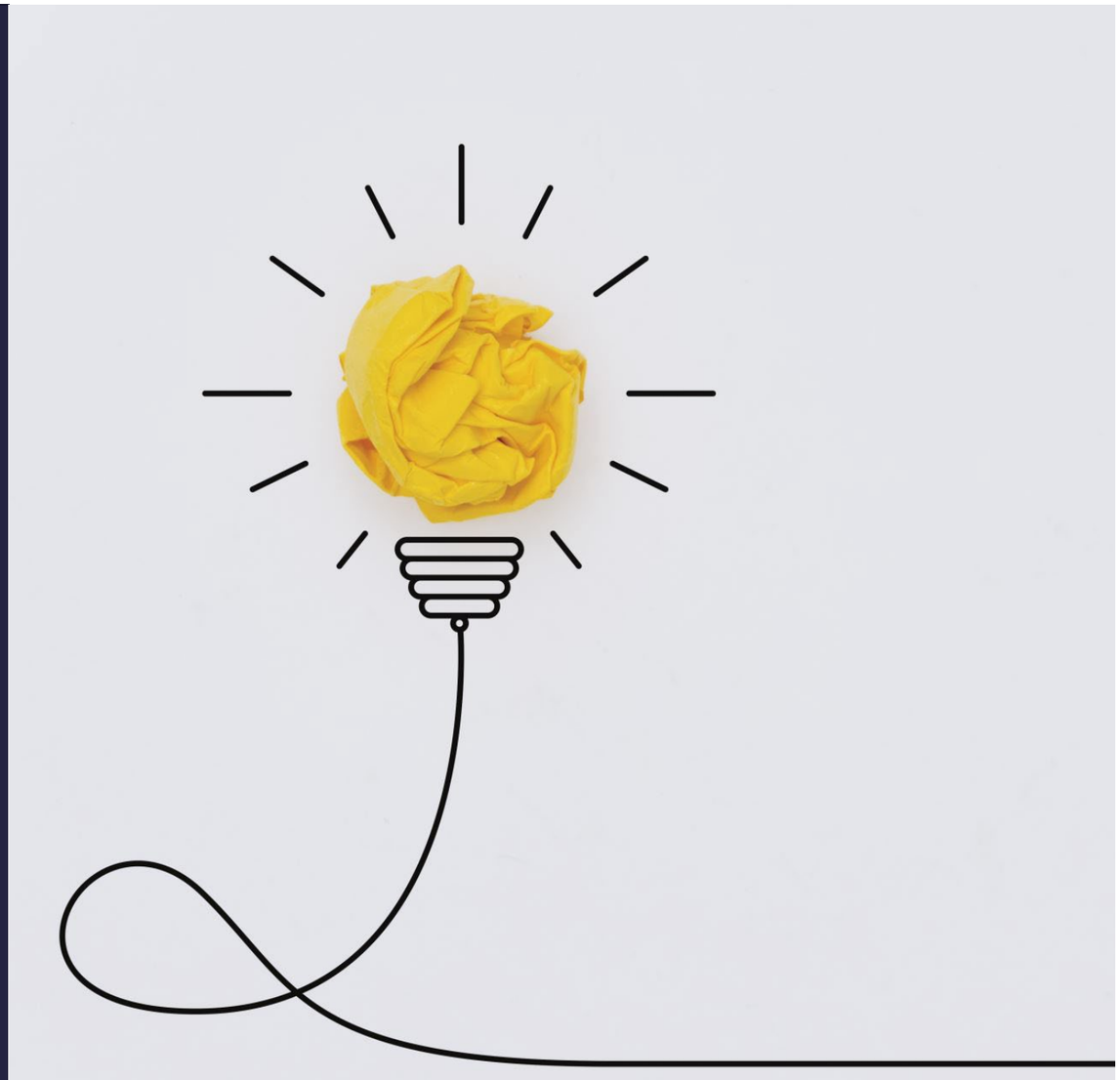
What we struggled to find (but may still find)

- Partnership between Council’s and an iwi entity where they co-invest and both have funds to distribute
- Partnership between Council’s and a philanthropic entity where they both have funds to distribute
- A stand-alone Trust owned by a Council (or groups of Councils) who have a mandate and role to allocate funding – most Trust and CCO models are set up as delivery partners – such as Zealandia in Wellington or Wild for Taranaki
- Where collaborative or co-funding investment is of ‘large-scale’ – e.g. most investments cira $50-$100K

frequency

Activity 3

- Split into two <u>different</u> groups
- Review each of the six models and discuss in your group
- Place each model on the RVCE matrix based on your group assessment
- Remember each model must be clearly placed in a quadrant – not on a line!
- Report back your placement and discuss the rationale for your choices



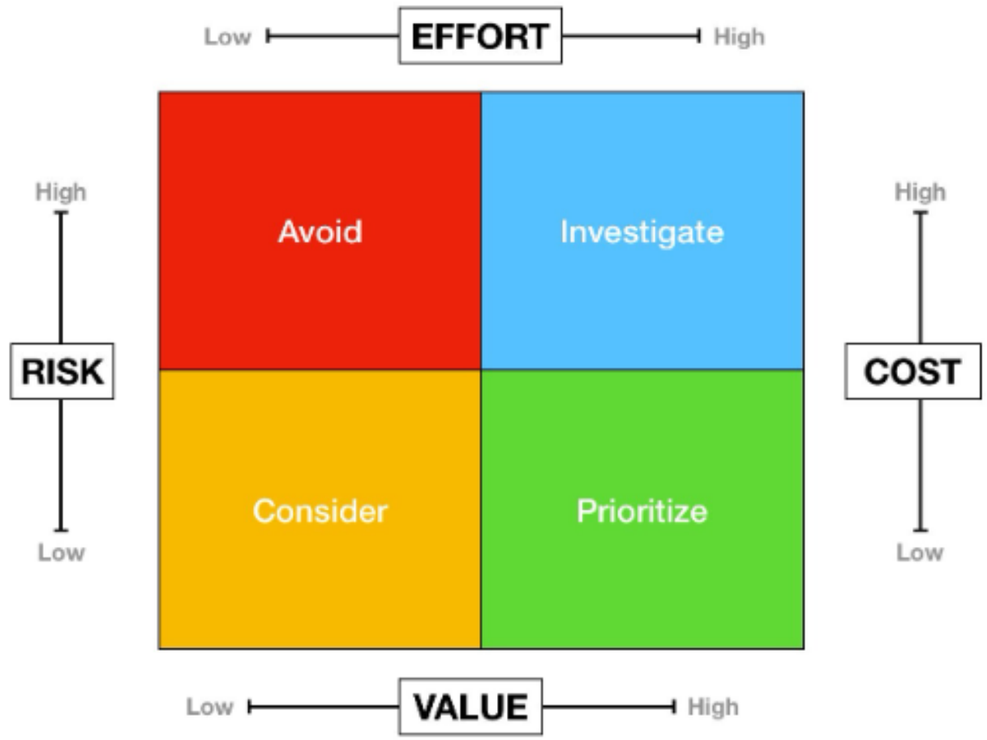
frequency

Questions for Consideration…

1. How does this model align with our game plan? (that is what we want to achieve and the impact we want to have?)
2. Does this ‘model in action’ align with your definition of ‘large-scale’?
3. If we use this model, how will be know if we’re ‘winning’ or working towards achieving our impact/outcomes?
4. Is there anything missing from the identified strengths, opportunities, weaknesses and risks identified?
5. Are there any surprises in this or the financial and operational considerations we’ve outlined?
6. What is the level of cost required to get this model up and running effectively (low vs high)?
7. What is the level of effort required to get this model up and running effectively (low vs high)?
8. What the level of risk that this model presents and is this appropriate within the context of what we’re trying to achieve?
9. Does the level of effort required (from us internally and from our providers/community/partners) warrant its further consideration (low vs high)?

frequency

RVCE Matrix for Decision Making – Group Discussion and Feedback



frequency

Models in Order of Priority

frequency

Agreed Actions

- Confirmed definition is…
- Preferred funding models requiring further analysis are…
- Other agreed actions or data sought in the final report and/or final recommendations are…

frequency

Next Steps

- Continue stakeholder engagement – including individual rūnaka engagement
- Further investigation into the preferred funding models
- Development of a full draft report (due to ORC staff 31 March)
- Presentation of a final report and recommendations for Council approval (21 May)

frequency

Follow us on LinkedIn

Thank you

Nga mihi nui

Appendix 7: Partner and Stakeholder Consultation Participants

Statutory Partners

- Aukaha
- Te Ao Marama*

Internal ORC Staff

- ORC Strategy team
- ORC Science team
- ORC Environmental Implementation team
- Biodiversity Strategy Working Group (via ORC Senior Advisor – Strategy)
- Edward Ellison (ECO Fund Panelist)

Local Authorities in Otago

- Dunedin City Council
- Waitaki District Council
- Central Otago District Council
- Queenstown Lakes District Council
- Clutha District Council

Other Regional and Local Authorities

- Auckland Council
- Waikato Regional Council
- Hawkes Bay Regional Council
- Taranaki Regional Council
- Environment Canterbury
- Invercargill City Council

Government Departments/ Crown Agencies

- Department of Conservation
- Sport New Zealand

Environmental Organisations / Community & Delivery Partners

- Kotahitanga mō te Taiao (KMTT)
- Biodiversity Hawkes Bay
- WAI Wānaka
- Southern Lakes Sanctuary Trust
- Predator Free Dunedin
- QEII National Trust
- Te Tapu o Tāne Ltd*
- Otago Catchment Communities Incorporated
- Whakatipu Wilding Conifer Trust
- Wild for Taranaki

Community Funders

- Wakatipu Community Foundation
- Otago Community Trust

* Organisation contacted but no formal meeting held

Appendix 8: Letter to Council Stakeholders

Briefing for Local Government on the Otago Regional Council's Environmental Funding Model Project

1.0 Background

The Otago Regional Council currently allocates just over $2M per annum to support the delivery of 'environmental initiatives' around the region. This investment is a mix of contestable funding and funding that is directly allocated to providers for particular projects and initiatives. The contestable funding is allocated annually under the ECO General Fund, a large-scale biodiversity fund and a range of incentive funds that supports sustained rabbit management, native planting for water quality, native planting following pest plant control, and biodiversity enhancement on protected private land. These funds have been in place in one form or another since 2018 and fund a number of groups of landowners and not-for-profit organisations across wider Otago. The maximum allocation, length of investment and fund criteria differ for each type of fund, and you may be aware of many of the projects and past recipients in your community. For further background information, please visit ECO Fund.

The direct funding allocated by the ORC supports a range of not-for-profit providers in the delivery of initiatives across the region, most of which is allocated annually and supports initiatives such as the QEII Partnership & Nga Whenua Partnership to support the protection of biodiversity, Predator Free Dunedin, Otago Catchment Communities and a range of Wilding Conifer groups.

Through the 2024/2034 LTP process, the ORC consulted on a proposed increase in environmental funding of $500,000 per year from 2025/26, recognising that the current funding was significantly oversubscribed and that there was demand for further investment to support environmental and biodiversity outcomes in local communities. Following consultation, the ORC approved the allocation of an additional $2 million per year to fund *'large scale environmental projects, funded by an Otago-wide rate'*. long-term-plan-ltp-2024-34-decisions-following-feedback-table-240612.pdf

2.0 Project Purpose & Scope

Following the Council decision, Frequency NZ Ltd has been contracted by the Environmental Implementation Team to support Council in determining the best model of allocating the new/additional funding that will become available annually from 1 July 2025.

An initial workshop with Councillors last month confirmed the following:

- This project will investigate the best use of funding for the additional $2M per annum, with the existing funding streams remaining unchanged
- The ORC will work in partnership with mana whenua to ensure alignment with environmental priorities for investment
- Council wishes to invest in initiatives that can/will have a considerable environmental impact in the region
- Council seeks evidence of effective initiatives already in place across New Zealand and overseas that are achieving significant environmental impact, and to better understand the evidence around the effectiveness of 'large-scale' in terms of
    - Length of investment needed for impact
    - Level of investment needed for impact
    - The procurement/funding/contracting model implemented
    - How 'seed funding' type models of investment work best
    - Opportunities for partnership with other entities to further grow investment and return over time, including but not limited to, other Councils, other government agencies or the private and philanthropic sectors

Further information can be found by viewing the Council Workshop online at Environmental Funding Workshop

We have now entered a 'discovery' phase of this project, gathering information and data to support the development of some high-level feedback and options for Council to consider by end of February 2025, with the overall intended output of delivering a Final Report and Recommendations to the ORC in March/April 2025.

A key element of this phase is to meet with a range of stakeholders including Council partners within the ORC region, other government departments who have responsibility for environmental protection and enhancement, such as DOC, and a range of community stakeholders and providers across the region. These community stakeholders include some organisations already receiving funding from ORC or who have large strategies or future plans in place. These stakeholders have been identified by ORC and are being contacted directly. This is an open and collaborative process but resources for consultation are limited, and it is likely that not all community stakeholders you work with will be contacted. Will can share with you those stakeholders that will be or have been contacted in your local community.

Stakeholders will be contacted from end November, with the intention to hold online interviews during December 2024 and January 2025. Meetings are initially taking place with Councils and government agencies first to ensure that there is a clear understanding of what is being planned, delivered and funded across the region.

3.0 Timeline

The following high level, **indicative timeline** for the project and remaining phases is outlined below for your information.

Key Activities	October				November				December				January				February				March				April			
Councillor Workshop																												
Mana Whenua Consultation																												
Desktop review and analysis of current, existing and legacy arrangements for funding distribution																												
Council and Govt Department consultation to understand existing funding arrangements and initiatives plus future priorities																												
Community stakeholder/NGO consultation																												
'Other funder' consultation																												
Second ORC Councilor Workshop																												
Draft Report Preparation and Review																												
Final Report to Council																												

4.0 Key Questions for Discussion

We thank you for taking the time to meet with our team and discuss this project. We have a tentative question list that we will work through, which will hopefully provide you with further context to frame our discussion. This isn't an exhaustive list but a starting point to give you an idea of the type of information we are looking for. Your responses can remain confidential to the project team if you wish and will be anonymised unless required otherwise. Permission will be sought before any identifying information is given to ORC staff or Councillors.

The following questions will form our discussion (which we expect to take around 60-90 minutes)

Part A: Your own Council investment in environmental initiatives
1. What are your Council priorities in this area and what are the main environmental issues in your communities/area?
2. As a Council are you directly funding or investing in environmental initiatives, and are these delivered in-house or externally funded?
3. What organisations are you currently funding and to what level?
4. What initiatives are you funding and how are these funded (e.g. contestable process etc)?
5. What is the application process for allocating funding?
6. How do you distribute your funding—do you provide it as a lump sum or over multiple years?
7. For funds distributed over multiple years, what is the typical timeframe, such as for a 3-year same sum distribution?

8. What criteria or process do you use to decide which groups to fund? For example, do you prioritize first-come applications or use specific evaluation criteria? 9. Do you currently fund or support salary costs and/or admin costs? 10. Can you describe the level of success or impact you have received from your investment? For example, have you undertaken any reviews or evaluations or impact assessments? 11. Do you currently co-fund or jointly fund initiatives with other entities and/or do you think there are organizations locally who would be interested in partnering with the ORC to support increased investment in community driven environmental initiatives?
Part B: Your current relationship with ORC and link to investment in environmental initiatives
1. What is your relationship with ORC in relation to your own Council funding and/or the ECO Fund process? 2. Are you aware of the initiatives and providers being funded in your community and to what level? 3. Do you feel there is any duplication in what you are funding or ORC is funding? 4. Do you feel there's any duplication in what you or ORC are funding with other govt departments such as MfE or DOC? 5. Are there any gaps that exist between what is needed and what is currently funded? E.g. gaps left by ending of Jobs for Nature investment?
Part C: Future Investment Structure and Priorities
1. Do you have any concerns regarding the current ORC funding and mechanisms? 2. Were you aware of the new funding approved by ORC in the LTP? 3. What does 'large scale environmental funding' mean to your Council? 4. What are the environmental priorities you think this funding should focus on? 5. In your experience, do you feel there are any providers in your region with the capability and capacity to deliver a project of this nature and scale? 6. If this funding is to provide seed funding only (which may include a portion of salary costs), do you believe this is something your Council would either contribute additional funds to or have other funders who could support it? 7. What do you see as the greatest barriers or constraints to achieving environmental impact from project delivery/current funding? 8. How would your Council like to be involved in the decision making and allocation of this funding in your community? 9. Do you believe it should be Council's role (either Regional, City or District) to fund these types of initiatives and/or who should be funding/supporting them?
Part D: Other discussion points As needed

Further information

Should you wish to discuss this project further directly with an ORC staff member, please contact Libby Caldwell, Manager Environmental Implementation in the first instance either via email libby.caldwell@orc.govt.nz or via phone on 021 175 0396.

Kā mihi,



Emma Hodgkin
Senior Associate,
Frequency NZ Ltd, Dunedin
emmah@frequency.nz
PH: 021 735 337

Appendix 9: Letter to Community Stakeholders

Ōtepoti
8 Stafford Street
Dunedin
Otago 9016

National offices
Tauranga
Tāmaki Makaurau Auckland
Te Whanganui-a-Tara Wellington
Ōtautahi Christchurch

27 November 2024

Otago Regional Council's Environmental Funding Model Project – Briefing for Community Stakeholders

Background

The Otago Regional Council currently allocates just over $2M per annum to support the delivery of 'environmental initiatives' around the region. This investment is a mix of contestable funding and funding that is directly allocated to providers to support specific projects and initiatives. The contestable funding is allocated annually under the ECO General Fund, a large-scale biodiversity fund and a range of incentive funds that supports sustained rabbit management, native planting for water quality, native planting following pest plant control, and biodiversity enhancement on protected private land. These funds have been in place in one form or another since 2018 and fund groups of landowners and not-for-profit organisations across wider Otago. The maximum allocation, length of investment and fund criteria differ for each type of fund, and you may be a current or past recipient of these funds to deliver a project in your community. For further background information, please visit ECO Fund.

The direct funding allocated by the ORC supports a range of not-for-profit providers across the region, most of which is allocated annually and supports initiatives such as the QEII Partnership & Nga Whenua Partnership to support the protection of biodiversity, Predator Free Dunedin, Otago Catchment Communities and a range of Wilding Conifer groups.

Through the 2024/2034 LTP process, the ORC consulted on a proposed increase in environmental funding of $500,000 per year from 2025/26, recognising that the current funding was significantly oversubscribed and that there was demand for further investment to support environmental and biodiversity outcomes in local communities. Following consultation, the ORC approved the allocation of an additional $2 million per annum to fund *'large scale environmental projects, funded by an Otago-wide rate'*. long-term-plan-ltp-2024-34-decisions-following-feedback-table-240612.pdf

Project Purpose & Scope

Following the Council decision, Frequency NZ Ltd has been contracted by the Environmental Implementation Team to support ORC in determining the best model of allocating the new/additional funding that will become available annually from 1 July 2025 (to be spent in the 2025/26 FY).

An initial workshop with Councillors in October confirmed the following:

- This project will investigate the best use of funding for the additional $2M per annum, with the existing funding streams remaining unchanged (that is the ECO Fund and direct funding already in place)
- The ORC will work in partnership with mana whenua to ensure investment aligns with their environmental priorities and aspirations for investment
- Council wishes to invest in initiatives that can/will have a considerable environmental impact in the region
- Council seeks evidence of effective initiatives already in place across New Zealand and overseas that are achieving significant environmental impact, and to better understand the evidence around the effectiveness of 'large-scale' environmental initiatives in terms of
    - Length of investment needed for impact
    - Level of investment needed for impact
    - The most effective procurement/funding/contracting model for impact
    - How 'seed funding' type models of investment work best

- Opportunities for partnership with other entities to further grow investment and return over time, including but not limited to, other Councils, other government agencies or the private and philanthropic sectors

Further information can be found by viewing the Council Workshop online at Environmental Funding Workshop

We have now entered a 'discovery' phase of this project, gathering information and data to support the development of feedback and some high-level options for Council to consider by the end of February 2025, with the overall intended output of delivering a Final Report and Recommendations to the ORC in March/April.

A key element of this phase is to meet with a range of stakeholders including Council partners within the ORC region, other government departments who have responsibility for environmental protection and enhancement activities, such as DOC, and a range of community stakeholders and providers across the region.

Speaking with community stakeholders is an important part of the project, and ORC has requested that the project team speak with you as part of this project. The stakeholders we are approaching include a range of organisations, some may already receive funding or have done so in the past, they represent a range of community interests and issues, both geographically and environmentally, and may have significant large-scale initiatives already in place, or in the planning phases. It is not the intention to preclude anyone from being part of this process, this is an open and collaborative process, but the resources allocated by ORC for direct consultation are finite, and it is unlikely that we will be able to speak with everyone directly. While it is important to obtain the views and opinions of a wide range of stakeholders, the final decisions around the use, allocation and parameters of the fund, will be made by the Councillors, and will be considered in line with the strategic priorities of the Council, operational requirements and policies around the expenditure and use of rate-payer funds, evidence relating to best practice, research and evaluation as well as the views and feedback from other local Councils, government partners and community groups.

We have now begun to contact stakeholders that ORC has requested will be part of this process, with the intention to hold online interviews/discussions during December 2024 and January 2025. Meetings are initially taking place with Councils and government agencies to ensure that there is a clear understanding of what is being planned, delivered and funded across the region.

Timeline

The following high level, **indicative timeline** for the project and remaining phases is outlined below for your information.

Key Activities	October				November				December				January				February				March				April			
Councillor Workshop																												
Mana Whenua Consultation																												
Desktop review and analysis of current, existing and legacy arrangements for funding distribution																												
Council and Govt Department consultation to understand existing funding arrangements and initiatives plus future priorities																												
Community stakeholder/NGO consultation																												
'Other funder' consultation																												
Second ORC Councilor Workshop																												
Draft Report Preparation and Review																												
Final Report to Council																												

Key Questions for Discussion

We thank you for taking the time to meet with our team and discuss this project. We have a tentative question list that we will work through, which will hopefully provide you with further context to frame our discussion. This isn't an exhaustive list but a starting point to give you an idea of the type of information we are looking for. Your responses can remain confidential to the project team if you wish and will be anonymised unless required otherwise. Permission will be sought before any identifying information is given to ORC staff or Councillors.

The following questions will form our discussion (which we expect to take around 60-90 minutes)

Part A: The aspirations of your organisation, your services and operations
1. What is the key role and purpose of your organisation and what services/projects do you currently deliver? 2. How are you funded and what level of reliance do you have on Council funding and/or other philanthropic grants? 3. Is there an aspiration for your organisation to become self-funded or self-sustaining, what would it take to achieve this and is that realistic/feasible? 4. Tell us a bit about the funding you receive – is it contestable funding, multi-year, does it fund salaries or wages, are you a legal entity or charity? 5. Do you partner with other organisations or community groups to either obtain funding or deliver projects (such as paying for grant admin support)? 6. What are the benefits and risks of the current funding models in place that support your project/s? 7. How do you currently measure the impact your projects are having on the environment? Are these measures something your organisation seeks to achieve or that is a requirement by your funders? 8. What goals do you have in place for the next 3, 5, 10 years? 9. What are some of the biggest challenges, opportunities, strengths and weaknesses you see going forward in the delivery of environmental initiatives in the region? 10. Do you know of other organisations delivering similar projects to you locally, nationally or internationally?
Part B: Your current relationship with ORC and your link to investment in environmental initiatives
1. What is your relationship with ORC in relation to the funding your organisation receives and the projects you deliver? 2. Do you receive funding from other sources – either other Council's, philanthropic funds or other? 3. Of the funding you receive, what costs does this cover? E.g. project costs, salary costs, evaluation or research etc 4. Do you feel there is any duplication/overlap in what ORC and other Councils and/or govt depts are funding? 5. Are there any gaps that exist between what is needed and what is currently funded? (by ORC or other funders)? 6. What opportunities do you see to better coordinate and streamline funding? 7. What are the greatest risks or constraints in your current funding agreement?
Part C: Future Investment Structure and Priorities
1. Do you have any concerns regarding the current ORC funding and mechanisms? 2. Were you aware of the new funding approved by ORC in the LTP? 3. What does 'large scale environmental funding' mean to your organisation? 4. What are the environmental priorities/domains you think this funding should focus on? 5. In your experience, do you feel that your organisation would have the capability and capacity to deliver a project of a 'large scale' nature? 6. If this funding was to provide seed funding only (which may include a portion of salary costs), do you believe this is something your organisation would be able to find additional funds or funders who could support it? 7. What do you see as the greatest barriers or constraints to achieving environmental impact from project delivery/current funding? 8. What do you see as the greatest barrier or challenge to your organisation becoming sustainable or self-sufficient without relying on ORC funding? 9. Do you believe your organisation and/or project is sustainable relying on a volunteer workforce or are paid staff required? 10. Do you believe it should be Council's role (either Regional, City or District) to fund these types of initiatives and/or who should be funding/supporting them? 11. Are there other successful initiatives and projects you're aware of that you think ORC should be looking at investing in, or organisations they should be looking to partner with?
Part D: Other discussion points As needed

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Further information

Should you wish to discuss this project further directly with an ORC staff member, please contact Libby Caldwell, Manager Environmental Implementation in the first instance either via email libby.caldwell@orc.govt.nz or via phone on 021 175 0396.

Yours sincerely,

Frequency NZ



Emma Hodgkin
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Appendix 10: Letter to Rūnaka Partners

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Dunedin
Otago 9016

National offices
Tauranga
Tāmaki Makaurau Auckland
Te Whanganui-a-Tara Wellington
Ōtautahi Christchurch

31 January 2025

Otago Regional Council's Environmental Funding Model Project – Briefing for Rūnaka

Tēnā Koe

Background

The Otago Regional Council currently allocates just over $2M per annum to support the delivery of 'environmental initiatives' around the region. This investment is a mix of contestable funding and funding that is directly allocated to providers to support specific projects and initiatives. The contestable funding is allocated annually under the banner of the 'ECO Fund' and your rūnaka may be a current or past recipient of these funds to deliver a project in your community. The ORC also directly funds a range of not-for-profit providers across the region, most of which is allocated annually.

Through the 2024/2034 LTP process, the ORC consulted on a proposed increase in environmental funding of $500,000 per year from 2025/26, recognising that the current funding was significantly oversubscribed, and the ending of Jobs for Nature funding would see funding reduced across the rohe. Following consultation, the ORC approved the allocation of an additional $2 million per annum to fund *'large scale environmental projects, funded by an Otago-wide rate'*.

Project Purpose & Scope

Frequency Ltd has been asked by ORC to support them in determining the model and approach to best use these new funds, and one workshop was held with Councillors in late October, with a further discussion scheduled in February. Recent hui with the Mana-to-Mana group, and with Aukaha staff, felt that it was best to engage with rūnaka individually across the rohe to gain your views aspirations for the use of these funds, and how rūnaka may be involved in the future. Please be assured that contributing to these discussions will have no bearing on the ability for the rūnaka to access funding under current (such as the ECO Fund) or potential future funding opportunities that may come as a result of this work.

Council has asked that we engage widely across partners and stakeholders to valuable insights to support decision making. The final decisions around the use, allocation and parameters of the fund, will be made by the Councillors, and will be considered in line with the strategic priorities of the Council, as well as the feedback and input received.

The project team is available to meet with you to discuss this project and the aspirations and priorities for your rūnaka and this can be done in a number of ways, either collectively with multiple rūnaka, or as individual rūnaka, and/or with Aukaha input or support, online, via email or face-to-face. We would like to conclude these discussions by end-March and are currently meeting with other stakeholders during this time. It is likely that a final report and recommendations will be presented to Councillors in May.

Further information

Please let me or Kate Timms-Dean at Aukaha know how the rūnaka wishes to be involved and should you wish to discuss this project further directly with an ORC staff member, please contact Libby Caldwell, Manager Environmental Implementation via email libby.caldwell@orc.govt.nz or phone on 021 175 0396. We will provide further background information once we know how your rūnaka would like to be involved.

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Nāku noa, nā

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Creating a thriving Aotearoa
for future generations

Development and Implementation of ‘Large-Scale’ Environmental Funding

Summary Report

May 2025 | Frequency NZ Ltd



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Disclaimer

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In addition, the following should be noted:

- We are not qualified investment advisors, financial analysts or accountants and therefore we have not considered detailed accounting or tax implications of the advice in our report.
- Our advice and recommendations are made at a conceptual level, accounting for applicable legislation, rules and regulations in relation to government contracting and procurement (that were accurate and relevant at the time of writing this report), as well as the feedback and learnings from partners and stakeholders.
- Should ORC wish to understand the detailed financial and tax implications of the funding models outlined in this report, they should seek the advice from those qualified to make such a detailed analysis or assessment.
- The observations and advice, as relevant, within this report are made within a historical context (experience and learnings from others that have already taken place). As events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. Accordingly, we express no opinion as to how closely the actual benefits and opportunities identified in each funding model will correspond to those predicted and we take no responsibility for the achievement of predicted results.
- This document references high level analysis to inform our findings and recommendations. By its very nature this analysis cannot be regarded as an exact science and the conclusions arrived at in most cases will of necessity be subjective and dependent on the exercise of individual judgement.

Any reference in this report to financial parameters and impacts has been completed to compare options; it does not constitute formal financial or investment advice and cannot be used or relied upon for this purpose.



Summary

Introduction

As part of its 2024–34 Long Term Plan (LTP), the Otago Regional Council (ORC) identified a significant funding gap for environmental initiatives, following the end of central government investment. In response, ORC proposed a new environmental fund to support large-scale projects, initially committing $2 million annually from July 2025, funded via an Otago-wide rate.

This project involved extensive engagement with mana whenua, local authorities, community and environmental groups, and other funders, as well as a review of existing funding models. Councillors participated in workshops to define 'large-scale' and identify suitable funding model options, resulting in agreed principles and a prioritised shortlist of funding models for further investigation.

This report consolidates the research, engagement insights, and funding options aligned with government procurement rules. It offers recommendations for implementing the new fund and enhancing ORC's overall approach to environmental investment, planning, monitoring, and evaluation.

Problem Statement and Project Scope

Public consultation during the LTP process, highlighted strong community support for this investment, with calls for clearer funding direction and broader inclusion of initiatives such as flood resilience, climate change, water and air quality, pest management, biosecurity, education, research, and community upskilling.

To support the establishment of this new fund, Frequency was engaged in September 2024 to investigate how ORC could strategically allocate and administer the funding. The project scope evolved from focusing on all environmental implementation investment, to focus solely on large-scale funding and was delivered in three key phases:

- **Phase 1 – Strategic Priorities:** Facilitated workshops with councillors and engagement with mana whenua to define the fund's strategic outcomes and priorities.
- **Phase 2 – Analysis and Review:** Reviewed current ORC funding models, consulted with stakeholders, assessed national and international best practices, and evaluated future funding model options.
- **Phase 3 – Final Recommendations:** Insights from Phases 1 and 2 informed the development of final recommendations to guide fund implementation.

Strategic Context for Large-Scale Environmental Funding at ORC

The ORC is required to align its large-scale investment decisions with legislative and strategic frameworks, ensuring its funding initiatives contribute meaningfully to environmental outcomes.

Long-Term Plan (LTP)

Mandated under the Local Government Act (2002), the LTP sets ORC's ten-year strategic direction, including investment priorities aligned with regional goals for environmental protection, enhancement, and sustainability. The goals of the ORC's Strategic Directions 2024-24 serves as the current guiding document.

National Policy Requirements

ORC must give effect to national policy instruments under the Resource Management Act (1991) and Biosecurity Act (1993), including National Policy Statements (e.g., Freshwater, Indigenous Biodiversity, Urban Development) and national directions. These inform regional planning documents and investment strategies.

National Biodiversity Strategy

Te Mana o te Taiao (2020) and its Implementation Plan (2022) guide biodiversity restoration and protection nationally. ORC is a key regional delivery partner, and large-scale funding can contribute to achieving the strategy's 2050 goals.

Regional Strategies and Plans

A suite of ORC and regional plans—including biodiversity, air quality, biosecurity, climate, and infrastructure strategies—inform funding priorities. The current review of the Biodiversity Strategy (due 2025) is a notable consideration for future investment decisions.

Catchment Management Approach

ORC's Integrated Catchment Management (ICM) model focuses on community-led Catchment Action Plans (CAPs) to deliver long-term environmental outcomes. The Catlins pilot and Upper Lakes CAP are early examples, with more to follow. ICM is seen as a potential framework for allocating large-scale funding.

‘Large-Scale’ Definition and Criteria

The concept of ‘large-scale’ funding within the ORC context is both complex and deeply contextual. In developing an appropriate definition, the project team undertook an extensive review of literature and consulted stakeholders and partner organisations to understand the various interpretations of ‘large-scale’ and ‘landscape-scale.’

The literature suggests that while common features exist – such as spatial, temporal, biological, and financial dimensions – there is no single, universally accepted definition. Definitions vary widely depending on ecosystem size, biodiversity complexity, timeframes, collaboration levels, investment size, and the degree of community involvement. The term ‘landscape-scale’ also emerged as a well-established, albeit broad, concept in environmental literature, focused on interconnected ecosystems over wide areas that deliver both environmental and socio-economic benefits.

Stakeholder engagement reinforced that ‘large-scale’ is perceived differently depending on local context, governance structures, and community experience.

Council was heavily involved in the definition process, and following two Councillor Workshops, ORC chose to adopt a principle – and outcome-based approach, agreeing that the ORC’s approach to large-scale would be guided by the following:

Our investment will have contributed to creating intergenerational impact – that is making investment decisions to support initiatives and projects that are focused on enhancing biodiversity and environmental outcomes for the benefit of future generations. These will either be mana whenua led or supported and will be undertaken in partnership with mana whenua and communities.

We will have strengthened and enabled collaboration across the system by providing clear leadership – this recognises that while the ORC has a statutory and regulatory role in environmental stewardship, they also play a key role in leading the wider environmental system (in partnership with key government agencies and local authorities). Through this funding, ORC will work to lead and enable collaboration on the ground that will enhance community leadership and action.

We will have made investment decisions that align with our strategic priorities, in partnership with our communities – this recognises the importance of connecting our organisational and strategic priorities to implementation priorities, and then ensuring our investment contributes towards these. It is ensuring we use our scarce resources effectively to have a positive environmental impact while also delivering value for money to our ratepayers.

It was also agreed that the principles would be supported by an eligibility criterion to ensure investment decisions reflect ecological significance, community leadership, partnership with mana whenua, scalability of existing initiatives, and organisational capability. Ultimately, this approach seeks to balance ambition with practical flexibility, enabling ORC to fund initiatives that drive meaningful, enduring change across landscapes and generations. This approach also recognises the role of ORC as a ‘seed funder’ to support organisations and projects as they build to become self-sustaining.

Literature Review

Phase Two of the project undertook a comprehensive review of New Zealand Aotearoa and international literature to explore trends, challenges, and best practices in environmental and community funding. The focus was to identify effective grant-making models, delivery mechanisms, and long-term funding strategies relevant to ORC.

Key themes that were identified include:

- **Fragmented and Unsustainable Sector**
  The community sector plays a significant economic and social role, yet it is fragmented, with many overlapping organisations and duplicated efforts. Funding has become constrained, with philanthropic contributions stagnating and reliance on short-term government contracts increasing.
- **Capacity and Capability Gaps**
  Many community-led environmental groups lack the administrative, technical, and strategic capacity to manage large-scale projects and funding effectively, particularly where volunteers form the backbone of delivery.
- **Limitations of Contestable Funding**
  Competitive, short-term grants often create instability, limit strategic planning, and disadvantage long-term outcomes. These models can drive inefficiencies, undermine staff retention, and lead to mission drift.
- **Need for Flexible, Multi-Year Models**
  Evidence supports the use of longer-term, lower-competition, high-trust funding that supports operational support and encourages collaboration. Such models improve impact but require careful governance and accountability to mitigate risks.
- **Council’s Role Beyond Funding**
  Councils can shift from funders to strategic enablers—supporting system-wide collaboration, fostering innovation, and aligning efforts across agencies. ORC has an opportunity to provide leadership by coordinating investment, strengthening delivery partners, and embedding strategic funding models.

The review highlighted a clear case for ORC to reconsider traditional funding approaches in favour of long-term, capability-focused, and collaborative models that align with sustainable environmental outcomes. These models demand robust governance but offer greater impact and resilience across the community sector.

Partner and Stakeholder Consultation

As part of the project, a comprehensive consultation process was undertaken with a wide range of partners and stakeholders to gather insights on current and future models for environmental funding in the Otago region. This engagement aimed to help shape the development of inputs needed for an effective 'large-scale' fund.

Consultation included mana whenua, territorial authorities, environmental groups, community and philanthropic funders, government agencies, other local authorities across Aotearoa, and ORC Councillors. The process prioritised open, honest feedback while maintaining confidentiality where necessary due to the sensitivities of some of the discussions.

Key findings include:

- **Mana whenua** highlighted water quality and access to mahinga kai as critical intergenerational priorities. While no formal hui with rūnaka occurred, Aukaha facilitated engagement, and it is recommended that further direct consultation be conducted before confirming the fund's parameters.
- **Territorial authorities** identified challenges such as unclear definitions of 'large-scale,' administrative burdens of contestable funding, and concerns about duplication and sustainability of community-led initiatives. A strong preference emerged for a more strategic, region-wide approach to funding with emphasis on intergenerational and ecosystem-level outcomes.
- **Environmental groups and delivery partners** are diverse in scale and scope and often rely on multiple funding sources, including ORC, philanthropic grants, and other government support. These groups noted the growing importance of coordination via umbrella organisations to deliver landscape-scale impact and improve operational efficiency.
- The consultation confirmed widespread support for strategic alignment, long-term investment approaches, and stronger regional collaboration to achieve meaningful environmental outcomes. The insights and recommendations from these engagements will inform the future structure and focus of ORC's proposed 'large-scale' environmental fund.

Community and Government Funders

Consultation with a small number of community funders and government departments revealed that while many entities contribute to environmental initiatives, their funding is often constrained by strategic mandates, constitutions, or donor intent. These constraints can limit flexibility for co-investment with government entities unless deliberate changes are made. Nonetheless, there is growing interest in longer-term, systems-level investments rather than one-off or annualised grants. Broader engagement is recommended to explore collaborative funding opportunities for future large-scale environmental projects.

Other Local Authorities

Discussions with a range of councils across Aotearoa revealed a shared shift away from short-term, project-based funding toward more strategic and collaborative models. Councils are exploring or implementing longer-term funding arrangements, supporting umbrella groups, and evolving their models to address internal resourcing challenges, align with desired outcomes, and to meet community expectations.

While no single model fits all, councils emphasised the importance of partnership strength, internal risk appetite, and the capacity and capability of community organisations. The findings underscore the need for ORC to develop a tailored funding approach that reflects regional context and invests in building collaboration and capability over time.



Funding Model Analysis and Discussion

This project undertook a thorough and methodical analysis of potential funding models for delivering 'large-scale' environmental investment, exploring six different options ranging from scaling existing grants to devolving funds to third parties. The assessment used a consistent approach for each model to determine its suitability for use within the 'large-scale' environmental funding context. This approach consisted of a review of the model against the following:

- Permitted activities under the Local Government Act (LGA) 2002.
- Permitted for use or application under the New Zealand Government Procurement Rules (4th ed.)[1] and
- Alignment with the Office of the Auditor General Government Procurement Guides.
- Existing evidence, literature or evaluation on the effectiveness of the model.
- Experiences and lessons learned from entities who already have this model in place within their organisation (or who have used the model previously).
- The likelihood of the model contributing towards the achievement of the three key principles agreed by council that constitute 'large-scale' in the ORC context.

Given ORC's responsibility to spend ratepayer funds wisely, transparency, value for money, and strategic alignment were central to the evaluation. Procurement best practices emphasised independent decision-making, accountability, and avoiding conflicts of interest—particularly excluding elected officials and closely involved staff from the funding review process.

The Council applied tools like the RVCE Matrix (Risk, Value, Cost, Effort) and quadrant analyses to prioritise models based on cost-effectiveness and risk. This structured approach allowed for objective comparison and helped eliminate less viable options early. Ultimately, the models that advanced for further consideration demonstrated a strong capacity to deliver ecological impact, financial prudence, and community collaboration—all in line with the Council's vision for transformative, long-term environmental change.

The six models that were initially considered were:

- Large-scale contestable funding or grant making activities (an expansion of the existing ECO Fund).
- A structured procurement approach – such as an ROI, RFP or direct engagement as a relational purchase.
- Funding 'large-scale' initiatives via the Integrated Catchment Management (ICM) Programme or by Catchment Action Plans (CAP).
- Devolving 'large-scale' funding to a third-party entity (such as a charitable entity or council-controlled organisation [CCO]) to administer on behalf of ORC. This could include the requirement to also grow the value of the investment available.
- Entering into a joint venture (such as a collaborative funding arrangement or co-funding arrangement) with entities which could include neighbouring local authorities, philanthropic funders or a mana whenua partner.
- Establishing a new council-controlled organisation as a non-profit making entity (such as a Trust) to administer the funding on behalf of ORC. This could also include the requirement to leverage additional bequests, donations and investment to grow the overall value of funding available to invest in large-scale initiatives.

A summary of the analysis undertaken of each model is outlined below:

Large-Scale Contestable/Grant Making Fund

Introduction to the Model and Procurement Approach

The proposed large-scale contestable funding model draws on ORC's existing ECO Fund processes, offering a substantial increase in funding to support biodiversity and environmental initiatives. The additional funding would either be integrated into the current ECO Fund or allocated as a separate 'large-scale' category. This model offers a potential fast implementation, aligning with the existing fund's framework. However, careful planning would be needed to determine whether the new fund operates within the existing cycle or as an independent funding round, and to determine how overlapping structures would be effectively managed. A key consideration would be to clearly communicate the differences between the two funding streams to avoid confusion and misapplication.

Governance of the Model

Governance would follow similar procedures to those under the current ECO Fund, with final decisions being endorsed by the Council, ensuring adherence to best practices in grant-making. The Council would receive regular updates on the fund's performance, but the responsibility for the detailed allocation decisions would remain operational, ensuring appropriate management oversight.

Fund Allocation Process

A new, tailored set of criteria would be required to reflect the unique nature of the large-scale funding, potentially complicating the current process. If integrated into the existing grant cycles, the fund could be offered annually, adding significant operational burden.

A dedicated independent panel would be needed to evaluate the applications, with successful projects being funded until the available budget is exhausted. However, managing both the ECO Fund and the large-scale contestable fund would demand additional internal capacity, particularly in application review and ongoing project monitoring.

Ongoing Management of the Model

The day-to-day management could be handled by the Environmental Delivery Team, in line with current practices. However, the larger scale of funding would likely require additional resources for administration, monitoring, and managing contracts, given the complexities involved in handling high-value grants. The existing team may need further support to effectively manage this expanded responsibility.

Likely Timescale to Full Implementation

The implementation could proceed quickly due to the existing structures in place. However, comprehensive communication and marketing strategies would be required to clarify the differences between this new funding model and the existing ECO Fund, potentially delaying the fund's launch but ultimately reducing confusion and inefficiencies.

1 Our assessment of suitability has been made against the current Rules (4th edition) and not against the draft Rules outlined in the 5th edition. The future suitability of these models should be revalidated if substantial changes to the Rules are made prior to ORC implementing a 'large-scale' funding model or procurement approach.



Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

While this model supports short-term investments with a focus on specific projects, it does not necessarily foster a collaborative, system-level approach to investment. The rigid nature of the contestable fund limits innovation and may restrict alignment with long-term strategic goals, although it could be adapted to better address the desired outcomes if necessary.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

This model offers several advantages, such as leveraging existing administrative structures, facilitating quick implementation, and addressing gaps left by previous funding sources. However, it also presents significant challenges. The competitive nature of the funding process could limit collaboration, and the existing capacity for managing such a large-scale fund is likely insufficient. The model may inadvertently prioritise projects based on the quality of applications rather than environmental impact, and it risks creating duplication or missed opportunities for co-funding with other partners. Additionally, the potential for short-term investments to undermine long-term sustainability could limit the overall effectiveness of the fund.

Financial & Operational Implications

The model's reliance on competitive processes and short-term funding could lead to inefficiencies. The resource-intensive nature of administering contestable funds also presents a financial challenge, as significant investment is required to manage the process and ensure that funds are used appropriately. Short-term investments may struggle to demonstrate value for money or deliver lasting environmental impact.

A clear strategy would be needed to avoid confusion between the ECO Fund and the large-scale fund. Additionally, increasing the number of funding rounds and applicants would strain both internal capacity and the workload of community organisations. The current reporting and monitoring systems may not be equipped to handle the scale of larger investments, requiring the development of new criteria and processes to ensure effective oversight. Moreover, the competitive nature of the fund limits collaboration across sectors and with other councils, hindering broader systemic engagement and reducing potential for more holistic, long-term partnerships.

Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)

Introduction to the Model and Procurement Approach

This model involves the allocation of large-scale funding through a structured procurement process, which can either be a minor or major relational purchase, depending on the value and complexity of the purchase. Unlike conditional grants, the process is more detailed, requiring Council to actively define its purchasing needs and the criteria for assessment. The procurement could occur in two stages: first, a Registration of Interest (ROI) to assess the eligibility of organisations, followed by a Request for Proposal (RFP) to gather detailed plans from those who qualify. A direct sourcing approach may be considered if no suitable organisations are identified, but this would require clear justification.
The process encourages more open collaboration and open communication between the Council and potential providers, ensuring that large-scale funding aligns with strategic outcomes.

Governance of the Model

The governance of this procurement process will align with Council's existing policies, where Council oversees the adherence to procurement best practices and ensure value for money. Councillors would not directly review funding applications or make funding decisions but would approve procurement recommendations. Regular updates on project implementation and performance will be provided.

Fund Allocation Process

The two-stage process begins with the ROI, where organisations assess their eligibility to submit a full proposal. Successful organisations then submit detailed proposals through the RFP stage. This allows for a clear understanding of the funding requirements and the expectations for the outcomes. Once proposals are submitted, they are assessed by an independent evaluation panel, with recommendations sent to Council for approval. Successful organisations sign detailed contracts outlining key deliverables and monitoring processes. This process is managed through a formal and approved procurement management system such as GETs.

Ongoing Management of the Model

The Environmental Delivery Team within ORC could manage the process, from procurement to contract delivery and monitoring. Although this model is resource-intensive in terms of initial procurement, it allows for administrative efficiencies in the long term. A single funding round over two years is recommended, with mechanisms to renew funding for high performing organisations. Ongoing contract monitoring will ensure that the funded initiatives meet the expected outcomes.

Likely Timescale to Full Implementation

Implementation could occur in the short term, with funds allocated by the end of this calendar year. Effective communication and support will be essential to ensure the successful execution of the procurement process. Once allocated, contracts would remain in place for a minimum of two years.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

This model supports long-term impact by focusing on building relationships and partnerships rather than funding individual projects. It encourages collaboration and innovation through the procurement process, allowing providers to propose how they will meet Council's priorities. Additionally, it aligns with ORC's strategic direction by facilitating a collaborative and more flexible approach to funding allocation than grant making alone can achieve.

Analysis of the Model's Strengths, Opportunities, Weaknesses, and Risks

The model offers clear procurement processes with defined outcomes and criteria, making it easier to identify suitable providers early on and saving time and resources. It promotes innovation and collaboration, particularly with opportunities for market briefings and multi-stage processes. Furthermore, it supports long-term funding arrangements and more robust contracting than traditional grant-making processes. However, the model also faces challenges, including the significant internal resources required for its initial setup, potentially risks enforcing an eligibility criterion that is too narrow, and the risk that only a small pool of providers may have the necessary capacity, especially in certain geographic areas. Additionally, there may be a negative impact on relationships with existing providers who feel excluded or overlooked, or if the distribution of funding may appear unequal across regions.

Financial and Operational Implications

The cost of administering the model in the short term may be higher, as the procurement process itself is likely more complex than approaches traditionally undertaken by ORC. Operationally, while fewer applications may reduce the initial administrative burden, ongoing contract management and monitoring will demand specialised skills and significant resources. Effective implementation relies on carefully timed procurement parameters, ensuring both adequate preparation time for respondents and sufficient internal capacity to manage the process and monitor progress.

Funding via the Integrated Catchment Management Programme or by Catchment Action Plan

Introduction to the Model and Procurement Approach

The Integrated Catchment Management (ICM) approach is designed to address environmental issues at a landscape scale by integrating social, economic, and environmental factors. By focusing on catchments rather than individual environmental issues, the ICM approach aims to bring about holistic, sustainable environmental change. ORC's commitment to this model was formalised through its 2021-31 Long-Term Plan (LTP), which allocated resources for developing and implementing Integrated Catchment Action Plans (CAPs). As part of this initiative, ORC is collaborating with iwi, communities, and stakeholders to develop CAPs, each tailored to a specific catchment area.

Despite the current limitations of funding for CAPs, ORC has recognised the need for a more robust funding mechanism to support the implementation of these plans as they are finalised. The challenge lies in ensuring that future funding is both sustainable and adequate to deliver the intended outcomes.

Governance of the Model

The ICM programme is governed at multiple levels, with overall oversight resting with the ORC Council, which is responsible for approving plans and funding. At an operational level, the ICM Working Group, which includes representatives from ORC, mana whenua, and community organisations, oversees the programme's development and execution. Community governance is managed by Integrated Catchment Groups (ICGs), who are responsible for developing the CAPs and presenting them for Council endorsement. Once approved, implementation is overseen by local governance groups, supported by the ICM team.

The governance structure for funding decisions, however, will be distinct from the broader ICM governance. ORC proposes to use existing procurement frameworks to guide funding allocations for CAP implementation, ensuring that all decisions adhere to procurement best practices and align with Council policies.

Fund Allocation Process

At present, no standardised process exists for allocating funds to support CAP implementation. While a direct funding mechanism has been initiated for the Catlins CAP, a more structured approach is necessary for larger-scale funding as more CAPs are developed. Under the proposed model, funds would be allocated based on detailed implementation plans, with annual budgets prioritising activities for each catchment area. However, a major challenge is the long-term funding commitment required, as these plans are expected to span a decade.

As the number of CAPs increases, a prioritisation process would be necessary to ensure that the most urgent and critical areas receive funding. This could involve comparing the relative importance of each CAP, which would require clear criteria for assessing need and impact. Additionally, as many CAP governance groups may lack the legal status or capacity to manage large-scale funding, it may be more efficient for ORC to directly manage the allocation of funds, rather than creating multiple decentralised procurement structures.

Ongoing Management of the Model

The management of the ICM programme and the allocation of funding will require ongoing collaboration between ORC staff and CAP governance groups. The ICM team will need to continue supporting catchment groups in securing additional funding beyond the ORC investment. The capacity of ORC's staff to take on this expanded role must be carefully assessed to ensure that the long-term management of the funding allocation process is sustainable.

Likely Timescale to Full Implementation

The full implementation of this funding model could take up to five years, with a phased approach to completing CAPs across the region. During this period, many communities may face delays before they can access funding. This delay may create challenges for communities that are still in the early stages of the CAP process, potentially leading to dissatisfaction from ratepayers and environmental groups in those areas.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

The proposed funding model aligns with the goal of intergenerational environmental impact, as it supports long-term, community-driven planning efforts. The ICM process inherently encourages collaboration, making it an ideal mechanism for achieving system-wide environmental improvements. However, the allocation framework must avoid introducing overly competitive grant processes, which could undermine the collaborative nature of the work.

The funding approach is also in line with ORC's strategic direction, provided that the prioritisation of funding is carefully managed. The challenge will be ensuring that the implementation of the plans remains focused on the most impactful actions, rather than prioritising smaller, easily achievable projects in the short term.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Risks

The model offers a structured, data-driven approach to funding that aligns well with ORC's strategic goals and encourages community collaboration. It incentivises communities to engage in planning and provides clear pathways to support CAP implementation. However, its reliance on community readiness and participation could lead to disparities in funding allocation, with underserved catchments potentially missing out.

The model's success depends on strong governance and coordination, and if these are lacking, the model risks creating inefficiencies and uncoordinated project delivery. Financially, the model may strain ORC's resources, especially if external funding sources are not secured, and operational capacity will need to scale to meet the growing demand.

Financial and Operational Considerations

The sustainability of funding is a key challenge, as the growing number of CAPs and their implementation needs may reduce the impact of investments over time. Communities may also come to expect ORC as the sole funder, which could strain long-term feasibility. Additionally, managing the process may require more internal resources than ORC can currently provide.

If MfE funding ends, ORC will need to identify alternative sources, potentially increasing pressure on internal budgets. As CAP implementation expands, resource demands will rise, risking inefficiencies if initiatives are addressed on a catchment-by-catchment basis instead of through regional strategies. Effective management and strategic adjustments will be necessary to ensure long-term success.

Devolving 'Large-Scale' Funding to a Third Party to Administer and Grow

Introduction to the Model and Procurement Approach

Devolution, in this context, refers to ORC transferring some of its authority to a third-party entity to manage large-scale environmental funding. This model involves ORC either allocating the funds to an entity within the ORC legislative system (such as Port Otago) or to an external entity with expertise in grant-making or fundraising. Under this model, the third-party organisation would manage the funds and possibly leverage additional investment. The devolution arrangement would be formalised under a service agreement, ensuring clarity on service levels, performance measures, costs, and risk management. This model aligns with Section 17A(5) of the Local Government Act (LGA, 2002), which allows the delegation of responsibilities to third parties, provided the arrangement meets specified legal and contractual requirements.

Governance of the Model

For effective implementation, ORC would need to identify a suitable third-party partner, negotiate terms, and establish a contract to ensure the strategic goals of the funding align with ORC's objectives. The governance responsibility would shift to the contracted entity, with ORC's role being largely oversight-oriented, ensuring the contract is adhered to, rather than managing the allocation of funds directly. If Port Otago were selected as the partner, funding allocation would fall under their Statement of Intent and Annual Report, requiring ORC's sign-off. Note that Port Otago has not yet been consulted as part of this project.

Fund Allocation Process

Once a third-party entity was contracted, it would establish systems to allocate and administer the large-scale funding. The process would align with Government Procurement Rules and ensure transparency. ORC might retain a role in monitoring the process, potentially having representatives on the evaluation or fund allocation panels. The third party could also be responsible for leveraging additional funds, with the arrangement managed through a suitable contracting mechanism. Post-fund allocation, the third-party entity would report to ORC on outcomes, ensuring transparency and accountability.

Ongoing Management of the Model

Day-to-day management of the fund would be transferred to the contracted entity, reducing ORC's administrative burden. However, ORC would still need to monitor the contract to ensure effective delivery, with regular reports on performance against KPIs. While the third-party entity would take on the primary management, ORC would retain obligations to ensure the public funds are used effectively. This would require ongoing internal capacity to oversee the contract and ensure value for money. The third-party entity would also likely charge an administrative fee, depending on their existing capabilities.

Likely Timescale to Full Implementation

This model could be implemented in the short term if a suitable third-party entity is identified. However, leveraging additional funds to expand the pool of available investment would likely take longer.



Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

The success of this model in achieving intergenerational impact depends on how well the third-party entity prioritises funding and aligns this with ORC's strategic goals. While the entity may bring expertise and efficiency, maintaining a strong alignment with ORC's strategy and fostering collaboration across the system could prove challenging. Additionally, there is the risk of reducing direct council influence over funding decisions, making it harder to ensure investments align with long-term environmental goals.

Analysis of the Model's Strengths, Opportunities, Weaknesses, and Challenges

The model's key strengths include reducing the internal administration burden on ORC staff, enabling more efficient procurement outcomes through specialised expertise, and allowing ORC to remain at arm's length from the process, thus minimising perceived conflicts of interest. This could also make the fund more appealing to co-investors and provide cost-effective solutions for ORC. Opportunities presented by the model include potential for increased leveraging, co-investment, and philanthropic opportunities, along with more equitable funding decisions by pooling funds across organisations. It may also provide access to charitable tax exemptions, enhancing the fund's value.

However, weaknesses include the need for a portion of ORC's investment to be allocated as overhead costs, a potential lack of suitable entities to administer the model, and the requirement for significant ORC oversight. The model may also take time to become operational and achieve its intended outcomes. Key risks involve reduced transparency of ratepayer funds, the challenge of finding an entity with the appropriate local knowledge, and potential reputational risks to ORC if the contracted entity fails to meet expectations or causes misalignment with community values. Following this analysis, the Councillors opted to exclude this model from further consideration as a suitable mechanism for large-scale environmental funding allocation.

Financial and Operational Implications

The financial implications of devolving large-scale funding to a third-party entity include the potential dilution of available funds, as a portion would be allocated to cover the administration costs of the contracted entity. This could reduce the amount of funding available for direct investment in environmental initiatives. Additionally, the ability of the third-party entity to leverage additional investment for ORC may be limited, and there may be concerns around achieving value for money if the entity lacks the capacity to deliver effectively. Operationally, the model would require substantial internal capacity from ORC to oversee the third-party arrangement, monitor contract performance, and ensure alignment with ORC's strategic goals. The process of identifying and establishing a suitable third-party partner could take time, and there may be challenges in finding an entity with the regional reach and expertise necessary to manage the funds effectively. Furthermore, the model may create inefficiencies if multiple entities are required to cover different regions or if the contracted entity lacks sufficient experience or regional coverage in environmental funding initiatives.

Joint Venture – Collaborative or Co-Funded Arrangement

Introduction to the Model and Procurement Approach

Under Sections 12 and 14 of the Local Government Act (2002), regional councils can collaborate with other local authorities and organisations to enhance community benefits, provided the arrangements serve the broader district or region. The proposed model leverages joint activities or co-funded arrangements to promote environmental outcomes by combining resources and expertise. Collaborative models range from informal partnerships to formal joint ventures, with the latter being more structured and appropriate for large-scale environmental funding allocations. This approach can involve multiple partners, such as other local authorities, community organisations, or iwi-based entities, and may include co-investment agreements or philanthropic partnerships.

Governance and Management of the Model

Collaboration requires strong governance and management frameworks, adaptable to the needs of the partners. Successful collaboration depends on shared leadership, regular engagement, and clear decision-making roles. At the governance level, this could involve formal partnerships or a Memorandums of Understanding (MoUs) outlining responsibilities, with an emphasis on transparency and accountability. Key management considerations include resource allocation, cost management, and evaluating the success of the collaboration. Clear roles and shared objectives at both governance and operational levels are essential for maintaining a successful joint venture.

Fund Allocation Process

In a collaborative model, funds would be managed by a collective governance group (representing all the partners), with one partner taking a leading role in administering funds. The fund allocation would likely start with a conditional grant process and evolve into more structured procurement over time as the venture matures. The collective goverance group, would be responsible for overseeing the allocation and monitoring of funds, ensuring that decisions align with the joint venture's goals. Over time, the scale of the investment and the partners' roles may evolve, which could influence decision-making and funding priorities.

Likely Timescale to Full Implementation

Establishing a successful collaborative model is a long-term process, often taking several years to develop and implement. Factors like organisational alignment, leadership commitment, and funding cycles must be synchronised across all partners. Given the strength of existing relationships, implementing this model could take up to five years, although it may progress more quickly under favourable conditions.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

This model supports long-term, intergenerational environmental impacts through collaboration, especially with mana whenua and other key partners. For it to succeed, partners must align their priorities and strategies to maintain the collaboration beyond individual budget cycles. The model also fosters a culture of innovation and coordination, with ORC taking a leadership role in facilitating collaboration across levels of local government and with external partners.

Analysis of the Model's Strengths, Opportunities, Weaknesses, and Challenges

The collaborative joint venture model offers several strengths, including the potential to scale up time, reduce administrative costs, and leverage additional funding for better environmental outcomes. However, challenges include aligning priorities across diverse partners, achieving equitable funding contributions, and managing the political risks associated with joint ventures.

Financial and Operational Considerations

Financial and operational implications, such as aligning planning cycles and ensuring the sustainability of the arrangement, must also be considered. The model's success relies on strong, trust-based relationships and clear, consistent leadership across all partners.

Establish a Council Controlled Organisation (CCO)

Introduction to the Model and Procurement Approach

The Local Government Act (2002) allows local authorities to establish Council Controlled Organisations (CCOs) for both commercial and non-commercial activities. A CCO could take various forms, such as a Trust, Joint Venture, or Partnership, and would be responsible for administering environmental funding or grants on behalf of the ORC. Amendments to the Act (July 2004) provided clarity on CCO structures and functions. The establishment of a CCO could allow ORC to manage large-scale environmental projects independently, leveraging additional investments and potentially gaining tax incentives. However, the model's success depends on governance, financial oversight, and alignment with ORC's objectives.

Governance of the Model

Establishing a CCO requires significant time and resources. The process includes community consultation, policy development for appointing directors, and establishing governance structures. Initially, ORC would retain some governance oversight but gradually move to an arm's-length relationship once the CCO was operational. The CCO would then manage funding allocation processes independently, in alignment with ORC's broader objectives.

Fund Allocation Process

The CCO would assume responsibility for allocating environmental funding, with transparency ensured by aligning with Government Procurement Rules. The process could initially involve conditional grants, with opportunities for future co-investment and leveraging additional funds. ORC would maintain oversight through contractual agreements, ensuring the CCO's activities aligned with expected outcomes.





Ongoing Management of the Model

Once established, the CCO would operate independently, with funding decisions made by its governance board. ORC would monitor performance through contracted outputs and outcomes but would not directly control funding decisions. There is potential for the CCO to attract additional funding through donations and bequests, further enhancing its capacity to invest in environmental initiatives.

Likely Timescale to Full Implementation

Establishing a CCO would involve a detailed statutory process, including community consultation. Given the time and resources required, full implementation is expected to take at least five years, if consultation on this model was included as part of the 2027-2037 Long Term Plan cycle during the 2027-2037 Long-Term Plan cycle.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

The CCO model can provide intergenerational impacts by operating outside of local government planning cycles, allowing for more sustainable funding of large-scale environmental projects. However, there is a risk of misalignment with ORC's strategy, particularly if the CCO receives funding from other sources with differing priorities. Collaboration and community engagement could be enhanced through this model, but careful management is required to ensure alignment with ORC's long-term objectives.

Analysis of the Model's Strengths, Opportunities, Weaknesses, and Risks

The strengths of the model include the ability to establish an independent entity with a separate identity, which could enhance engagement with communities and attract funding from a broader range of sources, including donations, bequests and philanthropic contributions. The model also allows for charitable tax advantages and introduces a skills-based governance structure, enabling more commercially focused decision-making while protecting Council from financial liability.

Opportunities were identified in the potential to leverage additional investment to increase the total funding pool for environmental outcomes. The model could support innovative funding arrangements and enable greater regional reach and community empowerment through more direct involvement in funding decisions. It also creates access to revenue streams not available to Council, broadening the base for investment.

Despite these advantages, the model has a number of operational and financial drawbacks. It would require significant time and resources to establish, including the development of separate governance and accountability frameworks. The administrative and governance costs may outweigh the benefits, particularly in the short term, and additional workload would likely fall to existing Councillors and staff. There are also risks that investment decisions could shift away from ORC's strategic priorities, potentially reducing transparency and accountability to ratepayers.

Key risks include the model being perceived as costly with limited immediate benefit, especially if additional investment is not secured early. There is also a risk that Council's environmental expertise becomes disconnected from decision-making, and that reputational risk becomes more difficult to manage at arm's length.

Financial and Operational Implications

The CCO model requires ongoing operational and financial commitments from ORC, including staffing, governance, and monitoring responsibilities. Financial sustainability is a key consideration, and the potential for leveraging investment must be carefully evaluated. The model's success depends on ORC's ability to maintain oversight while allowing the CCO to operate effectively and independently.

Prioritised Funding Model Analysis

Following the presentation of the above models, Council was guided through a prioritisation exercise which determined the following:

- Increasing the scope of the current ECO Fund model to support large-scale environmental initiatives was deemed inadequate to achieve the council's desired outcomes and was thus excluded from further consideration.
- A more defined, contestable investment model with clear criteria and qualified suppliers was considered promising. However, it was agreed that further investigation should explore this option alongside a model that supports the implementation of the Integrated Catchment Management (ICM) process and associated Catchment Action Plans.
- Models involving third-party organisations to administer or grow funding were discounted due to concerns over eroding transparency for ratepayers.
- A collaborative, co-funded model was seen as an aspirational goal, though ORC recognised that its implementation would require time and a well-defined plan. This model will be explored for potential medium- to long-term development.
- The establishment of a separate entity, such as a Trust or CCO, to manage and grow ORC funds was recognised for its potential to attract additional philanthropic investment. However, ORC noted that this approach involved significant upfront costs, time, and trust-building efforts. Further investigation into this model's viability over the long term should be undertaken.

A summary of the prioritisation decisions for each model is summarised below:

Funding Model	Model Prioritised for Further Consideration
Large-scale contestable or grant making Fund	✗
Structured Purchasing Approach	✓
Funding via the ICM Programme or by CAP	✓
Devolving 'large-scale' funding to a third party	✗
Joint Venture	✓
Establish a CCO	✓

Prioritised Funding Model 1 - Structured Procurement Aligned to CAP Implementation

Introduction to the Model and Procurement Approach

Following the second Councillor Workshop, a hybrid funding model was proposed that integrated a structured procurement approach with the Integrated Catchment Management (ICM) framework. This model aims to align funding decisions with Catchment Action Plans (CAPs), ensuring that large-scale environmental initiatives are supported with greater clarity, efficiency, and transparency. The model suggests a multi-stage procurement process, where organisations first complete a self-assessment against eligibility criteria, followed by submitting a Request for Proposal (RFP). **This does not imply that an overly complicated or lengthy process needs to be established, with the requirements of the 'proposal' being at the discretion of ORC.**

The funding would be linked directly to CAP implementation, ensuring investments are informed by scientific evidence, community needs, and mana whenua engagement. This structured approach would aim to strengthen the alignment between funding decisions and the Council's strategic objectives for environmental management.

The model addresses the current gap in funding available for CAP implementation. While there is a one-off $100,000 investment for the Catlins CAP, no ongoing funding mechanism currently exists for the broader rollout of CAPs across the region. By using a structured procurement approach, ORC could ensure fair, transparent funding allocation based on pre-determined eligibility criteria. However, it's acknowledged that this hybrid model has limitations, particularly in the short term, as not all CAPs are yet completed, and there is variability in the level of CAP development across communities.

Governance of the Model

The governance structure for this hybrid model would follow standard procurement practices, with oversight provided by ORC to ensure adherence to procurement best practices and policies. Councillors would play a key role in ensuring transparency, though they should not be part of the Evaluation Panel to avoid conflicts of interest, particularly as multiple catchments may compete for funding. Given the significant involvement of ORC staff in the ICM and CAP processes, they too should be excluded from decision-making to maintain the integrity of the funding allocation process.

Fund Allocation Process

The funding allocation process could be a two-stage process: first, interested organisations would submit a Registration of Interest (ROI) to assess their eligibility to apply for funding. This will be followed by a more detailed proposal submission through an RFP process. Alternatively, ORC could consider a closed competitive or direct sourcing model, particularly for specific CAPs that are region-specific.

This hybrid model could include a structured procurement approach that incentivises communities to align with the CAP framework, the structured procurement process with incentives for communities to align with the CAP framework. This would include stringent eligibility criteria weighted towards organisations actively engaged in the CAP process or those with an endorsed CAP Implementation Plan.

Key elements of the allocation process would include the use of a suitable procurement platform, clear procurement documentation, and an independent Evaluation Panel to assess proposals. Successful applicants would enter detailed contracts with ORC outlining deliverables, milestones, and monitoring expectations. Additionally, robust contract management processes will be established to ensure effective monitoring and evaluation of funded initiatives.

This model would aim to balance transparency, fairness, and the need for structured procurement, while also incentivising the development and adoption of CAPs across communities. However, careful consideration must be given to the diversity of communities and their readiness to meet procurement thresholds.

Ongoing Management of the Model

The Environmental Delivery Team at ORC could be responsible for managing the procurement and delivery under this model. While the team is equipped to oversee delivery and monitoring, additional resource may be required to establish procurement structures and processes. The model's administrative efficiency allows for a single funding round over two years, streamlining allocation of the $4 million that is currently approved.

Contracting mechanisms such as rights of renewal and stop-go clauses are recommended in contract processes. Effective contract monitoring and a resource mapping exercise are necessary to ensure ORC has the right capacity and capability.

Likely Timescale to Full Implementation

Implementation is feasible within the year, with recommended contracting period of 1 January 2026 to 30 June 2027. Meeting Government Procurement Rules and ensuring strong internal and external communication will be key to delivering the model on time.

Suitability of the Model Against 'Large-Scale' Funding Outcomes and Principles

This model strongly aligns with the goals of intergenerational impact, system-wide collaboration, and strategic direction. It supports long-term, community-led CAP implementation underpinned by evidence and mana whenua engagement. Risks remain where CAP development is uneven or delays funding eligibility for some communities. Strategic alignment may be challenged if short-term wins are prioritised over higher-impact, complex work.

Analysis of the Model's Strengths, Opportunities, Weaknesses and Challenges

This model offers strong alignment between ORC's organisational strategy and community priorities, as it is underpinned by data, evidence, and community-led planning. The approach establishes a clear pathway from development to implementation, enabling a region-wide, consistent process that gives communities confidence their priorities will be supported once a Catchment Action Plan (CAP) is in place. Internally, ORC already has structures in place supporting the ICM process and the sequencing of CAP development across all catchments. This existing framework provides a strong foundation for scaling the model.

The collaborative nature of the CAP process—which brings together ORC, mana whenua, landowners, and community groups—fosters meaningful partnerships. The model incentivises communities to engage in the planning process, particularly when there is a clear signal that implementation funding may follow. With community engagement likely to increase, ORC has an opportunity to strengthen its credibility by committing to support action following the completion of CAPs.

Moreover, the CAP process is designed to generate robust data and evidence, which can assist ORC in measuring environmental impact. Until CAPs are completed across all catchments, existing strategies and frameworks could help guide equitable funding allocation. Overall, this model creates a promising platform for enhanced collaboration, stronger relationships with partners, and increased coordination between stakeholders.

There may be limited capacity within some catchment groups to manage and administer funding. Internally, while ORC has strong technical expertise for CAP development, additional procurement capacity may be required to deliver and administer funding under this model effectively.

Short-term equity in funding distribution is another concern. If eligibility hinges on having an approved CAP, those without one may be disadvantaged, creating perceptions of unfairness. Not all communities have mature entities able to receive and manage funds, which could limit access further. There is also a risk that new processes could inadvertently duplicate existing mechanisms, such as the ECO Fund or other small grant programmes, particularly if large-scale funding is then redistributed to support smaller local initiatives.

Financial and Operational Implications

Clear guidance will be required to define appropriate use of funds once they are allocated, ensuring new or duplicative grant processes are not inadvertently created.

From an operational perspective, as CAP development and implementation activities increase, ORC will likely need to adjust internal work programmes and consider how to effectively support delivery. Managing community expectations could also be a key challenge, particularly in areas where CAPs are under development but not yet approved. In addition, developing projects on a CAP-by-CAP basis may result in duplication or inefficiencies, especially if broader regional approaches are overlooked.

The model may also require differing funding criteria and prioritisation frameworks, depending on the stage of CAP development in each community. While this may help achieve broader geographic coverage, it introduces the risk of inconsistency and confusion, particularly if variable approaches are not well-communicated or coordinated.

Pathway and Conditions to Model Implementation

The model is viable in the short-to-medium term, with a focus on establishing robust procurement and relational agreements, targeting capable providers, and clearly defining eligibility criteria. For full CAP alignment long-term, further feasibility work is needed. This includes exploring funding equity for areas without CAPs and potentially accelerating CAP development through investment in community readiness and internal capacity building.

Prioritised Funding Model 2 – Investing in Large-Scale Environmental Initiatives via a Joint Venture or Co-Funding Arrangement

Introduction to the Model and Procurement Approach

This model presents a medium to long-term opportunity for ORC to co-invest in large-scale environmental initiatives through collaborative arrangements such as joint ventures or co-funding partnerships. Initial engagement with potential partners has been encouraging but remains at a preliminary level, with no formal commitments secured.

Pathway and Conditions to Model Implementation

Although promising in concept, the feasibility of this model depends on a range of factors that have yet to be explored in depth. ORC would need to undertake a staged process over the next two to three years to test viability, starting with internal feasibility and cost-benefit analyses. Strategic discussions should be initiated with both statutory partners (particularly mana whenua and local authorities) and potential philanthropic investors such as Otago Community Trust and Central Lakes Trust.

If interest is not established locally, exploration with national partners such as DOC, MfE, or private environmental funders may be warranted. Internally, resource planning and policy development would be required to build a suitable governance, contracting, and accountability framework.

Given the complexity and scale of what this model entails, it is anticipated that a minimum of three to five years would be required to fully operationalise a joint venture or co-funded model. Its success will depend on Council's long-term commitment and the prioritisation of investment and relationship-building to support this collaborative approach.

Prioritised Funding Model 3 – Investing in Large-Scale Environmental Initiatives via a New, ORC-Owned CCO

Introduction to the Model and Proposed Procurement Approach

This model explores the establishment of a Council-controlled organisation (CCO) or charitable trust owned by ORC, as a mechanism for administering large-scale environmental funding. While it has been included at the request of ORC for consideration as a medium to long term option, further feasibility work is required to fully assess its viability in the long term.

Pathway and Conditions to Model Implementation

The report stops short of recommending whether ORC should proceed with this model at this stage, as further analysis is required. Specifically, the appetite of ratepayers for creating a new entity and the actual costs of management, governance, and compliance under the Local Government Act (2002) have not been assessed.

Should ORC wish to explore this model further, several key steps will be required over the next two years. These include a comprehensive financial and feasibility study to assess setup and operating costs, and formal community consultation either through a standalone process or as part of the Long Term Plan 2027-37 consultation process to assess the level of public support for this approach. In parallel, ORC would need to allocate internal resources to define the required governance, legal, policy, and accountability structures needed to establish and manage the CCO. Consideration should also be given to whether this model could administer a broader suite of environmental funding beyond the current 'large-scale' fund.

While potentially offering a long-term solution for delivering regional environmental outcomes, the model will require significant time, resource, and public backing to become operational, and is therefore best considered as a medium to long-term option.

Recommended Approach

Recommended Procurement Approach

We recommend that ORC adopt **Prioritised Option 1 – Structured Purchasing through ROI, RFP or Direct Engagement processes, aligned where appropriate to the Catchment Action Plan (CAP) implementation process.** While this may not fully align with the hybrid model initially proposed, we believe it offers the most workable solution for effective fund allocation in the short to medium term.

This approach considers ORC's current appetite for risk, internal capacity, the strength of existing partnerships, and the uneven readiness of communities and entities to deliver at scale. It also addresses the potential inequities of a model that relies too heavily on the evolving CAP framework.

We assume that critical enablers such as a clear definition of 'large-scale', robust eligibility criteria, and strong procurement practices are developed and implemented in support of this approach.

Recommended Governance Model

We recommend that the governance of this model sits with the CEO and Council, consistent with existing procurement protocols and the CAP process. Continued engagement with mana whenua at a governance level remains a key feature of this model.

Recommended Fund Allocation Process

The proposed fund allocation process mirrors the approach outlined in Section 8.2 of our full report. To ensure the success of this model, we recommend complementary actions such as developing communications material, and retaining a portion of funding for evaluation, education, and capability development.

Recommended Ongoing Management Model

This model does not exclude prioritising the CAP process as an eligibility criterion or using the fund to encourage CAP engagement. However, the CAP framework should not be the sole determinant of fund allocation.

Recommended Timescale for Use

This model is ready for immediate implementation, with allocations possible by the end of the calendar year. Contracts would begin from January 2026 and run through to 30 June 2027. We recommend that this model guide the first two to five years of the fund's operation, including the current commitment and into the next Long-Term Plan cycle.



Proposed Plan and Timeline to Implementation

Using our recommended funding model and approach outlined in Section 9.1 of our full report, we have provided a high-level timeline of key deliverables and dates that ORC will need to refine and confirm if large-scale funding is to be allocated before the end of Q2 of the financial year (that is 31 December 2025).

Our recommended implementation plan including key activities and likely due dates is outlined below:

Phase 1 – Confirm the Recommended Approach and Obtain Required Signoffs	
Deliverable	Due Date
Gain endorsement of the recommended approach internally within ORC	30 April 2025
Report presented to Council for decision making	**Wed 21 May 2025 (Council meeting)**

Phase 2 – Confirming the Eligibility Criteria and Procurement Timeline	
Deliverable	Due Date
Develop and agree internally eligibility criteria and pre-procurement approach	6 June 2025
Prepare and agree internally high-level procurement plan	6 June 2025
Prepare and submit Council Report including eligibility criteria and detailed procurement plan	11 June 2025
Obtain sign off from Council on eligibility criteria and detailed procurement plan	**Wed 25 June 2025 (Council meeting)**

Phase 3 – Communication and Engagement with the Sector including mana whenua on agreed approach	
Deliverable	Due Date
Develop and agree a communications and engagement plan including key messages and timeframes for delivery	Throughout July and August 2025
Update mana whenua and local authority partners on the project and the outcomes of the review and report	
Update stakeholders who contributed to the project on the outcomes of the review and report	
Prepare and circulate key messages to ensure accurate messaging to those not directly involved in the consultation	

Phase 4 – Procurement Planning and Implementation	
Deliverable	Due Date
Draft procurement documentation completed and ready for release to GETs (or other suitable procurement platform). At a minimum, documentation should include: – RFP documentation – Draft contract – Evaluation criteria and scoring system	**TBC due to Council diaries**
Procurement live on GETs	**TBC**
Hold a supplier briefing with interested TBC	TBC
ROI process closes with those organisations meeting the 'pre-procurement' eligibility criteria submitting their intentions formally	TBC
Formal RFP closes with short listed applicants having the opportunity to present their proposal in an alternative format (such as presentation)	TBC
Responses are formally evaluated by an appointed evaluation panel that includes ORC management and other experts (but not elected members)	TBC
Due diligence is conducted	TBC
Report procurement outcomes and recommendations to Council for endorsement and/or approval	**TBC**
Negotiations and contracting commences with preferred suppliers	TBC
Contracts are awarded and unsuccessful organisations debriefed	TBC
Research and evaluation frameworks and parameters are established	TBC
Contracts are enacted and delivery commences, with contract monitoring taking place regularly between ORC and organisations	**TBC**
Investigations into the feasibility and validity of other preferred funding model options is undertaken.	1 January 2026 to 30 June 2027

Recommendations

Eligibility Criteria and Definition Related Recommendations

- A detailed eligibility criteria to allow community organisations to assess whether they align to ORC's intended outcomes and expectations is needed to support implementation of the fund. At a minimum, we propose that this criterion should include how organisations will demonstrate the following:
  - Achieve alignment to intergenerational aspirations of mana whenua, with a demonstrated level of support obtained for the initiative from mana whenua/papatipu rūnaka.
  - Directly contributes towards achieving priorities identified by ORC and provide a line of sight to those priorities outlined in documents such as Catchment Action Plans.
  - Initiatives or projects sufficiently meet the intent of 'large-scale' from an ecological perspective (that is, a multifaceted approach to enhancing the overall biodiversity of an area, rather than focusing on one element such as invasive mammal control).
  - Investment allows for an increase in scale and/or impact of those projects and initiatives that are already in place (rather than funding new projects or ideas), that are already contributing towards environmental outcomes and that demonstrate value for money.
  - They are a legal entity, able to demonstrate they have capacity, capability, and stability (governance and financial for example) to deliver 'large-scale' initiatives.
  - Initiatives that are community-led with a high degree of collaboration at all levels of the system (including local authorities, mana whenua, landowners and other stakeholders).
  - The extent to which they can act as an umbrella entity and/or collectives of organisations (this should be encouraged but only where appropriate governance and management structures are in place to effectively deliver on requirements).
  - Their commitment to work together in partnership (with ORC and others), to further enhancing collaboration, community activation and sustainable funding and leverage opportunities beyond the initially agreed investment term.
- Continue to engage and consult with mana whenua through the next phases of fund development and implementation.
- Determine and agree the size and scale of investment that ORC deems reasonable and appropriate in relation to this fund (for example, is a $100,000 or a $500,000 investment considered reasonable) and the overall risk appetite of Council.

General Procurement and Funding Recommendations

- Agree and communicate internally and externally, a clear implementation plan that sets out reasonable timeframes for the process to procure, review, and award funding, allowing communities and organisations to plan and upscale where needed. This will ensure that communities and providers are not set up to fail.
- Following the procurement process, enter into multi-year funding agreements with organisations that aligns with the budget decisions under the LTP (that is $4 million over two financial years), noting that this is likely to only be around 18 months under the current approved funding.
- ORC should consider including a stop/go mechanism or right of renewal clause in funding agreements for successful organisations (up to a maximum of five years would be recommended – that is 2+3 years) to align with future LTP cycles. This would reduce the procurement administration required to administer a fund and provide reasonable timeframes for initiatives to achieve 'large-scale' impact (outcomes cannot be achieved in 18 months).
- The investment and permitted use of the funds allows for all types of costs to be met that are deemed reasonable and relevant including staff and personnel, administration costs, and costs to support education, evaluation, and monitoring of deliverables.
- Within the parameters of the fund, ORC allows for the use of some funds to support and enhance organisational capability (management and governance) to strengthen the overall system, as well as to support education, and evaluation and monitoring initiatives.

Specific Recommendations in Relation to Each Prioritised Funding Model

We have outlined a number of recommendations that ORC could consider across the three prioritised funding models. The outcomes from our recommendations under each model will help inform what the most appropriate long-term model to govern large-scale environmental investment will look like for ORC (for example, the outcome of community consultation in relation to establishing a CCO or Trust will contribute towards whether this model is likely in the long-term).

These recommendations were outlined in Sections 8.2-8.4 of the full report but are summarised below:

Structured Procurement Aligned to CAP Implementation

- Determine a process for equitable distribution of funding to those catchments that still will not have a CAP in place by 2028/29 or accelerate the timeline for development of CAP's.
- Ensure that all elected members as well as those staff working directly with communities in the development and implementation of CAPs are excluded from procurement evaluation and decision-making to manage perceived or actual conflicts of interest.
- Undertake further analysis and feasibility to the ongoing use of the model to ensure an equitable process for distributing 'large-scale' funds to those communities/catchments that do not or will not have an approved CAP in place by 2028/29.
- Develop a comprehensive assessment and prioritisation criteria to allow for objective investment decisions to be made as to the use of 'large-scale' funding. This recognises that as more CAPs are completed, not all activities within a CAP, and not all CAPs will be able to be funded.
- Consider the long-term allocation criteria of this funding model and the reach and impact that can be achieved if it becomes diluted across multiple CAPs.

Joint Venture of Co-Funding Arrangement

- Undertake detailed feasibility and financial analysis to better understand the internal and administrative costs required to govern, manage, and administer such an arrangement. This should provide an assessment of the costs and benefits to ORC and the community by having such a model. This may or may not be an initial first step and may need to be conducted once partners have been identified and indicated a high-level intention to partner or co-invest.
- Begin more formal conversations with potential statutory joint venture/co-funding partners to determine the scope of opportunity that is available. Initial discussions should be prioritised with mana whenua as well as the existing local authority partners in Otago.



- Depending on the outcome of the recommendation above, begin more formal conversations with potential community or philanthropic joint venture/co-funding partners. Initial discussions should be prioritised with Otago Community Trust (as they have already expressed an interest), as well as other funders operating within ORC boundaries, particularly Central Lakes Trust, Whakatipu Community Foundation and the Community Trust of Southland.[2]
- If this model cannot be progressed locally (due to insufficient interest or commitment), seek to begin discussions with other potential joint venture or co-funding partners outside of the Otago region. Possible entities to engage could include (but are not limited to) DOC, MfE, The Nature Conservancy, NZ Nature Fund and NEXT Foundation.
- Direct internal resources to work through the policy, contracting, financial and accountability requirements needed to establish a structure under this model. This will also need to determine the levels of internal resource that will be needed to establish as well as maintain a joint venture or co-funded model. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

Establish a Non-Commercial CCO such as a Trust

- ORC undertakes or commissions a detailed feasibility and financial analysis to better understand the internal and administrative costs required for the CCO/Trust to meet its planning, management and auditing requirements under the LGA (2002). The findings of this should be included in the community consultation process to allow ratepayers to make their own value for money assessment of the model.
- ORC undertakes community consultation as required under the LGA (2002) to determine the level of support for the establishment of a CCO/Trust. For efficiency, this should be undertaken as part of the consultation process for the ORC Long Term Plan 2027-2037.
- Direct internal resources to work through the policy, financial and accountability needed to establish an entity (if approved). This will also need to determine the levels of internal resource that will be needed to establish as well as maintain the CCO/Trust, including the development of a constitution or Trust Deed, policy for the appointment and remuneration of Directors/Trustees, and the procurement or contracting policies that may be needed to oversee the allocation of funds to the new CCO/Trust. This should also consider the opportunities to expand the scope of funding included within the arrangement outside of the current 'large-scale' budget.

2 Note that we did not consult with CLT or CTOS through this process so are unaware of their level of interest to engage in further discussions at this point.

	7.4.1 Large-Scale Contestable/Grant Making Fund	7.4.2 Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)	7.4.3 Funding via the Integrated Catchment Management Programme or by Catchment Action Plan	7.4.4 Devolving 'Large-Scale' Funding to a Third Party to Administer & Grow	7.4.5 Joint Venture – Collaborative or Co-Funded Arrangement	7.4.6 Establish a Council Controlled Organisation (CCO)
Strengths	▪ The administration and management of the funds can be undertaken internally within the existing systems that are already in place. ▪ This model could be implemented within a short time frame (quick to stand up). ▪ Has the ability to fill an immediate gap created by the ending of Jobs for Nature funding.	▪ Clearly defined procurement process and can direct funding to address higher priority issues or communities. ▪ Allows ORC to establish and communicate clear outcomes, requirements and criteria for which purchasing decisions will be made. This can help identify a short list of suitable providers early in the process, and let others know whether they align with Council expectations. This can save everyone time and money. ▪ It is likely to be less time and resource intensive than a competitive grant allocating process and there is only likely to be one funding round over the three years (allowing for three-year contracts to be put in place). ▪ It can allow for greater innovation and collaboration during the procurement process, particularly if the council provides a market briefing at the start of the procurement process, allows Q&A's to be submitted as part of the process, or where a multi-stage process is run.	▪ Provides a systematic and structured approach to funding that is grounded in the key principles and outcomes Council seeks to achieve. ▪ Allows for a stronger alignment of organisational strategy to community strategy and implementation and community action. ▪ Can allow for a phased implementation of the funding approach, that can align to CAP development. ▪ A precedent for the process is already set with the CAP process in place. This will continue to evolve and develop in line with best practice. ▪ Supports the implementation of a data driven approach which is already supported by ORC and other key partners and is endorsed by mana whenua. ▪ The implementation plans are endorsed and supported by ORC, mana whenua and the community and are therefore 'implementation ready' and will require little planning and lead in time before delivery can begin. ▪ There is an internal structure already in place to support the coming together of catchment groups and supporting plan development. Allocation of funding through this model could be achieved quickly and cost effectively (but would still require additional resource). ▪ Supports cross sector and cross partner/stakeholder collaboration.	▪ It reduces the internal administration and capacity requirements on ORC staff to administer and manage the funding/ procurement process. ▪ It can allow for more efficient and effective procurement outcomes if contracted entities acting on behalf of ORC have the skills and expertise currently not held within Council. ▪ Can keep the Council at arm's length from the procurement process and delivery, which can reduce the perception of conflicts of interest, make the fund more attractive to co-investment opportunities, and may be viewed more favourably by the community and stakeholders. ▪ The contracted entity may be more cost effective in providing skills and expertise needed depending on overhead structures and costs.	▪ The model can be developed and scaled up over time – it can grow and evolve as it becomes more mature and embedded, for example, growing the number of partners involved, the level of funds committed or the addition of non-government partners in the joint arrangement. ▪ Has the ability to reduce administration and compliance costs of grant making and procurement activities in environmental initiatives across local authorities in the region. ▪ Greater coordination of investment decisions across local authorities can strengthen capacity and capability in this area. ▪ Provides opportunities for ORC to leverage additional investment and funds that contribute to enhanced environmental outcomes. ▪ Allows ORC to take a clear leadership role with their stakeholders and partners.	▪ The entity can have a separate brand and identity that distances it from the Council. This can allow for more meaningful engagement with communities and potential funders/donors. ▪ The entity could access charitable tax benefits and leverage charitable benefits and additional investment. ▪ The entity can leverage additional investment in the way of donations, bequests or investments. People may be more likely to make these types of directed donations to a charitable entity over a council entity. ▪ An independent governance board and structure removes funding decisions from political decisions. ▪ A skills-based governance board allows for improved commercial and investment decision making. ▪ Financial risk is ring-fenced under a charitable or incorporated society structure which protects ORC from financial liability from an activity or another party. ▪ Separation of financial from political decision making.
Opportunities	▪ Allows ORC to examine and realign all types of funding under the broad ECO Fund banner to ensure that all types of 'needs' are met across the range of available funds. ▪ A consistent approach to fund establishment, allocation and management can provide opportunities to better understand and articulate return on investment.	▪ It can drive innovation and collaboration and gives communities a greater ability to propose and outline how they will address the Council's issues/priorities/requirements. ▪ Can enable opportunities for Council and providers to work together on long term sustainable funding options. ▪ Allows for more robust contracting processes that are available through conditional grant making processes. ▪ Given the longer term and higher value, the council has the ability to allow for more robust planning, monitoring, and evaluation activities under the agreement.	▪ Provides an incentive for communities to come together and commit to the planning process if they know that they will be financially supported by ORC to implement the plan. ▪ It allows for greater opportunities to plan and evaluate the projects/initiatives delivered and inform future decision making through data and evidence gained through the development of intervention logic (conducted during the development of the CAP). ▪ Provides a framework and funding to directly support communities to implement the CAPs that currently does not exist (linked to incentivisation). ▪ Can remove some of the confusion around 'large scale' funding and the decisions around its purpose and process of allocation. ▪ Can enhance on the ground collaboration and coordination by actively bringing together mana whenua, community stakeholders and ORC. ▪ Can cement ORCs leadership role in the sector by demonstrating an ongoing commitment to support both CAP and implementation in communities.	▪ May open doors to additional leveraging and co-investment, or philanthropic investment opportunities if the fund is operated outside of the ORC structure and political process. ▪ Could allow for funds to be pooled across different organisations that can then be allocated and administered independently so not to favour one organisation or funder over another, contributing to more equitable funding decisions. ▪ Provides opportunities for the fund holder to benefit from charitable tax exemptions which could positively affect the overall value of the funds available to grant/allocate.	▪ Potential to solidify a formal partnership with mana whenua and path to co-investment with mana whenua. ▪ Potential to solidify a path to formal partnership with a philanthropic entity and a path to co-investment with a philanthropic investor. ▪ Has the ability to reduce duplication in grant making and procurement activities in this area, as well as streamlining the application and accountability processes for community groups and providers. ▪ Has the potential to increase trust between partners – at all levels within the system. ▪ May provide ORC with opportunities to access systems and processes that are not currently available to the organisation, that may arise as a result of a collaborative arrangement. For example, access to sophisticated grant/funding allocation and accountability technology or frameworks a partner may have access to.	▪ If additional funding is leveraged, it can Increase the overall pot of funding available to invest in environmental initiatives. ▪ It could lead to the creation of innovative funding and partnership arrangements, led by ORC. ▪ Could achieve regional spread and landscape scale environmental outcomes if the scale of leveraged investment allows (for example, additional funding secured from a funder that has cross-regional coverage). ▪ Can lead to greater community empowerment as a Trust model allows for communities to have a closer involvement in decision making. ▪ The entity can access additional revenue from a wider source of funding options than would be available to Council – such as receiving bequests, donations and grants from individuals or other Trusts and philanthropic investors. It may also create opportunities for alignment to the tourism and commercial sectors.

	7.4.1 Large-Scale Contestable/Grant Making Fund	7.4.2 Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)	7.4.3 Funding via the Integrated Catchment Management Programme or by Catchment Action Plan	7.4.4 Devolving 'Large-Scale' Funding to a Third Party to Administer & Grow	7.4.5 Joint Venture – Collaborative or Co-Funded Arrangement	7.4.6 Establish a Council Controlled Organisation (CCO)
Weaknesses	▪ Allocating large-scale funding under existing structures does not ensure that investment is made into the right places, projects and initiatives at the right time. ▪ A highly competitive process reduces the ability for Council to work in collaboration with stakeholders and communities to understand where and how investment should be made. ▪ A highly competitive process reduces opportunities for collaboration between communities and providers. ▪ It is unlikely that the internal resources currently managing the ECO Fund process will have the capacity to stand up and administer a new funding stream of this scale without additional support. ▪ This model limits the opportunity for collaborative co-funding discussions with other funders or potential partners. ▪ If detailed guidance was not provided around suitable criteria and scale of investment, ORC may make investment decisions based on good ideas rather than science and evidence.	▪ This model will require substantial upfront internal capacity and capability to get the process established. Planning and undertaking a comprehensive procurement process can take significant time and resources to execute effectively. ▪ The criteria could be too narrow to attract a good range of respondents to the procurement. ▪ Depending on the agreed criteria, there may be a limited number of community organisations with the capacity and capability to deliver the requirements, or those with capacity and capability may be confined to one geographic area of the region.	▪ Investment decisions will be driven to those communities 'ready' and 'willing' to develop a CAP with catchments with high environmental needs or priorities missing out or being deprioritised if there is not an achieve CAP process in place. ▪ Currently there is not the appetite or resourcing to expedite the development of CAPs across all catchment areas simultaneously. This means that the funding may incentivise communities to develop a plan, but ORC will not be able to effectively meet demand for this within the current ICM approach. ▪ The value of the funding available and the level of investment that can be made will dilute over time. For example, Catlins as the only approved plan, could seek the full amount of the funding available in the 'large-scale' fund, but competition for the available funding would increase significantly with more CAPs being implemented. ▪ In some catchment areas, suitable governance and management structures may not be in place to hold/spend/allocate ORC funds to support CAP implementation. This is especially true where delivery against the plan needs to be completed by a third party (such as a contractor). These community groups may not have the capacity and capability to manage ratepaying funding in this manner. ▪ Capable and reliable community organisations may not have the opportunity to deliver projects or initiatives of 'large-scale' if funds are only able to be allocated to community organisations working in areas that have an approved CAP in place. This may lead to lost opportunities as a response to 'waiting'.	▪ A portion of the ORC investment will need to be retained by the entity as an administration or overhead fee, or this fee will need to be covered from additional ORC funds. ▪ Investment decisions are made by people removed from day-to-day delivery who may hold important contextual information and existing relationships. ▪ It is not currently known if there are any suitable entities in the region who have the desire, capacity or capability to partner with ORC to implement this model in the short term. ▪ Port Otago, as an existing CCTO, is not set up to undertake charitable activities, and this fund does not align with their priorities outlined in their Statement of Intent. Therefore, ORC may need to seek an arrangement with an entity that is completely outside of the local government legislative and regulatory framework. ▪ The model will still require significant ORC oversight and management to ensure delivery against KPIs and contract is being achieved. ▪ May take some time to stand up and be fully operational, and the ability of this arrangement to leverage additional funding will likely take significant time to achieve.	▪ It may be challenging to align the environmental and investment priorities of partners under a joint arrangement, particularly given regional variance. ▪ It is unlikely that other potential partners will have the scale of responsibility and investment available that matches ORC – creating an imbalance of power and potential risks to collaborative decision making. ▪ Achieving alignment of funding priorities across multiple mandated geographical boundaries can be difficult. ▪ ORC cannot implement this model alone, and regardless of the readiness and desire of ORC to progress this, implementation will require the existence of at least one other partner who is at the same state of maturity or readiness to also commit/come together/ co-invest.	▪ It will take considerable time and resources to establish and to be fully operational. ▪ Will require separate policies to outline the governance, management and accountability requirements of the entity to ORC. ▪ The new entity will require funding to administer and run its operations, including remuneration of directors/trustees and it may not be cost-effective to do so. ▪ There will be additional workload and expectations placed on existing Councillors and/or ORC staff to ensure the new entity has effective representation. ▪ Investment decisions could become more closely linked to community expectations rather than council priorities or strategy. ▪ This can lead to reduced direct accountability to ratepayers for the funding and allocation decisions made by the Trust/entity. ▪ The Trust will incur additional ongoing costs to manage and monitor the performance of the entity that can dimmish the value of the investment that can be made directly into communities.
Risks	▪ This model perpetuates the cycle of highly competitive funding. ▪ The short-term nature of the current ECO Fund model reinforces short term funding arrangements which do not support staff continuity and financial sustainability for community organisations. ▪ It is likely to discourage collaboration between providers/suppliers which may impact on the level of biodiversity outcomes that can be achieved. ▪ May inadvertently fuel a culture of funding 'new' projects rather than maintaining existing initiatives (particularly if the current ECO Fund criteria were used to make funding decisions). ▪ May create duplication or enhance gaps in areas in priority areas have been identified through other processes such as the Integrated Catchment Management programme.	▪ There may be limited capability of some providers to respond to a formal procurement process such as this which may impact on their willingness to respond. This may place further pressure on small numbers of staff or volunteers within these organisations. ▪ This process may impact on existing relationships between community organisations, the ORC if those organisations feel they are being excluded from a process if they do not meet the criteria set out in either the ECO Fund or the 'large-scale' fund. They may not feel that their work is valued by the council. ▪ Provider capability may be stronger in one catchment or geographical area, leading to the perception that only one part of ORC area is receiving funding or that funding is not distributed equitably.	▪ ORC's ability to adhere to procurement best practice, accountability and transparency requirements may be limited if funding is not able to be allocated to an experienced community organisation or legal entity to oversee CAP implementation. ▪ If entities leading the implementation process are required to allocate grants and small-scale funding to other groups within the community to deliver against the plan, this could create significant inefficiencies by recreating multiple allocation and accountability structures at catchment levels. ▪ If CAP implementation is not effectively coordinated and managed to achieve landscape scale impact, the intent and purpose of 'large-scale' funding could be lost, giving rise to ad hoc delivery of a variety of projects that are uncoordinated and unconnected. ▪ Community enthusiasm and engagement (and access to suitable volunteers to drive implementation) may wane over time. It is important to note that this could occur regardless. ▪ The impact of the investment and outcomes that can be achieved in each community may wane over time as more CAPs are developed and funding is diluted. ▪ Work needs to be done to support communities to identify and secure sustainable funding streams to support ongoing delivery (if ORC does not intend on being the sole, long-term funding partner to the CAP implementation process). ▪ Groups and communities may struggle to leverage additional investment or resources if they are a newly established group (established in response to there being no suitable legal entity for ORC to invest in) and do not have a strong track record of delivery).	▪ Transparency of the use of ratepayer funds is reduced by devolution to an entity outside of ORC. ▪ The entity contracted could be too far removed from the day-to-day work happening in the region, particularly if their core business is not supporting environmental initiatives or investment. ▪ The ORC may not be able to find a suitable entity to contract to administer funding on their behalf, or those with suitable capacity and capability may not have a regional mandate across the region (and therefore not know the communities or understand their issues). ▪ There is a reputational risk to ORC if the contracted entity does not effectively deliver what was intended, or there is a misalignment in values between the entities, or communities do not feel implementation has been fair, equitable or transparent.	▪ The political and media environment may identify any negative situation that arises from a joint arrangement as a 'failure' or 'waste' which may cause reputational damage for all parties. ▪ The internal cost to establish a collaborative or joint arrangement can be high, including time of internal staff resources to identify, negotiate, and manage joint arrangements, as well as legal costs. ▪ There may be disruptions to the existing arrangements or funding allocations while ORC transitioned to a new joint arrangement. ▪ The value proposition and benefit of a joint arrangement may not be strong enough for ORC to attract potential partners. ▪ The partnership and collaborations need to be already working in practice before becoming formalised – forced partnerships are rarely effective. ▪ It may be difficult to identify and implement an equitable joint arrangement, if, in a co-funding arrangement, all partners are not able to equally contribute. This may create challenges with perceived power imbalances or imbalanced distribution of funds.	▪ Until such time as additional investment is leveraged to support initial ORC investment, the model can be seen as costly, with little direct benefit to ratepayers. ▪ ORC policy and environment expertise and knowledge becomes removed from the decision making and grant allocation processes. ▪ Investment decisions can lose alignment with strategy and ORC priorities. ▪ There is a reduced ability for Council to manage risk – arm's length delivery can make managing reputational risk more challenging ▪ If ORC seeks to appoint Councillors as directors, this raises a concern in relation to management of conflicts of interest and potential double payment to elected members for undertaking a role they were already undertaking before the entity was established.

	7.4.1 Large-Scale Contestable/Grant Making Fund	7.4.2 Structured Purchasing Approach – Registration of Interest (ROI) and Request for Proposal (RFP)	7.4.3 Funding via the Integrated Catchment Management Programme or by Catchment Action Plan	7.4.4 Devolving 'Large-Scale' Funding to a Third Party to Administer & Grow	7.4.5 Joint Venture – Collaborative or Co-Funded Arrangement	7.4.6 Establish a Council Controlled Organisation (CCO)
Financial Implications	▪ Can risk investing in the providers/ organisation's that are able to or have the resources to write the best funding applications. ▪ Investment may not be targeted towards the highest priorities or the best environmental outcomes. ▪ Depending on the value of funds available and funding rounds held, it could create financial inefficiencies given the resource intensive nature of administering funding rounds and then managing and monitoring delivery – contestable funds are expensive to administer. ▪ Depending on the length of investment, short-term investments are less likely to be able to demonstrate value for money or positive environmental impact.	▪ Risk investing in the providers that are best placed, or with the resources to write the best funding applications. ▪ This can be mitigated by a pre-procurement screening process, but this may result in investment in only one or two catchment areas. ▪ Investment may not be targeted at the highest priorities or the best environmental outcomes. ▪ It will likely require an up-front commitment and commitment to invest the full value of approved funding in one procurement round (rather than by annual or one-off grants). There are both efficiencies and risks in this approach. ▪ May place procurement requirements onto community organisations that they are not familiar with or adept at managing. This may require ORC to invest in time and resource to ensure organisations are supported through the process. ▪ The length of investment needs to be long enough for there to be mutual benefit to both ORC and communities. If a mulit-year term is not agreed, this will be an inefficient model operationally and financially for both council and community organisations.	▪ Sustainability of the funding – the impact and value will become diluted over time as more CAPs develop and the implementation requirements will be ongoing. ▪ Potentially sets the precedent and expectations within communities that ORC is the sole funder of CAP implementation. ▪ Risk that some communities will not have the opportunity to access funding, regardless of need, if there is no CAP in progress or in place. ▪ May require significant internal resourcing and support to establish and support community 'readiness' for CAP implementation. This is currently being managed internally within existing resources to support the Catlins, but it is not likely sustainable once the process is in varying stages of development across the region. ▪ Should MfE funding to support the CAP process cease, ORC will need to source this funding from other internal budgets, or source from outside the organisation. ▪ The internal capability and capacity required to shift from CAP development to funding implementation may be different to what is in place. ▪ Community readiness may drive funding prioritisation and allocation decisions that may create inequities across the region. That is, community readiness may direct funding decisions rather than environmental need.	▪ The funding available for investment will be diluted (circa 10% p/a) to cover the administration costs met by the contracted entity. ▪ The ability (and/or appetite) of an outside entity to raise additional funds/investment on behalf of ORC may be limited. ▪ The Council may not achieve value for money if the entity is not capable of effective delivery. ▪ May create duplication or gaps in the transfer of information, data, and grant information between organisations. ▪ Duplicate funding allocation decisions may be made without insight into who each entity is allocating funding to (noting that ORC has funding streams outside of the large-scale fund). ▪ To be cost efficient, all grant making and funding activities undertaken by ORC could be transferred to an outside entity, but this could attract larger overhead costs and increased probity concerns relating to the use of ratepayer funds.	▪ It may be difficult to obtain equality in investment across partners able/willing to collaborate. This can create challenges and tensions in achieving equity in funding allocation and investment decisions (e.g. those with more money wanting to have more power in decision making). ▪ The collaborative partnership will need to clearly determine and agree the scope of the partnership – whether that is to work together for better environmental outcomes, or whether they will contribute joint funding to support grant funding or investment into community initiatives. ▪ The administration costs (both internally to ORC and of the collaborative arrangement) may outweigh the direct financial benefit of the arrangement - that is, it may not be cost efficient or effective to have the arrangement in place. ▪ The financial sustainability of the arrangement needs to be considered, especially if the collaborative arrangement is with an entity outside local government, due to differences in their planning and budgeting cycles. This can be equally challenging within the council structures as commitments are only likely to be made for one three-year LTP budget cycle (and then revisited annually as part of the Annual Plan process).	▪ There will be an ongoing annual cost to manage and administer the entity as it will require its own financial accounts, staff to administer the activities of the entity and possible renumeration of Trustees/Directors. ▪ The charitable incentives that could be achieved through this model may not out way the costs, especially considering possible proposed tax changes for charitable entities. ▪ ORC needs to determine the long-term sustainability of the Trust in the long term and whether leveraged investment is likely, or whether the interest earned off the initial endowment is sufficient to sustain investment in large-scale environmental initiatives in the long-term. ▪ The model may not present value for money without committed co-investment or funding.
Operational Implications	▪ Contestable funds are incredibly time and resource intensive to effectively manage and monitor and it's unlikely that this process could be managed within existing resources. ▪ ORC will need to develop and implement a clear communications strategy to articulate how this funding would be different to the existing ECO Fund which may create confusion in communities – requiring greater internal resource to communicate. ▪ Consideration of the timing of this Fund will be important to ensure the workload for community organisations and ORC is balanced. The addition of extra ECO Fund application and allocation rounds will have significant operational implications, particularly if the Fund is open to anyone to apply. ▪ The current ECO Fund reporting and performance monitoring is likely to be insufficient for larger-scale levels of investment and a new criterion to account for this would need to be considered and developed. ▪ This model does not easily allow for sector wide or cross-Council collaboration due to the competitive nature of the application and review process.	▪ While the procurement process may be less intensive due to a reduced number of applications, the ongoing management and monitoring of contracts/programmes will be more resource intensive than the grant process, requiring a more specialised procurement skill set than may already be in place to effectively administer, manage, and monitor these agreements. ▪ The strength of this model will be reliant on the procurement parameters and timings put in place to give ORC time to implement this model effectively, as well as giving respondents suitable time to submit a proposal in response to the Council requirements.	▪ An increase in internal resourcing, capacity (and potentially different capability) will likely be required as the need to support and invest in implementation activities ramps up. ▪ Resources may become spread too thin on the ground over time. ▪ Duplication and inefficiencies may occur if projects and initiatives are developed and invested in on a CAP-by-CAP basis rather than looking at opportunities for a region wide approach to meeting outcomes or addressing issues.	▪ The model will take time to set up and establish, especially if there is no entity willing and able to take this role on. ORC will need to establish trusting relationships prior to entering a formal contracting arrangement. ▪ It is unlikely that one single entity exists that could take on this role and that also has full regional reach and coverage that aligns with ORC boundaries. This may mean multiple agreements could be required to achieve coverage, which would create a range of risks and financial considerations. ▪ Administering this arrangement would still require a significant level of internal capacity and capability to ensure the fund was effectively being administered and aligned to ORC strategy and priorities. ▪ The ability of the contracted entity to make sound and effective funding decisions may be at risk if the scope or scale of this fund is outside of their core business, or area of expertise.	▪ The planning cycle and process for operational decision making may not align across ORC and others in a collective arrangement, especially those entities or funders outside of local government. ▪ Long-term trusting relationships and partnerships take time to evolve and develop and required commitment and leadership from senior levels within the organisation. ▪ It will likely take time, effort, and resource, to find the right partnership opportunities and alignment to suitable partners where there is alignment in strategic and operational aspirations, and geographical reach and coverage. ▪ Working to develop and confirm an arrangement such as this in place will take considerable internal leadership capacity and capability to drive this forward – this type of collaboration does not happen by chance and will require intentional commitment and dedication to move forward. ▪ Future-proofing the arrangement can be challenging if leadership or priorities of partners and/or co-funders changes, even if ORC's commitment doesn't wane. This can impact long-term funding relationships and credibility with communities and the environment sector.	▪ The model will take considerable time, cost and resources to establish and to become operational. ▪ Will require internal support to establish a legal structure, board and to establish and employ staff to manage the ongoing operations of the entity plus any contracting or funding arrangements between ORC and the entity. ▪ Will need dedicated resource to attract and confirm co-funding or co-investment arrangements. ▪ Council needs to consider whether this model is the best mechanism to achieve the Councils objectives. ▪ The model will need to prove it can provide value for money and increase efficiency over other models. ▪ ORC will need to determine whether it has ongoing capacity and capability to oversee the entity as ongoing oversight will include requirements to: ▪ Appoint/reappoint Directors or Trustees ▪ Manage an effective relationship between Council and the entity ▪ Set up and ongoing adherence to an appropriate monitoring framework ▪ Engaging with accountability and reporting documents prepared by the entity and ▪ Meeting the ORCs own accountability and reporting requirements under the LGA (2002). ▪ ORC will need to ensure that the LGA (2002) requirements of a CCO/Trust are met including the preparation and auditing of separate financial accounts, as well as branding, marketing etc.