



Otago  
Regional  
Council

# Annual Plan 2025-2026



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# Contents

- Chairperson's Foreword..... 2
- Overview..... 3
  - Why does this document matter?..... 4
  - What has changed since the Long-Term Plan?..... 5
  - Community Feedback..... 6
  - Finalising the Annual Plan..... 7
  - Financial Summary..... 8
  - Strategic Directions 2024-2034..... 9
  - Partnering with Mana Whenua..... 11
- What we will deliver..... 12
  - Regional Leadership..... 13
  - Environment..... 25
  - Climate Change and Resilience..... 37
  - Transport..... 48
  - Council Organisation..... 54
- Forecast Financial Information..... 57
  - Overview..... 58
  - Planning Assumptions..... 59
  - Financial Statements..... 68
  - Summary of Accounting Policies..... 77
  - Significant Accounting Policies..... 78
  - Schedule of Fees and Charges..... 91

# Building a Stronger Future for Otago

Otago Regional Council's vision is for **Otago's environment and communities to be healthy and connected *ki uta ki tai* — from the mountains to the sea.** This guides our direction and shapes the work planned for the year ahead.

In developing the Annual Plan for 2025/26, we focused on finding efficiencies in work programmes to deliver value for money, also increasing Port Otago's financial contribution to help keep rates costs down and make the most of this regional asset. At the same time, we focused on continuing the vital work that supports Otago's people and our environment which underpins thriving communities and people's livelihoods.

A key highlight this year is a new \$2 million environmental fund. Created with community input, it supports large-scale projects that deliver lasting environmental benefits. It taps into local knowledge and community drive. In its first year, the fund is fully paid for from Council reserves — not rates.

Improving bus services is still a priority. Queenstown will see upgrades with Government co-funding, but planned improvements for Dunedin did not receive funding, so current services will remain unchanged there. A business case to assess Wānaka public transport options attracted strong public support and will go ahead. Some regional upgrades will not happen due to co-funding gaps, but we're committed to finding ways to improve connectivity options for Ōamaru, Balclutha and Central Otago. Government targets for increased 'private share' revenue will mean fare increases are introduced during the year to help meet the overall cost of public transport.

Our essential services will continue, including civil defence, biosecurity, water and air quality monitoring and regulation, navigational safety, and 24-hour pollution response.

Addressing climate change also remains central to our work. We're advancing natural hazard adaptation programmes in South Dunedin, the Clutha Delta and Head of Lake Whakatipu, alongside projects to strengthen our flood protection schemes.

We're putting a strong focus on Integrated Catchment Management across the region. Last year, we supported the Catlins community to create a Catchment Action Plan. This year, we're working with the Upper Lakes community and mana whenua to develop a plan for the Clutha River headwaters and lakes area. These plans empower local people to plan for and achieve, outcomes that reflect local identity and aspirations.

Thank you to everyone who took time to have their say and helped to shape the Annual Plan and our goals and priorities for the year ahead.



Gretchen Robertson  
Chairperson, Otago Regional Council



# Overview



Cardrona River



## Why does this document matter?

Annual and Long-Term Plans, outline the services Otago Regional Council (ORC) intends to provide, how much it will cost to deliver those services and where the money will come from to pay for those services. ORC's Long-Term Plan 2024-2034 (LTP) was publicly consulted and put in place in 2024, it sets out Council's activities, work programmes and financial needs for the ensuing three years and, in less detail, over 10 years.

The Annual Plan 2025-2026 covers the second year of the LTP and provides a one-year snapshot of the council's intended work, including financial information like costs, funding, and rates. It details how our plans are progressing and reflects some changes to the planned work programmes, while ensuring Council stays aligned to its long-term goals.

ORC's Strategic Directions document provides broad goals that encompass all Council activity and helps to ensure goals are aligned with where council puts its efforts. Each Annual Plan process enables us to adapt and change our Long-Term Plan in response to community needs and central government changes. The Annual Plan is important for letting the community know if there are changes the Council is proposing. This enables the opportunity for communities to give councillors feedback about any changes.

In developing Council's Annual and Long-Term Plans elected regional councillors consider information and advice, including legislation that sets our roles and conduct, infrastructure plans such as flood, drainage and river schemes, natural hazards and climate change initiatives, transport plans and bus services, as well as a range of planning updates which are required to be completed.

# What has changed since the Long-Term Plan?

In the Long-Term Plan, a rates increase of 13.8% was forecast for year two, which is the 2025-2026 financial year. The planned rates increase was to help fund an expanded Council work programme. Through the Annual Plan process, Council reviewed the planned work, financial forecasts, assumptions and considered community feedback. The revised Annual Plan still includes an expanded work programme, although some work has been adjusted, revised or put on hold. The following pages outline the original LTP year two work programme, as well as the adjustments made in the draft Annual Plan, which was consulted with the community, and the final revisions. The Annual Plan adopted by Council in June 2025, provides for a work programme that totals \$140 million and represents a revised, and lower, overall rates increase of 5.5% (\$3.57 million).

The original LTP work programme for year two included:

- New scaled-up environmental funding.
- Passenger transport service improvements for Dunedin and Queenstown.
- Increased spending on river management and environmental implementation projects.
- A range of governance and democracy related work including implementing the Climate Change Strategy.
- Organisational structural change.
- Increased insurance costs.
- New IT licences and higher depreciation costs for replacing critical hardware and software.
- Higher spending on land and water science including monitoring.
- Provision for inflation across all operational expenditure.

Through the Annual Plan process Council reviewed the LTP spending and work programmes for year two, and subsequently decided to consult with the community on a proposed rates increase of 7.8% (\$3.9 million), rather than the 13.8% (\$9 million) indicated in the LTP. The smaller increase in rates was a result of considering Council direction and planned work programmes, and balancing this with the important need to reduce the rating impact on people in Otago, whilst still delivering for communities and the environment.

A key factor that assisted with the goal of reducing the rating impact for 2025-2026 was a reduction in Government co-funding for public transport. This meant that some planned public transport service improvements for Dunedin, the Queenstown ferry service improvements, regional public transport trials and a Wānaka/Upper Clutha business case were removed from the work programmes. Other changes impacting the lesser, but still rising, proposed rate take included:

- Refinement of river management plans - aspects of the programme were adjusted to reflect delivery capacity.
- Reducing our operational programme.
- Pausing work to identify new priority environmental implementation projects, reflecting the new environmental implementation funding.

All this meant that planned spending was proposed to be reduced by \$6 million, which is 4.4% of total planned operational expenditure for the Annual Plan year. This also reflected greater optimism that the impacts of inflation would be reduced. Additionally, the dividend received from Port Otago was forecast to rise by \$2 million, from \$18 million to \$20 million for the 2025-2026 financial year, which reduced the amount needed from the general rate, and therefore benefited all ratepayers across the region.

# Community Feedback

An integral part of Council's Annual and Long-Term Planning processes is listening to the community. The plan aims to strike a balance between Council's legislative responsibilities, the services that the people of Otago want Council to deliver, alongside the willingness and ability to pay.

As the draft Annual Plan largely reflected the work programme for Year 2 of the LTP, Council was not required to formally consult. However, Council decided in February to seek community feedback on the draft Plan. Community engagement ran for four weeks, from 17 March - 15 April 2025 and the engagement material included summaries of the proposed rating changes, public transport changes, the new large-scale environmental fund, changes to flood protection and drainage work programmes, and links to information on proposed changes to fees and charges.

The Annual Plan submission form did not have specific proposals and options for the community but asked for general feedback on the draft plan, with a specific question relating to the proposed changes to the schedule of fees and charges.

## Submission overview:

- 51 submissions were received.
- 17 were made on behalf of an organisation or group.
- 9 were received via email, the remainder being lodged online, there were no hard-copy submissions received.
- 11 submitters spoke to their submissions at the hearings, held on 27 May 2025.

**Geographic spread:** Submissions were received from across the region and the geographic spread of submitters was broadly reflective of Otago's population spread across territorial authorities with 54% of submissions coming from Dunedin, 19% from Queenstown Lakes, 13% from Waitaki, 8% from Clutha and 6% from Central Otago.

**Submission sentiment:** As in other years, the submissions we received on the draft Annual Plan covered a range of themes and reflected a variety of sentiment. Some submitters were in support of the planned programmes, draft budgets and rates, while others wanted ORC to do more. There were some who wanted ORC to reduce some work programmes, reduce spend and lower the rating impact.

**Submission topics:** A range of topics were covered in submissions. The key topics referenced in submissions included:

- Transport - more than half of all submissions provided feedback on Transport programmes or funding, with the majority asking Council to provide additional services or infrastructure, particularly in relation to cycle trails, the Wānaka/Upper Clutha trial and an Ōamaru-Dunedin service.
- New large-scale environmental fund - the majority of those who addressed this topic expressed support for the fund.
- Rates or expenditure - the majority of submissions that mentioned rates or Council spending, requested reductions; some asked for efficiencies or suggested different approaches to funding.
- Feedback on other topics included the Biodiversity Strategy, climate change, flood protection and river management, pollution response and catchment plans.

**Service and funding requests:** Submissions included a range of requests. Some of the requests for additional levels of service, are able to be addressed within the planned programmes and resourcing, while other requests would require additional resourcing if they were to be progressed. Council deliberated on these at its Finance Committee meeting on 27-29 May 2025.

**Fees and charges:** 16 submissions included feedback on the proposed changes to the schedule of fees and charges, with a range of perspectives expressed. However, in a number of the submissions it was unclear if the comments were specifically related to the schedule of fees and charges, or to funding more generally. Council are accepting the proposed changes to the schedule of fees and charges.



# Finalising the Annual Plan

To conclude the earlier funding discussions, in May Council reviewed community feedback on the draft Annual Plan and looked again at the revised budgets and work programmes for 2025-2026, while also considering the forecast financial position of the current year. During the Annual Plan deliberations on 27-28 May 2025 the Finance Committee made decisions which resulted in an overall rates increase of 5.5% (\$3.57 million) for the Annual Plan 2025-2026, compared to the current year. This is lower than the 7.8% rates increase proposed in the draft Annual Plan and lower than the forecast 13.8% increase in the LTP. The reduction in rates is due to some key decisions made at the Annual Plan deliberations. These changes include:

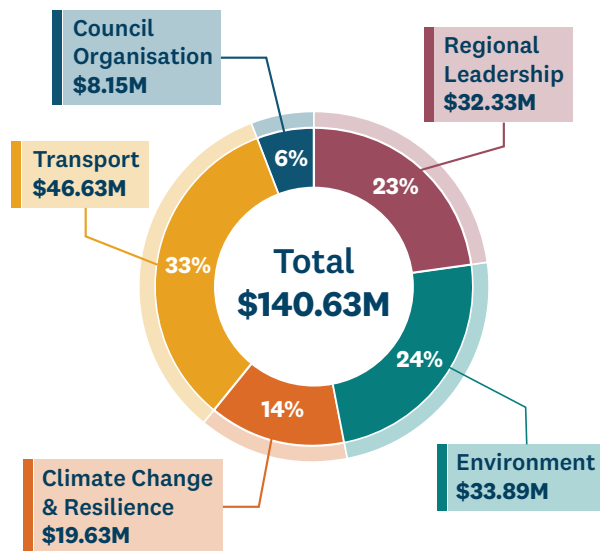
- **Reduced rates requirement for land and water planning:** \$700,000 of the rates collected for Land and Water Regional Plan (LWRP) work was not spent in 2024-2025. This was because Council paused work and is now waiting on government direction before picking up this work again. This means that the unspent funds can be carried over to the new financial year, which will reduce the associated rating requirement for this work in 2025-2026.
- **Increased public transport costs:** Some additional Public Transport bus contract costs and consumers price index (CPI) bus indexation costs were not included in the LTP. These costs relate to additional services in both Dunedin and Queenstown. The increased costs of the public transport services are \$3.2 million for Dunedin and \$1.2 million for Queenstown in 2025-2026. Council decided that for Dunedin it would rate to cover the additional costs and in Queenstown it would carry over unspent operating transport funds from the current year. Additionally Council requested staff to prepare a work plan that addresses any Health and Safety issues arising from the previously completed bus stop audit for delivery in the 2025-2026 year.
- **Reduced regional planning expenditure:** Due to progress made in the Regional Policy Statement and effective mediation rather than legal processes, Council has been able to reduce the Regional Planning budget and associated rates by \$500,000.
- **Wānaka/Upper Clutha public transport business case:** In response to community feedback on the draft Annual Plan, the Council agreed to reinstate the Wānaka/Upper Clutha public transport business case, which had been planned in the LTP. There is no government co-funding for this work, so it will be fully funded from general rates at a cost of \$250,000.
- **Large-scale environmental fund:** Council reiterated a commitment to introducing a large scale environmental fund and resolved to allocate up to \$2 million to the new large-scale environmental fund, with the final amount to be determined through the fund allocation process. Additionally, Council decided to fund this initiative from its reserves for 2025-2026, rather than rating to cover the costs in the first year.

The changes outlined above have resulted in a total operating expenditure of \$140.63 million for 2025-2026, with an associated rating requirement of \$68.47 million. This Annual Plan document summarises Council's intent and outlines the key work programmes and projects that Council will deliver for Otago over the coming year and identifies the costs of Council's activities and how these are funded.

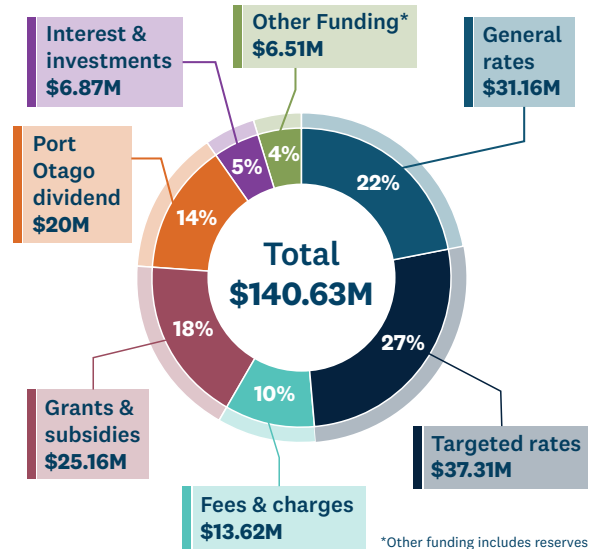
# Financial Summary

This Annual Plan includes a total operating expenditure of \$140.63 million and capital expenditure of \$20.56 million for 2025-2026. Council uses a range of mechanisms to fund its important work. Less than half of ORC's funding comes from rates; the rest comes from a range of sources including fees and charges, bus fares, grants, reserves, Port Otago Ltd dividends, interest and investments.

## Cost of ORC work



## How we fund our work



The table below shows the operating costs related to each group of activities and the associated funding sources.

Activity group	Funding source (\$'000s)							Total
	General rates	Targeted rates	Fees & charges	Grants & subsidies	Port Otago dividend	Interest & investments	Other funding*	
Regional Leadership	26,240	883	4,643	77	0	0	488	32,331
Environment	17,744	10,557	0	2,830	0	0	2,759	33,891
Climate Change & Resilience	4,349	11,628	337	1,753	0	0	1,561	19,627
Transport	4,358	14,237	8,642	20,503	0	0	-1,104	46,637
Council Organisation	-21,531	0	0	0	20,000	6,871	2,808	8,148
<b>TOTAL FUNDING</b>	<b>31,160</b>	<b>37,306</b>	<b>13,621</b>	<b>25,162</b>	<b>20,000</b>	<b>6,871</b>	<b>6,513</b>	<b>140,634</b>

\*Other funding includes reserves

There are different kinds of rates - general rates fund work that provides benefits across the whole region and are paid by every ratepayer. Targeted rates can be region-wide charges, such as the emergency management rate, or can be applied to specific properties which benefit from the activity. The overall rates increase for 2025-2026 is 5.5% (\$3.57 million); however, the spread of rates varies depending on the types of rates that are applicable to each area and across individual properties. The actual rates for each property will vary depending on the location and services provided.

More detailed information on the finance and funding implications of this Annual Plan can be found in the financial section of this document including financial statements, accounting policies, assumptions, and the schedule of fees and charges for 2025-2026.



# Strategic Directions 2024-2034

ORC's Strategic Directions 2024-2034 will continue to inform our decision-making over this three year LTP planning review cycle and a summary of key elements is provided below.

The diagram outlines the focus areas and the outcomes we want to achieve for each focus area.



## Strategic Goals

Our ambition is to make significant progress towards realising our vision over the next ten years by aligning our work programmes with six focus areas. We have set goals that link to the outcome for each focus area, which allows us to arrange and prioritise our work to ensure our aspirations are fulfilled.

The goals we have set for each focus area are as follows:

### Partnership

- 1 Te ao Māori concepts of intergenerationally and deeply connected systems are incorporated throughout Council's work programmes.
- 2 Mātauraka Māori and the principle of te mana o te wai are incorporated into our environmental planning, management, and decision making.
- 3 We always go above and beyond our statutory responsibilities (as prescribed in local government and treaty settlement legislation) to support the intention of the Crown to uphold the principles of the Treaty of Waitangi.

### Communities

- 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.

### Environment

- 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.

### Resilience

- 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.
- 2 Our infrastructure is designed and built to accommodate variability and uncertainty associated with changing weather patterns and sea level rise.
- 3 Our Regional Policy Statement and regional plans control development in areas that are vulnerable to natural hazards.

### Climate

- 1 The carbon footprint of our organisation is reduced in line with our Climate Change Strategy, and we are supporting and collaborating with others to do the same.
- 2 Climate change mitigation and adaptation are key considerations in all our decisions.
- 3 Our agriculture and horticulture systems are more climate resilient in the face of changing weather patterns, water availability and consumer choice.

### Transport

- 1 Congestion is reduced and connection is increased throughout the region.
- 2 Carbon emissions are reduced and air quality is improved across the region, supported by our efficient and affordable public transport services.
- 3 Active transport is the preferred mode for short journeys in urban areas.



# Partnering with Mana Whenua

## What does this mean?

The Otago Regional Council values our relationship with Te Rūnanga o Ngāi Tahu and our partnership with our Papatipu Rūnaka. We also continue to work collaboratively with our regional environmental entities to give effect to Te Tiriti o Waitangi and align with the strategic goals of ORC's partnership approach. These partnerships reflect our commitment to acknowledging and respecting the unique and enduring connection that iwi have with the land.

For the Otago Regional Council, legislative requirements represent the baseline. We strive to go beyond these statutory obligations to ensure meaningful engagement with iwi, upholding our commitment to Te Tiriti o Waitangi and the partnership it represents. This approach also acknowledges the significant value that engagement with Māori brings, particularly in the sharing of knowledge and wisdom as takata whenua.

## Steps to achieve this

The Otago Regional Council has processes and initiatives in place that give effect to the principles and requirements outlined in national legislation. These support the participation of **Kāi Tahu** and **Papatipu Rūnaka** and contribute to building their capacity to engage meaningfully in regional decision making.

Key partnership initiatives include:

- **Mana-to-Mana Governance Hui** — regular meetings between Kāi Tahu ki Otago Rūnaka, Ngāi Tahu ki Murihiku representative and ORC Councillors to discuss shared governance priorities.
- **Iwi Representation in Governance** — we have mana whenua-appointed representatives on our Environmental Strategy and Planning Committee, including one who serves as co-chair. Mana whenua are also represented on the Environmental Delivery Committee.
- **Memorandum of Understanding and Protocol (2003)** — a foundational agreement between ORC, Te Rūnanga o Ngāi tahu, and Kāi Tahu ki Otago that guides effective consultation and liaison.
- **Charter of Understanding (2016)** — formalises partnership with Te Ao Mārama Inc. and Southland rūnaka, recognising shared interests across regional boundaries.
- **Collaborative Policy Development** — we maintain an ongoing partnership with Aukaha 1997 Ltd (on behalf of Otago Rūnaka) and Te Ao Mārama Inc. (on behalf of Murihiku rūnaka) to ensure iwi perspectives are embedded in ORC's policy work, including the Land and Water Regional Plan.
- **Operational Support and Resourcing** — we maintain regular engagement at the staff level with

both Aukaha and Te Ao Mārama Inc., alongside our strategic partnership with mana whenua, to ensure Māori perspectives are embedded across key policy and planning processes.

## Supporting and embedding Te Tiriti commitments

These initiatives are enabled through ORC's internal planning and resource allocation, including:

- A dedicated Senior Advisor Iwi Partnerships and Engagement to lead and coordinate iwi engagement and capacity building across the organisation.
- Implementation of recommendations from an independent Te Tiriti o Waitangi audit conducted by Te Kura Taka Pini.
- Ongoing, sustainable funding commitments to Aukaha Ltd and Te Ao Mārama Inc. to support their capacity and long-term planning.
- Organisational development initiatives aimed at building cultural capability, deepening staff understanding of te ao Māori, and fostering more meaningful and authentic engagement with mana whenua.
- Alignment with ORC's Strategic Directions, which place partnership at the centre of achieving long-term environmental wellbeing and a thriving Otago.
- The Whare Rūnaka project, currently underway in partnership with Aukaha Ltd., reflects our shared aspiration to embed mana whenua narratives, identity, and presence into the design of ORC's new Dunedin office.
- The recently updated ORC website, developed in partnership with Aukaha, reflects a strong partnership approach, ensuring the region's cultural narratives, iwi voices and aspirations are visible, accessible and meaningfully represented in how we present and share our work.



# What we will deliver

## Our work is structured into five portfolios, which are aligned to our strategic directions.

We describe each portfolio in the following sections, including an overview of the work we do, why we do it and planned activities. We have also included levels of service, measures and targets for each portfolio, which we report against quarterly:

### Regional Leadership

- Governance and Community Engagement
- Regional Planning
- Regulatory

### Environment

- Land and Water
- Biodiversity and Biosecurity
- Air

### Climate Change and Resilience

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

### Transport

- Transport (including Regional Land Transport and Public Transport)

### Council Organisation

- Internal Services
- Port Otago



# Regional Leadership



Tunnel Beach, Ōtepoti Dunedin



## What Regional Leadership is

Our Regional Leadership work supports both the elected body of Council and the organisation in its role of decision making, partnering with mana whenua, and engaging with the community across the specific legislative responsibilities and other matters important to the Otago community.

We have three activities supporting our Regional Leadership work. They are:

- **Governance and Community Engagement**
- **Regional Planning**
- **Regulatory**

## Group Revenue and Expenditure - Regional Leadership

2024/25 LTP \$000s	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
13,343 Governance and Community Engagement	15,165	15,518
2,925 Regional Planning	3,066	2,640
12,568 Regulatory	13,846	14,173
<b>28,836 Expenditure</b>	<b>32,077</b>	<b>32,331</b>
23,346 General Rates	25,948	26,240
1,049 Targeted Rates	1,184	883
3,909 Fees & Charges	4,258	4,643
225 Grants	75	77
260 Other Income	260	10
47 Reserves	353	478
<b>28,836 Revenue</b>	<b>32,077</b>	<b>32,331</b>



# Governance and Community Engagement

## What we do

Connecting our communities in a timely and meaningful way to the work of the regional council is vital.

Through our elected representatives and communication and engagement activities, the many diverse voices from around Otago can be heard and be part of our decision-making process. In turn, we share the stories about our work, to raise awareness of the results of the investment Otago people make in us.

We aim to provide quality leadership that benefits our region and our work in this activity supports Councillors to carry out their duties.

The key programmes that make up this activity are:

- Communications and Marketing
- Governance and Democracy
- Engagement and Partnerships

## Why we do it

Supporting governance, good decision-making, and connecting and engaging with our communities in a timely way are essential. Legislation also enshrines principles, powers, duties and functions that underpin this activity and the need for it.

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>• Provide and promote governance processes and democratic decision-making by ensuring and supporting elected member committee structure and Council meetings.</li> <li>• Councillor and external appointees: Council/Committees/Mana to Mana/workshops Support; Regional meetings; Election 2025; Governance advice; projects; subscriptions.</li> <li>• Represent the diverse views and interest of the region in a fair and equitable way through engagement, communication and partnership.</li> <li>• Provide communications which enable the community to understand and participate in ORC's programmes and decision-making.</li> <li>• Supply communications and marketing materials for all consultations, and regional planning activity; Te Mātāpuna quarterly newsletter; community survey; website.</li> <li>• Develop and deliver robust and effective corporate planning and reporting for accountability and transparency.</li> </ul>
Revised work [change]	None to report.
Key Projects [one off]	Deliver 2025 Otago Regional Council local body election [as planned].

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS: Provide and promote governance processes and democratic decisions that are robust and transparent to the community.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Percentage of Council agendas that are publicly available two working days or more before a meeting.	100%	100%	100%	100%
Percentage of official information requests responded to within 20 working days of being logged.	100%	100%	100%	100%

**LoS: Develop and deliver robust and effective corporate planning and reporting.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements.	Annual Plan [Yr2] adopted by Council prior to 30 June 2025.  Council financial and activity performance against the Year 3 LTP 2021-31 reported to Council by October 2024.	Annual Plan [Yr3 LTP] adopted by Council prior to 30 June 2026.  Council financial and activity performance against the Year 1 LTP 2024-34 reported to Council by October 2025.	LTP 2027-37 adopted by Council prior to 30 June 2027  Council financial and activity performance against the Year 2 LTP 2024-34 reported to Council by October 2026.	Annual Plan adopted by Council prior to 30 June each year.  Council financial and activity performance reported to Council by October each year.

**LoS: Represent the diverse views and interest of the region in a fair and equitable way through engagement, communication and partnership.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
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.	Create and implement engagement plan and establish engagement data.	Maintain or increase numbers.	Maintain or increase numbers.	Maintain or increase numbers.

LoS: Provide relevant, timely and accessible communications which enable the community to understand and participate in ORC's programmes and decision-making.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Biannual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.	Report against the action plan to Council by March 2025.	Survey and action plan completed March 2026.	Report against the action plan to Council by March 2027.	Survey and action plan completed by March 2028.
Customers express high levels of satisfaction with customer service provision.	Develop Customer Policy to determine satisfaction levels.	Meet or exceed satisfaction target of 85%.	Meet or exceed satisfaction target of 85%.	Meet or exceed satisfaction target of 85%.



# Regional Planning

## What we do and why

This activity sets strategic direction for Otago's natural resources through a resource planning framework and programme that guides how people interact with the environment. In this framework, the Regional Policy Statement sits over the various regional plans, including water, land, air and the coast. They set out objectives, policies and rules for sustainably using natural and physical resources in Otago.

Other strategies and plans are also needed to support regulation, on-the-ground action, and community capacity building. Strategic direction and collaboration on important regional issues, such as climate change and community wellbeing, help support better outcomes for Otago communities.

Another important component of this activity is working with Otago's city and district councils on resource management and urban development. An integrated approach is sought via liaison with other functions, such as engineering, hazards management and transport planning.

The key programmes that make up this activity are:

- Regional planning programme (including the Regional Policy Statement)
- Urban development
- Response to policy issues
- Strategy (non-Resource Management Act)

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"><li>• Implement Regional Planning Programme: Regional Policy Statement;</li><li>• Jointly delivering National Policy Statement (NPS) Urban Development, and National Policy Statement Highly Productive Land. Statutory requirements with Tier 2 district councils — via future development strategies.</li><li>• Respond to national legislative processes to advocate for Otago.</li><li>• Implementation, monitoring of the Regional Climate Change Strategy.</li></ul>
Revised work [change]	<ul style="list-style-type: none"><li>• Notify Regional Plan Air in 2026.</li></ul>
Key Projects [one off]	<ul style="list-style-type: none"><li>• Complete an Air Strategy.</li></ul>

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

LoS: Support Otago's councils and communities to manage environmentally sustainable urban growth.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Support integrated and well managed urban growth across Otago.	Joint Queenstown Future Development Strategy completed by 30 June 2025.	No Target	Review of joint Future Development Strategies (Dunedin and Queenstown) completed by 30 June 2027.	No Target

LoS: Lead a regional approach to biodiversity management in collaboration with mana whenua, local councils, and other stakeholders.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Develop a regional biodiversity strategy and implement ORC actions.	Draft regional biodiversity strategy is made available for public consultation by 30 June 2025.	Regional biodiversity strategy is adopted by 30 June 2026.	ORC actions from the regional biodiversity strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.	ORC actions from the regional biodiversity strategy are implemented, the effectiveness of the strategy is monitored and reported to Council annually, and the strategy is reviewed every three years.

LoS: Lead a regional approach to climate change in collaboration with mana whenua, local councils, and other stakeholders.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Develop a Regional Climate Change Strategy and implement ORC actions.	ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.	ORC actions from the Regional Climate Change Strategy are implemented.	ORC actions from the Regional Climate Change Strategy are implemented.	ORC actions from the Regional Climate Change Strategy are implemented.
		The effectiveness of the strategy is monitored and reported to Council annually.	The effectiveness of the strategy is monitored and reported to Council annually.	The effectiveness of the strategy is monitored and reported to Council annually, and the strategy is reviewed every three years.

LoS: Lead a regional approach to air quality improvement in collaboration with mana whenua, local councils, and other stakeholders.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Develop a Regional Air Quality Strategy and implement ORC actions.	Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.	Draft Air Quality Strategy revised following public consultation by 30 June 2026.*	Regional Air Quality Strategy is adopted by June 2027.*	ORC actions from the Regional Air Quality Strategy are implemented, the effectiveness of the strategy is monitored and reported to Council annually, and the strategy is reviewed every three years.
*Targets have been revised for the Annual Plan 2025-2026.				





# Regulatory

## What we do and why

This activity ensures that ORC can fulfil its role as a regulatory authority supporting the sustainable management of water, land, air and the coast. We process resource consents, develop rules for how natural resources are used and managed, monitoring them and ensuring the rules are applied. We investigate activities that don't comply, providing services to ensure activities in Otago are consistent with both national and regional rules in the Resource Management Act (RMA).

As well as undertaking consent processing and monitoring compliance with consents, RMA and regional plans, ORC has an educational and awareness-raising role. The regulatory teams collaborate with Otago communities to increase knowledge and understanding of environmental matters.

We are also responsible for maritime activity and navigational safety on lakes, rivers and harbours and for the regulation of ports under the Maritime Transport Act. In Queenstown and Wānaka, navigational safety is delegated to the Queenstown- Lakes District Council. This work has a mix of achieving environmental (e.g. oil spill response) and 'people safety' (e.g. navigation) outcomes.

The key programmes that make up this activity are:

- Consent processing
- Compliance monitoring
- Incident response, investigation and enforcement
- Harbours and waterway management

## Key work for Year 2

The table below outlines key aspects of Council's planned work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>• Consent processing [cost recoverable]: Processing consents under regional plans and national regulations is a mandatory activity with mandatory timeframes.</li> <li>• Implementation of national regulations and regional plans - Implementing and providing regional context to national regulation and standards is a discretionary activity with discretionary timeframes.</li> <li>• Consent fund: Providing consent processing costs to community and catchment groups for environmental enhancement projects is a discretionary activity with discretionary levels of service and timeframes.</li> <li>• Incident response: Maintaining a 24/7 pollution hotline response to environmental complaints.</li> <li>• Supporting behaviour change and compliance education activities.</li> <li>• Investigations and enforcement: Investigating environmental incidents; taking appropriate enforcement action and legal proceedings, and investigating dam construction breaches.</li> <li>• Compliance monitoring - undertaking audits and compliance inspections for RMA consents, forestry and dairy activities and undertaking appropriate follow-ups to ensure compliance with conditions.</li> </ul>
Revised work [change]	Realignment of existing capacity from Environmental Implementation to Regulatory.
Key Projects [one off]	IRIS NextGen

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

LoS: Provide effective, efficient and customer centric consenting processes under the Resource Management Act (RMA) 1991 to enable the lawful use of natural and physical resources.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Percentage of resource consents applications processed within Resource Management Act 1991 legislative timeframes.	≥ 98%	≥ 98%	≥ 98%	≥ 98%
Percentage of public enquiries for consent information responded to within 10 working days.	Maintain or increase  Note: Year 1 establish a measurement baseline	98%	98%	98%

LoS: Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Percentage of performance monitoring returns completed each year, as per the compliance audit and performance monitoring schedule targets*.	≥90%	≥90%	≥90%	≥90%
Percentage of programmed inspection/audits completed each year, as per the compliance audit and performance monitoring schedule targets*.	≥90%	≥90%	≥90%	≥90%
Percentage of significant non-compliance incidents identified where action is taken in accordance with Compliance policy**.	100%	100%	100%	100%

\*Note: Compliance audit and performance monitoring schedule is presented and approved by Council each year.

\*\*Note: Please click [here](#) for the Compliance plan 2023-2026.

LoS: Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Maintain 24-hour/7 day a week response for environmental incidents.	Pollution hotline staff available/ on call 24/7.	Pollution hotline staff available/ on call 24/7.	Pollution hotline staff available/ on call 24/7.	Pollution hotline staff available/ on call 24/7.
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	20 responders attend 3 exercises per year.	20 responders attend 3 exercises per year.	20 responders attend 3 exercises per year.	20 responders attend 3 exercises per year.

LoS: Develop and maintain robust regulations and procedures to enable safe use and navigation of our region's ports, harbours, coastal areas and inland waterways.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Maintain compliance with Port and Harbour Marine Safety Code.	External review is completed and deemed to be code consistent.	Annual self review is completed by ORC and Port Otago Ltd (POL) and signed off by the chief executives.	Annual self review is completed by ORC and POL and signed off by the chief executives.	Annual self review is completed by ORC and POL and signed off by the chief executives.

LoS: Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
The safety campaign for recreational 'boaters' is delivered.	80% achieved	Develop and deliver a recreational boating engagement plan.*	Develop and deliver a recreational boating engagement plan.*	Develop and deliver a recreational boating engagement plan.*
*Targets have been revised for the Annual Plan 2025-2026.				



## Funding Impact Statement - Regional Leadership

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>Sources of Operating Funding</b>			
23,346	General rates, uniform annual general charge, rates penalties	25,948	26,240
1,049	Targeted rates	1,184	883
225	Subsidies and grants for operating purposes	75	77
3,909	Fees and charges	4,258	4,643
0	Internal charges and overheads recovered	0	10
260	Local authorities fuel tax, fines, infringement fees and other receipts	260	0
<b>28,789</b>	<b>Total Sources of Operating Funding ( A )</b>	<b>31,724</b>	<b>31,853</b>
<b>Applications of Operating Funding</b>			
22,272	Payments to staff and suppliers	24,070	24,585
0	Finance costs	0	0
6,428	Internal charges and overheads applied	7,851	7,610
5	Other operating funding applications	5	0
<b>28,705</b>	<b>Total Applications of Operating Funding ( B )</b>	<b>31,927</b>	<b>32,195</b>
<b>84</b>	<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>(202)</b>	<b>(342)</b>
<b>Sources of Capital Funding</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total Sources of Capital Funding ( C )</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
0	Capital Expenditure - To meet additional demand	0	
175	Capital Expenditure - To improve level of service	54	0
38	Capital Expenditure - To replace existing assets	29	29
(130)	Increase / (Decrease) in reserves	(286)	(371)
0	Increase / (Decrease) in investments	0	0
<b>84</b>	<b>Total Applications of Capital Funding ( D )</b>	<b>(202)</b>	<b>(342)</b>
<b>(84)</b>	<b>Surplus / (Deficit) of Capital Funding ( C - D )</b>	<b>202</b>	<b>342</b>
<b>0</b>	<b>Funding Balance ((A – B) + (C – D))</b>	<b>(0)</b>	<b>0</b>



# Environment



Miromiro/Tomtit



## What Environment is

Our environment portfolio is diverse and is aimed at supporting Otago to have a healthy environment, including thriving ecosystems and communities and flourishing biodiversity. It also encompasses both the completion and implementation of plans relating to Otago's natural environment (e.g. Land and Water Regional Plan, Regional Pest Plan, Biodiversity Strategy).

The following three activities underpin 'Environment':

- **Land and Water**
- **Biodiversity and Biosecurity**
- **Air**

## Group Revenue and Expenditure - Environment

2024/25 LTP \$000s	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
20,140 Land & Water	21,875	20,125
8,955 Biodiversity & Biosecurity	12,013	11,996
1,377 Air	1,792	1,769
<b>30,472 Expenditure</b>	<b>35,680</b>	<b>33,891</b>
17,003 General Rates	18,346	17,744
10,498 Targeted Rates	14,400	10,557
0 Fees & Charges	0	0
2,886 Grants	2,831	2,830
0 Other Income	0	0
85 Reserves	103	2,759
<b>30,472 Revenue</b>	<b>35,680</b>	<b>33,891</b>



# Land and Water

## What we do

Our role involves working with Otago communities to manage activities that impact on health and well-being of water bodies and freshwater ecosystems. To do this well, we need robust, integrated and consistent regional plans and strategies. We drafted a new Land and Water Plan (LWRP), with mana whenua Kāi Tahu. The intention of the plan was to give comprehensive direction for managing land and water resources in the region. However, further work on the LWRP has been paused as we await Government direction, this will ensure our plan is able to align with the new National Policy Statement on Freshwater Management, which the government is developing.

We also assess water quality and quantity through our network of monitoring sites across the region, and this data informs planning and future decision-making. Our water monitoring and science programmes have expanded to include monitoring estuaries, the coast, groundwater, biomonitoring, land-use and soil monitoring.

We collaborate with communities to protect Otago's water and land resources through education, engagement and action. Our implementation programme includes education and support for landowners and catchment groups, as well as involvement in community-led projects and remediation works.

The key programmes which make up this activity are:

- Land and Water Planning
- Land and Water Implementation
- Land and Water Science and Monitoring

## Why we do it

Protecting our high-quality freshwater and improving degraded freshwater is a key community concern in the region. Although some parts of the region, such as the lakes, river and stream reaches are located at high elevations, typically they have good or excellent water quality. Other parts, such as urban or more intensively farmed catchments, often have poorer water quality. Specific catchments, or Freshwater Management Units, will have distinctive characteristics that create unique challenges, which require different solutions to improve water quality when it is degraded. Additionally, there is pressure on water allocation in some drier inland parts of the region.

ORC has a key role to play to ensure Otago's land, water and coast support healthy ecosystems, and community well-being.

- ORC has powers to control the use of water, land and the coast under the Resource Management Act 1991.
- ORC must engage with the region's communities and develop regulatory methods and non-regulatory responses to achieve these visions and objectives (National Policy Statement for Freshwater).
- It has the technical expertise and knowledge to advise on the region's environmental health, issues and risks, and to monitor water resources.

Importantly, water also plays a significant role in Kāi Tahu spiritual beliefs and cultural traditions. When the natural environment is strong and healthy, the people are strong and healthy and so too is their mana.

## Key work for Year 2

The table below outlines key aspects of Council's planned work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>• <b>Land and Water Planning:</b> Reviewing Coast Plan to notify proposed plan by 30 June 2028.</li> <li>• <b>Freshwater Implementation:</b> The consultation proposal to increase the level of funding support to community-based groups to improve water quality, support for best practice land use and regulatory change begins.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Environmental Monitoring:</b> Implement environmental monitoring programmes for Land, freshwater resources and coastal environment; implement water quality monitoring network review;</li> <li>• <b>Science:</b> Annual and 'State of Environment' (SoE) reporting; Water allocation Reviews; Highly Allocated Catchment Assessments; Scientific advice and support for catchment management planning and environmental projects (ongoing).</li> </ul>
Revised work [change]	<ul style="list-style-type: none"> <li>• <b>Land and Water Planning:</b> The LTP work programme for the Land and Water Regional Plan has been paused to reflect government legislation and direction to ORC on process, including revision of the National Policy Statement Freshwater Management.</li> <li>• <b>Freshwater Implementation:</b> Pause work on agreeing and implementing new site-specific collaborative projects for degraded water bodies [i.e. new projects in addition to the existing three projects of Lake Hayes, Tuakitoto, and Tomahawk Lagoon projects].</li> </ul>
Key Projects [one off]	None to report.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS:** Implement environmental monitoring programmes across the region which provide accurate, relevant and timely information to decision-makers and the Otago public.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments.	Annual report for each of the four environments to Council prior to 30 June 2025.  [4 reports = achieved]	Annual report for each of the four environments to Council prior to 30 June 2026.  [4 reports = achieved]	Annual report for each of the four environments to Council prior to 30 June 2027.  [4 reports = achieved]	Annual report for each of the four environments to Council prior to 30 June each year.  [4 reports = achieved]

**LoS:** Provide a robust and integrated environmental planning framework for Otago's land, water and coast resources.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Complete the Land and Water Regional Plan (LWRP).	Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.	Review the draft LWRP against new national direction to freshwater.*	No target*	Target TBC*

Complete a review of the Regional Plan Coast.	No target	Issues and options papers developed and reported to Council by 30 June 2026.	No target	Draft Regional Plan Coast ready for Council decision on notification by 30 June 2028.*
*Targets have been revised for the Annual Plan 2025-2026.				

LoS: Promote and enable best practice land management for soil conservation, water quality preservation and the efficient use of water.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
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.	At least 12 ORC led workshops or events are delivered annually.	At least 12 ORC led workshops or events are delivered annually.	At least 12 ORC led workshops or events are delivered annually.	At least 12 ORC led workshops or events are delivered annually.

LoS: Partner with iwi and collaborate with communities and landowners to develop and implement projects which enhance water quality and indigenous biodiversity in selected degraded water bodies.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Site specific projects are developed for selected degraded waterbodies.	Project actions have been progressed as scheduled.  <i>Note:</i> [>80% = achieved]	At least 80% of project actions are progressed as scheduled.	At least 80% of project actions are progressed as scheduled.	At least 80% of project actions are progressed as scheduled.

LoS: Develop and maintain an integrated catchment management programme that aligns with national directions and enables sustainable environmental management.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Catchment Action Plans give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community.	One Catchment Action Plan to be presented to Council for approval by 30 June 2025.	One Catchment Action Plan to be presented to Council for approval by 30 June 2026.	One Catchment Action Plan to be presented to Council for approval by 30 June 2027.	One Catchment Action Plan to be presented to Council for approval by 30 June each year.



# Biodiversity and Biosecurity

## What we do

### Biodiversity

Council's biodiversity work programme is growing and our monitoring programme is progressing. We are strengthening partnerships across the region and we encourage and empower communities to take local action through our ECO Fund.

Our biodiversity work programme incorporates:

- Collaboration and partnership
  - Support to community groups and partners for joint projects.
  - Joint Project delivery via support and advice to partners and community.
  - Administration and support associated with grant funding.
  - QEII covenant incentive and partnership funding.
  - OSPRI transition initiatives.
- Technical advice and management
  - Management plans for high biodiversity sites.
  - Education material.
  - Catchment and operational planning (to implement strategy).
- Science-based monitoring

### Biosecurity

Our Regional Pest Management Plan 2019-2029 (RPMP) sets out the framework for how pest plants and animals will be managed in Otago. It is supported by our Biosecurity Strategy that looks at how we will work with organisations and communities to achieve the goals set out in the RPMP.

Our biosecurity work supports the control of prolific pests, such as feral rabbits. We do this by educating our communities, facilitating compliance through funding projects. Council also plays a lead role in facilitating government funding and overseeing projects such as wilding conifer removal and wallaby eradication.

The key programmes which make up this activity are:

- Biodiversity implementation
- Biodiversity monitoring
- Catchment planning and advice
- Biosecurity (pest management)

### Why we do it

At a national level, the Te Mana o te Taiao — Aotearoa New Zealand Biodiversity Strategy 2020 articulated the urgency of addressing biodiversity decline in New Zealand, and the National Policy Statement for Indigenous Biodiversity 2023 identified a key role for regional government in leading collaboration and coordinating efforts.

Under the Biosecurity Act 1993, Otago's Regional Pest Management Plan identifies 51 species to be managed by land occupiers, with oversight from ORC.

There are many agencies and stakeholders across different land tenures involved in and/or with an interest in biodiversity in Otago. ORC has a remit across all of Otago to promote biodiversity protection and enhancement. It has a key role in facilitating regional collaboration, including both developing a monitoring approach and seeking to partner in projects and initiatives.

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>● <b>Biosecurity:</b> Deliver the Regional Pest Management Plan; review the plan with Council to confirm its timing; surveillance of biosecurity issues and threats; development and implementation of marine biosecurity programme; community programmes support and delivery: National programme delivery.</li> <li>● <b>Biodiversity:</b> ECOFund applications and administration; Partnership/Incentive Funding QEII; OSPRI transition; education materials; high biodiversity site management plans; mana whenua engagement.</li> <li>● Coordinate collaboration on biodiversity programmes and initiatives within the region.</li> <li>● <b>Science and monitoring:</b> Advise on the review of the Biodiversity Strategy; Advise and support plan review consistent with the NPS-IB (Y2 onwards). Threatened species mapping; Scroll Plain Management Plan development; wetland delineation and mapping.</li> <li>● New large-scale environmental fund initiative (up to \$2 million to be allocated in 2025-2026).</li> </ul>
Revised work [change]	None to report.
Key Projects [one off]	<ul style="list-style-type: none"> <li>● <b>Biodiversity science and monitoring:</b> Develop and implement a regional indigenous biodiversity ecosystem monitoring programme consistent with the NPS-IB (underway and ongoing).</li> </ul>

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS:** Implement an indigenous biodiversity monitoring programme across the region which provides accurate, relevant and timely information to decision-makers and the Otago public.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Report the results of environmental monitoring for regional indigenous biodiversity ecosystems. <i>Note: monitoring programme reporting includes freshwater, inland and coastal wetland, coastal and terrestrial ecology.</i>	Annual report completed prior to 30 June 2025.	Annual report on monitoring programme completed and reported to Council on 30 June 2026.	Annual report on monitoring programme completed and reported to Council on 30 June 2027.	Annual report on monitoring programme completed and reported to Council on 30 June each year.
<i>Note: 4 reports = achieved; 3 reports = partially achieved; &lt;3 reports = not achieved</i>				

LoS: Collaborate with iwi, DOC and other key organisations through leading the Otago Biodiversity Forum and develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed.	New projects and associated milestones are developed and reported to Council and forum partners.	At least one new project is developed and implemented with biodiversity forum partners	At least one new project is developed and implemented with biodiversity forum partners	At least one new project is developed and implemented with biodiversity forum partners
Joint projects are implemented against milestones.	Project actions have been progressed as scheduled.  [>80% = achieved]	At least 80% of project actions are progressed as scheduled.	At least 80% of project actions are progressed as scheduled.	At least 80% of project actions are progressed as scheduled.

LoS: Provide support and funding to selected initiatives and organisations across the region which deliver environmental outcomes that align with our strategic objectives.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Alignment between *initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives. * Initiatives and deliverables provided by non-council groups and organisations.	80% alignment  [80-100% = achieved]	All environmental projects and initiatives are aligned to at least one of the Council's environmental strategic objectives.	All environmental projects and initiatives are aligned to at least one of the Council's environmental strategic objectives.	All environmental projects and initiatives are aligned to at least one of the Council's environmental strategic objectives.

LoS: Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Actions within the Biosecurity Operational Plan (BOP) are progressed.	90% of actions progressed within time frames specified.	80% of non-priority pest management actions are achieved.*	80% of non-priority pest management actions are achieved.*	80% of non-priority pest management actions are achieved.*
	100% of targets for priority pests are delivered.	100% of priority pest management actions are achieved.*	100% of priority pest management actions are achieved.*	100% of priority pest management actions are achieved.*
*Targets have been revised for the Annual Plan 2025-2026.				



LoS: Ensure that ORC's externally funded biosecurity programmes (such as wilding conifers, wallabies and Check, Clean, Dry) are delivered as per the agreement.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Externally funded biosecurity projects/programmes are implemented as per their agreements.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.

LoS: Ensure that ORC's externally funded Freshwater programmes (such as Essential Freshwater Hill Country Erosion Funding) are delivered as per the agreement.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Externally funded freshwater projects/programmes are delivered as per their agreements.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.	90% of deliverables in the agreements with Central Government are progressing as scheduled.



# Air

## What we do and why

Good air quality is necessary for health and wellbeing. We are responsible for making sure our region complies with the government's National Environmental Standard for Air Quality 2004 and, under the Resource Management Act 1991, for controlling the discharge of contaminants into the air.

Meeting air quality standards is especially challenging in areas with extremely cold winter weather and temperature inversions. Otago's air quality often degrades during winter when domestic heating emissions increase with cold and calm weather and inversion layers occur.

We monitor air quality at sites across Otago, including Milton, Mosgiel, Dunedin, Alexandra, Clyde, Cromwell and Arrowtown. These sites measure the concentration of particles in the air and capture a mixture of pollutants.

Key programmes which make up this activity are:

- Regional Plan - Air
- Air monitoring

## Key work for Year 2

The table below outlines key aspects of Council's planned work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"><li>• <b>Science and monitoring:</b> Ambient Air Quality — Annual and State of the Environment air quality monitoring and reporting (annual and ongoing); Bespoke studies (ongoing); Advise air plan review and implementation (ongoing). Additional funding and FTE.</li><li>• Installing monitoring sites/assets.</li><li>• Work under the regional planning activity contributes to air quality and includes the Regional Plan - Air and Air Quality Strategy.</li></ul>
Revised work [change]	None to report.
Key Projects [one off]	None to report.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS: Monitor Otago's air quality and make accurate, relevant and timely information publicly available.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council.	Annual report on monitoring programme of previous calendar year completed and reported to Council. Note: 95% = achieved	Annual report on monitoring programme of previous calendar year completed and reported to Council.	Annual report on monitoring programme of previous calendar year completed and reported to Council.

**LoS: Provide a robust and integrated environmental planning framework for Otago's air resource.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Complete the review of the Regional Plan - Air	Council approves Regional Plan - Air for notification by 30 June 2025.	Complete a public engagement campaign and pre-notification consultation on draft Regional Plan - Air.*	No target*	Target TBC*.
*Targets have been revised for the Annual Plan 2025-2026.				





## Funding Impact Statement - Environment

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>Sources of Operating Funding</b>			
17,003	General rates, uniform annual general charge, rates penalties	18,346	17,744
10,498	Targeted rates	14,400	10,557
2,886	Subsidies and grants for operating purposes	2,831	2,830
0	Fees and charges	0	0
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
<b>30,387</b>	<b>Total Sources of Operating Funding ( A )</b>	<b>35,577</b>	<b>31,131</b>
<b>Applications of Operating Funding</b>			
24,957	Payments to staff and suppliers	28,991	27,825
0	Finance costs	0	0
5,123	Internal charges and overheads applied	6,237	5,624
0	Other operating funding applications	0	0
<b>30,081</b>	<b>Total Applications of Operating Funding ( B )</b>	<b>35,229</b>	<b>33,449</b>
<b>306</b>	<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>348</b>	<b>(2,318)</b>
<b>Sources of Capital Funding</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total Sources of Capital Funding ( C )</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
0	Capital Expenditure - To meet additional demand	0	
355	Capital Expenditure - To improve level of service	519	414
425	Capital Expenditure - To replace existing assets	436	434
(474)	Increase / (Decrease) in reserves	(607)	(3,166)
0	Increase / (Decrease) in investments	0	0
<b>306</b>	<b>Total Applications of Capital Funding ( D )</b>	<b>348</b>	<b>(2,318)</b>
<b>(306)</b>	<b>Surplus / (Deficit) of Capital Funding ( C - D )</b>	<b>(348)</b>	<b>2,318</b>
<b>0</b>	<b>Funding Balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>

# Climate Change and Resilience



Matukituki River — Wānaka in the distance

## What Climate Change and Resilience is

Our climate change and resilience work is aimed at supporting the region to adapt to the effects of climate change and to manage and reduce the risks of natural hazards. Integration of work within the activity is clear and present including:

- Our science and knowledge-based work advising and supporting our 'on the ground' management of risk.
- Our ownership, planning and management of infrastructure-based flood protection services.
- Our work to understand the implications of climate change and the implication for our Infrastructure Strategy. Climate change has implications beyond this strategy because the Council is working to understand the broader issues, risks and challenges. This informs adaptation planning.
- Our preparedness for natural risk events that embody our understanding of these events, their potential severity, impact-nature and response.

The following activities underpin 'Climate Change and Resilience':

- **Natural hazards and climate change**
- **Flood protection, drainage and river management**
- **Emergency management**

## Group Revenue and Expenditure - Climate Change and Resilience

2024/25 LTP \$000s	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
3,524 Natural Hazards & Climate Change	3,454	3,438
11,191 Flood Protection, Drainage & River Management	13,579	12,189
3,730 Emergency Management	4,018	4,000
<b>18,445 Expenditure</b>	<b>21,052</b>	<b>19,627</b>
4,420 General Rates	4,885	4,349
10,984 Targeted Rates	11,692	11,628
326 Fees & Charges	340	337
35 Grants	36	1,753
256 Other Income	256	256
2,424 Reserves	3,842	1,305
<b>18,445 Revenue</b>	<b>21,052</b>	<b>19,627</b>



# Natural Hazards and Climate Change

## What we do and why

The key programmes within this activity are:

- Natural hazards
- Adaptation — natural hazards and climate change
- Flood planning and forecasting

These work programmes combine to both set direction on the management of natural hazard risks in Otago and provide advice on managing related risk. Our role is to:

- Monitor and investigate natural hazards to inform our understanding of risk and opportunity relevant to community resilience.
- Communicate our understanding of risk and, where appropriate, options for managing it. This is both internally to council and externally to a wide range of organisations, groups and affected communities.
- Developing a comprehensive spatial approach to natural hazards to inform future priorities, at the same time as undertaking projects for the risks we already know about.

- Lead and collaborate on key projects to prepare and adapt to natural hazards and climate change.
- Support other activity, particularly Emergency Management and ORC's Engineering team, to understand impacts of flood events. This is provided in a planned way (e.g. potential scenarios) and in 'real time' via assessing actual events prior to and as they occur.

While there is legislation that directs ORC to address natural hazards risk and climate change as part of regional-scale planning, our experience, knowledge and community tells us that we need to be active regarding the wide variety of substantive natural hazards present in Otago. They impact people, property, infrastructure and the wider environment, so we should at least be aware and ideally manage risk where practicable.

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>• Otago natural hazards risk assessment. The natural hazards management and adaptation programmes are based on this assessment. Scoping to be completed Year 2 and implementation starts Year 3 with phased delivery over time.</li> <li>• Flood hazard assessments (including Lindsay Creek, Alexandra, Middlemarch).</li> <li>• Otago Natural Hazards Database.</li> <li>• Assist territorial authorities with natural hazards and risk information (e.g. District Plan reviews, plan changes).</li> <li>• Natural hazards adaptation: Clutha Delta, Head of Lake Whakatipu, South Dunedin.</li> <li>• Roxburgh natural hazards management investigations.</li> <li>• Regional planning is the lead activity for the Climate Change Strategy.</li> </ul>
Revised work [change]	None to report.
Key Projects [one off]	None to report.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS:** Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Natural hazards information is available via the web-based Otago Natural Hazards Database.	Database is accessible and up-to-date 100% of the time.	Database is accessible and up to date 100% of the time.  Partially achieved: 80-99% Not achieved: <80%	Database is accessible and up to date 100% of the time.  Partially achieved: 80-99% Not achieved: <80%	Database is accessible and up to date 100% of the time.  Partially achieved: 80-99% Not achieved: <80%
Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%	100%  Partially achieved: 80-99% Not achieved: <80%	100%  Partially achieved: 80-99% Not achieved: <80%	100%  Partially achieved: 80-99% Not achieved: <80%

## LoS: Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Deliver a natural hazards management and adaptation work programme based on a new prioritisation process.*	New measure	Natural hazards prioritisation process as presented to the Safety and Resilience Committee in November 2024 is completed by June 2026.*	Annual review of priorities is completed by June 2027.*	Annual review of priorities is completed each year.
Implement prioritised natural hazard risks adaptation works.	<p>The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024.</p> <p>Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.</p>	Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.	Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.	Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.
Implement prioritised natural hazard risks adaptation works.	Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan.	Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan.	Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan.	Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan.
Implement prioritised natural hazard risks adaptation works.	No target	Phase 1 and phase 2 of the Clutha Delta natural hazards adaptation programme completed by 30 June 2026.*	Phase 3 and phase 4 of the Clutha Delta natural hazards adaptation programme completed by 30 June 2027.*	Actions developed, implemented and reviewed, as per Clutha Delta natural hazards adaptation strategy.
*Targets have been revised for the Annual Plan 2025-2026.				



# Flood Protection, Drainage and River Management

## What we do and why

The Council has a range of flood protection and drainage schemes which make up this activity.

They are:

Flood protection and drainage	River management
Alexandra flood protection	Designation and bylaws
Leith flood protection	Dunedin rivers and waterways
Lower Clutha flood and drainage	Clutha rivers and waterways
West Taieri drainage	Central Otago rivers and waterways
East Taieri drainage	Queenstown-Lakes' rivers and waterways
Lower Taieri Flood Protection Scheme	Waitaki rivers and waterways
Tokomairiro drainage	Lower Waitaki river control scheme (Environment Canterbury)

The ORC owns and is responsible for operation and maintenance of the above schemes. The only exception is the Lower Waitaki River Control Scheme that we own but commission external management for parts of. ORC is responsible for a lot of infrastructure, including 218km of floodbanks, 14 pumping stations, 42 bridges, 535km of drains, and 369 culverts — all of which can be impacted by things like climate change, settlement trends and change in land use. Around 43,000ha of rural and urban land is serviced by infrastructure associated with these schemes. The schemes, associated infrastructure assets and more specific detail such as why we provide the service, the issues, service standards and work programmes, are detailed in our Infrastructure Strategy.

Core functions include:

- Maintenance, renewal and development of infrastructure.
- Investigation, development and renewal of amenity projects.
- Operation of flood protection and drainage schemes during floods.
- Operation of drainage schemes 24/7 to support activity on land associated with the scheme.
- Bylaw processing and monitoring technical compliance with bylaws.
- River management including the control of channel erosion, willow maintenance, vegetation control, removing obstruction, and repairing critical erosion works.
- Input to consent applications for gravel extraction with a focus on flood protection and river health.

## Key work for Year 2

The work programme as defined in the Infrastructure Strategy has been reviewed and updated as part of the Annual Plan 2025-26. The detailed draft work programme can be found on the website.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li>• Investigations looking at hazards in Middelmarsh and Lindsay Creek (North Dunedin), resilience work for the Kaikorai Stream near Green Island.</li> <li>• Installation of river mouth monitoring technology in key areas.</li> <li>• Establish liaison groups — a decision made during the Long-Term Plan process. Lower Taieri, was recently set-up and will be followed by new liaison groups for the Lower Clutha and Tokomairi catchment schemes.</li> <li>• Maintenance of flood and drainage infrastructure: 218km of floodbanks, 14 pumping stations, 42 bridges, 535km of drains, and 369 culverts.</li> </ul>
Revised work [change]	<ul style="list-style-type: none"> <li>• Timing of delivery - while more work is planned across the region over the long term, less than forecast will be spent in 2025–2026. This is because the focus is largely on planning for efficient project delivery in subsequent years.</li> <li>• In the LTP there was a focus on increasing quantity and scale of river management works across Otago with a significant ramp up of our operational river management budgets forecast. However, analysis of the programme, the regulatory environment, the resource needs and availability has indicated that this growth will occur over a longer period. Operational river management budgets for Year 2 have subsequently been reduced to reflect this.</li> <li>• Reduction in river channel maintenance within scheme boundaries; however, the LTP still forecasts an increase in this activity in future years as Engineering obtains the necessary resource consent and embeds the associated practices to execute this activity. Note that this does not affect specific projects that have been identified within scheme boundaries, such as Silver Stream capacity maintenance.</li> </ul>
Key Projects [one off]	<ul style="list-style-type: none"> <li>• Completion of the West Taieri contour channel resilience project, which has strengthened the scheme and reconstructed parts of the floodbank. This work is funded by ORC and central government.</li> </ul>

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS: Protect communities, their livelihoods and infrastructure from the impacts of flood events.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
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.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.
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.	≥ 85% of renewal programmes completed.	≥ 85% of renewal programmes completed.	≥ 85% of renewal programmes completed.	≥ 85% of renewal programmes completed.

**LoS: Respond efficiently and effectively to community issues relating to rivers, schemes and flood events.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
The flood repair programme is made available to affected communities within 3 months of the event.	100%	100%	100%	100%
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	100%	98%*	98%*	98%*

\*Targets have been revised for the Annual Plan 2025-2026.

**LoS: Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Percentage of planned maintenance programme: channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.	≥ 85% of planned maintenance programme completed.



# Emergency Management

## What we do and why

This activity is responsible for the coordination of hazard reduction, readiness, response and recovery for emergency events. It is provided in partnership with councils, emergency response organisations and other stakeholders of the Otago region.

The work of the Otago Civil Defence Emergency Management (CDEM) Group is administered and coordinated by the Otago Regional Council, while governance and operations are overseen by the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee.

This committee has the statutory responsibility for civil defence emergency management in Otago. It is a statutory committee of Council under the Civil Defence Emergency Management Act 2002 (the Act) and the Local Government Act. Ultimately it is responsible for:

- Integrating and coordinating civil defence emergency management planning and activities
- Ensuring the response to and management of the adverse effects of emergencies within Otago
- Overseeing the coordination of the response and recovery activities across a range of agencies

## Key work for Year 2

The table below outlines key aspects of Council's planned work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"><li>• Implement the 'Group Plan'.</li><li>• Lifelines: defines regional critical infrastructure risk and identifies priorities for resilient infrastructure investment.</li><li>• Warning system remains operational.</li><li>• Mana whenua emergency management facilitator: marae and mana whenua networks that are resilient in the face of emergencies.</li><li>• Community resilience: Clued Up Kids programme.</li><li>• ORC Emergency Coordination Centre (ECC) Training and Capability: ORC staff are trained and capable.</li></ul>
Revised work [change]	None to report.
Key Projects [one off]	Integrative projects with Hazards Activity: Flood modelling, tsunami modelling.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS: Support the Otago CDEM Group in improving the resilience of Otago to Civil Defence emergencies.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM.	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.

**LoS: Provide resources to coordinate a region-wide response to a Civil Defence emergency**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency.	An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.	An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.	An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.	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.	Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response.	Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response.	Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response.
Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency.	Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies.	Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies.	Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies.	Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies.

## Funding Impact Statement - Climate Change and Resilience

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>Sources of Operating Funding</b>			
4,420	General rates, uniform annual general charge, rates penalties	4,885	4,349
10,984	Targeted rates	11,692	11,628
35	Subsidies and grants for operating purposes	36	1,753
326	Fees and charges	340	337
0	Internal charges and overheads recovered	0	986
256	Local authorities fuel tax, fines, infringement fees and other receipts	256	256
<b>16,021</b>	<b>Total Sources of Operating Funding ( A )</b>	<b>17,209</b>	<b>19,309</b>
<b>Applications of Operating Funding</b>			
14,637	Payments to staff and suppliers	16,606	15,434
0	Finance costs	0	0
2,892	Internal charges and overheads applied	3,445	4,227
0	Other operating funding applications	0	0
<b>17,529</b>	<b>Total Applications of Operating Funding ( B )</b>	<b>20,051</b>	<b>19,661</b>
<b>(1,508)</b>	<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>(2,842)</b>	<b>(352)</b>
<b>Sources of Capital Funding</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total Sources of Capital Funding ( C )</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
0	Capital Expenditure - To meet additional demand	0	0
1,265	Capital Expenditure - To improve level of service	385	0
3,360	Capital Expenditure - To replace existing assets	6,470	7,997
(6,133)	Increase / (Decrease) in reserves	(9,697)	(8,349)
0	Increase / (Decrease) in investments	0	0
<b>(1,508)</b>	<b>Total Applications of Capital Funding ( D )</b>	<b>(2,842)</b>	<b>(352)</b>
<b>1,508</b>	<b>Surplus / (Deficit) of Capital Funding ( C - D )</b>	<b>2,842</b>	<b>352</b>
<b>0</b>	<b>Funding Balance ((A – B) + (C – D))</b>	<b>(0)</b>	<b>0</b>



# Transport



Shotover Bridge, Central Otago

## What Transport is

The Council is responsible for Otago's Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP). The RLTP outlines proposed transport network improvements for the next six years and is the basis of funding applications to the National Land Transport Fund. This plan is developed under a legislative three-yearly cycle with the lead government agency, NZTA, and we collaborate with Southland Regional Council (Environment Southland). Under both plans, there are specific projects and services that the council co-funds and facilitates.

Under the RPTP, the Council has a role to deliver public passenger transport in the region. We provide public bus services in Dunedin and Queenstown through contracting to private operators. We provide the government funded region-wide Total Mobility service to assist eligible people who are unable to use public transport. Council also services and maintains three of Otago's nine stock truck effluent disposals under arrangement with local councils.

The transport activity is made up of four key work programmes:

<b>Regional Land Transport Plan</b>	This programme delivers our two foundational transport plans.
<b>Public Transport Dunedin</b>	This programme delivers public passenger transport services (buses) within Dunedin.
<b>Public Transport Queenstown</b>	This programme delivers public passenger transport services (buses and ferries) within the Queenstown-Lakes District.
<b>Regional Total Mobility Services</b>	This programme provides the government funded region-wide Total Mobility service to assist eligible people who are unable to use public transport.

## Group Revenue and Expenditure - Transport

<b>2024/25 LTP</b> <b>\$000s</b>	<b>2025/26 LTP</b> <b>\$000s</b>	<b>2025/26</b> <b>Annual Plan</b> <b>\$000s</b>
41,950 Transport	45,995	46,637
<b>41,950 Expenditure</b>	<b>45,995</b>	<b>46,637</b>
3,808 General Rates	4,495	4,358
13,315 Targeted Rates	14,404	14,237
129 Fees & Charges	130	0
18,845 Grants	20,873	20,503
7,472 Other Income	8,116	9,010
(1,619) Reserves	(2,022)	(1,472)
<b>41,950 Revenue</b>	<b>45,995</b>	<b>46,637</b>



# Regional Land Transport Plan (work programme)

## What we do and why

The LTP provides for a Regional Land Transport Programme that coordinates transport planning across the region. It enables a resilient, multi-modal transport system for the safe, efficient and effective movement of people and goods around the region. The Otago and Southland regional councils share this planning function through the support of a Regional Transport Committee.

A new Regional Land Transport Plan must be developed every six years and the Plan reviewed after three years of operation. The Plan was reviewed for the period 2021-2031 and outlines proposed transport network improvement over six years. This informs the detailed funding applications from the National Land Transport Fund over the first three years

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<ul style="list-style-type: none"> <li><b>Transport planning:</b> Support the Regional Transport Committee and Regional Transport Plans. Prepare bid, submit and report Council's transport budget in Transport Investment Online. Regional Public and Active Transport Connectivity Strategy. A staged approach to the development of regional public and active transport connectivity.</li> </ul>
Revised work [change]	None to report.
Key Projects [one off]	None to report.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS:** Advocate for Otago's regional transport planning priorities and aspirations at a national level

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026- 2027	2027-34
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency.	No target	RLTP implementation progress reported annually to Regional Transport Committee.*	RLTP review completed and adopted by Council by 30 June 2027.	No target
*Targets have been revised for the Annual Plan 2025-2026.				

# Public Transport Dunedin and Queenstown (programmes)

## What we do and why

The ORC contracts private operators to provide bus services in Dunedin, bus and water ferry services in Queenstown, and the 'Total Mobility Scheme' across the region.

## Key work for Year 2

The table below outlines key aspects of Council's work programme from 1 July 2025.

PLANNED WORK	
Existing work [no change]	<b>Public Transport Dunedin and Queenstown</b> <ul style="list-style-type: none"> <li>Manage and monitor private operator service delivery contracts.</li> <li>Planned operational service improvements for Queenstown public transport i.e. the business case proposal as consulted during the LTP process, with the exception of the planned ferry service expansion.</li> </ul>
Revised work [change]	<ul style="list-style-type: none"> <li>The planned Dunedin operational service improvements i.e. the business case proposal as consulted during the LTP process have been removed. This is due to a government decision, via Transport New Zealand, not to co-fund the improvements. The Council considered implementing the improvements without the co-funding but decided it was unaffordable and/or would put additional pressure on ratepayers in a challenging economy.</li> <li>The planned ferry service improvements have been removed from the Annual Plan, due to lack of co-funding. The current service will be retained.</li> </ul> <b>Public transport trials and investigations:</b> <ul style="list-style-type: none"> <li>Ōamaru – trial removed, and an investigation of an Ōamaru to Dunedin service included.</li> <li>Central Otago (Alexandra/Clyde/Cromwell to Queenstown service) – trial removed, and an investigation of options included.</li> <li>Balclutha/Airport to Dunedin – trial removed, and an investigation of options included.</li> </ul> <p><i>The above changes are funded from Year 1 rates plus \$25,000 of additional general rates in this Annual Plan for Central Otago and Balclutha to take the total to \$50,000. These changes were approved at the 20 November 2024 Council meeting.</i></p>
Key Projects [one off]	<ul style="list-style-type: none"> <li>Wānaka/Upper Clutha public transport business case.</li> </ul>



## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**LoS: Provide efficient, reliable and accessible public transport services that meets community needs.**

PERFORMANCE MEASURES	TARGETS			
	2024/2025	2025/2026	2026/2027	2027-34
Annual public transport boardings in Queenstown.	Increase	Increase	Increase	Increase
Annual public transport boardings in Dunedin.	Increase	Increase	Increase	Increase
Overall passenger satisfaction with Whakatipu public transport system at annual survey.	Maintain or increase 3yr rolling average $\geq 90\%$	Maintain or increase 3yr rolling average $\geq 90\%$	Maintain or increase 3yr rolling average $\geq 90\%$	Maintain or increase 3yr rolling average $\geq 90\%$
Overall passenger satisfaction with Dunedin Public Transport system at annual survey.	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$
Percentage of Whakatipu scheduled services delivered.*	New measure	$>95\%$ *	$>95\%$	$>95\%$
Percentage of Dunedin scheduled services delivered.*	New measure	$>95\%$ *	$>95\%$	$>95\%$
Percentage of Whakatipu operated services departing Terminus on time.*	New measure	$>90\%$ *	$>90\%$	$>90\%$
Percentage of Dunedin operated services departing Terminus on time*	New measure	$>90\%$ *	$>90\%$	$>90\%$
Overall passenger satisfaction with Total Mobility system at annual survey.	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$	Maintain or increase 3 yr rolling average $\geq 90\%$
*Targets have been revised for the Annual Plan 2025-2026.				

## Funding Impact Statement - Transport

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>Sources of Operating Funding</b>			
3,808	General rates, uniform annual general charge, rates penalties	4,495	4,358
13,315	Targeted rates	14,404	14,237
18,845	Subsidies and grants for operating purposes	20,873	20,503
7,098	Fees and charges	7,671	8,642
0	Internal charges and overheads recovered	0	0
502	Local authorities fuel tax, fines, infringement fees and other receipts	576	369
<b>43,569</b>	<b>Total Sources of Operating Funding ( A )</b>	<b>48,017</b>	<b>48,109</b>
<b>Applications of Operating Funding</b>			
40,347	Payments to staff and suppliers	44,585	45,509
0	Finance costs	0	0
930	Internal charges and overheads applied	1,141	859
0	Other operating funding applications	0	0
<b>41,277</b>	<b>Total Applications of Operating Funding ( B )</b>	<b>45,726</b>	<b>46,367</b>
<b>2,292</b>	<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>2,292</b>	<b>1,741</b>
<b>Sources of Capital Funding</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase (decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>0</b>	<b>Total Sources of Capital Funding ( C )</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
0	Capital Expenditure - To meet additional demand	0	
0	Capital Expenditure - To improve level of service	0	0
0	Capital Expenditure - To replace existing assets	0	0
2,292	Increase / (Decrease) in reserves	2,292	1,741
0	Increase / (Decrease) in investments	0	0
<b>2,292</b>	<b>Total Applications of Capital Funding ( D )</b>	<b>2,292</b>	<b>1,741</b>
<b>(2,292)</b>	<b>Surplus / (Deficit) of Capital Funding ( C - D )</b>	<b>(2,292)</b>	<b>(1,741)</b>
<b>0</b>	<b>Funding Balance ((A – B) + (C – D))</b>	<b>0</b>	<b>0</b>



# Council Organisation



Lake Hayes, Central Otago

## What Council Organisation is

The following activities are included in 'Council Organisation':

### Internal Services

This activity includes programmes of work that provide business support to all other activities of council - enabling them to deliver their work more efficiently and effectively. The business support work relates to: information services and records management; financial management and reporting; operational buildings and accommodation; human resources and health and safety, and the vehicle fleet.

### Port Otago

This activity relates to specific financial management matters between Council and Port Otago - matters that ensure the investment returns or dividends received, and the transactions associated with the council debt facility are accounted for appropriately.

## Group Revenue and Expenditure - Council Organisation

2024/25 LTP \$000s	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
11,357 Internal	9,154	8,148
<b>11,357 Expenditure</b>	<b>9,154</b>	<b>8,148</b>
(19,531) General Rates	(21,531)	(21,531)
0 Targeted Rates	0	0
0 Fees & Charges	0	0
0 Grants	0	0
31,237 Other Income	34,385	28,521
(349) Reserves	(3,700)	1,157
<b>11,357 Revenue</b>	<b>9,154</b>	<b>8,148</b>



## Funding Impact Statement - Council Organisation

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>Sources of Operating Funding</b>			
(18,312)	General rates, uniform annual general charge, rates penalties	(20,123)	(21,531)
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
0	Fees and charges	0	0
15,495	Internal charges and overheads recovered	18,794	17,474
27,765	Interest and dividends from investments	27,635	27,587
931	Local authorities fuel tax, fines, infringement fees and other receipts	4,240	2,431
<b>25,878</b>	<b>Total Sources of Operating Funding ( A )</b>	<b>30,546</b>	<b>25,962</b>
<b>Applications of Operating Funding</b>			
16,077	Payments to staff and suppliers	18,913	18,743
9,574	Finance costs	7,517	5,464
	Internal charges and overheads applied		140
10	Other operating funding applications	10	0
<b>25,661</b>	<b>Total Applications of Operating Funding ( B )</b>	<b>26,440</b>	<b>24,347</b>
<b>216</b>	<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>4,106</b>	<b>1,615</b>
<b>Sources of Capital Funding</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
5,000	Increase (decrease) in debt	7,500	24,700
500	Gross proceeds from sale of assets	2,567	5,846
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>5,500</b>	<b>Total Sources of Capital Funding ( C )</b>	<b>10,068</b>	<b>30,546</b>
<b>Applications of Capital Funding</b>			
0	Capital Expenditure - To meet additional demand	0	
830	Capital Expenditure - To improve level of service	801	797
12,545	Capital Expenditure - To replace existing assets	3,707	10,885
(7,659)	Increase / (Decrease) in reserves	9,665	532
0	Increase / (Decrease) in investments	0	19,947
<b>5,716</b>	<b>Total Applications of Capital Funding ( D )</b>	<b>14,173</b>	<b>32,161</b>
<b>(216)</b>	<b>Surplus / (Deficit) of Capital Funding ( C - D )</b>	<b>(4,106)</b>	<b>(1,615)</b>
<b>(0)</b>	<b>Funding Balance ((A – B) + (C – D))</b>	<b>(0)</b>	<b>(0)</b>

# Forecast Financial Information



Young River

## Operational expenditure

2024/25 LTP \$000s	Activity	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
13,343	Governance and Community Engagement	15,165	15,518
2,925	Regional Planning	3,066	2,640
12,568	Regulatory	13,846	14,173
<b>28,836</b>	<b>Regional Leadership</b>	<b>32,077</b>	<b>32,331</b>
20,140	Land & Water	21,875	20,125
8,955	Biodiversity & Biosecurity	12,013	11,996
1,377	Air	1,792	1,769
<b>30,472</b>	<b>Environment</b>	<b>35,680</b>	<b>33,891</b>
3,524	Natural Hazards & Climate Change	3,454	3,438
11,191	Flood Protection, Drainage & River Management	13,579	12,189
3,730	Emergency Management	4,018	4,000
<b>18,445</b>	<b>Climate Change and Resilience</b>	<b>21,052</b>	<b>19,627</b>
<b>41,950</b>	<b>Transport</b>	<b>45,995</b>	<b>46,637</b>
<b>11,357</b>	<b>Council Organisation</b>	<b>9,154</b>	<b>8,148</b>
<b>131,060</b>	<b>Total Expenditure</b>	<b>143,958</b>	<b>140,634</b>

Forecast expenditure at the activity level totals \$141 million compared to the \$144 million as consulted and agreed with the community for the LTP Year 2. The proposed total expenditure represents a decrease of \$3 million compared to the Year 2 Long-Term Plan forecast.

## Sources of funding

2024/25 LTP \$000s	Funding Source	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
29,046	General Rates	32,143	31,160
35,846	Targeted Rates	41,680	37,306
4,364	Fees & Charges	4,729	13,621
21,991	Grants	23,814	25,162
39,224	Other Income	43,017	29,156
588	Reserves	(1,425)	4,228
<b>131,060</b>	<b>Total Sources of Funding</b>	<b>143,958</b>	<b>140,634</b>

The table above shows the forecast sources of funding applied to the cost of council activity. The total rating revenue (general and targeted) is \$68 million.



# Planning Assumptions

The significant forecasting assumptions are scheduled in the Long-Term Plan 2024-34 (LTP). The significant forecasting assumptions from the LTP and any material changes in this Annual Plan are discussed below. Actual results achieved are likely to vary from these assumptions and these variations may be material.

## Non-financial assumptions

### People and Government

#### Population growth and demographic change

*An increasing and ageing population with different rates of population increase in different parts of the region.*

<b>Assumption</b>	Otago's total population was 251,300 in 2024, up 1.1% from a year earlier. This compares to total population growth of 1.7% in New Zealand over the same period. Between the years 2023-2033, the region's population will increase by a projected 6% to reach 264,700 (Source: Statistics New Zealand). Population within the Queenstown Lakes and Central Otago districts is forecast to grow significantly over the 10 years, with much smaller increases in Clutha, Waitaki and Dunedin. Otago's median age is forecast to increase, with fewer in the under 15 age group and more in the over 65 age group than the New Zealand average.
<b>Risk</b>	There is a risk that population growth forecasts are incorrect. Changes in population may impact the level of certain activities carried out by council, such as transport, demand on resource use, environmental incidents, civil defence and emergency management and natural hazards. Council's work programmes have considered the projected growth in the region, with new initiatives and resources being provided to address the impacts of population growth.
<b>Uncertainty</b>	High. Population growth might be lower than the projections if there is a lack of international migration. Population growth might be higher than the projections if there is stronger migration driven by larger numbers of returning New Zealanders, Otago's relative affordability in an international context, and a diverse range of well serviced and connected urban, semi-urban and rural living choices at an overall lower density than the rest of New Zealand.
<b>Impact</b>	Accommodating increasing numbers of people will require greater use of and investment in infrastructure, public transport, housing, and waste disposal services (to name but a few); and places greater demands on ecological services to meet those needs. An ageing population may see the demands on health care and social assistance increase and the labour supply proportionately decrease.



## Role of Local Government

*New legislation, changing regulation and policy reform provide a dynamic context for local government in New Zealand.*

<b>Assumption</b>	Changes in Government policy will directly impact the roles and responsibilities of council. This plan assumes that there will be changes in the legislation that will impact on council's work programmes this year. There is significant government reform underway that will impact the role of local government, our communities and how we manage environmental outcomes. Council is anticipating reform and policy change in the areas of: resource management (at system level), water services, freshwater and land management (including the National Planning Framework), climate change, public transport and more. Specifically, the Government has announced it will repeal the Resource Management Act 1991 in 2026 and replace it with two new acts: a Planning Act addressing land-use (particularly in urban areas), and a Natural Environment Act addressing the use, protection, and enhancement of the natural environment. We anticipate that the Government will continue to repeal and replace various policies that ORC has been working under. Implementing new legislative requirements has been considered in the development of our work programme. It is assumed that any further legislative changes will include a transition period to understand and implement these changes.
<b>Risk</b>	Further significant local government reform occurs in the next year. New requirements are greater than expected.
<b>Uncertainty</b>	Medium to high.
<b>Impact</b>	The National Planning Framework and its components will require significant implementation efforts from regional councils. Changes to the resource management system will also be significant, however, it is not likely that Otago's transition to the new system will occur in the short-medium term.

## Te Tiriti o Waitangi and iwi partnerships

*There is a strong expectation that local government will work in genuine partnership with mana whenua.*

<b>Assumption</b>	Council will provide for increasing Kāi Tahu participation in decision making, especially around natural resource use and protection and to protect Treaty rights. National directions are also increasingly requiring consideration of mātauraka Māori in decision making and monitoring/reporting.
<b>Risk</b>	Council and mana whenua do not partner with each other as anticipated.
<b>Uncertainty</b>	Low.
<b>Impact</b>	The whole of the organisation is responsible for ensuring adequate level of mana whenua involvement and integrating mātauraka Kāi Tahu in monitoring, reporting and decision making processes.

## Collaboration

*Through effective collaboration, organisations can identify shared goals, pool resources and reduce duplication.*

<b>Assumption</b>	Third parties are willing to work in collaboration with council and can contribute to key projects in the timeframes underpinning this Long-Term Plan. Local authorities in Otago, the lower South Island and nationally will work together to establish and maintain collaborative relationships and mechanisms where appropriate.
<b>Risk</b>	That collaborative relationships are not fit for purpose, limiting effective collaboration.
<b>Uncertainty</b>	Medium.
<b>Impact</b>	Collaboration with third parties is a key factor in the successful delivery of environmental projects and other services. There is scope to strengthen collaborative links with other agencies, including in such areas as air quality, biodiversity and environmental science.

## Economy and technology

### Economic growth

*A diverse regional economy, facing national and global economic uncertainty.*

<b>Assumption</b>	<p>In 2024, Otago's regional GDP was valued at NZ \$18,647 million. This reflects an increase of 2.4% for the year, which was higher than the national average of 1.4%. The top three industries in terms of GDP were construction; professional, scientific and technical services; and rental, hiring and real estate services. Available economic modelling suggests that Otago's GDP growth in the 10 years from 2020–2030 will be around 14% in total, which is lower than in the prior 10 years (30%). This may constrain resources and funding.</p> <p>Otago districts have different economic structures. Clutha and Waitaki's economies are focused heavily on the primary sector and have a bigger manufacturing sector than other districts. Dunedin's economy is relatively concentrated on tertiary sectors (e.g. food and accommodation, retail and health and social services); Central Otago's economy relies more on both the primary and the tertiary sector; and Queenstown-Lakes' economy has the highest tertiary sector concentration in the region.</p>
<b>Risk</b>	Economic growth is lower than predicted. Tourism, primary production and education may be impacted more than expected by global trends, such as a decline in visitors and environmental pressures.
<b>Uncertainty</b>	Medium.
<b>Impact</b>	A substantive downturn in Otago's economy would impact on all aspects of council's operations, industry in the region and, in the longer term, protection of natural resources.

## Employment

*Economic forecasts signal lower employment growth overall with significant variation across the region.*

<b>Assumption</b>	The region's employment growth in the 10 years to 2030 is estimated to be 13% (or 1,700 people per year on average), which is lower than the previous 10 years (22%). The construction; health care and social assistance; and accommodation and food services sectors are estimated to be the top three sectors in the region by employment by 2030. The prominence of these sectors varies significantly across the region.
<b>Risk</b>	Employment growth is lower than predicted, impacting on businesses' ability to deliver services, such as housing and health care and employers' ability to attract and secure talent.
<b>Uncertainty</b>	Medium.
<b>Impact</b>	Otago's employment rate is an important indicator of wellbeing in the region, as well as impacting on council's ability to operate.

## Inflation and cost of living

*A period of high inflation over recent years has impacted on households, industry, businesses and organisations.*

<b>Assumption</b>	This plan assumes inflation of 2.2% which has reduced slightly from the level assumed for Year 2 in the Long-Term Plan 2024-2034 of 2.7%. Lower inflation increases purchasing power and reduces the cost of delivering Council services.
<b>Risk</b>	Inflation increases above the assumed level.
<b>Uncertainty</b>	Medium.
<b>Impact</b>	High inflation rates will impact on the cost of delivering council services and increase financial pressure on households and businesses.

## Technology

*Increasing innovation that may facilitate more efficient and sustainable uses of natural resources and public transport systems.*

<b>Assumption</b>	Technology advances will have to have a profound impact on environmental management (for both council and primary producers), consumer expectations and transport systems. Technological innovation will continue to transform the economy and the way people live and work in Otago. Demands will increase for new public transport models to reduce emissions and meet communities' needs.
<b>Risk</b>	Technology replaces more jobs than it creates. Adoption of new technology is uneven, resulting in digital inequality. Technology jobs have higher skill requirements for employment and increase barriers to employment for disadvantaged groups.
<b>Uncertainty</b>	High.
<b>Impact</b>	Council can expect to see increasing demand for reliable, accessible and up-to-date environmental information. The public transport offer may need to be reshaped as needs and expectations change.

## Environment and climate

### Environment

*Parts of the region are facing pressures through changing land use and its environmental impacts.*

<b>Assumption</b>	That environmental loss and pressure on natural resources will increase over the planning period. Otago faces environmental challenges associated with land use, affecting air and soil quality, ocean and coastal areas. Climate change and biodiversity loss both exacerbate these concerns. Food production may be an area of significant change over the next three years.
<b>Risk</b>	Greater than expected environmental loss and/or pressure on natural resources in the next three years. Large-scale land use change and/or drastic change in direction for current land use trends in the next three years.
<b>Uncertainty</b>	Low.
<b>Impact</b>	Council can expect greater involvement in the planning and management of urban growth, land use intensification and land use change.



## Climate change

*Increasing exposure to climate change effects, including those from natural hazards.*

<b>Assumption</b>	<p>Climate change projections for the Otago region include warmer temperatures, with more hot days and fewer frosts. Winter and spring are expected to be wetter, but with significant decreases in seasonal snow likely. More severe extreme rainfall events are anticipated, as is the severity and frequency of windy days. Even with intervention, sea level rise is expected for the next 100 years and more. Hazards associated with these changes in climate are likely to include increased flooding and landslides, drought, coastal inundation and erosion and increased instances of wildfire.</p> <p>Climate change will increase the severity and frequency of the natural hazards that we experience in New Zealand, including flooding, heatwaves, drought and wildfire. Otago will experience adverse events. For the purpose of this LTP, it is assumed that:</p> <ul style="list-style-type: none"> <li>• There will be one significant flood event impacting on ORC's flood and drainage infrastructure every year.</li> <li>• There will not be any significant droughts/low flows event — should one happen, it will likely lead to a reprioritisation of work and resources.</li> </ul>
<b>Risk</b>	<p>The severity of natural hazard events may be greater or happen sooner than anticipated. Some groups and communities may be disproportionately affected by financial impacts or the lack of the resources to adapt.</p>
<b>Uncertainty</b>	<p>Medium. Though the overall impacts of climate change on the region's climate are well known, there is uncertainty over specific impacts at a local/catchment level.</p>
<b>Impact</b>	<p>Impacts of climate change include risk to terrestrial and wetland ecosystems, water quantity and quality, coastal communities and infrastructure such as flood management schemes. Climate change will also impact Otago's economy (via the primary sector and tourism especially), community cohesion, public health and cultural identity. Adverse events can have large impacts on community wellbeing and may result in loss of lives, injuries and property damage.</p>

# Financial Assumptions

## Sources of funds for future replacement of significant assets

<b>Assumption</b>	Sources of funds for the future replacement of significant assets are in accordance with council's Revenue and Financing Policy. For infrastructure assets, these are funded through scheme reserves and/or borrowing (either internal or external). Reserves are then repaid through depreciation, targeted rates from the defined scheme areas and grants where possible. Council's non-infrastructure assets are funded from the asset replacement reserve and where necessary, general reserves and/or borrowings.
<b>Risk</b>	Low. There is a risk that council won't be able access the funding required to replace significant assets. Council has the ability to borrow the forecast levels of expenditure over this plan and will remain compliant with council's and the Local Government Funding Agency's borrowing limits.
<b>Uncertainty</b>	Medium. The level of infrastructure expenditure included in this plan is consistent with the Long-Term Plan 2024-34 which included a increase from current levels and previous Long-Term Plans.

## Waka Kotahi NZ Transport Agency subsidy rates

<b>Assumption</b>	<p>The following subsidy rates are as currently advised by Waka Kotahi NZ Transport Agency:</p> <ul style="list-style-type: none"> <li>• Transport planning and public passenger transport to receive 51% subsidy.</li> <li>• Total Mobility to receive 60% subsidy.</li> <li>• Total Mobility flat rate payments to receive 100% subsidy.</li> </ul>
<b>Risk</b>	High. Waka Kotahi funds a significant amount of council's transport programme and should this funding be withdrawn or reduced significantly this would require a corresponding significant reduction in service and/or increase in rates.
<b>Uncertainty</b>	Low. Waka Kotahi NZ Transport Agency has given no indication that the rates may change during the LTP period. If the subsidy for Total Mobility was to decrease, the impact would be directly on general rates. Any changes in subsidy for public passenger transport would impact directly on targeted rates, fares and/or the scope of services.

## Useful lives of significant assets

<b>Assumption</b>	The useful lives of significant assets are as recorded in asset management plans or based upon current financial standards. Depreciation has been calculated in accordance with current accounting policy.
<b>Risk</b>	Low.
<b>Uncertainty</b>	Low.

## Revaluation of non-current assets

<b>Assumption</b>	The non-current assets that are revalued annually are council's investment properties and its shareholding in Port Otago Limited. For the purposes of this Plan, an assumption has been made that the value of council's investment in Port Otago will grow in value by 4%. Investment properties are assumed to increase in value by 1%.
<b>Risk</b>	Low. The revaluation of non-current assets does not directly impact rates.
<b>Uncertainty</b>	High. Actual revaluations may differ significantly from the assumptions in the Plan. The valuation of Port Otago Limited is based on a number of factors including current and forecast operating performance, asset revaluations and the cost of capital. Any or all of these factors can vary making revaluation forecasting inherently uncertain.

## Forecast return on investments

<b>Assumption</b>	<table><tr><th></th><th>LTP 24/25</th><th>LTP 25/26</th><th>Annual Plan 25/26</th></tr><tr><td><b>Cash / Term Deposits</b></td><td>4.90%</td><td>3.60%</td><td>3.60%</td></tr><tr><td><b>Managed Fund *</b></td><td>7.65%</td><td>6.35%</td><td>6.35%</td></tr><tr><td><b>Port Otago Dividends **</b></td><td>\$18M</td><td>\$20M</td><td>\$20M</td></tr></table> <p>* Managed fund is total return including capital movement and gross income. ** All Port Otago Limited dividends will be received fully imputed and accordingly no taxation liability will arise.</p>		LTP 24/25	LTP 25/26	Annual Plan 25/26	<b>Cash / Term Deposits</b>	4.90%	3.60%	3.60%	<b>Managed Fund *</b>	7.65%	6.35%	6.35%	<b>Port Otago Dividends **</b>	\$18M	\$20M	\$20M
	LTP 24/25	LTP 25/26	Annual Plan 25/26														
<b>Cash / Term Deposits</b>	4.90%	3.60%	3.60%														
<b>Managed Fund *</b>	7.65%	6.35%	6.35%														
<b>Port Otago Dividends **</b>	\$18M	\$20M	\$20M														
<b>Risk</b>	Medium. The cash and managed fund returns are based on underlying interest rate forecasts. Port Otago dividends are reliant on the underlying performance of the Port and its ability to pay those dividends. With respect to earning rates, the Statement of Investment Policy and Objectives for council’s managed fund estimates council’s rate of return at between 2.3%–3.1% plus inflation. As investment income is used to reduce general rates, any change in return on investments will impact directly on the level of general rates.																
<b>Uncertainty</b>	Low to medium. Port Otago Limited has a stable trade base. Port operating and property performance over past years have been consistent, as are predictions for future trade which should allow for stable dividend payments over the life of this plan. Investment returns are subject to movements in the underlying financial markets and could differ significantly from the rates assumed in the estimates.																

## Forecast borrowing rates

<b>Assumption</b>	<b>LTP 24/25</b>	<b>LTP 25/26</b>	<b>Annual Plan 25/26</b>
<b>External</b>	5.30%	4.00%	4.00%
<b>Internal</b>	2.50%	2.50%	2.50%

**Risk** Medium. The interest rates are based on underlying interest rate forecasts which are subject to market forces and fluctuations. Council's Treasury Management Policy includes parameters to manage interest rate risk.

**Uncertainty** Medium. Interest rates are subject to movements in the underlying financial markets and could differ significantly from the rates assumed in the estimates.

## Capital expenditure

**Assumption** Various projects require spending of a capital nature. The estimates are prepared using actual costs, adjusted for inflation where known, or "rough order of costs". These have been determined using methods such as current known costs.

**Risk** Medium. There is risk that actual costs will differ from the estimates and that this difference may be significant. Capital purchases in respect of flood and drainage schemes are funded by those schemes and any variation in costs will impact on their depreciation and reserves. Variations in other capital expenditure will impact on council's Asset Replacement Reserve.

**Uncertainty** Medium. The risk is market dependent and outside of council's direct control, such as the cost of construction materials and freight.

## Investment properties

**Assumption** This Plan assumes that council will not sell any of its investment properties over the next financial year.

**Risk** Low.



# Financial Statements

## Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June 2026

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
64,893	Rates revenue	73,823	68,467
21,991	Grant and subsidies revenue	23,814	25,162
10,856	Other revenue	15,105	3,316
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
18,000	Dividends	20,000	20,000
9,765	Investment revenue	7,635	6,090
3,644	Other revenue	3,903	13,371
<b>129,149</b>	<b>TOTAL REVENUE</b>	<b>144,280</b>	<b>136,406</b>
<b>EXPENDITURE</b>			
39,454	Employee Benefits	41,355	42,388
3,302	Depreciation and amortisation	3,380	3,075
9,424	Finance Costs	7,363	5,464
78,879	Other operating expenses	91,860	89,708
<b>131,060</b>	<b>TOTAL EXPENDITURE</b>	<b>143,958</b>	<b>140,634</b>
1,493	Other Gains/Losses	1,274	4,958
<b>(418)</b>	<b>SURPLUS/(DEFICIT)</b>	<b>1,596</b>	<b>730</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENDITURE</b>			
28,156	Fair value gain/loss on shares in subsidiary	29,283	29,649
<b>27,738</b>	<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENDITURE</b>	<b>30,880</b>	<b>30,379</b>

## Prospective Depreciation by Activity for the year ending 30 June 2026

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
131	Regional Leadership	151	154
391	Environmental	451	441
877	Resilience & Climate Change - Flood	965	917
39	Resilience & Climate Change - Hazards	36	17
673	Transport	269	269
1,191	Corporate	1,508	1,276
<b>3,302</b>	<b>TOTAL DEPRECIATION</b>	<b>3,380</b>	<b>3,075</b>

## Prospective Statement of Financial Position as at 30 June 2026

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>CURRENT ASSETS:</b>			
2,455	Cash and cash equivalents	3,077	4,069
29,181	Other financial assets	31,034	31,619
18,180	Trade and other receivables	18,175	18,812
0	Inventories	0	0
0	Property intended for sale	0	0
	Related party receivables Current		38,480
1,433	Other current assets	1,433	3,350
<b>51,248</b>	<b>TOTAL CURRENT ASSETS</b>	<b>53,718</b>	<b>96,329</b>
<b>NON-CURRENT ASSETS:</b>			
109,835	Property, plant and equipment	116,365	138,705
17,134	Investment property	17,306	0
780,239	Shares in Port Otago Ltd	809,522	790,878
2,025	Intangible assets	1,951	0
150,088	Related Party Receivables	150,088	106,850
500	Borrower Notes	500	2,258
0	Deferred tax asset	0	0
<b>1,059,821</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,095,731</b>	<b>1,038,691</b>
<b>1,111,069</b>	<b>TOTAL ASSETS</b>	<b>1,149,449</b>	<b>1,135,021</b>
<b>CURRENT LIABILITIES:</b>			
22,594	Accounts payable	22,594	21,278
69,878	Borrowings (secured)	71,378	48,355
2,716	Employee entitlements	2,716	2,628
<b>95,188</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>96,688</b>	<b>72,261</b>
<b>NON-CURRENT LIABILITIES:</b>			
110,438	Borrowings (secured)	116,438	135,733
<b>110,438</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>116,438</b>	<b>135,733</b>
<b>205,626</b>	<b>TOTAL LIABILITIES</b>	<b>213,126</b>	<b>207,994</b>
<b>905,443</b>	<b>NET ASSETS</b>	<b>936,323</b>	<b>927,027</b>
<b>EQUITY:</b>			
120,576	Public equity	124,965	131,473
760,239	Port Otago Limited Revaluation Reserve	789,522	770,878
(1,705)	Asset replacement reserve	(4,365)	(6,263)
0	Building reserve	0	2,965
4,869	Emergency response reserve	4,991	4,801
6,396	Kuriwao endowment reserve	5,970	6,955
15,069	Asset revaluation reserve	15,241	16,218
<b>905,443</b>	<b>TOTAL EQUITY</b>	<b>936,323</b>	<b>927,027</b>

**Prospective Statement of Changes in Net Assets/Equity as at 30 June 2026**

<b>2024/25 LTP \$000s</b>	<b>2025/26 LTP \$000s</b>	<b>2025/26 Annual Plan \$000s</b>
877,705 Balance at 1 July	905,443	896,647
27,738 Net Comprehensive Income	30,880	30,379
<b>905,443 BALANCE AT 30 JUNE</b>	<b>936,323</b>	<b>927,027</b>
NET MOVEMENTS		
(1,911) Net surplus transferred to Public Equity	322	11,052
16,606 Public Equity	4,067	0
28,156 Port Otago Limited Revaluation Reserve	29,283	29,649
(5,875) Asset Replacement Reserve	(2,660)	(5,974)
119 Emergency Response Reserve	122	0
(424) Kuriwao Reserve	(426)	(108)
170 Asset Revaluation Reserve	171	170
(479) Water Management Reserve	0	16
(8,609) Building Reserve	0	(4,426)
(13) Environmental Enhancement Reserve	0	0
27,738 Net Comprehensive Income	30,880	30,379
<b>905,443 BALANCE AT 30 JUNE</b>	<b>936,323</b>	<b>927,027</b>

## Prospective Statement of Reserves as at 30 June 2026

2024/25 LTP \$000s	Reserve	2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>ASSET REPLACEMENT RESERVE</b>			
4,170	Opening balance	(1,705)	(289)
2,423	Transfers into reserves	2,414	2,160
(8,298)	Transfers out of reserves	(5,074)	(8,134)
<b>(1,705)</b>	<b>ASSET REPLACEMENT RESERVE</b>	<b>(4,365)</b>	<b>(6,263)</b>
<b>ASSET REVALUATION RESERVE</b>			
14,900	Opening balance	15,069	16,048
170	Transfers into reserves	171	170
0	Transfers out of reserves	0	0
<b>15,069</b>	<b>ASSET REVALUATION RESERVE</b>	<b>15,241</b>	<b>16,218</b>
<b>BUILDING RESERVE</b>			
8,609	Opening balance	0	7,390
0	Transfers into reserves	0	0
(8,609)	Transfers out of reserves	0	(4,426)
<b>0</b>	<b>BUILDING RESERVE</b>	<b>0</b>	<b>2,965</b>
<b>EMERGENCY RESPONSE RESERVE</b>			
4,750	Opening balance	4,869	4,801
119	Transfers into reserves	122	0
0	Transfers out of reserves	0	0
<b>4,869</b>	<b>EMERGENCY RESPONSE RESERVE</b>	<b>4,991</b>	<b>4,801</b>
<b>ENVIRONMENTAL ENHANCEMENT RESERVE</b>			
13	Opening balance	0	0
(13)	Transfers into reserves	0	0
0	Transfers out of reserves	0	0
<b>0</b>	<b>ENVIRONMENTAL ENHANCEMENT RESERVE</b>	<b>0</b>	<b>0</b>
<b>KURIWAO RESERVE</b>			
6,820	Opening balance	6,396	7,064
206	Transfers into reserves	196	40
(630)	Transfers out of reserves	(621)	(148)
<b>6,396</b>	<b>KURIWAO RESERVE</b>	<b>5,970</b>	<b>6,955</b>
<b>PORT OTAGO LIMITED REVALUATION RESERVE</b>			
732,083	Opening balance	760,239	741,229
28,156	Transfers into reserves	29,283	29,649
0	Transfers out of reserves	0	0
<b>760,239</b>	<b>PORT OTAGO LIMITED REVALUATION RESERVE</b>	<b>789,522</b>	<b>770,878</b>
<b>PUBLIC EQUITY</b>			
64,150	Opening balance	80,514	81,109
29,408	Transfers into reserves	33,589	37,780



(13,043) Transfers out of reserves	(26,490)	(19,312)
<b>80,514 PUBLIC EQUITY</b>	<b>87,613</b>	<b>99,578</b>
<b>BIOSECURITY</b>		
(1,494) Opening balance	(1,530)	(1,509)
6,282 Transfers into reserves	6,874	(37)
(6,317) Transfers out of reserves	(6,911)	0
<b>(1,530) BIOSECURITY</b>	<b>(1,567)</b>	<b>(1,545)</b>
<b>DAIRY MONITORING</b>		
(79) Opening balance	(141)	(73)
210 Transfers into reserves	0	(2)
(272) Transfers out of reserves	(4)	0
<b>(141) DAIRY MONITORING</b>	<b>(145)</b>	<b>(75)</b>
<b>DUNEDIN TRANSPORT</b>		
(9,049) Opening balance	(7,443)	(9,785)
27,516 Transfers into reserves	30,828	1,606
(25,910) Transfers out of reserves	(29,182)	0
<b>(7,443) DUNEDIN TRANSPORT</b>	<b>(5,796)</b>	<b>(8,178)</b>
<b>EMERGENCY MANAGEMENT</b>		
(51) Opening balance	(33)	(95)
3,730 Transfers into reserves	4,018	(2)
(3,712) Transfers out of reserves	(4,000)	
<b>(33) EMERGENCY MANAGEMENT</b>	<b>(15)</b>	<b>(97)</b>
<b>FLOOD AND DRAINAGE ALEXANDRA</b>		
61 Opening balance	62	49
352 Transfers into reserves	336	43
(351) Transfers out of reserves	(334)	0
<b>62 FLOOD AND DRAINAGE ALEXANDRA</b>	<b>64</b>	<b>92</b>
<b>FLOOD AND DRAINAGE EAST TAIERI</b>		
(451) Opening balance	(674)	(488)
719 Transfers into reserves	761	579
(941) Transfers out of reserves	(1,425)	(1,226)
<b>(674) FLOOD AND DRAINAGE EAST TAIERI</b>	<b>(1,338)</b>	<b>(1,135)</b>
<b>FLOOD AND DRAINAGE LEITH</b>		
(12,635) Opening balance	(11,900)	(12,272)
1,570 Transfers into reserves	1,570	960
(836) Transfers out of reserves	(954)	(241)
<b>(11,900) FLOOD AND DRAINAGE LEITH</b>	<b>(11,283)</b>	<b>(11,552)</b>
<b>FLOOD AND DRAINAGE LOWER CLUTHA</b>		
(682) Opening balance	(1,085)	(1,598)
1,757 Transfers into reserves	1,843	626
(2,160) Transfers out of reserves	(2,935)	(1,827)
<b>(1,085) FLOOD AND DRAINAGE LOWER CLUTHA</b>	<b>(2,177)</b>	<b>(2,799)</b>

**FLOOD AND DRAINAGE LOWER TAIERI**

2,934	Opening balance	1,127	3,342
1,355	Transfers into reserves	1,374	765
(3,162)	Transfers out of reserves	(4,405)	(3,704)
<b>1,127</b>	<b>FLOOD AND DRAINAGE LOWER TAIERI</b>	<b>(1,904)</b>	<b>402</b>

**FLOOD AND DRAINAGE TOKOMAIRIRO**

43	Opening balance	(215)	(207)
175	Transfers into reserves	192	80
(434)	Transfers out of reserves	(691)	(572)
<b>(215)</b>	<b>FLOOD AND DRAINAGE TOKOMAIRIRO</b>	<b>(714)</b>	<b>(700)</b>

**FLOOD AND DRAINAGE WEST TAIERI**

(2,634)	Opening balance	(3,500)	(3,349)
988	Transfers into reserves	1,033	681
(1,855)	Transfers out of reserves	(2,725)	(2,456)
<b>(3,500)</b>	<b>FLOOD AND DRAINAGE WEST TAIERI</b>	<b>(5,192)</b>	<b>(5,123)</b>

**INFRASTRUCTURAL ASSETS**

67,547	Opening balance	69,940	68,389
3,230	Transfers into reserves	5,926	0
(837)	Transfers out of reserves	(896)	0
<b>69,940</b>	<b>INFRASTRUCTURAL ASSETS</b>	<b>74,970</b>	<b>68,389</b>

**QUEENSTOWN TRANSPORT**

(2,317)	Opening balance	(1,906)	(1,698)
12,904	Transfers into reserves	12,633	420
(12,492)	Transfers out of reserves	(12,211)	(550)
<b>(1,906)</b>	<b>QUEENSTOWN TRANSPORT</b>	<b>(1,484)</b>	<b>(1,828)</b>

**RIVER MANAGEMENT CENTRAL OTAGO**

269	Opening balance	55	55
381	Transfers into reserves	413	(1)
(595)	Transfers out of reserves	(714)	(217)
<b>55</b>	<b>RIVER MANAGEMENT CENTRAL OTAGO</b>	<b>(246)</b>	<b>(163)</b>

**RIVER MANAGEMENT CLUTHA**

(451)	Opening balance	(857)	(1,041)
443	Transfers into reserves	491	(31)
(849)	Transfers out of reserves	(1,088)	(420)
<b>(857)</b>	<b>RIVER MANAGEMENT CLUTHA</b>	<b>(1,454)</b>	<b>(1,492)</b>

**RIVER MANAGEMENT DUNEDIN**

639	Opening balance	(1,187)	(1,176)
228	Transfers into reserves	268	(42)
(2,055)	Transfers out of reserves	(1,728)	(1,003)
<b>(1,187)</b>	<b>RIVER MANAGEMENT DUNEDIN</b>	<b>(2,647)</b>	<b>(2,221)</b>

**RIVER MANAGEMENT QUEENSTOWN LAKES DISTRICT**

(586)	Opening balance	(1,172)	(61)
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560 Transfers into reserves	624	(2)
(1,147) Transfers out of reserves	(1,470)	(633)
<b>(1,172) RIVER MANAGEMENT QUEENSTOWN LAKES DISTRICT</b>	<b>(2,018)</b>	<b>(696)</b>
<b>RIVER MANAGEMENT WAITAKI</b>		
964 Opening balance	757	857
650 Transfers into reserves	682	19
(857) Transfers out of reserves	(966)	(213)
<b>757 RIVER MANAGEMENT WAITAKI</b>	<b>473</b>	<b>663</b>
<b>CATCHMENT MANAGEMENT</b>		
219 Opening balance	291	622
1,652 Transfers into reserves	1,833	16
(1,579) Transfers out of reserves	(1,759)	0
<b>291 CATCHMENT MANAGEMENT</b>	<b>366</b>	<b>637</b>
<b>WILDING PINES</b>		
(514) Opening balance	(526)	(667)
250 Transfers into reserves	257	(17)
(263) Transfers out of reserves	(270)	0
<b>(526) WILDING PINES</b>	<b>(540)</b>	<b>(683)</b>
<b>905,443 TOTAL RESERVES</b>	<b>936,323</b>	<b>927,027</b>

## Prospective Statement of Cashflows for the year ended 30 June 2026

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from non-exchange transactions</b>			
64,893	Rates Receipts	73,823	68,467
21,991	Grant income and subsidies	23,814	25,162
10,856	Other receipts	15,105	3,321
<b>Receipts from exchange transactions</b>			
9,765	Interest and investment income	7,635	6,090
18,000	Dividends	20,000	20,000
3,649	Other receipts	3,908	13,371
(118,334)	Payments to suppliers and employees	(133,215)	(132,095)
(9,424)	Interest and other costs of finance paid	(7,363)	(5,464)
<b>1,396</b>	<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>3,707</b>	<b>(1,148)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
500	Proceeds from sale of Property, Plant and Equipment	2,567	5,846
0	Property Held for Sale	0	
(750)	Managed Fund	(750)	(750)
(17,643)	Purchase of Property, Plant and Equipment	(12,105)	(17,931)
(1,350)	Purchase of intangible assets	(298)	(2,625)
<b>(19,243)</b>	<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(10,585)</b>	<b>(15,461)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
5,000	Proceeds from borrowings	7,500	24,700
	Port Otago Limited Lending		(17,700)
0	Repayment of borrowings	0	
<b>5,000</b>	<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>7,500</b>	<b>7,000</b>
<b>(12,848)</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>622</b>	<b>(9,608)</b>
<b>15,303</b>	<b>CASH AND CASH EQUIVALENTS AS AT 1 JULY</b>	<b>2,455</b>	<b>13,677</b>
<b>2,455</b>	<b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>	<b>3,077</b>	<b>4,069</b>



**Reconciliation of Net Surplus to Net Cash from Operating Activities**

<b>2024/25 LTP \$000s</b>	<b>2025/26 LTP \$000s</b>	<b>2025/26 Annual Plan \$000s</b>
<b>(418) NET SURPLUS(DEFICIT) FROM ACTIVITIES</b>	<b>1,596</b>	<b>730</b>
<b>ADD(DEDUCT) NON CASH ITEMS:</b>		
3,302 Depreciation and amortisation	3,380	3,075
(1,493) Other (gains)/losses	(1,274)	(4,958)
5 Bad Debts	5	5
<b>1,396 NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,707</b>	<b>(1,148)</b>

**Schedule of Capital Expenditure**

<b>2024/25 LTP \$000s</b>	<b>2025/26 LTP \$000s</b>	<b>2025/26 Annual Plan \$000s</b>
<b>ENVIRONMENTAL</b>		
150 Air Monitoring	154	153
35 Public Awareness	0	0
530 Water Monitoring Sites	544	542
21 Harbour Management	22	21
100 Biodiversity	257	153
158 Compliance	62	8
<b>FLOOD PROTECTION &amp; CONTROL WORKS</b>		
150 Leith Flood Protection	205	102
300 Lower Clutha Flood & Drainage	822	613
1,650 Lower Taieri Flood Protection	2,465	4,190
930 West Taieri Drainage	1,664	1,656
100 East Taieri Drainage	411	460
100 Tokomairiro	359	358
1,395 Dunedin River Management	909	598
0 Clutha River Management	21	20
<b>COUNCIL</b>		
9,650 Property	2,182	9,663
800 Vehicles	822	818
2,625 Computers & Software	1,196	894
250 Plant	257	256
50 Sundry	51	51
<b>18,993 TOTAL</b>	<b>12,402</b>	<b>20,556</b>

# Summary of Accounting Policies

## Reporting entity

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

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

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes. The prospective financial information contained in this Annual Plan relates to the Council only as the Group parent. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from those subsidiaries. Distributions from the Council's subsidiary Port Otago Limited are included in the prospective financial statements of the Council. The Prospective Financial Statements of Council are to be adopted by Council 25 June 2025.

## Statement of Compliance

The prospective financial statements have been prepared in accordance with PBE FRS 42, Prospective Financial Statements, and in accordance with Tier 1 PBE Standards appropriate for public benefit entities, as it relates to prospective financial statements.

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity. No actual results have been incorporated in these prospective financial statements.

Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures

## Basis of Accounting

The prospective financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. They are presented in NZ dollars, rounded to the nearest thousand.

## Standards and interpretations issued but not yet adopted

PBE Standards and interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the Annual Plan are outlined below:

- Amendments to PBE IPSAS 1 – Disclosure of fee for audit firm's services; effective for periods commencing 30 June 2024
- PBE IPSAS 46 – Measurement; effective for periods commencing 1 January 2025
- PBE IPSAS 47 – Revenue; effective for periods commencing 1 January 2026
- PBE IPSAS 48 – Transfer Expenses; effective for periods commencing 1 January 2026

Council expects to adopt the above standard in the period in which it becomes mandatory. Council anticipates that the above standard is not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has yet to be performed.

# Significant Accounting Policies

## Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

### Revenue from non-exchange Transactions

TYPE	RECOGNITION AND MEASUREMENT
<b>Rates revenue</b>	Rates revenue is recognised as income when levied. Council levies general rates for those functions that are assessed as providing benefits to all ratepayers within each of the constituent districts and city, and levies targeted rates where functions benefit a defined group of ratepayers.
<b>Grants and subsidies</b>	Grants and subsidies are recognised upon entitlement, as conditions pertaining to expenditure have been fulfilled.
<b>Other fee income</b>	Other fee income from non-exchange transactions is recognised when the supplies and services have been rendered.

### Revenue from exchange Transactions

TYPE	RECOGNITION AND MEASUREMENT
<b>Dividend income</b>	Dividend income is recognised on the date of the dividend declaration.
<b>Interest revenue</b>	Interest revenue is recognised on a time proportionate basis using the effective interest method
<b>Revenue from port services</b>	Revenue from port services is recognised in the accounting period in which the actual service is provided.
<b>Revenue from the rendering of services</b>	Revenue from the rendering of services, including relating to contracts and consent application that are in progress at balance date, is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
<b>Rental income from operating leases</b>	Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
<b>Fees and charges</b>	Fees and charges are recognised as income when supplies and services have been rendered. Fees received from the following activities are recognised as revenue from exchange transactions: resource consent processing, pest animal and plant contract work, grazing leases and licenses and enforcement work.

## Other gains and losses

Gains and losses on the sale of investment property, property, plant and equipment are recognised when an unconditional contract is in place, and it is probable that the council will receive the consideration due and significant risks and rewards of ownership of assets have been transferred to the buyer.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when control over the asset is obtained.

## Trade and other receivables

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivable have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment.

Rates are "written off"

- When remitted in accordance with the Council's rates remission policy.
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonable recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than two years overdue.

## Intangible assets

### Computer software

Computer software assets are stated at cost, less accumulated amortisation and impairment. The amortisation periods range from 1 to 5 years.

### Impairment

At each reporting date, Council reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## Property, plant and equipment

Property, plant and equipment consist of the following:

### Operational assets

Operational assets include council-owned land, endowment land, buildings and plant and vehicles.

### Infrastructural assets

Infrastructural assets deliver benefits direct to the community and are mostly associated with major flood protection and land drainage schemes. Infrastructural assets include floodbanks, protection works, structures, drains, bridges, culverts, bus hubs and shelters.

Transport infrastructure assets and hardware deliver benefits to the transport bus network in Whakatipu and Dunedin.

## Restricted assets

Endowment land is vested in the council by the Otago Regional Council (Kuriwao Endowment Lands) Act. The Act restricts disposition of this land to freeholding initiated by lessees.

### (A) Cost

Land and buildings are recorded at cost or deemed cost less accumulated depreciation and any accumulated impairment losses.



Other property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

### **(B) Depreciation**

Operational assets, with the exception of land, are depreciated on a straight-line basis to write-off the cost of the asset to its estimated residual value over its estimated useful life.

Infrastructural assets including floodbanks, protection works and drains and culverts are constructions or excavations of natural materials on the land and have substantially the same characteristics as land, in that they are considered to have unlimited useful lives, and in the absence of natural events, these assets are not subject to ongoing obsolescence or deterioration of service performance, and are not subject to depreciation. Other infrastructural assets are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus/deficit in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

<b>Operational Assets</b>	<b>Life</b>
Buildings- Council	10- 50 years
Plant and vehicles- Council	3 -20 years
Buildings and improvements- Port	10- 50 years
Wharves- Port	15- 70 years
Vessels and floating plant- Port	5 -30 years
Plant, equipment and vehicles- Port	3 - 30 years
<b>Infrastructural Assets</b>	<b>Life</b>
Floodbanks	Unlimited
Protection works	Unlimited
Drains	Unlimited
Culverts	Unlimited
Structures	8- 100 years
Bridges	33- 100 years
Transport infrastructure and hardware	5 -15 years

### **(C) Disposal**

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/deficit in the period the asset is derecognised.

### **Critical judgements and assumptions**

The council owns a number of properties that are held for service delivery objectives as part of the council's various flood protection schemes. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

## **Investment property**

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost and subsequently at fair value. Gains or losses arising from changes in the fair value of investment property are reported in the surplus/deficit in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The fair value of investment property reflects the director's assessment of the highest and best use of each property and, amongst other things, rental income, from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects the cash outflows that could be expected in respect of the property.

No depreciation or amortisation is provided for on investment properties. However, for tax purposes, depreciation is claimed on building fit-out and a deferred tax liability is recognised where the building component of the registered building exceeds the tax book value of the building. The deferred tax liability is capped at the amount of depreciation that has been claimed on each building. Gains or losses on the disposal of investment properties are recognised in the surplus/deficit in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

Borrowing costs are capitalised if they are directly attributable to the acquisition or construction of a qualifying property. Capitalisation of borrowing costs will continue until the asset is substantially ready for its intended use. The rate at which borrowing costs are capitalised is determined by reference to the weighted average borrowing costs and the average level of borrowings.

## Fair value of property portfolio assets (includes investment property, property held for sale and property in development)

The fair value was determined using valuation techniques via a combination of the following approaches:

- **Direct capitalisation:** The subject property rental is divided by a market derived capitalisation rate to assess the market value of the asset. Further adjustments are then made to the market value to reflect under or over renting, additional revenue and required capital expenditure.
- **Discounted cash flow:** Discounted cash flow projections for the subject property are based on estimates of future cash flows, supported by the terms of any existing lease and by external evidence such as market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
- **Sales comparison:** The subject property is related at a rate per square metre as a means of comparing evidence. In applying this approach a number of factors are taken into account, such as but not limited to, size, location, zoning, contour, access, development potential / end use, availability of services, profile and exposure, current use of surrounding properties, geotechnical and topographical constraints.

## Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by council in respect of services provided by employees up to reporting date.

## Equity

Equity is the community's interest in council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by council.

## Restricted and council created reserves

Restricted reserves are those subject to specific conditions accepted as binding by council and which may not be revised by council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

## Prudence disclosures

The purpose of this statement is to disclose council's planned financial performance in relation to various benchmarks to enable the assessment of whether council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned Met
Rates affordability benchmark		
• Income	Total rates will not exceed 60% of Operating Revenue	50.20% Yes
• Increases	Total rates increase will not exceed 14%	5.50% Yes
Debt affordability benchmark	The quantified limit is that debt cannot exceed 175% of the total revenue	46.20% Yes
Balanced budget benchmark	Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses	101% Yes
Essential services benchmark	Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services	707% Yes
Debt servicing benchmark	Planned borrowing costs are equal to or less than 10% of its planned revenue.	4% Yes

### Notes

#### 1. Rates affordability benchmark

(1) For this benchmark, —

- the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and
- the council's planned rates increases for the year are compared with quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

(2) The council meets the rates affordability benchmark if —

- its planned rates income for the year equals or is less than each quantified limit on rates; and
- its planned rates increases for the year equal or are less than each quantified limit on rates increases.

#### 2. Debt affordability benchmark

- for this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.
- the council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

**3. Balanced budget benchmark**

- a. for this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- b. the council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses

**4. Essential services benchmark**

- a. for this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- b. the council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

**5. Debt servicing benchmark**

- a. for this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- b. because Statistics New Zealand projects Otago's population will grow more slowly than the national population is expected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



# Rate Funding and Funding Impact Statements

## Funding Impact Statement

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>SOURCES OF OPERATING FUNDING</b>			
29,046	General rates, UAGC, and rates penalties	32,143	31,160
35,846	Targeted rates	41,680	37,306
21,991	Subsidies and grants for operating purposes	23,814	25,162
4,364	Fees and charges	4,729	13,621
27,765	Interest and dividends from investments	27,635	27,587
10,136	Local authorities fuel tax, fines, infringement fees, and other receipts	14,279	3,066
<b>129,149</b>	<b>Total operating funding (A)</b>	<b>144,280</b>	<b>137,903</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
118,109	Payments to staff and suppliers	132,984	132,095
9,574	Finance costs	7,517	5,464
75	Other operating funding applications	77	0
<b>127,758</b>	<b>Total applications of operating funding (B)</b>	<b>140,578</b>	<b>137,559</b>
<b>1,391</b>	<b>Surplus (deficit) of operating funding (A – B)</b>	<b>3,702</b>	<b>344</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
5,000	Increase (decrease) in debt	7,500	24,700
500	Gross proceeds from sale of assets	2,567	5,846
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
<b>5,500</b>	<b>Total sources of capital funding (C)</b>	<b>10,068</b>	<b>30,546</b>
<b>APPLICATION OF CAPITAL FUNDING</b>			
	Capital expenditure		
0	• to meet additional demand	0	0
2,625	• to improve the level of service	1,759	1,211
16,368	• to replace existing assets	10,643	19,345
(12,103)	Increase (decrease) in reserves	1,367	(9,613)
0	Increase (decrease) of investments	0	19,947
<b>6,891</b>	<b>Total applications of capital funding (D)</b>	<b>13,769</b>	<b>30,890</b>
<b>(1,391)</b>	<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(3,702)</b>	<b>(344)</b>
<b>0</b>	<b>Funding balance ((A – B) + (C – D))</b>	<b>(0)</b>	<b>(0)</b>

## Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>1,391</b>	<b>Surplus/(Deficit) of operating funding per funding impact statement</b>	<b>3,702</b>	<b>344</b>
	<b>ADD/(DEDUCT)</b>		
(3,302)	Depreciation	(3,380)	(3,075)
1,493	Other Gains/(Losses)	1,274	3,461
0	Other	0	0
<b>(418)</b>	<b>Surplus/(Deficit) from activities per Statement of Comprehensive Revenue and Expense</b>	<b>1,596</b>	<b>730</b>

## Funding Impact Statement - Calculation of Rates for the 2025/2026 year

### Rating Base Information

The rating base information on the following pages comprises the rating base for the entire Otago region as a whole made up of Central Otago, Dunedin, Clutha, Queenstown Lakes and Waitaki districts.

The rating base for 30 June 2026 is the rating base estimate used for the preparation of this Annual Plan 2025/26. The comparative rating base is for the preceding year ended 30 June 2025 and was used for the rates for the period 2024/25.

Otago Region	Rating base Information for the year ended 30 June 2026	Rating base Information for the year ended 30 June 2025
Total number of rating units	136,202	134,931
Total capital value of rating units	155,863,474,309	154,646,588,059
Total land value of rating units	89,014,470,850	87,500,840,800

Rates charged on a capital value basis							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
				Capital Value	Capital Value	Capital Value	
				\$500,000	\$1,000,000	\$5,000,000	
General rates							
Contributes to all activities of council	Capital value	Where the property is situated	Allocated as:	\$26,875,868			
			Central Otago	\$3,319,756	\$89.16	\$178.32	\$891.60
			Clutha	\$1,849,177	\$88.10	\$176.19	\$880.95
			Dunedin	\$7,494,335	\$83.78	\$167.55	\$837.75
			Queenstown	\$12,616,714	\$86.48	\$172.96	\$864.80
			Waitaki	\$1,595,886	\$88.73	\$177.46	\$887.30
Targeted rates – refer to maps of targeted rating areas							
Flood protection and control works							
Leith flood protection scheme	Capital value	Where the property is situated within the defined scheme area	Allocated as:	\$1,444,846			
			Direct benefit zone	\$722,423	\$212.00	\$424.01	\$2,120.05
			Indirect benefit zone	\$722,423	\$8.40	\$16.79	\$83.95
Lower Taieri flood protection scheme	Capital value	Where the property is situated using approved classifications	Allocated as:	\$1,239,539			
			Lower Taieri Flood Protection WF1	\$352,911	\$712.86	\$1,425.72	\$7,128.60
			Lower Taieri Flood Protection WF2	\$744,885	\$712.86	\$1,425.72	\$7,128.60
			Lower Taieri Flood Protection EF1	\$800	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF2	\$1,032	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF3	\$21	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF4	\$465	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF5	\$3,744	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF6	\$40	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF7	\$1,818	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF8	\$103,855	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF9	\$21,603	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF10	\$8,259	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF12	\$18	\$16.02	\$32.03	\$160.15
			Lower Taieri Flood Protection EF13	\$88	\$16.02	\$32.03	\$160.15

Rates charged on a capital value basis							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
				Capital Value	Capital Value	Capital Value	
				\$500,000	\$1,000,000	\$5,000,000	
Lower Clutha flood and drainage scheme	Capital value	Where the property is situated using approved classifications	Allocated as:	\$1,267,626			
			Flood Protection & Drainage A	\$54,923	\$3,855.33	\$7,710.66	\$38,553.30
			Flood Protection & Drainage B	\$208,941	\$1,530.78	\$3,061.56	\$15,307.80
			Flood Protection & Drainage C	\$389,863	\$1,445.74	\$2,891.48	\$14,457.40
			Flood Protection & Drainage D	\$70,196	\$907.12	\$1,814.25	\$9,071.25
			Flood Protection & Drainage E	\$64,942	\$481.92	\$963.84	\$4,819.20
			Flood Protection & Drainage F	\$47,435	\$56.70	\$113.39	\$566.95
			Flood Protection & Drainage U1	\$5,740	\$1,530.91	\$3,061.82	\$15,309.10
			Flood Protection & Drainage U2	\$308,790	\$510.26	\$1,020.52	\$5,102.60
			Flood Protection & Drainage U3	\$25,491	\$113.39	\$226.78	\$1,133.90
Flood Protection & Drainage U4	\$91,305	\$85.04	\$170.09	\$850.45			
Tokomairiro drainage scheme	Capital value	Where the property is situated within the defined scheme area	Allocated as:	\$176,561			
			Tokomairiro Drainage A	\$1,899	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage B	\$5,358	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage C	\$8,193	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage D	\$19,689	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage E	\$21,333	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage F	\$70,652	\$87.70	\$175.41	\$877.05
			Tokomairiro Drainage U1	\$49,437	\$48.66	\$97.32	\$486.60
			River and waterway management				
City and district waterway and river management	Capital value	Where the property is situated	Allocated as:	\$2,861,672			
			Central Otago	\$588,207	\$15.80	\$31.60	\$158.00
			Clutha	\$558,153	\$26.59	\$53.18	\$265.90
			Dunedin	\$305,375	\$3.42	\$6.83	\$34.15
			Waitaki	\$758,386	\$42.16	\$84.33	\$421.65
			Queenstown Lakes	\$651,551	\$4.46	\$8.93	\$44.65
Catchment management rate							
	Capital value	Where the property is situated	Allocated as:	\$6,212,746			
			Central Otago	\$767,410	\$20.61	\$41.22	\$206.10
			Clutha	\$427,464	\$20.36	\$40.73	\$203.65
			Dunedin	\$1,732,424	\$19.36	\$38.73	\$193.65
			Waitaki	\$368,912	\$20.51	\$41.02	\$205.10
			Queenstown Lakes	\$2,916,536	\$19.99	\$39.98	\$199.90



Rates charged on a capital value basis							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
				Capital Value	Capital Value	Capital Value	
				\$500,000	\$1,000,000	\$5,000,000	
Transport							
Dunedin passenger transport	Capital value	Where the property is situated within the defined scheme area, and differentiated on basis of land use:  Class A – non-residential Class B - others	Allocated as:	\$12,322,998			
			Class A	\$3,209,695	\$493.59	\$987.17	\$4,935.85
			Class B				
			* Dunedin	\$9,045,905	\$131.62	\$263.24	\$1,316.20
			* Waitaki	\$67,398	\$139.40	\$278.81	\$1,394.05
Wakatipu passenger transport	Capital value	Where the property is situated within the defined scheme area, and differentiated on basis of land use:  Class A – non-residential Class B - others	Allocated as:	\$4,050,114			
			Class A	\$966,992	\$83.72	\$167.44	\$837.20
			Class B	\$3,083,122	\$41.86	\$83.72	\$418.60
Rates charged in a fixed rate basis (per property)							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
Uniform Annual General Charge							
Contributes to all activities of council	Fixed charge per rating unit		Calculated as \$x per rating unit	\$8,958,622	\$73.48	\$73.48	\$73.48
Wilding trees	Fixed charge per rating unit		Calculated as \$xper rating unit	\$293,825	\$2.41	\$2.41	\$2.41
Emergency management	Fixed charge per rating unit		Calculated as \$x per rating unit	\$4,600,078	\$37.73	\$37.73	\$37.73
Navigational safety	Fixed charge per rating unit	Charged to all district excluding Queenstown Lakes who have a separate harbourmaster service.	Calculated as \$x per rating unit	\$1,016,003	\$11.18	\$11.18	\$11.18

Rates charged on a land value basis							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
				Land Value	Land Value	Land Value	
				\$350,000	\$750,000	\$2,000,000	
Biosecurity							
City and district pest management plan	Land value	Where the property is situated	Allocated as:	\$5,634,405			
			Central Otago	\$662,381	\$22.80	\$48.86	\$130.30
			Clutha	\$429,773	\$22.53	\$48.28	\$128.74
			Dunedin	\$1,474,988	\$21.58	\$46.25	\$123.34
			Queenstown	\$2,754,185	\$22.23	\$47.64	\$127.04
			Waitaki	\$313,078	\$22.55	\$48.32	\$128.86
Rates charged on a land area basis							
Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2025-26 including GST	Estimated rates payable including GST			
				Land Area	Land Area	Land Area	
				0.5 hectares	2 hectare	5 hectares	
East Taieri drainage scheme	Fixed charge per hectare	Where the property is situated within the defined scheme area	Allocated as:	\$787,957			
			East Taieri Drainage - ED1	\$150,935	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED2	\$130,827	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED4	\$18,678	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED5	\$161,987	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED7	\$13,560	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED8	\$139,654	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED9	\$110,927	\$82.89	\$331.56	\$828.91
			East Taieri Drainage - ED10	\$61,389	\$82.89	\$331.56	\$828.91
West Taieri drainage scheme	Fixed charge per hectare	Where the property is situated within the defined scheme area	Allocated as:	\$999,883			
			West Taieri Drainage - WD1	\$548,882	\$64.87	\$259.48	\$648.71
			West Taieri Drainage - WD2	\$335,615	\$64.87	\$259.48	\$648.71
			West Taieri Drainage - WD3	\$39,477	\$64.87	\$259.48	\$648.71
			West Taieri Drainage - WD4	\$13,976	\$64.87	\$259.48	\$648.71
			West Taieri Drainage - WD5	\$61,933	\$64.87	\$259.48	\$648.71

## Effect of Rating

2024/25 LTP \$000s		2025/26 LTP \$000s	2025/26 Annual Plan \$000s
<b>29,046</b>	<b>General Rates</b>	<b>32,143</b>	<b>31,160</b>
	<b>Targeted Rates</b>		
5,916	Catchment Management Rate	9,272	5,402
210	Farm Monitoring rate	291	0
3,730	Emergency Management rate	4,018	4,000
250	Wilding Pines rate	257	256
4,332	Biosecurity	4,871	4,899
839	Harbour Management	892	883
	<b>Targeted River Management rates</b>		
498	Central Otago	516	511
443	Clutha	491	485
228	Dunedin	268	266
509	Whakatipu/Wanaka	572	567
627	Waitaki	666	659
	<b>Targeted Transport rates</b>		
9,559	Dunedin Public Transport	10,727	10,716
3,707	Whakatipu Public Transport	3,572	3,522
49	Ōamaru Public Transport	105	0
	<b>Targeted Flood and Drainage rates</b>		
1,256	Leith Flood Protection	1,256	1,256
1,034	Lower Clutha Flood Protection & Drainage	1,100	1,102
1,044	Lower Taieri Flood Protection	1,099	1,073
828	West Taieri Drainage	868	869
646	East Taieri Drainage	684	685
140	Tokomairiro Drainage	153	154

# Schedule of Fees and Charges

## Scale of Charges

The following scale of charges is to be applied where indicated to activities included in this Schedule of Fees and Charges.

Charge	From 1 July 2024	From 1 July 2025
Staff time per hour:		
• Management	\$215	\$215
• Team Leader/Principal	\$195	\$195
• Senior Technical	\$175	\$175
• Technical	\$150	\$150
• Field Staff	\$150	\$150
• Administration	\$115	\$115
• Specialist Expert Services. For example: Science, Hazards or Engineering time.	\$175	\$175
Disbursements	Actual	Actual
Additional Site Notice	Actual	Actual
Advertisements	Actual	Actual
Vehicle use per kilometre	As per IRD Published Rates	As per IRD Published Rates
Harbourmaster vessel per hour	\$395	\$395
Travel and accommodation	Actual	Actual
Testing charges	Actual	Actual
Consultants	Actual	Actual
Commissioners	Actual	Actual
Councillor Hearing fees per hour:		
• Chairperson	\$100	\$116
• Members	\$80	\$93
• Expenses	Actual	Actual

## Resource Management Act — Section 36 Charges

Set out below are details of the amounts payable for those activities to be funded by fees and charges, as authorised by Section 36(1) of the Resource Management Act 1991 (RMA).

### Resource Consent Application Fees

Note that the fees shown below are a deposit to be paid on lodgement of a consent application and applications for exemptions in respect of water measuring devices. The deposit will not usually cover the full cost of processing the application, and further actual and reasonable costs are incurred at the rate shown in the scale of charges. GST is included in all fees and charges. Costs for applications are typically invoiced at the end of process.

### Pre-Application Work

We offer a pre-application service to help customers. The first 30 minutes of pre-application advice or review of application documents is free of charge. We will always advise before we start charging for application advice. For larger pre-application projects we may invoice before, during, and after the process is complete. Fees payable for pre-application work carried out before a consent application is lodged with council will be incurred at the rates shown in the scale of charges.

<b>Deposits</b>	<b>From 1 July 2024</b>	<b>From 1 July 2025</b>
<b>Publicly Notified Deposits:<sup>3</sup></b>	\$25,000	\$25,000
<b>Non-Notified and Limited Notification Deposits:<sup>3</sup></b>		
First consent	\$3,000	\$3,000
Subsequent consents	\$100	\$200
<b>Other Application Types</b>		
Variation to Conditions – s127	\$3,000	\$3,000
<b>Fixed Fees</b>		
Single Bore	\$1,365	\$1,365
Single farm dairy effluent storage and discharge to land	None	\$5,000
Single dairy effluent discharge to land	None	\$3,500
Small scale contaminated land disturbance	None	\$3,500
Exemption under regulation 7A of the Water Metering Regulations	\$250	\$250
Exemption under regulations 9 or 10 of the Water Metering Regulations	\$600	\$600
Transfer consent holder and certificate	\$200	\$200
<b>Hearings</b>		
Hearings	Per Note 2 below	Per Note 2 below
Payment for Commissioner request – s100A	Per Note 4 below	Per Note 4 below
<b>Objections</b>		
Payment for Commissioner request – s357AB	Per Note 4 below	Per Note 4 below
<b>Transfer of Consent Holder and Certificates Deposits:</b>		
Priority Table	\$200	\$200
Certificate of Compliance	\$2,000	\$2,000
All Other Costs	As per Scale of Charges	As per Scale of Charges

**Notes:**

- For additional permits in respect of the same site, activity, applicant, time of application and closely related effect as the first application. Applications for more than one activity require an additional deposit for each activity. The \$200 deposit is required for each additional activity applied for in an application this deposit amount includes a one-off compliance administration fee of \$100.
- An interim invoice of costs to date in addition to a deposit payable shall be 90% of the cost of a hearing as calculated by council in accordance with information contained in the application file and using the scale of charges. The amount payable will be due at least 10 working days before the commencement of the hearing. If the amount is not paid by the due date, then the council reserves the right under S36(7) of the Resource Management Act to stop processing the application. This may include cancellation of the hearing.
  - Should a hearing be cancelled or postponed due to the non-payment of the charge, the applicant will be invoiced for any costs that arise from that cancellation or postponement.
  - Following completion of the hearing process, any shortfall in the recovery of hearing costs will be invoiced, or any over-recovery will be refunded to the applicant.



- 3 Where actual and reasonable costs are less than the deposit paid, a refund will be given.
- 4 Where an applicant requests under s100A (for a consent hearing) or under s357AB (for the hearing of an objection) an independent commissioner(s); the applicant will be required to pay any increase in cost of having the commissioner(s).

### **Use of Consultants for Resource Consents**

If ORC uses an external consultant for the processing of a consent, or to provide technical input into the application, then the full actual and reasonable costs of the consultant are charged to the applicant. This may include instances where the applicant makes a request for urgency, the application involves complex and/or technical matters or a peer review is necessary. ORC will also charge the applicant for time spent managing the consultant. ORC will advise the applicant before engaging a consultant.

If ORC uses a consultant to commission a report under section 92(2) of the RMA, the full cost of the consultant is charged to the applicant.

### **Review of Consent Conditions**

Following the granting of a consent, a subsequent review of consent conditions may be carried out at either the request of the consent holder, or as authorised under Section 128, as a requirement of Council. Costs incurred in undertaking reviews requested by the consent holder will be payable by the consent holder at the rates shown in the Scale of Charges above.

Reviews initiated by Council will not be charged to consent holders.

# Compliance Monitoring

## Performance Monitoring

The following charges will apply to the review of performance monitoring reports for all consent holders, except those listed in 'fees for specific consent holders' section below. The charges shown are annual fixed fees per performance monitoring report or plan and are inclusive of GST.

Resource Consent Monitoring and Annual Administration Charges	From 1 July 2024	From 1 July 2025
One-off compliance administration fee to be charged on all new applications. Covers the cost of compliance monitoring systems. This is included in the consent deposit and fixed fees above and only to be charged if a deposit or fixed fee is not paid.	\$180	\$180
One off compliance set up fee to be charged on all new applications (subsequent consents) covers the cost of compliance monitoring systems. This is included in the consent deposit and fixed fees above and only to be charged if a deposit or fixed fee is not paid.	\$100	\$100
Ongoing compliance administration fee to be charged on consents with Performance Monitoring requirements.	\$60	\$62
Late performance monitoring fee to be charged as required.	\$180	\$180
<b>Annual Consent Compliance Monitoring Charges</b>		
Compliance monitoring charge for each other item due during the financial year (unless covered by one of the fees below). Examples include management plans, provision of photos, bore logs, notifications, record of complaints, annual reports.	\$85	\$87
Annual charge for the receipt and processing of telemetered water take data/information (including verifications returns).	\$220	\$230
Each additional telemetered water measuring device.	\$60	\$62
Annual charge for the receipt and processing of manual and data logger water take data/information (including verification returns), excludes those who hold a WEX for the installation of telemetry.	\$280	\$290
Each additional non telemetered water measuring device	\$120	\$125
Annual charge for the receipt and processing of all returns relating to small/simple discharge consents.	\$100	\$102
Annual charge for the receipt and processing of all returns relating to medium/moderately complex discharge consents.	\$375	\$390
Annual charge for the receipt and processing of all returns relating to large/complex discharge consents.	\$1,100	\$1,145
Annual charge for the receipt and processing of all returns relating to simple/small earthworks consents.	\$325	\$335
Annual charge for the receipt and processing of all returns relating to standard/medium earthworks consents.	\$1,050	\$1,075
Annual charge for the receipt and processing of all returns relating to complex/large earthworks consents. Very large developments may be set up as major clients.	\$2,200	\$2,250
Inspection reports for small dams	\$175	\$175
Inspection reports for large dams	\$340	\$340
Structural integrity report	\$120	\$125
CMA Structure Permit (Annual Charge)	\$30	\$30
<b>Low Flow Monitoring Charges</b>		

Kakanui at McCones	\$400	\$410
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### Fees for Specific Consent Holders

Performance monitoring will be charged as 100% of actual costs where applying the fixed charges listed above do not represent a fair and reasonable charge.

This includes major consent holders who hold a large number of individual consents and/or consents which contain complex monitoring requirements. It also includes consents where data or information is consistently submitted in a way which generates significant extra costs for council.

Additional charges may be incurred for new consents granted during the year.

## Resource Consent Monitoring

### Resource Consent Audits

Audits and site inspections for monitoring consents will be as follows:

Resource Consent Monitoring audit fee	From 1 July 2024	From 1 July 2025
Coastal permit – structure	\$250	\$300
Coastal permit – mooring	\$200	\$250
Bore inspection	\$350	\$400
Small/simple on-site waste water discharge consent	\$350	\$450
Dairy Audit fee per inspection	New	\$500

All other audits of resource consents will be charged at the actual and reasonable cost incurred using the scale of charges. This includes, but is not limited to:

- Staff time to carry out an inspection (including travel), assess any information provided by consent holders, report back to consent holders and follow up any non-compliance (if required).
- Any disbursements related to the monitoring, including sampling and testing costs and any specialist or technical advice needed.

### Resource Consent Non-Compliance

Where non-compliance with resource consent conditions is identified, all follow-up work and enforcement action related to the consent non-compliance will be charged at the scale of charges. For clarification, these costs are additional to the 'resource consent audit' costs above.

This includes, but is not limited to:

- Staff time to consider the non-compliance, prepare reports and correspondence, and any disbursements (e.g. sampling services, technical advice) related to consent non-compliance.
- Costs for generating and issuing enforcement notices.
- Inspections to determine compliance with an enforcement order or abatement notice to confirm that the required action has been taken and full compliance with the notice is achieved.
- Reactive site visits as a result of an incident notification (e.g. a complaint about water pollution or odour discharge), the consent holder is only charged if the consent is breached and non-compliance is observed.
- Costs for external consultants/contractors (actual charges).

### Other Compliance Activities

The following activities will be charged at the actual and reasonable cost incurred, using the scale of charges:

- Performance and compliance monitoring of permitted activities under a National Environmental Standard, including but not limited to freshwater, plantation forestry and storing tyres outdoors.
- Monitoring compliance of farm operators with freshwater farm plan regulations and receiving notifications and audit reports of freshwater farm plans.
- Monitoring compliance certificates.

## Non-Compliance, Incidents and Complaints

### Pollution Incidents and non-compliance with permitted activity rules

Where non-compliance with the RMA or permitted activity rules in regional plans or National Environment Standards is identified, the actual and reasonable costs and expenses incurred may be charged at the scale of charges. This includes, but is not limited to:

- Dealing with initial response to the pollution incident such as initial enquiries and site visit.
- Enforcement work including staff time for investigating, monitoring and reporting and any disbursements (e.g. sampling services and technical advice) related to the non-compliance.
- Costs of any actions required to avoid, remedy, or mitigate the adverse environmental effect, including the remediation and clean-up.

### Gravel Inspection and Management

Gravel extraction fee — \$0.66 per cubic metre (incl. GST). Up to a maximum of \$6,600 per consent per year.

### Resource Monitoring

Water or air monitoring work carried out for external parties — scale of charges.

### Private Plan Changes

Work carried out on privately initiated plan changes — scale of charges.

## Building Act 2004 — Section 243 charges

### Dam safety and building control

The following table of charges and deposits will apply to the dam safety and building control activity.

Activity	Description	Deposit	2025/26 Fees
Issue of Certification of Acceptance (CoA)	Receive, process and grant or refuse applications for CoA	\$2,000	Scale of Charges plus MBIE/BRANZ levies where applicable*
Project Information Memorandum (PIM) for a Dam	Receive, process and issue PIM applications	-	Scale of Charges
Dam Safety	Dangerous dams, earthquake-prone dams, and flood-prone dams – inspections and enforcement	-	Scale of Charges
	Consider and approve (or refuse) dam classifications	-	Fixed Fee - \$115
	Approve or refuse dam safety assurance programmes	-	Fixed Fee - \$285
	Receive annual dam safety assurance programme compliance certificates	-	Fixed Fee - \$60
Notices to Fix (NTF)	Issue of NTF	-	Scale of Charges
	Inspection(s) of building work under NTF	-	Scale of Charges
Any other activity under the Building Act			Scale of Charges

\*Ministry of Business, Innovation and Employment (MBIE) and Building Research Association of New Zealand (BRANZ) levies apply to CoA applications where the estimated value of building work is greater than \$20,000. The Otago Regional Council is required to collect these levies from the applicant on behalf of MBIE and BRANZ. The levies quoted are as required by regulation and may change in accordance with amendments made to regulations.

## Biosecurity Act — Section 135 charges

### **Pest Management Strategy Implementation**

Work carried out resulting from inaction of landowners not complying with council's Pest Management Strategy for Otago. The scale of charges applies.

Review of rabbit control programmes from non-compliant farms and work associated with ensuring implementation of those programmes — scale of charges.

## Local Government Act — Section 150 charges

### **Transport Licensing Exempt Services**

Apply to register or vary an existing registration — scale of charges; deposit payable of \$575.

### **Bylaw Application Processing**

Processing bylaw applications with the scale of charges applying and deposit payable of \$300.

## Local Government Official Information and Meetings Act — Section 13 and Resource Management Act Section 36(1)

### **Information Requests**

Information requests that require more than half an hour to respond to and multiple copies of council reports. The scale of charges applies.

## Local Government (Rating) Act 2002 — Section 88 charges

### **Postponement**

A postponement fee to cover administration and financial costs may be charged on postponed rates — scale of charges.



