

Council Agenda - 13 December 2023



Meeting will be held in the Council Chamber at Level 2, Philip Laing House, 144 Rattray Street, Dunedin and live streamed to the [ORC YouTube Channel](#)

Members:

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

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Trudi McLaren, Governance Support Officer

13 December 2023 01:00 PM

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1. WELCOME	
2. APOLOGIES No apologies were received at the time of agenda publication	
3. PUBLIC FORUM There were no requests to speak at public forum at the time of agenda publication.	
4. CONFIRMATION OF AGENDA Note: Any additions to the agenda must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
5. DECLARATIONS OF INTEREST Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The Register of Pecuniary Interests can be found on the ORC Website	
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7. CLOSURE

6.1. LTP: Financial Strategy and Revenue and Financing Policy Considerations

Prepared for:	Council
Report No.	CS2344
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Corporate Services and CFO
Endorsed by:	Nick Donnelly, General Manager Corporate Services and CFO
Date:	13 December 2023

PURPOSE

- [1] To consider options for changes to Council's Financial Strategy and Revenue and Financing Policy for inclusion in the Long-term Plan 2024-34.

EXECUTIVE SUMMARY

- [2] As part of the Long-term Plan 2024-34 ("LTP") Council is reviewing its Financial Strategy and Revenue and Financing Policy ("RFP". That process has indicated a number of changes that could be made to both documents. This paper outlines the process Council has followed in undertaking the review to date, options Council has considered and recommends preferred options where changes are proposed.
- [3] These changes will form the preferred funding method for budget estimates that will be included in the draft LTP and consulted on in April 2024. Feedback from that consultation will then be considered and a final Financial Strategy and Revenue and Financing Policy adopted when the LTP is adopted in June 2024.
- [4] Adoption of preferred funding options now allows the draft LTP to be prepared and for further analysis and detail of the implications of these changes to be undertaken and be provided as part of the LTP consultation.
- [5] Changes made now are not final funding policy decisions and further analysis will be undertaken on the direction Council decides on today. The analysis and draft Financial Strategy and Revenue and Financing Policy documents will be provided to Council in early February 2024 for further review prior to public consultation in April 2024.
- [6] There are numerous options for funding changes outlined in this paper and the recommendations below are laid out to step through each of the funding changes individually.
- [7] The sections included in this report are:
- Background – outlines the process and steps Council has undertaken in the review to date.
 - Discussion – outlines the reasons for the review, key considerations / issues and how they have been addressed in the review.

- Options – provides an overview of the proposed changes by activity / rate. This is supported by attachments that provide detail of the financial impact of each proposed change. Also supporting this are the detailed funding needs analysis for each activity and a funding policy summary.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the following changes to be included in the development of the draft **Financial Strategy**:
- 3) **Infrastructure capital repayment will occur over 20 years.**

Options (if above not approved):

- a. *Status quo – funding over the 10-year LTP period.*
- b. *Repayment over longer than 20 years.*

- 4) **Transport operating expenditure will be fully funded in the year it occurs** (balanced budget for that activity).

Options (if above not approved):

- a. *Status quo – deficits are used to smooth and manage level of targeted rate increases.*

- 5) **Existing transport deficits will be ringfenced** – with funding for those to be considered separately in the Financial Strategy.

Options (if above not approved):

- a. *Status quo – deficits are considered in level of rates with deficits being budgeted for to smooth and manage level of targeted rate increases.*

- 6) **Approves** the following changes to be included in the development of the draft **Revenue and Financing Policy**:

- 7) **Establish a new Catchment Management Rate** to fund biodiversity implementation, Ecofund, land and water implementation and environmental management activities. The new rate will be regional based on capital value.

Options (if above not approved):

- a. *Status quo – continue funding these activities via a mix of rates.*
- b. *General rate fund all of the activities included above.*
- c. *Establish other new targeted rates for some or all of the activities above.*

d. *Use a different basis ie land value or uniform.*

- 8) **Discontinue the Rural Water Quality Rate** (assumes establishment of Catchment Management Rate above).
- 9) **Discontinue the Wilding Tree Rate** and fund this activity through the Biosecurity Rate.

Options (if above not approved):

a. *Status quo – continue use of a Wilding Tree rate.*

- 10) **Establish a new Navigational Safety Management Rate** to replace rating for this activity on a general rate – sub regional basis.

Options (if above not approved):

a. *Status quo – continue rate on a General Rate – Sub Regional basis.*

- 11) **Establish a new Farm Plan Rate** to fund Council's requirement to administer the freshwater farm plan process. Rate will uniform and based on land use and size (in line with farm plan requirements). Note – it is envisaged this rate will be introduced in year 2 of the LTP.

Options (if above not approved):

a. *Defer and consider as part of a future Annual Plan (note – may require an LTP amendment).*

- 12) **Discontinue the Dairy Rate** (assumes establishment of Farm Plan Rate above and will occur at the same time that rate is introduced).

Options (if above not approved):

a. *Defer and consider as part of a future Annual Plan along with Farm Plan Rates above.*

- 13) **Establish a new River and Waterway Management – Queenstown Lakes Rate** which amalgamates River and Waterway Management – Whakatipu and River and Waterway Management – Wanaka into a single district wide rate.

Options (if above not approved):

a. *Status quo – continue funding Whakatipu and Wanaka separately.*

- 14) **Establish a new Alexandra Flood Targeted Rate** based on a defined area (to be determined) and capital value.

Options (if above not approved):

a. *Status quo – continue to rate remainder of cost (after Contact Energy agreed amount) from General Rates – Sub Regional.*

- b. *Fund all 100% of rates requirement from River and Waterway Management – Central.*
- c. *Fund 80% targeted rate requirement from River and Waterway Management – Central (assuming all flood allocations move to 80/20).*

15) Amend all flood schemes and Tokomairiro Drainage to a 20% general rate allocation.

Options (if above not approved):

- a. *Status quo – remain with current general rate allocations.*
- b. *Amend all general allocations to a different %.*
- c. *Consider Tokomairiro being fully or partially funded by River and Waterway Management – Clutha.*

16) Amend all drainage schemes to a 10% general rate allocation (Lower Clutha, East Taieri, West Taieri).

Options (if above not approved):

- a. *Status quo – remain with current general rate allocations.*
- b. *Amend all general allocations to a different %.*

17) Amend all flood and drainage general rate allocations to General Rate – Regional.

Options (if above not approved):

- a. *Status quo – remain with current General Rate – District / Regional allocations.*
- b. *Amend General Rate – District / Regional allocations to different %'s.*

18) Reduce the number of flood and drainage benefit zones to one or two zones per scheme (Lower Clutha, Lower Taieri, East Taieri, West Taieri, Tokomairiro).

Options (if above not approved):

- a. *Status quo – remain with current benefit zones.*
- b. *Make all schemes one zone.*

- 19) **Base two zone apportionment on current allocation % and remove WF3, WF4, WF6, WF7, WF8 and WF9 from the calculation for Lower Taieri Flood.**

Options (if above not approved):

- a. *Allocate to each zone on a different %.*

- 20) **Amend the Leith Flood Indirect zone to be all of Dunedin district.**

Options (if above not approved):

- a. *Status quo – remain with the current Leith Indirect zone (defined mapped area).*
- b. *Amend Leith Indirect to be General Rates – Regional.*

- 21) **Amend Lower Waitaki River Control to be 100% funded by River and Waterway Management – Waitaki.**

Options (if above not approved):

- a. *Status quo – retain the existing targeted rate and align general allocation and regional vs district with decisions made on other flood schemes.*

- 22) **Amend Transport Targeted Rate areas to be all of Dunedin and Queenstown districts (with Dunedin including the existing mapped Palmerston area).**

Options (if above not approved):

- a. *Status quo – remain with existing defined (mapped) areas.*
- b. *Redefine the mapped areas.*
- c. *Exclude Wanaka from the Queenstown rating area.*

- 23) **Introduce a new General Rate – Regional allocation of 40% of the total Transport Rate requirement (Dunedin and Queenstown).**

Options (if above not approved):

- a. *Status quo – remain with current rate allocation (100% targeted).*
- b. *Include a General Rate – Regional allocation at a different %.*
- c. *Include a General Rate – District allocation at a different %.*

- 24) **Amend Transport Targeted Rates to be charged on a uniform basis.**

Options (if above not approved):

- a. *Status quo – continue using capital value as the rating basis.*

- b. *Use a different basis ie land value.*

25) Remove the current Transport Targeted Rate differentials.

Options (if above not approved):

- a. *Status quo – remain with existing differentials.*
- b. *Apply differentials on a different basis.*

26) **Notes** that the changes endorsed / approved above will form part of revised Financial Strategy and Revenue and Financing Policy that will be consulted on as part of the LTP 2024-34.

27) **Notes** there are still further Financial Strategy and Revenue and Financing Policy matters that will be considered once the overall funding requirement is determined via the Long-term Plan budget / estimate process.

BACKGROUND

[8] Council has undertaken a series of financial and funding workshops:

- 23 May Financial Management – overview of legislative requirements.
- 28 June Finance and Funding Overview – overview of ORC’s current financial and funding (including current rates analysis).
- 2 August (Morrison Low) Revenue and Financing Policy Overview – key considerations, review of regional sector RFP’s and guiding principles.
- 24 August (Morrison Low) Revenue and Financing Policy Approach – guiding principles and Funding Needs Analysis approach including initial FNA examples.
- 21 September Funding Needs Analysis and Initial Options Modelling – assessed rate allocations using high / medium / low criteria and looked at differential benefit zone impact.
- 26 October (Morrison Low) Affordability – implications and application of Local Government Act 2002 section 101(3)b.
- 26 October / 1 November Financial Strategy Considerations – how the work is paid for (use of debt and balancing the budget).
- 30 November Financial Strategy and Revenue and Financing Policy Considerations – completed Funding Needs Analysis for all activities and proposed Financial Strategy and Revenue and Financing Policy changes.

[9] Council engaged Morrison Low, in collaboration with Bay of Plenty and Waikato Regional Councils to assist in the review and provide an overview of other regional councils Revenue and Financing Policy’s as a starting point.

[10] The above review work program has identified a number of changes to Council’s Financial Strategy and Revenue and Financing Policy that could be considered. Those changes are outlined (and highlighted) in the attached:

- Draft Funding Needs Analysis and
- Draft Funding Policy Summary.

DISCUSSION

- [11] Some of the key issues that the funding review is aiming to address include feedback from Councillors and the community around:
- Affordability
 - Rate allocations
 - Consistency
 - Transparency
 - Complexity
 - Sustainability
- [12] Key learnings from the analysis and workshops have been:
- Council's activities have changed over time and some of the current rating methods may not be applicable, appropriate, or efficient.
 - Benefit assessment can be broadened to include overall outcome and wellbeing benefits.
 - Current differentials are the biggest driver of rate allocations for targeted rate activities.
 - Affordability is impacted by rate allocation set in the RFP but also by the Financial Strategy and budgets / levels of service.
- [13] In addressing these issues, the review has focused on changes to funding that can be made without the need to technical reviews / reviews which are both time consuming and expensive.
- [14] Analysis and proposed changes have utilised learnings from previous benefit reviews but have also looked to incorporate a wider community / wellbeing focus. That has led to benefits being assessed on a more general "high / medium / low" scale rather than specific benefit percentages for each activity that are currently used.
- [15] Allocations within targeted rate allocations has considered taking a more integrated view of schemes that are currently based on highly differentiated technical benefit zones. As the current allocations are highly differentiated, changes to this part of the funding policy will drive the most significant changes to rate allocations.
- [16] Some activities that currently don't have general rate allocations ie transport, have been aligned with other activities and the introduction of general rate allocations are proposed.
- [17] Consistency across activities has been a major consideration. Proposed general rate allocations are based on a high / medium / low assessment of the targeted rate benefit and the remainder then becomes the general rate allocation. High is 80-100% targeted rate, medium 60-80% and low 40-60%. The general rate allocations therefore become 0-20%, 20-40% and 40-60%. Below 40% targeted rate the assumption is a targeted rate wouldn't be justified and general rates would be used.
- [18] Analysis has resulted in flood and drainage targeted allocation being assessed as high and transport medium. Although flood and drainage were both high, drainage was assessed as higher than flood.

- [19] As a result, all flood rate allocations have been rounded to 80% targeted, drainage 90% targeted and transport 60% targeted.
- [20] These allocations are of the rate allocation not the full cost. The two are the same for flood and drainage but transport has significant other income from fares and grants that means that only approximately 40% of the cost is rate funded. Allocation of 40% of this to general rates means that 16% of the total cost of transport is general rate funded.
- [21] General rate allocations have also been amended across all activities to remove any sub regional or district allocations so general rates are now all allocated on a regional basis. If location-based rates are to be used that will be done via targeted rates ie the proposed new Harbour Management rate.
- [22] Introduction of a new Climate Change Rate was considered as part of the review. This rate hasn't been proposed at this stage as further assessment is required on exactly what activity it would use to fund needs to be undertaken.
- [23] Depending on the outcome of that assessment, introduction of that rate may still be proposed for later years in the LTP.
- [24] A summary of Council's existing rates is provided below and the options section that follows provides specific comment on the changes proposed for activities / rates.

CURRENT RATES	Basis	Rate Units	Notes
Region wide rates			
General Rates	CV	124,263	25% UAGC
River Management	CV	124,263	Separate rate for each district
Emergency Management	Uniform	118,946	Region
Wildings	Uniform	118,946	Region
Biosecurity	LV	124,263	Region
Transport rates			
Dunedin Transport	CV	51,222	Targeted 49%, subsidies 51% (after fares)
Queenstown Transport	CV	17,304	Targeted 49%, subsidies 51% (after fares)
Other rates			
Leith Flood	CV	42,060	Targeted 93% (46.5%/46.5%), general region 5%, district 2%
Lower Clutha Flood & Drainage	CV	3,657	Flood – targeted 84%, general region 12%, district 4% Drain – targeted 94%, general region 0%, 6%
Lower Taieri Flood	CV	6,246	Targeted 83%, general region 4%, district 13%
West Taieri Drainage	Land Area	679	Targeted 92%, general region 0%, district 8%
East Taieri Drainage	Land Area	2,879	Targeted 92%, general region 0%, district 8%
Tokomairiro Drainage	CV	1,891	Targeted 100%, general region

			0%, district 0%
Lower Waitaki River Control	CV	115	Targeted 90%, general region 10%, district 0%
Dairy Compliance	Uniform	431	Diary land use
Rural Water Quality	CV	13,546	Rural & lifestyle > 2 Ha

OPTIONS

FINANCIAL STRATEGY

[25] A number of changes are proposed to Council's Financial Strategy to ensure that Council manages its finances prudently, the overall level of rates is sustainable and the period of payment for capital reflects the long-term nature of those assets.

Capital Repayment

[26] Currently rates are set using an assumption that infrastructure capital repayment will occur within the current LTP 10-year period. Historically, prior to the LTP 2021-31 this approach was feasible as overall capital expenditure was consistent across from LTP to LTP. In the LTP 2021-31 capital expenditure included in the infrastructure strategy increased significantly which resulted in a requirement for rates to increase as well.

[27] In the LTP 2024-34 it is proposed that infrastructure capital expenditure will be repaid over a 20-year time period to reflect the nature of those assets and the time period that the benefits accrue over.

Transport Funding and Reserve Deficits

[28] Over the last few years transport costs have increased significantly faster than rates. This has resulted in both transport activities using increased reserve funding and those reserves are now carrying large deficits.

[29] Changes to transport rates are proposed in the Revenue and Financing Policy and alongside this it is proposed that the Financial Strategy assumes that transport budgets will be balanced in each year and that each years operating cost will be fully funded in that year.

[30] This will ringfence the existing reserve deficits and options for repayment of these amounts will be provided to Council in the new year for inclusion in the draft Financial Strategy.

REVENUE AND FINANCING POLICY

[31] The attached rates modelling (LTP 2024-34 Rates Modelling Draft Council 13-Dec-2023) provides the analysis on each the proposed changes included in the recommendations.

[32] The modelling covers:

- Page 1 is a rates summary of Council's Annual Plan 2023-24.
- Pages 2-13 covers Flood & Drainage and Transport.
- Page 14 is other rates where changes / new rates are proposed – Farm Plans, Biosecurity / Wildings, Catchment Management, River and Waterway Management – Queenstown Lakes and Harbour Management.

[33] Each activity / rate includes a summary of the current rates which forms the base case that options are measured against.

[34] Options for Flood and Drainage include:

- Option 1 – assumes 1 single benefit zone is applied (existing general rate allocation).
- Option 2 – assumes 1 or 2 benefit zone apply AND new general rate allocation is used ie 80/20 or 90/10.
- Option 3 (only applies for some activities) – assumes a different rate is used ie River and Waterway Management.
- For options 2 and 3 the reallocation to General Rates is highlighted in green and a further analysis is shown to the right if there is a reallocation from district to regional general rates.

[35] Flood and Drainage options are based on the existing targeted rate areas and no changes have been proposed to those areas or the zones other than rating zones the same amounts. Exceptions to this are:

- Applying zero rates to WF3, WF4, WF6, WF7, WF8 and WF9 in Lower Taieri Flood as the current amount rated in these zones is so small (and in some zones zero) the increase from the proposed change is unreasonable.
- Leith Flood proposes to remove the mapped Indirect area and rate this allocation across the Dunedin district.

[36] It is also noted that the defined rating areas should be reviewed for Lower Clutha Flood and Drainage and splitting this into separate flood and drainage schemes could be considered. This will require further technical analysis and will be undertaken post adoption of the LTP and may result in rating changes in subsequent Annual Plans.

[37] Options for Transport include:

- Option 1 – assumes 1 single benefit zone is applied (existing no general rate allocation). This includes A and B variations that widen the targeted rate area.
- Option 2 – assumes uniform targeted rates AND new general rate allocation is used ie 60/40. Includes A and B variations that widen the targeted rate area.

[38] Other activities / rates (page 14) show analysis of the proposed rate compared to the existing way those activities are rated.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[39] Council has a current Financial Strategy and Revenue and Financing Policy. The changes proposed in this paper will be incorporated into updated versions of these documents to be adopted as part of the LTP process by 30 June 2024.

Financial Considerations

[40] Financial considerations have been outlined in this paper and the attachments.

Significance and Engagement Considerations

[41] The LTP will be consulted on in April 2024. Due to the significance of the changes being proposed, funding will be a consultation item.

Legislative and Risk Considerations

[42] The Financial Strategy and Revenue and Financing Policy are required under the Local Government Act 2002. The process being followed in the amendment of these documents is following the requirements of this Act.

[43] The RFP is a key document in the setting of Council's rates under the Local Government (Rates) Act 2002 and therefore must be legally compliant. Once the draft Revenue and Financing Policy is completed an external legal review will be undertaken prior to finalisation of a draft LTP position for consultation in April 2024.

Climate Change Considerations

[44] Climate change has been considered in the development of the proposed changes and is noted in the attached Funding Needs Analysis.

Communications Considerations

[45] A communications plan for consultation on the LTP has been prepared.

NEXT STEPS

[46] Prepare draft Financial Strategy and RFP documents for Council to review – Finance Committee, February 2024. This will include further modelling analysis on the preferred options for inclusion in the consultation material.

[47] Preferred funding options will be incorporated into draft LTP budget estimates – December 2023 / January 2024.

[48] Legal review of draft RFP and process – January 2024.

[49] Audit review – February 2024.

ATTACHMENTS

1. LTP 2024-34 Rates Modelling Draft Council 13- Dec-2023 [6.1.1 - 14 pages]
2. LTP 2024-34 Funding Policy Summary Draft Council 13- Dec-2023 [6.1.2 - 4 pages]
3. LTP 2024-34 Funding Needs Analysis Draft Council 13- Dec-2023 [6.1.3 - 28 pages]

Revenue and Financing Policy – Rates Modelling

Rates Summary (Based on Annual Plan 2023-24)

RATE TYPE	Rates \$		Average
	23/24 AP	Rate Units	23/24 AP
1.0 General Rates	25,681,418	124,263	\$ 237.67
1.1 General Rate Central	186,982	14,932	\$ 14.40
1.2 General Rate Clutha	278,495	11,376	\$ 28.15
1.3 General Rate Dunedin	1,928,676	55,728	\$ 39.80
1.4 General Rate Queenstown			
1.5 General Rate Waitaki	186,991	12,071	\$ 17.81
General Rates Total	28,262,563	124,263	\$ 261.56
2.1 Target Rate RM Central	360,000	14,932	\$ 27.73
2.2 Targeted Rate RM Clutha	420,000	11,376	\$ 42.46
2.3 Target Rate RM Dunedin	350,000	55,728	\$ 7.22
2.4 TargetRate RM Wakatipu	415,000	18,961	\$ 25.17
2.4 TargetRate RM Wanaka	315,000	11,195	\$ 32.36
2.5 TargetRate RM Waitaki	400,000	12,071	\$ 38.11
2.6 E 1 Emergency Mgt	3,336,000	118,946	\$ 32.25
F 2 Leith	1,460,550	42,060	\$ 39.93
F 3 L Clutha Fld	1,050,000	3,657	\$ 330.19
F 4 L Taieri	1,050,000	6,246	\$ 193.32
F 5 W Taieri	820,000	679	\$ 1,388.81
F 6 E Taieri	640,000	2,879	\$ 255.64
F 7 Toko	170,000	1,891	\$ 103.38
M 7 Lwr Waitaki River Control	180,000	115	\$ 1,800.00
R 2 Dairy Compliance	210,000	431	\$ 560.32
W 3 Rural Water Quality	1,752,232	13,546	\$ 148.76
L 1 Wildings	200,000	118,946	\$ 1.93
L 2 Biosecurity	3,977,990	124,263	\$ 36.81
2.7 Target Rates Dn Trans	8,349,982	51,222	\$ 187.47
2.7 Target Rates Qn Trans	2,058,306	17,304	\$ 136.79
Targeted Rates Total	27,515,061	124,263	\$ 254.64
TOTAL RATES	55,777,624	124,263	\$ 516.20

SENSITIVITY - IMPACT OF 1% RATES MOVEMENT			
General Rates Total	28,262,563	1.0%	282,626
Targeted Rates Total	27,515,061	1.0%	275,151
TOTAL RATES	55,777,624	1.0%	557,776

2023/24 Rates Strike		
Rate Units	UAGC Units	CV \$'000
14,932	14,507	18,068,649
11,376	10,429	8,781,449
55,728	53,811	44,187,838
30,156	29,223	57,638,139
12,071	10,976	7,447,077
124,263	118,946	136,123,153

District General	GST Excl
F 1 Alex Fld	6,825
R 4 Harbours Mgt	93,495
T 3 STEDS	86,662
1.1 General Rate Central	186,982
F 3 L Clutha Fld	91,504
R 4 Harbours Mgt	186,991
1.2 General Rate Clutha	278,495
F 2 Leith	171,000
F 4 L Taieri	296,596
F 5 W Taieri	73,010
F 6 E Taieri	109,191
N 3 Climate Change Adaptatio	511,402
R 4 Harbours Mgt	467,477
L 1 Biodiversity Implementati	300,000
1.3 General Rate Dunedin	1,928,676
R 4 Harbours Mgt	186,991
1.5 General Rate Waitaki	186,991
District General Total	2,581,144

Rates Calculation

District Specific	District CV	CV Based General Rates	25.0% UAGC	Total General Rates
215,029	2,841,664	3,056,693	996,672	4,053,366
320,270	1,381,062	1,701,332	679,599	2,380,931
2,217,978	6,949,440	9,167,417	3,698,154	12,865,571
0	9,064,774	9,064,774	1,998,227	11,063,001
215,039	1,171,205	1,386,244	752,834	2,139,078
2,968,316	21,408,144	24,376,460	8,125,487	32,501,947
Central Otago	\$	205.64	\$ 68.76	\$ 272.70
Clutha	\$	149.62	\$ 68.76	\$ 209.39
Dunedin	\$	164.78	\$ 68.76	\$ 231.25
Queenstown Lakes	\$	303.32	\$ 68.76	\$ 370.19
Waitaki	\$	115.03	\$ 68.76	\$ 177.50
General Rates Average	\$	196.89	\$ 68.76	\$ 262.53

UAGC Calculation

UAGC Calculations (GST excl)	Maximum	Actual
TOTAL RATES	55,777,624	
Maximum UAGC %	30.0%	
Total Permitted UAGC	16,733,287	
Less Uniform:		
E 1 Emergency Mgt	(3,336,000)	
L 1 Wildings	(200,000)	
UAGC Amount	13,197,287	7,065,641
General Rates Total	28,262,563	28,262,563
UAGC %	46.7%	25.0%

LOWER TAIERI **CURRENT**

Targeted 83% - CV | Diff: location (benefit zone)

	23/24 AP	Rate	Avg Rates	% of	% of	CV	% of
	Rates \$	Units	\$	Rates \$	Rate Units	\$'000	CV
Lower Taieri Flood Protection WF1	481,227	105	4,583.11	39.6%	1.7%	294,362	5.5%
Lower Taieri Flood Protection WF2	597,649	540	1,106.76	49.2%	8.6%	560,331	10.5%
Lower Taieri Flood Protection WF3	239	25	9.57	0.0%	0.4%	21,327	0.4%
Lower Taieri Flood Protection WF4	123	3	41.00	0.0%	0.0%	7,425	0.1%
Lower Taieri Flood Protection WF6	0	1	0.01	0.0%	0.0%	2,420	0.0%
Lower Taieri Flood Protection WF7	0	1	0.01	0.0%	0.0%	2,860	0.1%
Lower Taieri Flood Protection WF8	1,007	14	71.93	0.1%	0.2%	8,398	0.2%
Lower Taieri Flood Protection WF9	0	1	0.01	0.0%	0.0%	630	0.0%
Lower Taieri Flood Protection EF1	25,547	28	912.40	2.1%	0.4%	57,169	1.1%
Lower Taieri Flood Protection EF2	35,414	19	1,863.90	2.9%	0.3%	42,980	0.8%
Lower Taieri Flood Protection EF3	716	2	358.03	0.1%	0.0%	8,770	0.2%
Lower Taieri Flood Protection EF4	12,755	18	708.61	1.0%	0.3%	28,425	0.5%
Lower Taieri Flood Protection EF5	2,884	85	33.93	0.2%	1.4%	148,480	2.8%
Lower Taieri Flood Protection EF6	1,371	6	228.52	0.1%	0.1%	15,060	0.3%
Lower Taieri Flood Protection EF7	830	53	15.66	0.1%	0.8%	60,229	1.1%
Lower Taieri Flood Protection EF8	43,890	4,529	9.69	3.6%	72.5%	3,109,382	58.4%
Lower Taieri Flood Protection EF9	4,310	651	6.62	0.4%	10.4%	686,668	12.9%
Lower Taieri Flood Protection EF10	2,007	161	12.46	0.2%	2.6%	261,043	4.9%
Lower Taieri Flood Protection EF12	2,289	1	2,289.00	0.2%	0.0%	3,210	0.1%
Lower Taieri Flood Protection EF13	3,557	3	1,185.66	0.3%	0.0%	4,725	0.1%
Lower Taieri Flood	1,215,815	6,246	194.66	100.0%	100.0%	5,323,891	100.0%

TAIERI 1 One zone

Targeted 83% - CV | Diff: none

83% 1,215,815					
Zone	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Allocation	\$	\$	\$	%	
WF1	17%	67,223	640.22	-3,942.89	-86.0%
WF2		127,963	236.97	-869.79	-78.6%
WF3		4,870	194.81	185.24	>1,000%
WF4		1,696	565.22	524.21	>1,000%
WF6		553	552.65	552.64	>1,000%
WF7		653	653.14	653.13	>1,000%
WF8		1,918	136.98	65.05	90.4%
WF9		144	143.87	143.86	>1,000%
EF1	83%	13,056	466.27	-446.13	-48.9%
EF2		9,815	516.60	-1,347.30	-72.3%
EF3		2,003	1,001.40	643.37	179.7%
EF4		6,491	360.63	-347.98	-49.1%
EF5		33,908	398.92	364.99	>1,000%
EF6		3,439	573.21	344.69	150.8%
EF7		13,754	259.52	243.86	>1,000%
EF8		710,089	156.79	147.10	>1,000%
EF9		156,814	240.88	234.26	>1,000%
EF10		59,614	370.28	357.81	>1,000%
EF12		733	733.07	-1,555.93	-68.0%
EF13		1,079	359.68	-825.98	-69.7%
		1,215,815	194.66	0.00	0.0%

TAIERI 2 Two zones Targeted 80% / General 20%

Targeted 80% - CV | Diff: location (2 benefit zones / East, West)

83% 1,215,815 0.35 Average General Increase					
80% 1,171,870 43,945 to General Rates - Regional					
Based on	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Current \$	\$	\$	\$	%	
WF1	88.8%	358,596	3,415.20	-1,167.91	-25.5%
WF2	1,041,200	682,604	1,264.08	157.32	14.2%
WF3	(39,045)	0		-9.57	
WF4	1,080,245	0		-41.00	
WF6		0		-0.01	
WF7		0		-0.01	
WF8		0		-71.93	
WF9		0		-0.01	
EF1	11%	1,688	60.28	-852.13	-93.4%
EF2	130,670	1,269	66.78	-1,797.12	-96.4%
EF3	(4,900)	259	129.46	-228.57	-63.8%
EF4	135,570	839	46.62	-661.99	-93.4%
EF5		4,383	51.57	17.64	52.0%
EF6		445	74.10	-154.42	-67.6%
EF7		1,778	33.55	17.89	114.3%
EF8		91,796	20.27	10.58	109.2%
EF9		20,272	31.14	24.52	370.3%
EF10		7,707	47.87	35.40	284.0%
EF12		95	94.77	-2,194.23	-95.9%
EF13		139	46.50	-1,139.17	-96.1%
		1,171,870	188.98	-5.67	-2.9%

EAST TAIERI **CURRENT**

Targeted 92% - Land Area | Diff: location (benefit zone)

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	Area \$'000	% of Area
East Taieri Drainage - ED1	238,062	29	8,209.03	32.5%	1.0%	14,507	21.2%
East Taieri Drainage - ED2	159,533	20	7,976.64	21.8%	0.7%	10,318	15.1%
East Taieri Drainage - ED4	32,062	18	1,781.22	4.4%	0.6%	4,221	6.2%
East Taieri Drainage - ED5	128,190	178	720.17	17.5%	6.2%	17,558	25.7%
East Taieri Drainage - ED7	25,605	1,546	16.56	3.5%	53.7%	769	1.1%
East Taieri Drainage - ED8	73,499	231	318.18	10.0%	8.0%	10,066	14.7%
East Taieri Drainage - ED9	55,207	337	163.82	7.5%	11.7%	8,679	12.7%
East Taieri Drainage - ED10	19,490	520	37.48	2.7%	18.1%	2,324	3.4%
East Taieri Drainage	731,647	2,879	254.13	100.0%	100.0%	68,443	100.0%

EAST 1 One zone

Targeted 92% - Land Area | Diff: none

92%		731,647			
Zone	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Allocation	\$	\$	\$	%	
ED1	155,080	5,347.59	-2,861.44	-34.9%	
ED2	110,296	5,514.82	-2,461.82	-30.9%	
ED4	45,117	2,506.50	725.28	40.7%	
ED5	187,698	1,054.48	334.31	46.4%	
ED7	8,224	5.32	-11.24	-67.9%	
ED8	107,607	465.83	147.66	46.4%	
ED9	92,778	275.31	111.49	68.1%	
ED10	24,847	47.78	10.30	27.5%	
	731,647	254.13	0.00	0.0%	

EAST 2 One zone Targeted 90% / General 10%

Targeted 90% - Land Area | Diff: none

92%		731,647				0.13 Average General Increase	
90%		715,741				15,905 to General Rates - Regional	
Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)				
\$	\$	\$	%				
ED1	151,709	5,231.34	-2,977.69	-36.3%			
ED2	107,899	5,394.93	-2,581.71	-32.4%			
ED4	44,136	2,452.01	670.79	37.7%			
ED5	183,617	1,031.56	311.39	43.2%			
ED7	8,045	5.20	-11.36	-68.6%			
ED8	105,268	455.70	137.53	43.2%			
ED9	90,761	269.32	105.50	64.4%			
ED10	24,306	46.74	9.26	24.7%			
	715,741	248.61	-5.52	-2.2%			

EAST 2A One zone Targeted 90% / General 10%

Targeted 80% - Land Area | Diff: none

92%		731,647				0.77 Average General Increase	
80%		636,215				95,432 to General Rates - Regional	
Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)				
\$	\$	\$	%				
ED1	134,852	4,650.08	-3,558.95	-43.4%			
ED2	95,910	4,795.50	-3,181.15	-39.9%			
ED4	39,232	2,179.57	398.35	22.4%			
ED5	163,215	916.94	196.77	27.3%			
ED7	7,151	4.63	-11.94	-72.1%			
ED8	93,571	405.07	86.89	27.3%			
ED9	80,677	239.40	75.58	46.1%			
ED10	21,606	41.55	4.07	10.9%			
	636,215	220.98	-33.15	-13.0%			

EAST 2B One zone Targeted 100% / General 0%

Targeted 100% - Land Area | Diff: none

92%		731,647				(1.14) Average General Decrease	
100%		795,268				(63,621) fr General Rates - Regional	
Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)				
\$	\$	\$	%				
ED1	168,565	5,812.60	-2,396.43	-29.2%			
ED2	119,887	5,994.37	-1,982.27	-24.9%			
ED4	49,040	2,724.46	943.24	53.0%			
ED5	204,019	1,146.17	426.01	59.2%			
ED7	8,939	5.78	-10.78	-65.1%			
ED8	116,964	506.34	188.16	59.1%			
ED9	100,846	299.25	135.43	82.7%			
ED10	27,007	51.94	14.46	38.6%			
	795,268	276.23	22.10	8.7%			

WEST TAIERI **CURRENT**

Targeted 92% - Land Area | Diff: location (benefit zone)

	23/24 AP	Rate	Avg Rates	% of	% of	Area	% of
	Rates \$	Units	\$	Rates \$	Rate Units	\$'000	Area
West Taieri Drainage - WD1	668,419	108	6,189.06	70.9%	15.9%	56,213	49.2%
West Taieri Drainage - WD2	194,814	181	1,076.32	20.7%	26.7%	42,845	37.5%
West Taieri Drainage - WD3	37,318	14	2,665.60	4.0%	2.1%	3,610	3.2%
West Taieri Drainage - WD4	20,253	7	2,893.32	2.1%	1.0%	2,741	2.4%
West Taieri Drainage - WD5	22,176	369	60.10	2.4%	54.3%	8,860	7.8%
West Taieri Drainage	942,981	679	1,388.78	100.0%	100.0%	114,269	100.0%

WEST 1 **One zone**

Targeted 92% - Land Area | Diff: none

92%		942,981			
Zone	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Allocation	\$	\$	\$	%	
WD1	463,889	4,295.27	-1,893.79	-30.6%	
WD2	353,568	1,953.41	877.10	81.5%	
WD3	29,788	2,127.69	-537.91	-20.2%	
WD4	22,623	3,231.84	338.52	11.7%	
WD5	73,113	198.14	138.04	229.7%	
	942,981	1,388.78	0.00	0.0%	

WEST 2 **One zone** **Targeted 90% / General 10%**

Targeted 90% - Land Area | Diff: none

92%		942,981				0.16 Average General Increase	
90%		922,481				20,500 to General Rates - Regional	
	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)			
	\$	\$	\$	%			
WD1	453,804	4,201.89	-1,987.17	-32.1%			
WD2	345,882	1,910.95	834.63	77.5%			
WD3	29,140	2,081.43	-584.17	-21.9%			
WD4	22,131	3,161.58	268.26	9.3%			
WD5	71,524	193.83	133.73	222.5%			
	922,481	1,358.59	-30.19	-2.2%			

General rate - Regional / District allocation

Total Rate	Current	Rate \$	WEST 2	Rate \$	Change
	92.0%	942,981	90.0%	922,481	(20,500)
General					
Region	0.0%	0	10.0%	102,498	102,498
District	8.0%	81,998	0.0%	0	(81,998)
	Rate Units	Average \$	Rate Units	Average \$	Change
Targeted	679	1,388.78	679	1,358.59	(30.19)
General					
Region	124,263	0.00	124,263	0.82	0.82
District	55,728	1.47	55,728	0.00	(1.47)

WEST 2A **One zone** **Targeted 90% / General 10%**

Targeted 80% - Land Area | Diff: none

92%		942,981				0.99 Average General Increase	
80%		819,983				122,997 to General Rates - Regional	
	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)			
	\$	\$	\$	%			
WD1	403,382	3,735.02	-2,454.05	-39.7%			
WD2	307,451	1,698.62	622.30	57.8%			
WD3	25,902	1,850.16	-815.44	-30.6%			
WD4	19,672	2,810.29	-83.03	-2.9%			
WD5	63,577	172.29	112.20	186.7%			
	819,983	1,207.63	-181.15	-13.0%			

General rate - Regional / District allocation

Total Rate	Current	Rate \$	WEST 2A	Rate \$	Change
	92.0%	942,981	80.0%	819,983	(122,997)
General					
Region	0.0%	0	20.0%	204,996	204,996
District	8.0%	81,998	0.0%	0	(81,998)
	Rate Units	Average \$	Rate Units	Average \$	Change
Targeted	679	1,388.78	679	1,207.63	(181.15)
General					
Region	124,263	0.00	124,263	1.65	1.65
District	55,728	1.47	55,728	0.00	(1.47)

WEST 2B **One zone** **Targeted 100% / General 0%**

Targeted 100% - Land Area | Diff: none

92%		942,981				(1.47) Average General Decrease	
100%		1,024,979				(81,998) fr General Rates - Regional	
	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)			
	\$	\$	\$	%			
WD1	504,227	4,668.77	-1,520.29	-24.6%			
WD2	384,313	2,123.28	1,046.96	97.3%			
WD3	32,378	2,312.70	-352.90	-13.2%			
WD4	24,590	3,512.87	619.55	21.4%			
WD5	79,471	215.37	155.27	258.4%			
	1,024,979	1,509.54	120.76	8.7%			

General rate - Regional / District allocation

Total Rate	Current	Rate \$	WEST 2B	Rate \$	Change
	92.0%	942,981	100.0%	1,024,979	81,998
General					
Region	0.0%	0	0.0%	0	0
District	8.0%	81,998	0.0%	0	(81,998)
	Rate Units	Average \$	Rate Units	Average \$	Change
Targeted	679	1,388.78	679	1,509.54	120.76
General					
Region	124,263	0.00	124,263	0.00	0.00
District	55,728	1.47	55,728	0.00	(1.47)

LOWER CLUTHA	CURRENT	Combined F&D	
	Flood - Targeted 84% - CV Diff: location (benefit zone)	608,452	84.0%
	Drainage - Targeted 94% - CV Diff: location (benefit zone)	608,452	94.0%
		1,216,904	88.7%

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Lower Clutha Flood & Drainage A	51,550	4	12,887.50	4.2%	0.1%	39,300	2.0%
Lower Clutha Flood & Drainage B	208,736	41	5,091.13	17.2%	1.1%	105,155	5.5%
Lower Clutha Flood & Drainage C	389,081	85	4,577.43	32.0%	2.3%	173,313	9.0%
Lower Clutha Flood & Drainage D	69,241	67	1,033.45	5.7%	1.8%	153,823	8.0%
Lower Clutha Flood & Drainage E	64,103	74	866.26	5.3%	2.0%	151,099	7.8%
Lower Clutha Flood & Drainage F	41,982	633	66.32	3.4%	17.3%	469,829	24.4%
Lower Clutha Flood & Drainage U1	5,261	14	375.79	0.4%	0.4%	10,880	0.6%
Lower Clutha Flood & Drainage U2	284,982	835	341.30	23.4%	22.8%	282,636	14.7%
Lower Clutha Flood & Drainage U3	20,844	523	39.86	1.7%	14.3%	87,490	4.5%
Lower Clutha Flood & Drainage U4	81,122	1,381	58.74	6.7%	37.8%	452,390	23.5%
Lower Clutha Flood & Drainage	1,216,904	3,657	332.76	100.0%	100.0%	1,925,914	100.0%

CLUTHA 1		One zone			
		Flood - Targeted 84% - CV Diff: none			
		Drainage - Targeted 94% - CV Diff: none			
		88.7%	1,216,904		
Zone	Rate Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
A	57%	24,832	6,208.00	-6,679.49	-51.8%
B		66,443	1,620.56	-3,470.57	-68.2%
C		109,509	1,288.34	-3,289.09	-71.9%
D		97,194	1,450.66	417.21	40.4%
E		95,473	1,290.17	423.92	48.9%
F		296,865	468.98	402.66	607.1%
U1	43%	6,875	491.05	115.26	30.7%
U2		178,586	213.88	-127.42	-37.3%
U3		55,281	105.70	65.84	165.2%
U4		285,846	206.98	148.24	252.4%
		1,216,904	332.76	0.00	0.0%

CLUTHA 2 Two zones TR / GR: Flood 80/20%, Drainage 90/10%
Flood - Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1-U4)
Drainage - Targeted 90% - CV | Diff: location (2 benefit zones A-F, U1-U4)

89%		1,216,904	0.44 Average General Increase		
85%		1,162,038	54,865 to General Rates - Regional		
Based on	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Current \$	\$	\$	\$	%	
A	68%	28,328	7,082.09	-5,805.41	-45.0%
B	787,512	75,798	1,848.74	-3,242.40	-63.7%
C	(37,182)	124,928	1,469.74	-3,107.69	-67.9%
D	824,694	110,879	1,654.91	621.46	60.1%
E		108,915	1,471.83	605.57	69.9%
F		338,663	535.01	468.69	706.7%
U1	32%	4,890	349.25	-26.54	-7.1%
U2	374,526	127,016	152.11	-189.18	-55.4%
U3	(17,683)	39,318	75.18	35.32	88.6%
U4	392,209	203,303	147.21	88.47	150.6%
		1,162,038	317.76	-15.00	-4.5%

General rate - Regional / District allocation

Total Rate	Current	Rate \$	CLUTHA 2	Rate \$	Change
	88.7%	1,216,904	84.7%	1,162,038	(54,865)
General					
Region	6.3%	86,922	15.3%	209,598	122,677
District	4.9%	67,811	0.0%	0	(67,811)
Targeted	Rate Units	Average \$	Rate Units	Average \$	Change
	3,657	332.76	3,657	317.76	(15.00)
General					
Region	124,263	0.70	124,263	1.69	0.99
District	11,376	5.96	11,376	0.00	(5.96)

CLUTHA 2A Two zones TR / GR: Both Flood & Drainage 80/20%
Flood - Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1-U4)
Drainage - Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1-U4)

89%		1,216,904	0.96 Average General Increase		
80%		1,097,309	119,594 to General Rates - Regional		
Based on	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Current \$	\$	\$	\$	%	
A	68%	26,750	6,687.59	-6,199.90	-48.1%
B	743,645	71,576	1,745.76	-3,345.38	-65.7%
C	(81,049)	117,969	1,387.87	-3,189.56	-69.7%
D	824,694	104,703	1,562.73	529.28	51.2%
E		102,848	1,389.84	523.59	60.4%
F		319,799	505.21	438.89	661.7%
U1	32%	4,617	329.80	-45.99	-12.2%
U2	353,664	119,941	143.64	-197.65	-57.9%
U3	(38,545)	37,128	70.99	31.13	78.1%
U4	392,209	191,978	139.01	80.27	136.7%
		1,097,309	300.06	-32.70	-9.8%

General rate - Regional / District allocation

Total Rate	Current	Rate \$	CLUTHA 2A	Rate \$	Change
	88.7%	1,216,904	80.0%	1,097,309	(119,594)
General					
Region	6.3%	86,922	20.0%	274,327	187,406
District	4.9%	67,811	0.0%	0	(67,811)
Targeted	Rate Units	Average \$	Rate Units	Average \$	Change
	3,657	332.76	3,657	300.06	(32.70)
General					
Region	124,263	0.70	124,263	2.21	1.51
District	11,376	5.96	11,376	0.00	(5.96)

CLUTHA 2B Two zones TR / GR: Flood 80/20%, Drainage 100/0%
Flood - Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1-U4)
Drainage - Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1-U4)

89%		1,216,904	(0.08) Average General Decrease		
89%		1,226,767	(9,863) fr General Rates - Regional		
Based on	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Current \$	\$	\$	\$	%	
A	68%	29,906	7,476.58	-5,410.92	-42.0%
B	831,379	80,020	1,951.72	-3,139.42	-61.7%
C	6,684	131,886	1,551.61	-3,025.82	-66.1%
D	824,694	117,055	1,747.10	713.65	69.1%
E		114,982	1,553.81	687.56	79.4%
F		357,528	564.82	498.49	751.6%
U1	32%	5,162	368.71	-7.08	-1.9%
U2	395,388	134,091	160.59	-180.71	-52.9%
U3	3,179	41,508	79.37	39.51	99.1%
U4	392,209	214,627	155.41	96.67	164.6%
		1,226,767	335.46	2.70	0.8%

General rate - Regional / District allocation

Total Rate	Current	Rate \$	CLUTHA 2B	Rate \$	Change
	88.7%	1,216,904	89.4%	1,226,767	9,863
General					
Region	6.3%	86,922	10.6%	144,869	57,948
District	4.9%	67,811	0.0%	0	(67,811)
Targeted	Rate Units	Average \$	Rate Units	Average \$	Change
	3,657	332.76	3,657	335.46	2.70
General					
Region	124,263	0.70	124,263	1.17	0.47
District	11,376	5.96	11,376	0.00	(5.96)

LEITH **CURRENT**

Targeted 93% - CV | Diff: location (benefit zone), Stadium 4% of direct allocation

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Leith Flood Direct	803,696	1,316	610.71	47.9%	3.1%	1,501,095	4.8%
Leith Flood Direct Stadium	33,592	2	16,796.07	2.0%	0.0%	255,240	0.8%
Leith Flood Indirect	840,652	40,742	20.63	50.1%	96.9%	29,560,245	94.4%
Leith Flood Protection	1,677,940	42,060	39.89	100.0%	100.0%	31,316,580	100.0%

LEITH 1 No Stadium differential

Targeted 93% - CV | Diff: Direct (no Stadium %) / Indirect

93%		1,677,940			
Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %	
Direct	50%	717,047	544.87	-65.84	-10.8%
		121,924	60,961.80	44,165.73	263.0%
Indirect	50%	838,970	20.59	-0.04	-0.2%
		1,677,940	39.89	0.00	0.0%

LEITH 2 No Stadium differential Targeted 80% / General 20%

Targeted 80% - CV | Diff: location (2 benefit zones / Indirect all Dunedin)

93%		1,677,940		1.89 Average General Increase	
80%		1,443,389		234,551 to General Rates - Regional	
Based on	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %	
Current \$					
Direct	50%	616,814	468.70	-142.01	-23.3%
		104,881	52,440.26	35,644.19	212.2%
Indirect	50%	721,695	12.95	-7.68	-37.2%
		1,443,389	34.32	-5.58	-14.0%

General rate - Regional / District allocation

Total Rate	Current	Rate \$	LEITH 2	Rate \$	Change
	93.0%	1,677,940	80.0%	1,443,389	(234,551)
General					
Region	5.0%	90,212	20.0%	360,847	270,636
District	2.0%	36,085	0.0%	0	(36,085)
Rate Units	Average \$	Rate Units	Average \$	Change	
Targeted	42,060	39.89	42,060	34.32	(5.58)
General					
Region	124,263	0.73	124,263	2.90	2.18
District	55,728	0.65	55,728	0.00	(0.65)

LOWER WAITAKI **CURRENT**

Targeted 90% - CV | Diff: location (benefit zone)

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Lower Waitaki River Management A	132,110	79	1,672.27	64.0%	68.7%	191,597	43.8%
Lower Waitaki River Management B	74,316	36	2,064.34	36.0%	31.3%	245,912	56.2%
Lower Waitaki River Management	206,426	115	1,795.01	100.0%	100.0%	437,509	100.0%

WAITAKI 1 One zone

Targeted 90% - CV | Diff: none

90%		206,426			
Zone	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)	
Allocation	\$	\$	\$	\$	%
A 100%	90,400	1,144.30	-527.98		-31.6%
B	116,026	3,222.95	1,158.61		56.1%
	206,426	1,795.01	0.00		0.0%

WAITAKI 2 One zone Targeted 80% / General 20%

Targeted 80% - CV | Diff: location (1 benefit zones)

90%		206,426				0.18 Average General Increase	
80%		183,490				22,936 to General Rates - Regional	
	Rate Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)			
	\$	\$	\$	\$	%		
A	80,355	1,017.15	-655.12		-39.2%		
B	103,134	2,864.85	800.51		38.8%		
	183,490	1,595.56	-199.45		-11.1%		

General rate - Regional / District allocation

Total Rate	Current	Rate \$	WAITAKI 2	Rate \$	Change
	90.0%	206,426	80.0%	183,490	(22,936)
Targeted					
General					
Region	10.0%	22,936	20.0%	45,872	22,936
District	0.0%	0	0.0%	0	0
Targeted					
General					
Region	124,263	0.18	124,263	0.37	0.18
District	12,071	0.00	12,071	0.00	0.00

WAITAKI 3 River & Waterway Management - Waitaki

Targeted 0% - fund via River & Waterway Management Waitaki

100%		229,362		19.00 Avg RM Waitaki Increase	
0%		0		229,362 to River Mgt Waitaki	

General rate - Regional / District allocation

Total Rate	Current	Rate \$	WAITAKI 3	Rate \$	Change
	90.0%	206,426	0.0%	0	(206,426)
Targeted					
Current	90.0%	206,426	0.0%	0	(206,426)
River Mgt	0.0%	0	100.0%	229,362	229,362
General					
Region	10.0%	22,936	0.0%	0	(22,936)
District	0.0%	0	0.0%	0	0
Targeted					
Current	115	1,795.01	115	0.00	(1,795.01)
River Mgt	12,071	0.00	12,071	19.00	19.00
General					
Region	124,263	0.18	124,263	0.00	(0.18)
District	12,071	0.00	12,071	0.00	0.00

TOKOMAIRO **CURRENT**

Targeted 100% - CV | Diff: location (benefit zone)

	23/24 AP	Rate	Avg Rates	% of	% of	CV	% of
	Rates \$	Units	\$	Rates \$	Rate Units	\$'000	CV
Tokomairi Drainage A	9,422	24	392.58	4.8%	1.3%	51,289	3.3%
Tokomairi Drainage B	18,918	41	461.41	9.7%	2.2%	101,900	6.5%
Tokomairi Drainage C	23,780	55	432.36	12.2%	2.9%	112,320	7.1%
Tokomairi Drainage D	37,253	119	313.05	19.1%	6.3%	204,861	13.0%
Tokomairi Drainage E	21,858	237	92.23	11.2%	12.5%	231,731	14.7%
Tokomairi Drainage F	28,249	411	68.73	14.5%	21.7%	461,170	29.3%
Tokomairi Drainage U1	55,126	1,004	54.91	28.3%	53.1%	409,988	26.1%
Tokomairi Drainage	194,606	1,891	102.91	100.0%	100.0%	1,573,257	100.0%

TOKO 1 One zone

Targeted 100% - CV | Diff: none

100%		194,606			
Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %	
A	6,344	264.34	-128.24	-32.7%	
B	12,605	307.43	-153.98	-33.4%	
C	13,893	252.61	-179.75	-41.6%	
D	25,340	212.95	-100.11	-32.0%	
E	28,664	120.95	28.72	31.1%	
F	57,045	138.80	70.06	101.9%	
U1	50,714	50.51	-4.39	-8.0%	
	194,606	102.91	0.00	0.0%	

TOKO 2 Two zones Targeted 80% / General 20%

Targeted 80% - CV | Diff: location (2 benefit zones A-F, U1)

100%		194,606		0.31 Average General Increase	
80%		155,685		38,921 to General Rates - Regional	
Based on	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %	
Current \$					
A	4,920	204.99	-187.59	-47.8%	
B	111,584	9,775	238.40	-223.01	-48.3%
C	(27,896)	10,774	195.89	-236.47	-54.7%
D	139,480	19,651	165.13	-147.92	-47.3%
E	22,228	93.79	1.56	1.7%	
F	44,237	107.63	38.90	56.6%	
U1	44,101	43.92	-10.98	-20.0%	
	(11,025)				
	55,126				
	155,685	82.33	-20.58	-20.0%	

General rate - Regional / District allocation

Total Rate	194,606		194,606		
Current	Rate \$	TOKO 2	Rate \$	Change	
Targeted	100.0%	194,606	80.0%	155,685	(38,921)
General					
Region	0.0%	0	20.0%	38,921	38,921
District	0.0%	0	0.0%	0	0
Rate Units	Average \$	Rate Units	Average \$	Change	
Targeted	1,891	102.91	1,891	82.33	(20.58)
General					
Region	124,263	0.00	124,263	0.31	0.31
District	11,376	0.00	11,376	0.00	0.00

TOKO 3 River & Waterway Management - Clutha

Targeted 0% - fund via River & Waterway Management Clutha

100%		194,606		17.11 Avg RM Clutha Increase	
0%		0		194,606 to River Mgt Clutha	

General rate - Regional / District allocation

Total Rate	194,606		194,606		
Current	Rate \$	TOKO 3	Rate \$	Change	
Targeted	100.0%	194,606	0.0%	0	(194,606)
River Mgt	0.0%	0	100.0%	194,606	194,606
General					
Region	0.0%	0	0.0%	0	0
District	0.0%	0	0.0%	0	0
Rate Units	Average \$	Rate Units	Average \$	Change	
Targeted	1,891	102.91	1,891	0.00	(102.91)
River Mgt	11,376	0.00	11,376	17.11	17.11
General					
Region	124,263	0.00	124,263	0.00	0.00
District	11,376	0.00	11,376	0.00	0.00

ALEXANDRA FLOOD

CURRENT

General - Sub Regional 2% - CV | Diff: none
NO TARGETED RATE SO BELOW IS NOT APPLICABLE

23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
0	0	0.00	0.0%	0.0%		0.0%
0	0	0.00	0.0%	0.0%		0.0%
0	0	0.00	0.0%	0.0%		0.0%

ALEX 1 New zone Targeted 80% / General 20%

Targeted 80% - CV | Diff: location (area to be confirmed)

Based on Current \$	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	0	0.00	0.00	Average General Increase
0%	0	0	0	to General Rates - Regional
	0	0.00	-0.00	-100.0%
	0	0.00	-0.00	-100.0%
	0	0.00	-0.00	-100.0%

ALEX 2 River & Waterway Management - Central

Targeted 0% - fund via River & Waterway Mgt Central

100%	91,234	6.11	Avg RM Central Increase
0%	0	91,234	to River Mgt Central

Previous rate amount was General - Sub Regional

Annual Plan 2023-24	
	GST excl
Cost	279,334 Excl depn and capex
Contact	200,000
To Rate	79,334 River Management - Central
Current	6,825 General Rate - Sub Regional

General rate - Regional / District allocation

Total Rate	Current	Rate \$	ALEX 2	Rate \$	Change
		7,849		91,234	
Targeted					
River Mgt	0.0%		100.0%	91,234	91,234
General					
Region	0.0%	0	0.0%	0	0
District	100.0%	7,849	0.0%	0	(7,849)
	Rate Units	Average \$	Rate Units	Average \$	Change
Targeted					
River Mgt	14,932	0.00	14,932	6.11	6.11
General					
Region			0		0.00
District	14,932	0.53	14,932	0.00	(0.53)

TRANSPORT DUNEDIN Targeted 100% - CV | Diff: land use (commercial) / location (CBD, St Clair)

CURRENT

BASE

Current Targeted Area

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Dunedin Transport Class A - Dunedin	2,530,303	1,472	1,718.96	26.3%	2.9%	3,258,754	8.7%
Dunedin Transport Class B - Dunedin	7,033,045	49,062	143.35	73.2%	95.8%	33,880,134	90.8%
Dunedin Transport Class B - Waitaki	47,056	688	68.40	0.5%	1.3%	176,802	0.5%
Dunedin Transport	9,610,403	51,222	187.62	100.0%	100.0%	37,315,689	100.0%

OPTION A

ADD - Rest of Dunedin

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Dunedin Transport Class A - Dunedin	2,530,303	1,472	1,718.96	26.3%	2.6%	3,258,754	7.3%
Dunedin Transport Class B - Dunedin	7,033,045	49,062	143.35	73.2%	87.0%	33,880,134	76.4%
Dunedin Transport Class B - Waitaki	47,056	688	68.40	0.5%	1.2%	176,802	0.4%
Dunedin - Rest of District		5,194	0.00	0.0%	9.2%	7,048,951	15.9%
Dunedin Transport	9,610,403	56,416	187.62	100.0%	100.0%	44,364,640	100.0%

Targeted 100% - CV | Diff: none

PT DUN 1

Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	9,610,403			
100%	839,270	570.16	-1,148.80	-66.8%
	8,725,599	177.85	34.50	24.1%
	45,534	66.18	-2.21	-3.2%
	9,610,403	187.62	0.00	0.0%

PT DUN 1A

Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	9,610,403			
84%	705,921	479.57	-1,239.39	-72.1%
	7,339,217	149.59	6.24	4.4%
	38,299	55.67	-12.73	-18.6%
NEW 16%	1,526,965	293.99	293.99	New
	9,610,403	170.35	-17.27	-9.2%

Targeted 60% - Uniform, Diff: none | General 40% - CV, regional

*No General rate - Regional / District allocation
New general is all regional and there's no existing to consider*

PT DUN 2

Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	9,610,403			
60%	5,766,242	3,844,161	to General Rates - Regional	
1,421	165,838	116.68	-1,602.28	-93.2%
47,374	5,527,413	116.68	-26.67	-18.6%
626	72,991	116.68	48.28	70.6%
49,421	5,766,242	116.68	-70.95	-37.8%

PT DUN 2A

Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	9,610,403			
60%	5,766,242	3,844,161	to General Rates - Regional	
1,421	150,559	105.93	-1,613.03	-93.8%
47,374	5,018,163	105.93	-37.42	-26.1%
626	66,266	105.93	37.53	54.9%
5,015	531,253	105.93	105.93	New
54,437	5,766,242	105.93	-81.70	-43.5%

TRANSPORT WHAKATIPU Targeted 100% - CV | Diff: land use (commercial)

CURRENT

BASE

Current Targeted Area

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Whakatipu Transport Class A	608,997	946	643.76	25.6%	5.5%	4,982,903	14.7%
Whakatipu Transport Class B	1,766,344	16,358	107.98	74.4%	94.5%	28,807,815	85.3%
Whakatipu Transport	2,375,341	17,304	137.27	100.0%	100.0%	33,790,718	100.0%

OPTION A

ADD - Rest of Whakatipu

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Whakatipu Transport Class A	608,997	946	643.76	25.6%	5.0%	4,982,903	13.1%
Whakatipu Transport Class B	1,766,344	16,358	107.98	74.4%	86.3%	28,807,815	75.7%
Whakatipu - Rest of Area*		1,657	0.00	0.0%	8.7%	4,280,663	11.2%
Whakatipu Transport	2,375,341	18,961	137.27	100.0%	100.0%	38,071,381	100.0%

* Based on River Management areas

OPTION B

ADD - Rest of Queenstown Lakes

	23/24 AP Rates \$	Rate Units	Avg Rates \$	% of Rates \$	% of Rate Units	CV \$'000	% of CV
Whakatipu Transport Class A	608,997	946	643.76	25.6%	3.1%	4,982,903	8.5%
Whakatipu Transport Class B	1,766,344	16,358	107.98	74.4%	54.2%	28,807,815	49.2%
Whakatipu - Rest of Area*		1,657	0.00	0.0%	5.5%	4,280,663	7.3%
Queenstown Lakes - Rest of District*		11,195	0.00	0.0%	37.1%	20,457,901	35.0%
Whakatipu Transport	2,375,341	30,156	137.27	100.0%	100.0%	58,529,282	100.0%

* Based on River Management areas

Targeted 100% - CV | Diff: none

PT QTN 1				
100%		2,375,341		
Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
100%	350,276	370.27	-273.49	-42.5%
	2,025,064	123.80	15.82	14.6%
	2,375,341	137.27	0.00	0.0%

PT QTN 1A				
100%		2,375,341		
Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
89%	310,892	328.64	-315.12	-49.0%
	1,797,370	109.88	1.90	1.8%
NEW 11%	267,078	161.18	161.18	New
	2,375,341	125.28	-12.00	-8.7%

PT QTN 1B				
100%		2,375,341		
Zone Allocation	Rate Amount \$	Avg Rates \$	Inc/(Dec) \$	Inc/(Dec) %
58%	202,225	213.77	-429.99	-66.8%
	1,169,131	71.47	-36.51	-33.8%
NEW 7%	173,726	104.84	104.84	New
NEW 35%	830,259	74.16	74.16	New
	2,375,341	78.77	-58.50	-42.6%

Targeted 60% - Uniform, Diff: none | General 40% - CV, regional

No General rate - Regional / District allocation

New general is all regional and there's no existing to consider

PT QTN 2					
100%		2,375,341	7.65 Average General Increase		
60%		1,425,204	950,136 to General Rates - Regional		
Zone	Rate	Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)
Allocation		\$	\$	\$	%
917	100%	77,915	82.36	-561.40	-87.2%
15,852		1,347,289	82.36	-25.62	-23.7%
16,769		1,425,204	82.36	-54.91	-40.0%

PT QTN 2A					
100%		2,375,341	7.65 Average General Increase		
60%		1,425,204	950,136 to General Rates - Regional		
Zone	Rate	Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)
Allocation		\$	\$	\$	%
917	91%	71,106	77.56	-566.19	-88.0%
15,852		1,229,550	77.56	-30.42	-28.2%
1,606	9%	124,548	77.56	77.56	New
18,374		1,425,204	77.56	-59.71	-43.5%

PT QTN 2B					
100%		2,375,341	7.65 Average General Increase		
60%		1,425,204	950,136 to General Rates - Regional		
Zone	Rate	Amount	Avg Rates	Inc/(Dec)	Inc/(Dec)
Allocation		\$	\$	\$	%
917	57%	44,709	48.77	-594.99	-92.4%
15,852		773,096	48.77	-59.21	-54.8%
1,606	5%	78,312	48.77	48.77	New
10,849	37%	529,088	48.77	48.77	New
29,223		1,425,204	48.77	-88.50	-64.5%

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

FARM PLANS	AP Rates \$ (GST excl)	Rate Units	Avg Rates \$ (GST incl)	Rate Basis Differential
Farm Plans - NEW	400,000	3,500	131.43	NEW - Land Use Land Area
<i>Existing (to be discontinued)</i>				
Dairy Compliance	(210,000)	431	(560.32)	
Cost Sensitivity +\$100k (GST excl)	100,000	3,500	32.86	
Unit Sensitivity -500 rate units	400,000	(500)	21.90	

BIOSECURITY / WILDINGS	AP Rates \$ (GST excl)	Rate Units	Avg Rates \$ (GST incl)	Rate Basis Differential
Wildings	200,000	118,946	1.93	
Biosecurity	3,977,990	124,263	36.81	
BIOSECURITY (including Wildings)	4,177,990	124,263	38.67	NEW - Regional

CATCHMENT MANAGEMENT	AP Rates \$ (GST excl)	Rate Units	Avg Rates \$ (GST incl)	Rate Basis Differential
Biodiversity (incl maintain the gains)	1,116,407	124,263	10.33	General Rates - Regional
Biodiversity - Predator Free Dunedin	300,000	55,728	6.19	General Rates - Dunedin
EcoFund	300,000	124,263	2.78	General Reserves
Land & Water Implementation				
- Catchment Liaison & CGO	584,077	124,263	5.41	General Rates - Regional
- Catchment Liaison & CGO	1,752,232	13,546	148.76	Rural Water Quality
Water Quality Remediation				
- Lake Hayes	175,000	18,961	10.61	RM Whakatipu
- Lake Hayes	75,000	11,195	7.70	RM Wanaka
- Tomahawk	140,000	55,728	2.89	RM Dunedin
Integrated Catchment Management	1,109,655	124,263	10.27	General Rates - Regional
CATCHMENT MANAGEMENT RATE	5,552,371	124,263	51.38	NEW - Regional

<i>Existing (funding being replaced)</i>				
General Rates - Regional (& Reserve)	(3,110,139)	124,263	(28.78)	
General Rates - Dunedin	(300,000)	55,728	(6.19)	
Rural Water Quality	(1,752,232)	13,546	(148.76)	
RM Whakatipu	(175,000)	18,961	(10.61)	
RM Wanaka	(75,000)	11,195	(7.70)	
RM Dunedin	(140,000)	55,728	(2.89)	

RIVER & WATERWAY MANAGEMENT - QUEENSTOWN LAKES	AP Rates \$ (GST excl)	Rate Units	Avg Rates \$ (GST incl)	Rate Basis Differential
River & Waterway Mgt Wakatipu	415,000	18,961	25.17	
River & Waterway Mgt Wanaka	315,000	11,195	32.36	
RIVER & WATERWAY MGT - QTN LAKES	730,000	30,156	27.84	NEW - Distrist

HARBOUR MANAGEMENT	AP Rates \$ (GST excl)	Rate Units	Avg Rates \$ (GST incl)	% of Rates \$	% of Units
Harbour Management Central	148,350	14,932	11.43	15.9%	15.9%
Harbour Management Clutha	113,021	11,376	11.43	12.1%	12.1%
Harbour Management Dunedin	553,658	55,728	11.43	59.2%	59.2%
Harbour Management Waitaki	119,926	12,071	11.43	12.8%	12.8%
HARBOUR MANAGEMENT TOTAL	934,954	94,107	11.43	100.0%	100.0%
<i>Existing (funding being replaced)</i>					
General Rate Central	93,495	14,932	7.20	10.0%	15.9%
General Rate Clutha	186,991	11,376	18.90	20.0%	12.1%
General Rate Dunedin	467,477	55,728	9.65	50.0%	59.2%
General Rate Waitaki	186,991	12,071	17.81	20.0%	12.8%
District General Total	934,954	94,107	11.43	100.0%	100.0%

FUNDING POLICY SUMMARY

Activity	Sub Activity	Operating Expenditure							Capital		Notes / Changes (highlighted)	
		Funding Source	Fees & Charges	Other Income	Grants & Subsidies	General Rates	Targeted Rates	Internal	Reserves	Assets / General		Schemes
Governance and Democracy	Governance and Leadership – info requests (< than ½ hour)	Actual				100%				100%		
	Donations					100%				100%		
	Elections					100%			Yes	100%		
Public Awareness	Communications – info requests (< than ½ hour)	Actual				100%				100%		
	Customer services					100%				100%		
	Enviroschools					100%				100%		
Regional Planning and Strategy	Regional plans, policies and strategies					100%				100%		
	Private plan changes	100%								100%		
Consents	Consents processing	100%								100%		
	Consents appeals		Actual							100%		Court recoveries
						100%						
	Consents administration					100%				100%		
	Consents public enquiry – info requests (< than ½ hour)	Actual				100%				100%		
	Consents reviews – consent holder initiated – Council initiated	100%				100%				100%		
Compliance	Performance monitoring processing	100%								100%		Chargeable / non-chargeable activities split AMENDED – was 75% and General Rates 25% but administration was included
	Performance monitoring administration					100%				100%		Chargeable / non-chargeable activities split AMENDED – was 25% of combined activity above
	Audits and compliance reviews	100%								100%		
	Compliance administration – info requests (< than ½ hour)	Actual				100%				100%		
	Dairy inspections						100%			100%		[Dairy Rate – Land Use / Uniform]
	Fresh water farm plans						100%			100%		[Farm Plan Rate – Land Use, Area / Uniform] NEW – activity and rate (year 2)
	Contaminated sites administration					100%				100%		
Incidents	Incident response			Actual		100%				100%		
	Enforcement	Actual				100%				100%		Includes infringements, fines and court awarded costs where possible); then General rates
	Oil spills	Actual		Actual		100%				100%		Includes infringements, fines and court awarded costs where possible); then Maritime NZ General rates
Harbour Management	Navigational safety						100%			100%		[Harbour Management Rate – District / Uniform] NEW – was General Rates – Sub Regional 100%
	Bylaws response and enforcement	Actual					100%			100%		Includes infringements, fines and court awarded costs where possible); then [Harbour Management Rate – District / Uniform] NEW – was General Rates – Sub Regional 100%

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

Activity	Sub Activity	Operating Expenditure							Capital		Notes / Changes (highlighted)
		Fees & Charges	Other Income	Grants & Subsidies	General Rates	Targeted Rates	Internal	Reserves	Assets / General	Schemes	
Air	Air science and monitoring				100%				100%		
	Air strategy implementation				100%				100%		
	Air incentive programmes			Actual		100%			100%		[NEW RATE – rate and basis to be determined based on programme in future LTP's / Annual Plans]
Biosecurity and Biodiversity	Biodiversity science and monitoring				100%				100%		
	Biodiversity implementation			Actual		100%			100%		[Catchment Management Rate – Regional / CV] NEW – was General Rates 100%
	Community grant funding					100%			100%		[Catchment Management Rate – Regional / CV] NEW – EcoFund was General Reserves 100% moving to General Rates in 2024/25, rest was General Rates including some General Rates – Sub Regional (Predator Free Dunedin)
	Biosecurity implementation					100%			100%		[Biosecurity Rate – Regional / LV]
	Wilding pines – administer grant funding – support for control groups			100%		100%			100%		Grants (expected to be 100%) [Biosecurity Rate – Regional / LV] AMENDED – was Wilding Tree Rate 100%
Land and Water	Land and water science and monitoring				100%				100%		
	Land and water implementation			Actual		100%			100%		[Catchment Management Rate – Regional / CV] NEW – was a mix of Rural Water Quality 75% / General Rates 25% and General Rates 100%
	Water quality remediation			Actual		100%			100%		[Catchment Management Rate – Regional / CV] NEW – was River Management – District 100%
	Integrated catchment management			Actual		100%			100%		[Catchment Management Rate – Regional / CV] NEW – was General Rates 100%

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

Activity	Sub Activity	Operating Expenditure							Capital		Notes / Changes (highlighted)	
		Funding Source	Fees & Charges	Other Income	Grants & Subsidies	General Rates	Targeted Rates	Internal	Reserves	Assets / General		Schemes
Emergency Management	Emergency management						100%			100%		[Emergency Management Rate – Regional / Uniform]
Flood Protection and Drainage	Alexandra Flood Protection	Actual				20%	80%				100%	Contact Energy [Alexandra Flood Rate – District / CV] General – Regional NEW – was 98% fees / 2% General – CODC
	Leith Flood Protection					20%	80%				100%	[Leith Flood Rate – Targeted Area / CV] General rates – Regional TR: direct 40% / indirect 40% – Dunedin district (indirect was defined mapped area) – was 93% (46.5%/46.5%) region 5% district 2%
	Lower Clutha Flood and Drainage	Actual		Actual		20%	80%		Kuriwao		100%	Rental income Government funding (if available) Kuriwao Reserve [Lower Clutha Flood & Drainage Rate – Targeted Area / CV] General rates – Regional TR: 2 benefit zones (was 14 zones) – was F 84%, D 94% region F 12%, D 0% district F 4%, D 2%
	Lower Taieri Flood Protection	Actual		Actual		20%	80%				100%	Rental income Government funding (if available) [Lower Taieri Flood Rate – Targeted Area / CV] General rates – Regional TR: 2 benefit zones (was 17 zones used) – was 83% region 4% district 13%
	East Taieri Drainage	Actual		Actual		10%	90%				100%	Rental income Government funding (if available) [East Taieri Drainage Rate – Targeted Area / Land Area] General rates – Regional TR: 1 benefit zones (8 zones used) – was 92% region 0% district 8%
	West Taieri Drainage	Actual		Actual		10%	90%				100%	Rental income Government funding (if available) [West Taieri Drainage Rate – Targeted Area / Land Area] General rates – Regional TR: 1 benefit zones (5 zones used) – was 92% region 0% district 8%
	Tokomairiro Drainage					20%	80%				100%	[Tokomairiro Drainage Rate – Targeted Area / CV] General rates – Regional TR: 2 benefit zones (7 zones used) – was 100% region 0% district 0%
	Scheme Oversight Bylaws	100%							100%		100%	
River Management	River management – Dunedin						100%				100%	[River and Waterway Management – Dunedin] – District / CV
	River management – Clutha						100%				100%	[River and Waterway Management – Clutha] – District / CV
	River management – Central Otago						100%				100%	[River and Waterway Management – Central Otago] – District / CV
	River management – Queenstown Lakes						100%				100%	[River and Waterway Management – Queenstown Lakes] – District / CV AMENDED – Whakatipu and Wanaka were separate and have been combined
	River management – Waitaki						100%				100%	[River and Waterway Management – Waitaki] – District / CV
	Lower Waitaki River Control						100%				100%	[River and Waterway Management – Waitaki] – District / CV AMENDED – was Lower Waitaki River Control 90% region 10% district 0%
	River management – Non-Scheme Management								100%		100%	Recharge to district River Management activities
Climate Change and Hazards	Natural hazards					100%					100%	
	Flood risk management					100%					100%	
	Climate change adaptation					100%					100%	

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

Activity	Sub Activity	Operating Expenditure							Capital		Notes / Changes (highlighted)
		Funding Source	Fees & Charges	Other Income	Grants & Subsidies	General Rates	Targeted Rates	Internal	Reserves	Assets / General	
Transport	Public transport – Dunedin	20%	Actual	51%	40%	60%				100%	Contributions from TA's, PTO's if possible Fare revenue Subsidies [Transport Dunedin – Dunedin district plus Palmerston / Uniform] General rates – Regional Notes: Subsidies 51% after fares = approx. 40% of total cost Rates 49% after fares = approx. 40% of total cost Targeted rates 60% of rates share = approx. 24% of total cost General rates 40% of rates share = approx. 16% of total cost NEW allocation to General Rates – was 100% targeted (mapped area) / CV – differential land use / location
	Public transport – Whakatipu	20%	Actual	51%	40%	60%				100%	Contributions from TA's, PTO's if possible Fare revenue Subsidies [Transport Whakatipu – Queenstown Lakes district / Uniform] General rates – Regional Notes: Subsidies 51% after fares = approx. 40% of total cost Rates 49% after fares = approx. 40% of total cost Targeted rates 60% of rates share = approx. 24% of total cost General rates 40% of rates share = approx. 16% of total cost NEW allocation to General Rates – was 100% targeted (mapped area) / CV – differential land use
	Total mobility			51%	49%					100%	
	Transport planning			51%	49%					100%	
	Land Transport Management Act (LTMA) administration	50%			50%					100%	
	Stock truck effluent disposal sites (STEDS)				50%					100%	Sub regional (district)

Activity	Sub Activity	Operating Expenditure							Capital		Notes / Changes (highlighted)
		Funding Source	Fees & Charges	Other Income	Grants & Subsidies	General Rates	Targeted Rates	Internal	Reserves	Assets / General	
Internal Overheads	HR / H&S Finance and Rates Corporate Support Property IT						100%		100%		Basis – FTE
	Vehicles and Plant						100%		100%		Basis – actual use
	Treasury – Port Otago on-lending – Port Otago dividends – Investment income – Other interest		100%		100%	100%			100%		Basis – actual income / cost General rates offset – Port Otago dividends General rates offset – managed fund income, investment property income Net interest expense and non-managed fund interest income
	Regional Integrated Ticketing (RITS)		75%				25%		100%		RITS Regional Councils Internal recharge 25% - Dunedin PT 75%, Whakatipu 25%

FUNDING NEEDS ANALYSIS

Summary – LGA Financial Management sections 101-103

Funding Needs Analysis	Revenue and Financing Policy	Rates Requirement	Rates Calculation and Invoicing
<p>Section 101(3) must meet funding needs from sources determined appropriate, following consideration of s.101(3)a for each activity</p> <ol style="list-style-type: none"> community outcome distribution of benefit period of benefit exacerbators rationale for separate funding <p>s.101(3)b overall impact of above allocations on community wellbeing – current and future social, economic, environmental and cultural</p> <p>Two step process:</p> <ol style="list-style-type: none"> funding needs analysis – by activity; follows with review of overall impact once total funding requirements (budget estimates) are determined 	<p>Sections 102(2) must adopt a Revenue and Financing Policy</p> <p>Section 103 RFP – must outline where opex and capex is funded from</p> <ol style="list-style-type: none"> S.103(2) - available sources of funding General rates – including valuation system, differential rating and uniform annual general charges Targeted rates (ba) Lump sum contributions – n/a Fees and charges Interest and dividends from investments Borrowings Proceeds from assets sales Development contributions – n/a Financial contributions under the RMA 1991 Grants and subsidies (ia) Regional fuel taxes under the LTMA 2003 – n/a Any other source <p>Note: Lower level information ie differentials is not required but is included in ORC's RFP</p>	<p>Section 101A Financial Strategy helps determine the overall funding requirement ie borrowing levels and repayment expectations</p> <p>Section 101A Infrastructure Strategy significant cost driver and impacts financial strategy debt requirements</p> <p>LTP budget setting process and financial estimates modelling Includes: Step 2 overall impact assessment considering:</p> <ul style="list-style-type: none"> Overall level of rates – total / average rates and increases (dollar and percentage) Distribution of rates Rates comparison to other regional councils Use of differentials and uniform rates (UAGC) Use of investment income (to offset rates) 	<p>Rates Funding Impact Statement Calculates actual rates to be charged Applies RFP and differentials Basis for rates strike and invoicing</p>

Example page and explanation of how to complete / interpret it

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<p>Describe key parts of the activity: Note any sub activities that may require separate funding</p>	<p>Select primary from:</p> <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	<p>Who benefits:</p> <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	<p>Who are they:</p> <ul style="list-style-type: none"> Location Land use Specific users 	<p>How much do they benefit:</p> <ul style="list-style-type: none"> High, medium, low <p>How is benefit / access distributed:</p> <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	<p>When do the benefits occur (vs investment):</p> <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	<p>Who else has created the need:</p> <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	<p>Should the activity be funded separately:</p> <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
<p>For each activity or key part of the activity complete the analysis in the boxes right</p>	<p>Main community outcome</p>	<p>Whole community: Yes/No</p>	<p>Everybody in the region</p>	<p>High / medium / low Even / variable</p>	<p>Short term /recurring / long term</p>	<p>Who any exacerbators are and why the can / can't be charged</p>	<p>No – general rate funding Yes – reasons why separate funding is appropriate and should be considered</p>
		<p>Identifiable part: Yes/No</p>	<p>Wider community Local groups</p>	<p>High / medium / low Even / variable</p>	<p>Short term /recurring / long term</p>		
		<p>Individuals: Yes/No</p>	<p>Property owners Service users</p>	<p>High / medium / low Even / variable</p>	<p>Short term /recurring / long term</p>		

<p>Activity funding needs analysis indicator</p>	<p>Above analysis indicates...funding sources</p>
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FUNDING POLICY		
Operating Expenditure	Activity / Sub Activity being funded	Funding source %
Capital Expenditure	Activity / Sub Activity being funded	Funding source %

ACTIVITY: Governance and Democracy

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Governance and Leadership Run Council's democratic functions including – partnership with mana whenua, executive management, strategy, legal and corporate planning and performance	Participation and governance	Whole community: Yes	Everyone in the region	High	Short term	Central government (legislated activity) – can't charge directly.	No reason to fund separately.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Donations Provide funding for (non-environmental) activities that benefit all of Otago.	Healthy and fulfilled people	Whole community: Yes	Everyone in the region	High	Short term	Anyone in the region can be create the need for the donation (this group is already identified as beneficiaries).	No reason to fund separately.
		Identifiable part: Yes	Groups receiving donations	High	Short term		
		Individuals: Yes	Individuals receiving donations	High	Short term		
Elections Run triannual elections.	Participation and governance	Whole community: Yes	Everyone in the region	High	Recurring (over the three-year triennial period)	Central government (legislated activity) – can't charge directly.	Yes – to smooth the cost over triennial period.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		

Activity funding needs analysis indicator	General rates regional with election costs funded from reserves and rating spread evenly over the three years period. There is no significant capex incurred in this activity. Highlighted functions moved from overheads.
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FUNDING POLICY		
Operating Expenditure	Governance and Leadership	General rates 100%
	Information requests greater than ¼ hour	Fees & charges actual (where possible, budgeted as zero)
	Donations	General rates 100%
	Elections	General rates 100% – smoothed over 3 years
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Public Awareness

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Communications Community information and advice through media, website, public events and printed collateral.	Connected communities	Whole community: Yes	Everybody in the region	High	Short term	Media.	No reason to fund separately. In general, all members of the public should be communicated to and have access to information or be able to request it Excessive time involved in requests should be on charged if possible.
		Identifiable part: Yes	Could also be specific parts of the community or local groups	Medium	Short term		
		Individuals: Yes	Could also be any individual	Low	Short term		
Customer Services Provide face to face, phone and web-based customer services to the general public of Otago. Includes rates and transport payments.	Connected communities	Whole community: Yes	Everybody in the region	Low	Short term	None.	No reason to fund separately. All members of the public have access to Council through customer services.
		Identifiable part: Yes	Could also be specific parts of the community or local groups	Medium	Short term		
		Individuals: Yes	Could also be any individual	High	Short term		
Enviroschools Regional co-ordination of Enviroschools in Otago.	A healthy environment	Whole community: No	-	-	-	None.	No reason to fund separately.
		Identifiable part: Yes	Schools participating in the program	High	Short term		
		Individuals: No	-	-	-		

Activity funding needs analysis indicator / rationale	General rates regional. There is no significant capex incurred in this activity.
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FUNDING POLICY		
Operating Expenditure	Communications	General rates 100%
	Information requests greater than ½ hour	Fees & charges actual (where possible, budgeted as zero)
	Customer services	General rates 100%
	Enviroschools	General rates 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Regional Planning and Strategy

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	Who benefits: <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	Who are they: <ul style="list-style-type: none"> • Location • Land use • Specific users 	How much do they benefit: <ul style="list-style-type: none"> • High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Regional Policies, Plans and Strategies Development, adoption, appeals, review and audit of ORC's regional policies, plans, and strategies: Includes environmental regional plans ie Air Plan, Land & Water Regional Plan. Excluding transport plans. Respond to external proposals such as national policy and legislative proposals, and city and district plans.	Participation and governance	Whole community: Yes	Everyone in the region	High	Recurring over the life of the plans – note planning activity continues every year.	Central government – can't charge directly. Territorial authorities – can't charge directly.	No reason to fund separately.
		Identifiable part: No	-	-			
		Individuals: No	-	-			
Private Plan Changes Request from third parties to make a private plan change to a Council plan or policy.	Participation and governance	Whole community: No	-	-	Recurring over the life of the plan change.	None – legislation states this cost sits with the requester.	Yes - private plan change costs should be allocated to those requesting the change.
		Identifiable part: No	-	-			
		Individuals: Yes	The individual or group initiating making the request	High			

Activity funding needs analysis indicator	General rates regional for regional plans, policies and strategies and responding to external proposals. Note transport plans (RLTP and RTP) are covered in the Transport activity section). Fees and charges for private plan changes. There is no significant capex incurred in this activity.
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FUNDING POLICY		
Operating Expenditure	Regional plans, policies and strategies	General rates 100%
	Private plan changes	Fees & charges 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Consents

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<i>Describe key parts of the activity: Note any sub activities that may require separate funding</i>	<i>Select primary from:</i> <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	<i>Who benefits:</i> <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	<i>Who are they:</i> <ul style="list-style-type: none"> • Location • Land use • Specific users 	<i>How much do they benefit:</i> <ul style="list-style-type: none"> • High, medium, low <i>How is benefit / access distributed:</i> <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	<i>When do the benefits occur (vs investment):</i> <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	<i>Who else has created the need:</i> <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	<i>Should the activity be funded separately:</i> <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Consents Processing Process consent applications and hold hearings, Issue certificates, permits and transfers.	A healthy environment	Whole community: No	-	-	-	None.	Yes – the applicants should be allocated this cost.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Consent applicants	High	Short term		
Consents Appeals Responding to appeals on consent decisions.	A healthy environment	Whole community: No	-	-	-	None.	Yes – where possible costs will be recovered through the Court.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Anywhere in the region	High	Short term		
Consents Administration General administration (non-consent specific) including system development and staff training.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	Consent holders, applicants and those making enquiry.	No – could consider reallocation to consent processing but some general administration is required regardless and reallocation is complicated and inefficient.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Consents Public Enquiry General consent related enquiry.	A healthy environment	Whole community: No	-	-	-	None.	No – all members should be able to make enquiry about consent obligations but excessive time should be allocated so the formal consenting process isn't bypassed.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Anywhere in the region	High	Short term		
Consents Reviews Review of consents, e.g. variation to consent - consent holder-initiated, or Council may initiate, e.g. on introduction of a minimum flow.	A healthy environment	Whole community: Yes	Everybody in the region if Council initiates the review	High	Short term	None.	Yes – individuals initiating a review should be allocated this cost.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Consent holders benefit if they initiate the review	High	Short term		

Activity funding needs analysis indicator / rationale	<p>Mix of user charges and general rates regional.</p> <p>In some activities it isn't possible or efficient to recover costs directly in which case general rates should be used.</p> <p>It is important that cost is allocated to the correct activity so the funding is allocated appropriately.</p> <p>There may be some capex incurred to provide systems to administer the activity.</p>
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FUNDING POLICY		
Operating Expenditure	Consents processing	Fees & charges 100%
	Consents appeals	Other income actual (Court recoveries where possible); then

		General rates 100%
	Consents administration	General rates 100%
	Consents public enquiry Information requests greater than ¼ hour	General rates 100% Fees & charges actual (where possible, budgeted as zero)
	Consents reviews – consent holder initiated Consents reviews – Council initiated	Fees & charges 100% General rates 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

DRAFT

ACTIVITY: Compliance

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Performance Monitoring Processing Processing returns from consent holders.	A healthy environment	Whole community: Yes	Everybody in the region	Low	Short term	Consent holders.	Yes – consent holders should be allocated this cost however the data provided may be of use to the wider community.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Consent holders	High	Short term		
Performance Monitoring Administration General administration (non-consent specific) including system development and staff training. General performance related enquiry and reporting.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	Consent holders.	No – data provided may be of use to the wider community. Could consider reallocation to performance monitoring processing but some general administration is required regardless and reallocation is complicated and inefficient.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Audits and Compliance Reviews Undertake audits and compliance reviews to ensure compliance with consent conditions and Fresh Water Farm Plans.	A healthy environment	Whole community: No	-	-	-	None.	Yes – consent holders should be allocated this cost.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Consent holders	High	Short term		
Compliance Administration General administration (non-consent specific) including system development and staff training. General compliance related enquiry and reporting.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	Consent holders.	No – could consider reallocation to performance monitoring but some general administration is required regardless and reallocation is complicated and inefficient.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Dairy Inspections Undertake inspections of dairy farms to ensure compliance.	A healthy environment	Whole community: No	-	-	-	None.	Yes – dairy farms requiring inspection should be allocated this cost.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Dairy farms	High – largely even per dairy farm	Short term		
Fresh Water Farm Plans Administration of Fresh Water Farm Plans.	A healthy environment	Whole community: No	-	-	-	None.	Yes – farms required to have a farm plan should be allocated this cost.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Properties required to have a plan	High – largely even per property requiring a plan	Recurring		
	A healthy environment	Whole community: Yes	Everybody in the region	High	Recurring		

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Contaminated Sites Administration Develop and maintain a centralised contaminated sites database.		Identifiable part: No	-	-	-	Previous landowners who undertook the activity that contaminated the land – can't be charged.	Yes – remedial work should be allocated to landowners.
		Individuals: No	-	-	-		

Activity funding needs analysis indicator / rationale	Mix of user charges and general rates regional and targeted rates. In some activities it isn't possible or efficient to recover costs directly in which case general rates should be used. Targeted rates should be based on land use and area as per Fresh Water Farm Plan requirements. Charged on a uniform basis – requirements are consistent across properties required to have a farm plan. It is important that cost is allocated to the correct activity so the funding is allocated appropriately. There may be some capex incurred to provide systems to administer the activity. New targeted rate to be established for Fresh Water Farm Plans – likely to be established in 2025/26 (year 2) and Dairy Rate will be removed at the same time.
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FUNDING POLICY		
Operating Expenditure	Performance monitoring processing	Fees & charges 100% Chargeable / non-chargeable activities split AMENDED – was 75% and General Rates 25% but administration was included
	Performance monitoring administration	General rates 100% Chargeable / non-chargeable activities split AMENDED – was 25% of combined activity above
	Audits and compliance reviews	Fees & charges 100%
	Compliance administration	General rates 100%
	Information requests greater than ¼ hour	Fees & charges actual (where possible, budgeted as zero)
	Dairy inspections	Targeted rates 100% [Dairy Rate – Land Use / Uniform]
	Fresh water farm plans	Targeted rates 100% Farm Plan Rate – Land Use, Area / Uniform NEW – activity and rate (year 2)
	Contaminated sites administration	General rates 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Incidents

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<i>Describe key parts of the activity: Note any sub activities that may require separate funding</i>	<i>Select primary from:</i> <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	<i>Who benefits:</i> <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	<i>Who are they:</i> <ul style="list-style-type: none"> • Location • Land use • Specific users 	<i>How much do they benefit:</i> <ul style="list-style-type: none"> • High, medium, low <i>How is benefit / access distributed:</i> <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	<i>When do the benefits occur (vs investment):</i> <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	<i>Who else has created the need:</i> <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	<i>Should the activity be funded separately:</i> <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Incident Response Responding to pollution incidents and resource management complaints.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	Those causing the incidents. Central government agencies may provide funding for response to some incidents.	Yes – those causing the incidents should pay but that can only be done so through taking enforcement action.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Enforcement Take enforcement action as appropriate including undertaking prosecutions.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	Those causing the incidents.	Yes – those causing the incidents pay through enforcement action.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Oil Spill Response Be ready to and respond to oil spills.		Whole community: Yes	Everybody in the region	High	Short term	Those causing the incidents. Maritime NZ provides funding for readiness and response to oil spill incidents.	Yes – those causing the incidents pay through enforcement action.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		

Activity funding needs analysis indicator / rationale	<p>Mix of user charges, grants (central government funding) and general rates regional.</p> <p>In some activities it isn't possible or efficient to recover costs directly in which case general rates should be used.</p> <p>It is important that cost is allocated to the correct activity so the funding is recovered from central government and others where possible.</p> <p>There may be some capex incurred to provide systems to administer the activity.</p> <p>Moved from Harbour Management activity.</p>
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FUNDING POLICY		
Operating Expenditure	Incident response	Grants actual (where available); then General rates 100%
	Enforcement	Fees & charges actual (including infringements, fines and court awarded costs where possible); then General rates 100%
	Oil spills	Grants actual (where available); and Fees & charges actual (including infringements, fines and court awarded costs where possible); then General rates 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Harbour Management

GROUP ACTIVITY: Regional Leadership

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Navigation Safety Promote navigation and safety in harbours and waterways. Administer bylaws including response and enforcement.		Whole community: Yes	Everybody in the region	Medium	Short term	None.	Yes – not all districts are covered by ORC’s Harbourmaster. Separate funding add transparency to those districts.
		Identifiable part: No	-	-	-		
		Individuals: Yes	Boat owners	High	Short term		

Activity funding needs analysis indicator / rationale	Mix of user charges and targeted rates. In some activities it isn’t possible or efficient to recover costs directly in which case general rates should be used. There may be some capex incurred to provide infrastructure, plant and equipment. Change from General Rates – Sub Regional (allocated only to districts where Harbourmaster operates to a new Targeted Rate. Moving from general to targeted rates increases transparency and accountability. Only applies to the districts that the Harbourmaster operates. Charged on a uniform basis – level of service is people rather than land or value related (simple and consistent with other similar rates like Emergency Management). A general rate allocation is not required as four districts are paying via the targeted rate and the other pays for a Harbourmaster via Territorial Authority rates.
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FUNDING POLICY		
Operating Expenditure	Navigational safety	Targeted rates 100% [Harbour Management Rate – District / Uniform] NEW – was General Rates – Sub Regional 100%
	Bylaws response and enforcement	Fees & charges actual (including infringements, fines and court awarded costs where possible); then Targeted rates 100% [Harbour Management Rate – District / Uniform] NEW – was General Rates – Sub Regional 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Air

GROUP ACTIVITY: Environment

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Air Science and Monitoring Monitoring, analysis and reporting on air quality in Otago.	A healthy environment	Whole community: Yes	Everybody in the region	High	Recurring	None.	No reason to fund separately.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Air Strategy Implementation Promote and assist addressing air quality issues and improving air quality around the Otago region.	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Long term	Industry and individuals causing emissions.	No – regional programs should be funded regionally and localised programs in this activity are unlikely to justify separate funding.
		Identifiable part: Yes	Communities where specific initiatives are undertaken	Medium	Long term		
		Individuals: No	-	-	-		
Clean Heat Clean Air Incentive Programmes Advancing the use of cleaner heating technologies through the provision of subsidies for the replacement of non-compliant burners in Air Zone 1 and Milton.	A healthy environment	Whole community: No	-	-	-	Individuals using older non-compliant heating sources.	Yes – individuals receiving the benefit should contribute.
		Identifiable part: Yes	Communities in Air Zones	Medium	Long term		
		Individuals: Yes	Individuals in Air Zones who choose to participate in initiatives	High	Short term		

Activity funding needs analysis indicator / rationale	<p>General rates for science and monitoring (consistent with other environment activities).</p> <p>Mix of grants (where available), general rates regional and targeted rates depending on the part of the activity being undertaken.</p> <p>Targeted rates provide transparency and accountability and allows funding to be ringfenced and smoothed. Should apply to a defined benefit (air shed) area.</p> <p>Funding including the wider community outcomes and wellbeings impact will be considered in Incentive Programmes if they are developed (none are currently in use).</p> <p>This may result in a general rate allocation being applied which would be consistent with other targeted rate activities.</p> <p>There is some capex incurred for science and monitoring equipment.</p>
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FUNDING POLICY		
Operating Expenditure	Air science and monitoring	General rates 100%
	Air strategy implementation	General rates 100%
	Air incentive programmes	Grant actual (where available); then Targeted rates 100% NEW RATE – rate and basis to be determined based on programme in future LTP's / Annual Plans
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Biosecurity and Biodiversity

GROUP ACTIVITY: Environment

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<p><i>Describe key parts of the activity:</i></p> <p><i>Note any sub activities that may require separate funding</i></p>	<p><i>Select primary from:</i></p> <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	<p><i>Who benefits:</i></p> <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	<p><i>Who are they:</i></p> <ul style="list-style-type: none"> • Location • Land use • Specific users 	<p><i>How much do they benefit:</i></p> <ul style="list-style-type: none"> • High, medium, low <p><i>How is benefit / access distributed:</i></p> <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	<p><i>When do the benefits occur (vs investment):</i></p> <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	<p><i>Who else has created the need:</i></p> <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	<p><i>Should the activity be funded separately:</i></p> <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
<p>Biodiversity Science and Monitoring</p> <p>Monitoring, analysis and reporting on biodiversity in Otago.</p>	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Recurring	None.	No reason to fund separately.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
<p>Biodiversity Strategy Implementation</p> <p>Promote and support the protection of indigenous species and areas of biodiversity in Otago</p>	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Recurring	Some area of the community will require higher levels of education and assistance. Central government may direct and fund some parts of the work.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding and smooth rates).
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
<p>Community Funding Grants</p> <p>Administer a regional sustainability and environmental enhancement fund on agreed projects.</p> <p>Promote and support the protection of areas of biodiversity in local communities.</p>	A healthy environment	Whole community: Yes	Everybody in the region	Low	Long term	Groups and individuals receiving funding create the demand.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding and smooth rates).
		Identifiable part: Yes	Groups receiving funding	High	Short term		
		Individuals: Yes	Individuals receiving funding	High	Short term		
<p>Wilding Pines</p> <p>Actively support wilding conifer groups in Otago to control and reduce the spread of wilding conifers.</p> <p>Administration of funding from MPI for the control of wilding trees.</p>	A healthy environment	Whole community: Yes	Everybody in the region	Low	Long term	Central government directs and funds the work.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding and smooth rates).
		Identifiable part: Yes	Wilding tree control groups	High	Recurring		
		Individuals: No	Landowners	High	Recurring		
<p>Pest Management Plan Biosecurity Implementation</p> <p>Manage pest plants and animals through inspections, education and promotion of landowner led initiatives.</p> <p>Undertaking control works for specified pests including rooks and wallabies.</p> <p>Undertake enforcement action as required.</p>	A healthy environment	Whole community: Yes	Everybody in the region	Low	Long term	Individual landowners who don't control pests on their property.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding and smooth rates).
		Identifiable part: No	-	-	-		
		Individuals: Yes	Landowners	High	Recurring		

Council Agenda - 13 December 2023 - MATTERS FOR CONSIDERATION

Activity funding needs analysis indicator / rationale	<p>General rates for science and monitoring (consistent with other environment activities).</p> <p>May be central government funding available which will be utilised before rate funding.</p> <p>Remainder should be targeted rates – provides transparency and accountability (separate rates and reserves allows funding to be ringfenced and smoothed).</p> <p>A defined benefit area for targeted rates is not feasible or efficient and rates should apply region wide.</p> <p>Biosecurity is based on land value – this recognises biosecurity is primarily a land / landowner issue and provides approximately a 60/40 rural/urban allocation which aligns with funding proposed in the Regional Pest Management Plan.</p> <p>Wildings Pines should move from a separate uniform rate and be funded via the Biosecurity rate. A separate rate is not warranted given the amount being rated.</p> <p>Biodiversity should be funded by a new Catchment Management Rate that also includes catchment related land and water activity.</p> <p>Should be based on capital value – catchment management is not just a land management issue, activity occurs across the entire region and benefits are long term.</p> <p>Capital value aligns with other general rate funded activities where the benefits and outcomes are similar.</p> <p>There is no significant capex incurred in this activity.</p>
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FUNDING POLICY		
Operating Expenditure	Biodiversity science and monitoring	General rates 100%
	Biodiversity implementation	Grants actual (where available); then Targeted rates 100% Catchment Management Rate – Regional / CV NEW – was General Rates 100%
	Community grant funding	Targeted rates 100% Catchment Management Rate – Regional / CV NEW – EcoFund was General Reserves 100% moving to General Rates in 2024/25, rest was General Rates including some General Rates – Sub Regional (Predator Free Dunedin)
	Biosecurity implementation	Targeted rates 100% [Biosecurity Rate – Regional / LV]
	Wilding pines – administration of grant funding	Grants actual (expected to be 100%); then
	Wilding pines – support for control groups	Targeted rates 100% Biosecurity Rate – Regional / LV AMENDED – was Wilding Tree Rate 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Land and Water

GROUP ACTIVITY: Environment

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	Who benefits: <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	Who are they: <ul style="list-style-type: none"> • Location • Land use • Specific users 	How much do they benefit: <ul style="list-style-type: none"> • High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Land and Water Science and Monitoring Monitoring, analysis and reporting on: surface and groundwater quality and quantity coast and estuary quality effects of low flows SOE reporting.	A healthy environment	Whole community: Yes	Everybody in the region	High	Short term	None.	No reason to fund separately.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Land and Water Implementation Awareness of LWRP provisions and understanding of responsibilities through education and promotion.	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Long term	Some area of the community will require higher levels of education and assistance.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding).
		Identifiable part: Yes	Industry sectors	High	Short term		
		Individuals: Yes	Landowners	High	Short term		
Water Quality Remediation Undertaking water quality remediation and improvement initiatives.	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Long term	Those causing the environmental damage – may not be identifiable or able to be charged.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding).
		Identifiable part: Yes	Communities in the immediate area	High	Long term		
		Individuals: No	-	-	-		
Integrated Catchment Management Develop catchment action plans and support catchment groups to deliver their environmental outcomes and objectives	A healthy environment	Whole community: Yes	Everybody in the region	Medium	Recurring	Catchment groups receiving funding create the demand.	Yes – separate funding will provide transparency and accountability (separate reserve maintained to ringfence funding).
		Identifiable part: Yes	Catchment groups	High	Recurring		
		Individuals: No	-	-	-		

Activity funding needs analysis indicator / rationale	<p>General rates for science and monitoring (consistent with other environment activities).</p> <p>May be central government funding available which will be utilised before rate funding.</p> <p>Remainder should be targeted rates – provides transparency and accountability (separate rates and reserves allows funding to be ringfenced and smoothed).</p> <p>A defined benefit area for targeted rates is not feasible or efficient and rates should apply region wide. Applying the same rate to all these activities keeps the funding simple.</p> <p>All land and water (excluding science and monitoring) should be funded by a new Catchment Management Rate that also includes catchment related biosecurity activity.</p> <p>Should be based on capital value – catchment management is not just a land management issue, activity occurs across the entire region and benefits are long term.</p> <p>Capital value aligns with other general rate funded activities where the benefits and outcomes are similar.</p> <p>There is no significant capex incurred in this activity.</p>
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FUNDING POLICY		
Operating Expenditure	Land and water science and monitoring	General rates 100%
	Land and water implementation	Grants actual (where available); then Targeted rates 100% [NEW Catchment Management Rate – Regional / CV] NEW – was a mix of Rural Water Quality 75% / General Rates 25% and General Rates 100%
	Water quality remediation	Grants actual (where available); then Targeted rates 100% [NEW Catchment Management Rate – Regional / CV] NEW – was River Management – District 100%
	Integrated catchment management	Grants actual (where available); then Targeted rates 100% [NEW Catchment Management Rate – Regional / CV] NEW – was General Rates 100%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

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ACTIVITY: Emergency Management

GROUP ACTIVITY: Safety and Resilience

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<i>Describe key parts of the activity: Note any sub activities that may require separate funding</i>	<i>Select primary from:</i> <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	<i>Who benefits:</i> <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	<i>Who are they:</i> <ul style="list-style-type: none"> • Location • Land use • Specific users 	<i>How much do they benefit:</i> <ul style="list-style-type: none"> • High, medium, low <i>How is benefit / access distributed:</i> <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	<i>When do the benefits occur (vs investment):</i> <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	<i>Who else has created the need:</i> <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	<i>Should the activity be funded separately:</i> <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Emergency Management Administer the Otago Civil Defence Emergency Management Group including readiness and response.	Healthy and fulfilled people	Whole community: Yes	Everybody in the region	High	Long term – readiness Short term - response	Central government. Territorial authorities through Mayoral Forum who dictate level of resource across the region and within districts.	Yes – separate funding provides greater transparency and allows reserves to be used to cover response costs which are unplanned and can fluctuate.
		Identifiable part: Yes	Specific communities may be impacted and benefit separately	High	Long term – readiness Short term - response		
		Individuals: Yes	Individuals may benefit separately	High	Long term – readiness Short term - response		

Activity funding needs analysis indicator / rationale	<p>Region wide targeted rate – could be general rate funded but a separate targeted rate provides increased transparency and accountability (separate rates and reserves allows funding to be ringfenced and smoothed).</p> <p>Timing of response activity is unbudgeted and can't be rated for in advance – a targeted rate allows this to be funded via reserves (including using deficits).</p> <p>Charged on a uniform basis – level of service is people rather than land or value related (simple and consistent with other similar rates like Emergency Management).</p> <p>There is no significant capex incurred in this activity.</p>
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FUNDING POLICY		
Operating Expenditure	Emergency management	Targeted rates 100% [Emergency Management Rate – Regional / Uniform]
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Flood Protection and Drainage

GROUP ACTIVITY: Safety and Resilience

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Below is analysis for flood and drainage schemes in general – following this specific analysis is provided that refines this by individual schemes							
Flood protection: Preventing or mitigating the impact of flood waters.	Healthy and fulfilled people	Whole community: Yes	The whole region benefits if it has access to and uses services within the direct area. This particularly applies to non-rateable assets within the direct area.	Low – some assets ie non-rateable critical infrastructure and services are accessible to everyone in the region although the level of use is likely to vary and will decrease as proximity to the scheme increases.	Recurring and long term. That applies for both operating and capital expenditure as spend in both areas is significant and fluctuates over individual years. Benefits continue beyond the initial year of investment.	Difficult to determine and identify action / inaction. Flood schemes keep water in rivers that has increased naturally usually significantly upstream from the protected area. The need for flood schemes relates to the choice of people to live within the benefit area and not because of the actions of those outside the schemes. Hydro generators may contribute to the need for the activity.	Yes, separate funding should be used. The cost of delivery is significant and can fluctuate year on year. Funding separately allows: <ul style="list-style-type: none"> Funding of this activity to be shown clearly on the rates invoice. Reserves to be ringfenced for that activity. Reserves to be used to smooth funding and spread over the long term.
		Identifiable part: Yes	The wider community are outside of the direct area but within proximity that allows access and use of the area and services within the direct area (indirect area).	Low – community benefits are higher the closer those members / groups are to the direct benefit area.	Recurring and long term (as above).		
		Individuals: Yes	Properties within a defined benefit area that is physically protected from flood waters by the scheme (direct area). The direct benefit could be further differentiated based on risk and service level or could assume the scheme is fully integrated and all direct benefits are equal.	High – benefits are higher for those in the direct protection areas and may vary within the direct benefit area.	Recurring and long term (as above).		
Drainage: Facilitating the drainage of low-lying land to maintain productive capability.	Healthy and fulfilled people	Whole community: No	-	-	-	Difficult to determine and identify action / inaction. Drainage schemes are created due to the natural low-lying location of the land and not because of the actions of those outside the scheme areas.	Yes, separate funding should be used. Drainage schemes have high individual benefits. The cost of delivery is significant and can fluctuate year on year. Funding separately allows: <ul style="list-style-type: none"> Funding of this activity to be shown clearly on the rates invoice. Funding to be ringfenced for that activity. Reserves to be used to smooth funding and spread over the long term.
		Identifiable part: Yes	The wider community benefits from access to the area and economic activity in the area.	Low – community benefits are limited as access to private land is also limited.	Recurring and long term. That applies for both operating and capital expenditure as spend in both areas is significant and fluctuates over individual years. Benefits continue beyond the initial year of investment.		
		Individuals: Yes	Properties within a defined benefit area is physically drained but the scheme (direct area).	High – benefits are higher for those in the direct protection areas.	Recurring and long term (as above).		

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Activity funding needs analysis indicator / rationale	<p>Most benefit applies to landowners within the direct benefit area. This benefit is highest for drainage schemes, slightly lower but still high for flood schemes.</p> <p>Separate targeted rates for each scheme should be the primary source of funding</p> <p>General rates can be used to reflect wider community benefit and non-rateable property.</p> <p>Targeted rates provide transparency and accountability and allows funding to be ringfenced and smoothed via reserves for each scheme.</p> <p>The targeted rate could be differentiated based on a number of factors including level of benefit, location and / or land use.</p> <p>Consideration needs to be given to whether scheme benefit areas are treated as integrated or further differentiated into multiple sub benefit zones.</p> <p>In general, exacerbators are harder to identify and apportion a funding share but they can be accessed on a scheme specific basis.</p> <p>Use of differentials (benefit zones) needs to be carefully considered in terms of affordability and sustainability.</p> <p>It also adds a level of administrative cost and complexity that may out weight the benefit especially if relatively small amounts of rates are being collected.</p> <p>The use of less regional and/or district wide allocations is preferred.</p> <p>Capex is significant and is funded through the reserve established above and is repaid by the same funding sources as operating expenditure.</p> <p>Use of differentials (benefit zones) needs to be carefully considered in terms of affordability and sustainability.</p> <p>It also adds a level of administrative cost and complexity that may out weight the benefit especially if relatively small amounts of rates are being collected.</p> <p>The direct benefit could remain undifferentiated to reflect the schemes are integrated and all direct benefits are equal.</p> <p>Funding flood protection predominantly from small defined targeted rate areas may limit future investment and increase risk especially if increased levels of service are required for increased climate resilience.</p> <p>General rate allocations could be increased to reflect the social and economic benefits from investing in prevention rather than response to flood events which could become more frequent and costly.</p> <p>There is a lack of transparency with increased general rates.</p> <p>A new climate resilience rate could be created and used to fund increased levels of service required to adapt to climate change.</p>
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FUNDING POLICY		
Operating Expenditure	Alexandra Flood Protection	Fees & charges actual (Contact Energy agreement); then Targeted rates 80% [Alexandra Flood Rate – District / CV] General rates 20% - Regional
	Leith Flood Protection	Targeted rates 80% [Leith Flood Rate – Targeted Area / CV] – split direct 40% / indirect 40% (all Dunedin pays non-rateable direct share) General rates 20% - Regional
	Lower Clutha Flood and Drainage	Grants actual (where available); and Fees & charges actual (rental income); and Kuriwao Reserve actual; then
	Flood	Targeted rates 80% [Lower Clutha Flood & Drainage Rate – Targeted Area / CV] – benefit zones General rates 20% - Regional
	Drainage	Targeted rates 90% [Lower Clutha Flood & Drainage Rate – Targeted Area / CV] – benefit zones General rates 10% - Regional
	Lower Taieri Flood Protection	Grants actual (where available); and Fees & charges actual (rental income); then Targeted rates 80% [Lower Taieri Flood Rate – Targeted Area / CV] – benefit zones General rates 20% - Regional
	East Taieri Drainage	Grants actual (where available); and

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		<p>Fees & charges actual (rental income); then Targeted rates 90% [East Taieri Drainage Rate – Targeted Area / Land Area] – benefit zones General rates 10% - Regional</p>
	West Taieri Drainage	<p>Grants actual (where available); and Fees & charges actual (rental income); then Targeted rates 90% [West Taieri Drainage Rate – Targeted Area / Land Area] – benefit zones General rates 10% - Regional</p>
	Tokomairiro Drainage	<p>Grants actual (where available); and Targeted rates 80% [Tokomairiro Drainage Rate – Targeted Area / CV] – benefit zones General rates 20% - Regional</p>
	Scheme Oversight Bylaws	<p>Internal recharge to district River Management activities 100% Fees & charges 100% where possible; then General rates 100%</p>
Capital Expenditure	All above	Reserves 100% [Flood Protection & Drainage Scheme Reserves] – recovered via operating expenditure funding method above

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ANALYSIS BY SCHEME – SPECIFIC CONSIDERATIONS (note community outcomes, benefit timing and consideration of separate funding remain as above)

Description	Rating Basis	Distribution of benefits				Exacerbators		Notes / Options
Existing allocations = Current: Proposed = Yellow:		Targeted:	Benefit Zones: *% of Targeted	General – Regional:	General – Sub Regional:	Who else has created the need:	Funding Source:	
Current – Alex	CV	-		-	2% Central Otago	98% Contact Energy	Fees & charges	
Alexandra Flood Protection	CV	80%	District – CODC	20%		Actual Contact Energy	Fees & charges	Rates apply after Contact’s actual share
Current – Leith	CV	93%	Direct 46.5% Indirect 46.5%	5%	2% Dunedin	Large amount of non-rateable property in direct zone	Indirect zone	Direct includes Stadium capped at 4%
Leith Flood Protection	CV	80%	*Direct 40% *Indirect 40%-Dunedin	20%		Rateable CV \$1.75bn Non-Rate CV ~\$1.7bn	Indirect zone	Indirect – all Dunedin district (no mapped area) No cap on Stadium
Current – Clutha Flood	CV	84%	10 zones A-F	12%	4% Clutha			Applies after rental income and contribution from Kuriwao reserve Cost is allocated to flood or drainage to calculate GR allocations then remainder is allocated over the same benefit zones for both F&D
Current – Clutha Drainage	CV	94%	U1-4 (urban)	-	6% Clutha			
Lower Clutha Flood	CV	80%	2 Zones *Rural 68% (old A-F)	20%				Applies after rental income, and Kuriwao contribution, then Cost is allocated to flood or drainage to calculate GR allocations then remainder is allocated over the same benefit zones for both F&D CV based drainage – need to review
Lower Clutha Drainage	CV	90%	*Urban 32% (old U1-4)	10%				
Current – Taieri Flood	CV	83%	Zones split East/West WF 1-4, 8 EF 1-10, 12-13	4%	13% Dunedin	Allocation to East is 11% of total (includes Mosgiel) Airport is in WF1 and pays but not for runway value (27% of their total CV)		Applies after rental income
Lower Taieri Flood Protection	CV	80%	2 Zones *West 89% *East 11%	20%		Airport non-rateable: 0.3% of total scheme CV	Airport non-rateable covered by General Rate	Applies after rental income Integrated benefit zone approach – still recognises some technical benefit weighting

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Description	Rating Basis	Distribution of benefits				Exacerbators		Notes / Options
		Targeted:	Benefit Zones: *% of Targeted	General – Regional:	General – Sub Regional:	Who else has created the need:	Funding Source:	
Existing allocations = Current: Proposed = Yellow:								
Current – East Drainage	Land Area 25% uniform / hectare 75% differential	92%	8 zones charged ED 1-2, 4-5, 8-10 only ED 1-2, 4-5, 7-10 (ED7 pays 12.6% of ED2)	-	8% Dunedin	ED7 pays 12.6% of ED2 Mosgiel does not pay drainage – on DCC stormwater, no ORC drainage provided	Reallocation within targeted rates	Applies after rental income
East Taieri Drainage	Land Area	90%	1 Zone	10%				Applies after rental income
Current – West Drainage	Land Area 30% uniform / hectare 70% differential	92%	5 zones WD 1-4 only WD 1-5	-	8% Dunedin	Airport is in WD1 and pays but not for runway area (81% of their total land area)		Applies after rental income
West Taieri Drainage	Land Area	90%	1 Zone	10%		Airport non-rateable: 1.1% of total scheme CV	Airport non-rateable covered by General Rate	Applies after rental income
Current – Tokomairiro	CV	100%	7 zones A-F, U1 (urban Milton)	-	-			
Tokomairiro Drainage	CV	80%	2 Zones *Rural 72% (old A-F) *Urban 28% (old U1)	20%				CV basis is appropriate – scheme is actual providing flood protection via a drainage system
Current – Lower Waitaki	CV	90%	2 zones A and B	10%	-			
Lower Waitaki River Control	Amended to be funded from River Management – Waitaki – activity aligns closer with that activity and amount rated doesn't justify separate funding							

ACTIVITY: River Management

GROUP ACTIVITY: Safety and Resilience

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
<i>Describe key parts of the activity: Note any sub activities that may require separate funding</i>	<i>Select primary from:</i> <ul style="list-style-type: none"> • Healthy and fulfilled people • Connected communities • Participation and governance • A healthy environment 	<i>Who benefits:</i> <ul style="list-style-type: none"> • Whole community • Identifiable part • Individuals 	<i>Who are they:</i> <ul style="list-style-type: none"> • Location • Land use • Specific users 	<i>How much do they benefit:</i> <ul style="list-style-type: none"> • High, medium, low <i>How is benefit / access distributed:</i> <ul style="list-style-type: none"> • Evenly vs variably (on what basis) 	<i>When do the benefits occur (vs investment):</i> <ul style="list-style-type: none"> • Short term (same year) • Recurring (ongoing every year) • Long term (later years) 	<i>Who else has created the need:</i> <ul style="list-style-type: none"> • Who • Action / inaction • Can they be charged • Will it change their behaviour 	<i>Should the activity be funded separately:</i> <ul style="list-style-type: none"> • Cost / benefit • Transparency • Accountability
Below is analysis for river management schemes in general and applies to all individual schemes							
River Management: Works within river systems that aid in channel management - control and repair of channel erosion, willow maintenance, vegetation control, obstruction removal.	A healthy environment.	Whole community: Yes	The activity occurs in rivers across all districts in the region.	Medium All the community in the district have the same access to benefit although they are less likely to realise that benefit the further they are from the river.	Recurring	Landowners immediately adjacent to the rivers may contribute to the need for the activity. Hydro generators may contribute to the need for the activity.	The cost of delivery is significant and can fluctuate year on year. Funding separately allows: <ul style="list-style-type: none"> • Funding of this activity to be shown clearly on the rates invoice. • Funding to be ringfenced for that activity. • Reserves to be used to smooth funding and spread over the long term.
		Identifiable part: Yes	Communities living closer to the river may have increased opportunity to access.	Medium	Recurring		
		Individuals: No	-	-	-		

Activity funding needs analysis indicator / rationale	<p>Most benefit applies to those within the district although individually it is low river management.</p> <p>A separate targeted rate and reserve should be used.</p> <p>In general, exacerbators are harder to identify. They are typically identified in relation to flood control rather than general river management.</p> <p>Capex is funded through the reserve established above and is repaid by the same funding sources as operating expenditure.</p>
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FUNDING POLICY		
Operating Expenditure	River management – Dunedin	Targeted rates 100% [River and Waterway Management – Dunedin] – District / CV
	River management – Clutha	Targeted rates 100% [River and Waterway Management – Clutha] – District / CV
	River management – Central Otago	Targeted rates 100% [River and Waterway Management – Central Otago] – District / CV
	River management – Queenstown Lakes	Targeted rates 100% [River and Waterway Management – Queenstown Lakes] – District / CV AMENDED – Whakatipu and Wanaka were separate and have been combined
	River management – Waitaki	Targeted rates 100% [River and Waterway Management – Waitaki] – District / CV
	Lower Waitaki River Control	Targeted Rates 100% [River and Waterway Management – Waitaki] – District / CV AMENDED – was Lower Waitaki River Control 90% region 10% district 0%
	River management – Non-Scheme Management	Internal recharge to district River Management activities 100%
Capital Expenditure		Reserves 100% [River and Waterway Management Scheme Reserves] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Climate Change and Hazards

GROUP ACTIVITY: Safety and Resilience

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Natural Hazards Investigate and provide information on the potential impacts of natural hazards and their mitigation.		Whole community: Yes	Everybody in the region	Medium	Recurring	None.	No reason to fund separately.
		Identifiable part: No	-	-	-		
		Individuals: No	-	-	-		
Flood and low flow risk management Respond to flood events, issue flood warnings and take action to reduce effects of flooding. Provide information on actual and expected rainfall, river flows and lake levels for low flow situations.		Whole community: Yes	Everybody in the region	Medium	Long term	None.	No reason to fund separately.
		Identifiable part: Yes	Communities living in flood prone areas	High	Long term		
		Individuals: No	Individual property owners living in flood prone areas.	High	Long term		
Climate change adaptation Provide understanding of the effects of climate change to enable communities to make informed decisions about being prepared and adapting to those effects.		Whole community: Yes	Everybody in the region	Medium	Long term	None.	No reason to fund separately.
		Identifiable part: No	Communities living in areas susceptible to climate change	High	Long term		
		Individuals: No	Individual property owners living in areas susceptible to climate change	High	Long term		

Activity funding needs analysis indicator / rationale	<p>General rates regional. All activities are information based not service delivery and have wide community benefit over a long term.</p> <p>Studies and information may be area specific but it isn't cost effective to allocate smaller individual funding requirements.</p> <p>Over time work should occur through out the entire region and spread benefit.</p> <p>Delivery may result from these activities but that will occur in other activities and be funded there ie flood protection.</p> <p>There is no significant capex incurred in this activity.</p>
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FUNDING POLICY		
Operating Expenditure	Natural hazards	General rates 100% - Regional
	Flood risk management	General rates 100% - Regional
	Climate change adaptation	General rates 100% - Regional
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

ACTIVITY: Transport

GROUP ACTIVITY: Transport

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Transport Planning Regional transport planning including the Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP).	Connected communities	Whole community: Yes	Everyone in the region	High	Recurring over the life of the plans – note planning activity continues every year.	Central government – can't charge directly although Waka Kotahi funding assistance is available for this.	No reason to fund separately.
		Identifiable part: No	-	-	-	Territorial authorities – can't charge directly.	
		Individuals: No	-	-	-		
Public Transport Provide public passenger transport services in Dunedin and Queenstown, including associated operational network planning and infrastructure.	Connected communities	Whole community: Yes	Everyone in the region benefits from the service being available and from reduced emissions. Visitors from outside the region also benefit.	Low – benefit decreases as proximity to the service increases.	Long term – the benefit of reduced emission may only be realised sometime after initial investment. Short term – if the service is used but use is likely to be infrequent.	Private vehicle users – cause congestion, demand for parking and emissions. Visitors / commuters from outside the immediate network areas can increase demand and/or congestion / emissions – can't charge / rate directly. Ministry of Education – reducing school routes. Property developers – creating wider demand outside of existing network area. Central government – legislate that services are provided, can't charge directly although Waka Kotahi funding assistance is available for this. Territorial authorities – can't charge directly but funding contributions may be available.	Yes – the cost of the activity is significant and can fluctuate year on year. Funding separately allows: <ul style="list-style-type: none"> A mix of sources to be used including charging users directly and funding contributions from other entities. Funding of this activity to be shown clearly on the rates invoice. Funding to be ringfenced for that activity. Reserves to be used to smooth funding and spread over the long term.
		Identifiable part: Yes	The wider community benefit from improved air quality and reduced congestion. Those in closest proximity to the services have increased access and opportunity to benefit but may choose not to. Commercial properties and property developers benefit from not having to supply car parking. Territorial authorities benefit from reduced congestion and demand for parking.	Medium – the local / wider community have increased access to the service and more frequent benefit from reduced congestion / improved air quality.	Recurring – the service is available on a daily basis and congestion / air quality benefits are on-going. Short term – if the service is used but use is likely to be occasional.		
		Individuals: Yes	Those using the service benefit directly.	High	Short term – the benefit is received immediately when the service is used		
Total Mobility Administer the Total Mobility Scheme.	Connected communities	Whole community: Yes	Everyone in the region benefits from the provision of a social service for those who cannot use public transport because of a disability.	Low – the service is only available to those that qualify and isn't available in all parts of the region	Short term	None although there is increased demand for this service in areas with no public transport.	No reason to fund separately. Users are already paying directly and the remaining cost doesn't warrant separate funding.
		Identifiable part: Yes	Everyone in the wider community benefits from the provision of a social service for those who cannot use public transport because of a disability.	Low – the service is only available to those that qualify.	Short term		

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Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
		Individuals: Yes	Total mobility users directly	High – although they have to pay a portion of the cost directly.	Short term		
LTMA Administration Register services under the Land Transport Management Act.	Connected communities	Whole community: Yes	The region may benefit from services being provided.	Low	Short term	None	Yes – service providers should be allocated this cost. The wider community will indirectly on-charged by the service provider.
		Identifiable part: Yes	The local / wider community should benefits from the services being provided and information held.	Low	Short term		
		Individuals: Yes	Service providers who benefit from being able to legally operate.	High	Short term and recurring over the period of registration		
Stock Truck Effluent Disposal Sites (STEDS) Investigation and planning of a regional stock truck effluent disposal network. Maintain stock truck effluent disposal sites in Central Otago.	A healthy environment	Whole community: No	-	-	-	Territorial Authorities who don't accept the sites as vested assets and agree to maintain them (this only applies to one TA in the region).	Yes – the costs is only occurred in one district and all other TA's maintain STEDS in their district.
		Identifiable part: Yes	Farmers moving stock	High	Recurring		
		Individuals: Yes	Trucking companies using the facilities	High	Recurring		

Activity funding needs analysis indicator / rationale	<p>Users should contribute, grants and subsidies are available for this activity from Waka Kotahi and should be maximised where possible.</p> <p>Remaining cost is rate funded with an allocation to general rates to reflect that benefit.</p> <p>Separate targeted rates and reserves should be used for PT. Ringfences funding, allows for smoothing of rates and increases transparency and accountability.</p> <p>PT targeted rates should be uniform as the service / benefits are people focused rather than linked to property values.</p> <p>Capex is funded through the reserve established above and is repaid by the same funding sources as operating expenditure.</p> <p>Funding all of PT through user charges and targeted rates doesn't reflect the wider objectives of improving the social and environmental wellbeing of the community.</p> <p>Fare increases have to be considered in the context of negative impacts on patronage and the ability to pay of those users.</p> <p>A general rate allocation should be included to reflect wider benefits to those (or the targeted rate differentiated to include an allocation to the wider region).</p> <p>Further climate (emissions) related investment could be funded via a Climate Rate.</p>
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FUNDING POLICY		
Operating Expenditure	Public transport – Dunedin	<p>Other income actual (contributions from TA's, PTO's); and</p> <p>Fees & charges (fare revenue) actual; then</p> <p>Subsidies 51% (after receipt of fares and other above)</p> <p>Rates 49% (remainder after above) – Targeted Rates 60% - District* / Uniform General Rates 40% - Regional</p> <p>(*Palmerston defined area to be added to Dunedin)</p>
	Public transport – Whakatipu	<p>Other income actual (contributions from TA's, PTO's); and</p> <p>Fees & charges (fare revenue) actual; then</p> <p>Subsidies 51% (after receipt of fares and other above)</p> <p>Rates 49% (remainder after above) – Targeted Rates 60% - District* / Uniform General Rates 40% - Regional</p> <p>(*Queenstown Lakes)</p>

	Total mobility	Subsidies 51% General rates 49% - Regional
	Transport planning	Subsidies 51% General rates 49% - Regional
	LTMA administration	Fees & charges 50% General rates 50% - Regional
	STEDS	General rates 100% - Sub regional (District)
Capital Expenditure	Public transport	Reserves 100% [Public Transport Scheme Reserves] – recovered from depreciation via operating expenditure funding method above
	Total mobility, transport planning, LTMA administration	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above
	STEDS	Reserves 100% [General Reserve] – recovered from depreciation via operating expenditure funding method above

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ANALYSIS BY NETWORK – SPECIFIC CONSIDERATIONS (note community outcomes, benefit timing and consideration of separate funding remain as above)

Description	Rating Basis	Distribution of benefits				Exacerbators		Notes / Options
		Targeted:	Benefit Zones:	General – Regional:	General – Sub Regional:	Who else has created the need:	Funding Source:	
Describe key parts of the activity:								
Current – Dunedin PT	CV	100%	Defined benefit zone – proximity to routes Differential – location and land use: Class A 3.75 times Inner City, St Kilda / St Clair that are not residential	-	-			
Public Transport Dunedin	Uniform	24% of total cost 60% of rates allocation	Dunedin District and Palmerston (service areas)	16% of total cost 40% of rates allocation			20% fares	41% subsidies (51% after fares / other)
Current – PT Whakatipu	CV	100%	Defined benefit zone – area surrounding network Differential – land use: Class A 2 times Commercial, community services, public communal (licenced / unlicenced), transport, recreational	-	-	Visitors / commuters from other towns	Can't charge / rate them directly	
Public Transport Whakatipu	Uniform	24% of total cost 60% of rates allocation	Queenstown Lakes District	16% of total cost 40% of rates allocation			20% fares	41% subsidies (51% after fares / other)
Current – n/a (new services)								
Public Transport New Service District	Uniform	24% of total cost 60% of rates allocation	District where new service is introduced	16% of total cost 40% of rates allocation			20% fares	41% subsidies (51% after fares / other)

ACTIVITY: Internal Overheads

GROUP ACTIVITY: Internal Overheads

Description	Community Outcome	Distribution of benefits			Period of Benefit	Exacerbators	Separate Funding
Describe key parts of the activity: Note any sub activities that may require separate funding	Select primary from: <ul style="list-style-type: none"> Healthy and fulfilled people Connected communities Participation and governance A healthy environment 	Who benefits: <ul style="list-style-type: none"> Whole community Identifiable part Individuals 	Who are they: <ul style="list-style-type: none"> Location Land use Specific users 	How much do they benefit: <ul style="list-style-type: none"> High, medium, low How is benefit / access distributed: <ul style="list-style-type: none"> Evenly vs variably (on what basis) 	When do the benefits occur (vs investment): <ul style="list-style-type: none"> Short term (same year) Recurring (ongoing every year) Long term (later years) 	Who else has created the need: <ul style="list-style-type: none"> Who Action / inaction Can they be charged Will it change their behaviour 	Should the activity be funded separately: <ul style="list-style-type: none"> Cost / benefit Transparency Accountability
Human Resources / Health and Safety, Finance & Rates, Corporate Support, Property, IT							FTE
Vehicles and Plant							Actual usage
Treasury						Port on-lending – Port recharged all costs	Treasury – interest to general reserve and then reallocated to all reserves
Regional Integrated Ticketing System (RITS)						Other RITS Councils pay 75% of this cost – remaining 25% is ORC's share	ORC's share: 75% Dun / 25% Qtn

Activity funding needs analysis indicator / rationale	Executive management and support, corporate planning and performance and legal all moved to Regional Leadership. RITS moved from Transport so Transport reflects ORC costs only. Activity is fully recharged internally and externally.
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FUNDING POLICY		
Operating Expenditure	HR / H&S , Finance and Rates, Corporate Support, Property, IT	Overhead reallocation 100% - FTE
	Vehicles and Plant	Overhead reallocation 100% - actual use
	Treasury	Other income 100% - Port Otago on-lending General rates offset 100% - Port Otago dividends, managed fund income, investment property income Reserves 100% - interest cost and non-managed fund interest income
	RITS	Other income 75% - RITS Regional Councils Internal recharge 25% - Dunedin PT 75%, Whakatipu 25%
Capital Expenditure	All above	Reserves 100% [Asset Replacement Reserve] – recovered from depreciation via operating expenditure funding method above

6.2. Final draft of the Strategic Directions document

Prepared for:	Council
Report No.	STG2309
Activity:	Community: Governance & Community
Author:	Hilary Lennox, Manager Strategy
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer Richard Saunders, Chief Executive
Date:	13 December 2023

PURPOSE

- [1] To present the draft 2024 – 2034 Strategic Directions document (attached) for endorsement so that its details may be included in the draft 2024 – 2034 Long Term Plan (LTP) and made available for public feedback as part of the 2024 – 2034 LTP consultation process.

EXECUTIVE SUMMARY

- [2] In 2023, Councillors and Mana Whenua participated in a series of facilitated workshops to revise the organisation’s strategic directions. Both global and local trends, as well as existing enduring priorities, were taken into consideration as part of this process.
- [3] The resulting draft 2024 – 2034 Strategic Directions document was developed using the content generated and direction given by Councillors and Mana Whenua representatives who attended the workshops and provides a clear indication of Council’s goals for the next 10 years.
- [4] The ambition is to make significant meaningful progress towards realising the organisation’s vision by aligning the organisation's work programmes with six focus areas. There are six goals for each of the six focus areas. The purpose, scope and ambition of these goals were set by Councillors and Mana Whenua representatives who attended the workshops.
- [5] Having clearly defined goals will allow ORC to better align and prioritise work programmes, and the draft 2024 – 2034 Strategic Directions document has been factored into planning for the 2024 - 2034 Long-term Plan.
- [6] It is proposed that detail from the draft 2024 – 2034 Strategic Directions document is included in the draft 2024 – 2034 LTP so that the public may provide feedback on the direction set by Council. It will then be brought back to Council and Mana Whenua for formal adoption at the same time as the Long-term Plan in mid-2024.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Endorses** the draft 2024 – 2034 Strategic Directions document for inclusion in the draft the 2024 – 2034 LTP, which will be consulted on in 2024.
- 3) **Notes** that the final version will be brought to Council for formal adoption alongside the Long-term Plan in mid-2024.

BACKGROUND

- [7] In 2023, Councillors and Mana Whenua participated in a series of facilitated workshops to revise the organisation's strategic directions. Both global and local trends and existing enduring priorities were taken into consideration through this process.
- [8] The resulting draft 2024 – 2034 Strategic Directions document was developed using the content generated and direction given by Councillors and Mana Whenua representatives who attended the workshops and provides a clear indication of Council's goals for the next 10 years.
- [9] The ambition is to make significant meaningful progress towards realising the organisation's vision (*Our environment and communities are healthy and connected ki uta ki tai (from the mountains to the sea)*) by aligning the organisation's work with six focus areas. These are (in no particular order):
- Partnership (with Mana Whenua)
 - Communities
 - Resilience
 - Climate
 - Transport
 - Environment
- [10] There are six goals for each of the six focus areas. The purpose, scope and ambition of these goals were set by Councillors and Mana Whenua representatives who attended the workshops. The goals are organised in a deliberate way so that they are tangible and so that it is possible to align work programmes with these goals.
- [11] Another way of explaining this is that our goals articulate 'what' we want to achieve. The narrative alongside each of the six focus areas in the draft attached explains 'why' we want to do achieve this, and the programmes of work outlined in the 2024 – 2034 LTP (and subsequent LTP and Annual Plans) should describe 'how'.
- [12] Having clearly defined goals will allow ORC to better align and prioritise work programmes. They will also further support processes to review Council's work programmes to identify opportunities for improving consolidation and collaboration.
- [13] Achieving these goals requires ORC to draw on resources from within and beyond the organisation and the region to ensure that the right teams are assembled to address specific challenges and opportunities. Effective collaboration and relationship management will, therefore, be key to making this possible.
- [14] ORC is already making good progress towards achieving some of these goals, but for others, over time ORC may need to reconsider community priorities and/or resource allocation.
- [15] Progress against these goals will need to be monitored and over the next 10 years and work programmes adjusted accordingly. Having an agile approach like this will be important to ensure ORC and the other parties involved can respond to changing circumstances and/or new challenges and opportunities arising.
- [16] The next stage in operationalising the 2024 - 2034 Strategic Directions will likely involve the development of an implementation plan along with clear performance indicators and interim timeframes for achieving these; proximate objectives can be a very effective way to motivate and focus an organisation's activities.
- [17] Reporting on progress will need to be done in a way that is meaningful, clearly reflects reality, and allows progress against the goals to be monitored. The current LTP performance framework focuses on the delivery of work programmes and the measures and targets (while often appropriate) might not be enough to shed light on progress against the goals. Some thought will, therefore, need to be put into finding the most

effective way to monitor and report on progress. This will be a priority for the Strategy Team alongside the Corporate Planning Team.

- [18] The 2024 – 2034 Strategic Directions should be updated (not overhauled) in consideration of the future situation in three years' time so that it can inform the alignment and prioritisation of work programmes in the 2027 – 2037 LTP.

DISCUSSION

- [19] Through the development of the 2024 – 2034 Strategic Directions, Council has communicated the organisation's goals for the next 10 years. Staff have had this work available to them as work programmes for LTP 2024-2034 have been developed.
- [20] The more aligned ORC's that work programmes and subject specific strategies are with the Strategic Directions, the sooner that the goals should be achieved. This may include ongoing review of activities to ensure that resources are focussed on achieving the set goals.
- [21] Because much of ORC's work is required under legislation and because many work programmes are already well underway, this will happen over time.
- [22] Having clear direction from Council about the intended direction of travel is a positive step on a journey towards improving overall organisational efficiency, purpose and impact for the benefit of the region's communities.
- [23] Once a robust implementation plan and monitoring, reporting and review processes are developed, it should become a lot easier to demonstrate how ORC's activities are (or are not) benefitting the region's communities. This will improve Council's ability to make decisions on how to respond.
- [24] Given that this is an innovative approach for ORC, embedding the Strategic Directions will need to be a collaborative process involving departmental managers and other staff from across the organisation.
- [25] Concurrent to this process will be the embedding of the Regional Wellbeing Framework. Public sector agencies, mana whenua, businesses, NGOs, and civil society all have pivotal roles to play in improving collective wellbeing. Although many important aspects of community wellbeing are outside the scope of ORC's core activities, these can still be affected indirectly by what we do or can have implications for decisions made by Council.
- [26] Embedding the Regional Wellbeing Framework will involve systematically scanning potential impacts of our work across all relevant wellbeing outcomes, which will provide a better understanding of how and where our activities contribute to regional wellbeing. This will allow us to consider our role and take any appropriate actions accordingly, either in isolation or collaboration with other agencies.

OPTIONS

- [27] Option 1: Endorse the draft 2024 – 2034 Strategic Directions document for inclusion in the draft 2024 – 2034 LTP, which will be consulted on in 2024.
- [28] Option 2: Not endorse the draft 2024-2034 Strategic Directions document and direct staff to undertake further work on this.

Option 1 is the recommendation of this paper because hopefully the Council has confidence in the substantial work that was done to develop the strategic directions.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [29] This paper recommends that Council endorses the draft 2024 – 2034 Strategic Directions document for inclusion in the 2024 – 2034 LTP. This provides greater direction than has been provided by Council in the past regarding desired goals over the next 10 years and will supersede any previous versions of ORC’s organisational strategy.

Financial Considerations

- [30] Decisions about how to prioritise and resource work programmes to achieve the desired goals articulated in the 2024 – 2034 Strategic Directions document will be made through the ongoing development of subject specific strategies, and LTP and Annual Plan processes.

Significance and Engagement

- [31] Mana Whenua participated in the same workshops as the Councillors and so must also be given an opportunity to consider the draft 2024 – 2034 Strategic Directions document before it is included in the draft 2024 – 2034 LTP. It is proposed that a copy of the draft is provided to Mana Whenua for consideration and discussion at the first Mana to Mana meeting of 2024.

Legislative and Risk Considerations

- [32] There are no legislative risks associated with approving the draft 2024 – 2034 Strategic Directions document. This is a non-statutory document.

Climate Change Considerations

- [33] Climate change is one of the six focus areas of the draft 2024 – 2034 Strategic Directions document. The Climate Focus Area contains six goals that, if adopted and achieved, would ensure that significant progress is made over the next 10 years towards realising ‘a climate resilient region that plans for and invests in initiatives that reduce emissions and help us adapt to our changing climate’.

Communications Considerations

- [34] Detail of the draft 2024 – 2034 Strategic Directions document will be included in the 2024 – 2034 LTP as released for public feedback via the 2024 – 2034 LTP consultation process.

NEXT STEPS

- [35] Once the draft 2024 – 2034 Strategic Directions document has been endorsed, its detail will be included in the draft 2024 – 2034 LTP for public consultation in 2024.
- [36] Any feedback received will be reflected on, and a final version would then be brought back to Council for adoption alongside the Long-term Plan.

ATTACHMENTS

1. CORP ORC Strategic Directions 2024-2034 230512 [6.2.1 - 14 pages]



Otago
Regional
Council

Strategic Directions

2024-2034



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Otago Regional Council
Strategic Directions 2024–2034
October 2023



Strategic Directions 2024–2034

Our **Strategic Directions 2024–2034** has been developed taking into consideration both global and local trends, including (but not limited to):

- Effects of the changing climate on our region’s indigenous biodiversity, our ability to grow food, and the intensity and frequency of storm and flood events;
- Environmental degradation, decreasing access to freshwater and other pressures on natural resources, which is set to increase;
- Inflation driven by geopolitical instability, overseas conflicts, rising energy prices, a tight labour market and the ongoing effects of Covid-19;
- Effects on our region’s businesses through changing consumer preferences;
- Opportunities provided through technological innovation, increased digital connectivity, and changes to the way we work;
- Benefits from strengthening our partnership with mana whenua;
- A change in government, RMA reform, water services reform, and other changes from central government.

With all this in mind, Council has redefined our vision for Otago:

Our environment and communities are healthy and connected ki uta ki tai (from the mountains to the sea).

Our ambition is to make significant meaningful progress towards realising our vision by aligning our work programmes with six focus areas. There are six goals for each of the six focus areas, as detailed in the following sections of this document. Having goals allows us to arrange and prioritise our work to ensure that our desired outcomes are realised over the next 10 years.

The schematic below shows how our partnership with mana whenua and our communities sit across and underpin all the work that we do in the Resilience, Climate, Transport and Environment focus areas.

Our vision for Otago



Another way of explaining this is that our Goals articulate ‘what’ we want to achieve. The narrative alongside each of the six focus areas explains ‘why’ we want to achieve this, and the programmes of work outlined in the 2024–2034 Long-term Plan describe ‘how’.

We are already making good progress towards achieving some of these goals, but for others further resources may need to be allocated. We can’t do this on our own, and so we will be drawing on support from within and beyond our organisation and the Otago region to ensure we have the right teams assembled to address specific challenges and opportunities. Effective collaboration and relationship management will, therefore, be key to making this possible.

Over the next 10 years, we will be monitoring progress towards achieving our Goals and adjusting our work programmes accordingly. Being agile in our approach will be important to ensure we can respond to changing circumstances and/or new challenges and opportunities.

Our Strategic Directions will be updated in three years’ time in preparation for the 2027–2037 Long-term Plan.





ORC focus areas





Partnership

Aspiration

Otago Regional Council has effective and meaningful partnerships with mana whenua, creating better outcomes for our region.

Toitū te marae a Tane-Mahuta
Toitū te marae a Takaroa
Toitū te takata

‘If the land is well, if the sea is well, the people will thrive’.

Why this is important

Strengthening and deepening the partnership with mana whenua is a key priority for ORC. This means incorporating more mātauraka Māori and customary knowledge into our decision making and processes and building greater connectivity between policy, planning and environmental outcomes. We are committed to continuing our journey to work more closely and effectively with mana whenua in both our strategic and operational work. This will help embed our shared aspiration of using multigenerational, holistic-systems-thinking to create positive outcomes for Otago’s environment and communities. The partnership sits across all we do; it provides the ability to address complex challenges, share responsibilities, access expertise and resources, foster community engagement and implement coordinated approaches to governance and decision making.

Our role

Our role as a regional council includes:

- Partnering with mana whenua and ensuring mātauraka Kāi Tahu is an integral part of decision making.
- Working in partnership with mana whenua by engaging in consultation, co-management agreements, and participation in council processes while considering cultural impacts and fulfilling Treaty settlement obligations.
- Supporting the intention of the Crown to uphold the principles of the Treaty of Waitangi as prescribed in local government and treaty settlement legislation.
- Work with mana whenua and other parties to align aspirations in our work programmes through Mana to Mana and work through priorities and trade-offs.
- Work with and through Aukaha and Te Ao Mārama Inc (the Papatipu Rūnaka consultancy services, Aukaha, representing Kāi Tahu ki Otago, and Te Ao Mārama Inc, representing Ngāi Tahu ki Murihiku), to provide a first point of contact and to facilitate engagement in resource management processes.
- Ensure mana whenua are resourced to actively participate in development, design and decision making.

Goals

- 1** Te Ao Māori concepts of intergenerationally and deeply connected systems are incorporated throughout Council’s work programmes.
- 2** We partner with mana whenua to incorporate mātauraka Māori and the principle of te mana o te wai into our environmental planning, management, and decision making.
- 3** Effective, meaningful relationships with mana whenua are maintained throughout all levels of Council.
- 4** We 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.
- 5** We understand our partner’s vision and make meaningful contributions towards our collective aspirations.
- 6** We engage with the right people at the right time in line with our practice principles as outlined in He Mahi Rau Rika: Otago Regional Council Significance, Engagement and Māori Participation Policy.

Communities

Aspiration

Otago has cohesive and engaged communities that are connected to the environment and each other.

Why this is important

We are facing a range of significant trends that present challenges for our communities. These include challenges around inequality, social division and a lack of trust in public institutions. Our communities are at the heart of our decision making and our work. There is opportunity to reconnect and improve how we engage with our communities, to ensure they feel listened to, and to support them to better interact and engage with one another.

Our role

Our role as a regional council includes:

- Promoting the social, economic, environmental and cultural wellbeing of communities in the present and for the future. To do this we manage the natural environment, carry out regional land transport planning, regional emergency management and civil defence preparedness, and manage harbour navigation and safety.
- Providing leadership in communication, coordination and collaboration throughout the region in relation to the work that we do.
- Leading projects and work programmes, facilitating collaborative initiatives, providing education and regularly connecting with groups across the region.
- Seeking input, feedback, and guidance from the community through formal and informal processes to inform Council decision-making and other activities.
- Being satisfied, when making decisions, that we know sufficient information and have considered the views and preferences of the affected and interested parties in our communities.
- Reporting on our activities and achievements.

Goals

- 1 Our communities see the value in engaging with us and we have well-informed, robust conversations.
- 2 We listen to our communities to ensure that our decisions reflect not only the legislation that drives our work, but also the views and aspirations of the people of Otago.
- 3 We build trust by delivering on our commitments.
- 4 We support and empower our communities to achieve better environmental outcomes.
- 5 We provide a connection between people, groups, and the environment through facilitation and by making reliable data readily available.
- 6 We consider how our decisions will affect the social, cultural, economic, and environmental wellbeing of our communities and use our wellbeing framework (amongst other things) to monitor this.

Key relationships

We work in partnership with mana whenua. We also work with catchment groups, environmental organisations, community leaders, councils, agencies in our sphere, industry groups and other strategic stakeholders to promote the social, economic, environmental and cultural wellbeing of our communities.



Resilience

Aspiration

Otago builds resilience in a way that contributes to community and environmental wellbeing through planned and well-managed responses to shocks and stresses, including natural hazards.

Why this is important

Otago continues to be at risk from a broad range of natural hazards. These include geological, hydrological, meteorological and biological hazards. Of these, Otago is most likely to be affected by storms, floods, drought, wildfires, landslides, river erosion, coastal erosion (including effects of sea level rise), pandemic, earthquakes and tsunamis. Resilience is defined as the capacity and ability to withstand or recover quickly from difficult conditions. In our context, resilience also includes planning for unexpected events and supporting the wellbeing of our communities in adverse times.

Our role

Our role as a regional council includes:

- Providing co-ordinated civil defence emergency management (CDEM) and planning for reduction, readiness, response and recovery as part of the region's CDEM group.
- Continuously expanding our knowledge and understanding about natural hazards and their impacts, and acting as a central repository and conduit for the development and sharing of both current and future-focussed information relating to natural hazards.
- Ensuring that regional policies and plans are forward looking and include mechanisms to manage the effects of activities that could adversely affect Otago's resilience.
- Fostering system-level relationships that enable us to connect with the right people in the right places to represent our environment and communities in any responses.
- Managing our flood protection and drainage schemes, including maintaining flood banks and managing pump stations and flood warning systems across the region.

- Ensuring that our citizens are educated, knowledgeable and empowered to mitigate for, respond to, and recover from unexpected events.
- Ensuring that our internal plans and systems are fit for purpose to support employee health, safety and wellbeing during and following natural hazard events.

Goals

- 1 We continuously look ahead to make sure we are aware of and managing our response to natural hazards to the best of our ability, which includes ensuring that our infrastructure is designed and built to accommodate forecast changes to environmental conditions.
- 2 Our Regional Policy Statement and regional plans are forward-looking and control development in areas that would increase the impact of natural hazards.
- 3 We identify and prioritise attention on communities (geographic and demographic), ecosystems, biodiversity values, highly productive land and nationally and regionally significant infrastructure that is vulnerable to natural hazards.
- 4 We continuously improve our communications and the way we plan, mitigate, and respond to natural hazards through investment in emerging technologies and better information.
- 5 We budget for increased costs associated with planning for and responding to natural hazards and repairing damage.
- 6 We work on the principle that 'prevention is better (and often less expensive) than cure' because the range of available options is usually more limited following a natural hazard event.

Key relationships

We partner with mana whenua and work with the community, stakeholders, agencies, territorial authorities and central government agencies, the research community, and community leaders to build and improve resilience.

Climate

Aspiration

Otago is a climate-resilient region that plans for and invests in initiatives that reduce emissions and help us adapt to our changing climate.

Why this is important

Otago will continue to be impacted by the effects of climate change. Our region is particularly vulnerable to flooding, coastal erosion, water quality issues, wildfire and droughts. Resulting issues are wide ranging: changes to the climate are impacting how land can be used and what crops can be grown; hydrological system changes are putting pressure on our communities; biodiversity is at risk; natural hazard events are increasing in frequency and intensity; and consumer choices are changing, affecting our businesses. Climate change is a worldwide issue requiring action at regional and local levels. We know that we can't fix climate change, but we can reduce its impacts and we have a responsibility to do so for future generations. We need to lead and coordinate in this space.

Our role

Our role as a regional council includes:

- Taking a leadership role to help our communities and economy to decrease emissions and to help ensure our region is contributing to the achievement of national targets for mitigation.
- Looking ahead and obtaining the best information so that we understand and work with new realities.
- Playing a critical role in climate adaptation by incorporating climate change considerations into everything we do.
- Ensuring that we have climate strategies, policies and plans in place so that we are well placed to anticipate and adapt to climate change.

Goals

- 1 The carbon footprint of our organisation is reduced in line with our climate change strategy/plan and we are supporting others to do the same.
- 2 We act as a force multiplier for the region to accelerate regional climate mitigation and adaptation initiatives.
- 3 Our Regional Policy Statement and regional plans ensure appropriate land use is achieved through planning and regulation.
- 4 We work alongside our farmers and other food producers to help them transition to more climate-resilient and less emissions-intensive businesses.
- 5 We identify and prioritise attention on communities (geographic and demographic), ecosystems, biodiversity values, highly productive land and nationally and regionally significant infrastructure that is vulnerable to the effects of climate change.
- 6 We work with territorial local authorities and others to create and implement specific 50-year plans for parts of Otago, e.g. South Dunedin and other particularly vulnerable areas.

Key relationships

We partner with mana whenua and others, advocating for issues of concern in our communities. We will agree our respective roles. This includes working with mana whenua, central government, district councils, research institutes, industry, Crown agencies, the community and catchment groups.



Transport

Aspiration

Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.

Why this is important

We anticipate that modes of transport need to change (e.g. shift to public transport, cycling and walking) for environmental and wellbeing reasons. Most of the region, however, does not have public transport services and uptake of active modes of transport is variable. Disparities between our rural and urban environments, coupled with our geographical spread, present challenges; regional connectivity remains a priority for our community and our economy. There is an opportunity to lead a shift in across our transport system to deliver a service our community is proud of and that supports our transition to low-emissions transport.

Our role

Our role as the regional council includes:

- Coordinating the preparation of a regional land transport plan.
- Planning for (and implementing) the extension of our Public Transport service.
- Funding and delivering public transport services (including marketing and communications, ticketing and fare setting).
- Designing and delivering initiatives that contribute to accessibility and connectivity within communities.

*We also own Port Otago Limited, which is considered to be regionally significant infrastructure.

Goals

- 1 We enable and advocate for environmentally sustainable and active transport modes including walking, cycling and public transport, so that active transport is the preferred mode for short journeys in urban areas.
- 2 Our public transport services are safe, resilient and reliable, accessible and more affordable for all.
- 3 Our public transport services support carbon emission reduction and air quality improvement across the region.
- 4 We have a Regional Land Transport Plan that delivers on the community's aspirations and national priorities for the land transport system.
- 5 We work with others to create a well-integrated and environmentally friendly transport system that reduces congestion through mode shift and enables connection throughout the region.
- 6 Our future transport investments help support future growth aspirations of territorial local authorities and communities.

Key relationships

We work in partnership with mana whenua and in collaboration with territorial local authorities (TLAs), Waka Kotahi, and Kiwirail via the Regional Transport Committee. We also work with a range of others, such as the Disabled Persons Assembly, trail trusts, bus companies, businesses, government agencies and social providers (such as Total Mobility).



Environment

Aspiration

Otago has a healthy environment ki uta ki tai (from mountains to the sea), including thriving ecosystems and communities, as well as flourishing biodiversity.

Why this is important

Otago's environment is facing challenges around water quality and availability, soil and air quality, soil erosion and run-off, biodiversity loss, biosecurity threats and impacts on the coastal environment. We recognise the need to protect our diverse environments and that the wellbeing of our communities — including mana whenua — is dependent on strong connections with the natural environment. A healthy environment is also important for our economy. We need to protect, manage and use our natural resources in a planned and considered way with future generations always in mind.

Our role

Our role as a regional council includes:

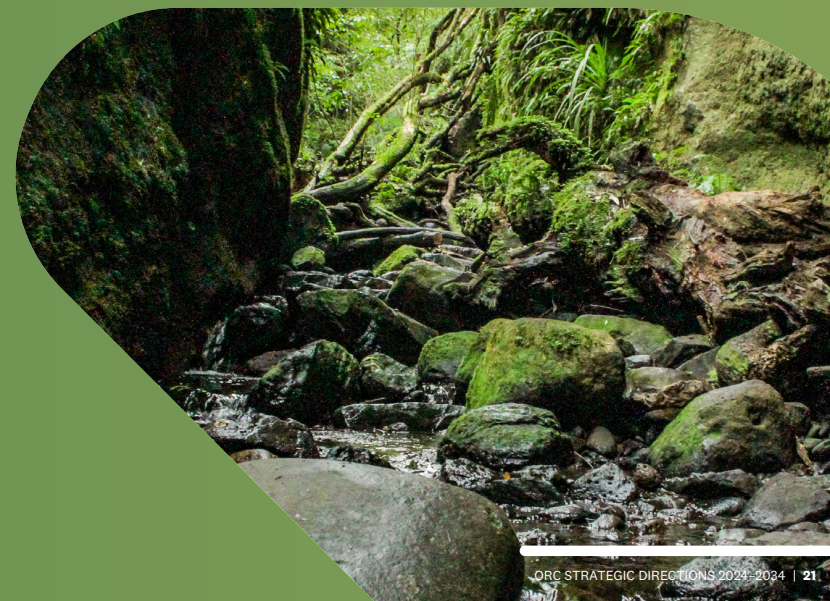
- Playing a lead role in environmental management across the region to ensure we are passing on a healthy environment to future generations.
- Developing and implementing policies and legislation that focus on managing the effects of using freshwater, land, air and coastal water.
- Undertaking regulatory activities that protect Otago's environment and communities.
- Collecting, analysing and reporting on a range of environmental data, and making that data publicly accessible.
- Enabling healthy biodiversity through collaboration with landowners, communities and industry.
- Helping create well-functioning urban environments alongside our region's district councils.
- Providing advocacy, education and collaboration to support improved environmental management.

Goals

- 1 We see improvements in environmental health across the region.
- 2 We have effective regional plans and work through the necessary steps to implement these, transition our communities, and monitor effectiveness.
- 3 We recognise the importance of our biodiversity and incorporate local and national-level directions to enhance and protect.
- 4 We continuously improve our ability to predict and address emerging environmental issues before they arise through investment in emerging technologies and better information.
- 5 We identify gaps in environmental management across the region and leverage on relationships with communities, industry and other organisations to address these.
- 6 As a region, we use our natural resources in a planned, considered, and strategic way.

Key relationships

We partner with mana whenua and work with community, stakeholders, agencies, territorial authorities and central government agencies, the research community, and community leaders to benefit our environment.



Community Outcomes

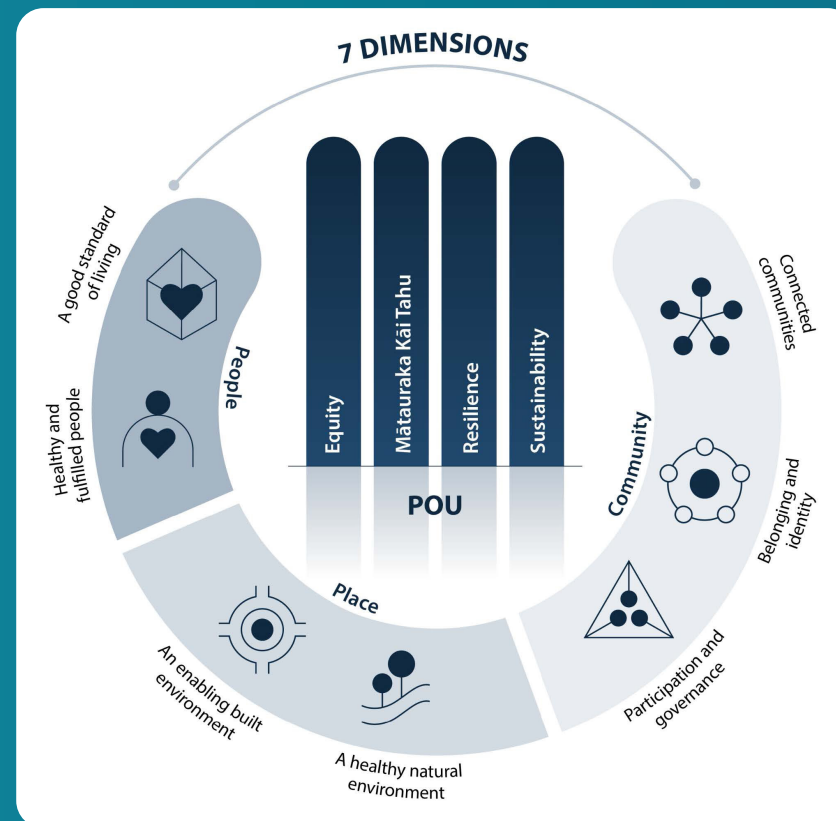
Promoting the social, economic, environmental, and cultural wellbeing of our communities in the present and for the future is central to everything that we do.

So that we could better understand regional wellbeing issues, consider our role, and take any appropriate actions, we initiated a programme of work in 2022 to develop a Regional Wellbeing Framework for Otago. This was a collaborative process with input from mana whenua, the region's five district councils, Southern District Health Board, Ministry for Social Development, and many others. Seven community outcome areas were identified through this process, along with four pou (principles) that sit across these. This is illustrated in the diagram on the opposite page.

Public sector agencies, mana whenua, businesses, NGOs and civil society all have pivotal roles to play in improving collective wellbeing. The Regional Wellbeing Framework identifies a clear set of overarching wellbeing priorities that transcend individual agencies and departments. Although many important aspects of community wellbeing are outside the scope of ORC's core activities, these can still be affected indirectly by what we do or can have implications for decisions made by Council.

The Regional Wellbeing Framework will enable us to systematically scan potential impacts across all relevant wellbeing outcomes. Doing so will help us to identify opportunities whereby actions in one wellbeing area can create positive feedback loops that support the objectives in other wellbeing areas, and mitigate risks where well-intended actions in one domain may trigger problems in other domains.

More information about our Wellbeing Framework and annual wellbeing reports can be found on our website. We will continue to undertake reporting on the region's wellbeing and work with key parties to identify options for responding to issues arising, either as individuals or through collaborative action.





What next?

Our ambition is to make significant meaningful progress towards realising our vision over the next 10 years by aligning our work programmes with the six focus areas and goals described in this document.

We will deliver this through existing strategies, new initiatives and activity work plans as a regional provider of:

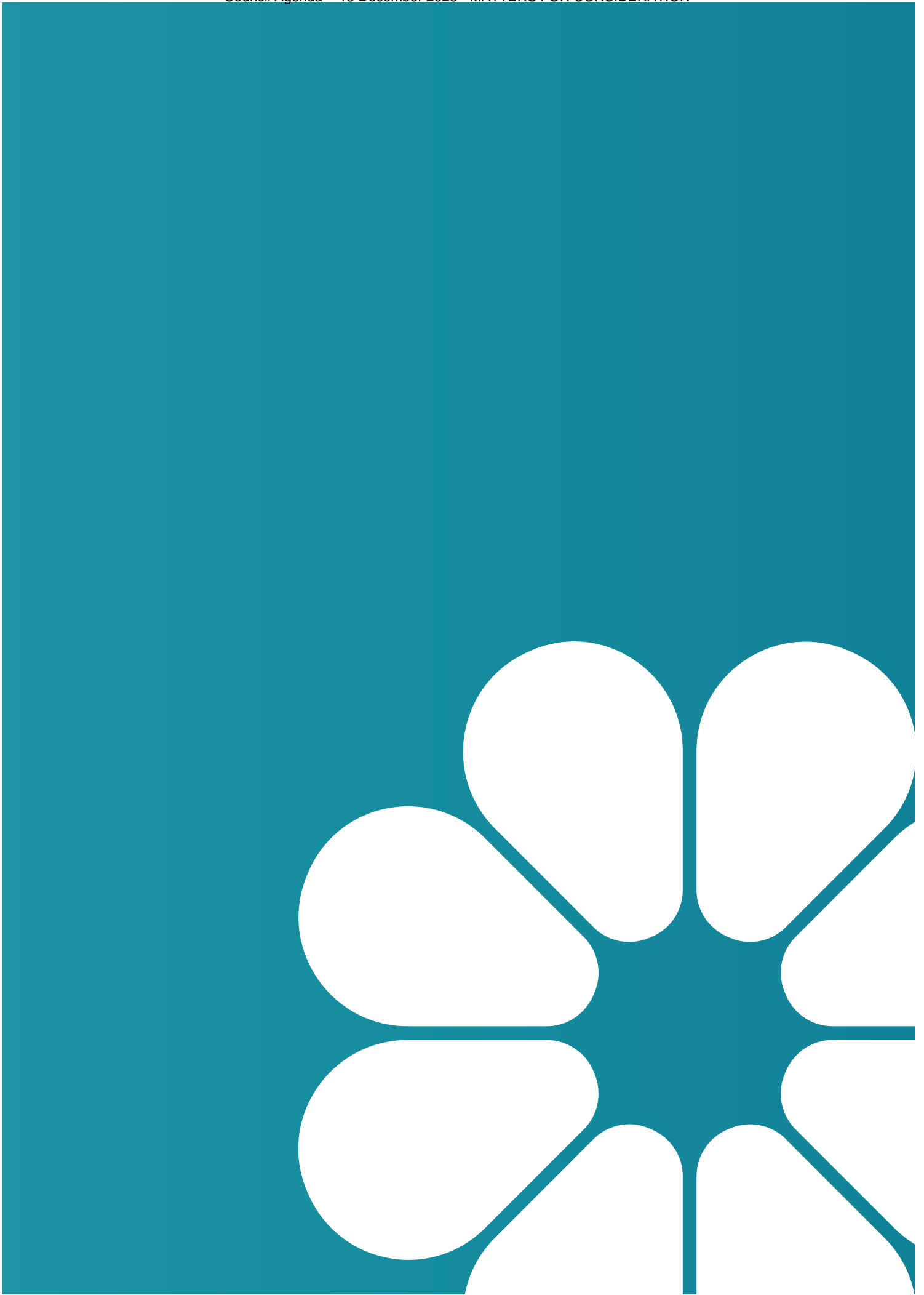
- Engagement;
- Regulatory functions;
- Information and advice;
- Service delivery; and
- Direct support.

Achieving all of this will be an ambitious undertaking. We will need to address challenges, including (but by no means limited to):

- Limited capacity of our natural environment;
- Finite natural resources;
- The implications of climate change;
- Different issues across our diverse region;
- Increased inequality in certain areas;
- Balancing expectations of both national and local stakeholders.

We will be monitoring progress towards achieving our goals and adjusting our work programmes accordingly. Being agile in our approach will be important to ensure we and those working alongside us can respond to changing circumstances and/or new challenges and opportunities.

Our Strategic Directions will be updated in three years' time in preparation for the 2027-2037 Long-term Plan.



6.3. Long-Term Plan 2024-34 Communications and Marketing Plan

Prepared for: Council

Report No. COMS2304

Activity: Community - Long Term Planning and Annual Plan Report

Author: Sarah Bedford, Team Leader Media and Communications

Endorsed by: Richard Saunders, Chief Executive

Date: 13 December 2023

PURPOSE

- [1] The purpose of this report is to inform Council on the proposed communications approach to be implemented for consultation of the Council's Long-Term Plan 2024-34.

EXECUTIVE SUMMARY

- [2] A Communications and Marketing Plan – Long-Term Plan 2024-2034 has been prepared by the ORC Communications team and is attached to this report. The objective of this plan is to successfully communicate Council's Draft Long Term plan and the opportunities to provide feedback as part of the consultation process.

- [3] This report summarises the approach that council staff intend to take to achieve this objective.

RECOMMENDATION

That the Council:

- 1) **Approves** the draft Communications and Marketing Plan Long-term Plan 2024-34 provided as attachment 1 to this report.
- 2) **Notes** that the Communications and Marketing Plan Long-term Plan 2024-34 will be updated to reflect Council's preferred options for consultation.

BACKGROUND

- [4] The Local Government Act 2002 (LGA) provides principles and guidance on consultation for a long term plan and includes:

- Requirement for a consultation document
- Focus on significant/important matters in the consultation document
- Ensuring there's access to the consultation document and supporting information
- Creating awareness of the opportunity for feedback
- Encouraging feedback
- Opportunity to present views
- Access to the final decisions made by Council

- [5] As part of the Long-Term Plan process, Councillors have discussed possible items that may be highlighted in the consultation document as key matters for community feedback, and these are public transport, funding of activities and a possible environmental projects funding model. Further detail is included in a separate paper to council.

DISCUSSION

[6] Attachment 1 to this report provides the Communications and Marketing Plan Long-Term Plan 2024-34.

This communication plan includes:

- Objectives
- Communications approach
- Consultation document
- Audience/channels
- Key messages
- Key milestones
- Risks

[7] The communication plan details how the Long-Term Plan and consultation document will be communicated and promoted to the public. The need for this is to build public awareness of the council’s draft LTP process, and ensure communities are aware of opportunities available to provide feedback to the consultation document (CD).

This includes:

- A special Long-Term Plan edition of Te Matapuna delivered to each household, publicising key topics with a website link to the consultation document and submissions
- A video with information about the Long-Term Plan
- Submission forms will be managed online (with printable hard copies available if required)
- Promotion of engagement activities (as detailed in the engagement plan)
- Design and editing to ensure the consultation document is easy to pick up and understand
- Providing access to printed copies of the consultation document and submission forms for those without internet
- Cost: approx. \$85,000 (including printing and delivery of Te Matapuna - \$37,000).

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lower carbon footprint • Reduced cost • Increased efficiency of managing submissions online 	<ul style="list-style-type: none"> • People who don’t have internet access will have to request a hard copy document

CONSIDERATIONS

Policy Considerations

[8] No policy considerations.

Financial Considerations

- [9] The costs of Te Matapuna are included in the Communications and Marketing budget. The additional communications costs will be managed as part of the overall LTP project costs funded through existing Corporate budgets.

Significance and Engagement

- [10] The recommendations of this report are consistent with the Council's Significance and Engagement Policy.

Legislative and Risk Considerations

- [11] Council staff have considered and reflected the LGA 2002 special consultative procedure requirements in the attached Communications and Marketing Plan and associated Engagement Plan.

NEXT STEPS

- [12] The next steps involve preparing communications material for the public once consultation topics have been decided by Council.

ATTACHMENTS

1. Communications Plan Long Term Plan 2024 34 [6.3.1 - 4 pages]
2. Engagement report to Council 5 10 2023 [6.3.2 - 15 pages]



COMMUNICATIONS AND MARKETING PLAN

Project name: Long Term Plan 2024-34

Introduction

The purpose of this communications plan is to identify how the Otago Regional Council intends to promote the Long-Term Plan and the associated consultation, encouraging our community to have their say.

The Long-Term Plan is prepared in consultation with the Otago community every three years. It's an opportunity for people to be part of council decision-making processes, provides a long-term focus and shows accountability to the community.

With input from the community, the Long-Term Plan helps Council to decide on the direction of the services, council's work programme and how it is funded, including rating. It provides detail across a three-year planning cycle and in less detail for 10 years.

As part of the Long-Term Plan process, the ORC consults broadly with Otago residents and ratepayers and key stakeholders. This includes a consultation document which outlines the main proposals and possible service options for consideration and feedback.

Objectives

To support engagement activities and successfully seek widespread community feedback on the Long-Term Plan from the Otago community.

- To inform the Otago community about the planned activities and options in the Long -Term Plan.
- To promote and encourage public awareness, engagement and participation.
- To provide concise, plain language communications so the public is well-informed and know how they can give their feedback.
- To increase overall reach across Otago by using a range of communications channels and where appropriate targeting messages for specific audiences.
- To raise awareness about the long-term issues facing Otago, such as climate change and hazard resilience.

Communications approach

As part of the LTP process, we're required to consult with the wider Otago community. Part of this includes a consultation document which outlines the key consultation topics and possible options for implementation.



This communications plan outlines the big picture of how we will communicate the Long-Term Plan 2024-34. A separate engagement plan has been considered at an earlier council meeting. Both communication and community engagement are critical to this project. There are separate workstreams for these areas, but they will work in tandem.

A challenge in communicating about the Long-Term Plan is the size and diversity of the Otago region, and how to ensure we reach different audiences about the topics of interest to them.

The Long-Term Plan and consultation/engagement will be promoted using a range of channels - print, radio, video, social media and digital.

Consultation document

Historically, printed consultation document has been delivered to households, but this has been unreliable and is a large expense.

The LTP 2024-34 consultation document will be primarily available online. Printed copies still play an important role and will be available across the region at council libraries, service centres, and possibly at selected retailers.

The digital approach for such a large document is more reliable and has a significantly lower cost.

A special edition of Te Matapuna will publicise the Long-Term Plan consultation document, highlighting key topics, with a website link to the consultation document and submissions, also advising how to get a printed copy if needed.

Key consultation topics and options decided by Council will shape specific messaging, associated audiences and which channels will be used for each. There are also other matters to communicate in addition to the key proposals.

A range of communication channels will support promotion of the consultation document.

It is expected the communications and marketing costs for promotion of the Long-Term Plan consultation document, plus the marketing of associated public engagement activities, will be approximately \$85,000 – which includes the cost of Te Matapuna print and distribution to all Otago households at around \$35k.

Key messages

To largely be determined based on consultation topics once decided by Council.

- We are consulting on a new vision and key focus areas for ORC and want your input.
- Have your say on whether you think we are prioritising the right things and are planning to invest the right amount of funding across our work programme.

Audience/channels

Messages and images are to be confirmed. The audience and potential channels are identified below. Further detail will be added once options have been determined by Council.



Audience

ORC ratepayers

Otago residents

Stakeholders

Specific interest groups (depending on consultation topics), for example, youth, rural residents

Channels

- Te Matapuna special edition delivered to Otago residents using unaddressed mail as currently.
- Digital consultation document, limited print numbers and printable on demand
- ORC website
- Social media
- Media releases
- Video content for social media and web
- Advertising considered for print media, community newspapers/newsletters, digital advertising and radio
- ORC publications

Key milestones

Milestone	Date required to meet deadlines
Consultation topics decided by Council	December 2023
Consultation narrative drafted by staff	December 2023 to Jan 2024
Consultation document provided with design features (brand and marketing)	Late Jan 2024
Council to provide feedback on consultation document	21 February 2024
Consultation document reported for Council approval	20 March 2024
Consultation starts	28 March 2024
Consultation closes	26 April 2024
Council hearings on community feedback and final decisions on the LTP	May 2024

Communications risks

Risk	Mitigation
Information for communications doesn't meet the required deadline for content to be produced (this could affect distribution of information to the public).	<ul style="list-style-type: none"> - Timeframes and deadlines are clearly communicated to ORC staff - The project team will need to ensure deadlines are met - Where possible the communications and marketing team will prepare early to minimise impacts
Late changes to documents and content	<ul style="list-style-type: none"> - Clear approval process and timeframes are agreed - Changes to content are limited once content is approved
Other councils will be undertaking their LTP process around the same time which may cause confusion or consultation fatigue	<ul style="list-style-type: none"> - Targeted communications to reach our communities - Clear messaging about what we're proposing and why people should have their say - Supporting engagement work by communicating opportunities to give feedback
With a largely digital focus, some people may have less awareness of the Long-Term Plan and opportunities to give feedback.	<ul style="list-style-type: none"> - Te Matapuna will be used alongside other channels to promote the consultation document, topics and how to give feedback - - There will still be hard copies available - We will promote the Long-Term Plan using a range of channels – print, digital and radio - There has been better digital pick-up post COVID

10.7. LTP Community Engagement

Prepared for: Council
Report No. GOV2330
Activity: Community - Governance and Democracy
Author: Mike Roesler, Corporate Planning Manager
Endorsed by: Nick Donnelly, General Manager Corporate Services; Amanda Verco, General Manger Governance, Culture and Customer
Date: 12 October 2023

PURPOSE

- [1] This report provides an opportunity for Council direction on the scope of the region-wide community engagement for Otago Regional Council's Long Term Plan 2024-2034.
- [2] The region-wide community engagement is one component of a broader LTP engagement approach that was reported to the 10 August 2023 to the Regional Leadership Committee.

EXECUTIVE SUMMARY

- [3] The proposed scope of community engagement for the ORC LTP 2024-2034 aims to involve various stakeholders and the wider community in the decision-making process, by way of informing the community on the LTP proposals, then seeking and listening to feedback.
- [4] The engagement approach includes different components with mana whenua, strategic stakeholders, and region-wide community engagement. This report is focused on the region-wide community engagement.
- [5] The report outlines the legislative requirements and discretionary engagement components, which are elements that ORC can conduct in addition to its legal obligations. The report also discusses communication support required to LTP engagement activities.
- [6] The purpose of the LTP community engagement is to inform the community about the proposed LTP clearly and transparently (including priorities and impacts); and to promote wide public participation, ensuring diverse input and better LTP outcomes. There is also an opportunity to raise awareness of ORC's strategic priorities, purpose, role, and activities, while enhancing public understanding of the LTP process.
- [7] The report proposes a range of engagement activities, including:
 - Targeted community engagement
 - Engagement on the consultation document
 - Written submissions.
- [8] The report recommends that the Council notes the proposed scope of the LTP community engagement and seeks approval to direct staff to implement the

recommended community engagement approach. The report further notes that Council staff will provide updates on progress through the LTP Project Reporting.

RECOMMENDATION

That the Council:

- 1) **Notes** the proposed scope of the community engagement for the ORC Long Term Plan 2024-2034.
- 2) **Directs** staff to implement a community engagement approach for the Long Term Plan 2024-2034 based on the proposed scope presented in this report.
- 3) **Notes** that that Council staff will provide updates on progress through the established and programmed LTP Project Reporting.

BACKGROUND

- [9] A noting report was presented on 10 August 2023 to the Regional Leadership Committee, detailing the planned engagement approach for the ORC LTP 2024-2034, including:
- Mana whenua
 - Strategic stakeholders
 - Region-wide community engagement.
- [10] The region-wide community engagement component was identified for further consideration at the 25 October 2023 Council meeting.
- [11] The purpose of the LTP region-wide community engagement is determined by section 82 LGA Principles of Consultation and section 76AA Significance and engagement policy. The latter helps give effect to the principles by identifying how the ORC decides the significance of matters and consequently the appropriate engagement approach. Attachment 1 summaries section 82 LGA.
- [12] In addition, the LGA has specific requirements for engaging the community on an LTP that have been and are embodied in reporting to Council on this matter.
- [13] Attachment 2 provides a recap of the 10 August 2023 Committee meeting consideration of the region-wide community engagement approach. The three components included:
1. **Non-Discretionary engagement components** being legislative requirements related to providing a Special Consultative Procedure (SCP).
 2. **Discretionary components** where Council has scope to scale or 'add to' the legislative requirements.
 3. **Communication support** largely being marketing and promotion.
- [14] Engagement for the current Land and Water Regional Plan (LWRP) process remains a high priority for the Council and has been resourced to a level that reflects expectations. Experience from this process has been reflected on for the purpose of this LTP. Broad observations/learnings included:
- Engagement can require a significant level of staff time that impacts 'non-engagement' outputs.

- Considering more efficient methods for engagement (such as digital tools).
- Communities (particularly rural) will engage more fully when they understand the potential impact prior to attending any face-to-face/online sessions or completing an online survey.

DISCUSSION

[15] This section focuses on the discretionary engagement components and draws a link to communications support for each component. The latter is further developed as Council clarifies its understanding about the content of the LTP i.e., ‘what’ we are engaging on. At this stage, this report takes a high-level approach to engagement, which will be refined from mid-December 2023 once the LTP content is clearer, as well as more detailed tactical engagement plans being developed at that time.

Targeted Community Engagement

[16] As the Council develops more clarity about the content of the LTP and, prior to completing its consultation document, it can decide to engage on specific matters where there’s perceived value in doing so.

[17] Ideally, targeted engagement is used well in advance of the year a LTP is developed (e.g. prior to 2023). It is also important that the results of engagement are used in an authentic way in decision-making. Visibility of the results of engagement in subsequent decision-making is desirable.

[18] The table 1 provides scenarios or examples of why the Council might choose targeted engagement and the approach.

Table 1 – Targeted Engagement

Scenario/ Example	Reasons for Engaging	When and How
A service proposal or significant matter impacting at a regional level. Eg. Delivery and funding of Environmental Enhancement work.	Insights into the sentiment and perspectives across the region to help decide or refine options for the region. Understand who is most affected Vs benefiting. Provide political voice for a controversial matter.	Target specific groups impacted by LTP proposals and/or to generate more diverse feedback perspectives. Deliberate and separate activities for engagement with harder to reach communities, such as rural areas, who are likely to be more impacted by the LTP proposals (depending on what the proposals are) or areas which might be viewed as controversial.
A service proposal or significant matter associated with a district within the region. Eg. Dunedin or Queenstown Transport; a new targeted rate.	As above but just for a district.	Provide targeted pre-communications to rural stakeholders, as well as encourage participation via existing networks (including ORC catchment teams and rural supply networks). Hold drop-in sessions in rural locations, to provide communities with an opportunity to attend at a time convenient to them, and to connect with LTP content experts
A new fee or change in fee is being considered.	To better understand the customer perspective eg perceived value of the service, perceptions of	

	<p>efficiency.</p> <p>Provide economic voice on a controversial or sensitive user charge.</p> <p>To assist in refining or deciding consultation options.</p>	<p>and Councillors.</p> <p>Provide access to a survey, with both hardcopy or online options available for completion (on paper or laptops) at drop-in sessions, as well as feedback being captured by ORC staff and Councillors.</p> <p>For targeting youth perspectives, direct communications via University of Otago, Te Pūkenga and high schools, including sharing of online survey</p>
<p>Impacts of expenditure priorities, financial strategy scenarios, funding policy scenarios. Eg. Cost of living impacts; intergenerational impacts.</p>	<p>Insights on sentiment and perspectives at a demographic level.</p> <p>To assist in refining or deciding consultation options.</p>	

[19] If targeted engagement was used, then communications activities would depend on the detailed method to inform and raise awareness of the LTP process. For example, communications support would be more substantive if ORC is seeking to reach a broader audience and via multiple media, or there was a requirement to target specific geographic areas and/or impacted groups, in addition to region-wide engagement.

[20] When considering targeted approaches, it is either relating to a specific geography and/or demographic. The latter two (by demographic or by geography and demographic) would be most appropriately engaged via a nuanced regional approach.

Engagement on the consultation document

[21] ORC has an opportunity to showcase the Council’s refreshed strategic direction, taking an authentic approach, with a new vision and focus areas and 10-year priorities as part of this engagement.

[22] Historically, the ORC has offered people and organisations the opportunity to meet with Councillors and staff to hear about and provide their views on the Council’s consultation document. While there has been value in conducting face-to-face engagement, there is a resource cost for ORC, particularly where there is low community turnout, across many locations.

[23] Previously, this has taken the form of meetings at physical venues around the region with advertised dates that align with the formal consultation period (i.e., March/April 2024). In parallel, social media platforms have been used to host online forums involving Councillors supported by staff.

[24] Communication support to the above has seen Council staff developing and managing advertising campaigns to generate awareness and interest. These campaigns have directed people towards the consultation document (online/ hard copy). In previous LTP’s feedback from the younger persons demographic has been low (ie 16 to 25). Communications targeting youth (eg tertiary and high school) would encourage more diverse perspectives and ideally help increase engagement with young people.

[25] Previous Councils have considered the merits of region-wide distribution of hard copy, versus, digital provision of the consultation document. While there has been significant uptake in usage of digital channels since Covid, there are stakeholders who prefer to engage in more traditional ways (such as the elderly and rural communities with poor wi-fi connectivity). Otago’s mail distribution networks are also not currently sufficiently reliable or comprehensive enough to deliver large documents via un-addressed mail.

[26] Distribution channels will be considered as part of the Communications Plan. ORC will take a hybrid approach with most information being provided online; wherever possible, ORC will direct people to LTP content online, but have hard copies available at key distribution points and identify any ‘hard to reach’ communities/groups/individuals, to whom we circulate hard copies.

[27] Historically, ORC’s costs have been printing and distribution related, particularly where the consultation document was physically delivered to households. There is also significant Councillor and staff time and an associated opportunity cost.

[28] The table below shows how staff propose to progress this engagement component for the LTP. It reflects lessons learned via feedback from Councillors, staff attendance at sector forums, and external expertise assisting the recent LWRP engagement.

Table 2: Consultation Document Community Engagement

Considerations	Proposed Approach	Communications
Level of interest /demand from the general community for face-to-face engagement as they do not understand the relevance and/or are not interested in the LTP proposals and implications.	Ensure pre-information and advertising campaigns provide sufficient detail to the community on the LTP (relevance and impact).	Pre-communications (including internal within ORC), to adequately brief staff and the public on the LTP, its proposals and impacts and raise awareness of the LTP process.
Consideration of value/relevance of engagement in locations across the region, depending on issues relevant to each location.	Conduct face-to-face drop-in sessions with community members. The intent is that community members have already read some of the proposed LTP content (online or in hard copy) and when they attend face-to-face sessions, they are able to ask follow-up questions to ORC LTP experts rather than taking a traditional ‘town hall’ approach of receiving all information at the face-to-face event.	Region-wide marketing and communications campaign to inform communities about the LTP, the ‘so what,’ and to signpost stakeholders to opportunities to engage will be part of the Communications Plan.
Resource / capacity and availability of ORC staff for planning and execution of multiple location engagement activities.	If the public attend the face-to-face session without having accessed LTP content, there will be display stands around the venue with key information, as well as ORC staff available on hand to brief on key topics.	Leverage existing networks to raise awareness of the LTP process and encourage engagement (internal and external channels.)
	The duration of the ‘drop-in’ spans	Leverage existing calendar events, for dissemination of information and campaign

	<p>across the day, giving more breadth of times that people can attend to fit in with their busy lives. These events will have sufficient ORC team attendance and a well-coordinated session (staff and Councillor attendance).</p> <p>Optimise the number of locations (may be similar to the previous LTP) to maximise attendance at convenient places for communities and make the most of ORC resource. Depending on LTP regional issues/proposals will also determine locations in due course.</p> <p>These locations may align with locations used for the LWRP engagement, which ensured that each FMU/Rohe is included. As the LTP is developed, if certain issues are identified to be more impactful on different geographies, this can be applied to drop-in session locations.</p> <p>The timing of engagement to be at the commencement of the formal consultation period (i.e. week one of four during March 2024). This can also start prior to week one, to fit with other opportunities in the community.</p> <p>An online feedback survey to be available throughout the engagement period.</p>	<p>awareness, such as Wanaka A & P Show (8 - 9 March 2024), Sustainable Trails Conference in Cromwell (18 – 21 March 2024) or pop-up stands at local Farmers’ markets.</p>
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[29] Recommendation 2 of this report seeks the Council’s approval to commence planning the engagement component outlined in Table 2. The intention would be to utilise the external expertise that assisted with the recent LWRP engagement. The method and communication outlined above would be refined and developed, and Council updated on progress via the LTP Sub-Committee and the CE Update Report to Council.

Engagement on written feedback

[30] Historically, the ORC has provided formal, face-to-face ‘Hearings’ as the opportunity for people to meet with the Council and verbally support their written feedback submitted to the process (as individual submitters, or on behalf of an organisation). People can indicate in advance their wish to meet with Council, and they are in turn provided with a date and time.

[31] The ‘Hearings’ offer people a chance to highlight or impress upon the Council the salient points in their written feedback and any related context to assist Council’s understanding.

[32] From a Council perspective, these 'Hearings' are primarily for Council to listen and clarify, not for debate. Following the 'Hearings,' there is programmed time for the Council to deliberate on all the feedback it has received.

[33] Hearings are a 'go-to' method that are highly effective and acceptable to the community. However, they can be challenging when many people wish to meet with the Council, and the time constraint of adopting an LTP by 30 June 2024 reduces the ability to meet with people on a one-to-one basis.

[34] To manage the above risks, several contingencies are proposed, including alternative methods to 'Hearings.' Contingencies might include:

- Ensuring that only those individuals/organisations who have already made a formal, written submission and indicated their intention to also provide an oral submission are invited to the 'Hearings.'
- Reducing and proactively managing individuals' time slots at the 'Hearings' and being clear with those involved about how this will be managed in advance of the 'Hearings.'
- Group sessions where people can provide feedback in a topic-specific or broad topic setting. This would require independent facilitation and would need to be closely managed, to keep the topics on track. This option would not be easy to organise and may be hard to contain topics. While this is possible, would not recommend ORC employ this approach.
- Sessions could be held online concurrently, with separate ORC teams attending to expediate the process. ORC teams would require selection and training and adequate time following the 'Hearings,' to consolidation and consideration of feedback and the ORC teams' perspectives.
- Comprehensive briefings for ORC attendees prior to the events, so they understand their role in listening to feedback and that these are not forums for lengthy debate.

OPTIONS

[35] The table below summarises the discussion section of the report. It sets out the preferred approach for the discretionary community engagement components and the perceived or known advantages and disadvantages. While the LTP priorities have been confirmed, work continues refining the content. Therefore, it is recommended that as the LTP content is developed, the Council can assess the engagement approaches and explore options to best meet requirements.

Table 3: Summary of Region-Wide Community Engagement Recommendations

	Preferred Approach	Alternative
Targeted Community Engagement	At the point where Council directs staff on key proposals to include in the detailed LTP (i.e., by November 2023) - staff can report back on the perceived value of targeted community engagement, noting that targeted engagement should occur well in advance of the SCP.	A decision is made <i>now</i> not to conduct targeted engagement and to just focus on delivering a quality SCP, with any early communications to just inform the public of future engagement activities.
	<p>Advantages Council maintains flexibility, authenticity, and an openness to seeking feedback on specific matters prior to completing the consultation document.</p> <p>Council gains further information necessary for decision-making. Opportunity to transparently engage on a broad range of topics, priority LTP areas and financial/rates implications, to enhance public understanding.</p> <p>Opportunity to establish engagement mechanisms that not only can be used for LTP activities, but also (as appropriate) other ORC engagement processes. For example, with harder to reach rural stakeholders or youth community members. This could be achieved through face-to-face and/or online approaches.</p> <p>Disadvantages All the triple constraints of cost, time and quality are adversely impacted, with resources diverted from the planning and execution of engagement on the formal consultation documented.</p> <p>Unless targeted engagement is proactively managed, there is a risk that community groups might view this as an opportunity for providing feedback on topics outside the LTP, which could delay and/or distract the process.</p>	<p>Advantages Resources can be focused on delivering a high-quality SCP, potentially leading to more effective and efficient engagement with the community.</p> <p>Avoids the potential negative impacts on cost, time, and quality associated with targeted engagement.</p> <p>Disadvantages Council may miss out on valuable feedback and insights from specific stakeholders or communities that could inform decision-making.</p> <p>Reduced flexibility in seeking feedback on specific matters before finalising the consultation document, which may limit the Council's ability to address community concerns and priorities.</p> <p>Council might further miss opportunity to engage with communities in terms of informing them about the LTP process, as well as education on ORC strategic priorities and the four community wellbeings (social, economic, environmental, cultural).</p> <p>Depending on the LTP content, without sufficient understanding on potential challenging topics, communities may have a greater 'allergic reaction' to content if only engaged with at one time in the process. For example, if earlier engagement occurs on any rates increases or potentially contentious topics, as well as during the SCP, there is a</p>

		higher chance of greater understanding and acceptance if the earlier engagement is used as part of a change management approach.
Engagement on the consultation document	<p>Conduct drop-in sessions in localities around the region (potentially aligned with the LWRP locations) at the start of the formal consultation period, leveraging existing networks and industry connections to encourage participation. Locations would also be identified based on items within LTP and their potential impact.</p> <p>Drop-in sessions need careful organisation, with clear roles and responsibilities for ORC staff and Councillors attending the events, to deliver a positive experience for communities. Pre-briefings are recommended, with senior leaders in attendance at each session for consistency and oversight.</p> <p>Offer an online feedback survey throughout the engagement period.</p>	<p>Focus only on digital engagement methods, to gather feedback on the consultation document.</p> <p>Hosting less face-to-face locations on a more targeted approach, with online webinar briefings and open mic sessions as an option.</p>
	<p>Advantages Compliance with legislative requirements.</p> <p>Provides an opportunity for the community to give feedback on the LTP proposals, increasing transparency and public participation.</p> <p>Helps the Council to refine and improve the LTP based on community input.</p> <p>Disadvantages May require additional resources, including staff time, compared to just using digital engagement methods.</p> <p>May not reach all stakeholders or adequately represent diverse perspectives, if locations are limited.</p>	<p>Advantages Potentially more cost-effective and efficient than in-person engagement methods.</p> <p>Allows for broader reach and engagement with a wider audience.</p> <p>Disadvantages May miss out on valuable feedback and insights from specific stakeholders or communities that prefer in-person engagement, or do not have access to digital platforms/poor connectivity.</p> <p>Reduced opportunity for direct interaction and discussion between the community and the Council.</p>

<p>Engagement on the feedback received</p>	<p>Hold formal ‘hearings’ where individuals or organisations can meet with the Council to verbally support their written feedback submissions (either as individuals or on behalf of an organisation).</p> <p>People must indicate in advance their wish to meet with the Council, and they are in turn provided with a date and time.</p> <p>Feedback sessions could be held online or face to face, with separate ORC teams attending multiple meetings.</p>	<p>Implement only group sessions where participants can provide feedback in a topic-specific or broad topic setting, requiring Councillors and staff to listen to the feedback.</p> <p>Group sessions could be held online or face to face, with separate ORC teams attending multiple meetings.</p>
	<p>Advantages Allows the Council to better understand the community’s concerns and priorities, leading to more informed decision-making.</p> <p>Provides an opportunity for the community to clarify their feedback and engage in dialogue with the Council.</p> <p>If sessions are run concurrently, with different ORC times in attendance, this means time can be used more efficiently than just one panel.</p> <p>Disadvantages Can be time-consuming and resource intensive.</p> <p>May not be feasible if many participants wish to meet with the Council, given the time constraints for adopting the LTP by 30 June 2024.</p> <p>If more than one panel is used for concurrent ‘hearings,’ there needs to be quality pre-briefings, organisation and expectations, so submitters have a similar experience and feedback is captured in a consistent manner.</p>	<p>Advantages More efficient use of time and resources compared to individual ‘hearings.’</p> <p>Encourages dialogue and collaboration amongst community members.</p> <p>Disadvantages May not provide the same level of personal attention as individual ‘hearings.’</p> <p>Some participants may feel less comfortable sharing their feedback in a group setting.</p> <p>If more than one panel is used for concurrent ‘hearings,’ there needs to be quality pre-briefings, organisation and expectations, so submitters have a similar experience and feedback is captured in a consistent manner.</p>

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [36] The community engagement approach for the LTP aligns with the Council's strategic framework and policy objectives, ensuring that the community has an opportunity to provide input on key proposals and priorities.

Financial Considerations

- [37] Supplies budget previously allocated for the community engagement component of the LTP has been deployed to engage LTP project support. Further discussions with Finance will be necessary to determine if sufficient resource can be reallocated from other budgets.
- [38] Supplies budget considerations would include resource to support implementation of 'face to face' component, cost of design and printing of materials; development and implementation of communications activities (advertising and communications). Based on previous LTP engagement approaches, communications activities alone would cost approximately \$50,000.
- [39] The above scale of costs increases significantly if a regional 'hard copy to every household' is used. Distribution of the Consultation Document alone would be between \$150,000 – \$180,000.

Significance and Engagement Considerations

- [40] The community engagement approach for the LTP is significant, as it provides an opportunity for the public to participate in the decision-making process and influence the Council's priorities and initiatives for the next decade.
- [41] The above recommendations signal a step change in how ORC approaches LTP community engagement, taking a deliberate and authentic way to engage, as well as seeking opportunities to establish engagement channels that can be leveraged for other ORC engagement activities. Moving forward, consideration of how ORC can adopt a strategic, consistent, and aligned approach to all its engagement activities will mean simplifying processes for communities, better use of resources and leveraging insights from different engagement activities.
- [42] Development of any LTP engagement approach needs to align to He Mahi Rau Rika - ORC's Significance, Engagement and Māori Participation Policy, to ensure effective engagement with different stakeholder groups, as well as a consistent approach.

Legislative and Risk Considerations

- [43] The community engagement approach must comply with the legislative requirements outlined in the LGA, including the SCP. This involves providing a consultation document to the community, communicating the decision-making process, offering practical ways for people to provide feedback, and considering community feedback in the decision-making process. Further, ORC needs to ensure that collection of feedback is compliant with Privacy and Information Management legislation (Privacy Act 2020).
- [44] There are potential risks associated with the community engagement approach, such as insufficient resources, time constraints, and the possibility of not reaching all

stakeholders or adequately representing diverse perspectives. These risks should be carefully managed and mitigated through effective planning and implementation, ensuring compliance with the legislative requirements, and fostering a transparent and inclusive engagement process.

[45] This report has been drafted noting there is still information outstanding (such as confirmed LTP content and timeframes). It is recommended therefore that while this report seeks a decision in principle, the approach is finalised later with a tactical plan developed.

Climate Change Considerations

[46] The community engagement approach should consider the potential impacts of climate change on the region and ensure that the LTP addresses these challenges and incorporates appropriate adaptation and mitigation strategies.

Wellbeing

[47] Council's inaugural Wellbeing Framework and Otago Wellbeing Baseline Report were completed over the past year. The Local Government Act 2002 section 10(1)(2) states that one of the purposes of local government is to "promote the social, economic, environmental, and cultural well-being of communities in the present and for the future." Wellbeing is also embedded in the purpose of the Resource Management Act 1991.

[48] Council identified, through its Strategic Directions and previous LTP, that it needed to understand more about regional wellbeing to identify significant issues, consider its role, and take any appropriate actions. A Wellbeing Framework was subsequently developed to conceptualise wellbeing and allow structured measurement of wellbeing to occur.

[49] As part of the recent strategic refresh, Council has adopted five¹ of the seven Wellbeing Framework outcomes as proposed LTP Community outcomes. Our communities will be invited to provide feedback on these outcomes via the LTP consultation process.

Communications Considerations

[50] A detailed Communications Plan including the promotional and advertising campaign that supports community engagement, will be produced. The plan will be carefully integrated with the detailed planning and implementation requirements of the LTP engagement approach.

Community Feedback Collation and Analysis

[51] Consideration needs to be given as to how all feedback and input (from all sources) is collated, analysed, and considered by ORC, to ensure that the process is robust. This would include ensuring that any online survey matches with the content captured at face-to-face sessions, ideally directing responders to complete feedback online. This makes for a more efficient process at the data analysis phase. As per the requirements under the LGA, consideration also needs to be given to how ORC will report back on LTP outcomes and decisions to all submitters.

¹ Healthy and fulfilled people, Connected communities, Participation and governance, A healthy and natural environment and Belonging and identity.

IAP2

[52] The IAP2 (International Association for Public Participation) has been used to inform development of engagement options.

Measuring effectiveness of engagement

[53] As with LWRP, time was built into the delivery programme to assess effectiveness of initial face to face and online sessions following completion of the first couple (feedback was gathered from ORC staff and Councillors). This meant that any final changes could be made, before proceeding with delivery of the remaining sessions. It is recommended for LTP that the same approach is used. Following completion of all the distinct phases of engagement, the following could be used to measure effectiveness of activities:

- Evaluation of the effectiveness of engagement against objectives, including feedback received (quantity, breadth of perspectives, how informed stakeholders were, understanding of LTP process).
- Assessment of methods used and effectiveness (face-to-face, online etc.)
- Comparison of engagement approaches and effectiveness compared with previous LTP processes.
- Observations from Councillors/ORC staff at events (organisation/logistics, engagement of the public, submissions, and 'hearings' etc.)

NEXT STEPS

[54] The next steps include:

1. Discussing the financial considerations with Amanda Vercoe and Nick Donnelly to determine the appropriate allocation of resources for the LTP community engagement.
2. Developing a detailed proposed Communications Plan to support the community engagement approach.
3. Refine and finalise the community engagement approach based on the proposed scope presented in this report, once the LTP content is further developed and engagement needs are confirmed.
4. Provide updates on progress through the established and programmed LTP Project Reporting.

ATTACHMENTS

1. 25 October 2023 Engagement Report Attachment 1 [10.7.1 - 1 page]
2. 25 October 2023 Engagement Report Attachment 2 [10.7.2 - 1 page]

Attachment 1 – Summary Consultation Principles (LGA2002)

(1) Consultation that a local authority undertakes in relation to any decision in accordance with the following principles:

- I. Reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons.
- II. Encourage participation.
- III. Clear information on the purpose of the consultation and the scope of the decisions.
- IV. Reasonable opportunity to present views.
- V. Receive views with an open mind and due consideration.
- VI. Access to a clear record or description of relevant decisions

(2) Processes in place for consulting with Māori.

(4) Procedural compliance considerations:

- I. Consideration of significance of decisions and subsequent approach to decision-making and engagement.
- II. Complying with [Part 1](#) of the Local Government Official Information and Meetings Act 1987
- III. the costs and benefits of any consultation process or procedure.

[Attachment 2 – Three components of community engagement](#) (recap of the 10 August 2023 Committee meeting)

The region-wide community engagement approach was reported to the 10 August 2023 Committee meeting as three components as outlined below.

1. **Non-Discretionary engagement components** are legislative requirements related to providing a Special Consultative Procedure (SCP). This is mandated under Part 6 of the Local Government Act 2002 (LGA), defining principles and practice for planning and consultation with communities. The SCP can be broken down into the following chronological parts:
 - i. Communicate Council’s delivery and funding intentions via a Consultation Document (CD).

The CD serves as a digestible summary of the LTP proposal, highlighting service priorities, delivery direction/change and associated financial and funding rationale. It must be accessible, enabling people to easily comprehend the key issues, choices/options and implications. It must also clearly state where underlying information can be accessed, including the draft financial strategy, funding policy, draft infrastructure strategy, proposed forecast financial statements, and service performance information.
 - ii. Communicate how the community can engage with Council on the CD.
 - iii. Consideration of community feedback.
 - iv. Communication of final decisions.
2. **Discretionary components** – Council has scope to scale or ‘add to’ the core requirements in the following ways.
 - i. Targeted engagement prior to the SCP.
 - ii. Engagement on the consultation document directly leading into and during the SCP feedback period, as concurrent activities.
 - iii. Additional engagement on the feedback received. While formal ‘Hearings’ and forums are the ‘go-to approach,’ there is flexibility under the LGA.
3. **Communication support** to engagement on the LTP. This comprises:
 - i. Communication of Council considerations prior to the SCP.
 - ii. Promotion and advertising leading into and during the SCP.

6.4. Proposed Large Scale Environmental Funding LTP Consultation Topic

Prepared for: Council
Report No. GOV2344
Activity: Governance Report
Author: Libby Caldwell, Manager Environmental Implementation
Endorsed by: Gavin Palmer, General Manager Operations
Date: 13 December 2023

PURPOSE

- [1] This paper provides options for large scale environmental funding, which is proposed to be included as a consultation topic in Otago Regional Council's Long-Term Plan (LTP) 2024-34. A draft of the consultation topic is attached in Annex 1.

EXECUTIVE SUMMARY

- [2] Environmental funding aligns with both the environment and partnership draft focus areas for the LTP 2024-34.
- [3] ORC enables environmental outcomes through funding and collaborating with mana whenua, the community and industry. This includes through advocacy and education.
- [4] Central government's Jobs for Nature programme has provided \$62.6 million of funding to 30 projects in the Otago region. The majority of this funding has already ceased or is ceasing on 30 June 2024.
- [5] We propose to consult on creating a new stand alone external environmental improvement fund for large scale environmental projects, commencing in Year 2 (2025/26) of the LTP. At this stage, our preferred option is to provide \$1 million per annum across Otago, funded through a new targeted district rate. This would enable funding to be allocated to districts from which it was collected, providing opportunities for districts who want to invest more to do so.
- [6] We recommend consulting on providing a minimum of \$500,000 in Year 1 (2024/25) of the LTP ahead of the potential creation of a new fund. This would enable continuity/maintaining the gains for some projects across the region.

RECOMMENDATION

That the Council:

- 1) **Note** there is a need for funding to deliver positive environmental outcomes in the Otago region, especially in the context of Jobs For Nature ending;
- 2) **Note** further work is required to develop and implement large scale environmental funding, which will be informed by feedback received through consultation.
- 3) **Agree** to consult with the community on creating a new stand alone external fund for large scale environmental projects, which would start in Year 2 (2025/26) of the LTP;
- 4) **Agree** to consult with the community on providing a minimum of \$500,000 funding in Year 1 (2024/25) of the LTP ahead of the creation of any new fund

BACKGROUND

The Environment is a Focus Area for ORC's LTP 2024-34

- [7] Environment is one of ORC's Focus Areas for the LTP 2024-2034. Our vision is that Otago has a healthy environment ki uta ki tai (from mountains to the sea), including thriving ecosystems and communities and flourishing biodiversity.
- [8] Environment is one of ORC's Focus Areas because Otago's environment is facing challenges relating to water availability and water quality, air quality, soil erosion, biodiversity loss, biosecurity threats and impacts on the coastal environment. A healthy environment is important to community and mana whenua wellbeing, and to the regional economy.
- [9] We recognise the need to protect our diverse environments and that a healthy environment includes the wellbeing of our communities and is dependent on strong connections with the natural environment. A healthy environment is also important for our economy. We protect, manage and use our natural resources in a planned and considered manner with future generations always in mind.

Partnership is also a Focus Area for ORC's LTP 2024-34

- [10] Strengthening and deepening the partnership with mana whenua is a current key priority for ORC as well as a proposed focus area in the draft strategic directions document to be consulted on during this LTP. We are committed to continuing our journey to work more closely and effectively with mana whenua in both our strategic and operational work to create positive outcomes for Otago's environment and communities.
- [11] Progressing our collective aspirations is key to this partnership. Mana whenua through Mana to Mana have expressed a desire to continue the gains made through Jobs for Nature funding. Having input from mana whenua into the design and administration of a new funding mechanism will further support the partnership approach.

Roles

- [12] ORC's plays an important role in environmental management across the Otago region. We develop and implement plans and that focus on managing the environmental effects across all domains. We also undertake regulatory activities that protect Otago's environment and communities.
- [13] ORC supports positive environmental outcomes through funding and collaborating with mana whenua, the community and industry. This includes through advocacy and education.
- [14] Recently there has been greater recognition of the critical role community led projects play in achieving positive environmental outcomes. ORC can enable these positive outcomes to continue by making funding available to external groups.

Existing environmental funding in the Otago region

- [15] Central government's Jobs for Nature programme has provided \$62.6 million of funding to 30 projects in the Otago region. The majority of this funding has already ceased or is ceasing on 30 June 2024.
- [16] ORC is providing \$1,971,000 in 2023/24 for environmental funding (a breakdown of funding is included in Attachment 1). This includes contestable funding for:
- a. **the ECO Fund**, which supports community projects that protect, enhance or promote Otago's environment. This includes both on-ground works and education or awareness raising type projects. Otago Regional Council contributes \$300,000 to the ECO Fund each year. Councillors have indicated a preference to retain existing funding levels for the next LTP cycle.
 - b. **Additional Incentives Funding**, which is being managed in line with the ECO Fund. This is providing funding for water quality, planting following pest control, and rabbit management. Note that there is a site led programmes category also added to consider for this financial year to support delivery of outcomes in the Otago Regional Pest Management Plan 2019-2029
- [17] In addition, ORC has an additional \$300,000 for large scale environmental funding for 2023/24. This funding is intended to be used to fund projects that achieve positive biodiversity outcomes. This funding is only available for the 2023/24 financial year. The environmental implementation team has included a continuation of this funding over the next LTP time period however its purpose is undecided. It is proposed to make this funding available as bridging funding in year 1.

Proposed consultation topic

- [18] Jobs for Nature funding has been exhausted. There are limited other government funds that are currently available, and there is unlikely to be new funding made available to provide environmental funding into the region in the short-term. Council has indicated that it is a priority to protect the environmental gains that have been made through the Jobs for Nature programme and other central government initiatives. Some projects, which received central government support, in the region require additional funding to sustain or extend the environmental benefits that have been achieved to date. Investment is required to protect and restore Otago's environment.
- [19] Large scale environmental projects would support ORC's strategic directions. It would support environmental improvements across the region, the implementation of the Land and Water plan, and innovative solutions to address environmental and climate change issues. Projects should be underpinned by mana whenua and community partnerships, along with science and data.
- [20] We propose to consult on creating a new external fund for large scale environmental projects, commencing in Year 2 (2025/26) of the LTP. At this stage, staff's preferred option is to allocate the fund \$1 million per annum, funded through a new targeted district rate, and look to source additional funding from external sources. The use of a targeted district rate would enable funding to be allocated to districts from which it was collected. It also enables a greater level of funding for those districts who indicate a willingness to invest more through their targeted rate.

- [21] In addition to establishing a new fund in year 2 staff recommend consulting on providing a minimum of \$500,000 in Year 1 (2024/25) of the LTP ahead of the potential creation of a new fund. This would enable continuity/maintaining the gains for some projects across the region. Should savings be made as budgets are refined this amount could be increased.
- [22] To support this, we propose to consult on five questions relating to large scale environmental funding through the LTP process. These are outlined in the table below.

Table 1: Proposed questions for the Consultation Topic

Question	Options
Do you support the need for greater funding of environmental groups or projects across the Otago region?	Yes No
How should new environmental funding be funded?	General rates A targeted district rate where all funding would be allocated back to the district from which it was collected.
What level of funding should be available?	Low - \$500,000 per annum Medium - \$1 million per annum High - \$2 million per annum
When should increased investment commence?	Year 1 – 2024/25 Year 2 – 2025/26 Year 3 – 2026/27 Increasing levels over 3 years
What delivery mechanism should be used in future?	Create a stand alone fund and seek additional investment from central government, the private sector or other organizations to support environmental groups and projects across Otago. ECO Fund – Use the ECO Fund model as a channel to administer large scale environmental funding. Create a new type of ORC contestable fund which specifically provides for funding of large scale and multi-year initiatives.

[23] It will take time to develop these options. Following consultation, we propose to undertake further design work in Year 1 of the LTP (2024/25). We also propose exploring other mechanisms that could be useful in progressing large scale environmental outcomes. We would consult on design work through the annual plan process.

[24] To ensure that there is not a gap in funding it is proposed to make available a minimum of \$500,000 of funding in Year One of the LTP, which will be available through a contestable process. There is provision for this funding in existing draft budgets.

Financial implications

[25] The preferred option including internal resource requirements will be included in the draft budgets for the purposes of the Long Term Plan consultation. The final impact on rates will be known once a preferred option is selected by Council.

Risk assessment

[26] There is a risk that there will not be sufficient funding for environmental projects in Otago with the Jobs For Nature programme ending. The options outlined in this paper aim to mitigate this risk.

Engagement, significance and Māori participation

[27] As outlined above, all future options will be developed up with mana whenua, the community and key stakeholders once feedback is received.

NEXT STEPS

[28] We seek council approval to consult on the options set out above through the LTP process.

[29] Following this approval the consultation material will be further developed.

ATTACHMENTS

1. Details of existing ORC funding [6.4.1 - 1 page]

Annex 2: Current ORC environmental funding

Type of funding	Amount funded	When does it expire?
ECO Fund	\$300,000	Ongoing yearly
Large scale contestable fund	\$300,000	Previously funded Predator Free Dunedin. Funding agreement has run out- paper to come in October.
Incentive funding – planting following pest control	\$50,000	Ongoing assessed annually
Incentive funding for water quality	\$50,000	Ongoing assessed annually
Incentive funding for rabbit management	\$100,000	Ongoing, assessed annually
QEII funding to support protection of biodiversity	\$50,000	Annual funding – no expiry assessed annually. Commenced 2022/23
Nga Whenua rahui funding to support protection of biodiversity	\$50,000	Annual funding – no expiry assessed annually. To commence this year
Landowner supported pilot programme for possum control – Predator Free Dunedin Trust	\$221,000	Funding has been committed to until end of 2024 – There was an initial commitment until 2028/2029 (approx \$100,000 for 3 more years) for West Harbour Mount Cargill OSPRI transition.
Otago Catchment Communities	\$430,000	Ends 30 June 2025
Balance Farm Environment Awards	\$20,000	Ongoing – assessed annually
LINZ lagarosiphon control	\$50,000	Ongoing - annual
Wakatipu Wilding Conifer Trust	\$100,000	Ongoing - annual
Central Otago Wilding Conifer Trust	\$100,000	Ongoing - annual
Upper Clutha Wilding Conifer Group	\$30,000	One off payment for this financial year. Will assess requests as they come.
Site led programme – opportunity for specific funding of groups in site led programme area	\$120,000 (approx)	To be considered associated to ECO Fund this year.
TOTAL	\$1,971,000	

6.5. Dunedin Public Transport Consultation Topic

Prepared for: Council

Report No. PPT2307

Activity: Transport - Transport Planning

Author: Lorraine Cheyne, Manager Transport

Endorsed by: Pim Borren, General Manager Transport
Richard Saunders, Chief Executive

Date: 13 December 2023

PURPOSE

- [1] This paper provides information about Dunedin Public Transport, which is proposed to be included as a consultation topic in Otago Regional Council's Long-Term Plan (LTP) 2024-31.

EXECUTIVE SUMMARY

- [2] Dunedin city has a mature public transport network comprising some 26 bus routes running a service pattern and route configuration that has largely been in place since 2016.
- [3] Following the disruption of COVID and driver shortage there are signs of positive uptake in public transport emerging, being around 30% higher than pre-COVID for Q1 2023/24. However, even with COVID disruptions and reduced services, patronage in Dunedin was boosted at times when there was free travel with the introduction of the Bee Card in XX, the \$2.00 flat fare trial and the subsequent Government half price fares from April 2022 until 30 June 2023. While the data are affected by underlying conditions, there is some evidence that the Dunedin PT market is particularly price sensitive.
- [4] Since late 2020, as part of the Connecting Dunedin partnership and the Shaping Future Dunedin Transport programme business case, ORC has committed to increase the proportion of trips to work and education by PT from 3.8% to 8%.
- [5] This year we completed the Dunedin Fares and Frequencies Business Case which sets out a pathway for growing PT mode share, and this is the basis of this consultation topic.
- [6] The Fares and Frequencies Business Case recommends a 50 cent fare structure and service pattern that would drive use of PT for 8% of journeys to work and education over the period of the LTP (by 2035).
- [7] The staff recommendation for consultation is to propose an increase in frequencies but retain the existing fare structure. This recommendation is informed by funding risks, equitable services across Otago and targeted rating impact.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** for the purposes of consultation in the Draft Long Term Plan one of the following options

Status Quo Services – comprising fleet decarbonisation but no significant change of service frequency or service spans, and being a \$276.24M Dunedin PT investment programme over 10 years;

Or;

Option B – the Fares & Frequencies Business Case – Preferred Option of increased service frequencies and operating hours, and 50 cent Adult Bee Card fare (other fare products retaining present relativities) and being a \$461.74M Dunedin PT investment programme over 10 years, with a total impact on Targeted Rate of \$222.923M;

Or;

Option C – the Fares & Frequencies Business Case – Preferred Option of increased service frequencies and operating hours, and \$1.00 Adult Bee Card fare (other fare products retaining present relativities) and being a \$461.74M Dunedin PT investment programme over 10 years; with a total impact on Targeted Rate of \$216.157M;

Or;

Option D (staff recommendation) – the Fares & Frequencies Business Case – Preferred Option of increased service frequencies and operating hours, and \$2.00 Adult Bee Card fare (other fare products retaining present relativities) and being a \$461.74M Dunedin PT investment programme over 10 years; with a total impact on Targeted Rate of \$214.677M;

- 3) **Notes** that the decision on the preferred funding model was made as part of a separate paper and that the preferred model will be applied to Public Transport costs for the purpose of consultation.

BACKGROUND

Transport is a Focus Area for the LTP 2024-34

- [8] Transport is one of ORC's Focus Areas for the LRP 2024-2034. Our vision is that Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.
- [9] Dunedin city has a mature public transport network comprising some 26 bus routes contracted in 5 units. The current service pattern and route configuration have largely been in place since 2016, following a comprehensive network review in 2014. The

review led to a simpler, more legible network with “clock-face” timetabling for most services.

- [10] Other developments following the network review included the opening of the central city Bus Hub, and the implementation of the Bee Card payment system in September 2020, with the introduction of the \$2.00 flat fare, for the Adult Bee Card trip, at the same time.
- [11] The Regional Public Transport Plan 2021 (RPTP) anticipated further projects focused on both services and PT infrastructure to support a simple and consolidated network. The service improvements include:
- level of service improvements from Mosgiel and southern suburbs, (Mosgiel express services were implemented in September 2023);
 - Frequencies and operating hours improvements; and
 - providing a consistent fare structure that supports patronage growth, mode shift and which is appropriate for customer demand.
- [12] However, as with elsewhere, public transport in Dunedin suffered on-going disruptions to the network from early 2020 due to COVID-19 and the subsequent driver and industry shortages. The Dunedin Bus network returned to full timetable in February 2023, but services remained unreliable until around May due to driver and industry shortages.
- [13] From April 2022 until June 2023 Government unilaterally subsidised half price public transport. Since July 2023, fare concessions apply under the Community Connect scheme (CSC) for 13-24 year-olds, CSC including SuperGold cardholders, and children under 12 years travel for free.
- [14] In January 2024 the first ten electric buses will enter operation in Dunedin. In accordance with Government’s current requirement the bus fleet will be entirely carbon-free by 2035.

Roles

- [15] Council’s role is to fund and deliver public transport services (including branding, ticketing and fare setting). We work with our territorial authorities and Waka Kotahi on supporting PT infrastructure.

DISCUSSION

Existing public Transport use in Dunedin

- [16] In 2022/23 the Dunedin Bus network carried 2,797,300 trips. This was an 18% increase from 2021/22, and a 10% increase from the 2018/19 financial year, being the last full year period where patronage was not disrupted by COVID restrictions and driver shortages. In 2022/23 fare revenue was \$3,602,083, which was a 22% increase on 2021/22.
- [17] Dunedin bus patronage for Q1 2023/24 is 852,644. This is a 28% increase from the first quarter of 2022/23, noting that full timetables were re-introduced to Dunedin in February 2023. This also represents a 31% increase from the 2018/19 financial year, again being the last full year period where patronage was not disrupted by COVID restrictions and driver shortages.

- [18] Fare revenue on the Dunedin network for the first quarter of 2023/24 was \$1,141,753, which is a 35% increase on the first quarter of 2022/23.

Figure 1: Dunedin Patronage 2018/19 to 2023/24

Dunedin	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2018/19 Patronage	195,272	235,930	221,438	212,965	223,894	177,520	172,142	213,992	246,593	198,745	245,477	204,362	2,548,330
2019/20 Patronage	220,652	235,666	230,329	224,285	226,692	182,910	181,525	228,477	175,526	26,802	68,709	197,681	2,199,254
2020/21 Patronage	293,294	278,162	209,278	224,799	223,263	190,821	160,848	201,611	250,266	195,795	243,550	234,783	2,706,470
2021/22 Patronage	231,082	144,505	170,397	196,538	223,952	185,219	156,857	190,746	213,639	185,831	246,438	221,895	2,367,099
2022/23 Patronage	194,544	242,825	229,954	213,011	237,385	189,812	181,899	244,977	291,825	208,030	294,188	268,850	2,797,300
2023/24 Patronage	256,596	310,050	285,998										852,644

Figure 2: Dunedin Patronage and Revenue

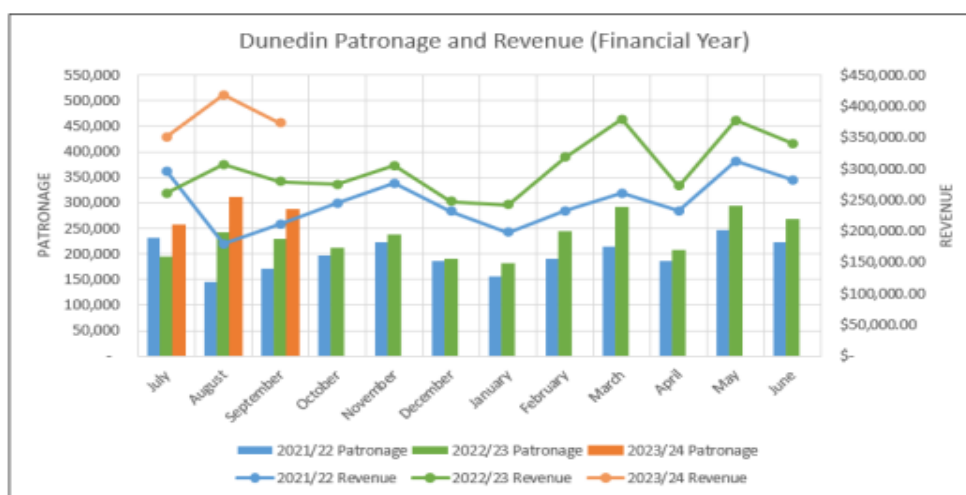


Figure 3: Current Fares in Dunedin

Infant (under 5 years)	Free	
Child (5–12 years)	Free when you tag on with your registered Bee Card	
	Cash Fare	Card Fare (Bee Card must be registered)
Youth (13–18 years)	\$3	60c
Youth Plus (19–24 years)	\$3	\$1
Adult (25 +)	\$3	\$2
Community Connect	\$3	\$1
SuperGold (65 +)	\$3	\$2 peak, free off-peak

- [19] There are signs of positive uptake in public transport emerging post the COVID-19 and driver shortage disruptions. However, it is too soon to fully understand the impacts of the ending of Government’s half-price fares in July 2023, and Community Connect.
- [20] There are reasons why Council would want to consider an investment programme for Dunedin that supports greater patronage growth, to support the communities transition

to low carbon transport. Travel disruption as a result of construction activities on SH1 as the new Dunedin Hospital provides an opportunity to encourage people to change mode, away from private vehicle use.

Past Decisions

- [21] In 2020 Council joined Dunedin City Council and Waka Kotahi in the Connecting Dunedin partnership which produced the Shaping Future Dunedin Transport (SFDT) Programme Business Case in 2021. On 9 December 2020, Council received a report on proposed projects within the wider Shaping Future Dunedin Transport Programme (SFDT), for consideration for inclusion in the 2021-2031 Long Term Plan.
- [22] For public transport, the aspiration of the programme is to increase travel to work by public transport from 3.4% in 2018, to 8% in 2030. To give effect to that mode shift target, ORC included in its Long Term Plan 2021 -2031 Plan the preparation of a single stage business case to demonstrate the case for greater investment in improved public transport services (levels of service and fares).
- [23] In 2023 Council completed the Dunedin Fares and Frequencies Business Case in response to the Shaping Dunedin Future Public Transport Programme Business Case with its Connecting Dunedin partners.
- [24] The Fares and Frequencies Business Case recommends a fare structure and service pattern that would drive use of PT for 8% of journeys to work and education over the period of the LTP (by 2035). As a result of this mode share, it is estimated that there will be an additional 42t CO₂e per year of light vehicle emissions savings.

OPTIONS

- [25] There are four options for the Dunedin Network proposed for consideration in the Long Term Plan:
- [26] Option A - Status quo
- No change to the existing levels of services in terms of operating hours or frequency improvements. Under this option the decarbonisation of the fleet will continue by contract, with an expectation that the network will be fully zero-emission by 2035.
- [27] Option B - Fares & Frequencies Business Case – Preferred Option.
- This option sees an increase in service frequencies and operating hours and a reduction in fare to a 50 cent Adult Bee Card fare, with other fare products retaining present relativities to the adult Bee Card fare.
 - The proposed service span and frequencies are set out in Appendix 1.
- [28] Option C – Increased Frequencies & Services Span as per Fares & Frequencies Business Case with \$1.00
- This option sees the same increase in service frequencies and operating hours as proposed in the Dunedin Fares and Frequencies Business Case, without a reduction in the Adult Bee Card fare of \$1.00, and with other fare products retaining present relativities to the adult Bee Card fare.

- [29] Option D – Increased Frequencies & Services Span as per Fares & Frequencies Business Case with \$2.00
 - This option sees the same increase in service frequencies and operating hours as proposed in the Dunedin Fares and Frequencies Business Case, without a reduction in the Adult Bee Card fare of \$2.00, and with other fare products retaining present relativities to the adult Bee Card.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [30] The Regional Public Transport Plan 2021-31 (RPTP) outlines Councils aspiration to increase the share of people travelling by public transport, rather than in single occupant vehicles (SOVs). This reduces emissions of greenhouse gases, other particulates, noise and can contribute to reduced congestion, making cities more liveable.
- [31] To achieve this mode shift, we undertake to work collaboratively with territorial authorities and communities, partner agencies, stakeholders and customers to grow the modal share of public transport.
- [32] While being consistent with this policy direction in the RPTP, the outcome of fares and frequencies business case are at other points inconsistent with the RPTP service level and these will need to be reviewed, as the RPTP is required to be reviewed, on the basis of the investment programme that Council endorses in the RLTP/LTP.

Financial Considerations

- [33] Below are the financial implications of the proposals: (See Attachment 1 for large version)

Option A – Status Quo

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTEs (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTEs (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	27,456,462	27,210,607	26,456,599	26,456,599	26,451,760	26,431,715	26,431,715	26,431,715	26,431,715	266,353,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	2,689,382	(11,039,364)	(11,408,810)	(11,155,445)	(10,858,207)	(10,858,207)	(10,853,369)	(10,833,324)	(10,833,324)	(10,833,324)	(10,833,324)	(109,506,697)
Grants	(10,341,602)	2,184,139	(12,525,740)	(12,962,857)	(13,013,908)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(128,004,350)
Fares	(3,600,000)	(182,276)	(3,617,724)	(3,690,078)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(37,418,842)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	4,461,618	(27,643,936)	(28,505,941)	(28,260,085)	(27,506,077)	(27,506,077)	(27,501,238)	(27,481,193)	(27,481,193)	(27,481,193)	(27,481,193)	(276,848,127)

Option B – 50c Fare, Increased Frequencies

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTEs (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTEs (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	27,456,462	27,210,607	26,456,599	26,456,599	26,451,760	26,431,715	26,431,715	26,431,715	26,431,715	266,353,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	2,689,382	(11,039,364)	(11,408,810)	(11,155,445)	(10,858,207)	(10,858,207)	(10,853,369)	(10,833,324)	(10,833,324)	(10,833,324)	(10,833,324)	(109,506,697)
Grants	(10,341,602)	2,184,139	(12,525,740)	(12,962,857)	(13,013,908)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(128,004,350)
Fares	(3,600,000)	(182,276)	(3,617,724)	(3,690,078)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(37,418,842)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	4,461,618	(27,643,936)	(28,505,941)	(28,260,085)	(27,506,077)	(27,506,077)	(27,501,238)	(27,481,193)	(27,481,193)	(27,481,193)	(27,481,193)	(276,848,127)

Option C - \$1 Fare, Increased Frequencies

	23/24 NP	Inc./Dec.	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	10 Year Tot.#
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
FTEs (FTE)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTEs (C omms/C X)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
St.# Time and Over head Cost	92,738	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,782
Sum of all Ser. Fees	22,254,834	8,339,534	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	265,944,582
TOTAL OP Ex	23,182,318	6,461,618	27,643,936	26,915,941	45,600,085	45,186,077	49,626,077	50,061,239	50,481,193	50,941,193	51,401,193	51,861,193	429,738,127
TOTAL CAPEX	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL EXPENDITURE	23,182,318	6,461,618	29,643,936	26,915,941	45,600,085	45,186,077	49,626,077	50,061,239	50,481,193	50,941,193	51,401,193	51,861,193	431,738,127
FUNDING													
Generals Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(9,349,982)	3,576,687	(1,924,609)	(15,438,532)	(9,548,484)	(19,229,326)	(21,306,405)	(21,418,647)	(21,554,999)	(21,721,197)	(21,887,395)	(22,063,933)	(196,003,050)
Kira rate	(10,341,652)	3,105,579	(1,348,471)	(16,948,295)	(7,147,683)	(21,290,612)	(23,452,470)	(23,737,110)	(23,810,091)	(24,083,073)	(24,262,553)	(24,442,033)	(216,157,697)
Fares	(9,800,000)	10,978	(4,084,317)	(4,637,066)	(4,568,128)	(4,769,190)	(4,970,252)	(5,091,072)	(5,211,893)	(5,332,713)	(5,453,533)	(5,574,353)	(47,659,542)
Other Income	(30,000,000)	161,107	(461,107)	(464,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(39,073,36)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	6,461,618	(29,643,936)	(26,915,941)	(45,600,085)	(45,186,077)	(49,626,077)	(50,061,239)	(50,481,193)	(50,941,193)	(51,401,193)	(51,861,193)	(431,738,127)

Option D - \$2 Fare, Increased Frequencies

	23/24 NP	Inc./Dec.	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	10 Year Tot.#
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
FTEs (FTE)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTEs (C omms/C X)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
St.# Time and Over head Cost	92,738	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,782
Sum of all Ser. Fees	22,254,834	8,339,534	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	26,594,458	265,944,582
TOTAL OP Ex	23,182,318	6,461,618	27,643,936	26,915,941	45,600,085	45,186,077	49,626,077	50,061,239	50,481,193	50,941,193	51,401,193	51,861,193	429,738,127
TOTAL CAPEX	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL EXPENDITURE	23,182,318	6,461,618	29,643,936	26,915,941	45,600,085	45,186,077	49,626,077	50,061,239	50,481,193	50,941,193	51,401,193	51,861,193	431,738,127
FUNDING													
Generals Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(9,349,982)	3,548,173	(1,924,609)	(15,384,443)	(9,547,727)	(19,118,683)	(21,168,477)	(21,253,132)	(21,371,238)	(21,519,168)	(21,667,109)	(21,824,449)	(194,581,272)
Kira rate	(10,341,652)	3,077,982	(1,348,471)	(16,892,598)	(7,147,683)	(21,175,765)	(23,308,912)	(23,402,058)	(23,545,837)	(23,699,816)	(23,853,795)	(24,007,774)	(214,677,817)
Fares	(9,800,000)	65,090	(4,084,317)	(4,194,704)	(4,305,958)	(4,793,317)	(5,050,676)	(5,308,035)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(30,000,000)	161,107	(461,107)	(464,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(39,073,36)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	6,461,618	(29,643,936)	(26,915,941)	(45,600,085)	(45,186,077)	(49,626,077)	(50,061,239)	(50,481,193)	(50,941,193)	(51,401,193)	(51,861,193)	(431,738,127)

[34] Funding sources for Years 1-3 of the LTP include targeted rates, Waka Kotahi Funding Assistance, which in accordance with the draft GPS will be 51% of the total costs, and fare revenue.

Other funding sources

[35] Further discussions are required with Dunedin City Council (DCC) to determine whether there is a willingness to contribute to the funding of an improved public transport network. There is a precedent for this as Queenstown Lakes District Council currently contribute to the provision of bus and ferry services.

Significance and Engagement Considerations

[36] The investment programmes for public transport in Dunedin other than the Status Quo are deemed to be significant with reference to the Local Government Act 2002, and Council’s own significance policy as they significantly alter the intended level of service provision. For this reason staff propose to consult on these changes as part of Council’s draft Long-Term Plan.

[37] To understand the community’s needs/wants for bus services, a public feedback survey was as part of the Fares & Frequencies Business Case between 10 November and 24 November 2022. This provided the opportunity for the community to give feedback on their travel modes for work/education, bus service spans, frequencies, and fare structure as well as what would encourage them and their family to use the bus more. At the time of the survey all public transport fares were half-price with Government subsidisation.

[38] The survey garnered a total of 1795 responses. This is a remarkably high level of engagement and highlights the current level of interest in public transport. Key themes from the survey results included a desire for increased frequencies and longer service spans. While some respondents were willing to pay extra for increased frequencies, around 70% were happy with the current fare; and a low-cost fare option was widely

supported. 'Free fares for all' was indicated as the most preferred option for encouraging people and their families to use the bus more often.

Legislative and Risk Considerations

- [39] The procurement of all public transport services is required to be in accordance with the Land Transport Management Act 2003, and conform to the Sustainable Public Transport Framework.
- [40] There are a number of risks associated with any of the options contained in this report. A key risk is the ability of Waka Kotahi to continue to provide grant funding. This risk is increased should ORC seek to significantly increase the overall costs of services.
- [41] Other key risks associated with the proposed increase in frequencies include the public appetite for significant rates increases to cover the cost of these services.
- [42] A key risk of not providing an increase in frequencies to support higher PT trips is that Public Transport may play less of a role in supporting the emissions reductions targets of DCC's Zero Carbon Plan 2030 and any future Climate Strategy adopted by ORC.
- [43] Another risk identified with a higher frequency timetable is the perception of the public transport network if there are large numbers of empty busses operating on the network. The reduction of fares to encourage patronage reduces this risk to a point but there will still be a level of risk with any additional frequencies.
- [44] ORC must continue to work with our Connecting Dunedin partners to advocate for the completion of the Shaping Future Dunedin Programme.
- [45] Critical to the success of any public transport increases will be the delivery of the actions contained in the Shaping Future Dunedin Transport business case. Specifically, this includes DCC reviewing its parking management policy to address the supply and cost of parking in the central city.

Climate Change Considerations

- [46] All the public transport investment programme options provide for the electrification of the bus fleet. The greater the mode shift from SOV to PT that is achieved, there will be a greater reduction in CO₂. Under Option B it is estimated that there will be 42t CO₂e per year of light vehicle emissions savings.
- [47] Increased public transport uptake is a key objective in the City's carbon zero plan. DCC recently adopted its Zero Carbon 2023 Plan which notes that *"to achieve 2030 targets, Ōtepoti Dunedin needs to reduce emissions from transport by at least 42% below 2018/19 levels. This requires significant changes in the way the city is organised and the way people get around"*, requiring 18% of all trips to be on PT. The Plan further notes that *"To support achievement of these key shifts, the DCC proposes to (inter alia):*
- Support improvements in public transport frequency, operating hours and quality;
 - Support extensions of the geographic reach of public transport services; and
 - Align parking management and consider other pricing mechanisms.

Communications Considerations

[48] All service changes will need to be accompanied by communications at the appropriate time.

NEXT STEPS

[49] Should Council approve an option for consultation staff will work to include the material in the draft Long Term Plan consultation document.

ATTACHMENTS

1. Dunedin PT CLTP Consultation Topic Attachment 1 [6.5.1 - 2 pages]

Option A – Status Quo

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	27,456,462	27,210,607	26,456,599	26,456,599	26,451,760	26,431,715	26,431,715	26,431,715	26,431,715	266,353,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	23,182,318	4,461,618	27,643,936	28,505,941	28,260,085	27,506,077	27,506,077	27,501,238	27,481,193	27,481,193	27,481,193	27,481,193	276,848,127
FUNDING													
General Rates		0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	2,689,382	(11,039,364)	(11,408,810)	(11,155,445)	(10,858,207)	(10,858,207)	(10,853,369)	(10,833,324)	(10,833,324)	(10,833,324)	(10,833,324)	(109,506,697)
Grants	(10,341,602)	2,184,139	(12,525,740)	(12,962,857)	(13,013,908)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(12,785,978)	(128,004,350)
Fares	(3,800,000)	(182,276)	(3,617,724)	(3,690,078)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(3,763,880)	(37,418,842)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	4,461,618	(27,643,936)	(28,505,941)	(28,260,085)	(27,506,077)	(27,506,077)	(27,501,238)	(27,481,193)	(27,481,193)	(27,481,193)	(27,481,193)	(276,848,127)

Option B – 50c Fare, Increased Frequencies

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	35,866,462	44,550,607	44,136,599	48,576,599	49,011,760	49,431,715	49,891,715	50,351,715	50,831,715	449,243,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	459,738,127
TOTAL CAPEX	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL EXPENDITURE	23,182,318	6,461,618	29,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	461,738,127
FUNDING													
General Rates		0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	4,507,282	(12,857,264)	(16,415,710)	(20,454,745)	(20,284,907)	(22,411,507)	(22,597,769)	(22,763,924)	(22,969,724)	(23,170,624)	(23,381,324)	(207,307,497)
Grants	(10,341,602)	4,076,239	(14,417,840)	(17,965,957)	(22,484,608)	(22,389,278)	(24,602,678)	(24,801,578)	(24,995,378)	(25,209,578)	(25,418,678)	(25,637,978)	(227,923,550)
Fares	(3,800,000)	(1,892,276)	(1,907,724)	(2,090,078)	(2,333,880)	(2,413,880)	(2,513,880)	(2,563,880)	(2,623,880)	(2,663,880)	(2,713,880)	(2,763,880)	(24,588,842)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	6,461,618	(29,643,936)	(36,915,941)	(45,600,085)	(45,186,077)	(49,626,077)	(50,061,238)	(50,481,193)	(50,941,193)	(51,401,193)	(51,881,193)	(461,738,127)

Option C - \$1 Fare Increased Frequencies

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	35,866,462	44,550,607	44,136,599	48,576,599	49,011,760	49,431,715	49,891,715	50,351,715	50,831,715	449,243,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	459,738,127
TOTAL CAPEX	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL EXPENDITURE	23,182,318	6,461,618	29,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	461,738,127
FUNDING													
General Rates		0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,574,687	(11,924,669)	(15,438,532)	(19,458,484)	(19,229,326)	(21,306,405)	(21,418,647)	(21,554,999)	(21,721,197)	(21,887,395)	(22,063,393)	(196,003,050)
Grants	(10,341,602)	3,105,579	(13,447,181)	(16,948,895)	(21,447,683)	(21,290,612)	(23,452,470)	(23,574,328)	(23,737,110)	(23,910,091)	(24,083,073)	(24,266,255)	(216,157,697)
Fares	(3,800,000)	10,978	(3,810,978)	(4,084,317)	(4,367,066)	(4,568,128)	(4,769,190)	(4,970,252)	(5,091,072)	(5,211,893)	(5,332,713)	(5,453,533)	(47,659,142)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	6,461,618	(29,643,936)	(36,915,941)	(45,600,085)	(45,186,077)	(49,626,077)	(50,061,238)	(50,481,193)	(50,941,193)	(51,401,193)	(51,881,193)	(461,738,127)

Option D - \$2 Fare Increased Frequencies

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
FTE's (PT)	4.0	1.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
FTE's (Comms/CX)	0.8	0.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Staff Time and Overhead Cost	927,384	122,094	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	1,049,478	10,494,783
Supplies/Services	22,254,934	4,339,524	26,594,458	35,866,462	44,550,607	44,136,599	48,576,599	49,011,760	49,431,715	49,891,715	50,351,715	50,831,715	449,243,345
TOTAL OPEX	23,182,318	4,461,618	27,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	459,738,127
TOTAL CAPEX	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
TOTAL EXPENDITURE	23,182,318	6,461,618	29,643,936	36,915,941	45,600,085	45,186,077	49,626,077	50,061,238	50,481,193	50,941,193	51,401,193	51,881,193	461,738,127
FUNDING													
General Rates		0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(8,349,982)	3,548,173	(11,898,155)	(15,384,443)	(19,375,727)	(19,118,983)	(21,168,477)	(21,253,132)	(21,371,228)	(21,519,168)	(21,667,109)	(21,824,849)	(194,581,272)
Grants	(10,341,602)	3,077,982	(13,419,584)	(16,892,598)	(21,361,548)	(21,175,765)	(23,308,912)	(23,402,058)	(23,545,837)	(23,699,816)	(23,853,795)	(24,017,974)	(214,677,887)
Fares	(3,800,000)	65,090	(3,865,090)	(4,194,704)	(4,535,958)	(4,793,317)	(5,050,676)	(5,308,036)	(5,466,116)	(5,624,197)	(5,782,277)	(5,940,358)	(50,560,729)
Other Income	(300,000)	161,107	(461,107)	(444,196)	(326,853)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(98,012)	(1,918,239)
Reserves	(390,734)	(390,734)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(23,182,318)	6,461,618	(29,643,936)	(36,915,941)	(45,600,085)	(45,186,077)	(49,626,077)	(50,061,238)	(50,481,193)	(50,941,193)	(51,401,193)	(51,881,193)	(461,738,127)

6.6. Queenstown Public Transport Consultation Topic

Prepared for: Council

Report No. PPT2306

Activity: Transport: Public Passenger Transport

Author: Lorraine Cheyne, Manager Transport

Endorsed by: Richard Saunders, Chief Executive

Date: 13 December 2023

PURPOSE

- [1] This paper provides information about Queenstown Public Transport, which is proposed to be included as a consultation topic in Otago Regional Council's Long Term Plan (LTP) 2024-34.

EXECUTIVE SUMMARY

- [2] In Queenstown which is experiencing sustained rapid growth, ORC can support more liveable and compact urban form with the provision of frequent and reliable public transport. Having transport choice will enable new residents to adopt lifestyles that are not car-dependent, which in turn, will help Queenstown reach its carbon reduction goals. With the opening of international borders, tourists are returning in numbers to Queenstown.
- [3] A Queenstown Transport Business Case completed in 2020 identified that as many as 40% of future trips of residents and tourists will need to be taken by public transport, walking or cycling in order to avoid gridlock on Queenstown key routes.
- [4] In 2021 Council embarked on a business case looking at the service routes, frequencies and types of vehicles that would be required to attract and carry enough trips to support the 40% mode share required for PT, walking and cycling. The preliminary outcome of the Queenstown Public Transport Business Case informs the Queenstown public transport proposal for consultation.
- [5] While significant changes to the service are proposed from year 3 of the Long Term Plan due to dependencies of other infrastructure programmes, the proposal for consultation includes \$2m for investment in short term improvements to support mode shift in the district.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** for the purposes of consultation in the draft Long Term Plan Option B – The Queenstown Public Transport Services Business Case Emerging Preferred “Composite”

Option future network services option at a total cost of \$28.511M in years 2024 to 27, and a total 10-year investment package of \$172.859M (cf \$114.063)

- 3) **Notes** the inclusion of \$2m of funding in years 1-3 of the draft Long Term Plan for targeted network improvements ahead of the implementation of the preferred option.
- 4) **Notes** that the decision on the preferred funding model was made as part of a separate paper and that the preferred model will be applied to Public Transport costs for the purpose of consultation.

BACKGROUND

Transport is a Focus Area for the LTP 2024-34

- [6] Transport is one of ORC's Focus Areas for the LRP 2024-2034. Our vision is that Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.
- [7] We anticipate that modes of transport need to change (eg shift to public transport, cycling and walking) for environmental and well-being reasons.
- [8] There is an opportunity to lead a shift across our transport system to deliver a service our community is proud of and that supports our transition to low-emissions transport.
- [9] In areas of high growth such as Queenstown, we can support the aspiration of our territorial authorities and local communities for more liveable and compact urban form with the provision of frequent and reliable public transport. Having transport choice for new residents enables them to adopt lifestyles that are not car-dependent, which in turn, helps reduce the carbon footprint of our towns and cities.

Roles

- [10] We fund and deliver public transport services (including branding, ticketing and fare setting – outside of Government subsidised fare schemes, such as Community Connect and SuperGold). We also design and deliver initiatives that contribute to accessibility and connectivity within our communities.

Existing public transport in Queenstown

- [11] Existing public transport in Queenstown comprise bus and ferry transport services. All buses and ferries are currently diesel propulsion vehicles.
- [12] In November 2017, ORC introduced subsidised scheduled bus services under the Public Transport Operating Model (PTOM). The bus services are branded as "Orbus" and operate between Arrowtown, Remarkables Park, Kelvin Heights, Jack's Point, and Queenstown Central. Queenstown Airport is directly served as well. Services are operated currently under two-unit contracts by Ritchies.

- [13] The contracting of PT bus services saw an initial year-on-year patronage increase of 182% in 2018. This patronage was sustained throughout 2018/19 and in 2019/20, until the COVID-19 outbreak.
- [14] The on-going disruptions of COVID including international border closures, and driver shortages had a significant impact on PT patronage in Queenstown. Services were only able to return to a full timetable in Queenstown in June 2023. Q1 data for 2023/24 show patronage is higher than for Q1 of 2019/20, indicating that patronage is returning to, and could exceed, pre-COVID levels this year.
- [15] Total Queenstown bus patronage for Q1 2023/24 is 454,316. This is a 57% increase from Q1 2022/23. This is the highest ever patronage in Q1; a 17% increase from the previous high in 2019/20

Figure 1: Queenstown Bus Patronage

Queenstown	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2018/19 Patronage	122,752	117,442	103,974	111,657	125,600	118,997	136,055	129,439	134,084	125,244	118,077	124,736	1,468,057
2019/20 Patronage	136,766	129,011	121,416	120,662	128,440	128,282	136,985	131,102	90,746	9,919	42,577	73,597	1,249,503
2020/21 Patronage	100,951	98,102	72,143	73,385	71,464	69,096	68,550	60,717	62,613	65,928	66,863	79,251	889,063
2021/22 Patronage	95,248	51,010	51,987	66,690	64,895	66,507	69,147	52,471	53,524	68,158	73,786	93,367	806,820
2022/23 Patronage	100,966	100,668	88,268	91,277	100,579	91,940	89,306	102,118	116,667	118,955	117,645	134,593	1,252,982
2023/24 Patronage	145,759	155,936	152,621										454,316

- [16] In 2022/23 the Queenstown Bus network carried 1,252,982 trips. This is a 56% increase from 2021/22, noting that full timetables were re-introduced to Queenstown in June 2023.
- [17] Fare revenue on the Queenstown Bus network for the first quarter of 2023/24 was 789,589, a 39% increase on the first quarter of 2022/23.

Figure 2: Queenstown Bus Patronage and Fare Revenue

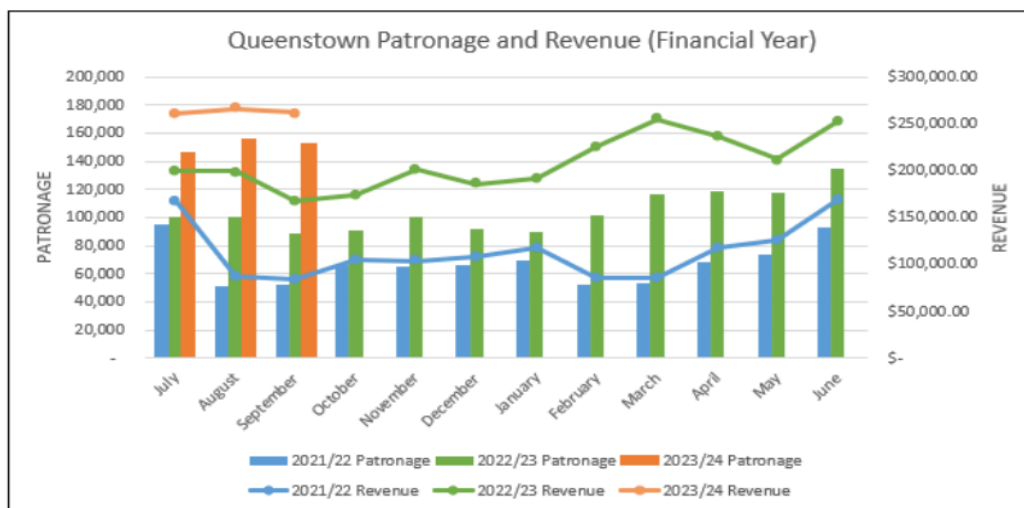


Figure 3: Queenstown Bus Fares

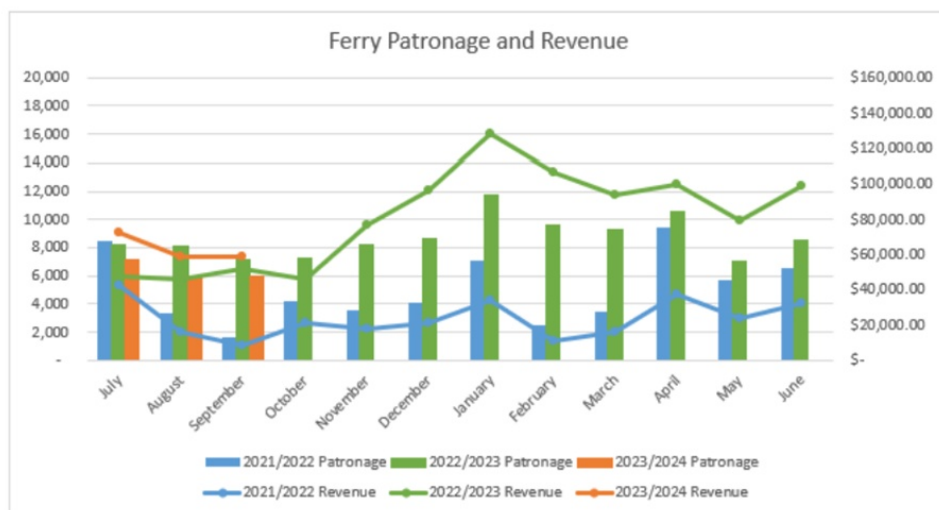
Infant (under 5 years)	Free	
Child (5–12 years)	Free when you tag on with your registered Bee Card	
	Cash Fare	Card Fare (Bee Card must be registered)
Youth (13–18 years)	\$4	75c
Youth Plus (19–24 years)	\$4	\$1
Adult (25 +)	\$4	\$2
Community Connect	\$4	\$1
SuperGold (65 +)	\$4	\$2 peak, free off-peak

- [18] Ferry services operating hourly from four jetties/wharves at the Town Basin and up the Frankton Arms have been provided by ORC under the PTOM framework since November 2020, as a net contract.
- [19] As the country has opened up to tourism post COVID, ferry services have seen almost a doubling of patronage. However, most recently year-to-date patronage for July to September 2023 has dropped, at 19,131 it is 19% behind the same period in the previous year.
- [20] Despite the drop in patronage, revenue for year-to-date at \$190,712.95, is 30% higher than the 2022/23 first quarter. The reason for this result is likely the resumption of full priced fares in July 2023, with fare concessions not being applied to Ferry services, due to the operations being a net contract.

Figure 4: Queenstown Ferry Patronage

Queenstown Ferry	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2020/21 Patronage	4,048	2,483	2,675	3,600	3,075	4,439	6,688	5,219	4,489	5,101	4,598	7,056	53,471
2021/22 Patronage	8,449	3,336	1,630	4,200	3,533	4,134	7,123	2,453	3,448	9,456	5,728	6,564	60,054
2022/23 Patronage	8,259	8,135	7,119	7,203	8,164	8,644	11,721	9,586	9,329	10,538	7,016	8,526	104,240
2023/24 Patronage	7,147	5,987	5,997										19,131

Figure 5: Queenstown Ferry Patronage and Revenue



- [21] The current fares for ferries are \$14.00 for a cash fare and \$10.00 for a Bee Card fare for all passengers, other than children under 5 years of age who travel for free.
- [22] It is unclear whether the requirement for Public Transport Authorities (PTAs) to be running zero-emission fleets by 2035 applies to ferries.

DISCUSSION

Past decisions

- [23] ORC works collaboratively in transport planning with QLDC and Waka Kotahi under the Whakatipu Way to Go partnership (Way2Go).
- [24] In 2020, a Queenstown Transport Business Case (QTBC) was completed, which looked at options to address future growth and outlined the case for investment for a suite of multi-modal transport interventions covering the Whakatipu Basin over the next 30 years. The transport interventions focus on targeted bus priority, walking and cycling infrastructure improvements, bus rapid transit services and travel behaviour initiatives to reduce growth in private car use. The QTBC was approved by the Whakatipu-Way-2-Go partners including ORC, and Queenstown Lakes District Council (QLDC) in January 2021 and Waka Kotahi in February 2021.
- [25] The QTBC identified that further work is required, including preparing a detailed Queenstown Public Transport Business Case (QPTBC) to inform future investment decisions for public transport service provision. It is agreed that 40% of trips will need to be taken on public transport or by walking or cycling to avoid severe congestion and gridlock on the Whakatipu Basin network.
- [26] The scope for the QPTBC was endorsed by Council on 27th October 2021 - paper PPT2115. Following a formal tender process the QPTBC work commenced in August 2022, with update reports to the PATC in February and May 2023.
- [27] At its 9 August 2023 meeting, the PATC received a report updating recent work and outlining some key challenges for achieving the outcomes of the business case. The Committee was also advised that public engagement on a short-list of options was a next step in the Business Case. Following public consultation, on 9 November, the Committee noted that public engagement on the shortlist of options and the strategic case of the business case is complete. The Committee also noted that the draft business case is scheduled to be completed by 15 December 2023.
- [28] Since the 9 November PATC meeting a preferred option has been identified and agreed to with the project partners, being the 'Bus Max' option, which includes additional frequencies on existing routes along with an additional service from Arrowtown via Malaghans Road.

OPTIONS

- [29] While patronage is returning to pre-COVID levels, with predicted residential and 'peak day' tourists numbers, a significant investment is required in public transport for the Whakatipu Basin.

- [30] The emerging preferred option from the QPTBC is deemed to be the 'composite option'. Which is the minimal transfer option ("Bus Max") with an Arrowtown-Queenstown central and Malaghan's route as supported through public consultation. Route 2 would run between Arrowtown and Frankton. Across the routes there would be 15-minute frequencies between Arrowtown and Queenstown daily.
- [31] The composite option also includes more frequent and evenly timed services between Queenstown Town Centre and Frankton Bus Hub via Frankton Road (SH6A). Higher frequency services, of at least 15 minutes daily, from Arthurs Point, Jack's Point, Shotover Country, Lake Hayes Estate, direct to the Town centre are also included.
- [32] The change sees a "one-seat ride" from Jack's Point and Hanley's Farm to Queenstown Town Centre without needing a transfer at Frankton Hub. However, Quail Rise passengers would need to transfer at Frankton Hub to get to and from Queenstown Town Centre.
- [33] The existing ferry service between Steamer Wharf, Frankton Marina, Bayview and the Hilton is retained, but with improvements to the frequency and span of service to be considered. Options for extending ferries to Frankton Beach, Lake Hayes Estate and Jack's Point have been discounted at this point due to technical and feasibility challenges.
- [34] The proposal includes electrification of the fleet including high-capacity vehicles in the form of articulated buses. Some consideration will need to be given to on-demand services for Queenstown Hill and Goldfields Heights.
- [35] The proposal would see the new network, including zero-emission and high-capacity vehicles being implemented through contract renewal in 2027/28. Therefore, significant costs of the proposal are in later years of the LTP.
- [36] Provision has been made in the proposed budget for increases in services in the initial three year period should supporting infrastructure be in place. It is important we continue to work with our partners on the priority for any short term service improvements.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [37] The Regional Public Transport Plan (RPTP) specifies that ORC will investigate options to serve new growth areas or new areas of development by public transport services and/or new infrastructure.
- [38] It is consistent with the RPTP that ORC investigates public transport services where there is community support for the early introduction of services. Additionally, ORC works proactively with territorial authorities through Spatial Plans, including the Queenstown Future Development Strategy and other strategic planning documents to identify future growth and demand needs in the planning of services and infrastructure.

Financial Considerations

[39] The financial implications of the Status Quo (Option A) and the Composite Option from the QPTBC are set out below. These reflect the total cost of each Option net of fare and other revenue. That is, the amount required to be funded by rates and co-funding (Waka Kotahi) (see Attachment 1 for larger version)

[40] Option A – Status Quo

	23/24 AP	Incl/Excl	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	10 Year Total
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
Staff Time	0.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (PT)	4.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (Contract)	0.2	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Staff Time and Overhead Cost	724,346	(1,178)	899,169	899,168	842,077	842,077	842,077	842,077	842,077	842,077	842,077	842,077	8,114,955
Crumb	9,807,663	2,102,540	11,910,203	11,249,097	10,900,182	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	1,059,409,977
TOTAL EXPENSE	10,532,009	2,067,363	12,809,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	1,146,320,932
TOTAL CAP EX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	10,532,009	2,067,363	12,809,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	1,146,320,932
FUNDING													
General Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Tariffed Rates	(2,058,306)	1,515,605	(3,573,911)	(3,223,695)	(3,074,362)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(29,311,691)
Grants	(3,975,646)	969,239	(4,944,407)	(4,580,281)	(4,530,877)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(43,912,823)
Fare	(2,300,000)	804,952	(3,104,056)	(3,156,537)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(31,941,380)
Other Income	(1,200,000)	223,328.1	(976,672)	(976,672)	(976,672)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(8,817,923)
Revenue	(998,056)	(99,825.6)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(10,532,009)	2,067,363	(12,599,372)	(11,938,265)	(11,742,259)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(114,632,092)

[41] Option B – Composite Option

	23/24 AP	Incl/Excl	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	10 Year Total
			24/25 LTP	25/26 LTP	26/27 LTP	27/28 LTP	28/29 LTP	29/30 LTP	30/31 LTP	31/32 LTP	32/33 LTP	33/34 LTP	
Staff Time	0.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (PT)	4.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (Contract)	0.2	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Staff Time and Overhead Cost	724,346	(1,178)	899,169	899,168	842,077	842,077	842,077	842,077	842,077	842,077	842,077	842,077	8,114,955
Crumb	9,807,663	2,102,540	11,910,203	11,249,097	10,900,182	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	1,059,409,977
TOTAL EXPENSE	10,532,009	2,067,363	12,809,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	1,146,320,932
TOTAL CAP EX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	10,532,009	2,067,363	12,809,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	1,146,320,932
FUNDING													
General Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Tariffed Rates	(2,058,306)	1,515,605	(3,573,911)	(3,223,695)	(3,074,362)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(29,311,691)
Grants	(3,975,646)	969,239	(4,944,407)	(4,580,281)	(4,530,877)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(4,205,426)	(43,912,823)
Fare	(2,300,000)	804,952	(3,104,056)	(3,156,537)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(3,210,968)	(31,941,380)
Other Income	(1,200,000)	223,328.1	(976,672)	(976,672)	(976,672)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(8,817,923)
Revenue	(998,056)	(99,825.6)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(10,532,009)	2,067,363	(12,599,372)	(11,938,265)	(11,742,259)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(114,632,092)

Other funding sources

[42] All amounts assume funding assistance from Waka Kotahi at 51%. At this point the funding for the proposed increase in services has not been confirmed however it has been included in the Regional Land Transport Plan.

[43] QLDC currently contributes \$700,000 per annum from parking charge revenue towards the Whakatipu Basin Bus (\$600,000) and Ferry (\$100,000) PT operations. The current financial model assumes this contribution is continuing (or increased) but this will need to be confirmed with QLDC through their LTP process.

Significance and Engagement Considerations

[44] The amount of the recommended investment programme for public transport in Queenstown is deemed to be significant with reference to the Local Government Act 2002, and Council's own significance policy as it significantly alters the intended level of service provision. Staff propose to include Public Transport as a key consultation topic to ensure the community are able to provide feedback on the proposal.

[45] Public consultation was undertaken on the two short-list options of the QTPBC in

September 2023. Approximately 240 responses were received from individuals and groups. These responses fed into the shortlist option analysis. The outcome of this consultation has informed the preferred option for consultation.

- [46] The initial engagement results show strong support from Arrowtown residents for a bus service to Queenstown via Malaghans Roads. Also, the results showed some support for an on-demand service on Queenstown Hill and Goldfields Heights.
- [47] The QPTBC has been developed in partnership with Way2Go partners (QLDC, Waka Kotahi and ORC). Other stakeholders were informed about the shortlist options consultation and encouraged to make a submission. Other key stakeholders such as Queenstown Airport Corporation (QAC) and Ministry of Education made submissions.
- [48] There has been on-going engagement with QAC throughout the development of the Business Case. The Airport submitted on the shortlist engagement and was generally supportive of the proposals but expressed disappointment that the option of ferry services to Frankton Beach is no longer being pursued. Its draft Master Plan includes future-proofing a green link from the airport to Frankton Beach to access such a service.

Legislative and Risk Considerations

- [49] The procurement of all public transport services is required to be in accordance with the Land Transport Management Act 2003 and comply with the Sustainable Public Transport Framework.
- [50] Due to the predicted congestion on Queenstown's restricted network, and the desire of all stakeholders to improve the public transport offering in Queenstown, the Status Quo is not considered to be a viable proposition. Notwithstanding, there is a medium to high level of risk in implementing the QPTBC. These risks include:
- Due to repriorisation of public transport services in the final Government Policy Statement insufficient funding will be available in the National Land Transport Fund for the expanded service.
 - The business case is still to be formally approved by Waka Kotahi.
 - Noting that the business case has not been finalised, and in particular, that economic modelling of the emerging preferred option is not complete, there is risk around the final project costings;
 - Project partners are unable or unwilling to deliver necessary supporting PT infrastructure to meet service upgrade timelines;
 - There is a risk that a depot large enough to accommodate the expanded, electric and articulated vehicle fleet is not established before new services are needed to be procured. This will need to be factored into future network planning;
- [51] Many of the above risks can be mitigated through the network planning stage and ensuring close working relationships with both Queenstown Lakes District Council and Waka Kotahi through the existing Way to Go partnership.
- [52] The addition of a proposed \$2M dollars in the draft budget for contingency service improvements in the 2024-27 period ensures that targeted improvements can be made to public transport services ahead of the introduction of the major service level

improvements. These major improvements rely on the infrastructure upgrades due to be completed in year four of the 10-year plan.

Climate Change Considerations

[53] Although the economic modelling is not complete, it is anticipated that there will be significant savings in CO₂ emissions from the mode share that will be carried on a zero-emissions fleet.

Communications Considerations

[54] All new services will need to be accompanied by communications at the appropriate time.

NEXT STEPS

[55] Should Council select a preferred option it will be included in the draft Long Term Plan for consultation.

ATTACHMENTS

1. Queenstown PT LTP Consultation Topic Attachment 1 [6.6.1 - 1 page]

Option A - Status Quo

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
Staff Time													
FTE's (PT)	4.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (Comms/CX)	0.2	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Staff Time and Overhead Cost	724,346	(35,178)	689,168	689,168	842,077	842,077	842,077	842,077	842,077	842,077	842,077	842,077	8,114,955
Supplies/Services	9,807,663	2,102,540	11,910,203	11,249,097	10,900,182	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	10,269,802	105,948,097
TOTAL OPEX	10,532,009	2,067,363	12,599,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	114,063,052
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	10,532,009	2,067,363	12,599,372	11,938,265	11,742,259	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	11,111,879	114,063,052
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(2,058,306)	1,515,605	(3,573,911)	(3,223,605)	(3,074,362)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(2,788,470)	(29,391,169)
Grants	(3,975,646)	969,039	(4,944,685)	(4,580,081)	(4,530,077)	(4,265,426)	(4,265,426)	(4,265,426)	(4,265,426)	(4,265,426)	(4,265,426)	(4,265,426)	(43,912,823)
Fares	(2,300,000)	804,056	(3,104,056)	(3,156,537)	(3,210,068)	(3,210,068)	(3,210,068)	(3,210,068)	(3,210,068)	(3,210,068)	(3,210,068)	(3,210,068)	(31,941,138)
Other Income	(1,200,000)	(223,281)	(976,719)	(978,042)	(927,752)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(8,817,922)
Reserves	(998,056)	(998,056)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(10,532,009)	2,067,363	(12,599,372)	(11,938,265)	(11,742,259)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(11,111,879)	(114,063,052)

Option B – Business Case ‘Composite’ Preferred Option

	23/24 AP	Inc/(Dec)	YR1 24/25 LTP	YR2 25/26 LTP	YR3 26/27 LTP	YR4 27/28 LTP	YR5 28/29 LTP	YR6 29/30 LTP	YR7 30/31 LTP	YR8 31/32 LTP	YR9 32/33 LTP	YR10 33/34 LTP	10 Year Total
Staff Time													
FTE's (PT)	4.0	0.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
FTE's (Comms/CX)	0.2	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Staff Time and Overhead Cost	724,346	(35,178)	689,168	689,168	842,077	842,077	842,077	842,077	842,077	842,077	842,077	842,077	8,114,955
Supplies/Services	9,807,663	2,102,540	11,910,203	11,249,097	17,074,381	16,744,001	17,144,001	17,444,001	17,744,001	18,144,001	18,444,001	18,844,001	164,741,690
TOTAL OPEX	10,532,009	2,067,363	12,599,372	11,938,265	17,916,458	17,586,079	17,986,079	18,286,079	18,586,079	18,986,079	19,286,079	19,686,079	172,856,645
TOTAL CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	10,532,009	2,067,363	12,599,372	11,938,265	17,916,458	17,586,079	17,986,079	18,286,079	18,586,079	18,986,079	19,286,079	19,686,079	172,856,645
FUNDING													
General Rates	0	0	0	0	0	0	0	0	0	0	0	0	0
Targeted Rates	(2,058,306)	1,515,605	(3,573,911)	(3,223,605)	(5,320,653)	(4,985,761)	(5,034,761)	(4,985,761)	(4,985,761)	(4,985,761)	(4,936,761)	(4,985,761)	(47,018,496)
Grants	(3,975,646)	969,039	(4,944,685)	(4,580,081)	(6,868,053)	(6,552,402)	(6,603,402)	(6,552,402)	(6,552,402)	(6,552,402)	(6,501,402)	(6,552,402)	(62,259,633)
Fares	(2,300,000)	804,056	(3,104,056)	(3,156,537)	(4,800,000)	(5,200,000)	(5,500,000)	(5,900,000)	(6,200,000)	(6,600,000)	(7,000,000)	(7,300,000)	(54,760,594)
Other Income	(1,200,000)	(223,281)	(976,719)	(978,042)	(927,752)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(847,916)	(8,817,922)
Reserves	(998,056)	(998,056)	0	0	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	(10,532,009)	2,067,363	(12,599,372)	(11,938,265)	(17,916,458)	(17,586,079)	(17,986,079)	(18,286,079)	(18,586,079)	(18,986,079)	(19,286,079)	(19,686,079)	(172,856,645)

6.7. Local & Intra-regional Transport Consultation Topic

Prepared for: Council

Report No. PPT2305

Activity: Council

Author: Lorraine Cheyne, Manager Transport

Endorsed by: Richard Saunders, Chief Executive

Date: 13 December 2023

PURPOSE

- [1] This paper provides information about Public Transport Local and Intra-regional Services which are proposed to be included as a consultation topic in Otago Regional Council's Long Term Plan (LTP) 2024-31.

EXECUTIVE SUMMARY

- [2] Disparities between our rural and urban environments, coupled with our geographical spread, present challenges and regional connectivity remains a priority for our community and our economy.
- [3] Currently there are no Orbus or ORC contracted public transport or community transport supported services outside the Dunedin/Mosgiel and Whakatipu Basin PT networks.
- [4] Staff are proposing that ORC consult as part of the draft Long Term Plan on funding feasibility studies and trials in a number of parts of the Otago Region.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** for the purposes of consultation \$3.7M for inclusion in the LTP 2024 – 2034 for public or shared transport feasibility investigations and/or trials of the following local and intra-regional services:
 - An Oamaru on-demand service
 - An Alexandra, Clyde, Cromwell to Queenstown bus service
 - A Balclutha to Dunedin, including Airport, bus service, and
 - A Wānaka Public Transport trial
- 3) **Approves** for the purposes of consultation, funding the initial feasibility studies and trial services as follows:
 - a. Oamaru on-demand (Targeted Rate)
 - b. Alexandra, Clyde, Cromwell to Queenstown (General Rate)
 - c. Balclutha to Dunedin including Airport (General Rate)
 - d. Wanaka (Targeted Rate)

- 4) Notes that the final impact on rates will be calculated following Council's endorsement of a preferred rating model for consultation.

BACKGROUND

Transport is a Focus Area for the LTP 2024-34

- [5] Transport is one of ORC's draft Focus Areas for the LRP 2024-2034. Our vision is that Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.
- [6] We anticipate that modes of transport need to change (eg shift to public transport, cycling and walking) for environmental and well-being reasons. Most of the region, however, does not have public transport service and uptake of active modes of transport is variable.
- [7] Disparities between our rural and urban environments, coupled with our geographical spread, present challenges and regional connectivity remains a priority for our community and our economy. There is an opportunity to lead a shift across our transport system to deliver a service our community is proud of and that supports our transition to low-emissions transport.

Our Role

- [8] Our role is to coordinate and prepare a regional land transport plan, and plan for (and implement) the extension of a regional land transport. We also fund and deliver public transport services (including branding, ticketing and fare setting). This triennium the Council has established a Public & Active Transport Committee to lead and advocate for regional connectivity and low emission transport. We also design and deliver initiatives that contribute to accessibility and connectivity within our communities.

Local and Intra-regional Services

- [9] Currently there are no Orbus or ORC contracted public transport or community transport supported services outside the Dunedin/Mosgiel (including Palmerston) and Whakatipu Basin PT networks.
- [10] While InterCity runs services between towns and cities across Otago, these services cost considerably more than public transport services are likely to cost and are geared toward the needs of people travelling for social purposes and/or tourists.

DISCUSSION

Past Decisions

- [11] The Regional Public Transport Plan 2021-2031 (RPTP) includes a policy aimed at improving regional connectivity across Otago. However, due to on-going bus industry disruptions and a lack of funding assistance, minimal progress has been made in this area to date.
- [12] The RPTP recognises that there are many communities who travel for work and other means to Dunedin and Queenstown from satellite towns or other areas and do not currently have the option to access a public transport service to carry out daily activities.

It recognises that there are transport disadvantaged residents who are facing access challenges even within their own communities due to lack of access to private transport.

- [13] The RPTP Plan focuses on the need to ensure that there is community support for any regional connections, evidence that there is a demand for this service, and that there is a willingness to pay from the community itself. The Plan acknowledges that Regional connections will not just involve traditional scheduled services but may also involve demand responsive transport services, which may be integrated with the traditional public transport network. For this LTP development Councillors requested that staff investigate local services where currently nothing is provided, and inter-regional services.
- [14] Council will need to work closely with territorial authorities and our other key partners to plan and deliver the bespoke services that are now possible under the Sustainable Public Transport Framework (SPTF).

OPTIONS

Proposal

- [15] The Status Quo option (Option 1) would be that Council does not consider investing in local and intra- regional services.
- [16] The proposal (Option 2) is a \$3.72M programme over three years to investigate the feasibility and/or trial the following local and intra-regional services:
- An Oamaru on-demand service
 - An Alexandra, Clyde, Cromwell to Queenstown bus service
 - A Balclutha to Dunedin, including Airport, bus service, and
 - A Wānaka Public Transport trial
- [17] It is proposed for the purposes of consultation that the initial three year programme of feasibility studies and trials are funded from a combination of targeted and general rates.
- [18] An alternative model would be to fund the entire three year feasibility and trial period from General rates. This is not recommended due to the high cost of the proposed Oamaru on-demand service.
- [19] This funding will enable ORC to work with territorial authorities and local communities to investigate and/or trial new public or shared transport options as are available under the SPTF.
- [20] Typically, a minimal frequency fixed route bus service will be the most cost-effective option for providing a public or shared transport option in and between the Region's towns and settlements. However, efficient options may be able to be provided which are more responsive to the needs of residents.
- [21] While the passing of the SPTF into law notionally provides Council with a greater range of services and methods of procurement, even if the SPTF framework is adjusted by the new Government, funding would enable staff to explore public and shared transport options including.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[22] The Regional Public Transport Plan 2021-2031 (RPTP) includes a policy aimed at improving regional connectivity across Otago.

Financial Considerations

Funding sources for Years 1-3 of the LTP

[23] A separate paper has been prepared on the funding of existing public transport networks. Consultation for local and intra-regional public transport services are expected to be funded through targeted rates should they become established as permanent services in the future.

[24] Below are the financial implications of the proposal. These are based on an Otago Community and Accessible Transport desk-top analysis.

Option 1 – No Investment	Option 2 – Trial 4 New Services
Impact on level of service No impact	Impact of level of service Increase in level of service in 2025/26 year
Total cost - 24/25 - \$0.0 25/26 - \$0.0 26/27 - \$0.0	Total cost - \$3,712,000 24/25 - \$400,000 25/26 - \$1,429,000 26/27 - \$1,933,000

Establishment costs

[25] The following start-up costs are anticipated.

Activity	Year	Budget for est. costs
Feasibility Study for Oamaru On-Demand study based on Timaru MyWay.	FY 2024/25	\$250,000
Investigation/dialogue with CODC on Alexandra, Clyde, Cromwell to Queenstown services	FY 2024/25	\$50,000
Balclutha to Dunedin, via airport service procurement	FY 2024/25	\$50,000
Wānaka Public Transport Trial	FY 2024/25	\$50,000
Total		\$400,000

Estimated Trial Operational costs

Activity	24/25	25/26	26/27
Oamaru On-Demand Timaru MyWay.		\$614,000	\$1,118,000
Alexandra, Clyde, Cromwell to Queenstown services		\$385,000	\$385,000

Balclutha to Dunedin, via airport service		\$230,000	\$230,000
Wānaka Public Transport Trial		\$200,000	\$200,000
Total		\$1,429,00	\$1,933,000

Option 2 – Trial 4 New Services

	YR1	YR2	YR3	3 Year Total
	24/25 LTP	25/26 LTP	26/27 LTP	
Staff Time				
Staff Time Cost	0	0	0	0
Regional Trials - Oamaru	250,000	614,000	1,118,000	1,982,000
Wanaka Trial Service	50,000	200,000	200,000	450,000
Regional Trials - All Other	100,000	615,000	615,000	1,330,000
TOTAL OPEX	400,000	1,429,000	1,933,000	3,762,000
TOTAL CAPEX	0	0	0	0
TOTAL EXPENDITURE	400,000	1,429,000	1,933,000	3,762,000
FUNDING				
General Rates	(73,500)	(399,350)	(399,350)	(872,200)
Targeted Rates	(122,500)	(300,860)	(547,820)	(971,180)
Grants	(204,000)	(728,790)	(985,830)	(1,918,620)
Reserves	0	0	0	0
TOTAL FUNDING	(400,000)	(1,429,000)	(1,933,000)	(3,762,000)

Table 1: Funding Summary for Local and Intra-regional Transport Trials

- [26] If the Oamaru On-Demand and the Wānaka PT trials are funded from a Targeted Rate, the remaining proposals have a \$.1M impact on general rates in 2024/2025 and \$0.615M impact on general rates in each of FY2025/26 and 2026/27.
- [27] The impact on a Targeted rate for the Oamaru On-Demand will be determined following analysis of fare revenue and discussion with Waitaki District Council about funding part of the service.
- [28] The impact of the Wanaka services will be dependent on the preferred rating model for the Whakatipu PT network. This will be calculated as part of the consultation document preparation.

Other funding sources

- [29] This proposal assumes these will be approved trials and attract funding assistance from Waka Kotahi at 51%. Additionally, there will be some fare revenue (uncalculated) for each trialed service.
- [30] As part of the feasibility analysis the openness to contributions from Territorial Authorities will be considered.

Significance and Engagement Considerations

- [31] Public consultation and engagement with mana whenua and the local community will occur through consultation in the long-term plan and as part of the development of the trial services should they be approved.

Legislative and Risk Considerations

- [32] The feasibility studies will access public and shared transport options that are provided for in the Land Transport Management Act 2003.
- [33] As “*low cost, low risk*” transport investments that have a feasibility study/investigation component, the risks associated with investigating and trialing local and intra-regional PT services are considered to be low. The key risks are: [and mitigations]
- Trial services are not approved by Waka Kotahi for co-funding and/or there is insufficient PT services funding available from the NLTF;
 - Service offerings prove to be unfeasible but community expectations have been raised; and
 - Trial services are well-patronised but economically unfeasible and do not attract funding assistance from Waka Kotahi for continuation of the service on an on-going basis.

Climate Change Considerations

- [34] Low emissions vehicle options would be considered for any trial services.

Communications Considerations

- [35] The marketing of each service would be a component of any trial.

NEXT STEPS

- [36] If Council approves the recommendations staff will include this in the Long Term Plan consultation document.

ATTACHMENTS

Nil

6.8. ORC Transport Activities Procurement Strategy

Prepared for:	Council
Report No.	OPS2350
Activity:	Transport - Public Passenger Transport Transport - Transport Planning
Author:	Jack Cowie, Transport Planner
Endorsed by:	Pim Borren, General Manager Transport Richard Saunders, Chief Executive
Date:	13 December 2023

PURPOSE

- [1] To receive early input into the 2024-27 Procurement Strategy for transport activities

EXECUTIVE SUMMARY

- [2] Transport staff are developing a new Procurement Strategy for transport activities in order to meet Waka Kotahi requirements and ensure a strategic approach to transport procurement.
- [3] Although much of this Strategy is routine in nature, early feedback from elected members is sought on a key strategic question that we wish to address in the strategy. This is with regards to ownership of strategic public transport assets such as bus depots or vehicles.
- [4] In a changing and uncertain public transport environment, ownership of key strategic assets could play a role in de-risking the delivery of public transport services and maintaining a competitive market for public transport contracts. However, this will come with its own risks.
- [5] In this paper Transport staff are seeking to draw attention to this matter and seek early feedback for Procurement Strategy development.

RECOMMENDATION

That the Council:

- 1) **Notes** this report, and

Either (select one)

- 2) **Supports** capital investment in depot/vehicle assets as a possible strategy for ensuring best value for money and competitive markets for public transport contracts

OR

- 3) **Opposes** capital investment in depot/vehicle assets as a possible strategy for ensuring best value for money and competitive markets for public transport contracts

OR

- 4) *Notes capital investment in depot/vehicle assets as a possible strategy for ensuring best value for money and competitive markets for public transport contracts*

BACKGROUND

[6] The Otago Regional Council is an Approved Organisation (AO) under the Land Transport Management Act 2003, undertaking a variety of transport activities funded through the National Land Transport Fund (NLTF).

[7] A key element of delivering these activities is the procurement of suppliers. As an AO to attract co-funding, ORC must take a *strategic approach to procurement* in order to obtain *best value for money spent*, which is defined as:

the most effective combination of cost, quality, benefit and risk to meet a requirement

[8] In order to demonstrate a strategic approach to procurement, ORC must have an endorsed Procurement Strategy for transport activities. This strategy needs to meet requirements set out in the Waka Kotahi Procurement Manual, and be endorsed both by ORC and Waka Kotahi.

[9] The current Strategy expires on April 14. Transport staff will seek council approval of the new Strategy at the February 8 Public and Active Transport Committee meeting, which will give the required 40 working days for Waka Kotahi to subsequently approve the Strategy.

[10] Early work on this Strategy has been undertaken by Transport staff. Many elements of the strategy are routine operational matters and do not require input from elected members.

[11] However, Transport staff have identified areas where feedback from elected members will help guide the Strategy's development and ensure a meaningful document. These are around risks and the strategic implications of the changing legislative and policy environment of public transport; a change of government in Wellington; and electrification of the bus network.

[12] The strategic environment of public transport has recently undergone significant change, with the outgoing government having passed the Land Transport Management (Regulation of Public Transport) Amendment Act 2023.

[13] This forms the legislative basis of the Sustainable Public Transport Framework (SPTF), which replaces the Public Transport Operating Model (PTOM).

[14] The SPTF involves a change in emphasis in public transport, with a focus on maintaining and improving driver wages and conditions, and reducing the emphasis on

market competition (without removing the mandate to deliver best value for money spent). New definitions in the legislation also give Council greater latitude to disentangle network planning from contracting.

DISCUSSION

[15] With a change in government in Wellington, there are uncertainties as to how the implementation of SPTF will proceed. However, it can be considered unlikely that all the work of the SPTF will be undone. Just as many elements of the previous PTOM model are maintained in SPTF, many technical changes in the SPTF are likely to remain. However, the future policy changes that can be considered most likely are:

- a. A reduced emphasis, or change in approach to, driver wages and conditions
- b. A return to emphasising the importance of competitive markets in delivering *best value for money spent*

[16] It is not ORC's role to implement these changes until government actually makes them, but it would be prudent and realistic to account for the possibility of changes in the Procurement Strategy so that it remains a fit-for-purpose document.

[17] This uncertainty in the policy environment is especially important because of some of the changes that are envisioned to occur to Otago's bus networks, namely:

- a. Implementation of increased service levels identified in the Fares and Frequencies Business Case (Dunedin) and the Queenstown Public Transport Business Case.
- b. The continued transition to zero-emissions buses

[18] Current technologies support battery-electric for achieving fleet decarbonisation within the government timeframe of 2035, but battery-electric buses require more depot space per bus, expensive charging equipment, access to high-capacity power supply, and may potentially involve an increased number of buses.

[19] This points to the need for bigger, centralised depots. At present, this means that operators have to invest significant capital into their operations. An operator who lacks the funds for such investment will be unable to compete for contracts, and an operator who is able to fund such investment could develop a dominant market position, threatening the competitiveness of future tendering.

[20] From ORC's perspective, this would not achieve *best value for money spent*.

[21] For this reason, we seek feedback (at a high level, without any commitments) on the following question:

Should ORC seek to make capital investments (e.g. ownership of depots, equipment at depots, direct ownership of public transport vehicles or transfer of ownership at the end-of-contract) in order to reduce contracting risks and maintain a competitive market for public transport services?

[22] Capital investments in depots and/or buses would represent a reduction in contracting risks, in exchange for other risks that arise from asset ownership. This matter is considered by the Queenstown Public Transport Services Business Case (QPTSBC) but has not seen similar consideration in Dunedin. The recommendation from the QPTSBC is for public ownership of electric bus depot facilities.

[23] No major decision is being sought in this paper, nor will the Procurement Strategy itself be a commitment to any action in this area. However, staff consider it appropriate to raise this question now so that the committee is aware of the question and can give early feedback to guide the drafting of the Procurement Strategy.

OPTIONS

1. The Procurement Strategy draft will support capital investment in depot/vehicle assets as a strategy for ensuring best value for money and competitive markets for public transport contracts

OR

2. The Procurement Strategy draft will not support capital investment in depot/vehicle assets as a strategy for ensuring best value for money and competitive markets for public transport contracts is not supported

OR

3. (Status quo): The Procurement Strategy draft will not support capital investment in depot/vehicle assets as a possible strategy for ensuring best value for money and competitive markets for public transport contracts, without giving a position

OPTIONS ANALYSIS

[24] Option 1 would mean that the Procurement Strategy would be drafted to include a positive view on capital investment in depots/buses as a potential strategy to reduce procurement risk.

[25] Option 2 would mean that the Procurement Strategy would be drafted to give a negative view on capital investment in depots/buses as a potential strategy to reduce procurement risk.

[26] Option 3 would mean that the Procurement Strategy would be drafted to give neither a positive or negative view on capital investment in depots/buses; the possibility would be mentioned with no conclusion drawn.

[27] This would only represent a preliminary opinion driving a high-level strategic document; it would not be a commitment to any course of action.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[28] The development of the Procurement Strategy occurs under the current Regional Public Transport Plan.

[29] Under the policy *“Transition to a lower-emission public transport network”*, ORC will ensure *“Ensure that the procurement of contracted services results in greater fleet and operational efficiency”*.

[30] Under the policy *“Support and advocate for sustainable approaches to the introduction of new physical and other supporting infrastructure”*, ORC will *“Consider long-term, sustainable approaches when planning and designing physical infrastructure provision”*.

Financial Considerations

[31] While there are no direct financial implications of this report, Council’s transport Procurement Strategy will guide future procurement and support *value for money spent* in procurement activities

Significance and Engagement Considerations

[32] Not applicable

Legislative and Risk Considerations

[33] There are no immediate legislative or risk considerations emerging from consideration of this paper, as this will only lead to a statement of intent in a strategy.

[34] However, the views of the Committee on this paper will give an indication of thinking on future risks Council may take on; in particular balancing procurement risks (which could be reduced by asset ownership) with the inherent risks of asset ownership.

Climate Change Considerations

[35] The questions under consideration are related to potential increases in public transport service levels and electrified bus depots. Emissions reduction is a key motivation for these desired improvements, and a Procurement Strategy which supports strategic clarity on how these improvements will be implemented, will increase the probability of these improvements being delivered.

Communications Considerations

[36] Not applicable

NEXT STEPS

[37] Transport staff will take on board feedback from the committee and finalise a draft Procurement Strategy to bring to the 8 February 2024 Public and Active Transport Committee meeting.

ATTACHMENTS

Nil