

Finance Committee Agenda - 6 November 2024

Meeting conducted in the Council Chamber at Lvl 2, Philip Laing House
144 Rattray St, Dunedin Live streamed at: [ORC YouTube Channel](#)



Members:

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

Senior Officer: Richard Saunders Chief Executive

Meeting Support: Kylie Darragh, Governance Support Officer

06 November 2024 10:00 AM

Agenda Topic

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1. WELCOME

2. APOLOGIES

There were no apologies received at the time of the agenda publication.

3. PUBLIC FORUM

No requests to speak at Public Forum were received at the time of agenda publication.

4. CONFIRMATION OF AGENDA

Note: Any additions 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. [Councillor Register of Interests](#) is published to the ORC website.

6. PRESENTATIONS

No presentations were received at the time of agenda publication.

7. [CONFIRMATION OF MINUTES](#)

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Confirmation of the Finance Committee minutes of 8 August 2024 as a true and accurate record.

8. ACTIONS

There are no current open actions for this Committee.

9. MATTERS FOR CONSIDERATION

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9.1 [Quarterly Finance Report - 30 September 2024](#)

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To present Council's Financial Reports for the quarter ended 30 September 2024 being the first quarter of the 2024-25 financial year.

9.1.1 [SCRE and Activity Reports Sep-2024](#)

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9.1.2 [Statement of Financial Position Sep-2024](#)

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9.1.3 [Treasury Report Sep-2024](#)

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9.2 [Rates Strike Collection - 31 October 2024](#)

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This report provides the Finance Committee with an update on rates struck for the 2024/25 financial year.

9.2.1 [Rates Tri-fold Brochure 2024](#)

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9.3 [Activity Performance Report - Quarter 2](#)

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To present the Council's Activity Performance Reports for the 3 month period ended 30 September 2024. This information has previously been included in the quarterly financial reporting, but to provide clarity of non-financial performance a separate report has now been created.

9.3.1 [Activity Performance Report as at Quarter 1 2024-25](#)

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10. CLOSURE



**Finance Committee
MINUTES**

Minutes of an ordinary meeting of the Finance Committee held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 8 August 2024, commencing at 9:00 AM.

PRESENT

Cr Kevin Malcolm *(Chair)*
Cr Alexa Forbes
Cr Gary Kelliher *(online)*
Cr Michael Laws
Cr Lloyd McCall
Cr Tim Mephram
Cr Andrew Noone
Cr Bryan Scott
Cr Alan Somerville
Cr Kate Wilson

1. WELCOME

Chair Malcolm welcomed Councillors, members of the public and staff to the meeting at 9:00am. Staff present included Richard Saunders (Chief Executive), Nick Donnelly (GM Corporate Services) online, Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate) Kylie Darragh (Governance Support), and Sarah Munro (Finance Manager - Reporting).

2. APOLOGIES

Resolution: Cr McCall Moved, Cr Wilson Seconded:

That the apologies for Cr Robertson and Cr Laws for lateness be accepted.

MOTION CARRIED

3. PUBLIC FORUM

No requests to address the Committee under Public Forum were received.

4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. PRESENTATIONS

No presentations were held.

7. CONFIRMATION OF MINUTES

Resolution: Cr Mepham Moved, Cr Noone Seconded

That the minutes of the (public portion of the) meeting held on 9 May and 29-30 May 2024 be received and confirmed as a true and accurate record.

MOTION CARRIED

8. ACTIONS

There are currently no open actions for this committee.

9. MATTERS FOR CONSIDERATION

9.1. Quarterly Report - 30 June 2024

(YouTube 6:24) This report presented the Council’s Activity and Financial Performance Reports for the 12-month period ending 30 June 2024. This includes the preliminary financial and non-financial results for quarter four of the 2023-24 financial year. Nick Donnelly (General Manager Finance) was online and Sarah Munro (Finance Manger - Reporting) was present to go through the report and respond to questions.

Cr Laws joined the meeting at 9.52am.

Resolution FIN24-151: Cr Noone Moved, Cr Mepham Seconded

That the Finance Committee:

1. Notes *this report and the attached Activity and Financial Performance Reports for the period 1 July 2023 to 30 June 2024 (quarter four of the 2023-24 financial year).*

MOTION CARRIED

12. CLOSURE

There was no further business and Chair Malcolm declared the meeting closed at 10:01 am.

Chairperson

Date

9.1. Quarterly Finance Report - 30 September 2024

Prepared for:	Finance Committee
Report No.	CS2440
Activity:	Governance Report
Author:	Sarah Munro, Finance Manager – Reporting Sean Geary, Management Accountant
Endorsed by:	Nick Donnelly, General Manager Finance
Date:	6 November 2024

PURPOSE

- [1] To present Council's Financial Reports for the quarter ended 30 September 2024 being the first quarter of the 2024-25 financial year.

EXECUTIVE SUMMARY

- [2] The actual surplus for the 3 months ending 30 September 2024 is \$3,151,000. This is \$991,000 over a budgeted surplus of \$2,160,000.
- [3] Year to date revenue is \$787,000 over budget due to higher grants and subsidies offset by lower investment revenue.
Year to date expenditure is \$390,000 over budget mainly due to higher expenditure on externally funded water implementation projects.
- [4] The forecast surplus for the full 2024-25 year is \$573,000.
This is \$991,000 over the budgeted deficit of -\$418,000.
This variance reflects the year-to-date actual variance and no reforecast adjustments have been made at this quarter. There are several areas where reforecasts are expected to occur and finance staff are working with budget managers to quantify these amounts.
- [5] The Statement of Financial Position shows Council has drawn down an additional \$15 million in short term debt since 30 June 2024. This is working capital funds required until rates fall due on 31 October 2024. Further details of Council's debt position is provided in the Treasury Report.
- [6] Further commentary is provided in the attached reports.

RECOMMENDATION

That the Finance Committee:

- a) **Notes** this report and the attached Financial Reports for the period 1 July 2024 to 30 September 2024 (quarter 1 of the 2024-25 financial year).

BACKGROUND

- [7] Financial progress over the 2024-25 financial year is reported to the Finance Committee on a quarterly basis.
- [8] This report includes the following attached reports:

- Statement of Comprehensive Revenue and Expense – shows operating surplus / deficit for year to date and forecast for the full financial year.
 - Results are compared to the budget included in year 1 of Council’s LTP 2024-34.
 - Shows results for Council as whole and by Groups of Activities.
 - The statements for each Group of Activities shows high level revenue and expenditure by Significant Activity.
- Statement of Financial Position – balance sheet as at quarter end compared to previous year end (30 June 2024) and budget for the financial year-end (30 June 2025).
- Treasury Report – detail of cash, investments and borrowings.

DISCUSSION

[9] The attached reports have been modified since the previously report to the Finance Committee for the quarter ended 30 June 2024. A new general ledger (GL) system was implemented on 1 July and a new reporting / planning application has also been implemented in this quarter.

[10] The attached reports are generated from both systems with core transactional data and balance sheet information coming from the GL and activity reports and forecasts being generated in the new reporting / planning system.

[11] This quarter is the first month the attached reports have been generated in the new systems and there is still development and refinement occurring so these reports will evolve further of coming quarters.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[12] Not applicable.

Financial Considerations

[13] Not applicable.

Significance and Engagement Considerations

[14] Not applicable.

Legislative and Risk Considerations

[15] Not applicable.

Climate Change Considerations

[16] Not applicable.

Communications Considerations

[17] Not applicable.

NEXT STEPS

[18] Not applicable.

ATTACHMENTS

1. SCRE and Activity Reports Sep-2024 [**9.1.1** - 8 pages]
2. Statement of Financial Position Sep-2024 [**9.1.2** - 1 page]
3. Treasury Report Sep-2024 [**9.1.3** - 1 page]

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

Statement of Comprehensive Revenue & Expenditure						
Whole of Council	Actual	Year to Date Budget	Variance	Forecast	Full Year Forecast Budget	Variance
For the period ending: September 2024						
Revenue						
Rates	16,213	15,955	257	63,932	63,675	257
Other revenue	3,224	3,207	18	15,736	15,718	18
Investment revenue	1,846	2,441	(595)	9,170	9,765	(595)
Grants and subsidies	5,760	4,841	919	22,910	21,991	919
Dividends	4,688	4,500	188	18,188	18,000	188
Total revenue	31,731	30,944	787	129,935	129,149	787
Expenditure						
Other expenses	16,516	16,124	(392)	79,152	78,759	(392)
Finance costs	2,228	2,356	128	9,296	9,424	128
Employee benefit expenses	9,702	9,852	150	39,424	39,574	150
Depreciation and amortisation	1,102	825	(276)	3,578	3,302	(276)
Total operating expenditure	29,548	29,157	(390)	131,450	131,060	(390)
Other Gains / (Losses)	968	373	594	2,088	1,493	594
Surplus / (Deficit)	3,151	2,160	991	573	(418)	991
Total Other Comprehensive Revenue and Expenses	3,151	2,160	991	573	(418)	991
Commentary / Variance Analysis						
Revenue - overall \$787,000 up on budget - mainly due to Grants & Subsidies (+\$919,000) offset by lower Investment Revenue (-\$595,000)						
Investment Revenue & Dividends						
Interest Received - Banks & Other	53	265	(212)	Timing - budget phased evenly		
Interest Received - Managed Fund	64	188	(124)	Budget includes dividends		
Dividends - Managed Fund	188	-	188	Budget in interest above		
Interest Received - Port Otago	1,729	1,989	(260)	Lower lending levels		
Grants and subsidies						
Land & Water Implementation - External	570	137	433	Includes Te Hākapupu		
Lwr Taieri Flood Protection Scheme	300	-	300	Contour Channel		
Expenditure - overall \$390,000 up on budget - mainly due to Other Expenses (+\$392,000)						
Other Expenses						
Land & Water Implementation - External	581	111	(470)	Includes Te Hākapupu		
Public Transport Services Dunedin	5,971	5,559	(412)			
Public Transport Services Whakatipu	2,213	2,694	481			
Finance Costs						
Interest Expense - LGFA (ORC)	499	367	(132)	Interest on short term loan		
Interest Expense - Port Otago	1,729	1,989	260	Lower lending levels		
Employee Benefit Expense						
Total Cost	9,702	9,852	150			
Total FTE	343.4	364.0	20.6			
Other Gains / (Losses) - up \$594,000 on budget due to the unrealised gain on the managed fund for the quarter						
Managed Fund	968	331	637			

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

COUNCIL - YEAR TO DATE	Revenue			Expenditure			Surplus / (Deficit)		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Consents & Compliance	3,069	3,094	(25)	2,960	3,117	156	109	(22)	131
Governance & Community	3,291	3,337	(47)	3,156	3,155	(1)	134	182	(48)
Regional Plans & Policies	734	731	3	532	646	115	203	85	118
REGIONAL LEADERSHIP	7,094	7,163	(69)	6,648	6,918	270	446	245	201
Air	346	344	1	273	240	(33)	73	104	(31)
Biodiversity & Biosecurity	1,822	2,044	(222)	1,030	1,491	462	792	552	240
Water	5,392	4,955	437	4,989	4,401	(588)	403	554	(151)
ENVIRONMENT	7,560	7,343	216	6,291	6,133	(158)	1,268	1,211	58
Emergency Management	942	895	47	856	927	70	86	(31)	117
Flood Protection	2,469	2,160	310	2,062	2,253	191	407	(93)	500
Natural Hazards	830	834	(5)	561	579	17	268	256	13
SAFETY AND RESILIENCE	4,241	3,889	352	3,479	3,758	279	762	131	630
Public Transport - Dunedin	6,840	6,447	392	6,388	5,966	(422)	451	482	(30)
Public Transport - Other	1,179	552	627	1,651	552	(1,100)	(472)	1	(473)
Public Transport - Wakatipu	2,815	3,043	(229)	2,347	2,905	558	468	139	329
Regional Land Transport Planning	142	173	(31)	154	175	21	(12)	(2)	(10)
Stock Truck Effluent Disposal	36	41	(5)	32	41	9	5	1	4
TRANSPORT	11,011	10,257	754	10,571	9,638	(934)	440	619	(179)
Homebase	-	-	-	-	(42)	(42)	0	42	(42)
Internal	(26)	25	(51)	632	406	(226)	(658)	(381)	(277)
Overheads	1,850	2,266	(416)	1,925	2,347	422	(75)	(80)	6
CORPORATE	1,824	2,291	(467)	2,557	2,711	153	(733)	(419)	(314)
TOTAL COUNCIL	31,731	30,944	787	29,548	29,157	(390)	2,183	1,786	397

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Regional Leadership	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	10	54	(44)	181	225	(44)
Other revenue	983	1,010	(28)	4,141	4,169	(28)
Rates	6,102	6,099	3	24,398	24,395	3
Total revenue	7,094	7,163	(69)	28,720	28,789	(69)
Expenditure						
Depreciation and amortisation	68	33	(36)	166	131	(36)
Employee benefit expenses	3,812	4,022	210	15,879	16,089	210
Other expenses	2,768	2,863	95	12,521	12,616	95
Total operating expenditure	6,648	6,918	270	28,566	28,836	270
Surplus/(Deficit)	446	245	201	154	(47)	201

Commentary: Revenue tracking close to budget but less staff time charges in this period to Regulatory & Governance activities

Significant Activities	Actual	Year to Date Budget	Variance	Forecast	Full Year Forecast Budget	Variance
CONSENTS & COMPLIANCE						
COMPLIANCE MONITORING & CONTAMINATED SITES						
Revenue	1,333	1,293	40	5,239	5,198	40
Expenditure	1,413	1,299	(115)	5,373	5,258	(115)
CONSENT PROCESSING						
Revenue	1,036	1,032	5	4,230	4,225	5
Expenditure	945	1,053	108	4,117	4,225	108
HARBOUR MANAGEMENT						
Revenue	229	237	(8)	941	949	(8)
Expenditure	208	235	28	921	949	28
INCIDENT RESPONSE & ENFORCEMENT						
Revenue	471	533	(62)	2,073	2,135	(62)
Expenditure	395	530	135	2,000	2,135	135
Surplus/(Deficit)	109	(22)	131	71	(60)	131
GOVERNANCE & COMMUNITY						
COMMUNICATIONS & ENGAGEMENT						
Revenue	562	562	0	2,247	2,247	
Expenditure	528	558	30	2,217	2,247	30
CORPORATE PLANNING						
Revenue	135	135	1	539	538	1
Expenditure	115	133	18	520	538	18
EXECUTIVE MANAGEMENT						
Revenue	641	639	3	2,558	2,555	3
Expenditure	871	638	(233)	2,787	2,555	(233)
GOVERNANCE & FINANCIAL CONTRIBUTIONS						
Revenue	1,497	1,549	(52)	6,151	6,202	(52)
Expenditure	1,112	1,374	262	5,928	6,190	262
LEGAL COUNSEL						
Revenue	275	274	1	1,097	1,096	1
Expenditure	342	273	(70)	1,165	1,096	(70)
MANAGEMENT ACCOUNTANT						
Revenue	180	179	1	719	718	1
Expenditure	189	179	(9)	727	718	(9)
Surplus/(Deficit)	134	182	(48)	(35)	13	(48)
REGIONAL PLANS & POLICIES						
RPS, STRATEGY, URBAN DEV & RESPONSE TO ISSUES						
Revenue	734	731	3	2,928	2,925	3
Expenditure	532	646	115	2,810	2,925	115
Surplus/(Deficit)	203	85	118	118	(0)	118

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Environment	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	635	493	142	3,028	2,886	142
Other revenue	20	-	20	20	-	20
Rates	6,904	6,850	54	27,555	27,501	54
Total revenue	7,560	7,343	216	30,603	30,387	216
Expenditure						
Depreciation and amortisation	115	98	(17)	408	391	(17)
Employee benefit expenses	2,770	2,549	(221)	10,417	10,196	(221)
Other expenses	3,406	3,486	79	19,805	19,885	79
Total operating expenditure	6,291	6,133	(158)	30,631	30,472	(158)
Surplus/(Deficit)	1,268	1,211	58	(27)	(85)	58

Commentary: Most activities tracking well to budget, Biosecurity operations slightly underspent and a timing difference with externally funded environmental projects

Significant Activities	Actual	Year to Date Budget	Variance	Forecast	Full Year Forecast Budget	Variance
AIR						
AIR MONITORING						
Revenue	189	188	1	752	751	1
Expenditure	138	149	11	740	751	11
AIR STRATEGY						
Expenditure	28	-	(28)	28	-	(28)
REGIONAL PLAN: AIR						
Revenue	157	157	1	627	626	1
Expenditure	107	91	(16)	643	626	(16)
Surplus/(Deficit)	73	104	(31)	(31)	0	(31)
BIODIVERSITY						
BIODIVERSITY IMPLEMENTATION						
Revenue	356	351	5	1,410	1,406	5
Expenditure	8	110	103	1,303	1,406	103
BIODIVERSITY SCIENCE & MONITORING						
Revenue	318	317	1	1,268	1,267	1
Expenditure	186	183	(2)	1,269	1,267	(2)
BIOSECURITY						
Revenue	1,148	1,375	(228)	6,054	6,282	(228)
Expenditure	836	1,198	362	5,920	6,282	362
Surplus/(Deficit)	792	552	240	240	0	240
WATER						
ENVIRONMENTAL MANAGEMENT						
Revenue	524	521	3	2,087	2,084	3
Expenditure	488	494	6	2,078	2,084	6
LAND & WATER IMPLEMENTATION						
Revenue	1,263	845	418	4,031	3,613	418
Expenditure	1,256	764	(492)	4,190	3,698	(492)
LAND & WATER PLANNING						
Revenue	759	756	3	3,026	3,023	3
Expenditure	930	740	(190)	3,213	3,023	(190)
LAND & WATER SCIENCE AND MONITORING						
Revenue	2,846	2,834	12	11,348	11,335	12
Expenditure	2,315	2,404	89	11,246	11,335	89
Surplus/(Deficit)	403	554	(151)	(236)	(85)	(151)

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Safety and Resilience	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	300	8	291	326	35	291
Other revenue	125	140	(15)	568	582	(15)
Rates	3,816	3,741	75	15,479	15,404	75
Total revenue	4,241	3,889	352	16,373	16,021	352
Expenditure						
Depreciation and amortisation	231	229	(2)	919	916	(2)
Employee benefit expenses	1,478	1,499	21	5,976	5,996	21
Other expenses	1,770	2,030	260	11,272	11,532	260
Total operating expenditure	3,479	3,758	279	18,166	18,445	279
Surplus/(Deficit)	762	131	630	(1,794)	(2,424)	630

Commentary: Additional grant revenue received in the period for the Contour channel project and slight underspends across most river mgt schemes

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
EMERGENCY MANAGEMENT						
EMERGENCY MANAGEMENT						
Revenue	942	895	47	3,777	3,730	47
Expenditure	856	927	70	3,660	3,730	70
Surplus/(Deficit)	86	(31)	117	117		117
FLOOD PROTECTION & RIVER MANAGEMENT						
ALEXANDRA FLOOD PROTECTION						
Revenue	88	84	3	354	351	3
Expenditure	50	75	24	326	351	24
EAST TAIERI DRAINAGE						
Revenue	182	173	9	727	719	9
Expenditure	203	225	22	902	923	22
LEITH FLOOD PROTECTION SCHEME						
Revenue	346	380	(34)	1,536	1,570	(34)
Expenditure	109	164	54	708	762	54
LWR CLUTHA FLOOD PROTECTION & DRAINAGE						
Revenue	353	339	13	1,420	1,407	13
Expenditure	302	338	36	1,963	1,999	36
LWR TAIERI FLOOD PROTECTION SCHEME						
Revenue	628	316	312	1,617	1,305	312
Expenditure	388	325	(63)	1,607	1,544	(63)
NON SCHEME MANAGEMENT						
Revenue	31	31		125	125	
Expenditure	1	30	29	96	125	29
RIVER MANAGEMENT - CENTRAL						
Revenue	95	91	4	381	377	4
Expenditure	28	127	99	497	596	99
RIVER MANAGEMENT - CLUTHA						
Revenue	111	106	5	447	443	5
Expenditure	55	103	48	790	838	48
RIVER MANAGEMENT - DUNEDIN						
Revenue	57	55	2	231	228	2
Expenditure	120	143	23	644	667	23
RIVER MANAGEMENT - WAITAKI						
Revenue	157	150	7	634	627	7
Expenditure	49	178	129	729	858	129
RIVER MANAGEMENT - WAKATIPU/WANAKA						
Revenue	128	122	6	516	509	6
Expenditure	84	184	100	993	1,093	100
RIVER MANAGEMENT OVERSIGHT						
Expenditure	172	5	(167)	167		(167)
SCHEME OVERSIGHT						
Revenue	-	30	(30)	96	126	(30)
Expenditure	277	37	(240)	366	126	(240)
TOKOMARIRO DRAINAGE						
Revenue	44	42	1	177	175	1
Expenditure	70	81	11	323	334	11
WEST TAIERI DRAINAGE						

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

Revenue	249	238	11	1,000	988	11
Expenditure	153	237	84	889	973	84
Surplus/(Deficit)	407	(93)	500	(1,739)	(2,239)	500
NATURAL HAZARDS						
FLOOD & LOW FLOW RISK MANAGEMENT						
Revenue	144	143	1	574	574	1
Expenditure	71	84	13	561	574	13
NATURAL HAZARDS						
Revenue	685	691	(5)	2,760	2,765	(5)
Expenditure	491	495	5	2,946	2,950	5
Surplus/(Deficit)	268	256	13	(172)	(185)	13

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Transport	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	4,815	4,285	530	19,375	18,845	530
Other revenue	1,896	1,824	72	7,672	7,600	72
Rates	4,300	4,148	152	17,275	17,123	152
Total revenue	11,011	10,257	754	44,323	43,569	754
Expenditure						
Depreciation and amortisation	180	168	(12)	685	673	(12)
Employee benefit expenses	437	508	72	1,962	2,033	72
Other expenses	9,955	8,961	(994)	40,237	39,243	(994)
Total operating expenditure	10,571	9,638	(934)	42,883	41,950	(934)
Surplus/(Deficit)	440	619	(179)	1,440	1,619	(179)

Commentary: EXP:RITS transfers to be completed in Public Transport Other. Additional contractor charges in Dunedin PT for the period

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
PUBLIC TRANSPORT - DUNEDIN						
Revenue	6,840	6,447	392	27,908	27,516	392
Expenditure	6,388	5,966	(422)	26,651	26,228	(422)
PUBLIC TRANSPORT - OTHER						
Revenue	1,179	552	627	2,901	2,274	627
Expenditure	1,651	552	(1,100)	3,374	2,274	(1,100)
PUBLIC TRANSPORT - WAKATIPU						
Revenue	2,815	3,043	(229)	12,675	12,904	(229)
Expenditure	2,347	2,905	558	12,014	12,573	558
REGIONAL LAND TRANSPORT PLANNING						
Revenue	142	173	(31)	675	707	(31)
Expenditure	154	175	21	685	707	21
STOCK TRUCK EFFLUENT DISPOSAL						
Revenue	36	41	(5)	163	168	(5)
Expenditure	32	41	9	159	168	9
Surplus/(Deficit)	440	619	(179)	1,440	1,619	(179)

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Corporate	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Dividends	4,688	4,500	188	18,188	18,000	188
Investment revenue	1,846	2,441	(595)	9,170	9,765	(595)
Other revenue	200	233	(33)	3,334	3,367	(33)
Rates	(4,910)	(4,883)	(27)	(20,776)	(20,749)	(27)
Total revenue	1,824	2,291	(467)	9,916	10,383	(467)
Expenditure						
Depreciation and amortisation	507	298	(210)	1,400	1,191	(210)
Employee benefit expenses	1,205	1,273	69	5,190	5,259	69
Finance costs	2,228	2,356	128	9,296	9,424	128
Other expenses	(1,383)	(1,217)	166	(4,683)	(4,517)	166
Total operating expenditure	2,557	2,711	153	11,204	11,357	153
Other Gains/Losses						
Other Gains/Losses	968	373	594	2,088	1,493	594
	968	373	594	2,088	1,493	594
Surplus/(Deficit)	235	(46)	281	800	519	281

Commentary: Timing differences with internal recoveries (based on budget) more than actual cost incurred for the period

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
HOMEBASE						
Surplus/(Deficit)	0	42	(42)	(42)		(42)
INTERNAL						
INFORMATION SYSTEMS						
Expenditure	418	117	(301)	976	675	(301)
ORC PROPERTY - OPERATIONAL						
Revenue	3	25	(22)	78	100	(22)
Expenditure	16	(7)	(24)	24	-	(24)
RATES COLLECTION						
Revenue	(31)	-	(31)	1,187	1,218	(31)
Expenditure	124	297	173	1,045	1,218	173
VEHICLES						
Revenue	1	-	1	1	-	1
Expenditure	74	(1)	(75)	104	30	(75)
Surplus/(Deficit)	(658)	(381)	(277)	(882)	(605)	(277)
OVERHEADS						
CORPORATE SUPPORT/RECORDS						
Expenditure	17	(1)	(18)	18		(18)
FINANCE						
Revenue	3	-	3	3	-	3
Expenditure	(154)	(3)	151	(151)		151
HEALTH & SAFETY						
Revenue	-	-	-	-	-	-
Expenditure	(22)	(3)	19	(19)	0	19
HUMAN RESOURCES						
Expenditure	(132)	(4)	128	(128)		128
KURIWAO LEASES						
Revenue	7	12	(5)	45	50	(5)
Expenditure	12	2	(10)	20	10	(10)
TREASURY						
Revenue	1,841	2,254	(413)	8,601	9,015	(413)
Expenditure	2,198	2,355	156	9,268	9,424	156
Other Gains/Losses	968	373	594	2,088	1,493	594
WHARE RUNAKA						
Expenditure	5	-	(5)	5	-	(5)
Surplus/(Deficit)	893	293	600	1,724	1,124	600

STATEMENT OF FINANCIAL POSITION

AS AT	September	June		June
30 September 2024	2024	2024	YTD	2025
\$'000	Actual	Actual	Variance	Budget
Assets				
CURRENT ASSETS				
Cash and cash equivalents	11,492	13,605	(2,113)	2,455
Trade and other receivables	77,461	17,139	60,322	18,180
Property held for sale	3,350	3,350	(0)	0
Related party receivable	38,355	38,480	(125)	0
Other financial assets	28,473	27,284	1,188	29,181
Other Current Assets	2,123	1,561	562	1,433
Total Current Assets	161,253	101,419	59,834	51,249
NON-CURRENT ASSETS				
Shares in subsidiary	732,720	732,720	0	780,239
Property, plant and equipment	95,595	96,161	(566)	109,835
Intangible assets	358	408	(51)	2,025
Related party receivable	75,323	75,198	125	150,088
Investment Property	16,850	16,850	0	17,134
Borrower Notes	500	500	0	500
Total Non-Current Assets	921,346	921,838	(492)	1,059,821
Total Assets	1,082,599	1,023,256	59,343	1,111,070
Liabilities				
CURRENT LIABILITIES				
Trade and other payables	61,691	20,281	41,410	22,594
Employee entitlements	2,782	3,293	(511)	2,716
Borrowings	63,702	48,359	15,342	69,878
Total Current Liabilities	128,175	71,934	56,241	95,188
NON-CURRENT LIABILITIES				
Non current borrowings	90,528	90,528	0	110,438
Total Non-Current Liabilities	90,528	90,528	0	110,438
Total Liabilities	218,703	162,462	56,241	205,626
NET ASSETS	863,896	860,794	3,102	905,444
Equity				
PUBLIC EQUITY				
Public Equity	105,569	102,467	3,102	120,576
Total Public Equity	105,569	102,467	3,102	120,576
RESERVES				
Reserves	758,328	758,328	0	784,868
Total Reserves	758,328	758,328	0	784,868
TOTAL EQUITY	863,896	860,794	3,102	905,444

TREASURY REPORT							
AS AT 30 September 2024 \$'000	September 2024 Actual	June 2024 Budget	Variance	Previous 4 Quarters			
Cash and Term Deposits							
	Sep-2024	Jun-2024	YTD Movement				
Cash	11,492	13,605	(2,113)				
Term Deposits	0	0	0				
Cash and Term Deposits	11,492	13,605	(2,113)	0	0	0	0
Managed Fund							
ASSET ALLOCATION	Sep-2024	Jun-2024	YTD Movement	23/24 Q1 Sep-23	23/24 Q2 Dec-23	23/24 Q3 Mar-24	23/24 Q4 Jun-24
Cash	2,891	2,290	601	1,712	4,001	3,516	2,290
NZ Fixed Interest	10,266	10,234	32	9,293	7,541	8,274	10,234
International Fixed Interest	2,972	2,911	60	2,803	2,989	2,922	2,911
Total - Defensive	16,129	15,436	693	13,808	14,532	14,712	15,436
NZ Property	808	752	56	802	846	834	752
NZ Equities	3,946	3,756	190	3,647	3,826	3,871	3,756
Australian Equities	3,988	3,734	254	3,102	3,347	3,667	3,734
International Equities	3,602	3,606	(4)	3,432	3,567	4,065	3,606
Total - Growth	12,344	11,848	495	10,983	11,586	12,438	11,848
Total Managed Fund Balance	28,473	27,284	1,188	24,790	26,118	27,150	27,284
PORTFOLIO PERFORMANCE							
	YTD Actual	YTD Budget	Variance	23/24 Q1 Sep-23	23/24 Q2 Dec-23	23/24 Q3 Mar-24	23/24 Q4 Jun-24
Interest	64	100	(36)	29	243	363	557
Dividends	188	88	100	168	258	357	451
Other (Fees)	(31)		(31)	(32)	(68)	(100)	(132)
Market Value Gain / (Loss)	968	331	637	(637)	424	1,267	1,147
Desposit / (Withdrawal)			0				
Total Portfolio Performance	1,188	518	670	(471)	856	1,888	2,023
Borrowings							
LGFA DEBT	Sep-2024	Jun-2024	YTD Movement				
Council	40,000	25,000	15,000	\$15M short term until rates due on 31 October			
Port Otago	113,678	113,678	0				
Total LGFA Debt	153,678	138,678	15,000				
COUNCIL DEBT	Amount	Maturity	Rate				
Commercial Paper	15,000	Sep-2024	5.56%	\$15M short term until rates due on 31 October			
Commercial Paper	5,000	Dec-2024	5.82%				
Floating Rate Note	5,000	Apr-2025	6.12%				
Fixed Rate Bond	5,000	Apr-2026	5.70%				
Floating Rate Note	5,000	Apr-2027	6.26%				
Fixed Rate Bond	5,000	Apr-2028	5.70%				
Total Council Debt	40,000						

9.2. Rates Strike Collection - 31 October 2024

Prepared for:	Finance Committee
Report No.	CS2354
Activity:	Governance Report
Author:	Sarah Munro, Finance Manager – Reporting Nick Donnelly, General Manager Finance
Endorsed by:	Nick Donnelly, General Manager Finance
Date:	6 November 2024

PURPOSE

- [1] This report provides the Finance Committee with an update on rates struck for the 2024/25 financial year.

EXECUTIVE SUMMARY

- [2] The due date for payment of 2024/25 rates invoices is 31 October 2024. The date for finalising this agenda was prior to that date so some of the information in this paper regarding 2024/25 collection rates and penalties was not available. This will be provided as supplementary information prior to the Finance Committee meeting.
- [3] Rates and customer service staff have fielded a high volume of enquiries from ratepayers who query their rates invoice or provide general feedback on rates. The volume has been higher this year and as expected has focused on the changes made to rates in the Long-Term Plan 2024/34.
- [4] Two issues were identified with the rates strike and these require amended rates invoices to be issued. These relate to the new Oamaru Transport rate being charged on some contiguous properties and the rates records not updating for the additional properties being charged the Leith Indirect rate.
- [5] Consistent with previous years, other feedback has centred on the ongoing increase in rates over recent years and the impact that is having on their ability to pay.
- [6] For 2024/25 rates there was a change to the direct debit options with the removal of the tri-annual option. In 2023, Council established monthly, fortnightly, and weekly direct debit options in response to ratepayer feedback.
- [7] The tri-annual direct debit was removed as an option in 2024, due to low uptake for new direct debits, higher default rates compared to other direct debit options and the large administration requirement for this direct debit option.
- [8] Other service initiatives including emailed payment reminders and a rates brochure (attached) have been provided again this year and have been well received by ratepayers. The email reminder notice was sent to over 19,000 properties in the 2024 rating period.

RECOMMENDATION

That the Finance Committee:

1. **Notes this report.**

RATES COLLECTION AND PENALTIES

[9] For the 2024/25 rating period Council struck rates of \$74,709,450 (2023/24; \$64,326,741) GST inclusive which were due on 31 October 2024. A total of 126,003 rates notices were sent on 6 September 2024 (2023/24; 124,479).

Rates Paid on Due Date

[10] The percentage collected at the due date of 31 October 2024 will be provided at the Committee meeting. In the prior year (2023/24) 81% of the rates struck had been collected on due date of 31 October 2023 (including direct debit arrangements which are marked as paid for this calculation).

Penalties

[11] All balances outstanding on 1 November 2024 (excluding those on direct debit) will be charged a 10% penalty. Penalty amounts and number of penalty notices will be provided at the Committee meeting. In the prior year, 2023/24 there were 19,231 penalty notices sent.

Date	Total Penalty Amount	Percentage of 1 September Rates Balance
Nov 2024	TBA	TBA
Nov 2023	\$1,169,669	1.82%
Nov 2022	\$975,683	1.79%
Nov 2021	\$763,616	1.65%
Nov 2020	\$484,814	1.56%
Nov 2019	\$452,085	1.48%

Ability to Pay

[12] In the current year, as in prior years, we received feedback from ratepayers that people are struggling to pay the higher rates after continued rates increases. We have continued to offer weekly, fortnightly, and monthly direct debit options and arrangements to pay when required for ratepayers.

Debt Collection Procedures for Overdue Rates

[13] It is planned that mortgage collection procedures on arrears will commence in February 2025 for arrears rates that were originally due on the 31 October 2023. Reminder letters will be sent to all ratepayers before mortgage debt collection procedures are commenced.

RATE STRIKE CORRECTIONS

[14] Two issues have been identified with the rates strike which will require some amended rates invoices to be issued. These relate to the new Oamaru Transport rate being charged on some contiguous properties and the rates records not updating for the additional properties being charged the Leith Indirect rate.

Oamaru Transport Rate

[15] This is a new rate charged on a uniform basis to all properties in the Waitaki District excluding those already paying the Dunedin Transport rate (properties in Palmerston). The amount is \$5.45 including GST.

[16] As this is a uniform it qualifies for remission on contiguous properties. Several ratepayers with contiguous properties contacted Council querying this rate on their on their contiguous properties.

[17] This has been reviewed and this charge removed across all 972 contiguous properties that were incorrectly charged. Letters were sent on 10 October 2024 to advise affected ratepayers.

[18] These ratepayers were given the option of retaining the credit to be applied to future rates or contacting Council if they preferred the amount refunded.

Leith Indirect Rate

[19] The Leith Indirect rate was extended to apply to all properties in the Dunedin City area excluding those in the Leith Direct targeted rate area.

[20] The rates record for this rate did not update in the rating system for these additional properties and as a result the rates invoices for these properties exclude the Leith Indirect rate.

[21] The total amount not rated was \$219,972 including GST and applied to 13,789 properties with the average amount not rated being \$15.95.

[22] As this was not identified until early October it was decided to not reissue these invoices prior to 31 October as this would potentially create confusion for ratepayers with new invoices being received on or about the 31 October 2024 due date.

[23] The correction to the rates records will occur after penalties are struck on 1 November, therefore no penalties will apply to the additional amounts. Amended invoices will then be sent with payment of the additional amount due by 30 June 2025.

[24] No penalties will apply to these additional amounts unless they remain unpaid at 1 November 2025 as the next penalties are struck on 1 May 2025 and only apply to amounts outstanding at 30 June 2024.

[25] The table below shows the spread of the additional amounts to be reinvoiced.

	Rate Units	Rate Amount	Average	% of Total Cumulative
Less than \$5	1,191	3,017.20	\$ 2.53	8.6%
\$5-\$10	4,179	33,757.84	\$ 8.08	38.9%
\$10-\$20	6,547	88,885.92	\$ 13.58	86.4%
\$20-\$50	1,606	42,859.99	\$ 26.69	98.1%
\$50-\$100	155	10,894.11	\$ 70.28	99.2%
\$100-\$250	90	13,188.24	\$ 146.54	99.8%
Greater than \$250	21	27,369.00	\$ 1,303.29	100.0%
TOTAL	13,789	219,972.30	\$ 15.95	

[26] The majority of ratepayers will be reinvoiced for an additional amount of less than \$20 (86%) and 99% of the invoices will be for less than \$100. There are 21 amounts greater than \$250. These 21 are properties with capital values greater than \$15 million. There are 5 amounts greater than \$1,000 all of which apply to utilities.

[27] Ratepayers will be sent a letter with the amended invoice. The letters will be tailored to the circumstances of groups of ratepayers as some will not have paid the original invoice whereas some will have paid or have a direct debit in place.

RATEPAYER FEEDBACK

[28] Rates and customer service staff have fielded a high volume of enquiries from ratepayers querying their rates invoice or providing general feedback on their rates. The volume has been higher this year and as expected has focused on the changes made to rates in the Long-Term Plan 2024/34.

[29] The key themes from that feedback are discussed below.

New and Amended Rates

[30] Council consulted on and introduced several new rates. The purpose and applicability of these rates was queried by ratepayers. The rates brochure included a section on what was different in the rates invoice this year.

[31] This covered new rates for navigational safety and catchment management, amended general rate and benefit zone allocations for flood and drainage and the introduction of new general rate allocations for public transport.

[32] The catchment management rate and 75% of general rates are based on capital value so the amounts or increases in these rates was larger in dollar terms for high value properties. This is discussed further in the next section.

Average Rates Increase

[33] At the time the LTP was adopted the average rates increase across the region was 16.3%. This was the calculation based on total rates of \$64.893m (GST exclusive) in year 1 of the LTP vs total rates of \$55.778m in the Annual Plan 2023/24.

[34] Actual rate increases vary depending on a number of factors including the mix of targeted rates that apply to individual properties and the value of individual properties. The actual rate increase also varies from the 16.3% as the actual calculation is based on the actual rates amounts struck for both years. The rates database is updated from the time rates are calculated for the rates resolution in June to when rates are struck in September. The number of properties will also increase over this period.

[35] The table below shows the actual rates struck for 2024/25 compared to actual rates struck for 2023/24.

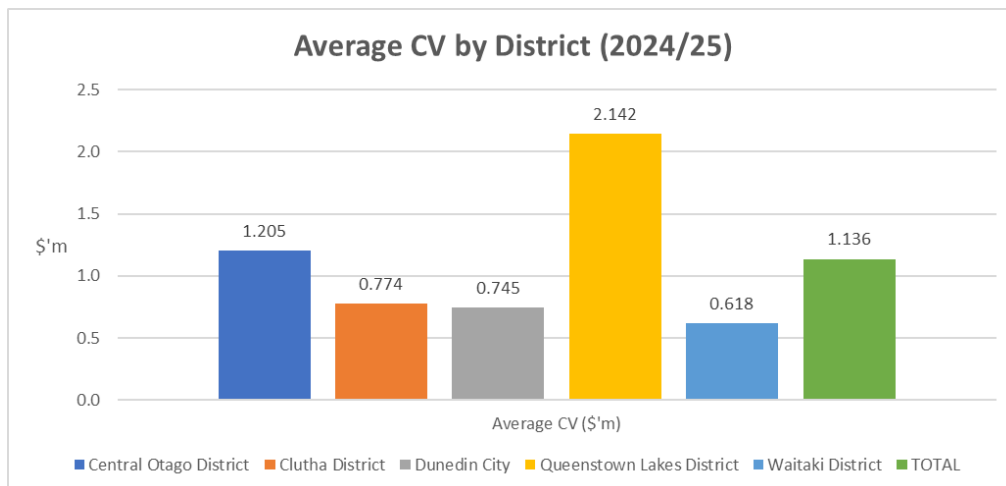
	2023/24		2024/25		Average Rates		Increase	
	Rates \$'000	Rate Units	Rates \$'000	Rate Units	23/24	24/25	\$	%
Queenstown	17,936	30,156	25,135	31,126	594.76	807.52	212.76	35.8%
Dunedin	30,548	55,727	32,472	56,067	548.17	579.16	30.98	5.7%
Central Otago	5,818	14,932	6,988	15,231	389.64	458.81	69.17	17.8%
Clutha	5,924	11,377	5,885	11,388	520.71	516.75	-3.96	-0.8%
Waitaki	4,101	12,071	4,450	12,105	339.72	367.63	27.90	8.2%
Total	64,327	124,263	74,930	125,917	517.67	595.07	77.40	15.0%

[36] The actual average rates increase across the region was \$77.40 (15.0%). The average rate increased from \$517.67 to \$595.07. There was an increase in properties of 1,654 from 124,263 to 125,917.

[37] The table also breaks this increase down by district. Increases were greater in districts with high capital values which includes Queenstown Lakes and Central Otago. This is because the new rates like Catchment Management and General Rates, which had increased allocations from flood and drainage and a new allocation from transport, are CV based.

[38] Rates revaluations and equalisation also impacted these districts more as they continue to increase in value compared to Dunedin, Waitaki and Clutha where property values have declined.

[39] The impact of this can be seen in the graph below which shows average CV's across the region.



[40] This shows that Queenstown has a significantly higher CV than other districts at \$2.142m. This is 1.9 times the average CV for the region of \$1.136m and 3.5 times the average of Waitaki District which has an average CV of \$0.618m.

[41] Comparing this to total rates paid, Queenstown’s average of \$808 is lower at 1.4 times the average total rate of \$595 and 2.2 times Waitaki’s total average rate of \$368.

[42] The average increase for Queenstown Lakes of 35.8% is across the entire district. As noted earlier actual rates increases will vary depending on the mix of targeted rates that apply. For properties in the Whakatipu Transport Targeted Rate area the increase was higher.

[43] Consultation proposed a uniform transport rate to be applied across the entire district for current costs and only the historic deficit was to be paid by the existing targeted ratepayers. The final decision was to continue with the existing rating method which meant the full increase of the transport rate remained with the smaller number of targeted ratepayers.

[44] Council considered average Queenstown rates during deliberation when it considered the level of UAGC. At that time the example used compared properties with a CV of \$1.580M in Queenstown, Wanaka and 2 in Dunedin. That information is shown below and has been updated to include the actual rates paid for 2024/25.

Location	Actual Rates 2023/24	LTP 2024/25 Proposed RFP	LTP 2024/25 Old RFP	Actual Rates 2024/25
Queenstown	523.31	721.87	702.09	745.08
Wanaka	431.55	695.76	496.07	569.79
Dunedin	839.67	789.07	996.58	883.96
Dunedin	854.43	806.43	1,013.33	899.20

[45] The actual amounts paid in 2024/25 vary from the amounts proposed in the LTP as no change was made to the targeted transport rates as proposed in the LTP (other than an introduction of a general rate allocation).

Rate Increases Over Recent Years

[46] Feedback continues to be received about the level of rates increases over recent years. One ratepayer referenced their rates increase from 2016/17 to the current 2024/25

highlighting the rates on their property had increased from \$91.34 to \$630.04, an increase of \$538.70 (590%) over the eight years.

[47] A breakdown of the rates on this property is shown below as it highlights the increase in levels of service that have driven this increase.

	2016/17	2024/25	Increase \$	Increase %
Capital Value (\$m)	\$0.550	\$1.290	\$0.740	135%
General Rate	46.02	251.61	205.59	447%
Uniform General Charge	17.05	69.36	52.31	307%
<i>Total General</i>	<i>63.07</i>	<i>320.97</i>	<i>257.90</i>	<i>409%</i>
Uniform Emergency Management Rate		35.63	35.63	New
Uniform Targeted Wilding Trees Rate	1.07	2.39	1.32	123%
Biosecurity		50.02	50.02	New
River & Waterway Management	24.41	12.89	-11.52	-47%
Catchment Management		68.33	68.33	New
Whakatipu Transport Class B	2.79	139.81	137.02	4911%
TOTAL RATES	91.34	630.04	538.70	590%

[48] This shows the levels of service are not directly comparable and Council's now rates for 3 activities that weren't rated 8 years ago.

[49] Emergency Management transferred to Council from the city / district Council's in 2017/18. Biosecurity was a new rate established in 2021/22 to fund the implementation of the Regional Pest Management Plan. Catchment Management was introduced this year to fund Council's environmental implementation activity including biodiversity, integrated catchment management and water quality improvement projects.

[50] Council took over contracting of bus services in the Whakatipu in late 2017 and has continued to grow and improve the service.

Outram Flood Rate

[51] In the current year differentials were removed for all flood and drainage schemes with the exception of the Lower Clutha flood and drainage scheme. This resulted in Outram properties being charged a higher rate in the dollar than previously charged. We received a large number of phone calls questioning this change and the resulting rates increase.

Ratepayer Details Out of Date

[52] In the current year 2 local councils sent their rates notice after ORC. This is abnormal but was caused by delays in adopting their Long-Term Plans. This resulted in a large number of queries for change of postal addresses and legal sales not being processed which would normally have been directed to the local councils who maintain this data.

SERVICE INITIATIVES

[53] Service initiatives from prior years were continued this year including the rates brochure (attached) and email reminders for those registered to receive their invoice by email. Based on the previous year's feedback and the addition of weekly, fortnightly, and monthly direct debit option in 2023/24 a further change was made to remove the tri-annual direct debit option this year.

Direct Debits

[54] In the current year we removed the option of triannual direct debits. Fewer ratepayers are choosing this as an option for new direct debits. This direct debit option had a high default rate (through feedback from ratepayers due to them forgetting that it was due) and a higher administration cost to collect than other direct debit options.

[55] The majority of ratepayers chose to change their direct debit installment option however ratepayers were also given the option of continuing on the tri annual payment frequency under an arrangement to pay. Some ratepayers were confused on the tri annual direct debit payments, and thought incorrectly that they were paying in advance of the annual rates and questioned why their rates were not in credit.

Email Reminder

[56] In the current year we sent a reminder notice to all ratepayers who had an outstanding balance 2 weeks before the due date and received their rating information via email. This was positively received and resulted in some ratepayers avoiding a penalty that may have otherwise been received. This is not a service that is commonly offered by Councils.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[57] There are no strategic or policy considerations associated with this report.

Financial Considerations

[58] There are no financial considerations other than those already outlined in the report.

Significance and Engagement Considerations

[59] There are no significance and engagement considerations associated with this report.

Legislative and Risk Considerations

[60] There are no legislative and risk considerations associated with this report.

Climate Change Considerations

[61] There are no climate change considerations associated with this report.

Communications Considerations

[62] There are no communications considerations associated with this report.

NEXT STEPS

[63] No further steps are required as this paper is for information purposes only.

ATTACHMENTS

1. Rates Tri-fold Brochure 2024 [9.2.1 - 2 pages]

What you pay for

Environment

Includes monitoring and acting to protect freshwater, air quality, biodiversity, land and soil as well as biosecurity.

GENERAL RATE	TARGETED RATE
\$17M*	\$10.5M

Targeted rates for catchment management (new) and biosecurity

Transport

Includes Orbus public transport services in Dunedin and Queenstown, Total Mobility services and regional transport planning

GENERAL RATE	TARGETED RATE
\$3.81M*	\$13.32M

Targeted rates for public transport services

Safety and Resilience

Includes flood protection and drainage, natural hazards programmes, river management and maintenance, and emergency management.

GENERAL RATE	TARGETED RATE
\$4.42M*	\$10.98M

Targeted rates for flood protection and drainage schemes, river management and emergency management

Regional Leadership

Includes supporting elected councillors, customer service and communications, regional planning, resource consents and compliance, and 24/7 pollution response.

GENERAL RATE	TARGETED RATE
\$23.35M*	\$1.05M

Includes new targeted rates for navigational safety

*Includes Port Otago contribution (see other side for details)





Pay your rates by direct debit

Set up a direct debit so you don't forget to pay.

You can choose to pay weekly, fortnightly, monthly or annually. Direct debits can be set up at any time; however, to avoid a 10% non-payment penalty on your outstanding balance, please apply by 14 October 2024.

Go to orc.govt.nz/directdebit to set this up.



Go paperless

Get your rates invoice by email.

Signing up is easy at orc.govt.nz/gopaperless

0800 474 082







Rates explained

As an Otago Regional Council ratepayer, your contribution plays a vital role in making this region a great place to live, work and visit.

ORC is responsible for promoting the economic, social, cultural and environmental wellbeing of the region. Our focus is on the environment and Otago's natural resources.

The rates you pay directly help ORC's work to protect Otago's natural resources — water, land and air on behalf of the community. Our work includes flood protection, natural hazard adaptation, public bus services, a ferry service in Queenstown, compliance and a regional response to natural disasters when needed. All of this helps to address regional issues and keep people and properties safe.

[Please read on for more details.](#)

How rates are set

Each year we develop a work plan based on projections in our Long-Term Plan, community requests and government requirements. The community is asked for feedback and ideas before councillors make decisions on what is proposed. Rates are then set using our rating and funding model.

Less than half of ORC's funding comes from rates — the rest comes from fees and charges, grants, reserves, dividends from Port Otago and investment income.

Types of rates

General rates

Every ratepayer pays these, as the activities benefit everyone. These are subsidised by Port Otago dividends — \$18 million this year (38% of general rates funding).

Targeted rates

Targeted rates can be a region-wide charge for certain activities or applied to specific properties based on the benefit received. An example of a region-wide targeted rate is Emergency Management. Public transport in Queenstown or Dunedin is an example of targeted rates applied to properties that benefit from the activity.

Changes to rate types

Some changes have been made to our rates system this year. This doesn't affect the level of services we provide — the changes are about how work is funded by rates and who pays. The changes also give ratepayers a better understanding of what their rates are funding.

What is different

Navigational safety

This rate helps to cover the cost of the harbourmaster service — navigation and safety in Otago's harbours and waterways. Ratepayers were already contributing to the cost of this work through general rates. The amount ratepayers pay for this service is unchanged, but a new rate type means people will see what the cost of this activity is. This rate applies to all ratepayers except the Queenstown Lakes District, where a harbourmaster service is provided by QLDC.

Catchment management

This rate helps to cover the cost of ORC's work to protect indigenous species, biodiversity and water quality. Ratepayers were already contributing to the cost of this work through general rates. The amount ratepayers pay for this service is unchanged, but a new rate type means people will see what their rates contribution to this work is.

Flood protection and drainage

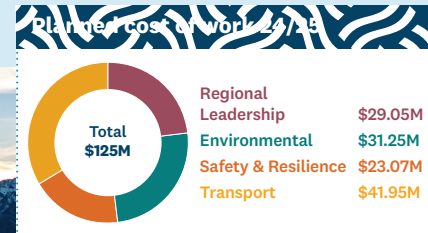
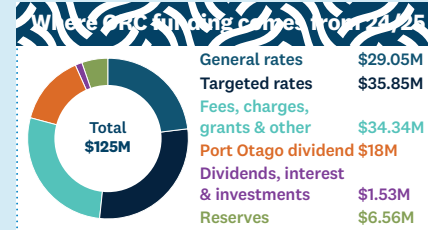
These rates help to cover the cost of infrastructure such as floodbanks and pump stations. Overall, the amount collected in rates doesn't change, but there are some changes in the amounts different ratepayers contribute. Changes to 'benefit zones' mean properties of similar size and value that directly benefit from flood infrastructure will pay the same amount. The proportion paid from general rates increases to 20% for flood

schemes and 10% for drainage, reflecting the wider benefit of these schemes.

Dunedin ratepayers will also notice a new rate, with all properties paying a contribution to the Leith flood scheme.

Public Transport

Queenstown and Dunedin will continue to pay targeted public transport rates. A new public transport rate will also be introduced for Waitaki ratepayers to assist with costs of an Ōamaru on-demand public transport service trial. A change will see 20% of the transport rate come from general rates, reflecting the wider benefits of public transport.



Lake Hāwea

For more information, go to orc.govt.nz/rates

9.3. Activity Performance Report - Quarter 1

Prepared for: Finance Committee

Report No. POL2430

Activity: Governance Report

Author: Mike Roesler, Manager Corporate Planning

Endorsed by: Amanda Vercoe, General Manager Strategy and Customer

Date: 6 November 2024

PURPOSE

- [1] To present the Council’s Activity Performance Reports for the 3 month period ended 30 September 2024.
- [2] This information has previously been included in the quarterly financial reporting, but to provide clarity of non-financial performance a separate report has now been created.

EXECUTIVE SUMMARY

- [3] The Activity Performance Report shows non-financial performance against the measures and targets defined for year one in the Long-Term Plan 2024-2034 [LTP].
- [4] The LTP provides the detailed targets for years one to three and in less detail from years four to ten. These targets and measures are periodically reviewed as part of the Annual Plan process to reflect improvements in how ORC measures performance and changes in the understanding and expectations of performance.
- [5] This report is concerned with year one being the 2024-25 financial year.
- [6] Of the 59 targets, 53 are achieved, 4 are partially achieved and 2 are flagged as not achieved.
- [7] The ‘Discussion’ section talks to the targets that are not on track.
- [8] The attachment to this report provides the detailed results for the quarter.

RECOMMENDATION

That the Committee:

- 1) **Notes this report.**
- 2) *Notes the attached Activity Performance Report for the period 1 July 2024 to 30 September 2024 being quarter one of the 2024-25 financial year.*

BACKGROUND

- [9] This report includes non-financial performance information relating to the service delivery activities defined in the Annual Plan 2024-25, being year 1 of the Long-Term Plan. Progress over the 2024-25 financial year is reported to the Finance Committee on a quarterly basis. At year-end the 2024-25 Annual Report is completed, and following external audit, is approved by Council.

DISCUSSION

- [10] The attachment shows activity performance recorded against the 59 targets included in the Long-Term Plan for year 1. As at 30 September 2024, of the 59 targets, 53 are on track to be achieved, 4 are ‘at risk’ of not being achieved, and 2 will not be achieved.
-

- [11] The 'not achieved' (red) targets relate to the:
- Governance & Community Engagement Activity, and the target for timeliness of response to official information requests.
As at 30 September, 97% of requests had been responded to within the legal timeframes.
 - Regional Planning, Strategy & Urban Activity, and the target for completing consultation on maps of highly productive land.
It is unlikely that public consultation will be completed by the end of December 2024. Council is waiting on direction from central government.
- [12] The 'partially achieved' (yellow) targets relate to the:
- Regional Planning, Strategy & Urban Activity, and the target relating to completing the Joint Queenstown future development strategy (FDS).
The delay in completing the Housing and Business development capacity assessments (HBCA) for the joint ORC QLDC FDS (Spatial Plan Gen 2.0) until at least November 2024 impacts the FDS target. It is uncertain when the FDS will be notified to the public, heard by a Panel and completed.
 - Biodiversity & Biosecurity Activity, and the target for progressing scheduled joint projects.
Project actions within the schedule are still being developed.
 - Natural Hazards & Climate Change Adaptation Activity, and the target relating to completing the 'Head of Lake Wakatipu Natural Hazards Adaptation Strategy'.
The 31 December 2024 delivery target has been revised to early 2025. This allows sufficient time for community feedback and final decision-making.
 - Emergency Management Activity, and the target relating to trained staff to co-ordinate a region-wide response.
Work continues growing the existing pool of trained staff and is largely dependent on attracting further ORC staff to increase the pool.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [13] This report is underpinned by the planning and reporting framework defined in Council's Long-Term Plan.

Financial Considerations

- [14] This report complements the Financial Performance Report also provided to this 6 November 2024 Finance Committee meeting.

Significance and Engagement Considerations

- [15] No considerations.

Legislative and Risk Considerations

- [16] Quarterly reporting is not a legal requirement but rather satisfies risk management needs. It is provided in addition to the legally required Annual Report.

Climate Change Considerations

[17] No considerations.

Communications Considerations

[18] No considerations.

NEXT STEPS

[19] The quarter two Activity Performance Report is programmed for consideration at the first Finance Committee meeting of 2025.

ATTACHMENTS

1. Activity Performance Report as at Quarter 1 2024-25 [9.3.1 - 5 pages]

Activity Performance Report

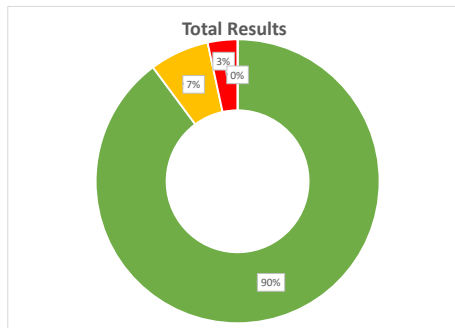
2024-25 QUARTER ONE – @ September 2024



www.orc.govt.nz

Service Delivery Performance

The 2024-25 Annual Plan contains 35 level of service statements, 56 measures and 59 targets related to activities being delivered in the 2024-25 year.



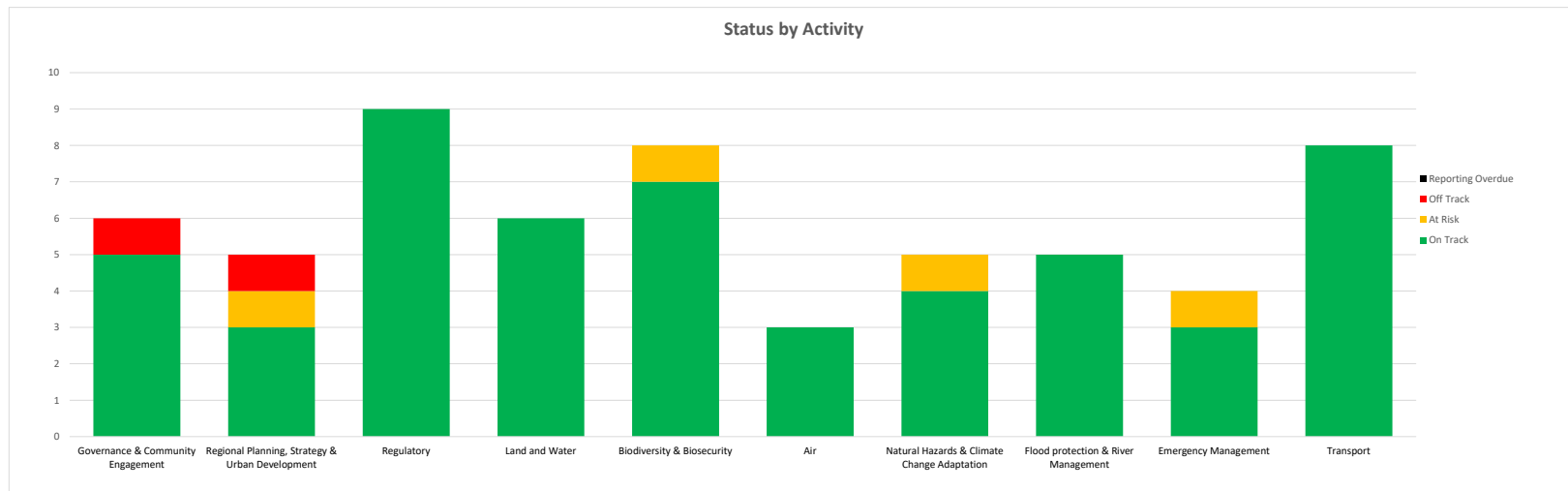
On Track / Achieved **53**

At Risk **4**

Will Not Achieve **2**

Reporting Overdue **0**

A full list of measures, targets and the results for each quarter is included at the end of this report.



Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

REGIONAL LEADERSHIP	
Governance & Community Engagement	Q1 COMMENT
Percentage of official information requests responded to within 20 working days of being logged - Target: 100%	This is currently at 97% compliance. As we are required to be 100% compliant, we will not achieve this target at end of year. 59 out of 61 LGOIMA requests have been responded to within 20 working day of being logged.
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements - Target: Annual Plan adopted by council prior to 30 June 2025	On track
Percentage of council agendas are publicly available two working days or more before a meeting - Target: 100%	100% expected to be on target
Biannual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC - Target: Report against the action plan to Council by March 2025.	While some of the targets are also the responsibility of other teams, the action plan deliverables required of C&M team are on track to be successfully delivered this year, for the most part.
Customers express high levels of satisfaction with customer service provision - Target: Develop Customer Policy to determine satisfaction levels	The draft Customer Policy was delayed and will be re-submitted to ELT on October 14th. We are still expecting to be on target.
Increase opportunities for engagement with diverse groups across Otago to lift awareness and understanding of the work of the regional council and seek feedback on performance Target: Create and implement engagement plan and establish engagement data	On-track for delivery of level of service statement
Regional Planning, Strategy & Urban Development	Q1 COMMENT
Support integrated and well managed urban growth across Otago - Target: Joint Queenstown future development strategy completed by 30 June 2025	As the Housing and Business development capacity assessments (HBCA) for the joint ORC QLDC FDS (Spatial Plan Gen 2.0) is delayed until November 2024 at least it is uncertain when the FDS will be notified to the public, heard by a Panel and completed.
Support integrated and well managed urban growth across Otago - Target: Consultation on maps of highly productive land completed by 31 December 2024	It is unlikely that public consultation will be completed by end of December 2024 as we are still waiting on direction from central government.
Develop a regional biodiversity strategy and implement ORC actions. Target: Draft regional biodiversity strategy is made available for public consultation by 30 June 2025	The draft Biodiversity Strategy will be ready for public consultation by 30 June 2025.
Develop a Regional Air Quality Strategy and implement ORC actions. Target: Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.	By June 2025 the preferred strategic approach to addressing air quality issues in Otago will be well defined and costed, and delivery partners will be on board.
Develop a Regional Climate Change Strategy and implement ORC actions -Target: ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.	It is expected that the final SCAP will be adopted in late 2024, the monitoring programme will be developed in early 2025, and many of the new actions will be underway by June 2025.
Regulatory	Q1 COMMENT
Maintain 24-hour/7 day a week response for environmental incidents - Target: Pollution hotline staff available/on call 24/7	Expect to be on track.
Maintain 20 appropriately trained responders for maritime oil pollution incidents -Target: 20 responders attend 3 exercises per year	Expect to be achieved.
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes - Target: ≥98%	100% of consents have been processed within timeframes since the start of the new financial year. Some existing work remains with external consultants to process to ensure timeframes can be met
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%	Expect to be on target
Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy - Target: 100%	Expect to be on track
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%	On track
Maintain compliance with Port and Harbour Marine Safety Code - Target: External review is completed and deemed to be code consistent.	expect to be achieved
The safety campaign for recreational 'boaters' is delivered - Target: 80% achieved	Expect to be achieved
Percentage of public enquiries for consent information completed within 7 working days - Target: Maintain or increase	We are on track to meet the end of year target

On Track	At Risk	Off Track	Not Measured	Reporting Overdue
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ENVIRONMENT	
Land and Water	Q1 COMMENT
Complete the Land and Water Regional Plan (LWRP) - Target: Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.	Work is progressing and staff are continually monitoring progress against this amended notification timeframe. The pLWRP and the section 32 report are on track for notification decision by end of October 2024.
ORC led and community/landowner supported workshops and events are delivered which promote best practice land management for soil conservation, water quality and/or the efficient use of water. Target: At least 12 ORC led workshops or events are delivered annually	Nine ORC led workshops or events are delivered to date. Expected to be on target as we continue catchment related engagements.
Site specific projects are developed for selected degraded waterbodies - Target: New projects and associated milestones are developed and reported to Council	New projects will fall out of the Catlins Catchment Action Plan.
Site specific projects are developed for selected degraded waterbodies - Target: Project actions have been progressed as scheduled (>80%)	Project actions are being progressed.

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

Catchment Action Plans (CAPs) give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community. Target: One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2025		Catlins CAP to be presented to council 20th Nov.
Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments. Target: Annual report for each of the 4 environments to Council prior to 30 June 2025.		on track
Biodiversity & Biosecurity	Q1	COMMENT
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 100% of targets for priority pests are delivered.		Continue workplan as set out. Move towards plant pest inspections/monitoring.
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 90% of actions achieved within timeframes specified.		Continue with implementing the Operational Plan.
Externally funded biosecurity projects/programmes are implemented as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled		On track to deliver agreement as scheduled.
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed - Target: New projects and associated milestones are developed and reported to Council and forum partners		New projects are being developed. This is on track.
Joint projects are implemented against milestones - Target: Project actions have been progressed as scheduled (>80%)		Project actions are still being developed.
Alignment between initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives - Target: 80% alignment		Projects are aligned to strategic objectives.
Externally funded freshwater projects/programmes are delivered as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled		This target is progressing well and is on track.
Report the results of environmental monitoring for regional indigenous biodiversity ecosystems - Target: Annual report completed prior to 30 June 2025		On track
Air	Q1	COMMENT
Implement a regional air monitoring programme - Target: Annual report on monitoring programme completed and reported to Council		on track
Report the results of environmental monitoring for air. - Target: Annual report for air monitoring for previous financial year reported to Council by 30 Sept 2024. Note: ≥95% = achieved		Target delivered on 20 March 2024 presented to Environmental Science and Policy Committee.
Complete review of the Regional Plan Air - Target: Council approves Regional Plan Air for notification by 30 June 2025		Currently working to the target.

On Track	At Risk	Off Track	Not Measured	Reporting Overdue
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SAFETY AND RESILIENCE		
Natural Hazards & Climate Change Adaptation	Q1	COMMENT
Natural hazards information is available via the web-based Otago Natural Hazards Database - Target: Database is accessible and up-to-date 100% of the time		Database has been accessible 100% of the time and no issue anticipated.
Percentage of flood warnings that are issued in accordance with the flood warning manual - Target: 100%		Delivery on track. The October flooding event to be reported in Q2.
Implement the findings of the regional natural hazards risk assessment and inform adaptation planning and implementation - Target: Implementation and additional assessments of natural hazards and risks based on the findings of the Otago Natural Hazards Risk Assessment. Phased delivery Yr 1 to 10		No issues expected at this stage.
Implement prioritised natural hazard risks adaptation works - Target: The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024; Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.		A revised schedule to deliver the first iteration of the strategy will be in early 2025 so we won't make it to the 31 December 2024 target. This is to allow sufficient time for community/public feedback on the draft Strategy, and incorporation of this feedback into the final version of the Strategy document.
Implement prioritised natural hazard risks adaptation works - Target: Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan		It is not expected that the delays in the delivery of the risk assessment will result in significant delays in the overall delivery of the SDF programme.
Flood protection & River Management	Q1	COMMENT
Percentage of scheme renewals programme: Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of renewal programmes completed		The delivery programme and milestones for 2024/2025, which is drawn from the Infrastructure Strategy Investment Programmes is on track for delivery. Details provided in Engineering Quarterly Reports
Percentage of scheme maintenance programme: Major flood protection drainage and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of planned maintenance programme completed		The scheduled maintenance programme is on track and is currently in procurement phase for key maintenance activities.
Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents - Target: >85% of planned maintenance programme completed		The Annual Work Programme is on track and will be finalised by end of September. Notification through consenting processes then follows. This is subject to key assumptions which determine delivery, such as, all resources available, weather dependencies etc.
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Flood repair programme: Damage identified, prioritised and a repair programme is made available to affected communities within 3 months of the event/100%.		There has been no significant event in Q1. The recent flood event to be reported in next quarter, Q2.
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.		All issues so far have been communicated within 20 days. On track with the target.
Emergency Management	Q1	COMMENT

Finance Committee Agenda - 6 November 2024 - MATTERS FOR CONSIDERATION

Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency - Target: Maintain a duty roster for 24/7 365 coverage for initial responses to Civil Defence emergencies	Expected to maintain LOSM throughout the year.
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation. Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response	An appropriate facility is available for immediate activation. We are on target.
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM - Target: Fulfill all requirements as the administering authority and the Otago CDEM Partnership Agreement	No issues anticipated.
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response	Work continues on growing the existing pool of trained staff and is largely dependent on attracting further ORC staff to be available for training.

On Track	At Risk	Off Track	Not Measured	Reporting Overdue
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TRANSPORT	
Transport	COMMENT
Percentage of scheduled services on-time (punctuality – to five minutes) - Target: 95%	Services are heavily affected in Dunedin by extensive roadworks and road closures, whilst Queenstown continues to be affected by heavy congestion on the approaches in and out of central Queenstown/Stanley Street at peak times and significant ongoing roading works. It is anticipated that Dunedin punctuality will improve significantly with the completion of the central city works.
Overall passenger satisfaction with Dunedin Public Transport system at annual survey - Target: Maintain or increase 3 yr rolling average >=90%	Annual survey to be completed in Q4
Annual public transport boardings in Queenstown - Target: Increase	Patronage comfortably exceeds 2023 to date. However, substantive roading upgrades in Frankton and wider Queenstown area may prove challenging.
Annual public transport boardings in Dunedin - Target: increase	The recent introduction of direct services from Mosgiel to Dunedin, together with increased peak frequencies and a forthcoming trial of improved route connections to the South Dunedin area, should contribute towards positive growth.
Percentage of scheduled services delivered (reliability) - Target: 95%	Target expected to be achieved.
Overall passenger satisfaction with Whakatipu Public Transport system at annual survey - Target: Maintain or increase 3yr rolling average >=90%	Annual survey to be completed in Q4.
Percentage of users who are satisfied with the provision of timetable and services information - Target: Maintain or increase 3 yr rolling average >=90%	Surveys are completed in Q4 - target expected to be achieved.
Percentage of users who are satisfied with the overall service of the Total Mobility scheme- Target: Maintain or increase 3 yr rolling average >=90%	Surveys are done in Q4. We expect to achieve the target.

On Track	At Risk	Off Track	Not Measured	Reporting Overdue
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