



Otago
Regional
Council

Annual Report 2023-2024

Otago Regional Council Annual Report

1 July 2023 to 30 June 2024

Crown Range, Central Otago

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Richard Saunders, Chief Executive & Gretchen Robertson, Chairperson

Message from our Chairperson and Chief Executive

Tēnā koutou katoa,

The Otago Regional Council's commitment to supporting positive relationships between environment, people and place has been at the forefront of our work over the past year. Our focus has not only been on delivering efficient services to the people of Otago, but on supporting community-led initiatives for positive and impactful outcomes. We recognise that the power of collective skills can surpass what any individual or organisation can achieve alone.

This year, we refreshed ORC's strategic directions, setting clear goals and focus areas to realise our vision for Otago — where our environment and communities thrive, ki uta ki tai (from the mountains to the sea). In

the context of a challenging economic climate, we have placed a strong emphasis on delivering a Long-Term Plan which achieves organisational efficiencies, ensuring that we deliver value for ratepayers' money while continuing to sustain healthy, connected communities. We are also committed to returning an increased dividend from Port Otago to the Otago community as part of delivering greater value.

The value of community-driven efforts in solving problems and creating opportunities is a theme deeply embedded in our work. We are proud to highlight ORC's accomplishments in hazard resilience, significant growth in bus patronage, navigational safety, regional civil defence coordination, environmental science,

biosecurity, and regulatory activities. Alongside these achievements, we remain committed to the principle of actively contributing our skills and resources to empower communities – to foster real outcomes through collective action.

Our valued partnership with mana whenua in Otago continues to underpin much of our work programme. Positive water enhancement work continues through these partnerships, exemplified by the remediation project for Te Hapakupu Pleasant River with Kāti Huirapa Rūnaka ki Puketeraki. We also look for opportunities to partner with other multi-stakeholder initiatives like the Te Mana o te Taieri project and Predator Free Dunedin. ORC remains the primary supporter of the independent organisation Otago Catchment Community Inc., which is helping to build a region-wide network of catchment groups addressing environmental issues. Our ECO Fund was fully subscribed, supporting targeted and general community environmental projects. We have actively fostered community-led catchment management initiatives in The Catlins and Upper Lakes.

Climate change is a crucial focus area for ORC. This year, Councillors endorsed the draft Strategic Climate Action Plan, and we are now looking forward to seeking community input on this important initiative. Our work on natural hazards adaptation programmes continues for South Dunedin, the Clutha Delta, and Glenorchy/Head of Lake Whakatipu, while climate resilience projects for our flood schemes have made significant progress, with work at Riverbank Road, Robson Lagoon, and the Outram Weighting Blanket now complete.

The development of a new Land and Water Programme remains a priority for ORC, with a work programme in place to achieve a notification decision by October 2024. We are also nearing the completion of a significant project to review the Otago Regional Policy Statement, which outlines the aspirations of our communities and stakeholders, identifies obstacles, and proposes solutions to achieve our shared goals.

A review of the Regional Air Plan is underway, with community consultation planned for the 2024/25 year. Additionally, work is in progress to develop and implement a region-wide programme to monitor Otago's native plants and animals. This initiative is part of our science and monitoring team's broader efforts in biodiversity, soil, water, and air monitoring, enabling a more comprehensive understanding of Otago's environment.

In our environmental monitoring and regulatory roles, ORC staff completed 1,411 compliance checks, including consent audits, dairy inspections, and forestry site visits. Our pollution hotline responded to 1,095 incidents, and 101 formal enforcement actions were taken in 2023-24.

Public transport services in Queenstown and Dunedin reached record levels, with almost 1.9 million passenger trips in Queenstown and around 3.4 million in Dunedin over the last financial year – an increase of 51% in Queenstown and 21% in Dunedin.

ORC staff have been actively engaging with communities, providing opportunities to get involved in various activities, including intensive winter grazing, effluent and farm planning workshops throughout Otago, a successful earthworks field day in Queenstown, and a strong presence at the Wānaka A&P Show, where we showcased our broad work programmes and engaged in constructive community conversations.

Availability of ORC information has improved significantly with the launch of our enhanced website, offering a better customer experience and improved accessibility. This two-year project involved mana whenua and stakeholder input, helping to build and strengthen our relationships with the community while highlighting ORC's work in supporting healthy and connected communities.

It's been a busy year, but as we look to the future, we recognise that there is still more work to be done. Together, we will continue striving to ensure that our environment and communities remain healthy and connected, ki uta ki tai.

Kā mihi nui,



Gretchen Robertson
CHAIRPERSON



Richard Saunders
CHIEF EXECUTIVE

Development of Māori Capacity to Contribute to Decision Making

He Mahi Rau Rika, the Council's Significance, Engagement and Māori Participation policy, expresses our intent to actively seek meaningful engagement with mana whenua and to support the Crown's intention to uphold the principles of te Tiriti o Waitangi / Treaty of Waitangi as prescribed in local government and Treaty settlement legislation.

The Otago Regional Council values its strong relationship with Kāi Tahu Papatipu Rūnaka. During 2023-2024 the Council continued to work proactively with iwi partners, supporting the intention of the Crown to uphold the principles of the Treaty of Waitangi as prescribed in local government and treaty settlement legislation. Over the past year, our focus has been on continuing to strengthen partnership activities and acknowledge the unique, enduring relationship iwi have with this land.

There are four Papatipu Rūnanga in Otago (Ōtākou):

- Te Rūnanga o Moeraki
- Kāti Huirapa Rūnaka ki Puketeraki
- Te Rūnanga o Ōtākou
- Hokonui Rūnanga

A further three Ngāi Tahu ki Murihiku Rūnanga have shared interests in the region:

- Awarua Rūnanga
- Waihopai Rūnaka
- Ōraka-Aparima Rūnaka

To reflect on the health of the partnership, Council commissioned a te Tiriti o Waitangi Audit, led by Te Kura Taka Pini (TKTP) and supported by rūnaka. The audit reviewed whether Council is operating in a manner consistent with its commitment to work in partnership with mana whenua, as expressed in several foundational documents, and whether a bicultural approach is demonstrated within its organisation. The results from this audit will help shape and enhance future partnership activities.

At the governance level, Council facilitated participation of Kāi Tahu Papatipu Rūnaka in decision-making through the following formal arrangements:

- Mana to Mana: Kāi Tahu ki Otago Rūnaka Chairs and Councillors meet to discuss governance related issues of interest to either side.
- An Iwi representative as Co-Chair of the Environmental Science and Policy Committee.
- Two iwi representatives from Kāi Tahu ki Otago are members of Environmental Science and Policy Committee and Regional Leadership Committee.
- Land and Water Regional Plan Governance Group, with two iwi representatives and two ORC Councillors to guide the development of the Land and Water Regional Plan.
- Iwi participation in the development of Strategic Directions 2024-2034 document.
- Iwi representatives involved with the creation of the Integrated Catchment Management approach.
- Memorandum of Understanding and Protocol(2003) between Otago Regional Council, Te Rūnanga Ngāi Tahu and Kāi Tahu ki Otago for effective consultation and liaison.
- Charter of Understanding (2016) signed with Te Ao Mārama Inc. and Southland Rūnanga.

At an operational level, Council increased active engagement on a range of issues, including land, water and air quality, biodiversity, natural hazards infrastructure, compliance and consenting, climate change and emergency management. Key partnership activities for 2023-2024 were:

- Working with Aukaha and Te Ao Mārama to implement the Catlins Integrated Catchment Management Catchment Action Plan.
- Partnering with rūnaka in 'Jobs for Nature' funded projects, such as the Toitū Te Hākapupu: The Pleasant River Catchment restoration project.
- Engagement and expertise provided to engineering, compliance, consent and civil defence and emergency management teams to support business as usual activities.
- Co-design in the Council's Dunedin Whare Rūnaka (Council House) project.
- Co-design approach to the Council's website upgrade.
- Participation in the regional biodiversity hui and Freshwater Farm Plan working group.
- Development of a cultural values assessment and statement of expectations for Wai Whakaata/Lake Hayes.

Development of Māori Capacity to Contribute to Decision Making

- Engagement to develop project plan for the Regional Biodiversity Strategy and development of ORC's Strategic Climate Action Plan.
- Participation in the Technical Advisory Group for the Deep Lakes.

Recognising the need to invest in building the bicultural competence of our staff, the ORC continued its agreement with the Otago Polytechnic to provide bicultural competency training, which includes modules on Te Reo, Tikaka and te Tiriti o Waitangi / Treaty of Waitangi.



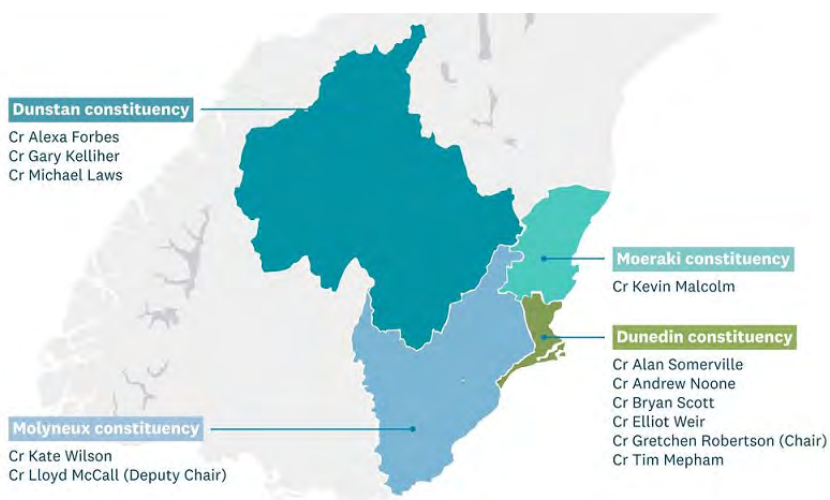
Councillors and Constituencies

Your elected Otago Regional Councillors represent the region's four constituencies – Dunedin, Dunstan, Moeraki and Molyneux.



Back row left to right: Cr Andrew Noone, Cr Alan Somerville, Cr Bryan Scott, Cr Elliot Weir, Cr Tim Mepham, Cr Michael Laws. Insert: Cr Gary Kelliher

Front row left to right: Cr Alexa Forbes, Cr Kevin Malcolm, Cr Gretchen Robertson (Chair), Cr Lloyd McCall (Deputy Chair), Cr Kate Wilson



Strategic Directions

Our strategic directions help to set the direction for us as a regional council and guide us to deliver on our priorities for the good of the region.

Our strategic directions were updated in 2021 with new strategic directions to be adopted in July 2024.

Our Values Ō Mātau Uara

- Accountable
- Caring
- Creative
- Collaborative
- Trustworthy
- Open and honest

Our Mission Te Kaupapa

Enriching life in a way that ensures positive relationships between environment, people and place, now and for our future.

Whakahaumakohia te ao kia whiria te taura ora ki waeka i te taiao, i te tai-takata, i te tai-whenua mō nāianei, mō te āpōpō hoki.

Vision for ORC Te Whāika ki ORC

Otago's communities, through engagement, trust us to make well-informed decisions and enable solutions.

What we will do Ka Aha Mātau

Protect, Connect, Enhance, Enable

Ka tāwharau, ka whakahono, ka whakaniko, ka whakamana

The wellbeing of Otago's communities – now and in the future - is at the heart of what we do. We strive to ensure communities can rely on the Otago Regional Council for knowledge about the region's environment and communities; to lead environmental management in Otago in partnership with mana whenua; to collaborate to create resilient and sustainable communities; and to advocate for Otago communities on issues affecting the region.

Community Outcomes

Our Vision for Otago

Tā Mātau Whaika ki Ōtākou

Communities that connect with, and care for, Otago’s environment. An environment that supports healthy people and ecosystems. Communities that are resilient in the face of natural hazards, climate change and other risks. Te ao Māori and mātauraka Kāi Tahu are embedded in Otago communities. Sustainable, safe and inclusive transport. A sustainable way of life for everyone in Otago.

ORC’s Community Outcomes describe what is valued as important for a good quality of life in Otago. In our 2021-31 Long-term Plan, the Otago Regional Council identified these six Community Outcomes which the Council seeks to achieve through the delivery of our activities. We aspire to improve the wellbeing (social, economic, environmental and cultural) of our region through our work in these four groups of activities.

This matrix shows the four groups of activities and the Community Outcomes to which they most strongly align:



Regional Leadership	✓	✓	✓	✓	✓	✓
Environment	✓	✓	✓	✓		✓
Safety and Resilience			✓			✓
Transport					✓	✓

Acknowledgements

We thank the district and city councils, other institutions, urban and rural industries, Kāi Tahu and the communities of Otago for working constructively with us to ensure the best possible outcomes for our region and its people.

Gretchen Robertson
CHAIRPERSON

Richard Saunders
CHIEF EXECUTIVE



Our Activities and Performance



Overview of our Activities

Otago Regional Council's ten activities are arranged into four groups:



Regional Leadership

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

Our Regional Leadership work supports informed decision making and an engaged community. Our democratic decision-making process and community-elected councillors ensure everyone's voices around Otago are heard and that leadership is provided to benefit Otago. Our regional plans set out objectives, policies and rules for the sustainable use of natural and physical resources in Otago, and our regulatory work supports the sustainable management of water, land, air and coast. We also need organisational and functional strategies and plans to support regional regulation and implementation, promote regional wellbeing and build community capacity and resilience.



Environment

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

Environmental management is at the heart of what Otago Regional Council does. We have a responsibility to lead and work with communities in our natural environment. We facilitate the sustainable use of water, land, air, and coasts. We do this in part by protecting our unique biodiversity, managing pests, and monitoring the state of the environment. We are also reviewing our regional plans and transitioning towards an integrated catchment management approach to protect freshwater, land, coastal environment, and ecosystems.



Safety and Resilience

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

Risk management and building resilience is a key focus for Otago Regional Council. We identify and monitor natural hazards and work to support communities to understand the implications of risk and to make informed decisions. We are working to better understand the climate change challenges and risks to the region — this supports adaptation planning. Our flood protection schemes help protect people and properties from floods, and our drainage schemes help maintain the productive capability of the land and waterways. We also respond to flood events and support Otago Civil Defence and Emergency Management.



Transport

- **Transport (including Regional Transport and Public Passenger Transport)**

Otago Regional Council is responsible for public transport in Otago, and through contracted operators, we provide public passenger transport services in Dunedin and Queenstown. We also provide a region-wide 'Total Mobility scheme' to assist eligible people who are unable to use public transport. We facilitate wider transport projects in Otago and prepare a Regional Land Transport Plan.

Statement of Service Provision

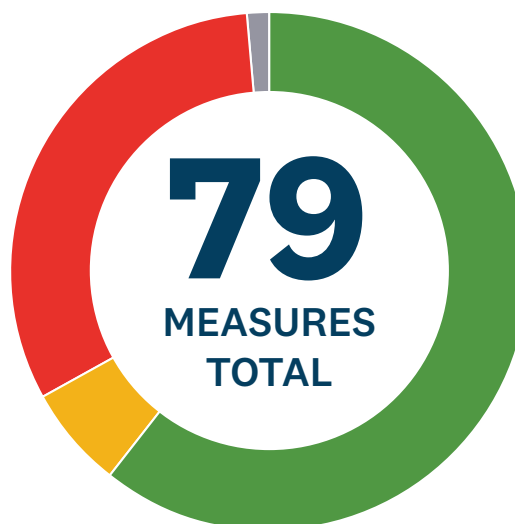
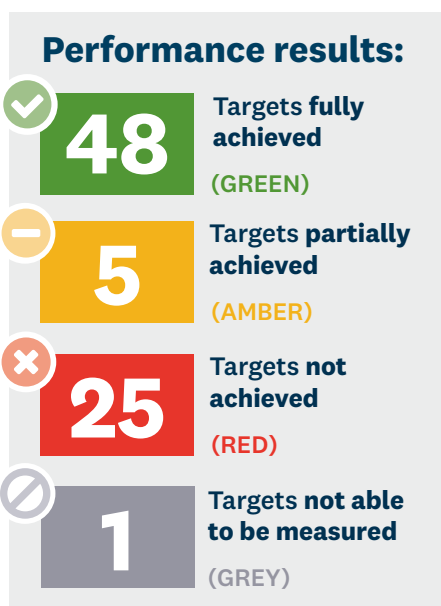
This section reports on Council's performance against service measures adopted in the Long-term Plan 2021-2031 and as adjusted in the 2023/2024 Annual Plan.

As part of preparing the forecast statement of service provision in the 2021-2031 Long-term Plan, Council made judgements in the selection of service performance measures for its groups of activities.

The measures and targets were selected to reflect the level of service Council is planning to provide to the community. Considerations included national requirements for measurement, understanding delivery over time and availability of baseline information, and the underlying ability to monitor measures and targets. Over this Annual Report period, progress was reported quarterly to Council's Finance Committee.

This Annual Report is based on an adjusted Long-term Plan and contains 37 Level of Service statements, 66 measures and 79 targets. This approximates the quantum and nature of the performance material agreed in June 2021 for the Long-term Plan 2021-2031. Performance against these service measures and targets is reported by groups of activities as described above.

Funding Impact Statements that identify the costs and funding associated with each group are included in the financial section of this Annual Report.



Regional Leadership

This group of activities includes the following council activities:

- Governance and Community Engagement
- Regional Planning and Urban Development
- Regulatory

Performance results



Community Outcomes

Our Regional Leadership activities contribute to:



Governance and Community Engagement



This activity supports Otago's elected regional council representatives to perform in their roles of decision making and connecting community. Enabling and strengthening our regional democracy is sought and is underpinned by these roles.

Work that supports decision making includes:

- Elected member committee structure, council meetings
- Secretariat support for the 'Otago Mayoral Forum'
- Partnership with Kāi Tahu and iwi liaison
- Advice and information about community wellbeing in Otago.

Council communications and engagement expertise supports connecting community in a timely and accessible way to Council decision making and work.

The key programmes that make up this activity are:

- Media and Communications
- Governance and Democracy.

Performance and Delivery

Governance and Democracy

We achieved our governance-related targets in the 2023/24 financial year. The 2024-2034 Long-term Plan was adopted by Council on 26 June 2024. We responded to 168 LGOIMA requests, meeting the statutory time frames for all of them. All Council agendas were publicly available two or more working days before the relevant meeting.

Iwi Partnership

Having a strong and enduring partnership with mana whenua continues to be a pillar of the ORC's work. In the 2023/24 financial year, the number of projects we did in partnership with iwi doubled from the 2022/23 year, lifting from 19 to 40.

A te Tiriti o Waitangi audit of the organisation has been completed. The co-design of our new headquarters, as part of the Whare Rūnaka Project, is progressing well, with detailed design nearly complete. Our new website, launched in July, was also co-designed with mana whenua.

Many of the organisation's governance committees, working groups and forums have mana whenua representation, and much of our work is informed and guided by cultural assessments and statements of expectations developed by mana whenua.

We worked closely with Aukaha and Te Ao Mārama in the catchment management area. Through the Integrated Catchment Management Group, we are developing frameworks for a pilot catchment action plan in The Catlins. We also have several projects underway working directly with kā papatipu rūnaka, including Maintaining the Gains – a project to protect and restore indigenous biodiversity – and Toitū Te Hākapupu (Pleasant River Catchment) Restoration Project.

Aukaha and Te Ao Mārama are part of the working group for freshwater farm plan implementation, which incorporates tangata whenua values. They are informing the development of challenges and values associated with catchments and regional training.

Mana whenua are providing invaluable support for the development of the Land and Water Regional Plan, both at a governance level and with input to key parts of the plan and contributing analysis and guidance.

Bicultural Competency

In the last financial year, we had a large number of registrations for both the full certificate and specific courses in our bicultural training programme, exceeding our target of 50 participants. We have confirmed a new bicultural competency programme (potentially with a new supplier). Participants who had partially completed the previous programme have now fully completed it.

Strategy

A key achievement in the 2023/24 financial year was completing our refresh of the organisation's Strategic Directions. This elected regional councillor-led work has resulted in a set of strategic directions with six focus areas and three goals under each area. The new directions are designed to run for 10 years in alignment with the 2024-2034 Long-term Plan.

Our annual report on regional climate change collaboration between the ORC and the territorial local authorities (TLAs) was presented to Council on 26 June 2024. At the same meeting, Council endorsed the draft Strategic Climate Action Plan. There was a strong level of interest and participation in the development of this action plan, which involved councillor workshops and a mix of direct engagement with TLAs and other key stakeholders and online webinars for specific industries, such as agriculture. We expect to publicly consult and complete this work by the end of 2024.

Work has progressed well on the delivery of a regional sequestration study, and a draft report is with ORC staff and members of the Otago Climate Officers Group (staff from the region's TLAs) for review. Although this project did not meet the deadline of 30 June 2024, we expect to deliver it in the first quarter of the next financial year.

We are also working to reduce carbon emissions as part of the Zero Carbon Alliance. The ORC, the Dunedin City Council (DCC), the University of Otago and Health NZ (Te Whatu Ora) are collaborating on an initiative focused on workplace travel planning.

A key piece of work underway is the development of a comprehensive, independent stocktake of issues and opportunities for the Otago Harbour. This work will give us a strong evidence base to support decisions and projects related to the harbour. We are working closely with mana whenua and the DCC and have completed substantial early engagement with a wide range of stakeholders. We plan to deliver this report, which will be underpinned by a cultural narrative, before the end of 2024.

Work has also begun on a review of the ORC’s biodiversity strategy—with the focus for the early stages being to determine the intent, ambition and scope for the new strategy.

The ORC’s baseline report on community wellbeing indicators was completed in June 2023 (at the end of the previous financial year).

Media and Communications

An improved ORC website was launched to provide a better customer experience. This two-year project, which included mana whenua and stakeholder involvement, improved accessibility and public access to ORC information.

A wide-reaching advertising campaign for the ORC’s Long-term Plan included digital advertising which was seen 3,931,791 times, with 19,614 people visiting the website (unique users) and 410 formal submissions received.

Communications have supported a range of key projects and ORC work, including changes to rules following legislative changes, natural hazard adaptation, Land and Water Regional Plan, water quality and pest management.

The relatively new Te Mātāpuna newsletter continues to be well received by residents. The ORC tent at the Wānaka A&P show had a high visitor attendance and showcased a variety of information for the community.

Public transport continues to be of strong public interest. Communications have helped to communicate changes to concessions, route changes and important information for bus users.

Facebook reach was 1.3 million—up almost 400% on the previous year—while there were more than 500 media releases, queries and interviews.

ORC’s Community Survey was completed for the third consecutive year. An action plan followed this and progress continues towards the tasks identified for ORC teams to work on.



Customer Experience



We have compared customer satisfaction benchmarks for several public-facing teams and will use this data to inform the setting of future service level targets.

Performance Results

LEVEL OF SERVICE:



Provide and promote governance processes and democratic decision making that is robust and transparent for the community.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of council agendas that are publicly available two working days or more before a meeting.	2023/2024 100%	 100%
	2022/2023 100%	 100%

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of official information requests responded to within 20 working days of being logged.	2023/2024 100%	 100% (168 requests)
	2022/2023 100%	 98.5% (135 requests)



LEVEL OF SERVICE:

Develop and deliver robust and effective corporate planning and reporting.

PERFORMANCE MEASURE	TARGET	RESULT
Deliver our statutory requirements with acceptable process and deliverables to decision-makers and the community.	2023/2024 Unmodified audit reports received	
	2022/2023 Unmodified audit reports received	

LEVEL OF SERVICE:



Build mana whenua participation in Council decision making through a treaty-based partnership approach in our engagement.

PERFORMANCE MEASURE	TARGET	RESULT
Work done in partnership with iwi; increase the number of outputs and groups working together on projects.	2023/2024 Maintain or increase numbers from 2022-23 baseline.	 40
	2022/2023 Maintain or increase from 2021-22 baseline.	 19

PERFORMANCE MEASURE	TARGET	RESULT
Build the bicultural competency of ORC staff and councillors.	2023/2024 > 50 participants in programme per year.	 149
	2022/2023 > 50 participants in programme per year.	 167

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.	2023/2024 Improved satisfaction levels with how ORC services the region.	
	2022/2023 Survey results show increased community awareness and improved satisfaction with the performance of ORC.	

PERFORMANCE MEASURE	TARGET	RESULT
Customers express high levels of satisfaction with customer service provision.	2023/2024 Conduct benchmarking of customer satisfaction.	✓
	2022/2023 Determine methodology for establishing customer satisfaction.	✓

Methodology was agreed for 2022/23 and implemented in 2023/24 with customer satisfaction benchmarks established.

LEVEL OF SERVICE:

Collect information on Otago regional wellbeing (economic, social, cultural and environmental) and identify significant issues.

PERFORMANCE MEASURE	TARGET	RESULT
Report on community wellbeing indicators.	2023/2024 Complete baseline reporting on wellbeing indicators and issues.	✓
	2022/2023 Complete annual report on wellbeing indicators and issue report to Council by 30 June.	✓

LEVEL OF SERVICE:




Collect and make publicly available, accurate, relevant and timely information on climate change in Otago.

PERFORMANCE MEASURE	TARGET	RESULT
Information on climate change in Otago is shared with the community and stakeholders.	2023/2024 Coordinate the development and delivery of a regional sequestration study by December 2023.	✗
	2022/2023 Complete regional GHG (green house gas) inventory and report to Council by 30 June.	✗

While the December 2023 target was not met [reported 'Red'], the project was underway with a delivery contract awarded.

LEVEL OF SERVICE:

Lead a regional approach to climate change in partnership with local councils and iwi.

PERFORMANCE MEASURE	TARGET	RESULT
Report on regional stakeholder engagement and collaboration on climate change.	2023/2024 Complete annual report on regional climate change collaboration and report to Council by 30 June.	 26 June 2024
	2022/2023 Complete annual report on regional climate change collaboration and report to Council by 30 June.	
Develop a Regional Climate Strategy.	2023/2024 Strategy finalised and reported to Council by 30 June 2024.	
	2022/2023 New measure. No target.	

While the 30 June 2024 target was not technically met [reported 'Red'], the project was substantively progressed with the draft Strategic Climate Action Plan endorsed by Council on 26 June 2024. Public consultation is programmed to follow.

Regional Planning



We set strategic direction on Otago’s natural resources via a planning framework that guides how people interact with the environment. In this framework, our regional plans set objectives, policies and rules for sustainably using natural and physical resources in Otago, including water, land, air, and the coast.

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

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

The key programme that makes up this activity is:

- Regional Planning.

Performance and Delivery

Regional Policy Statement

We are nearing the end of a long process to review the Otago Regional Policy Statement, which identifies the significant resource management issues for the region and explains how national direction on resource management will be applied. It sets out what we want for Otago, what's stopping us achieving this, and how we will solve those problems.

Consistent with a High Court decision in July 2022, the proposed Otago Regional Policy Statement was separated into freshwater and non-freshwater parts. Each part was then drafted and notified for public consultation and hearings. On 27 March 2024, Council made decisions on recommendations from the Hearings Panels on both parts—these decisions have been publicly notified. Five appeals to the High Court on the freshwater parts and 19 appeals to the Environment Court on the non-freshwater parts were lodged. Mediation on the High Court appeals will begin in August, and mediation for the Environment Court appeals is scheduled for November – May 2025. The date that the proposed Otago Regional Policy Statement becomes operative will depend on when appeals are resolved.

Urban Development

Under the National Policy Statement on Urban Development, local authorities that are responsible for high and medium growth urban environments need to have a Future Development Strategy (FDS). FDS promote long-term strategic spatial planning to make sure urban environments function well as they develop. In partnership with mana whenua, the ORC has worked with the Dunedin City Council (DCC) and the Queenstown Lakes District Council (QLDC) to develop a joint FDS for each area.

The hearing for the joint Dunedin FDS was held in April 2024, with decisions made in time to inform the Long Term Plan, meeting the target time frame. The Queenstown FDS has not met the time frame as its development is delayed by issues with the Housing and Business Development Capacity Assessment, which is required to inform the FDS. The modelling on the Housing and Business Development Capacity Assessment was found to be deficient; and therefore, new modelling is needed.


Mapping of Highly Productive Land

To manage urban growth well, we need to implement both the National Policy Statement on Urban Development and the National Policy Statement for Highly Productive Land. These two policy statements work in tension to ensure that urban growth is occurring in the right way in the right places. We partially achieved our work in this area of having highly productive land mapped by 30 June. Initial mapping has been completed and the work programme is on track for full completion and public consultation in the 2024/25 financial year, subject to any changes the Government might make to the national direction.

Performance Results

LEVEL OF SERVICE:

Support Otago’s councils and communities to manage environmentally sustainable urban growth.

PERFORMANCE MEASURE	TARGET	RESULT
Develop an integrated planning framework that enables well-managed urban growth across Otago.	2023/2024 Joint ORC and DCC/QLDC HBA updated and joint FDS completed by 30 June.	
	Mapping of highly productive land completed by 30 June 2024.	
	2022/2023 Develop draft regional Urban Development Strategy by 30 June	

The hearing for the joint ORC DCC Future Development Strategy was held in April 2024 and met the statutory deadlines set out in the National Policy Statement on Urban Development - including public submissions, hearings, deliberations and reporting undertaken in time to inform the 2024 ORC LTP, and adoption by ORC mid-2024. The joint ORC - Queenstown Lakes District Council [QLDC] Future Development Strategy [FDS] is delayed due to issues with the Housing and Business Development Capacity Assessment [HBCA] and the [FDS] will not be notified, thus not meeting the time frame.

Initial mapping of highly productive land has been completed and the work programme is on track for full completion and public consultation in the 2024-25 financial year.

LEVEL OF SERVICE:

Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.

PERFORMANCE MEASURE	TARGET	RESULT
Complete review of existing Regional Policy Statement (RPS).	2023/2024 Make RPS operative by 30 June.	
	2022/2023 Make RPS operative by 30 June.	

While an operative RPS was not achieved by 30 June 2024 [reported 'RED'], the review was progressed with Council making decisions on the Hearing Panels' recommendations on 27 March 2024. The date that the RPS will be operative depends on when appeals following the Council's decision are resolved.

Regulatory



As a Regulatory authority, ORC supports the sustainable management of water, land, air and the coast. We process resource consents develop rules for how natural resources are used and managed, monitoring them and ensuring the rules are applied. We investigate activities that don't comply, providing services to ensure activities in Otago are consistent with both national and regional rules in the Resource Management Act.

Enforcing rules is not the only — or in some cases, the best — way to get results. ORC has an educational and awareness raising role, collaborating with Otago communities on campaigns to increase knowledge and understanding of environmental matters.

We are also responsible for maritime activity and navigational safety on lakes, rivers and harbours and for the regulation of ports under the Maritime Transport Act. In Queenstown and Wānaka, navigational safety is delegated to the Queenstown Lakes District Council.

The key programmes that make up this activity are:

- Consent Processing
- Compliance Monitoring and Contaminated Sites
- Incident Response, Investigation and Enforcement
- Harbour and Waterway Management.

Performance and Delivery

Consents

The Consents team received 692 resource consent applications over the financial year, consistently meeting required time frames. In the 2023/24 financial year, 100% of consents were processed in compliance with the time frames set in the Resource Management Act 1991, above the target of 98%. Decisions were made on 772 individual consents (cumulative total) in the financial year. The main types of consents processed were for effluent ponds and discharges, earthworks, bores and surface water takes.

The processing of consents for effluent discharges was a focus for the Consents team, and a number of well-received community workshops on effluent management and the consent process were run. Consents for earthworks were a key part of the workload, especially in Central Otago. Along with applications for these, the team has continued to process applications to replace surface water permits. Two reviews of condition of a consent were completed. These related to a rendering plant and community wastewater treatment plants. The team has also played an important role in providing comments on fast-track consent applications.

The Consents team received 2,347 enquiries from the public over the financial year. Of these, 2,333 or 99.4% were answered within seven days, achieving our target. The most common enquiry types are requests for copies of documents, information about discharges to land, farming activities and bores.

Staff have worked on several initiatives to enhance our public enquiries service and other projects over the last financial year. Updates to a number of practice notes, application forms and website content have been implemented alongside system improvements.

Compliance Monitoring

Resource consents holders are often required to submit performance monitoring returns as a condition of the consent. These returns include information ranging from photographs of work to management plans, water quality results and water meter returns. Staff graded 7,807 returns over the year, representing 130% of the target set in the Compliance Plan presented to Council in August 2023.

The Compliance team also carries out a range of audits and inspections, including consent audits, dairy inspections and forestry site visits. In the 2023/24 year, staff completed 1,411 or 141% of the planned resource consent compliance audits and inspections.

Investigations and Enforcement

The ORC pollution hotline has been available 24/7 throughout the year, receiving 1,359 service requests related to 1,095 incidents.

In the 2023/24 year, we carried out 101 formal enforcement actions: we issued 42 infringement notices, 44 abatement notices and 11 formal warnings, and we initiated three prosecutions and sought one enforcement order. The most common causes of these actions were consent non-compliance (33), outdoor burning (9) and water pollution (9). We achieved our target of meeting legislative timelines for all enforcement action.

Education and Engagement

A large part of Regulatory work is education and engagement with landowners, consent holders and the community. In the 2023/24 financial year, we ran media campaigns and organised community events. Our staff also provided a significant level of education and engagement when conducting pollution response and consent auditing and monitoring visits. A highlight this year was hosting, in collaboration with the International Erosion Control Association Australasia, an Earthworks Field Day in Queenstown. It was attended by more than 200 people. Another highlight was the number of intensive winter grazing and effluent workshops held throughout Otago, which were well received.

Staff also provide boating safety advice and information to the community. In line with our target, staff presented a report to Council on our engagement and education activities on 26 June 2024.

Harbour and Waterway Management

One major incident occurred in the financial year and was reported through to Council. On 4 June 2024, an emergency response was activated when the fishing vessel *Tamahine* ran aground at Taiaroa Head. Staff responded to the event along with other agencies.

Throughout the year we had an organisation-wide team trained and ready to respond to oil spills. The next Maritime New Zealand training exercise was programmed for July 2024.

An external review of the Port and Harbour Marine Safety Code will be carried out in November 2024. Our annual Safety Management Systems self-assessment will be completed in July.

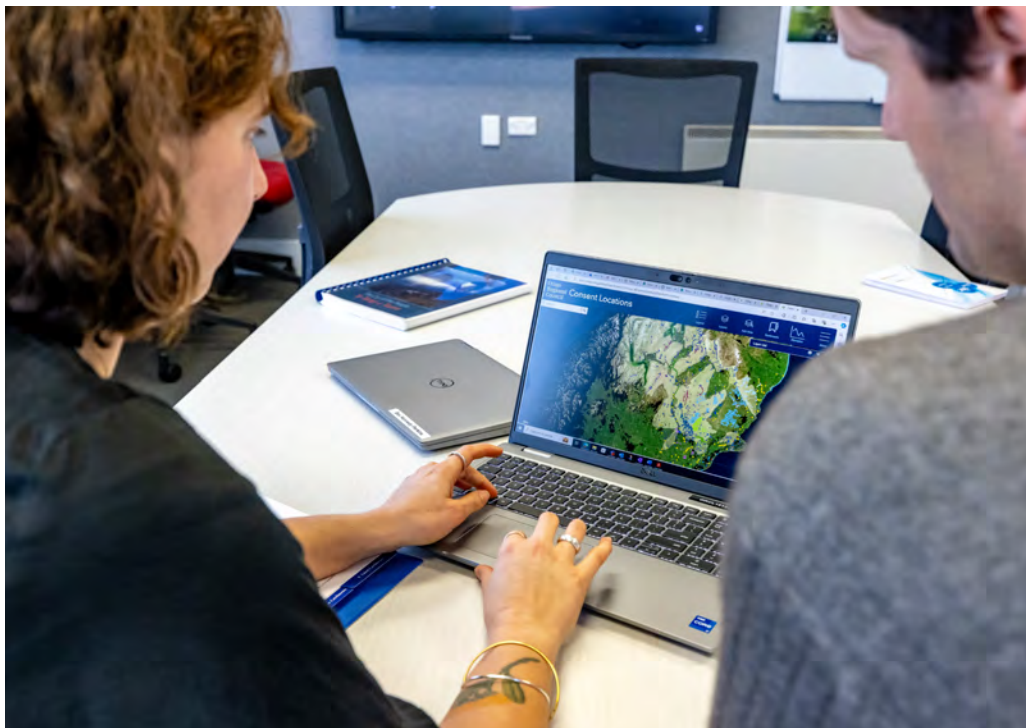
Performance Results

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of resource consent applications processed within Resource Management Act 1991 legislative timeframes.	2023/2024 ≥98%	✓ 99%
	2022/2023 ≥98%	✓ 100%

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of public enquiries for consent information completed within 7 working days.	2023/2024 Maintain or increase from 2021-22 baseline.	✓ 99%
	2022/2023 Maintain or increase from 2021-22 baseline.	✓ 100%



LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	2023/2024 ≥ 90%	 130%
	2022/2023 ≥ 90%	 178%

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	2023/2024 ≥ 90%	 141%
	2022/2023 ≥ 90%	 139%

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of significant non-compliances identified where action is taken in accordance with Compliance Policy.	2023/2024 100%	 100%
	2022/2023 100%	 100%

LEVEL OF SERVICE:

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



PERFORMANCE MEASURE	TARGET	RESULT
Maintain 24-hour/7-day-a-week response for environmental incidents.	2023/2024 Pollution hotline staff available/on call 24/7.	
	2022/2023 Pollution hotline staff available/on call 24/7.	

PERFORMANCE MEASURE	TARGET	RESULT
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	2023/2024 20 responders attend 3 exercises per year.	
	2022/2023 20 responders attend 3 exercises per year.	

The Maritime New Zealand training schedule does not align with the financial reporting dates, with the third exercise completed in July 2024.

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Maintain compliance with Port and Harbour Marine Safety Code.	2023/2024 External review is completed and deemed to be code consistent.	
	2022/2023 Annual self-review is completed by ORC and POL and signed off by the Chief Executives.	

The external review is scheduled for November 2024.

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Major incidents on Otago's harbours and waterways will be responded to.	2023/2024 Major incidents and ORC's response are reported to Council quarterly.	
	2022/2023 Major incidents and ORC's response are reported to Council quarterly.	

Achieved, albeit an active Maritime New Zealand investigation was underway at 30 June 2024 on the fishing vessel [Tamahine] grounding at Taiaroa Head on 4 June 2024. Regarding the ORC's role in assisting at this 'event', we expect that the result of the investigation will confirm that we fulfilled our requirements.

PERFORMANCE MEASURE	TARGET	RESULT
On-water engagement, education of recreational users and safety campaigns are documented and reported annually.	2023/2024 Report to Council by 30 June.	
	2022/2023 Report to Council by 30 June.	

Environment

This group of activities includes the following council activities:

- Land and Water
- Biodiversity and Biosecurity
- Air

Performance results



Matakaea / Shag Point

Community Outcomes

Our Environmental activities contribute to:



Land and Water



Our role involves working with Otago communities to manage water quality and quantity. To do this well, we need robust, integrated and consistent regional plans and strategies. Our current work includes an ambitious planning programme to develop a new Land and Water Regional Plan.

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

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

The key programmes which make up this activity are:

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

Performance and Delivery

Land and Water Planning

The development of a new Land and Water Plan continued to be a focus for the ORC in the 2023/24 financial year. The draft Land and Water Regional Plan is the first step towards meeting the community's goals for fresh water in Otago. Council resolved in March 2024 not to notify the plan by 30 June 2024, and instead for staff to continue a work programme to have the draft Plan ready for notification by 31 October 2024. Work is progressing and we are on track to meet this deadline.

We did not meet the current target for a review of the Regional Plan: Coast as staff resource has been prioritised on other science and planning work. This reprioritisation is reflected in the 2024/34 Long-term Plan, with a new target of plan notification in June 2028.

Science and Monitoring

Our Science and Monitoring teams carry out an extensive body of work to understand Otago's natural environment. The data we capture informs the development of policy and regional plans and helps us track how effective they are in making a difference on the ground. Scientific and monitoring data also guides environmental restoration and management projects and is made publicly available through reports and online databases.

Our monitoring work is heavily influenced by the National Policy Framework – Freshwater, and we have maintained our efforts to align with its requirements. This involves implementing work over the longer term. We have met most of our 2023/24 monitoring work programme and associated targets. In the water monitoring network, we captured 98% of data in this financial year.

We partially met the target for estuarine monitoring. Some final reports were not received in time to be reported to a Council meeting in this financial year. However, the monitoring is complete and will be reported early in the new financial year.

We are on track to have a marine monitoring programme set up over the next five years. Phase 3 of a project to map kelp forests along the coast is complete, and work to ground-truth this mapping is underway.

Our land and soil monitoring meets our targets. The regional State of Environment (SOE) soil health monitoring programme is in its third year and has been expanded successfully in the 2023/24 financial year. We also monitor soil moisture and soil temperature at sites across the region. An update report was presented to Council in late June 2024.

The 2022 land use map will be updated and upgraded in the new financial year.

Land and Water Implementation

Part of our role is to support projects led by communities and landowners to conserve soils, improve water quality and use water efficiently. Projects focus on activities to promote and implement best practice in a range of areas, such as intensive winter grazing, stream health and riparian management.

Toitū Te Hākapupu is a multi-year remediation project for Te Hākapupu | Pleasant River run in partnership with Kāti Huirapa Rūnaka ki Puketeraki. A highlight of the year has been working with landowners to carry out work to protect water quality on their land. The planting of native plants to protect streambanks and wetlands is underway, with 52,000 plants scheduled to go in the ground in the next planting season. We have completed seven kilometres of a 17km fencing project.

Another OCR-led project is addressing hill country erosion across the region. Erosion mapping has been refined to include ORC data and determine priority areas. A review of the regional erosion control strategy is underway, informed by mana whenua, and a communications plan is being developed.

We supported the Otago South River Care project, led a training session for North Otago Sustainable Land Management (NOSLaM) on stream assessments, attended a river clean-up in the Cardrona, undertook monitoring visits for EcoFund projects, and supported stakeholder integrated catchment management meetings for the Catlins and Lake Hāwea.

We fund and meet regularly with Otago Catchment Community Inc (OCC), a group working to connect and support catchment groups across Otago to support water quality improvements across the region. We expect a report to be presented to Council in September 2024, slightly behind our financial year target. A funding underspend in 2022/23 has been reallocated to OCC to fund a 0.5 FTE role over three years to further support catchment groups across the region.

Community education and engagement is an important part of our environmental implementation work, building awareness and supporting community-led action. We led three events to raise awareness about the storage and discharge of dairy effluent. A forestry field day for the Toitū Te Hākapupu project was held in April.

In partnership with mana whenua and in collaboration with local communities, we have projects underway to develop, prioritise and implement management plans

based on ecological assessments for Lake Tuakitoto, Tomahawk Lagoon and Lake Hayes. In the 2023/24 financial year, we continued to implement the management plans, achieving 10 out of 13 of the priority actions.

The implementation plan for Lake Tuakitoto was developed, and delivery is underway. A wastewater education programme was not delivered in this financial year but is planned for the future.

We delivered a stormwater education programme for Tomahawk Lagoon and have supported the set up of a catchment group; this support has since been taken over by OCC.

For Lake Hayes, we supported the Wai Whakaata Strategy Group to develop a cultural values assessment and statement of expectation to form the basis of a strategy for the lake and its catchment. Downstream remediation work in Hayes Creek has also been completed. Work to augment the water flow progressed but has not yet been commissioned - we expect this to get underway in September 2024.

Integrated Catchment Management

The ORC set a pathway for an integrated catchment management (ICM) programme in the previous financial year, establishing the ICM Working Group and selecting The Catlins as the pilot for a Catchment Action Plan (CAP) to be developed in collaboration with mana whenua and the community. The CAP will be accessible online in a format that outlines the long-term goals, shows the current situation, ranks the pressures, and explains what actions can be undertaken to relieve these pressures. We will also be able to track the progress on actions delivered and adapt if we are off track.



Work is progressing well on the pilot Catlins CAP, with positive relationships being developed. We are on track to have the CAP in final draft by October 2024, with presentation of this to Council in November 2024. We have also begun the development of a CAP for Upper Lakes, starting with the community engagement to establish the group.



Performance Results

LEVEL OF SERVICE:



Monitor the state of Otago's freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Implement a regional coastal environment monitoring programme.	2023/2024 Annual report on monitoring programme completed and reported to Council.	
	2022/2023 Annual report on monitoring programme completed and reported to Council.	

See <https://www.orc.govt.nz/news-and-events/events/2023/april/environmental-science-and-policy-committee-26-april>

PERFORMANCE MEASURE	TARGET	RESULT
Implement freshwater and estuarine environment monitoring programmes.	2023/2024 Freshwater: Annual report on monitoring programme completed and reported to Council.	
	Estuarine: Annual report on monitoring programme completed and reported to Council.	
	2022/2023 Annual report on monitoring programme completed and reported to Council.	



Estuarine monitoring was fully achieved as programmed, however reporting to Council occurred post 30 June 2024, hence the 'yellow' partially achieved icon.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of data from the water monitoring network that is captured quarterly.	2023/2024 ≥95% data capture achieved.	 98%
	2022/2023 ≥ 95% data capture achieved.	 98%

LEVEL OF SERVICE:

Monitor Otago's land use and make accurate, relevant and timely information on sustainable land-use publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Develop and implement a regional land use monitoring programme.	2023/2024 Annual report on monitoring programme completed and reported to Council.	
	2022/2023 Annual report on monitoring programme completed and reported to Council.	

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of data from the land-use monitoring network that is captured quarterly.	2023/2024 ≥95% data capture achieved.	 99%
	2022/2023 ≥95% data capture achieved.	 98%

LEVEL OF SERVICE:

Provide a robust and integrated environment planning framework for Otago's land, water and coast resources.

PERFORMANCE MEASURE	TARGET	RESULT
Complete the Land and Water Regional Plan (LWRP).	2023/2024 Notify LWRP by 30 June 2024.	
	2022/2023 Report to Council on proposed management options for 5 Rohe or FMUs by 30 June.	

While the 30 June target was not met [reported 'RED'] completed work ensured the LWRP is on track to be notified by October 2024 as per the direction from Council elect. Pre-notification consultation on the draft LWRP under Clause 3, Schedule 1, RMA took place in early 2024.

PERFORMANCE MEASURE	TARGET	RESULT
Complete a review of the Regional Plan: Coast.	2023/2024 Issues and options papers developed and reported to Council by 30 June 2024.	
	2022/2023 New measure. No target.	

This target was not achieved due to prioritisation of resource to other science programme work.

LEVEL OF SERVICE:

Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.

PERFORMANCE MEASURE	TARGET	RESULT
Catchment Action Plans (CAPs) are developed in collaboration with iwi and community.	2023/2024 Drafting of pilot CAP completed and drafting of second CAP commenced by 30 June.	
	2022/2023 One catchment Action Plan drafted.	

Work progressed to programme on the pilot CAP with the final draft scheduled for October 2024 Council. Drafting of a second CAP was delayed, ensuring appropriate engagement with mana whenua.

LEVEL OF SERVICE:



Support Catchment Group in Otago to deliver their environmental outcomes and objectives.

PERFORMANCE MEASURE	TARGET	RESULT
'Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement.	2023/2024 Funding is administered as per agreement. (100%)	
	Report to Council on deliverables and targets achieved by 30 June.	
	2022/2023 Funding is administered as per agreement.	
	Report to Council on deliverables and targets achieved by 30 June.	

A report to Council about OCC deliverables during 2023-24 is programmed for the September 2024 Council meeting.


LEVEL OF SERVICE:

Promote and enable best practice land management for soil conservation, water quality preservation, the efficient use of water and to enhance Otago's biodiversity and ecosystems.

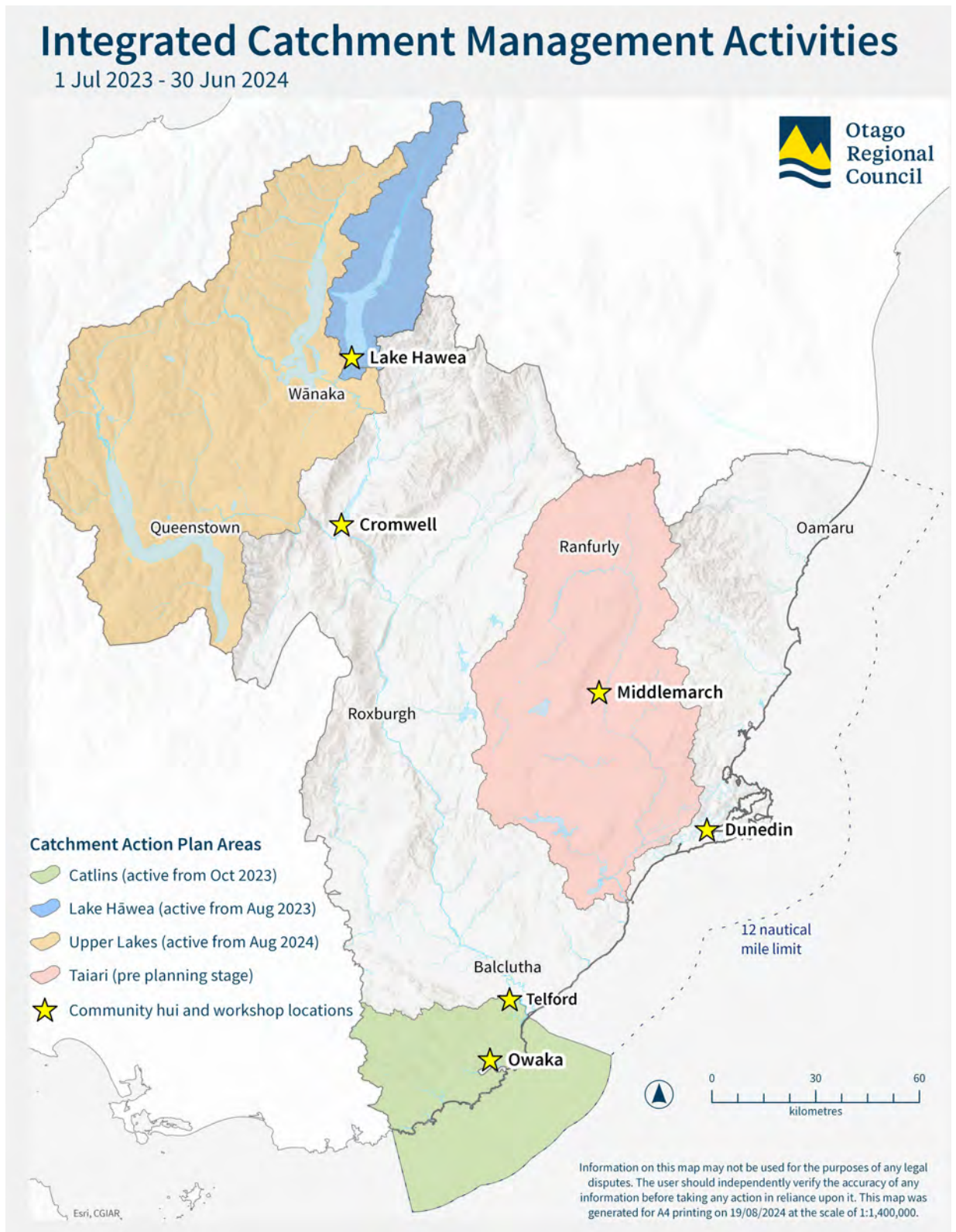
PERFORMANCE MEASURE	TARGET	RESULT
Landowner/community-led projects promoting best practice land management for soil; conservation, water quality and the efficient use of water are identified and supported.	2023/2024 Three or more projects supported per year.	 6 projects supported
	2022/2023 Three or more projects supported per year.	 3

LEVEL OF SERVICE:

Collaborate with iwi, communities and landowners to develop and deliver a programme of actions to improve water quality and indigenous biodiversity in selected degraded water bodies.

PERFORMANCE MEASURE	TARGET	RESULT
At least three site-specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	2023/2024 Projects confirmed and priority actions identified by 30 September.	
	90% of priority actions undertaken as scheduled.	 77%
	2022/2023 Projects confirmed and priority actions identified by 30 September.	
	90% of priority actions undertaken as scheduled.	

The three priority projects included; Lake Tuakitoto, Tomahawk Lagoon, and Lake Hayes. Ten out of the thirteen actions for these projects were completed during 2023-24. The remaining actions are still underway and include: wastewater education programme for Lake Tuakitoto; augmentation work for Lake Hayes [programmed for September 2024]; Strategy for Lake Hayes.



Biodiversity and Biosecurity



Otago is home to unique species that we need to look after. Our Regional Pest Management Plan (Pest Plan) sets out the framework for how pest plants and animals will be managed in Otago. It is supported by a Biosecurity Strategy that looks at how we will work with organisations and communities to achieve the goals set out in the Pest Plan.

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

Council's biodiversity work programme is growing and our monitoring programme is developing. We are strengthening partnerships across the region and also encourage communities to help realise local initiatives via applying for support through our 'Eco Fund'.

The key programmes which make up this activity are:

- Biodiversity Science and Monitoring
- Biodiversity Implementation
- Biosecurity (Pest Management)
- Wilding Conifers.

Performance and Delivery

Biodiversity Implementation

The ORC's Biodiversity Action Plan: Te Mahi hei Tiaki i te Koiora (2019-2024) - the BAP- sets out a framework and work programme to maintain and enhance biodiversity in Otago. The BAP has 15 actions, two of which have not started but will be reviewed in a future plan to be developed.

Various projects are initiated under these actions. The 11 ongoing projects are at various stages of completion, with progress made on all but two over the 2023/24 financial year. Four projects were commissioned in this financial year — all have progressed but two are not at their planned milestones.

Biodiversity Partnerships

In the 2023/24 financial year, we built on work done in the previous financial year to establish biodiversity partnerships. We increased the number of engagement events from nine to 12, and a report on the range of biodiversity projects has been presented to Council on 8 August.

Our funding programmes foster community-led projects that protect and enhance Otago's flora, fauna and environment. In the 2024 round, 33 organisations received \$854,733 in grants, out of a total funding pool of \$918,000. Environmental work supported by the funds includes pest plant and animal control, native species protection and habitat restoration, native revegetation and regeneration.

Meanwhile, grant recipients from 2023 progressed well with their projects. Four were awarded \$40,000 or more in the 2023 round — Hikaroroa Mt Watkin Conservation Group for a two-year project focusing on pest animal control and collaboration, Moeraki MR BLKXVI Ahu Whenua Trust for a rabbit-proof fence, the Otago Peninsula Biodiversity Group for a rabbit control project, and Save the Otago Peninsula Incorporated Society for a two-year native revegetation project. All are on track and meeting reporting requirements.

In this financial year, we administered and provided funding for all ECO Fund and incentives funding projects in accordance with their agreements. Our catchment advisors support the funding process with site visits and advice.

A report was presented to Council in August 2024.

Biodiversity Science and Monitoring

Work is underway to develop and implement a region-wide programme to monitor the indigenous biodiversity of Otago's ecosystems. This is a new programme that encompasses a wide array of species, environments and ecosystems, often across multiple years. Unlike state of the environment monitoring,

which is based on monitoring specific parameters in fixed locations, biodiversity monitoring requires us to respond to what is happening in the field, check populations at natural sites and follow the movement of species through the environment. It is not possible to meaningfully measure our progress against the current target of capturing $\geq 95\%$ of data for this sort of programme, and so we have scored this as a not achieved.

The programme is being run across three separate workstreams: wetlands, coastal and terrestrial — each at a different stage of development and reporting to Council. Preliminary reports on wetland mapping were presented to Council in July 2023, while we aim to present detailed reports on regional wetland inventory containing information about wetland extent and condition in the 2024/25 financial year. Reports on estuary workstreams will be presented to the Council in the new financial year. A report on monitoring rare ecosystems was presented to Council in June 2023 as part of the terrestrial workstream. An Envirolink Tool Grant, administered by the Ministry of Business, Innovation and Employment and championed by the ORC with researchers from Manaaki Whenua – Landcare Research, will assist with the mapping and ground-truthing of rare ecosystems in the terrestrial workstream. Further development of monitoring protocols for the terrestrial workstream is underway. In the coastal workstream, ground-truthing of the marine significant ecological spatial mapping project is underway, with hold-ups due to weather. This work will be reported on in the new financial year.

Biosecurity

The ORC's Biosecurity Operational Plan (BOP) sets out the activities we intend to do each year to implement the Regional Pest Management Plan (RPMP), which outlines how declared pests in Otago will be managed over a ten-year period from 2019 to 2029. We fully or partially completed more than 90% of the actions set for the 2023/24 financial year.

Good progress is being made on compliance and enforcement outcomes, with the new system operating for a full year. However, some further work is needed to optimise the system, in particular tracking non-compliance progress in real time.

The RPMP sets out how the ORC engages with occupiers and/or owners of non-compliant properties. The principal approach following an inspection is through advocacy and education/collaboration (e.g. education-focused Request for Work letters). This is followed by re-inspection and, where appropriate, we require the landowner or occupier to act by issuing a Notice of Direction. The approaches used to progress

compliance differ depending on circumstances, such as pest species, location, infestation level, and the relevant RPMP rule. In some situations, contractors may be tasked to undertake pest control (e.g. boneseed and spartina).



Our work with land occupiers to support them to achieve compliance can take multiple seasons/years, particularly regarding rabbits. This is partly due to the

seasonal unpredictability of control methods and the time it takes to work with the land occupier to understand the most effective form of control for the infestation level and their property (it is not a one-size-fits-all system). There is clear value in using management plans to work with land occupiers over the longer term to manage species that will persist even after control has taken place, i.e. due to the seed source or life history of the species.

Performance Results

LEVEL OF SERVICE:

Collaborate with iwi, DOC and other key organisations to develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.

PERFORMANCE MEASURE	TARGET	RESULT
Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	2023/2024 90% of current actions achieved within time frames specified.	 60%
	2022/2023 90% of current actions achieved within time frames specified.	

The ongoing projects [i.e. 11, across multiple planning years] are at various stages of completion, with all but two, progressing over 2023-24. The four projects commissioned in 2023-24 have progressed, albeit two of those projects are not at planned milestones.

PERFORMANCE MEASURE	TARGET	RESULT
Biodiversity and biosecurity partnerships established and joint projects developed and progressed. *	2023/2024 Maintain or increase number of partnerships engagement activities and events and report to Council.	 12 engagement activities
	Projects and progress against milestones reported to Council.	
	2022/2023 Maintain or increase number of partnerships engagement activities and events and report to Council.	 6 projects
	Projects and progress against milestones reported to Council..	

The reporting of projects and progress for 2023-24 was delayed and scheduled for 8 August 2024.



* Note: The 2023-24 Annual Plan showed an additional target ">95% data capture achieved". This was a document production error and this target should not have appeared in the table.

LEVEL OF SERVICE:

Monitor the state of Otago's indigenous biodiversity ecosystems and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Develop and implement a regional indigenous biodiversity ecosystems monitoring programme.	2023/2024 Annual report on monitoring programme completed and reported to Council.	
	2022/2023 Develop monitoring programme* and report to 30 June Council by 30 June.	

* Including requirement of National Policy Statement for Indigenous Biodiversity (NPSIB).
2023/2024: The biodiversity monitoring programme has three separate workstreams and each workstream is in different stages in terms of development and reporting to Council. They include: Wetlands [that was reported to Council]; Estuary [reporting delayed to 2024-25 reporting year]; and Terrestrial [mapping reported but not monitoring].

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of data from the biodiversity monitoring network that is captured quarterly.	2023/2024 ≥95% data capture achieved.	
	2022/2023 New measure. No target.	

Biodiversity monitoring covers a diverse range of freshwater and terrestrial programmes, many of which are still developing and during the reporting year were not collected as a measurable value [i.e. against which a percentage of capture is meaningful].

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Complete a report on the initiatives and organisations supported and the key deliverables achieved.	2023/2024 Report to Council by 30 June.	
	2022/2023 Report to Council by 30 June.	

Report will be presented to Council in August 2024.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of funding administered as per agreements.	2023/2024 100%	✓ 100%
	2022/2023 100%	✓ 100%

LEVEL OF SERVICE:

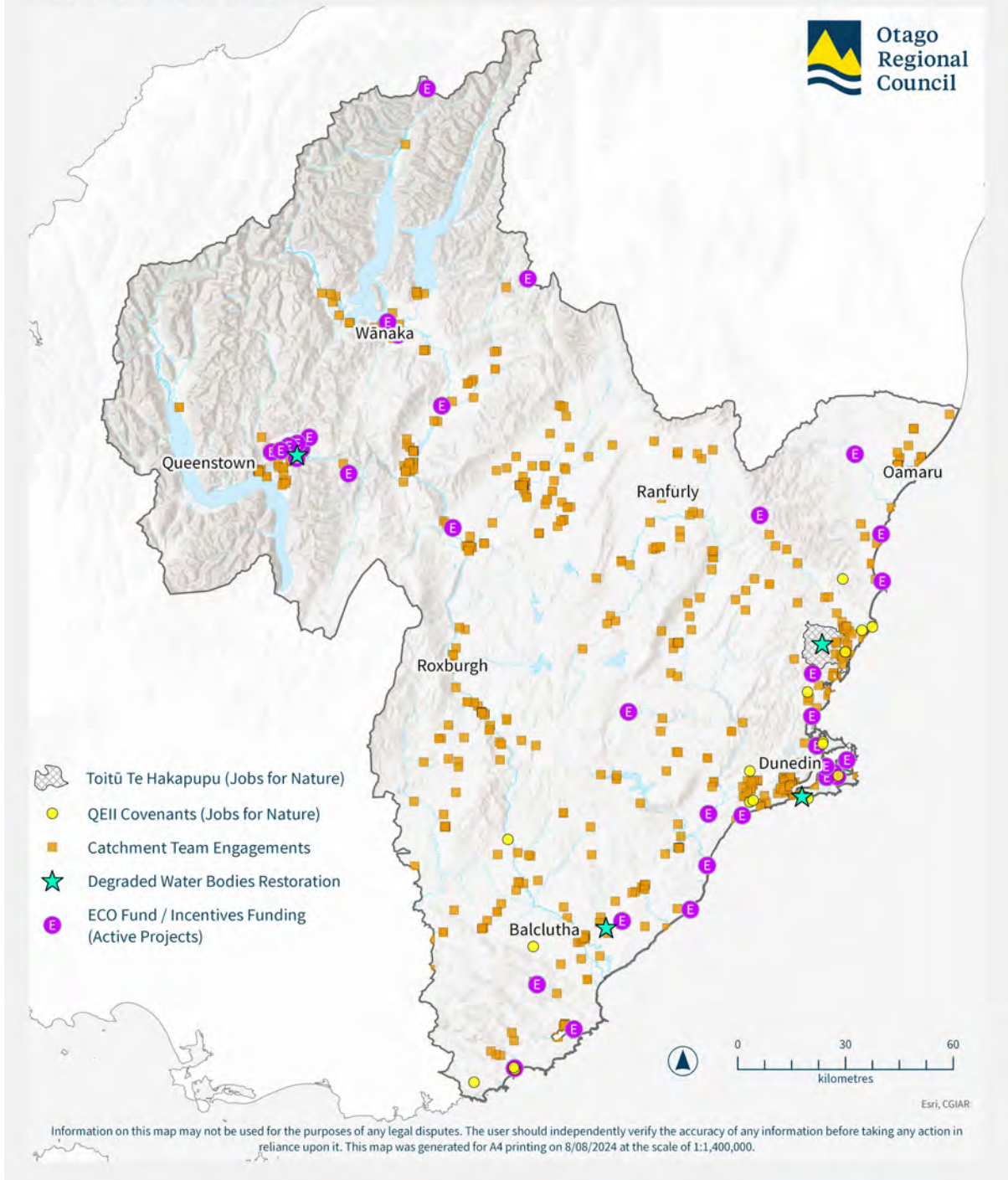
Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan (RPMP).

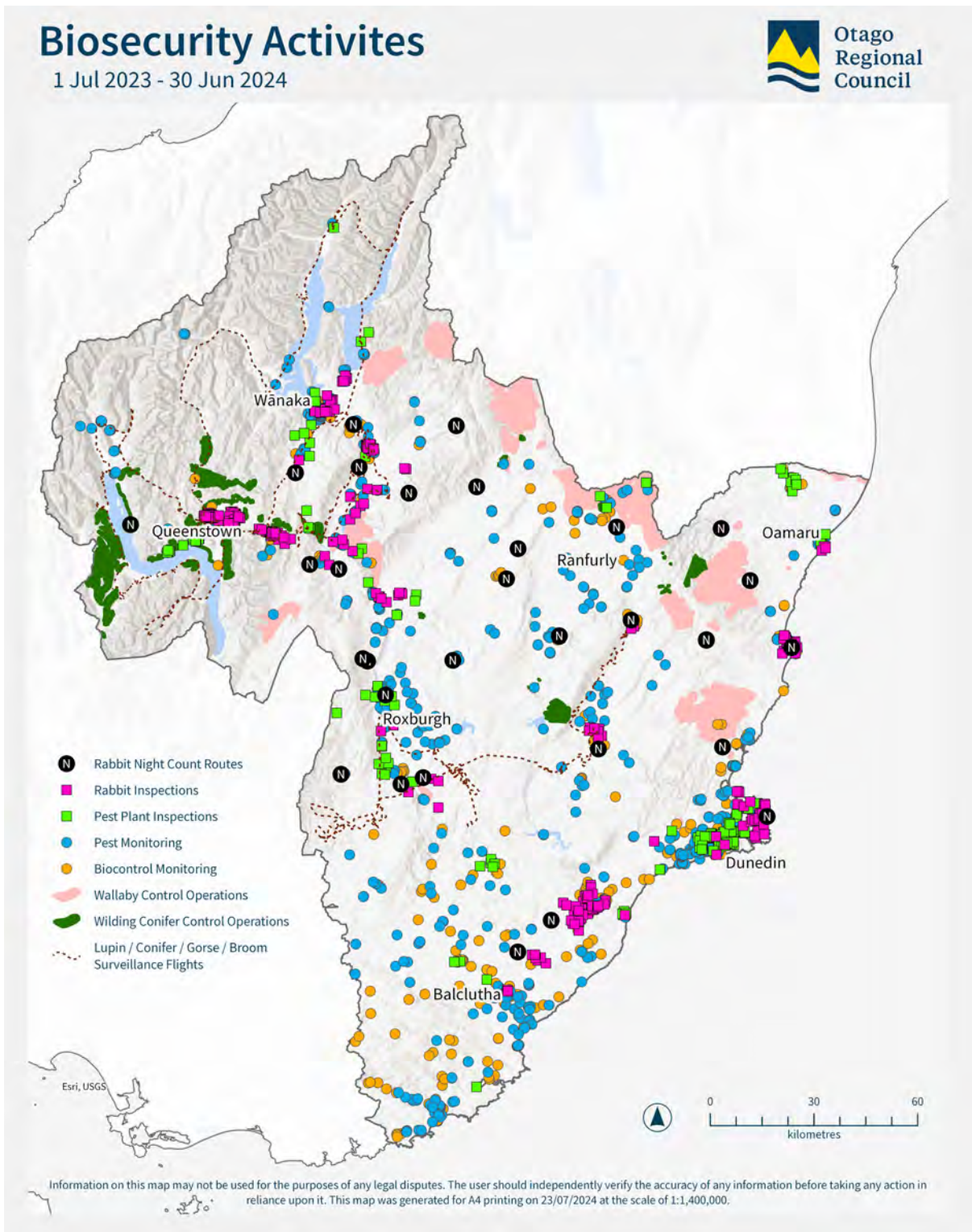
PERFORMANCE MEASURE	TARGET	RESULT
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed.	2023/2024 90% of actions achieved within time frames specified.	✗ 80%
	2022/2023 90% of actions achieved within time frames specified.	✗ 63%



Biodiversity and Catchment Team Activities

1 Jul 2023 - 30 Jun 2024





Air



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

Meeting air quality standards is especially challenging in areas with extremely cold winter weather and temperature inversions. Otago’s air quality often degrades during winter when domestic heating emissions increase with cold and calm weather and inversion layers occur. Council’s implementation role and approach regarding air quality is ‘on hold’ with a planned strategic refresh. In the meantime, the regional air plan review has been initiated and will assist direction on implementation.

We monitor air quality at sites across Otago, including Milton, Mosgiel, Dunedin, Alexandra, Clyde, Cromwell and Arrowtown. These sites measure the concentration of particles in the air and capture a mixture of PM_{10} and $PM_{2.5}$ pollutants. ORC also contributes to clean air and healthy homes as a Trustee of the Cosy Homes Trust.

The key programmes which make up this activity are:

- Air Monitoring
- Regional Plan: Air
- Air Strategy (Air Quality implementation programme paused)

Performance and Delivery

ORC's air science and monitoring this year focused on monitoring site upgrades and region-wide monitoring in winter, the results of which will help inform the review of our Regional Plan: Air.

Air Monitoring

Otago's air quality is monitored at eight sites to assess pollution from burning, mainly produced by home heating. Data from our monitoring programme is publicly available on the LAWA website, and all air quality exceedances (above the limits for PM₁₀, measured at four of the sites) are reported through news media over the winter.

Our annual air quality report was presented to the Environmental Science and Policy Committee in May 2024. A report on air quality trends to 2023 was presented to the Committee in June 2024.

We captured 92% of data for the PM_{2.5} monitoring network. Data capture for the PM₁₀ network was lower at 96%, as tape issues meant we missed some data from the Alexandra network. Overall, we nearly achieved our target of ≥ 95% data capture, and the air quality network is expected to perform to target in coming months.

Additional monitoring was undertaken during 2023 in Arrowtown for black carbon. Black carbon is a component of PM, and the monitoring showed that the seasonal and hour-of-day patterns are similar to those of PM₁₀. A spatial study was undertaken by NIWA in Alexandra in the winter of 2023. A total of 42 low-cost sensors were used to monitor PM₁₀ across the town. This identified that the area of highest concentrations is located to the northwest part of Alexandra.

Screening monitoring for sulphur dioxide (SO₂) was undertaken in and around Port Otago operational areas during 2023. The monitoring results indicated that SO₂ was generally quite low, and seasonal trends were not identified.

A report on the management options available for meeting the NESAQ and World Health Organization targets in Otago towns was presented to Council in June 2024.

Regional Plan: Air

A review of the Regional Plan: Air is underway, and the issues and options paper was presented to the Environmental Science and Policy Committee on 13 December 2023, in line with our target. Staff prioritisation resulted in a delay to community consultation -- now planned for completion in the new financial year.



Air Implementation Strategy



A draft report on the scope of -- and innovative ideas for- an air quality implementation strategy has been received by Council. We expect to present a final scope to Council in the first quarter of the new financial year.

Performance Results

LEVEL OF SERVICE:

Monitor Otago’s air quality and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Implement regional air monitoring programme.	2023/2024 Annual report on monitoring programme completed and reported to Council.	 March 2024
	2022/2023 Annual report on monitoring programme completed and reported to Council.	 26 April 2023

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of data from the air monitoring network that is captured quarterly.	2023/2024 ≥ 95% data capture achieved.	 96%:PM ₁₀ monitoring network 92%:PM _{2.5} monitoring network (94% average)
	2022/2023 ≥ 95% data capture achieved.	 96%

The monitoring program for PM10 recorded a data capture rate of 94% for the PM₁₀ monitoring. This is below the target of 95% and was due to data missing from Alexandra monitoring site due to technical equipment [i.e. tape] issues. The new monitoring program for PM_{2.5} exceeded our data capture target being 98%.

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Complete review of the Regional Plan: Air	2023/2024 Issues and options papers developed by 31 December 2023.	
	Community engagement for development of Regional Plan Air: completed by 30 June 2024.	
	2022/2023 Issues and options papers developed by 30 June.	

Community consultation has been delayed to August 2024 and target date shifted to 30 December 2024, reflecting resource availability/prioritisation.

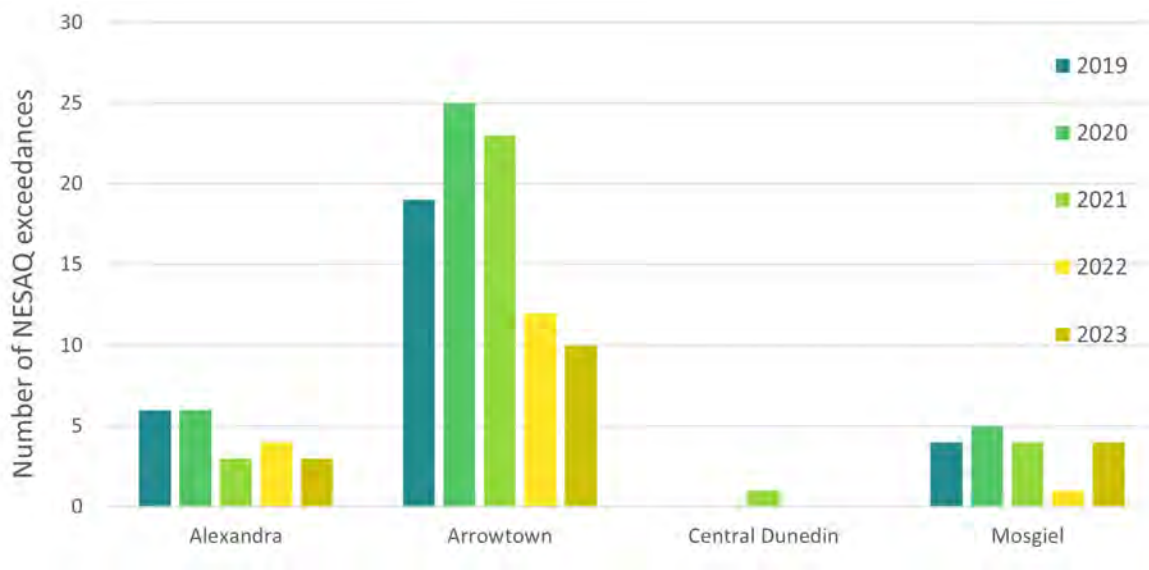
LEVEL OF SERVICE:

Develop and implement partnerships and programmes to reduce harmful emissions and support clean heating, warm homes and clean air.

PERFORMANCE MEASURE	TARGET	RESULT
Air implementation strategy is scoped.	2023/2024 Reported to Council by 30 June 2024.	✘
	2022/2023 New measure. No target.	⊘

This work was progressed with a draft report completed and available for reporting to Council.

Number of PM₁₀ exceedances of the NESAQ (50 ug/m³, 24-hour average).



Safety and Resilience

This group of activities includes the following council activities:

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

Performance results



Styx Basin, Upper Taiari/Taieri

Community Outcomes

Our Safety and Resilience activities contribute to:

		✓			✓

Natural Hazards and Climate Change



We identify, monitor, and investigate natural hazards to provide intelligence that supports community resilience and the ability to adapt to environmental change. Our work includes monitoring rainfall, river and lake levels, and providing public information on water levels and flows, all of which help inform responses to flood events.

We engage with people, communities, iwi partners, and other stakeholders in Otago to develop partnerships and implement projects to address hazard risks, as well as increasing awareness and understanding.

We're working to understand more about the future impacts of climate change on natural hazards so we can collaborate with territorial authorities and communities to prepare and adapt. We're developing an approach to assess risk across our communities to inform future priorities, at the same time as undertaking projects for the risks we already know about.

The key programmes that make up this activity are:

- Natural Hazards
- Flood and Low-flow Risk Management
- Climate Change.

Performance and Delivery

Over the last year, we have worked closely with Otago communities and relevant organisations to provide hazard information and technical support, and to guide adaptation to natural hazards.

We made good progress on natural hazard and climate change projects and programmes in South Dunedin, Clutha Delta and the Head of Lake Whakatipu. We continued to gather data that improves our understanding of natural hazards, and to make this data easily accessible to the community.

Risk Assessment and Prioritisation Programme

Our work on a region-wide hazard risk assessment and prioritisation framework progressed well this year. The ORC is undertaking a programme that will enable us to assess risks associated with natural hazards consistently across the Otago region, to see which areas have the highest risks. The prioritisation framework will be used to prioritise future work such as the investigation of options for managing or adapting to natural hazards.

From previous work, we have a good understanding of the kinds of natural hazards (including those associated with climate change) in the Otago region and where they are. We progressed a region-wide natural hazard exposure and risk analysis, which considers how likely each hazard is to occur and what its impact might be. We plan to report on this by November 2024 and make the information available publicly.

South Dunedin

The ORC and DCC approved the South Dunedin Future programme plan in July 2022. The ORC supports this joint work programme through collaboration and funding, and it is a good example of the multi-disciplinary, cross-sector nature of climate change adaptation.

We lead the gathering and analysis of natural hazards information for the programme. Our work in this financial year has focused on continuing the monitoring of groundwater and sea levels and consolidating the information we have about natural hazards so it can

be integrated into programme workstreams and made available through community flyers, website updates and technical reports.

A milestone in our understanding of the behaviour of groundwater beneath South Dunedin was achieved this year. We partnered with GNS Science to produce a study that forecasts when and where groundwater-related hazards are likely to occur in South Dunedin. Based on analysis of data from the ORC-operated groundwater monitoring network, the study looked at what causes changes to groundwater levels, and used modelling to understand how sea-level rise will alter the future fluctuations and elevation of groundwater levels. The findings of the study are informing the South Dunedin Future programme.

Glenorchy and Head of Lake Whakatipu

We have significantly progressed work associated with the Head of the Lake natural hazards adaptation programme. Having built a good understanding of the hazards, we focused this financial year on assessing the risks associated with the main hazards, their social and economic impacts and potential engineering approaches for managing the flood and erosion hazards.

We have also progressed the development of the framework for the adaptation strategy.

The flood hazard assessment for the Buckler Burn at Glenorchy has been completed and the information made available on the ORC Natural Hazards Database.

In conjunction with technical work, we have a sustained programme of community engagement as part of the process for developing a natural hazards adaptation strategy.

Clutha Delta and Other Areas

Over 2023/24, we continued developing the Clutha Delta natural hazards adaptation programme. The natural hazards investigations focused on liquefaction, flood and coastal hazards, in particular on the Koau mouth and Puerua outfall area.

We completed the first stage of the flood hazard investigation programme associated with Middlemarch. The investigation focused on how the capacity of the March Creek channel could be affected by the railway bridge. This investigation will inform potential options to mitigate some of the flooding occurring in this area. The findings of the investigation were presented to the Strath Taieri Community Board. The second stage (investigation at the catchment scale to identify other constrictions and channel limitations) was started and is continuing in 2024-2025. A new rain gauge was also

installed this year in the Rock and Pillar ranges near Middlemarch. The main reason for installing this site is to assist the flood response to Middlemarch.

Progress on Roxburgh and Henley has been slow due to resourcing issues.

Data Capture

LiDAR mapping for almost 4,000 square kilometres around the Manuherehia catchment in Central Otago has been released this year and made available through public websites. The mapping provides high-resolution, 3D ground elevation data and is a valuable tool for identifying, mapping and managing natural hazards, such as flooding, erosion and landslips.

Otago Natural Hazards Database

The Otago Natural Hazards Database is an online portal that makes the information we have about the region's natural hazards publicly accessible so that people can make informed decisions. In the last financial year, we continued to update the database with new information, in particular for South Dunedin

(groundwater) and the Head of Lake Whakatipu area. We also added information on the floodbank risk ratings for the Lower Taieri Flood Protection Scheme.

Flood Response

Our flood management and response system operated without issue over this year. We issued 17 flood warnings as required.

In response to a debris flow which occurred during the September 2023 weather event, we carried out a debris flow hazard assessment for the eastern face of the Makarora Valley.



We have widened the range of forecast information to inform ORC's flood response. This year we worked with MetService to access coastal hazards forecasting for the region. This information will be used to provide early awareness of sea conditions that may cause impacts (such as inundation or erosion) on infrastructure and properties along the coast. Forecast parameters in the seven-day outlook include wave characteristics (height, period, direction), sea height (storm tide), and wind characteristics (speed, direction).

Performance Results

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Relevant and up-to-date natural hazards information is available via the web-based Otago Natural Hazards Database.	2023/2024 Database information is checked and updated monthly.	
	2022/2023 Database information is checked and updated monthly.	

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of flood warnings that are issued in accordance with the flood warning manual.	2023/2024 100%	 100%
	2022/2023 100%	 100%







Achieved -- noting that no extreme heavy rainfall event affected the region during 2023-24 financial year.

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Develop a regional natural hazards risks assessment and regional approach for prioritising adaption.	2023/2024 Complete natural hazard risk assessment and prioritisation approach.	
	2022/2023 Report to Council on progress of natural hazard risk assessment and prioritisation approach.	

As at 30 June 2024 the work program had been fully drafted, released for external peer review and scheduled for consideration at the August Council meeting cycle.

PERFORMANCE MEASURE	TARGET	RESULT
Develop and implement prioritised natural hazard risks adaptation works.	2023/2024 Work in priority areas* is delivered as per plan by 30 June 2024.	
	The Head of Lake Whakatipu natural hazards adaptation strategy progresses as per annual work plan.	
	ORC contribution to the South Dunedin Future programme* progresses as per annual work plan.	
	2022/2023 Work in priority areas is delivered as per plan by 30 June.	
	The Head of Lake Whakatipu natural hazards adaptation strategy progresses as per annual work plan.	
	ORC contribution to the South Dunedin Future programme* progresses as per annual work plan.	

*Overall, work on priority areas progressed to programme and community expectations.

For the Head of Lake Whakatipu natural hazards adaptation strategy, several large technical studies were completed and shared with the community during 2023-24. Significant progress was made on the remaining technical studies being nearly completed and under peer review.

The delivery of the first iteration of the Lake Whakatipu Strategy is now expected in early 2025, reflecting feedback from the community and the complexity of the technical studies. The updated time frames will be reported to the Safety and Resilience Committee in August 2024.

The South Dunedin Future (SDF) programme is a joint partnership with DCC and will provide a framework for developing climate change adaptation options for South Dunedin and Harbourside.

Flood Protection, Drainage and River Management



Monitoring grass growth establishment on one of the Lower Clutha flood recovery sites

Otago has large, developed areas situated on low-lying river flats often close to sea level. Our flood protection schemes help protect people and their livelihoods in adverse weather events, and our drainage schemes help maintain the productive capability of land.

Around 43,000 ha of rural and urban land in Otago has council-provided flood protection and drainage infrastructure. Three flood protection schemes, three drainage schemes and one combined flood protection and drainage scheme are council owned and managed. We also own but commission external management for parts of the Lower Waitaki River Control Scheme.

The key programmes which make up this activity are:

- Flood Protection
- Drainage Schemes
- Rivers and Waterways
- Designations and Bylaws

Performance and Delivery

Area	Progress/Performance
ALEXANDRA FLOOD PROTECTION SCHEME	<p>100% of planned maintenance completed.</p> <p>One capital works project: This project (pump station technical upgrades) has been deferred through the LTP process.</p> <p>Linger and Die pumps (x3) were removed and inspected, with further maintenance scheduled for 2024/25 due to timing of the maintenance required and some lead time for parts.</p>
LEITH FLOOD PROTECTION SCHEME	<p>Note that planned maintenance on the Leith Flood Protection Scheme was completed under Dunedin Rivers and Waterway Management.</p> <p>Two capital works projects: both in scoping and investigations stage.</p>
LOWER CLUTHA FLOOD PROTECTION AND DRAINAGE SCHEME	<p>100% of planned maintenance completed, 55 tasks complete.</p> <ul style="list-style-type: none"> • All scheduled mechanical drain cleaning completed as planned. • Scheduled drain and floodbank spraying completed. • Floodbank/drain mowing completed. • All inspections (drain, culvert, bridge, pump station, relief well) for the year completed. <p>Six capital works projects: one project (pump station technical upgrades) has been deferred through the LTP process.</p>
LOWER TAIERI FLOOD PROTECTION SCHEME	<p>86% of planned maintenance completed, 12 out of 14 tasks complete.</p> <ul style="list-style-type: none"> • Floodbank mowing completed in Q4. • All noxious floodbank spraying completed in Q4. • All floodbank inspections for the year completed. • Tree trimming Riverside Road not complete due to scope change. • Mulching Waipori floodbank not complete due to scope change. <p>Six capital works projects: all progressed as planned.</p>
WEST TAIERI DRAINAGE SCHEME	<p>96% of planned maintenance completed, 22 out of 23 tasks complete.</p> <ul style="list-style-type: none"> • Mechanical drain cleaning mostly completed. Scheduled drain spraying completed. • All inspections (drain, culvert, bridge, pump station) for the year completed. • Tree removal Drain 6, task not complete due to change in scope. <p>Five capital works projects: one project (pump station technical upgrades) has been deferred through the LTP process.</p>
EAST TAIERI DRAINAGE SCHEME	<p>100% of planned maintenance completed, 28 tasks complete.</p> <ul style="list-style-type: none"> • Scheduled mechanical drain cleaning completed. • Scheduled drain invert and pest plant spraying completed. • All inspections (drain, culvert, bridge, pump station) for the year completed. <p>Seven capital works projects: one project (pump station technical upgrades) has been deferred through the LTP process.</p>
TOKOMAIRO DRAINAGE SCHEME	<p>100% of planned maintenance completed, 23 tasks complete.</p> <ul style="list-style-type: none"> • Mechanical drain cleaning completed. • Scheduled drain spraying completed. • Planned tree maintenance completed. • All inspections (drain, culvert, bridge) for the year completed.
DUNEDIN RIVERS AND WATERWAY MANAGEMENT	<p>96% of planned maintenance completed, 203 out of 211 tasks complete.</p> <ul style="list-style-type: none"> • This data includes planned inspections and contract work that was identified as part of the annual work programme. • An additional 23 reactive works were also completed.

CLUTHA RIVERS AND WATERWAY MANAGEMENT

90% of planned maintenance completed, 127 out of 141 tasks complete.

- This data includes planned inspections and contract work that was identified as part of the annual work programme.
- An additional six reactive works were also completed,

CENTRAL OTAGO RIVERS AND WATERWAY MANAGEMENT

84% of planned maintenance completed, 27 out of 32 tasks complete.

- This data includes planned inspections and contract work that was identified as part of the annual work programme.
- An additional 11 reactive works were also completed.

WHAKATIPU RIVERS AND WATERWAY MANAGEMENT

77% of planned maintenance completed, 17 out of 22 tasks complete.

- This data includes planned inspections and contract work that was identified as part of the annual work programme.
- An additional five reactive works were also completed.

WĀNAKA RIVERS AND WATERWAY MANAGEMENT

81% of planned maintenance completed, 17 out of 21 tasks complete.

- This data includes planned inspections and contract work that was identified as part of the annual work programme.
- An additional nine reactive works were also completed.

WAITAKI RIVERS AND WATERWAY MANAGEMENT

71% of planned maintenance completed, 35 out of 49 tasks complete.

- This data includes planned inspections and contract work that was identified as part of the annual work programme.



Flood Protection and Drainage Schemes Works

During the financial year we completed 98% of the planned maintenance programme for the ORC's five flood and/or drainage schemes (Tokomairiro, East Taieri, West Taieri drainage, Lower Taieri flood protection, Lower Clutha flood protection and drainage). This was above the performance target of 90%. A few tasks were deferred or cancelled because their scope had changed. Maintenance of three pumps at the Linger and Die pump station in the Alexandra flood protection scheme was deferred to allow for the lead time for parts – all other scheduled pump maintenance was done as planned. The schemes continue to perform at the level they are designed for, with no breaches.

All 27 planned capital renewal projects met their delivery target in the financial year, above the performance target of 90%. It should be noted, however, that the initial scoping for one project presented funding and resourcing constraints, and was deferred for consideration in the 2024-2034 Long-term Plan.

All schemes remained resilient in weather events, and deferring some renewals did not critically affect their performance.

Climate Resilience Projects

The climate resilience projects have continued to progress well over the financial year. This work programme includes four multi-year projects part-funded by the Ministry of Business, Innovation and Employment (MBIE) through the Regional Economic Development and Investment Unit Kānoa. Three of these projects (Riverbank Road, Robson Lagoon and Outram Weighting Blanket) are now complete, and we expect to complete construction of the fourth (the Contour Channel project) by December 2024, ahead of the MBIE contract completion date of June 2025. Two bridges have been replaced and most of the floodbank has been reconstructed. Approximately 300 metres of floodbank will be constructed in the 2024/2025 summer season, completing the project.

Taieri Flood Protection Scheme - Floodbank risk Assessment

A risk assessment of the Taieri Flood Protection Scheme was completed in November 2023 and presented to the community through drop-in sessions at Outram and Mosgiel. The risk assessment provides information about the relative risks associated with floodbank failure in the scheme. In turn, this informs how the floodbank and associated assets will be managed. The risk assessment is part of ORC's broader programme of infrastructure resilience work underway for the Taieri.

River Management

The initial work programme identified 476 planned works for the year. This included both planned contract works and routine inspections such as river mouth checks and river inspections. More works were carried out in the Dunedin and Clutha river management areas than in the other areas. This reflects additional monitoring inspections and maintenance done for the various coastal river mouths across Otago.

Our river management programme has a performance target of 90% completion. In this financial year, we completed 425/476 (89%) of works identified when the programme was finalised (Q2). Fifty-one programmed works were not completed, mostly due to consent conditions or regulatory limitations. This work will be reassessed and added to the 2024-25 works programme if required. In addition to the programmed work, we completed 65 reactive works, many in response to vegetation blockages caused by high winds, resulting in a total of 490/541 (90%) activities being completed. The number of reactive works reflects the dynamic nature of river management.

The Engineering team received 292 queries related to rivers, drainage and flood protection schemes in the 2023/24 financial year. Of those, 147 were related to river management. During the year, the River Management team implemented a new process to assign and track queries, making it easier to monitor progress. All of the 147 river management queries were responded to within the 20-day time frame, in line with the performance target of 100%.

Flood Events

No flood events were recorded in the 2023/24 financial year. A rainfall event in September 2023 affected waterways in Central Otago and the upper catchments of Otago's rivers, but did not result in flooding in the downstream flood scheme areas.

An interactive map of our flood repair and recovery programme remains active online, showing repair sites, their programmed completion and status.

Bylaws







The ORC provides flood protection and land drainage across 43,000 ha of rural and urban land in Otago. The new Flood Protection Management Bylaw 2022, which safeguards flood protection and land drainage assets owned or managed by the ORC, came into effect on 1 September 2022. We received 25 bylaw applications during the year, granting 21 and declining one.



Performance Results

LEVEL OF SERVICE:

Provide the standard of flood protection and control agreed upon with communities.

PERFORMANCE MEASURE	TARGET	RESULT
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	2023/2024 ≥ 90% of planned maintenance programme completed.	 98%
	Schemes function to their constructed design standards.	
	≥ 90% of renewals programme completed.	
		>90% with 1 deferred project
	2022/2023 ≥ 80% of planned maintenance programme completed.	 94%
	Schemes function to their constructed design standards.	
	≥ 90% of renewals programme completed.	 87%

LEVEL OF SERVICE:

Respond efficiently and effectively to damage from natural hazard events.

PERFORMANCE MEASURE	TARGET	RESULT
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	2023/2024 Programme developed and communicated within 3 months of the event.	
	2022/2023 Programme developed and communicated within 3 months of the event.	

No flood events to communicate for 2023-24

LEVEL OF SERVICE:

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

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	2023/2024 100%	✓ 100%
	2022/2023 100%	✗ 95%

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of planned maintenance actions achieved each year.	2023/2024 ≥ 90%	✓ 90%
	2022/2023 ≥ 90%	— 80.4%



Emergency Management



Maintaining and improving our communities' resilience to emergencies is the fundamental reason for ORC's work in emergency management.

Together with territorial authorities, we have responsibilities under the Civil Defence Emergency Management Act 2002 to ensure Otago's exposure to hazards is reduced, we are prepared to respond to emergencies, and we can recover effectively. ORC administers and coordinates the work of the Otago CDEM Group, operating through a shared service agreement with councils across Otago, while the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee oversee governance and operations.

Our programmes across the region are centred on national CDEM priorities of reduction, readiness, response, and recovery.

The key programme that makes up this activity is:

- Emergency Management.

Performance and Delivery

Emergency Management is a critical activity – planning and preparing for emergencies, and leading the response and recovery effort when events happen. A large part of the Emergency Management work programme is planning and education. The aim is to support communities to build resilience and make sure they are ready to respond in disasters.

CDEM facility

A full-time Emergency Coordination Centre (ECC) is set up and ready to be activated quickly in an emergency. All areas are functional and passed monthly equipment checks throughout the 2023/24 financial year.

Staff and training

Emergency Management Otago has a core staffing team and is able to draw on a wider group of trained personnel from the ORC and other councils in the region in an emergency.

This wider group are selected and trained to support the function of the Emergency Coordination Centre during an event. We maintained capacity to deliver this training in-house, and during the reporting year we had an adequate number of trained staff.

We continue to take steps to maximise our pool of trained staff, which is influenced by staff priorities and willingness to attend the training on offer.

During the 2023/24 financial year, we filled some team leader vacancies. At the end of the financial year, we had one vacancy for an administrative support coordinator, which we expect to fill in the near future. These vacancies did not significantly affect the work programme, which tracked as expected.

Sector reform

At a national level, a significant body of work is underway to reform the emergency management system and review the regulatory framework that emergency management operates within. The Emergency Management Otago team stays up to date on the reform process, leads consultations with partner organisations and works on submissions to the process.

Performance Results





LEVEL OF SERVICE:

Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.

PERFORMANCE MEASURE	TARGET	RESULT
Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement.	2023/2024 Fulfil all requirements as the administering authority.	
	2022/2023 Fulfil all requirements as the administering authority.	

LEVEL OF SERVICE:

Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.

PERFORMANCE MEASURE	TARGET	RESULT
An adequate Emergency Coordination Centre (ECC) facility and staffing are available.	2023/2024 Adequate staff who are trained and available for any activation of the ECC.	
	An appropriate facility is available for activation at all times.	
	2022/2023 Adequate staff who are trained and available for any activation of the ECC.	
	An appropriate facility is available for activation at all times.	

Due to staff turnover, the number of trained staff was below target. The adequate number of trained staff is 3 Controllers (we have 4 trained Controllers), 14 Function Leads (we have 12 trained Functional Leads) and 43 Function Team Members (we have 29 trained Function Team members).

PERFORMANCE MEASURE	TARGET	RESULT
Maintain response functionality to enable operational situational awareness when ECC activated.	2023/2024 Response solutions are checked as scheduled and any issues remedied.	
	2022/2023 Response solutions are checked as scheduled and any issues remedied.	

Transport

This group of activities includes the following council activities:

- Governance and Community Engagement
- Regional Planning and Urban Development
- Regulatory

Performance results



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Community Outcomes

Our **Transport** activities contribute to:



Transport Planning and Public Passenger Transport



Otago Regional Council is responsible for public transport in Otago, and through contracted operators, we provide public passenger transport services in Dunedin and Queenstown. We also provide a region-wide 'Total Mobility scheme' to assist eligible people who are unable to use public transport. These services sit under a wider umbrella of Regional Land Transport Planning and Regional Passenger Transport Planning that we are responsible for, working with Waka Kotahi, Environment Southland, and councils in the Otago Region. Under these plans, we have a role in facilitating some key transport projects in Otago.

ORC has strategic oversight, in partnership with Waka Kotahi (NZTA), on land transport matters. We coordinate regional land transport activities and produce a Regional Land Transport Plan (RLTP) in partnership with Environment Southland, NZTA and city and district councils. The RLTP outlines future planned transport network improvements and forms the basis of funding applications to the National Land Transport Fund on a three-yearly cycle.

Key work programmes include:

- Regional Land Transport Plan
- Public Transport Dunedin
- Public Transport Queenstown
- Regional Total Mobility Service

Performance and Delivery

Bus Patronage

Use of public transport is at record levels in both Queenstown and Dunedin. Following the June 2023 reintroduction of full timetables, 1,897,200 bus trips were taken in Queenstown over the financial year. This is a 51% increase from 2022/23 and is the highest annual figure we have seen since the network's first full year of operation in 2018/19, when patronage was reported at 1,468,057. The 2023/24 figure exceeds this previous high by 29%.

Patronage also rose in Dunedin, where a record 3,397,245 passenger trips were taken over the financial year. This is a 21% increase from the previous financial year, noting that full timetables were reintroduced to Dunedin in February 2023. It is also an increase of 33% from the 2018/19 financial year, which is the last full year period where patronage was not disrupted by COVID restrictions and driver shortages.

Service Reliability and Punctuality

The recruitment of the full number of drivers needed to operate the region's public transport system helped to maintain a high level of reliability for both the Dunedin and Queenstown bus networks over the 2023/24 financial year. Exceeding a target of 95%, we ran 99.9% of scheduled trips in Dunedin and 99.7% in Queenstown. We note that a short-term driver shortage resulted in more services being cancelled in Queenstown over February than average, but this did not significantly affect the full-year results.

Although we ran almost all scheduled services, punctuality was below the target of 95% in both Dunedin and Queenstown. The punctuality of Dunedin's bus services continued to be heavily affected by extensive roadworks and road closures – 82% of services arrived on time. The completion of roadworks in Dunedin's central city will significantly improve service punctuality. Queenstown's services were affected by heavy congestion on the approaches in and out of central Queenstown/Stanley Street at peak times, with punctuality sitting just below the target at 93%.

Passenger Satisfaction

We have a high target for passenger satisfaction (97%) and did not achieve this in either Dunedin or Queenstown. Passenger satisfaction in Dunedin rose to 88%, up 2% from 2022/23. With patronage at record levels, passengers may have higher expectations – while the increase in satisfaction is modest, it is positive to see it moving in this direction after some years of disruption due to COVID and a national driver shortage.

Passenger satisfaction in Queenstown is higher, sitting at 91% for the year. This figure is reasonably stable, even though the network in Queenstown was greatly affected by the national driver shortage and only returned to full service levels in June 2023 after nearly a year of reduced timetables. We note that services were affected by a short-term driver shortage again in February and March 2024.

Satisfaction with Timetable and Service Information

We are continuing to improve our real-time information for bus users, adding real-time tracking of buses on the ORC website and updating signs at the Dunedin and Frankton bus hubs. However, customer satisfaction with our provision of timetable and services information is mixed, rising in Dunedin and falling in Queenstown.

Our target for this measure is to maintain or increase satisfaction from the 2022 baseline results. Against a 2022 baseline of 70%, satisfaction in Dunedin is up 8% to 78%. Note that this is a 14% improvement on the figure for the 2022/23 financial year. Queenstown has a higher baseline figure of 88%, and satisfaction for this year is down 16% from that at 72% (a 9% drop from the 2022/23 year).

Satisfaction with the Total Mobility Scheme

Satisfaction with the Total Mobility scheme came in well above our baseline target of 87%, at 100%. It is likely that this high level of satisfaction was influenced by the increased subsidisation (75%) protecting scheme users from the inflationary pressures of fuel costs.

Regional Land Transport Plan

In April 2024, the New Zealand Transport Agency Waka Kotahi changed the deadline for submission of the Regional Land Transport Plan (RLTP) to 1 August. Hearings were held in late May and early June. On the recommendation of the Regional Transport Committee, Council approved the RLTP at its meeting on 24 July and the plan was submitted to NZTA on 30 July.

Performance and Results

LEVEL OF SERVICE:

Advocate for Otago's regional transport planning priorities and aspirations at a national level.

PERFORMANCE MEASURE	TARGET	RESULT
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by Waka Kotahi.	2023/2024 RLTP review completed and adopted by Council 30 June 2024.	
	2022/2023 RLTP implementation progress is reported annually to Regional Transport Committee.	



The Council extended the consultation period for the Regional Land Transport Plan (RLTP) at the request of Waka Ko Tahi and to enable them to consult on the plan. This meant the 30 June 2024 adoption date was extended. The RLTP was adopted in August 2024.

LEVEL OF SERVICE:



Provide efficient, reliable and accessible public transport services that meet community needs.

PERFORMANCE MEASURE	TARGET	RESULT
Annual public transport boardings in Queenstown per capita.	2023/2024 Increase (from prior year)	 51%
	2022/2023 Increase (from prior year).	 55%



Total Queenstown bus patronage for 2023/24 is 1,897,200: 51% increase from 2022/23 [1,252,982 total patronage].

PERFORMANCE MEASURE	TARGET	RESULT
Annual public transport boardings in Dunedin per capita.	2023/2024 Increase (from prior year)	 21%
	2022/2023 Increase (from prior year).	 18%

Total Dunedin bus patronage for 2023/24 is 3,397,245: 21% increase from 2022/23 [2,797,300 total patronage].

PERFORMANCE MEASURE	TARGET	RESULT
Overall passenger satisfaction with Whakatipu public transport system at annual survey.	2023/2024 97%	 91%
	2022/2023 97%	 92%





The Queenstown network was greatly affected by the national driver shortage. The return to full service levels, following the introduction of reduced timetables introduced in July 2022, was delayed to June 2023. A short-term driver shortage affected services again through February/March 2024.

PERFORMANCE MEASURE	TARGET	RESULT
Overall passenger satisfaction with Dunedin public transport system at annual survey.	2023/2024 97%	 88%
	2022/2023 97%	 89%



Dunedin has experienced a significant increase in patronage, with 2023/24 being at record levels. Passenger expectations may have possibly been impacted as patronage rises.

LEVEL OF SERVICE:

Provide efficient, reliable and accessible public transport services that meet community needs.





PERFORMANCE MEASURE	TARGET	RESULT
Percentage of scheduled services delivered (reliability). **	2023/2024 95%	 99.9% (DN)
		 99.7% (QTN)
	2022/2023 95%	 96% (DN)
		 86% (QTN)

**Reliability is based on scheduled trips completed in full. A service trip leaving the origin stop >59 seconds early or >9 minutes and 59 seconds late is deemed not to have operated.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of scheduled services on-time (punctuality – to five minutes).***	2023/2024 95%	 82% (DN)
	2022/2023 95%	 93% (QTN)



Throughout 2023-2024 financial year, services were heavily affected in Dunedin by extensive roadworks and road closures, whilst Queenstown was affected by heavy congestion on the approaches in and out of central Queenstown/Stanley Street at peak times. Dunedin punctuality will improve significantly with the completion of the central city works.

***Punctuality is based on scheduled service trips leaving origin stop between 59 seconds before and four minutes and 59 seconds after the scheduled departure time.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of users who are satisfied with the provision of timetable and services information.	2023/2024 Maintain or increase (from 2022 baseline: 70% (DN), 88% (QTN).	 78% (DN)
	2022/2023 Maintain or increase (from 2022 baseline: 70% (DN), 88% (QTN).	 72% (QTN)
		 64% (DN)
		 81% (QTN)

Dunedin is 78%, which is up 8% from 2022 baseline, and positively 14% up on the 2023 figure of 64%.

Queenstown is 72%, which is a drop of 16% from 2022. The drop of 9% is from the 2023 baseline.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of users who are satisfied with the overall service of the Total Mobility scheme.	2023/2024 Maintain or increase (from 2023 baseline: 99%).	 100%
	2022/2023 Maintain or increase (from 2022 baseline: 87%).	 99%

Public Transport Satisfaction Survey Dunedin

Statement of Service Provision

Survey taken May 2024

Overall satisfaction

88%

The overall level of satisfaction with the Dunedin public transport system has increased in 2024.



▲ 86% in 2023 ▼ 89% in 2022

Participants

29% aged 65+ years

29% of participants were aged 65+ years followed by 20% aged 45–59 years.



75% non SuperGold cardholders

75% of participants were not SuperGold cardholders.



23% travelling to work

23% of participants used the bus to get to work.



86% would recommend using the bus

86% of participants would likely or very likely recommend public transport to friends or colleagues.



30% 5 or more trips per week

30% of participants use the bus 5 or more trips per week.



Passenger satisfaction

94% Exterior of the bus
▲ 89% in 2023 | 89% in 2022

93% Interior of the bus
▲ 92% in 2023 | 91% in 2022

84% The bus is on time
▲ 68% in 2023 | 73% in 2022

86% How often the service runs
▲ 76% in 2023 | 82% in 2022

91% Value for money of fare
▼ 98% in 2023 | 97% in 2022

95% Having enough seats available
▶ 95% in 2023 | 93% in 2022

92% Ease of getting on and off the bus
▼ 94% in 2023 | 95% in 2022

90% Comfort of the inside temperature
▶ 90% in 2023 | 94% in 2022

93% Helpfulness and attitude of driver
▼ 95% in 2023 | 91% in 2022

96% Personal security during trip
▲ 95% in 2023 | 96% in 2022

97% Satisfaction of current trip
▼ 98% in 2023 | 96% in 2022

78% Information about services and delays
▲ 64% in 2023 | 70% in 2022

92% Travel time
▼ 94% in 2023 | 90% in 2022

94% Convenience of paying
▼ 97% in 2023 | 95% in 2022

89% Ease of getting route information
▲ 84% in 2023 | 86% in 2022

Public Transport Satisfaction Survey Whakatipu

Statement of Service Provision

Survey taken 10 – 13 April 2024

Overall satisfaction

91%



The overall level of satisfaction with the Whakatipu public transport system has decreased in 2024.

▼ 92% in 2023 ▼ 98% in 2022

Participants

37% aged 25–34 years

37% of participants were aged 25–34 followed by 21% aged 45–59 years.



96% non SuperGold cardholders

96% of participants were not SuperGold cardholders.



57% travelling to work

57% of participants used the bus to get to work.



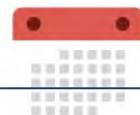
86% would recommend using the bus

86% of participants would likely or very likely recommend public transport to friends or colleagues.



37% 2 or more trips per day

37% of participants use the bus 2 or more trips per day.



Passenger satisfaction

93% Exterior of the bus
▼ 94% in 2023 | 96% in 2022

87% Interior of the bus
▼ 90% in 2023 | 93% in 2022

76% The bus is on time
▼ 79% in 2023 | 80% in 2022

72% How often the service runs
▲ 70% in 2023 | 75% in 2022

89% Value for money of fare
▼ 94% in 2023 | 98% in 2022

95% Having enough seats available
▼ 96% in 2023 | 98% in 2022

97% Ease of getting on and off the bus
▼ 98% in 2023 | 98% in 2022

95% Comfort of the inside temperature
▼ 96% in 2023 | 98% in 2022

97% Helpfulness and attitude of driver
▲ 92% in 2023 | 93% in 2022

97% Personal security during trip
▲ 96% in 2023 | 96% in 2022

97% Satisfaction of current trip
▼ 98% in 2023 | 98% in 2022

72% Information about services and delays
▼ 81% in 2023 | 88% in 2022

92% Travel time
▼ 94% in 2023 | 93% in 2022

89% Convenience of paying
▼ 94% in 2023 | 96% in 2022

91% Ease of getting route information
▲ 90% in 2023 | 96% in 2022

Financial Statements



Funding Impact Statements for Otago Regional Council

Council Funding Impact Statement for the year ended 30 June 2024

\$000s	Annual Plan 2022/23	Actual 2022/23	Annual Plan 2023/24	Actual 2023/24
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	23,127	24,253	28,263	29,379
Targeted rates	24,101	24,168	27,515	27,571
Subsidies and grants for operating purposes	22,102	26,187	20,497	30,401
Fees and charges	6,861	4,286	5,951	4,365
Interest and dividends from investments	14,750	19,477	25,250	25,637
Local authorities fuel tax, fines, infringement fees and other receipts	9,128	7,255	13,568	10,735
Total Sources of Operating Funding (A)	100,069	105,626	121,043	128,088
Applications of Operating Funding				
Payments to staff and suppliers	98,547	101,304	107,334	113,570
Finance costs	350	5,203	9,700	9,274
Other operating funding applications	424	46	77	27
Total Applications of Operating Funding (B)	99,322	106,553	117,111	122,871
Surplus (deficit) of operating funding (A - B)	748	(927)	3,931	5,217
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	10,000	-	-
Gross proceeds from sale of assets	420	874	4,000	874
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	420	10,874	4,000	874
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	2,813	2,581	875	2,956
To replace existing assets	10,295	1,516	9,191	3,330
Increase / (Decrease) in reserves	(11,940)	5,850	(2,134)	(195)
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	1,168	9,947	7,931	6,091
Surplus / (Deficit) of Capital Funding (C - D)	(748)	927	(3,931)	(5,217)
Funding Balance ((A - B) + (C - D))	-	-	-	-

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

Reconciliation of Council Funding Impact Statement to Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

\$000s	Annual Plan 2022/23	Actual 2022/23	Annual Plan 2023/24	Actual 2023/24
Surplus/(deficit) of operating funding in Funding Impact Statement	748	(927)	3,931	5,217
Add/(deduct)				
Increase/(Decrease) in the fair value of investment property	-	(4)	-	1,150
Increase/(Decrease) in the fair value of investment portfolio	-	1,129	-	1,147
Gain/(Loss) on disposal of assets	-	381	-	198
Depreciation and amortisation	(4,356)	(4,140)	(4,211)	(4,024)
Impairment (loss)/reversal on property plant and equipment	-	-	-	-
Write-off of property plant and equipment work in progress	-	-	-	-
Other	1,422	(75)	1,265	(251)
Surplus/(deficit) before taxation in Statement of Comprehensive Revenue and Expense	(2,186)	(3,637)	984	3,436

Schedule of Capital Expenditure

\$000s	Annual Plan 2022/23	Actual 2022/23	Annual Plan 2023/24	Actual 2023/24
REGIONAL LEADERSHIP				
Compliance	-	21	-	-
Harbour management	120	121	21	8
Public Awareness	100	2	-	89
ENVIRONMENTAL				
Water Monitoring	1,563	899	580	944
Pest Management	-	6	-	-
Biodiversity	90	16	95	376
Air monitoring	90	78	74	66
SAFETY AND RESILIENCE				
Climate change	-	6	-	-
Emergency management	-	32	-	24
Hazards	-	-	52	-
Flood Protection / Drainage - All Schemes	3,230	1,683	1,723	2,564
River Management - All Schemes	-	4	100	2
Transport	-	-	-	436
CORPORATE				
Property	5,220	233	6,100	309
Motor Vehicles	675	667	750	865
Computers and software	1,950	265	500	529
Plant	20	64	20	73
Sundry	50	-	50	2
TOTAL	13,108	4,097	10,065	6,286

Flood protection/drainage capital expenditure is below budget due to difference from budget in the timing of the Lower Taieri scheme Contour Channel capital project.

Funding Impact Statement: Regional Leadership

Funding Impact Statement for the year ended 30 June 2024

\$000s	Long Term Plan 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	16,340	17,002	17,730	20,647
Targeted rates (other than a targeted rate for water supply)	200	200	210	210
Subsidies and grants for operating purposes	75	65	75	170
Fees, charges and targeted rates for water supply	5,805	4,166	6,495	4,255
Internal charges and overheads recovered	-	75	-	85
Local authorities fuel tax, fines, infringement fees and other receipts	266	219	272	377
Total Sources of Operating Funding (A)	22,686	21,729	24,782	25,745
Applications of Operating Funding				
Payments to staff and suppliers	15,982	15,897	16,402	16,692
Finance costs	-	-	-	-
Internal charges and overheads applied	6,950	8,093	8,206	7,977
Other operating funding applications	8	880	8	27
Total Applications of Operating Funding (B)	22,940	24,869	24,616	24,695
Surplus (deficit) of operating funding (A - B)	(254)	(3,141)	166	1,050
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	-	144	-	97
To replace existing assets	51	-	21	-
Increase / (Decrease) in reserves	(305)	(3,285)	145	953
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	(254)	(3,141)	166	1,050
Surplus / (Deficit) of Capital Funding (C - D)	254	3,141	(166)	(1,050)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement: Environment

Funding Impact Statement for the year ended 30 June 2024

\$000s	Long Term Plan 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	17,079	17,374	18,196	20,020
Targeted rates (other than a targeted rate for water supply)	5,171	4,818	6,575	6,329
Subsidies and grants for operating purposes	2,536	5,442	2,179	4,250
Fees, charges and targeted rates for water supply	205	(0)	210	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	364	193	364	71
Total Sources of Operating Funding (A)	25,355	27,825	27,524	30,672
Applications of Operating Funding				
Payments to staff and suppliers	20,514	21,776	21,087	23,145
Finance costs	-	0	-	-
Internal charges and overheads applied	5,496	6,635	6,811	7,022
Other operating funding applications	-	643	-	-
Total Applications of Operating Funding (B)	26,010	29,054	27,898	30,167
Surplus (deficit) of operating funding (A - B)	(655)	(1,229)	(374)	505
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	1,293	747	537	1,031
To replace existing assets	486	252	220	356
Increase / (Decrease) in reserves	(2,434)	(2,228)	(1,131)	(882)
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	(655)	(1,229)	(374)	505
Surplus / (Deficit) of Capital Funding (C - D)	655	1,229	374	(505)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement: Safety and Resilience

Funding Impact Statement for the year ended 30 June 2024

\$000s	Long Term Plan 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	3,859	4,055	4,167	4,480
Targeted rates (other than a targeted rate for water supply)	10,002	10,315	10,680	10,610
Subsidies and grants for operating purposes	1,558	1,125	613	2,404
Fees, charges and targeted rates for water supply	462	120	484	105
Internal charges and overheads recovered	-	941	-	1,782
Local authorities fuel tax, fines, infringement fees and other receipts	251	963	257	1,016
Total Sources of Operating Funding (A)	16,132	17,518	16,201	20,397
Applications of Operating Funding				
Payments to staff and suppliers	10,638	9,047	11,252	12,443
Finance costs	-	-	-	-
Internal charges and overheads applied	2,717	4,369	3,207	5,483
Other operating funding applications	-	335	-	-
Total Applications of Operating Funding (B)	13,355	13,751	14,459	17,926
Surplus (deficit) of operating funding (A - B)	2,777	3,767	1,742	2,471
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	102	892	105	216
To replace existing assets	3,855	833	2,104	2,373
Increase / (Decrease) in reserves	(1,180)	2,042	(467)	(118)
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	2,777	3,767	1,742	2,471
Surplus / (Deficit) of Capital Funding (C - D)	(2,777)	(3,767)	(1,742)	(2,471)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement: Transport

Funding Impact Statement for the year ended 30 June 2024

\$000s	Long Term Plan 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	763	785	851	789
Targeted rates (other than a targeted rate for water supply)	8,756	8,766	10,416	10,422
Subsidies and grants for operating purposes	14,340	18,973	14,893	23,576
Fees, charges and targeted rates for water supply	256	-	262	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	9,293	4,542	10,229	8,049
Total Sources of Operating Funding (A)	33,408	33,066	36,651	42,837
Applications of Operating Funding				
Payments to staff and suppliers	34,417	34,515	36,174	40,906
Finance costs	-	-	-	-
Internal charges and overheads applied	843	883	1,121	1,095
Other operating funding applications	-	72	-	-
Total Applications of Operating Funding (B)	35,260	35,470	37,295	42,001
Surplus (deficit) of operating funding (A - B)	(1,852)	(2,404)	(644)	836
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	-	-	-	436
To replace existing assets	-	-	-	-
Increase / (Decrease) in reserves	(1,852)	(2,404)	(644)	400
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	(1,852)	(2,404)	(644)	836
Surplus / (Deficit) of Capital Funding (C - D)	1,852	2,404	644	(836)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Financial Statements



This section reports the results of the Otago Regional Council as a separate entity and the consolidated results of the Group comprising the Council and Port Otago Limited.

Port Otago Limited

The Council is the 100% shareholder of Port Otago Limited. The Council views its shareholding role as one of trustee for the people of Otago, a position widely supported throughout the region.

Each year Port Otago Limited produces a Statement of Corporate Intent, which is then formally approved by Council. As its owner, the Council does not participate in the management and operation of the Company; that is left in the case of the Directors of Port Otago Limited and its management. Port Otago Limited reports to Council on a six-monthly basis its performance results for the period.

The results of Port Otago Limited for the year ended 30 June 2024 have been incorporated into the Group results included within these financial statements.

Overview of Financial Performance

Statement of Comprehensive Revenue and Expenses

The total comprehensive revenue and expense gain of \$12.266 million comprises an operating surplus for the year of \$3.436 million and a revaluation gain of \$8.830 million. The surplus of \$3.436 million is \$2.450 million greater than the budgeted surplus of \$0.986 million.

The following major items contributed to this variance:

- Grants revenue and subsidies is \$9.904 million greater than budgeted revenue of \$20.497 million. The main factor causing this variance is the additional grant from Waka Kotahi NZTA of \$7.078 million to fund Community Connect, funding share of increased service costs and one-offs for driver wage increases, Super Stops and a historic funding washup.
- Other revenue is \$3.306 million below budgeted revenue due to the following major factors:
 - \$4.500 million reduction in other income due to the budgeted sale of the Birch/Kitchner Street property not being completed before 30 June. This property is held on the balance sheet as a held for sale current asset.
 - Public transport fare revenue is \$0.450 million below budgeted revenue due to the increased bus patronage being funded by Waka Kotahi NZTA grant funded fares under the community connect scheme. This was originally budgeted to be paid as fare revenue which is recorded as other revenue but has been recorded as grant revenue due to be received from Waka Kotahi NZTA.
 - Consent processing is \$0.674 million below the \$3.284 million budgeted revenue, this was offset by a reduction in expenditure of \$0.778 million.
 - Lower Clutha flood protection and drainage scheme revenue is \$0.515 million above budgeted revenue of \$0.185 million.
- Employee benefits expense is \$2.274 million below budget due to vacancies in budgeted positions.
- Other expenses is \$8.489 million above budget due to the following:
 - \$5.304 million above budgeted expenditure on public transport bus contracts due to increased costs from operators
 - \$1.156 million increase in repairs and maintenance expense. The majority of the increased costs, \$0.972 million was caused by repairs to the Lower Clutha flood protection and drainage scheme.
 - \$0.232 million increase in insurance costs from budgeted costs of \$0.280 million.
 - \$0.505 million increased costs in subscriptions and software licenses. The majority of system subscriptions are linked to inflation which has been higher than budgeted.
 - \$0.171 million increase in vested asset expense (budget was nil) due to vesting of LiDAR aerial mapping that is vested to the Otago community by making this information public.
 - Casual labour is \$0.329 million above budget due to staff vacancies being filled with casual labour to ensure work programmes are completed.
 - \$0.303 million reduction in maintaining the gains project funding other expense due to decreased grant revenue funding being received.

Revaluation gain

The revaluation gain of \$8.830 million reflects the gain on the revaluation of the Council's shareholding in the Port Otago Limited Group at 30 June 2024 and is less than the gain of \$28.193 million provided for in the budget by \$19.363 million. The budgeted increase is a nominal estimate only, as the major factors contributing to the valuation are not able to be forecast with any significant degree of accuracy. The quantum of the gain does not impact directly on the operations of the Council during the year.

Statement of Financial Position

Total Assets

Total assets at \$1.023 million is below budgeted assets of \$1.027 million by \$3.592 million.

The following major items contributed to this variance:

- Cash and cash equivalents and other financial assets (our managed investment fund) have a combined amount of \$40.88 million and are \$9.422 million above the budget amount of \$31.466 million.
- Trade receivables has decreased by \$1.053 million from the 30 June 2023 position of \$18.192 million due to increased interim billing and receipts in the lead up to this year-end and to prepare for the change in accounting system on 1 July 2024.
- Shares in subsidiary: The valuation of the Council shareholding in Port Otago Limited at 30 June 2024 of \$732.720 million was below the budgeted amount of \$753.013 million by \$20.293 million.
- Property plant and equipment is \$96.012 million and is \$14.276 million below budget amount of \$110.287 million. Property plant and equipment is below budget due to delays in flood protection capital projects from budget and delays in the supply or ordered plant.
- Intangible assets is \$0.558 million and is \$1.323 million below the budgeted amount of \$1.881 million. This variance is caused by the re classification as expenditure of some software projects no longer meeting the definition of an intangible asset.
- In 2022 financial year Council borrowed funds from the New Zealand Local Government Funding Agency (NZLGFA). In the current financial year Council has lent \$25.209 million to fund deficit reserves and \$113.678 million to provide loan facilities for Port Otago Limited. Borrowings are held as current borrowing of \$48.359 million and non current borrowing of \$90.528 million in the Statement of Financial Position. Borrowing with the NZLGFA was budgeted to be \$37 million for Council only.
- All other assets and liabilities are in line with budget.

Equity

Public Equity and reserves at \$860.793 million below the budgeted amount of \$880.085 million by \$19.292 million. The major factor in the variance is the Port Share Revaluation Reserve, which records the accumulated revaluation gains on the annual revaluation of the Council's shareholding in Port Otago Limited.

The budgeted balance of the reserve at 30 June 2024 was \$771.427 million, whereas the actual balance is \$758.326 million.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

\$000s	Notes	Council 2024	Council Budget	Council 2023	Group 2024	Group 2023
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Rates revenue	1	55,815	55,778	47,342	55,665	47,222
Grant revenue and subsidies		30,401	20,497	26,187	30,401	26,187
Other revenue	1	12,318	15,202	8,234	12,318	8,109
REVENUE FROM EXCHANGE TRANSACTIONS						
Dividends	16	16,451	15,000	14,469	451	469
Interest and investment revenue		9,186	10,250	5,008	2,786	386
Other revenue	1	3,895	4,317	4,343	135,581	115,475
TOTAL REVENUE		128,066	121,044	105,583	237,202	197,848
EXPENDITURE						
Employee benefits expense	2	(33,549)	(35,823)	(28,397)	(77,419)	(65,926)
Depreciation and amortisation expense	3	(4,023)	(4,211)	(4,140)	(16,382)	(16,306)
Finance costs	22	(9,274)	(9,500)	(5,203)	(8,724)	(4,399)
Other expenses	4	(80,279)	(71,789)	(72,986)	(109,050)	(101,242)
TOTAL OPERATING EXPENDITURE		(127,125)	(121,323)	(110,726)	(211,575)	(187,873)
Other gains / (losses)	5	2,495	1,265	1,506	9,056	1,998
SURPLUS / (DEFICIT) BEFORE TAX		3,436	986	(3,637)	34,683	11,973
Income tax benefit / (expense)	6	-	-	-	(16,790)	(6,280)
SURPLUS / (DEFICIT) FOR THE YEAR		3,436	986	(3,637)	17,893	5,693
OTHER COMPREHENSIVE REVENUE AND EXPENSES						
Items that may be reclassified to surplus / (deficit):						
Fair value through Other Comprehensive Revenue and Expense financial assets:						
Fair value gain/(loss) on shares in subsidiary	16	8,830	28,193	23,600	-	-
Cashflow hedges:						
Unrealised movement in hedging interest rate swaps		-	-	-	(1,073)	165
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		8,830	28,193	23,600	(1,073)	165
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		12,266	29,179	19,963	16,820	5,858

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2024

\$000s	Notes	Council 2024	Council Budget	Council 2023	Group 2024	Group 2023
CURRENT ASSETS						
Cash and cash equivalents	7	13,604	6,040	14,830	13,659	14,885
Trade and other receivables	8	17,139	12,126	18,192	34,397	36,279
Investment property inventories	13	-	-	-	13,966	15,507
Other financial assets	15	27,284	25,426	25,262	27,284	25,262
Current related party receivable	16	38,480	-	-	-	-
Property held for sale	17	3,350	-	3,350	19,145	3,350
Other financial instruments	23	-	-	-	1,626	2,149
Other current assets		1,559	981	1,433	5,366	4,495
TOTAL CURRENT ASSETS		101,416	44,573	63,067	115,443	101,927
NON-CURRENT ASSETS						
Shares in subsidiary	16	732,720	753,013	723,890	-	-
Property, plant and equipment	11	96,011	110,287	93,994	342,426	332,480
Intangible assets	14	558	1,881	820	4,659	5,025
Non current related party receivable	16	75,198	99,960	125,088	-	-
Investment property	12	16,850	17,131	16,795	624,064	621,709
Other financial instruments	23	-	-	-	1,310	2,430
Borrower notes	21	500	-	500	2,588	2,588
TOTAL NON-CURRENT ASSETS		921,837	982,272	961,087	975,047	964,232
TOTAL ASSETS		1,023,253	1,026,845	1,024,154	1,090,490	1,066,159
CURRENT LIABILITIES						
Trade and other payables	9	20,280	18,996	22,594	35,140	37,735
Borrowings	21	48,359	-	58,878	65,084	64,418
Employee entitlements	10	3,293	2,608	2,716	10,855	8,795
Other financial instruments	23	-	-	-	-	23
Tax payable		-	-	-	6,229	4,715
TOTAL CURRENT LIABILITIES		71,932	21,604	84,188	117,308	115,686
NON-CURRENT LIABILITIES						
Employee entitlements	10	-	-	-	1,014	861
Borrowings	21	90,528	125,156	91,438	100,528	101,438
Deferred tax liabilities	33	-	-	-	25,634	19,473
Other financial instruments	23	-	-	-	600	115
TOTAL NON-CURRENT LIABILITIES		90,528	125,156	91,438	127,776	121,887
TOTAL LIABILITIES		162,460	146,760	175,626	245,084	237,573
NET ASSETS		860,793	880,085	848,528	845,406	828,586
EQUITY						
Reserves	18	758,326	771,427	747,994	441,971	450,367
Public equity	19	102,467	108,658	100,534	403,435	378,219
TOTAL EQUITY		860,793	880,085	848,528	845,406	828,586

Statement of Changes in Net Assets/Equity for the year ended 30 June 2024

\$000s	TOTAL COUNCIL 2024					
	Opening Balance 1 July 2023	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2024	Council Budget
EQUITY						
General Rate Equity	59,271	3,436	74,353	(77,473)	59,586	78,607
Targeted Rate Equity	41,263	-	71,656	(70,038)	42,881	42,913
TOTAL PUBLIC EQUITY	100,534	3,436	146,009	(147,511)	102,467	121,520
RESERVES						
Asset Replacement Reserve	2,899	-	3,576	(3,146)	3,329	754
Asset Revaluation Reserve	14,730	-	1,150	-	15,880	14,749
Port Share Revaluation Reserve	703,890	8,830	-	-	712,720	637,796
Building Reserve	14,082	-	362	(139)	14,305	1,938
Emergency Response Reserve	4,680	-	121	-	4,801	4,611
Water Management Reserve	472	-	11	(483)	-	5
Kuriwao Endowment Reserve	7,228	-	546	(483)	7,291	6,258
Environmental Enhancement Reserve	13	-	304	(317)	-	9
TOTAL RESERVES	747,994	8,830	6,070	(4,568)	758,326	666,120
TOTAL EQUITY AND RESERVES	848,528	12,266	152,079	(152,079)	860,793	787,640

\$000s	TOTAL GROUP 2024				
	Opening Balance 1 July 2023	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2024
EQUITY					
General Rate Equity	336,955	17,893	74,353	(68,648)	360,553
Targeted Rate Equity	41,264	-	71,656	(70,038)	42,882
TOTAL PUBLIC EQUITY	378,219	17,893	146,009	(138,686)	403,435
RESERVES					
Asset Replacement Reserve	2,899	-	3,576	(3,146)	3,329
Asset Revaluation Reserve	418,878	-	5,541	(13,216)	411,203
Building Reserve	14,082	-	362	(139)	14,305
Emergency Response Reserve	4,680	-	121	-	4,801
Hedging Reserve	2,115	(1,073)	-	-	1,042
Water Management Reserve	472	-	11	(483)	-
Kuriwao Endowment Reserve	7,228	-	546	(483)	7,291
Environmental Enhancement Reserve	13	-	304	(317)	-
TOTAL RESERVES	450,367	(1,073)	10,461	(17,784)	441,971
TOTAL EQUITY AND RESERVES	828,586	16,820	156,470	(156,470)	845,406

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity for the year ended 30 June 2023

\$000s	TOTAL COUNCIL 2023					
	Opening Balance 1 July 2022	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2023	Council Budget
EQUITY						
General Rate Equity	61,221	(3,637)	64,303	(62,616)	59,270	78,607
Targeted Rate Equity	43,798	-	58,735	(61,269)	41,264	42,913
TOTAL PUBLIC EQUITY	105,019	(3,637)	123,038	(123,885)	100,534	121,520
RESERVES						
Asset Replacement Reserve	2,540	-	2,656	(2,297)	2,899	754
Asset Revaluation Reserve	14,734	-	(4)	-	14,730	14,749
Port Share Revaluation Reserve	680,290	23,600	-	-	703,890	637,796
Building Reserve	13,840	-	355	(113)	14,082	1,938
Emergency Response Reserve	4,563	-	117	-	4,680	4,611
Water Management Reserve	684	-	16	(228)	472	5
Kuriwao Endowment Reserve	6,857	-	689	(318)	7,228	6,258
Environmental Enhancement Reserve	38	-	302	(327)	13	9
TOTAL RESERVES	723,546	23,600	4,131	(3,283)	747,994	666,120
TOTAL EQUITY AND RESERVES	828,565	19,963	127,169	(127,168)	848,528	787,640

\$000s	TOTAL GROUP 2023				
	Opening Balance 1 July 2022	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2023
EQUITY					
General Rate Equity	329,118	5,693	64,303	(62,159)	336,955
Targeted Rate Equity	43,798	-	58,735	(61,269)	41,264
TOTAL PUBLIC EQUITY	372,916	5,693	123,038	(123,428)	378,219
RESERVES					
Asset Replacement Reserve	2,540	-	2,656	(2,297)	2,899
Asset Revaluation Reserve	419,340	-	(462)	-	418,878
Building Reserve	13,840	-	355	(113)	14,082
Emergency Response Reserve	4,563	-	117	-	4,680
Hedging Reserve	1,950	165	-	-	2,115
Water Management Reserve	684	-	16	(228)	472
Kuriwao Endowment Reserve	6,857	-	689	(318)	7,228
Environmental Enhancement Reserve	38	-	302	(327)	13
TOTAL RESERVES	449,811	165	3,673	(3,283)	450,367
TOTAL EQUITY AND RESERVES	822,727	5,858	126,711	(126,711)	828,586

The accompanying notes form part of these financial statements.

Cash Flow Statement for the year ended 30 June 2024

\$000s	Council 2024	Council Budget	Council 2023	Group 2024	Group 2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from exchange transactions					
Receipts from customers	55,810	55,778	43,608	147,010	111,173
Grant income and subsidies	30,401	20,497	26,187	30,401	26,187
Other receipts	12,318	19,525	8,234	12,318	8,234
Receipts from non-exchange transactions					
Interest and investment income	9,743	10,250	4,643	9,743	4,643
Rental income	893	-	1,147	39,563	35,009
Subvention payment	-	-	100	-	-
Dividends	16,000	15,000	14,000	-	-
Other receipts	3,980	-	3,219	3,980	3,219
Payments to suppliers and employees	(116,224)	(107,611)	(99,377)	(187,663)	(154,936)
Payment for property inventories	-	-	-	-	-
Interest and other costs of finance paid	(9,274)	(9,500)	(5,203)	(14,860)	(8,815)
Income tax received / (paid)	-	-	-	(8,697)	(4,361)
Donations	(350)	-	(350)	(350)	(350)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	3,297	3,939	(3,792)	31,445	20,003
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest capitalised	-	-	-	(1,122)	(1,041)
Proceeds from the sale of Property, Plant and Equipment	1,737	4,000	1	1,748	5,714
Proceeds from the sale of Intangibles	-	-	190	-	190
Insurance proceeds	-	-	-	841	-
Sale of investment property	1,095	-	-	19,736	2,596
Proceeds from other financial assets	(1,114)	-	-	(1,114)	-
Purchase of improvements to investment property	-	-	(5)	(24,956)	(31,915)
Purchase of Property, Plant and Equipment	(6,073)	(13,166)	(4,284)	(27,411)	(35,002)
Purchase of intangible assets	(149)	(400)	(55)	(149)	(55)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(4,504)	(9,566)	(4,153)	(32,427)	(59,513)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	(11,429)	-	35,160	7,981	213,262
Lending to Port Otago Ltd	11,410	-	(25,628)	-	-
Repayment of borrowings	-	-	-	(8,225)	(172,190)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(19)	-	9,532	(244)	41,072
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,226)	(5,627)	1,587	(1,226)	1,562
CASH AND CASH EQUIVALENTS AS AT 1 JULY 2023	14,830	11,668	13,243	14,885	13,323
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2024	13,604	6,041	14,830	13,659	14,885

Financial Statements

The accompanying notes form part of these financial statements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

The following terms are used in the Statement of Cash Flows:

- operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Reconciliation of Surplus to Net Cash Flows from Operating Activities

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
SURPLUS / (DEFICIT) FOR THE YEAR	3,436	(3,637)	17,893	5,693
ADD / (LESS) NON-CASH ITEMS				
Depreciation and amortisation	4,024	4,140	17,208	16,307
(Gain) / loss on sale of property, plant and equipment	(198)	(381)	(3,008)	(1,378)
Write off of intangible assets	-	-	-	-
Provision for doubtful debts	80	50	80	50
Bad debts written off	21	(51)	21	(51)
(Gain) / loss on revaluation of investment property	(1,150)	4	(5,541)	462
Net change in fair value of derivative financial instruments	-	-	639	47
Net change in fair value of financial instruments	(1,147)	(1,129)	(1,147)	(1,129)
Proceeds from sale of investment property	(1,095)	-	-	-
Share of surpluses retained by joint ventures	-	-	-	-
Unrealised foreign currency (gains) losses	-	-	(23)	23
Movement in non-current employee entitlements	-	-	153	(42)
Deferred tax	-	-	6,578	(1,948)
Impairment of property, plant and equipment	-	-	-	-
Write-off of property, plant and equipment work in progress	-	(25)	-	(25)
	3,971	(1,029)	32,853	18,009
Movement in working capital				
Trade and other receivables	1,053	(7,054)	1,882	(10,199)
Inventories	-	-	1,541	(921)
Other current assets	(126)	(552)	(871)	902
Trade and other payables	(2,313)	4,399	(2,721)	7,279
Employee entitlements	577	308	2,060	1,650
Tax payable	-	-	1,514	3,867
Movement in working capital items classified as investment activities	135	137	(4,813)	(584)
	(674)	(2,762)	(1,408)	1,994
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	3,297	(3,791)	31,445	20,003

Notes to the Financial Statements

Blue Lake St Bathans

Basis of Reporting

This section contains the significant accounting policies of the Otago Regional Council that relate to the financial statements as a whole. Significant accounting policies relating to specific account balances are also included in the related note disclosures.

Reporting Entity

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

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

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. The principal activities of the Group entities are described in Note 16. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes.

The Financial Statements of Council are for the year ended 30 June 2024 and were authorised for issue by Council on 23 October 2024.

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (Financial reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with Public Benefit Entity Public Sector (PBE (PS)) standards. The financial statements have been prepared in accordance with Tier 1 PBE standards.

Basis of Preparation

The financial statements have been prepared on a going concern basis.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council's and Group's functional currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the surplus/(deficit) in the period in which they arise.

The financial statements are stated exclusive of GST, except for receivables and payables in the Statement of Financial Position which are recognised inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows in the Cash Flow Statement.

The budget amounts in these financial statements are for Council only and are those approved by the Council in the Long-Term Plan / Annual Plan and have been prepared using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Adoption of New and Revised Standard and Interpretations

All mandatory new or amended accounting standards and interpretations were adopted in the current year. None had a significant impact on these financial statements.

Standards and interpretations issued and not yet adopted

PBE Standard interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period 30 June 2024 are outlined below:

- PBE IFRS 17 Insurance Contracts; effective for periods commencing 30 June 2025

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

Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council entity and its controlled entities as defined in PBE IPSAS 35 Consolidated Financial Statements. A list of controlled entities appears in Note 16 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements incorporate the financial statements of the Council and entities controlled by the Council and its subsidiaries. Control is achieved when the Council:

- Has power over the other entity
- Has exposure, or rights, to variable benefits from its involvement with the other entity
- Has the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council and its subsidiaries as defined by PBE IPSAS 35: Consolidated Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Council obtains control and until such time as the Council ceases to control the entity.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the Group, are eliminated in full.

Accounting Policies

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements, are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

Critical Estimates, Assumptions and Judgements

In preparing these financial statements the Council has made estimates, assumptions and judgements concerning the future. These estimates, assumptions and judgements may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

- Estimate of Fair Value of Investment Property – refer to Note 12
- Estimate of Fair Value of Shares in Subsidiary – refer to Note 16
- Property, Plant and Equipment – refer to Note 11
- Classification of Property – refer to Note 11

The Group makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results and are continually being evaluated based on historical experience and other factors, including expectations of future events that are expected to be reasonable under the circumstances. There are no estimates or assumptions in the view of Council that have a risk of causing a significant adjustment to the carrying amounts of assets or liabilities within the next financial year.

Further information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is disclosed in the relevant notes:

- Fair value measurements of property portfolio assets refer to Note 12
- Property, plant and equipment refer to Note 11

Notes to the Financial Statements:

Results for the Year

Albert Town Lagoon

This section focuses on the financial performance of the Otago Regional Council and Group during the year. It outlines significant accounting policies adopted in the recognition of revenue and expenditure and provides detail about rates and other revenue, as well as significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in this section are as follows:

- 1. Revenue**
- 2. Employee Benefits Expense**
- 3. Schedule of Depreciation and Amortisation**
- 4. Other Expenses**
- 5. Other Gains / (Losses)**
- 6. Income Taxes**

1. Revenue

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

Revenue from non-exchange Transactions	
TYPE	RECOGNITION AND MEASUREMENT
Rates revenue	Rates revenue is recognised as income when levied. Council levies general rates for those functions that are assessed as providing benefits to all ratepayers within each of the constituent districts and city, and levies targeted rates where functions benefit a defined group of ratepayers.
Grants and subsidies	Grants and subsidies are recognised upon entitlement, as conditions pertaining to expenditure have been fulfilled.
Other fee income	Other fee income from non-exchange transactions is recognised when the supplies and services have been rendered.
Revenue from exchange Transactions	
TYPE	RECOGNITION AND MEASUREMENT
Dividend income	Dividend income is recognised on the date of the dividend declaration.
Interest revenue	Interest revenue is recognised on a time proportionate basis using the effective interest method
Revenue from port services	Revenue from port services is recognised in the accounting period in which the actual service is provided.
Revenue from the rendering of services	Revenue from the rendering of services, including relating to contracts and consent application that are in progress at balance date, is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
Rental income from operating leases	Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
Fees and charges	Fees and charges are recognised as income when supplies and services have been rendered. Fees received from the following activities are recognised as revenue from exchange transactions: resource consent processing, pest animal and plant contract work, grazing leases and licenses and enforcement work.

Other Revenue

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Revenue from exchange transactions				
Port Revenue	-	-	102,847	77,350
Consents and regulatory fees	2,767	3,196	1,453	3,158
Investment property rental income	934	804	31,087	34,624
Other property rental income	194	343	194	343
	3,895	4,343	135,581	115,475
Revenue from non-exchange transactions				
Consents and regulatory fees	1,866	1,241	1,866	1,241
Other activity fees and charges	10,452	6,993	10,452	6,868
	12,318	8,234	12,318	8,109

Rates Revenue

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Rate revenue:				
General rates	28,244	23,174	28,203	23,143
Targeted rates	27,571	24,168	27,462	24,079
	55,815	47,342	55,665	47,222

2. Employee Benefits Expense

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Employee benefits expense:				
Salaries and wages	32,162	27,168	76,032	64,697
Defined Contribution Plans	1,372	1,182	1,372	1,182
Termination payments	15	47	15	47
	33,549	28,397	77,419	65,926

3. Schedule of Depreciation and Amortisation

Depreciation is provided on all property, plant and equipment except for land, endowment land, capital work in progress, floodbanks, protection works, drains and culverts. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives.

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives.

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Depreciation and Amortisation				
Depreciation of property plant and equipment	3,612	3,659	15,460	14,877
Amortisation of intangible assets	411	481	922	1,212
Amortisation of leasing costs	-	-	-	217
	4,023	4,140	16,382	16,306

Depreciation and Amortisation by Activity (Council Only)

As required by the Local Government (Financial Reporting and Prudence) Regulations 2014, the Council's depreciation and amortisation by group of activities is as follows:

\$000s	Actual 2023/2024	Budget 2023/2024	Actual 2022/23	Budget 2022/23
Depreciation and Amortisation				
Environment	429	440	359	392
Regional Leadership	172	182	174	175
Safety & Resilience	967	1,001	938	984
Transport	749	724	783	788
Corporate	1,706	1,863	1,886	2,017
	4,023	4,210	4,140	4,356

4. Other Expenses

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Other expenses				
Net bad and doubtful debts	80	50	80	50
Donations	350	350	801	811
Company Directors' remuneration	-	-	536	490
Minimum lease payments	707	648	1,220	2,365
Fuel and Electricity	591	575	5,508	4,975
Purchased materials and services	78,380	71,336	100,734	92,524
Other	171	27	171	27
	80,279	72,986	109,050	101,242

Remuneration of Auditors

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Audit fees for financial statements audit	193	182	193	182
Audit fees for 2024/34 Long Term Plan	87	-	87	-
Other services - Debenture Trust Reporting	6	6	6	6
	286	188	286	188
Audit fees to other auditors for audit of financial statements of group entities	-	-	190	184
Audit fees for Pleasant River Te Hikapupu Project	-	5	-	5
Audit fees to other auditors for other services to group activities	-	-	14	3
	-	5	204	192
	286	193	490	380

The auditor for an on behalf of the Controller and Auditor-General, of the Otago Regional Council, is Deloitte Limited, and of the Port Otago Limited Group is Ernst and Young.

5. Other Gains / (Losses)

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

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Other Gains / (Losses)				
Gain / (loss) on revaluation of investment property	1,150	(4)	5,541	(462)
Gain / (loss) on disposal of property, plant and equipment	198	381	3,007	1,378
Net change in fair value of financial assets carried at fair value through the profit and loss	1,147	1,129	1,147	1,129
Fair value change in forward start interest rate swaps	-	-	(639)	(47)
	2,495	1,506	9,056	1,998
GAINS	2,495	1,510	9,695	2,507
LOSSES	-	(4)	(639)	(509)

6. Income Taxes

Income Tax Recognised in Statement of Comprehensive Revenue and Expense

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
INCOME TAX (EXPENSE) / BENEFIT COMPRISES:				
Current year - current tax	-	-	(10,212)	(8,160)
Current year - deferred tax	-	-	(6,339)	1,909
Prior period adjustment current tax	-	-	(239)	(29)
INCOME TAX (EXPENSE) / BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE				
	-	-	(16,790)	(6,280)
The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:				
Surplus / (Deficit) before income tax	3,436	(3,637)	34,683	11,973
	3,436	(3,637)	34,683	11,973
Income tax expense (credit) calculated at 28%	962	(1,102)	9,711	3,352
Non-deductible expenses	33,934	31,003	33,969	30,953
Non-assessable income	(30,416)	(25,981)	(31,440)	(26,191)
Unrealised change in investment property	-	-	(1,078)	(2,673)
Deferred tax expense relating to the origination and reversal of temporary differences	-	-	(386)	869
Tax loss not previously recognised	-	-	6,339	-
Prior period adjustment	-	-	(325)	(30)
Imputation credits utilised	(4,480)	(3,920)	-	-
	-	-	16,790	6,280

In the prior year Council entered into an agreement for the Council to transfer 2023 tax year losses to its subsidiary Port Otago Limited. In conjunction with the tax loss transfer of 2023: \$257,276, by way of a tax loss offset, Port Otago Limited made a subvention payment of 2023: \$100,051 to the Council. There was no agreement entered into in the 2024 tax year.

The tax expense represents the sum of the tax currently payable and deferred tax, except to the extent that it relates to items recognised directly in equity, in which case the tax expense is also recognised in equity.

Current tax payable is based on taxable profit for the period. Taxable profit differs from net surplus/(deficit) before tax, as reported in the Statement of Comprehensive Revenue and Expense, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Imputation Credit Account Balances

\$000s	Group 2024	Group 2023
BALANCE AT END OF YEAR	62,292	55,903

Notes to the Financial Statements:

Working Capital

Shotover River, Central Otago

This section provides information about the operating assets and liabilities available for the Otago Regional Council and Group's day-to-day activities.

The notes in this section are as follows:

- 7. Cash and Cash Equivalents**
- 8. Trade and Other Receivables**
- 9. Trade and Other Payables**
- 10. Employee Entitlements**

7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank and deposits in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statements are reconciled to the related items in the Statement of Financial Position as follows:

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
CASH AND CASH EQUIVALENTS:				
Cash at bank and on hand	13,604	6,830	13,659	6,885
Term deposits with maturities less than 3 months	-	8,000	-	8,000
	13,604	14,830	13,659	14,885

8. Trade and Other Receivables

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

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

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

Rates are "written off"

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

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

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS				
Trade receivables	656	2,295	17,914	20,426
Expected credit loss allowance	-	(75)	-	(119)
	656	2,220	17,914	20,307
Sundry accruals	-	18	-	18
Goods and Services Tax receivable	1,521	935	1,521	935
	2,177	3,155	19,435	21,242
TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
Trade receivables	14,338	8,032	14,338	8,032
Expected credit loss allowance	(234)	(79)	(234)	(79)
	14,104	7,953	14,104	7,953
Accrued income	858	7,084	858	7,084
	14,962	15,037	14,962	15,037
TOTAL	17,139	18,192	34,397	36,279

(i) Trade receivables are non-interest bearing and generally on monthly terms.

The Chief Executive approved the write off rates receivables during the year under Local Government (Rating) Act 2022 as follows:

Section 90 A Nil (2023: Nil)

Section 90 B Nil (2023: Nil)

9. Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council and Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Trade payables for Exchange transactions	11,436	15,140	26,292	30,281
Other accrued charges	8,844	7,454	8,848	7,454
	20,280	22,594	35,140	37,735

(i) The average credit period on purchases is 30 days.

10. Employee Entitlements

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

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

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

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Accrued salary and wages	665	555	3,066	2,087
Annual leave	2,617	2,150	7,645	6,568
Long service leave	-	-	983	685
Retiring allowances	11	11	41	48
Sick leave	-	-	134	130
	3,293	2,716	11,869	9,518
Disclosed in the financial statements as:				
Current	3,293	2,716	10,855	8,795
Non-current	-	-	1,014	861
	3,293	2,716	11,869	9,656

Notes to the Financial Statements:

Investments and Long-Term Assets

Poolburn, Central Otago

This section provides information about the investments the Otago Regional Council and Group have made in investments and long-term assets.

The notes in this section are as follows:

- 11. Property, Plant and Equipment**
- 12. Investment Property**
- 13. Investment Property Inventories**
- 14. Intangible Assets**
- 15. Other Financial Assets**
- 16. Shares in Subsidiary and Dividend Income**
- 17. Property Held for Sale**

11. Property, Plant and Equipment

COUNCIL 2024

\$000s	Cost 01 July 2023	Additions	Disposals	Transfers	Reclass	Cost 30 June 2024
COUNCIL OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	485	-	(235)	-	-	250
Buildings	7,702	150	(3)	19	-	7,868
Plant and Vehicles	13,211	2,413	(2,012)	163	-	13,775
Capital Work-in-Progress	467	520	-	(181)	-	806
TOTAL OPERATIONAL ASSETS	31,065	3,083	(2,249)	-	-	31,899
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,494	4	(107)	1,134	2,205	31,731
Protection Works	9,741	-	-	-	-	9,741
Structures	43,479	23	-	95	(2,205)	41,392
Drains	3,760	-	-	9	-	3,769
Bridges	1,455	1,085	(145)	525	-	2,920
Culverts	2,112	54	-	-	-	2,165
Transport Infrastructure & Hardware	5,235	426	(23)	-	-	5,638
Capital Work-in-Progress	3,350	1,399	-	(1,763)	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	97,627	2,990	(274)	-	-	100,343
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	128,692	6,073	(2,523)	-	-	132,242

\$000s	Accumulated Depreciation and Impairment Charges	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on	Reclass	Accumulated Depreciation and Impairment Charges	Book Value
	01 July 2023			on Disposal		30 June 2024	30 June 2024
COUNCIL OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(2,919)	-	(275)	1	-	(3,193)	4,675
Plant and Vehicles	(6,940)	-	(1,630)	1,951	-	(6,619)	7,156
Capital Work-in-Progress	-	-	-	-	-	-	806
TOTAL OPERATIONAL ASSETS	(9,859)	-	(1,905)	1,952	-	(9,812)	22,087
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	(956)	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(21,011)	-	(931)	-	956	(20,986)	20,406
Drains	-	-	-	-	-	-	3,769
Bridges	(1,172)	-	(46)	105	-	(1,113)	1,808
Culverts	-	-	-	-	-	-	2,165
Transport Infrastructure & Hardware	(2,612)	-	(731)	23	-	(3,320)	2,318
Capital Work-in-Progress	-	-	-	-	-	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	(24,839)	-	(1,707)	127	-	(26,419)	73,924
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(34,698)	-	(3,612)	2,079	-	(36,230)	96,011

Council infrastructural assets represent Flood Protection and Control Works as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014. All infrastructure assets acquired during the year were constructed by Council.

11. Property, Plant and Equipment

COUNCIL 2023

\$000s	Cost 01 July 2022	Additions	Disposals	Transfers	Reclass	Cost 30 June 2023
COUNCIL OPERATIONAL ASSETS						
Land	12,550	-	-	(3,350)	-	9,200
Endowment Land	780	-	(295)	-	-	485
Buildings	7,542	87	-	73	-	7,702
Plant and Vehicles	11,511	1,987	(386)	99	-	13,211
Capital Work-in-Progress	361	278	-	(172)	-	467
TOTAL OPERATIONAL ASSETS	32,744	2,352	(681)	(3,350)	-	31,065
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,470	24	-	-	-	28,494
Protection Works	9,741	-	-	-	-	9,741
Structures	43,443	35	-	1	-	43,479
Drains	3,760	-	-	-	-	3,760
Bridges	1,455	-	-	-	-	1,455
Culverts	1,965	117	-	30	-	2,112
Transport Infrastructure & Hardware	5,235	-	-	-	-	5,235
Capital Work-in-Progress	1,612	1,769	-	(31)	-	3,350
TOTAL INFRASTRUCTURAL ASSETS	95,681	1,946	-	-	-	97,627
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	128,425	4,298	(681)	(3,350)	-	128,692

\$000s	Accumulated Depreciation and Impairment Charges	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on	Reclass	Accumulated Depreciation and Impairment Charges	Book Value
	01 July 2022			Disposal		30 June 2023	30 June 2023
COUNCIL OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	485
Buildings	(2,519)	-	(400)	-	-	(2,919)	4,783
Plant and Vehicles	(5,748)	-	(1,546)	354	-	(6,940)	6,271
Capital Work-in-Progress	-	-	-	-	-	-	467
TOTAL OPERATIONAL ASSETS	(8,267)	-	(1,946)	354	-	(9,859)	21,206
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	-	(44)	28,450
Protection Works	-	-	-	-	-	-	9,741
Structures	(20,106)	-	(905)	-	-	(21,011)	22,468
Drains	-	-	-	-	-	-	3,760
Bridges	(1,128)	-	(44)	-	-	(1,172)	283
Culverts	-	-	-	-	-	-	2,112
Transport Infrastructure & Hardware	(1,847)	-	(765)	-	-	(2,612)	2,623
Capital Work-in-Progress	-	-	-	-	-	-	3,350
TOTAL INFRASTRUCTURAL ASSETS	(23,125)	-	(1,714)	-	-	(24,839)	72,788
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(31,392)	-	(3,659)	354	-	(34,698)	93,994

11. Property, Plant and Equipment

GROUP 2024

\$000s	Cost 01 July 2023	Additions	Disposals	Transfers	Reclass	Cost 30 June 2024
OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	485	-	(235)	-	-	250
Buildings	7,701	150	(3)	19	-	7,867
Plant and Vehicles	13,211	2,413	(2,012)	163	-	13,775
Capital Work-in-Progress	467	520	-	(181)	-	806
Land- Port	39,590		(8)			39,582
Buildings and improvements- Port	94,349	-	(1,835)	20,457		112,971
Wharves and berths dredging- Port	91,473	-		10,269		101,742
Plant, Equipment and vehicles- Port	124,144	-	(1,889)	7,757		130,012
Capital work in progress- Port	27,240	20,755		(38,483)	(407)	9,105
TOTAL OPERATIONAL ASSETS	407,860	23,838	(5,981)	-	(407)	425,310
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,494	4	(107)	1,134	2,205	31,730
Protection Works	9,741	-	-	-	-	9,741
Structures	43,479	23	-	95	(2,205)	41,392
Drains	3,760	-	-	9	-	3,769
Bridges	1,455	1,085	(145)	525	-	2,920
Culverts	2,112	54	-	-	-	2,166
Transport Infrastructure & Hardware	5,235	426	(23)	-	-	5,638
Capital Work-in-Progress	3,350	1,399	-	(1,763)	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	97,626	2,990	(274)	-	-	100,342
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	505,486	26,828	(6,255)	-	(407)	525,652

\$000s	Accumulated Depreciation and Impairment Charges	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on	Reclass	Accumulated Depreciation and Impairment Charges	Book Value
	01 July 2023			Disposal		30 June 2024	30 June 2024
OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(2,919)	-	(275)	1	-	(3,193)	4,675
Plant and Vehicles	(6,940)	-	(1,630)	1,951	-	(6,619)	7,155
Capital Work-in-Progress	-	-	-	-	-	-	806
Land- Port	-	-	-	-	-	-	39,582
Buildings and improvements- Port	(34,710)	-	(3,683)	1,823	-	(36,570)	76,401
Wharves and berths dredging- Port	(30,849)	-	(1,978)	-	-	(32,827)	68,915
Plant, Equipment and vehicles- Port	(72,749)	876	(6,187)	462	-	(77,598)	52,414
Capital work in progress- Port	-	-	-	-	-	-	9,105
TOTAL OPERATIONAL ASSETS	(148,167)	876	(13,753)	4,237	-	(156,807)	268,503
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	(956)	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(21,011)	-	(931)	-	956	(20,986)	20,406
Drains	-	-	-	-	-	-	3,769
Bridges	(1,172)	-	(46)	105	-	(1,113)	1,807
Culverts	-	-	-	-	-	-	2,166
Transport Infrastructure & Hardware	(2,612)	-	(731)	23	-	(3,320)	2,318
Capital Work-in-Progress	-	-	-	-	-	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	(24,839)	-	(1,707)	127	-	(26,419)	73,923
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(173,006)	876	(15,460)	4,364	-	(183,226)	342,426

11. Property, Plant and Equipment

GROUP 2023

\$000s	Cost 01 July 2022	Additions	Disposals	Transfers	Reclass	Cost 30 June 2023
OPERATIONAL ASSETS						
Land	12,550	-	-	(3,350)	-	9,200
Endowment Land	780	-	(295)	-	-	485
Buildings	7,541	87	-	73	-	7,701
Plant and Vehicles	11,511	1,987	(386)	99	-	13,211
Capital Work-in-Progress	361	278	-	(172)	-	467
Land- Port	36,205	3,385	-	-	-	39,590
Buildings and improvements- Port	90,887	3,506	(44)	-	-	94,349
Wharves and berths dredging- Port	91,335	5,851	(5,713)	-	-	91,473
Plant, Equipment and vehicles- Port	122,587	4,150	(2,593)	-	-	124,144
Capital work in progress- Port	13,349	32,497	-	(18,606)	-	27,240
TOTAL OPERATIONAL ASSETS	387,106	51,741	(9,031)	(21,956)	-	407,860
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,470	24	-	-	-	28,494
Protection Works	9,741	-	-	-	-	9,741
Structures	43,443	35	-	1	-	43,479
Drains	3,760	-	-	-	-	3,760
Bridges	1,455	-	-	-	-	1,455
Culverts	1,965	117	-	30	-	2,112
Transport Infrastructure & Hardware	5,235	-	-	-	-	5,235
Capital Work-in-Progress	1,612	1,769	-	(31)	-	3,350
TOTAL INFRASTRUCTURAL ASSETS	95,681	1,945	-	-	-	97,626
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	482,787	53,686	(9,031)	(21,956)	-	505,486

\$000s	Accumulated Depreciation and Impairment Charges	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on	Reclass	Accumulated Depreciation and Impairment Charges	Book Value
	01 July 2022			Disposal		30 June 2023	30 June 2023
OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	485
Buildings	(2,519)	-	(400)	-	-	(2,919)	4,782
Plant and Vehicles	(5,748)	-	(1,546)	354	-	(6,940)	6,271
Capital Work-in-Progress	-	-	-	-	-	-	467
Land- Port	-	-	-	-	-	-	39,590
Buildings and improvements- Port	(31,503)	-	(3,218)	11	-	(34,710)	59,639
Wharves and berths dredging- Port	(29,013)	-	(1,836)	-	-	(30,849)	60,624
Plant, Equipment and vehicles- Port	(69,174)	-	(6,164)	2,589	-	(72,749)	51,395
Capital work in progress- Port	-	-	-	-	-	-	27,240
TOTAL OPERATIONAL ASSETS	(137,957)	-	(13,164)	2,954	-	(148,167)	259,693
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	-	(44)	28,450
Protection Works	-	-	-	-	-	-	9,741
Structures	(20,106)	-	(905)	-	-	(21,011)	22,468
Drains	-	-	-	-	-	-	3,760
Bridges	(1,128)	-	(44)	-	-	(1,172)	283
Culverts	-	-	-	-	-	-	2,112
Transport Infrastructure & Hardware	(1,847)	-	(765)	-	-	(2,612)	2,623
Capital Work-in-Progress	-	-	-	-	-	-	3,350
TOTAL INFRASTRUCTURAL ASSETS	(23,125)	-	(1,714)	-	-	(24,839)	72,787
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(161,082)	-	(14,878)	2,954	-	(173,006)	332,480

Property, Plant and Equipment

Property, plant and equipment consists of:

Operational Assets

Operational assets include:

- Council-owned land, endowment land, buildings, and plant and vehicles
- Port owned land, buildings and improvements, wharves and berths dredging, and plant, equipment and vehicles.

Infrastructure Assets

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

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

Restricted Assets

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

(A) COST

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

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

(B) DEPRECIATION

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

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

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

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

Operational Assets	Life
Buildings- Council	10- 50 years
Plant and vehicles- Council	3 -20 years
Buildings and improvements- Port	10- 50 years
Wharves- Port	15- 70 years
Vessels and floating plant- Port	5 -30 years
Plant, equipment and vehicles- Port	3 - 30 years

Infrastructural Assets	Life
Floodbanks	Unlimited
Protection works	Unlimited
Drains	Unlimited
Culverts	Unlimited
Structures	8- 100 years
Bridges	33- 100 years
Transport infrastrucutre and hardware	5 -15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(C) DISPOSAL

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

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

Critical Judgements and Assumptions

(A) COUNCIL AND GROUP

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

(B) GROUP ONLY

Port Otago Limited owns a number of properties that are classified and accounted for as property, plant and equipment rather than investment property if the property is held to meet the strategic purposes of the port, or to form part of buffer zones to port activity, or to assist the provision of port services, or to promote or encourage the import or export of goods through the port.

Impairment

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

Useful Lives and Residual Values

At each balance date, the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful lives and residual value estimates of property, plant and equipment requires the Group to consider a number of factors, such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus/(deficit), and carrying amount of the asset in the Statement of Financial Position. The Group minimises the risk of this estimation uncertainty by physical inspection of assets, asset replacement programmes and analysis of prior asset sales. The Group has not made significant changes to past assumptions concerning useful lives and residual values.

12. Investment Property

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	16,795	16,795	621,709	588,980
Subsequent capital expenditure	-	4	22,000	31,611
Sale of investment property/ disposals	(1,095)	-	(14,770)	-
Interest capitalised	-	-	1,122	573
Net movement in incentives	-	-	(189)	(104)
Net movement in prepaid leasing costs	-	-	-	(26)
Transfer to investment property inventories	-	-	4,446	1,137
Transfer to non-current assets held for sale	-	-	(15,795)	-
Transfer from investment property inventories	-	-	-	-
Net gain / (loss) from fair value adjustments	1,150	(4)	5,541	(462)
BALANCE AT END OF YEAR	16,850	16,795	624,064	621,709

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Valuation Analysis				
VALUED AT 30 JUNE BALANCE DATE AS DETERMINED BY:				
Jones Lang LaSalle	-	-	176,225	119,956
Bayleys Valuations Limited	16,850	-	256,565	269,760
CVAS (NZ) Limited (Colliers)	-	-	60,000	178,000
CBRE Limited (CBRE)	-	-	-	30,900
Savills (NZ) Limited	-	-	97,000	-
Tay and Tay Limited	-	16,795	-	16,795
	16,850	16,795	589,790	615,411
Plus: investment property under construction carried at cost	-	-	34,274	6,298
	16,850	16,795	624,064	621,709

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

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

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

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

Critical Judgements

Fair value of Property Portfolio Assets (includes investment property, property held for sale and property in development)

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

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

Significant inputs used together with the impact on fair value of a change in inputs:

	Council		Group	
	Range of Significant Unobservable Inputs		Range of Significant Unobservable Inputs	
Market capitalisation rate (%)	5.0%	5.0%	4.5%	15.0%
Market rental (\$ per Sqm)	\$54	\$69	\$13	\$425
Discount rate (%)	7.0%	7.0%	6.8%	12.0%
Rental growth rate (%)	2.0%	2.0%	1.5%	3.0%
Terminal capitalisation rate (%)	5.0%	5.0%	4.8%	15.3%
Profit and risk rate (%)	N/A	N/A	5.0%	5.0%
Development sell down period (years)	N/A	N/A	0.25 - 0.5 years	0.75 years

(i) The capitalisation rate applied to the market rental to assess a property's value, determined through similar transactions taking into account location, weighted average lease term, size and quality of the property.

(ii) The valuer assessment of the net market income that a property is expected to achieve under a new arm's length leasing transaction.

The rate applied to future cash flows relating transactional evidence from similar properties.

(iv) The rate applied to the market rental over the future cash flow projection.

(v) The rate used to assess the terminal value of the property.

(vi) The rate providing an allowance for the risks and uncertainties associated with similar activities in conjunction with current market conditions.

(vii) The length of time in years anticipated to complete the sell down of developed land.

13. Investment Property Inventories

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	-	-	15,507	16,428
Transfer from investment property	-	-	-	-
Transfer to investment property	-	-	(4,446)	(1,137)
Land acquired from joint venture partner	-	-	-	-
Disposals	-	-	-	-
Subsequent capital expenditure	-	-	2,905	216
Interest capitalised	-	-	-	-
BALANCE AT END OF YEAR	-	-	13,966	15,507

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
COMPRISING:				
Development land for sale	-	-	13,966	15,507
Units and warehouse developments	-	-	-	-
	-	-	13,966	15,507

Transfers to investment property from investment property inventories occur when there is a change in use evidenced by the commencement of a development with a view to sale. Future development stages that have not yet commenced and are being held for capital appreciation are accounted for in investment property

Investment property inventories are accounted for as inventory and initially recognised at deemed cost represented by the fair value at the time of commencement of the development. Further costs directly incurred through development activities are capitalised to the cost of the investment property inventories.

Investment property inventories are valued annually and are measured at the lower of cost and fair value. Where costs exceed the fair value of the investment property inventories the resulting impairments are included in the Income Statement in the period in which they arise.

Disposals are recorded in revenue as sales of property inventories with the cost of sales recorded in operating expense as cost of sales of property inventories.

Developed Land for Sale

The \$14.0 million carrying value at balance date reflects the cost of 6.1 hectares of developed land for sale. In their June 2024 valuation, Jones Lang LaSalle stated a net realisable value of \$30.7 million for this land on hand. At June 2023, the \$15.5 million carrying value of developed land reflected the cost of 6.7 hectares of developed land. Jones Lang LaSalle stated a net realised value for the developed land on hand at June 2023 of \$37.1 million.

14. Intangible Assets

\$000s	Council Computer Software	Council Total	Group Computer Software	Group Resource Consents	Group Total
GROSS CARRYING AMOUNT					
Balance as at 30 June 2022	5,941	5,941	14,597	5,650	20,247
Additions	-	-	-	-	-
Capital WIP additions	-	-	-	688	688
Capital WIP write offs	-	-	-	-	-
Transfer to complete asset	-	-	-	-	-
Transfer to Property plant and equipment	-	-	-	-	-
Disposals	(190)	(190)	(190)	-	(190)
BALANCE AT 30 JUNE 2023	5,751	5,751	14,407	6,338	20,745
Additions	-	-	-	-	-
Capital WIP additions	149	149	556	-	556
Capital WIP write offs	-	-	-	-	-
Transfer to complete asset	-	-	-	-	-
Disposals	(138)	(138)	(162)	-	(162)
BALANCE AT 30 JUNE 2024	5,763	5,763	14,802	6,338	21,140
ACCUMULATED AMORTISATION AND IMPAIRMENT					
Balance as at 30 June 2022	(4,491)	(4,491)	(12,352)	(2,197)	(14,549)
Amortisation expense	(481)	(481)	(872)	(340)	(1,212)
Disposals	41	41	41	-	41
BALANCE AT 30 JUNE 2023	(4,931)	(4,931)	(13,183)	(2,537)	(15,720)
Amortisation expense	(411)	(411)	(634)	(288)	(922)
Disposals	138	138	162	-	162
BALANCE AT 30 JUNE 2024	(5,205)	(5,205)	(13,656)	(2,825)	(16,481)
NET BOOK VALUE					
AS AT 30 JUNE 2023	820	820	1,224	3,801	5,025
AS AT 30 JUNE 2024	558	558	1,146	3,513	4,659

15. Other Financial Assets

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
CARRIED AT FAIR VALUE				
Current:				
Managed funds - cash	2,290	2,541	2,290	2,541
Managed funds - bonds	13,145	11,264	13,145	11,264
Managed funds - equities	11,849	11,457	11,849	11,457
	27,284	25,262	27,284	25,262

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through Other Comprehensive Revenue and Expenses (FVTOCRE); and
- fair value through Surplus and Deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus and deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cashflows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Level 1 - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 - Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are non observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

\$000s	Council				Group			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2024								
Financial assets at FVTSD: Other financial assets	27,284	-	-	27,284	27,284	-	-	27,284
2023								
Financial assets at FVTSD: Other financial assets	25,262	-	-	25,262	25,262	-	-	25,262

16. Shares in Subsidiary and Dividend Income

Port Otago Limited is a 100% subsidiary of the Council.

Recognition and Measurement

The Council's investment in Port Otago Limited is designated at Fair Value Through Other Comprehensive Revenue and Expenses (FVTOCRE). At each balance date the Council obtains an annual valuation of the Council's shareholding in its subsidiary Port Otago Limited. The Port Otago group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The annual valuation is determined by an independent firm of chartered accountants and business advisors. In assessing the valuation, the valuers adopt methodologies appropriate for the components of the Port Otago Limited group, employing the discounted cashflow methodology for Port Otago port operations and net tangible assets approach for Chalmers Properties Limited. Changes in forecast cashflows and property values and other factors that the fair value assessment is based on may result in the fair value of the shares in the subsidiary being different from previous estimates. The fair value is a level 3 fair value measurement, as the valuation technique includes inputs that are not based on observable market data (unobservable inputs).

Significant Assumptions Used in Determining Fair Value of Financial Assets and Financial Liabilities

The valuation for the shares in Port Otago Limited is a combination of a discounted cashflow and net tangible assets approach based on information provided by the entity and investment property valuations. The fair value of the shares in subsidiaries at 30 June 2024 was based on cashflows discounted using a weighted average cost of capital (WACC) of 8.0% (2023: 7.8%), terminal growth rate 2.5% (2023: 2.5%) and discount for lack of marketability 3.0% (2023: 3.0%). Refer to Note 12 for revaluation inputs associated with the investment properties.

Sensitivity to WACC

- A decrease of 0.5% in WACC to 7.5% would result in a \$35.775 million increase in fair value
- An increase of 0.5% in WACC to 8.5% would result in a \$29.689 million decrease in fair value

Sensitivity to terminal growth rate

- A decrease of 0.5% in the terminal growth rate to 2.0% would result in a \$19.610 million decrease in fair value
- An increase of 0.5% in the terminal growth rate to 3.0% would result in a \$23.530 million increase in fair value

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Balance at beginning of year	723,890	700,290	-	-
Gain / (loss) recognised in Other Comprehensive Revenue and Expense	8,830	23,600	-	-
BALANCE AT END OF YEAR	732,720	723,890	-	-

Related Party Transactions

During the year the following receipts/(payments) were made from/(to) Port Otago Limited:

\$000s	Council 2024	Council 2023
REVENUE TRANSACTIONS		
Dividend payment made to Council	16,000	14,000
Rates	150	173
Other	1,424	158
Interest on borrowings	7,807	4,621
EXPENDITURE TRANSACTIONS		
Harbour Control Centre and other costs	60	60
Finance costs	31	125

During the 2022 year Council and Port Otago Limited, entered into an agreement whereby Council provides an unsecured related party loans facility of up to a maximum of \$100 million. This was increase to \$150 million during 2023. The related party loan amounts, interest rates and repayment dates ranging from August 2024 - December 2030 (2022: November 2023- April 2030) match loans provided by the New Zealand Local Government Funding Agency (LGFA) to Council. Port Otago Limited pays all reasonable costs and expenses incurred by Council in connection with the establishment of its LGFA facility and ongoing fees associated with related party borrowing. Council or Port Otago Limited may terminate the related party loan agreement by giving 24 months notice to the other party. All related party loans under the agreement are unsecured.

As at 30 June 2024 Otago Regional Council had advanced loans of \$113,678,000 to Port Otago Limited (2023: \$125,088,000). Related party loan repayment will match the LGFA loan outlined at Note 21.

Group Subsidiaries

Otago Regional Council is the head entity within the consolidated group. Port Otago Limited (100% owned) holds the Group's interest in the other subsidiaries, associates and joint ventures detailed below.

The principal activities of the entities are:

SUBSIDIARIES	Principal activities	OWNERSHIP INTEREST	
		2024 %	2023 %
Chalmers Properties Limited	Property investment	100	100
Te Rapa Gateway Limited	Property investment	100	100
Fiordland Pilot Services Limited	Shipping Services	100	100

Subsidiaries are entities that are controlled, either directly or indirectly, by the Council. The results of subsidiaries acquired or disposed of during the period are included in the consolidated surplus/(deficit) from the effective date of acquisition or up to the effective date of disposal, as appropriate.

17. Property Held for Sale

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	3,350	-	3,350	2,060
Transfer from / (to) investment property	-	-	15,795	-
Transfer from / (to) land	-	3,350	-	3,350
Disposals	-	-	-	(2,060)
BALANCE AT END OF YEAR	3,350	3,350	19,145	3,350

Property classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell.

Property is classified as held for sale if the carrying amount will be recovered through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the property is available for immediate sale in its present state. There must also be an expectation of completing the sale within one year from the date of classification. Property is not depreciated nor amortised while it is classified as held for sale.

Notes to the Financial Statements:

Council Funding

Purakaunui Falls, Catlins

This section contains analysis of the net assets of the Group and the Council, accumulated funds and restricted reserves.

The notes in this section are as follows:

18. Reserves

19. Public Equity

20. Public Equity Targeted Rates – Reserve Movements

21. Borrowings

22. Finance Costs

18. Reserves

Restricted and Council Created Reserves

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

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

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

PORT SHARE REVALUATION RESERVE

The Port share revaluation reserve arises on the revaluation of the shares in subsidiary (Council only) and shares in listed companies (Group).

ASSET REPLACEMENT RESERVE

This reserve represents funds held for the replacement of Council operational assets.

EMERGENCY RESPONSE RESERVE

This reserve is separately funded to enable Council to respond appropriately to emergency situations.

KURIWAO ENDOWMENT RESERVE - RESTRICTED

This reserve represents the accumulation of net income from Kuriwao Endowment land less any distribution of that income. The reserve is available to fund works for the benefit of the Lower Clutha District.

ASSET REVALUATION RESERVE

This reserve arises on the revaluation of investment property.

WATER MANAGEMENT RESERVE

The purpose of this reserve is to provide funding for water management initiatives in Otago.

HEDGING RESERVE

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to interest payments that have not yet occurred.

BUILDING RESERVE

The purpose of this reserve is to set aside funding for a new head office for the Council.

ENVIRONMENTAL ENHANCEMENT RESERVE

The purpose of this reserve is to provide funding for the maintenance or enhancement of areas of the natural environment within the Otago region.

COUNCIL

	Port share Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve	Asset Revaluation Reserve	Water Management Reserve	Building Reserve	Environmental Reserve	Hedging Reserve	Total Reserves
\$'000s										
BALANCES 30 JUNE 2022	680,290	2,540	4,563	6,856	14,734	684	13,840	38	-	723,545
TRANSFERS IN:										
General rate equity	-	2,586	-	505	-	-	-	297	-	3,388
Interest received	-	70	117	184	-	16	355	5	-	747
Revaluation gain	23,600	-	-	-	(4)	-	-	-	-	23,596
TRANSFERS OUT:										
General rate equity	-	(2,297)	-	(67)	-	(228)	(113)	(327)	-	(3,032)
Targeted rate equity	-	-	-	(250)	-	-	-	-	-	(250)
	-	(2,297)	-	(317)	-	(228)	(113)	(327)	-	(3,282)
BALANCES 30 JUNE 2023	703,890	2,899	4,680	7,228	14,730	472	14,082	13	-	747,994
TRANSFERS IN:										
General rate equity	-	3,507	-	363	-	-	-	300	-	4,170
Interest received	-	69	121	180	-	11	362	4	-	747
Revaluation gain	8,830	-	-	-	1,150	-	-	-	-	9,980
TRANSFERS OUT:										
General rate equity	-	(3,146)	-	(230)	-	(483)	(139)	(317)	-	(4,315)
Targeted rate equity	-	-	-	(250)	-	-	-	-	-	(250)
	-	(3,146)	-	(480)	-	(483)	(139)	(317)	-	(4,565)
BALANCES 30 JUNE 2024	712,720	3,329	4,801	7,291	15,880	-	14,305	-	-	758,326

Group

	Port share Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve	Asset Revaluation Reserve	Water Management Reserve	Building Reserve	Environmental Enhancement Reserve	Hedging Reserve	Total Reserves
\$000s										
BALANCES 30 JUNE 2022	-	2,540	4,563	6,856	419,340	684	13,840	38	1,950	449,811
TRANSFERS IN:										
General rate equity	-	2,586	-	505	-	-	-	297	165	3,553
Interest received	-	70	117	184	-	16	355	5	-	747
Revaluation gain	-	-	-	-	(462)	-	-	-	-	(462)
TRANSFERS OUT:										
General rate equity	-	(2,297)	-	(67)	-	(228)	(113)	(327)	-	(3,032)
Targeted rate equity	-	-	-	(250)	-	-	-	-	-	(250)
	-	(2,297)	-	(317)	-	(228)	(113)	(327)	-	(3,282)
BALANCES 30 JUNE 2023	-	2,899	4,680	7,228	418,878	472	14,082	13	2,115	450,367
TRANSFERS IN:										
General rate equity	-	3,576	-	363	-	-	-	300	(1,073)	3,166
Interest received	-	-	121	180	-	11	362	4	-	678
Revaluation gain	-	-	-	-	5,541	-	-	-	-	5,541
TRANSFERS OUT:										
General rate equity	-	(3,146)	-	(230)	(13,216)	(483)	(139)	(317)	-	(17,531)
Targeted rate equity	-	-	-	(250)	-	-	-	-	-	(250)
	-	(3,146)	-	(480)	(13,216)	(483)	(139)	(317)	-	(17,781)
BALANCES 30 JUNE 2024	-	3,329	4,801	7,291	411,203	-	14,305	-	1,042	441,971

19. Public Equity

Public Equity – General Rates

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	59,270	61,221	336,955	329,118
NET SURPLUS / (DEFICIT)	3,436	(3,637)	17,893	5,693
TRANSFERS IN:				
Asset replacement reserve	3,146	2,297	3,146	2,297
Asset revaluation reserve	-	-	-	-
Building reserve	139	113	139	113
Environmental enhancement reserve	317	327	317	327
Kuriwao endowment reserve	230	67	230	67
Transfers from public equity - targeted rates	70,038	61,270	70,038	61,270
Water management reserve	483	228	483	228
	74,353	64,302	74,353	64,302
TRANSFERS OUT:				
Asset replacement reserve	(3,576)	(2,656)	(3,576)	(2,656)
Asset revaluation reserve	(1,150)	4	7,675	462
Building reserve	(362)	(355)	(362)	(355)
Emergency response reserve	(121)	(117)	(121)	(117)
Environmental enhancement reserve	(304)	(302)	(304)	(302)
Kuriwao endowment reserve	(546)	(689)	(546)	(689)
Transfers to public equity - targeted rates	(71,403)	(58,485)	(71,403)	(58,485)
Water management reserve	(11)	(16)	(11)	(16)
	(77,473)	(62,616)	(68,648)	(62,158)
BALANCE AT END OF YEAR	59,586	59,270	360,553	336,955

Public Equity - Targeted Equity

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	41,264	43,798	41,264	43,798
TRANSFERS IN:				
Kuriwao endowment reserve	250	250	250	250
Transfers from public equity - general rates	71,406	58,485	71,406	58,485
	71,656	58,735	71,656	58,735
TRANSFERS OUT:				
Transfers to public equity - general rates	(70,038)	(61,269)	(70,038)	(61,269)
	(70,038)	(61,269)	(70,038)	(61,269)
BALANCE AT END OF YEAR	42,882	41,264	42,882	41,264

Total Public Equity

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
BALANCE AT BEGINNING OF YEAR	100,534	105,019	378,219	372,916
NET SURPLUS / (DEFICIT)	3,436	(3,637)	17,893	5,693
Transfers	(1,503)	(848)	7,323	(390)
BALANCE AT END OF YEAR	102,467	100,534	403,435	378,219

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

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

20. Public Equity Targeted Rates – Reserve Movements

\$000s	Council and Group - 2024				Council and Group - 2023			
	Opening balance 01 July 2023	Transfers In	Transfers Out	Closing balance 30 June 2024	Opening balance 01 July 2022	Transfers In	Transfers Out	Closing balance 30 June 2023
RIVER MANAGEMENT RESERVES								
Central Otago river	406	369	(507)	268	434	352	(380)	406
Clutha river	(394)	421	(657)	(630)	(47)	391	(738)	(394)
Dunedin river	1,045	231	(626)	650	1,260	209	(424)	1,045
Queenstown river	796	261	(161)	896	794	262	(260)	796
Shotover delta flood mitigation	262	8	-	270	256	6	-	262
Stoney creek	163	3	-	166	159	4	-	163
Waitaki river	987	427	(285)	1,129	801	423	(237)	987
Wanaka river	(140)	242	(207)	(105)	(203)	260	(197)	(140)
FLOOD AND DRAINAGE SCHEME RESERVES								
Alexandra flood	60	207	(260)	7	(88)	464	(316)	60
East Taieri drainage	68	755	(1,093)	(270)	303	719	(954)	68
Leith flood	(13,680)	1,640	(958)	(12,998)	(14,368)	1,641	(953)	(13,680)
Lower Clutha flood	(425)	2,392	(2,805)	(838)	(631)	2,137	(1,931)	(425)
Lower Taieri flood	3,115	5,942	(4,082)	4,975	2,296	3,472	(2,653)	3,115
Lower Waitaki flood	(47)	200	(220)	(67)	(30)	191	(208)	(47)
Tokomairiro drainage	92	172	(213)	51	150	163	(221)	92
West Taieri drainage	(2,193)	991	(1,215)	(2,417)	(2,112)	1,022	(1,103)	(2,193)
OTHER RESERVES								
Biosecurity	(1,176)	4,714	(5,012)	(1,474)	(648)	4,911	(5,439)	(1,176)
Clean Heat Clean Air	-	-	-	-	-	-	-	-
Dairy monitoring	(21)	210	(226)	(37)	14	200	(235)	(21)
Dunedin transport services	(11,753)	28,586	(28,811)	(11,978)	(8,786)	20,259	(23,226)	(11,753)
Emergency management	95	3,437	(3,625)	(93)	(101)	3,407	(3,211)	95
Infrastructural assets	66,760	2,566	(937)	68,389	65,984	1,687	(911)	66,760
Lake Hayes restoration	(583)	580	(732)	(735)	(450)	243	(376)	(583)
Queenstown transport services	(2,107)	11,281	(11,408)	(2,234)	(1,674)	10,281	(10,714)	(2,107)
Rural water quality	439	3,893	(3,725)	607	903	2,750	(3,214)	439
Wilding pines	(506)	2,129	(2,273)	(650)	(418)	3,281	(3,369)	(506)
	41,263	71,657	(70,038)	42,882	43,798	58,735	(61,270)	41,263

RIVER MANAGEMENT RESERVES

Targeted rating is used to fund river management works across the city and districts within Otago.

FLOOD AND DRAINAGE SCHEME RESERVES

Targeted rating is used to fund the costs associated with maintaining the level of flood and drainage protection provided by these schemes.

TRANSPORT RESERVES

Targeted rating is used in Dunedin and Queenstown to fund the Council's costs associated with the provision of bus services.

CLEAN HEAT CLEAR AIR RESERVE

The purpose of this reserve is to fund costs associated with the provision of funding associated with the improvement of insulation and heating in homes located within the targeted rating district.

Schedule of Internal Borrowing for Public Equity Targeted Rates – Reserve

\$000s

	Amount borrowed as at 30 June 2023	Funds borrowed during the year	Funds repaid during the year	Interest Charged	Amount borrowed as at 30 June 2024
COUNCIL 2024					
Flood protection and control works	16,818	6,720	(6,633)	422	17,327
Environment	2,285	8,199	(7,654)	64	2,894
Safety and hazards	-	3,529	(3,437)	-	92
Transport	13,862	39,870	(39,867)	347	14,212
	32,965	58,318	(57,591)	833	34,525

	Amount borrowed as at 30 June 2022	Funds borrowed during the year	Funds repaid during the year	Interest Charged	Amount borrowed as at 30 June 2023
COUNCIL 2023					
Flood protection and control works	17,265	5,234	(6,105)	424	16,818
Environment	1,516	9,357	(8,635)	47	2,285
Safety and hazards	97	3,215	(3,312)	-	-
Transport	10,461	33,641	(30,540)	300	13,862
	29,339	51,447	(48,592)	771	32,965

21. Borrowings

New Zealand Local Government Funding Agency

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
CURRENT				
Secured borrowings	48,359	58,878	48,359	58,878
Unsecured borrowings	-	-	-	-
	48,359	58,878	48,359	58,878
NON-CURRENT				
Secured borrowings	90,528	91,438	90,528	91,438
Unsecured borrowings	-	-	-	-
	90,528	91,438	90,528	91,438
TOTAL BORROWINGS	138,888	150,316	138,888	150,316
FIXED RATE BORROWINGS	45,379	56,655	45,379	56,655
FLOATING RATE BORROWINGS	93,509	93,661	93,509	93,661

Borrowings are recognised initially at fair value. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the Statement of Comprehensive Revenue and Expense over the period of the borrowings, using the effective interest method. The carrying amount of borrowings reflects fair value as the borrowing finance rates approximate market rates.

Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA) as a guarantor. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA and a foreign currency rating of AA+. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2024, Otago Regional Council is one of 31 local authority shareholders and 71 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Otago Regional Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,030 million (2023: \$17,684 million).

Financial reporting standards require Otago Regional Council to recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of the financial year, the Council has assessed the 12 month expected credit losses for the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12 month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore the Council has not recognised a liability.

When borrowing long-term from LGFA, borrower notes must be subscribed for in an amount of 2.5% of long-term borrowings. Borrower notes are used by LGFA as a source of capital to ensure there is sufficient capital to match the growth in the LGFA's balance sheet. LGFA redeems the borrower notes plus interest when the related borrowings are repaid or no longer owed to LGFA. At 30 June 2024 Council had subscribed to borrower notes totalling \$500,000 (2023: \$500,000), the Group had subscribed to borrower notes totalling \$2,588,204 (2023: \$2,588,460). The borrower notes on issue are as follows:

Borrower notes in issue 2024

Maturity Date	Amount	Interest Rate
03-13-2027	\$372,564	6.00%
03-11-2027	\$230,769	5.94%
03-23-2025	\$205,128	5.79%
01-28-2026	\$205,128	5.75%
12-12-2030	\$160,000	6.26%
12-12-2029	\$150,000	6.16%
12-12-2025	\$147,436	5.90%
03-18-2026	\$130,769	5.89%
06-10-2029	\$128,205	6.08%
04-15-2025	\$125,000	5.71%
04-15-2026	\$125,000	5.30%
04-15-2027	\$125,000	5.85%
03-20-2028	\$125,000	6.04%
05-15-2028	\$125,000	5.30%
12-14-2026	\$105,000	5.96%
04-15-2030	\$76,923	6.15%
04-16-2029	\$51,282	6.10%
	2,588,204	

Borrower notes on issue 2023

Maturity Date	Amount	Interest Rate
01-28-2024	\$130,769	5.62%
03-23-2025	\$205,128	5.79%
01-28-2026	\$205,128	5.75%
03-18-2026	\$130,769	5.89%
06-10-2029	\$128,205	6.08%
11-30-2023	\$179,487	5.76%
03-11-2027	\$230,769	5.94%
12-12-2027	\$372,564	6.00%
12-12-2025	\$147,436	5.90%
12-12-2026	\$105,000	5.96%
04-15-2025	\$125,000	5.71%
04-15-2026	\$125,000	5.30%
04-15-2027	\$125,000	5.85%
05-15-2028	\$125,000	5.30%
03-20-2028	\$125,000	6.04%
04-14-2029	\$51,282	6.10%
04-14-2030	\$76,923	6.15%
	2,588,460	

Borrowing - Bank

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
CURRENT				
Secured borrowings	-	-	16,725	5,540
Unsecured borrowings	-	-	-	-
	-	-	16,725	5,540
NON-CURRENT				
Secured borrowings	-	-	10,000	10,000
Unsecured borrowings	-	-	-	-
	-	-	10,000	10,000
TOTAL BORROWINGS	-	-	26,725	15,540
FIXED RATE BORROWINGS	-	-	26,725	15,540
FLOATING RATE BORROWINGS	-	-	-	-

The Group has a \$31 million (2023: \$31 million) short term advances facility with ANZ Bank New Zealand Limited (ANZ) which the Group may draw from for terms ranging from call to the termination of the agreement, which is 1 July 2026. In addition, the Group has a revolving \$29 million (2023: \$29 million) Commercial Flexi Facility with ANZ which is subject to an annual review. The next review is due on 30 November 2024.

The financial undertakings provided to the ANZ are an adjusted equity percentage (shareholder investment / total tangible assets) of greater or equal to 50% and interest cover ratio (EBIT : interest costs) greater or equal to 2.50 : 1. All financial undertakings were in compliance as at 30 June 2024.

The security for advances is a cross guarantee and indemnity between Port Otago Limited, Chalmers Properties Limited and Te Rapa Gateway Limited in favour of the lender, general security agreement over the assets of Port Otago Limited and Chalmers Properties Limited and registered first-ranking mortgages over land.

22. Finance Costs

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Interest on loans	9,274	5,203	9,846	5,440
Capitalised borrowing costs	-	-	(1,122)	(1,041)
	9,274	5,203	8,724	4,399

Borrowing costs directly attributable to the acquisition and/or construction of property, plant and equipment and long-term investment property development projects are capitalised as part of the cost of those assets. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements:

Financial Risk Management

Tokatā / Nugget Point, Catlins

This section provides details Council and Group's borrowings - a major source of financing used to deliver services to the people of Otago. It also includes information about the Group's financial instruments that are used to manage the risks associated with borrowings and details Council and Group's exposure to a variety of financial risks and how these risks are managed.

The notes in this section are as follows:

23. Financial Instruments

24. Market Risk

25. Equity Price Risk

26. Credit Risk

27. Liquidity Risk

23. Financial Instruments

Financial Risk Management Objectives

The Council has established a Treasury Management Policy, which combines the Local Government Act 2002 requirement for local authorities to adopt a Liability Management Policy and an Investment Policy. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way. The Council and Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Significant Accounting Policies for Financial Instruments

Financial assets and financial liabilities are recognised in the Council's or Group's Statement of Financial Position when the Council and/or Group becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through surplus or deficit which are initially valued at fair value.

Financial Assets are classified into the following specified categories: financial assets 'at fair value through other comprehensive revenue and expenses', and 'amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of Financial Assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Derivative Financial Instruments

The Council and Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates hedges of highly probable forecast transactions as cash flow hedges. Changes in the fair value of derivatives qualifying as cash flow hedges are recognised in other comprehensive revenue and expense and transferred to the cash flow hedge reserve in equity. The ineffective component of the fair value changes on the hedging instrument is recorded directly in the surplus/(deficit).

When a hedging instrument expires or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the surplus/(deficit). When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the surplus or deficit. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the surplus/(deficit).

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense over the period of the swap agreement.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair Value of Financial Instruments

The group carries interest rate derivatives (derivative financial instruments) at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates. These instruments are included in Level 2 of the fair value measurement hierarchy. Interest rate derivative fair values are valued and are calculated using a discounted cash flow model using FRA rates provided by the relevant financial institution based on the reporting date of 30 June 2023.

\$000s	Council				Group			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2024								
Financial assets at FVTSD:								
Other financial assets	27,284	-	-	27,284	27,284	-	-	27,284
Financial assets at FVTSD:								
Other financial instruments	-	-	-	-	-	2,936	-	2,936
Financial liabilities at FVTSD:								
Other financial instruments	-	-	-	-	-	600	-	600
2023								
Financial assets at FVTSD:								
Other financial assets	25,262	-	-	25,262	25,262	-	-	25,262
Financial assets at FVTSD:								
Other financial instruments	-	-	-	-	-	4,579	-	4,579

COUNCIL 2024

\$000s	Amortised Cost	Fair Value Through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	13,604	-	-	13,604
Trade and other receivables	17,139	-	-	17,139
Related party receivable	113,678	-	-	113,678
Borrower notes	500	-	-	500
Other financial assets	-	27,284	-	27,284
Other current assets	1,559	-	-	1,559
Shares in subsidiary	-	-	732,720	732,720
TOTAL FINANCIAL ASSETS	146,480	27,284	732,720	906,484
FINANCIAL LIABILITIES				
Trade and other payables	20,281	-	-	20,281
Borrowing	138,887	-	-	138,887
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	159,168	-	-	159,168

COUNCIL 2023

\$000s	Amortised Cost	Fair Value Through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	14,830	-	-	14,830
Trade and other receivables	18,192	-	-	18,192
Related party receivable	125,088	-	-	125,088
Borrower notes	500	-	-	500
Other financial assets	-	25,262	-	25,262
Other current assets	1,433	-	-	1,433
Shares in subsidiary	-	-	726,890	726,890
TOTAL FINANCIAL ASSETS	160,043	25,262	726,890	912,195
FINANCIAL LIABILITIES				
Trade and other payables	22,594	-	-	22,594
Borrowing	150,316	-	-	150,316
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	172,910	-	-	172,910

GROUP 2024

\$000s	Amortised Cost	Designated at Fair Value through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	13,659	-	-	13,659
Trade and other receivables	34,397	-	-	34,397
Borrower notes	2,588	-	-	2,588
Other financial instruments *	-	2,936	-	2,936
Other financial assets	-	27,284	-	27,284
Other current assets	5,366	-	-	5,366
TOTAL FINANCIAL ASSETS	56,010	30,220	-	86,230
FINANCIAL LIABILITIES				
Trade and other payables	35,140	-	-	35,140
Other financial instruments	-	600	-	600
Borrowing	165,612	-	-	165,612
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	200,752	600	-	201,352

* Mandatorily at fair value.

GROUP 2023

\$000s	Amortised Cost	Designated at Fair Value through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	14,885	-	-	14,885
Trade and other receivables	36,279	-	-	36,279
Borrower notes	2,588	-	-	2,588
Other financial instruments *	-	4,579	-	4,579
Other financial assets	-	25,262	-	25,262
Other current assets	4,495	-	-	4,495
TOTAL FINANCIAL ASSETS	58,247	29,841	-	88,088
FINANCIAL LIABILITIES				
Trade and other payables	37,735	-	-	37,735
Other financial instruments	-	138	-	138
Borrowing	165,856	-	-	165,856
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	203,591	138	-	203,729

24. Market Risk

The Group's activities expose it primarily to the financial risks of changes in market prices of other financial assets (principally Managed Funds – Equities and Shares in Listed Companies), foreign currency exchange rates and interest rates.

There has been no change during the year to the group exposure to market risks or the manner in which it manages and measures the risk.

(A) Currency Risk

Currency risk is the risk that the value of the Group's assets, liabilities and operating cashflow will fluctuate. The Group is exposed to currency risk in relation to the purchase of certain capital items denominated in foreign currencies. Foreign currency forward purchase contracts are used to manage the Group's exposure to movements in exchange rates on foreign currency denominated liabilities and purchase commitments. The Council is exposed to currency risk in relation to the investments denominated in foreign currencies forming part of the managed fund portfolio. The policy governing Managed Funds places restrictions on the currencies in which the fund manager may invest, and the amount of exposure to any one currency.

Amount of Exposure to Currency Risk

The Group's exposure to foreign currency risk for each class of financial instruments is as follows:

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Managed funds	7,354	7,415	7,354	7,415
TOTAL MANAGED FUNDS	7,354	7,415	7,354	7,415

The only significant sensitivity the group has in relation to changes in foreign currency relates to the Council's managed funds. The carrying value of investments in equity securities held in AUD, USD, GBP and EUR denominated currency may fluctuate with changes in the exchange rate between the New Zealand dollar and the foreign currency.

A favourable movement of 10% in the exchange rates at 30 June 2024 would have the impact of increasing the carrying value of the managed funds, and the Council surplus, by \$816,871 (2023: \$823,578), and an unfavourable movement of 10% would impact unfavourably to the extent of \$668,377 (2023: \$673,895).

(B) Interest Rate Risk

The Council and Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the use of floating-to-fixed interest rate swaps contracts and forward start swaps. These swaps have the economic effect of converting borrowings from floating rate to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on borrowings. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date.

The Council is also exposed to interest rate risk to the extent that it holds funds on demand, at call or in floating interest rate instruments as part of cash and cash equivalent balances and the managed funds portfolio.

The policy governing management of the managed funds places restrictions on how the funds may be invested, and the amount of exposure to interest rates from funds held at call and on a floating rate basis. Council invests surplus funds with Council-approved financial institutions, and holds sufficient funds on call as part of its cash management procedures.

The following table discloses the impact of a movement of plus and minus 100 basis points in interest rates applicable to those instruments.

Sensitivity to Interest Rate Risk

COUNCIL	2024				2023			
	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps
\$000s								
FINANCIAL LIABILITIES								
Borrowings	1,366	-	(1,366)	-	1,475	-	(1,475)	-
Derivatives - non-hedge accounted	256	-	(156)	-	-	-	-	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	1,622	-	(1,522)	-	1,475	-	(1,475)	-

GROUP	2024				2023			
	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps
\$000s								
FINANCIAL LIABILITIES								
Borrowings	1,404	-	(1,404)	-	1,630	-	(1,630)	-
Derivatives - hedge accounted	-	2,112	-	(2,226)	-	5,204	-	949
Derivatives - non-hedge accounted	1,650	-	(1,680)	-	1,860	-	1,224	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	3,054	2,112	(3,084)	(2,226)	3,490	5,204	(406)	949

25. Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity securities price risk on its investments held in publicly traded securities.

The following information discloses the Group's exposure and sensitivity to equity price risk.

Exposure to Equity Price Risk

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
FINANCIAL ASSETS				
Other financial assets	14,760	14,393	14,760	14,393
EXPOSURE TO EQUITY PRICE RISK	14,760	14,393	14,760	14,393

Sensitivity to Equity Price Risk

Council and Group \$000s	2024				2023			
	-10% Profit	-10% Other Equity	+10% Profit	+10% Other Equity	-10% Profit	-10% Other Equity	+10% Profit	+10% Other Equity
FINANCIAL ASSETS								
Other financial assets	(1,476)	-	1,476	-	(1,439)	-	1,439	-
TOTAL SENSITIVITY TO EQUITY PRICE RISK	(1,476)	-	1,476	-	(1,439)	-	1,439	-

The sensitivity analysis shows the impact a movement of plus or minus 10% in the price of equities would have on the fair value of the equities.

26. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Council

The Council has no significant concentrations of credit risk arising from trade receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council has credit risk exposure to a related party for advance of \$113.678 million (2023:\$125.088 million).

Council trade and other receivables mainly arise from the Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Council Treasury Management Policy details the objectives, policies and restrictions for management of the fund. The policy includes the key objective of capital preservation, placing restrictions on the exposure to credit risk.

The Council is exposed to credit risk as a guarantor of all of the NZLGFA's borrowings. Information about this exposure is explained in note 21.

Group

Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, trade and other receivables, derivative financial instruments and other financial assets.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are high quality financial institutions with credit-ratings assigned by international credit rating agencies.

Maximum Exposure to Credit Risk

The Group's maximum exposure for each class of financial instrument is as follows:

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Cash at bank and term deposits	13,604	14,830	13,659	14,885
Trade and other receivables	17,139	18,192	34,397	36,279
Related party receivable	113,678	125,088	-	-
Other financial assets	27,284	25,262	27,284	25,262
Other financial instrument - asset	-	-	2,936	4,579
Other financial instrument - liability	-	-	600	138
Shares in Subsidiary	732,720	723,890	-	-
	865,945	907,262	78,876	81,143

27. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual Maturity Analysis of Financial Instruments

The following contractual maturity information analyses the Group's financial instruments into the relevant grouping based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

COUNCIL 2024

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		13,604	13,604	13,604	-	-
Trade and other receivables		17,139	17,139	17,139	-	-
Related party receivable	6.21	113,678	131,545	44,077	71,024	16,444
Shares in subsidiary		732,720	732,720	-	-	732,720
Managed fund:						
Cash and call deposits		2,290	2,290	2,290	-	-
Fixed interest securities	4.47	13,146	13,603	2,911	7,734	4,812
Equity securities		11,848	11,848	11,848	-	-
TOTAL FINANCIAL ASSETS		865,945	922,749	91,869	78,758	753,976
FINANCIAL LIABILITIES						
Trade and other payables		(20,281)	(20,281)	(20,281)	-	-
Borrowing	5.89	(138,887)	(159,994)	(55,497)	(88,053)	(16,444)
Provision		-	-	-	-	-
TOTAL FINANCIAL LIABILITIES		(159,168)	(180,275)	(75,778)	(88,053)	(16,444)

COUNCIL 2023

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		14,830	14,830	14,830	-	-
Trade and other receivables		18,192	18,192	18,192	-	-
Related party receivable	6.18	125,088	143,564	59,962	72,563	11,039
Shares in subsidiary		723,890	723,890	-	-	723,890
Managed fund:						
Cash and call deposits		2,541	2,541	2,541	-	-
Fixed interest securities	3.69	11,264	11,571	2,936	7,426	1,209
Equity securities		11,456	11,456	11,456	-	-
TOTAL FINANCIAL ASSETS		907,261	926,044	109,917	79,989	736,138
FINANCIAL LIABILITIES						
Trade and other payables		(22,594)	(22,594)	(22,594)	-	-
Borrowing	6.16	(150,316)	(172,543)	(66,212)	(95,292)	(11,039)
Provision		-	-	-	-	-
TOTAL FINANCIAL LIABILITIES		(172,910)	(195,137)	(88,806)	(95,292)	(11,039)

GROUP 2024

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		13,659	13,659	13,659	-	-
Trade and other receivables		34,397	34,397	34,397	-	-
Managed fund:						
Cash and call deposits		2,290	2,290	2,290	-	-
Fixed interest securities	4.47	13,146	13,603	2,911	7,734	4,812
Equity securities		11,848	11,848	11,848	-	-
TOTAL FINANCIAL ASSETS		75,340	75,797	65,105	6,986	3,706
FINANCIAL LIABILITIES						
Trade and other payables		(35,140)	(35,140)	-	-	-
Borrowing (secured)	5.89	(165,612)	(188,590)	(72,800)	(99,346)	(16,444)
Provision		-	-	-	-	-
Other financial instruments		(2,336)	(2,629)	(1,846)	(756)	(27)
TOTAL FINANCIAL LIABILITIES		(203,088)	(226,359)	(74,646)	(100,102)	(16,471)

GROUP 2023

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents	-	14,885	14,885	14,885	-	-
Trade and other receivables	-	36,279	36,279	36,279	-	-
Managed fund:						
Cash and call deposits	-	2,541	2,541	2,541	-	-
Fixed interest securities	3.69	11,264	11,571	2,936	7,426	1,209
Equity securities	-	11,456	11,456	11,456	-	-
TOTAL FINANCIAL ASSETS		76,425	76,732	68,097	7,426	1,209
FINANCIAL LIABILITIES						
Trade and other payables	-	(37,735)	(37,735)	-	-	-
Borrowing (secured)	6.16	(165,856)	(188,083)	(71,752)	(105,292)	(11,039)
Provision	-	-	-	-	-	-
Other financial instruments	-	4,441	5,019	2,430	2,443	146
TOTAL FINANCIAL LIABILITIES		(199,150)	(220,799)	(69,322)	(102,849)	(10,893)

The Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposures is explained in note 21.

Notes to the Financial Statements:

Other Disclosures



Blackhead Beach, Ōtepoti Dunedin

The notes in this section are as follows:

- 28. Key Management Personnel Compensation**
- 29. Remuneration (Council Only)**
- 30. Subsequent Events**
- 31. Commitments for Expenditure**
- 32. Contingent Liabilities and Contingent Assets**
- 33. Deferred Tax Balances**
- 34. Leases**
- 35. Related Party Disclosures**

28. Key Management Personnel Compensation

The compensation of the Councillors, Chief Executive and General Managers of the Council, and of the Directors and other senior management of the Port Otago Limited Group was as follows:

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
MANAGEMENT PERSONNEL				
Short-term employee benefits	1,707	1,401	6,524	5,621
Post-employment benefits	-	-	-	-
	1,707	1,401	6,524	5,621
Full-time equivalent number of key management personnel	6	5	17	23
GOVERNING PERSONNEL				
Councillors remuneration	908	887	908	887
Directors' fees	-	-	-	490
	908	887	908	1,377

Key management personnel of Council does not include the interim Chief Executive Dr Pim Borren who was not employed directly by Council. Disclosure of payments made to Dr Pim Borren are included in Note 29. Remuneration.

29. Remuneration (Council Only)

Employee Staffing Levels

The number of all employees, employed by the Council on the last day of the financial year was as follows:

	Number of Employees 30 June 2024	Number of Employees 30 June 2023
Full-time employees	309	269
Full-time equivalent number of employees	26.8	22.2

Council regards one full-time equivalent as an employee who works 37.5 hours weekly.

Employee Remuneration

The following table classifies the number of all employees employed on the last day of the financial year into remuneration bands, calculated as the total annual remuneration (including the value of non-financial benefits) being received as at the last day of the financial year.

TOTAL ANNUAL REMUNERATION	Number of Employees 30 June 2024	Number of Employees 30 June 2023
Less than \$60,000	21	26
\$60,000 to \$79,999	81	87
\$80,000 to \$99,999	96	86
\$100,000 to \$119,999	80	54
\$120,000 to \$139,999	33	24
\$140,000 to \$159,999	15	13
\$160,000 to \$179,999	8	6
\$180,000 to \$300,000	11	7
\$340,000 to \$359,999	1	1
	346	304

Chief Executive Remuneration

The Chief Executive of the Council is appointed under Section 42 of the Local Government Act 2002.

Richard Saunders was employed as Chief Executive from 1 June 2023. During the period 1 July 2023 to 30 June 2024, total remunerations (including any non-financial benefits) paid or payable to the Chief Executive was \$357,328 (2023: 30,093).

2023: Dr Pim Borren was appointed interim Chief Executive on 7 June 2022 and was compensated through a 3rd party as a consultant. During the period 1 July 2022 to 31 May 2023 Council made total payments of \$595,924 in relation to compensation for the services of Dr Borren including travel and accommodation costs.

Elected Representatives' Remuneration

The following tables disclose the total annual remuneration (including the value of non-financial benefits) received by or payable to the Chairperson and other Councillors of the Council.

Council Remuneration 2024

COUNCILLOR	Meetings attended / eligible meetings	Remuneration \$	Meeting fees \$	Allowance and mileage \$	Other \$	Total
Gretchen Robertson - Chairperson (appointed 15 October 2022)	35 / 37	148,282	-	-	5,808	154,090
Lloyd McCall - Deputy Chairperson (appointed 10 November 2022)	34 / 37	84,869	-	12,883	-	97,752
Alexa Forbes	32 / 37	65,000	-	11,921	426	77,347
Gary Kelliher	34 / 37	65,000	-	11,498	-	76,498
Michael Laws	28 / 37	65,000	-	5,772	152	70,924
Kevin Malcolm	35 / 37	65,000	-	8,203	-	73,203
Timothy Mepham	34 / 37	65,000	-	2,043	-	67,043
Andrew Noone	33 / 37	65,000	6,138	3,994	-	75,132
Bryan Scott	29 / 37	65,000	-	1,466	113	66,579
Alan Somerville	34 / 34	65,000	-	1,086	-	66,086
Elliot Weir	31 / 37	65,000	744	1,177	88	67,009
Kate Wilson	34 / 37	65,000	4,881	10,300	3,829	84,010
		883,151	11,763	70,343	10,416	975,673

Council Remuneration 2023

COUNCILLOR	Meetings attended / eligible meetings	Remuneration \$	Meeting fees \$	Allowance and mileage \$	Other \$	Total
Gretchen Robertson - Chairperson (appointed 15 October 2022)	39 / 39	125,529	-	798	3,224	129,550
Andrew Noone - Chairperson (to 14 October 2022)	39 / 41	87,674	-	1,501	1,396	90,572
Lloyd McCall - Deputy Chairperson (appointed 10 November 2022)	23 / 25	59,012	-	7,372	-	66,384
Kevin Malcolm - Deputy Chairperson (to 14 October 2022)	39 / 43	72,499	-	16,709	-	89,208
Alexa Forbes	34 / 41	66,185	-	11,446	464	78,096
Gary Kelliher	40 / 41	66,185	-	6,118	-	72,304
Michael Laws	34 / 39	66,185	-	2,423	-	68,608
Timothy Mepham	25 / 27	46,250	-	1,117	-	47,367
Bryan Scott	32 / 39	66,185	-	610	119	66,914
Alan Somerville	24 / 25	46,250	-	275	-	46,525
Elliot Weir	19 / 25	46,250	-	1,005	59	47,314
Kate Wilson	39 / 43	66,185	-	6,953	609	73,747
Hilary Calvert	16 / 16	19,935	-	275	-	20,210
Michael Deaker	41 / 44	19,935	-	275	-	20,210
Carmen Hope	14 / 14	19,935	-	798	-	20,733
		874,197	-	57,674	5,870	937,742

Severance Payments

For the year ended 30 June 2024, the Council had one (2023: two) severance payment of \$15,245 (2023: \$24,500 and \$98,000).

30. Subsequent Events

On 3rd and 4th October 2024 a red heavy rain warning event occurred in coastal Otago from Palmerston to the Catlins, and inland to the Manuherikia River in Central Otago. An assessment of any potential damaged caused by this flood event is still being completed as river levels recede.

31. Commitments for Expenditure

Capital Expenditure Commitment

At 30 June 2024 the Group had commitments for capital expenditure of \$45.7 million (2023: \$17.3 million). Included in the above amounts are Council commitments of \$1.7 million (2023 \$3.2 million) relating to property, plant and equipment acquisitions and contracts for capital expenditure. Port Otago Limited had commitments for capital expenditure of \$44.0 million (2023: \$14.1 million) which relates to purchases and refurbishments of port assets and investment property.

Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in Note 34 to the financial statements.

32. Contingent Liabilities and Contingent Assets

Council Only Contingent Liabilities

Otago Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by re insurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

The Council has also been advised of potential claims in relation to the issue of resource consents. The Council does not expect any material uninsured liability to arise from these potential claims, (2023: \$Nil).

Consistent with the nature of the Council's activities, the Council is involved in Environment, High and District Court proceedings resulting from decisions made by the Council as a planning and consenting authority under the Resource Management Act.

Council Only Contingent Assets

The Council does not have any contingent assets as at 30 June 2024 (30 June 2023: \$Nil).

Group

There are no other contingent liabilities or assets at 30 June 2024 (30 June 2023: \$Nil) other than those arising in the normal course of business.

33. Deferred Tax Balances

Deferred tax comprise taxable and deductible temporary differences arising from the following:

Council 2024

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax Losses	-	-	-	-
	-	-	-	-

Council 2023

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax Losses	98	-	(98)	-
	98	-	(98)	-

Group 2024

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	1,412	(244)	(417)	751
Property, plant and equipment	9,752	5,906	-	15,658
Investment property	10,819	1,081	-	11,900
Other	(2,510)	(165)	-	(2,675)
	19,473	6,578	(417)	25,634

Group 2023

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	1,200	148	64	1,412
Property, plant and equipment	10,249	(497)	-	9,752
Investment property	11,864	(1,045)	-	10,819
Other	(1,956)	(554)	-	(2,510)
	21,357	(1,948)	64	19,473

Definition

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the surplus/(deficit), except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

34. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Council and/or Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Council and/or Group as Lessee

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Disclosures for Lessees

Leasing Arrangements

Operating leases relate to property, vehicles and equipment leases. All operating lease contracts contain market review clauses in the event that the Council/Group exercises its option to renew. The Council/Group does not have an option to purchase the leased asset at the expiry of the lease period.

Non-cancellable Operating Lease Payments

\$000s	Council 2024	Council 2023	Group 2024	Group 2023
Less than 1 year	711	648	1,224	1,093
1 - 2 years	398	648	890	1,093
2 - 3 years	182	355	673	800
3 - 4 years	137	163	629	608
4 - 5 years	131	125	560	570
Longer than 5 years	118	228	738	1,278
	1,677	2,167	9,015	5,442

Disclosures for Lessor

Operating Lease Commitments as Lessor

The Group has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of up to 21 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2024 are as follows:

\$000s	Group 2024	Group 2023
RENTALS RECEIVABLE		
Within one year	34,452	32,728
1 - 2 years	33,434	30,639
2 - 3 years	27,021	29,571
3 - 4 years	24,887	23,875
4 - 5 years	20,628	21,642
More than five years	98,765	102,979
MINIMUM FUTURE LEASE RECEIVABLE	239,187	241,434

35. Related Party Disclosures

Otago Regional Council is the ultimate parent of the Group and controls one entity, being Port Otago Limited, including its subsidiaries, associates and joint ventures.

Council 2024

During the 30 June 2024 year, Councillors as part of a normal customer relationship, were involved in minor arm's length transactions with the Council, such as the payment of rates.

RELATED PARTY ENTITIES	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
Councillor Alan Somerville					
Forest & Bird	Member	-	3,000	-	-
Councillor Alexa Forbes					
Otago Polytech	Employee	181,485	4,303	-	-
Councillor Andrew Noone					
East Otago Events Centre	Committee Member	-	264	-	-
Farmlands Co-operative Limited	Shareholder	-	6,140	-	-
Silver Fern Farms Co-operative Limited	Shareholder	31,407	-	3,804	-
Ravensdown Co-operative Limited	Shareholder	13,314	345	1,348	-
Councillor Bryan Scott					
Otago Catchment Community Incorporated	Member	-	224,716	-	269,100
Councillor Elliot Weir					
University of Otago	Employee	1,036,294	41,089	326	-
Councillor Gary Kelliher					
Manuherikia Irrigation Co-operative Society	Ultimate Shareholder	15,628	-	-	-
Springvale Water Supply Company Limited	Director	225	-	-	-
Councillor Kate Wilson					
Alliance Group Co-operative Limited	Shareholder	32,703	-	-	-
Farmlands Co-operative Limited	Shareholder	-	6,140	-	-
PGG Wrightson Limited	Shareholder	-	40,744	-	14,498
Silver Fern Farms Co-operative Limited	Shareholder	31,407	-	3,804	-
Strathburn Limited	Director & Shareholder	525	-	-	-
Councillor Kevin Malcolm					
J & E Soper Family Trust	Trustee	225	-	-	-
Lower Waitaki Irrigation Company Limited	Shareholder	6,294	-	529	-
Poltalloch South Trust	Trustee	225	-	-	-

Councillor Lloyd McCall					
Kelso Dairy Limited (ceased 14 December 2023)	Director & Shareholder	275	-	-	-
Otago Catchment Community Incorporated	Member	-	224,716	-	269,100
Otago South River Care Incorporated	Member	-	17,250	-	-
Councillor Michael Laws					
Central Otago District Council	Wife is Councillor	141,333	124,676	90,718	2,636

Council 2023

During the 30 June 2023 year, Councillors as part of a normal customer relationship, were involved in minor arm's length transactions with the Council, such as the payment of rates.

RELATED PARTY ENTITIES	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
Councillor Alan Somerville					
Forest & Bird	Member		21,700	-	-
Councillor Alexa Forbes					
Otago Polytech	Employee	180,544	63,882	-	-
Councillor Andrew Noone					
Farmlands Co-operative Limited	Shareholder	-	6,387	-	-
Morfazan Limited	Shareholder	992	-	-	-
Ravensdown Co-operative Limited	Shareholder	26,118	89,260	3,374	-
Silver Fern Farms Co-operative Limited	Shareholder	56,007	-	3,335	-
Councillor Bryan Scott					
Otago Catchment Community Incorporated	Member	-	426,938	-	-
Councillor Elliot Weir					
Monarch Wildlife Cruises	Employee	15,204	1,954	1,294	-
Councillor Gary Kelliher					
Manuherikia Irrigation Co-operative Society	Ultimate Shareholder	1,050			
Springvale Downs Limited	Director & Shareholder	97	-	-	-
Springvale Water Supply Company Limited	Director	225	-	-	-
Councillor Kate Wilson					
Alliance Group Co-operative Limited	Shareholder	43,907	-	17,586	-
Farmlands Co-operative Limited	Shareholder	-	6,387	-	-
Otago Central Rail Trail Network Trust	Chairperson	27,783	-	-	-
PGG Wrightson Limited	Shareholder	-	241,203	-	15,854

Silver Fern Farms Co-operative Limited	Shareholder	56,007	-	3,335	-
Strath Taieri Agriculture and Rural Tourism Trust	Trustee	295	-	-	-
Strathburn Limited	Director & Shareholder	225	-	-	-
Councillor Kevin Malcolm					
J & E Soper Family Trust	Trustee	225	-	-	-
Lower Waitaki Irrigation Company Limited	Shareholder	4,000	-	3,174	-
Poltalloch South Trust	Trustee	225	-	-	-
Councillor Lloyd McCall					
Kelso Dairy Limited	Director & Shareholder	275	-	-	-
Otago Catchment Community Incorporated	Member	-	426,938	-	-
Councillor Tim Mepham					
Yellow-eyed Penguin Charitable Trust	Member	-	19,655	-	-

Otago Regional Council acquired 1 unlisted share in Regional Software Holdings Limited (RSHL) in the current financial year end 30 June 2024. There was \$1 compensation paid for the 0.01% shareholding. RSHL's scope is to provide a framework for collaboration and delivery of shared services across the regional council sector, supporting the procurement or development of shared solutions. Council and Group has not equity accounted for the fair value of RSHL, due to the small shareholding and immaterial nature of the fair value owned by ORC's 0.01% shareholding. During the year end 30 June 2024 Council paid RSHL for supplies and services of \$869,750.

Group

Refer to Note 16 for transactions between Council and Port Otago Limited.

Chalmers Properties Limited has provided an advance to Te Rapa Gateway Limited to fund its share of land acquisition and development expenditure. The current intention of Chalmers Properties Limited is to provide ongoing financial support to Te Rapa Gateway Limited.

Port Otago Limited and Chalmers Properties Limited have a \$300,000 overdraft offset facility arrangement which is included in the Group debt facility detailed in note 20. The purpose of this arrangement is to minimise any interest costs to the two entities.

Transactions Eliminated on Consolidation

Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the group.

Annual Report Disclosure Statement for year ending 30 June 2024

Purpose of this Statement

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

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

Rates Affordability Benchmark

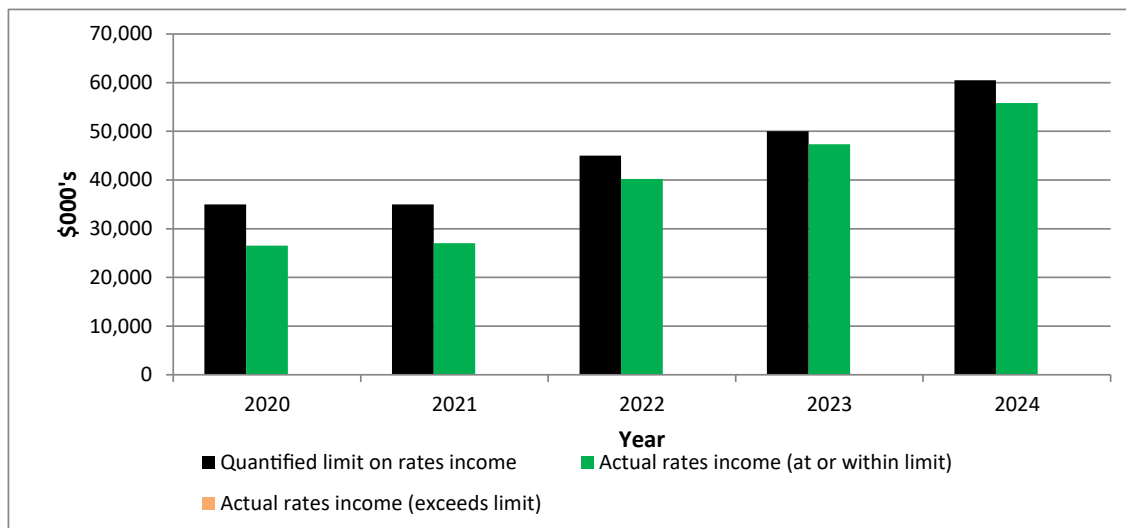
The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (Income) Affordability

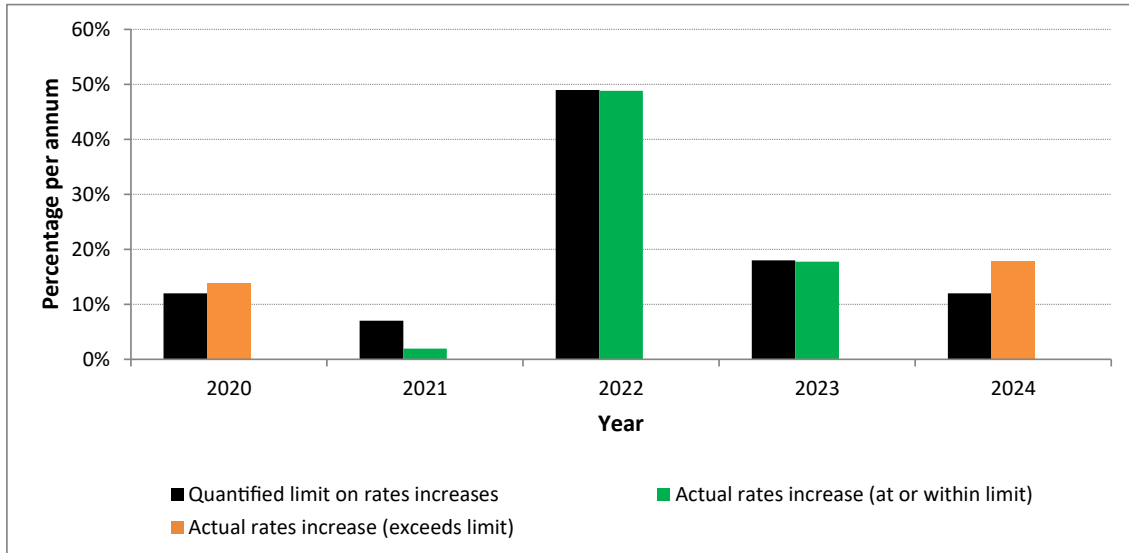
The following graph compares the Council’s actual rate income with a quantified limit on rates contained in the financial strategy included in the Council’s Long-Term Plan.

The quantified limit for 30 June 2024 is \$60 million or 50% of total revenue.



Rates (Increases) Affordability

The following graph compares the Council’s actual rate increases with a quantified limit on rate increases included in the financial strategy included in the Council’s Long-Term Plan. The quantified limit is an increase of 12% per annum, (2023: 18%, 2022: 49%, 2021: 7%, 2020: 12%).



RATES AFFORDABILITY COMMENTARY

The Rates (increases) affordability graph shows the quantified limit was exceeded in 2024 and 2020. The quantified limit included in the Long-Term Plan was 12% in 2024 and the actual increase was 18%, in 2020 the quantified limit was 12% and the actual amount of the increase was 14%.

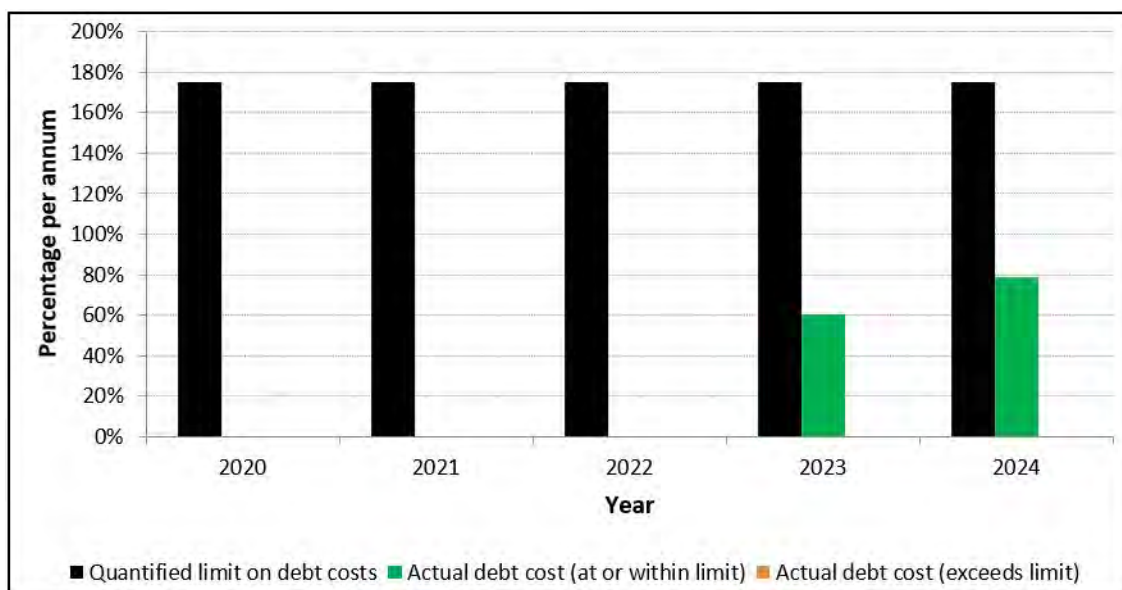
The Annual Plan 2023/2024 provided for additional general rate funded expenditure for land and water, biodiversity and biosecurity and safety and resilience.

The Annual Plan 2019/20 provided for additional general rate funded expenditure, primarily in the Environmental activity area and specifically associated with the water programmes.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council specifies the quantified limit on borrowing as being the interest cost on borrowing as a percentage of revenue.

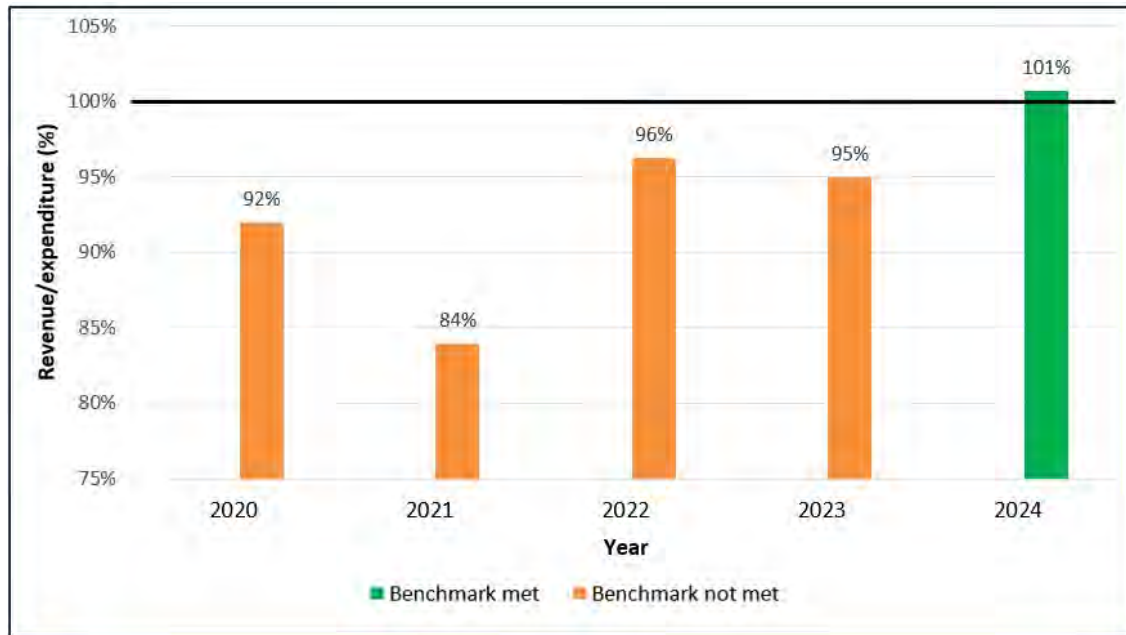
The following graph compares the Council's actual borrowing with a quantified limit specified in the financial strategy included in the Council's Long-Term Plan. The quantified limit 175% of revenue.



Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



BALANCED BUDGET BENCHMARK COMMENTARY

The balanced budget graph for 2024, shows that Council's revenue was greater than operating expenses at 101%.

The balanced budget benchmark graph shows that in 2020- 2023, Council's revenue was less than operating expenses. The Council is required to ensure that estimated revenue is sufficient to cover estimated operating costs unless Council resolves that in any particular year, it is financially prudent to fund a portion of operating costs from other sources, including reserve funds.

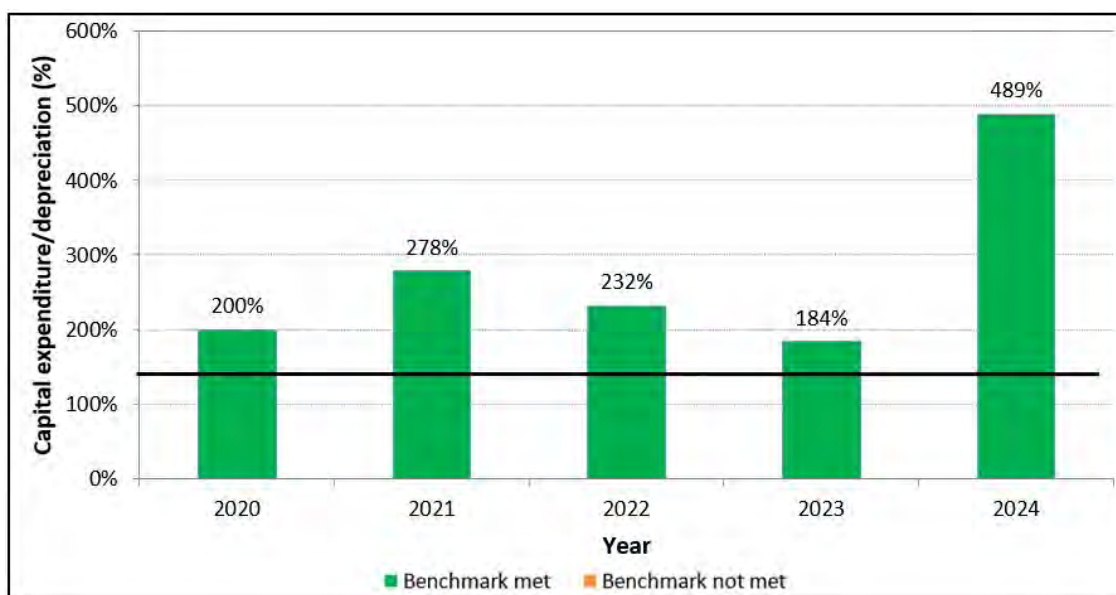
In the 2020-2023 years, Council resolved to fund costs associated with particular activities from reserves, with the activities most affected being the Environmental, Community and Transport activities.

Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council's network services comprise flood protection and river management.

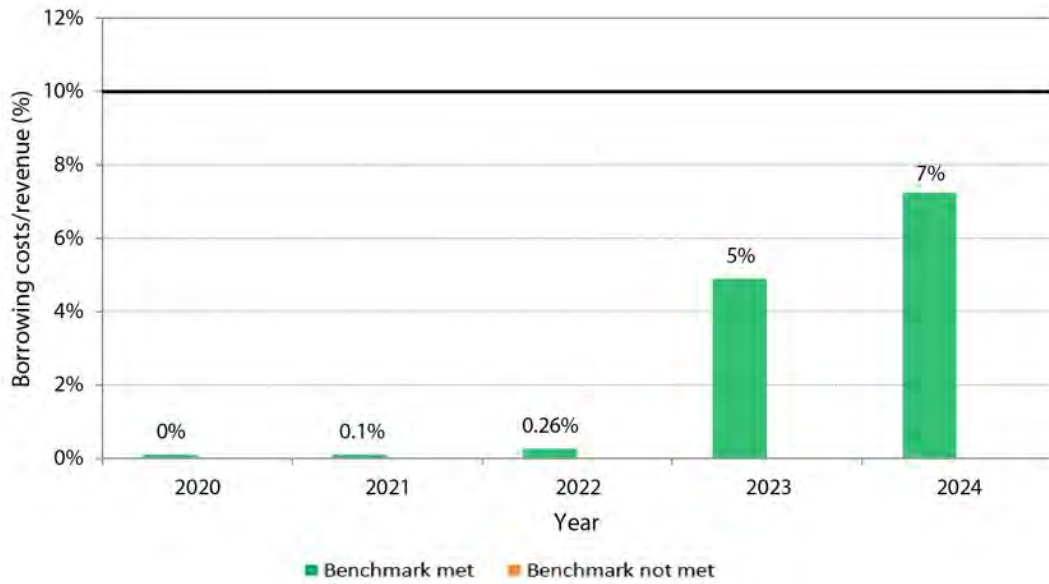
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

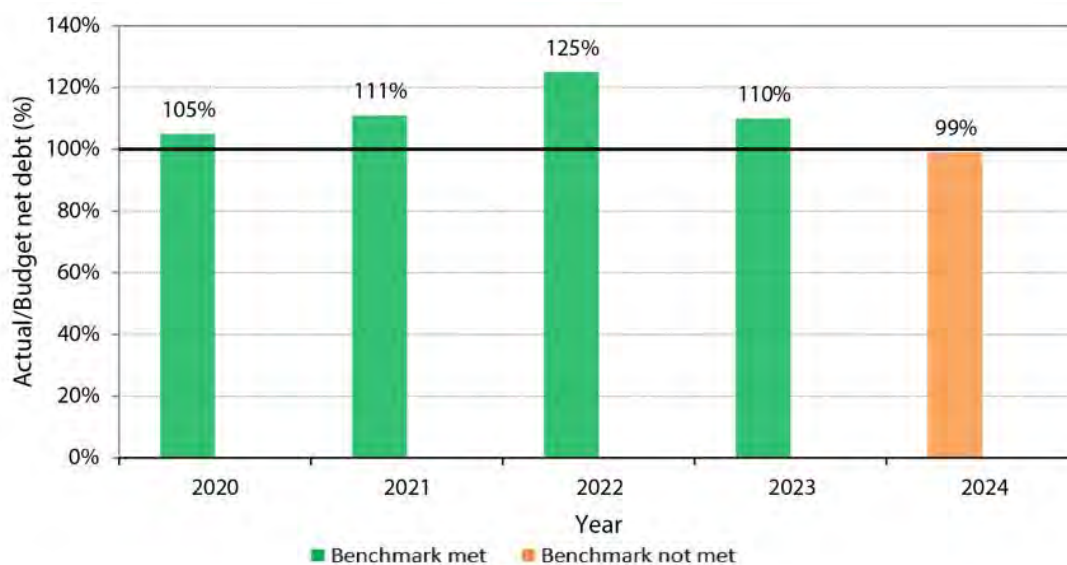


Debt Control Benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. For the purposes of this graph Port Otago Limited receivable has been netted against total debt to remove borrowing that was on lent to Port Otago Limited and is received as a intercompany receivable.

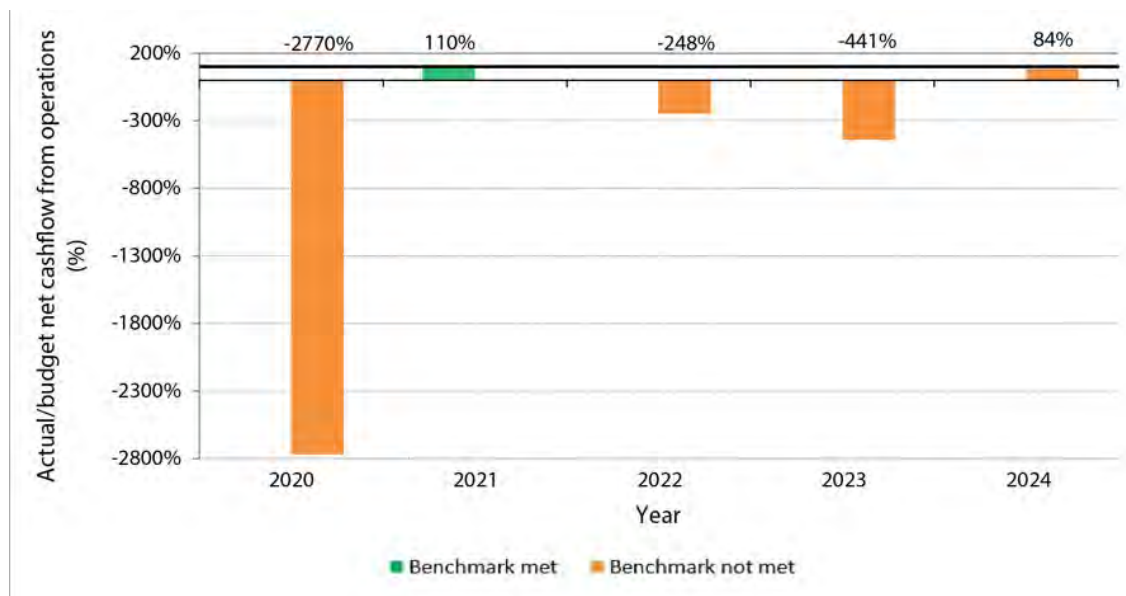
During the period 2020/21, Council had budgeted net assets rather than net debt. During the 2021/2022 Council borrowed \$15 million which was increased to \$25 million in 2022/23 and 2023/2024 period.



Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



OPERATIONS CONTROL BENCHMARK COMMENTARY

The Operations Control benchmark graph shows the actual net cash flow from operations as a percentage of the planned net cash flow from operations.

In the 2024 year, actual cash flow from operations was a net inflow of \$3,295,000 compared to the planned net inflow of \$3,939,000. The major cause of this variance was caused by additional payments to suppliers than originally budgeted due to inflationary costs.

In the 2023 year, the actual cash flow from operations was a net outflow of \$3,792,000 compared to the planned net inflow of \$1,113,000. The major cause of this variance was caused by additional unbudgeted expenditure on the Regional Policy Statement (RPS) and fees and charges revenue being received than budgeted.

In the 2022 year, the actual cash flow from operations was a net outflow of \$2,198,000 compared to the planned net inflow of \$1,409,000. The major cause of this variance was caused by less fees and charges revenue being received than budgeted.

In the 2021 year, the actual cash flow from operations was a net inflow of \$271,000 compared to the planned net outflow of \$2,661,000. The major cause of this variance was an increase in grant revenue.

In the 2020 year, the actual cash flow from operations was a net outflow of \$2,272,000 compared to the planned net outflow of \$82,000. The major cause of this variance was an increase in service on water policy, science, and our emergency response to the COVID-19 pandemic.

Additional Information

Rates Revenue

The rating base information in the table below is as at the preceding 30 June to the financial year shown in the table and comprises the rating base for the region as a whole.

Otago Region	Rating Base Information for the Year Ended 30 June 2024	Rating Base Information for the Year Ended 30 June 2023
Total number of rating units	134,412	133,195
Total capital value of rating units	\$154,646,216,059	\$148,574,794,340
Total land value of rating units	\$87,500,472,800	\$84,653,814,590

Insurance of Assets

The total carrying value of all assets of the Council as at 30 June 2024 that are covered by insurance contracts amounts to \$17.637 million (2023: \$17.553 million) and the maximum amount to which they are insured is \$82.838 million (2023: \$59.832 million).

The total value of all assets of the Council as at 30 June 2024 that are self-insured amounts to \$99.132 million (2023:\$97.349 million).

Included in the value of self-insured assets are flood protection and drainage infrastructural assets of \$65.620 million (2023: \$66.913 million), land of \$29.650 million (2023: \$28.750 million), transport infrastructural assets and hardware of \$0.318 million (2023: \$0.623 million) and software of \$0.558 million (2023: \$0.820 million). Flood protection and drainage infrastructural assets include floodbanks, protection works, drains, and culverts. Assets of this nature are constructions or excavations of natural materials on the land, and have substantially the same characteristics of land, in that they are considered to have unlimited useful lives.

Flood protection and drainage infrastructural assets include floodbanks, protection works and drains and culverts. Assets of this nature are constructions or excavations of natural materials on the land, and have substantially the same characteristics of land, in that they are considered to have unlimited useful lives.

The Council does not maintain separate self-insurance funds and considers that the level of reserve funds held is sufficient for the purpose of self-insuring assets that are not covered by insurance contracts.

As at 30 June 2024 the Council had not entered into any financial risk sharing arrangement for any assets held (2023:\$Nil).

Directory

Bannockburn, Central Otago

Otago Regional Council Councillors

Chairperson	Gretchen Robertson	Dunedin Constituency
Deputy Chairperson	Lloyd McCall	Molyneux Constituency
Regional Councillors	Tim Mepham	Dunedin Constituency
	Andrew Noone	Dunedin Constituency
	Bryan Scott	Dunedin Constituency
	Alan Somerville	Dunedin Constituency
	Elliott Weir	Dunedin Constituency
	Kate Wilson	Molyneux Constituency
	Alexa Forbes	Dunstan Constituency
	Gary Kelliher	Dunstan Constituency
	Michael Laws	Dunstan Constituency
	Kevin Malcolm	Moeraki Constituency

Otago Regional Council Executive Staff

Chief Executive	Richard Saunders	1 June 2023 to Current
General Manager Corporate Services and Chief Financial Officer	Nick Donnelly	
General Manager Strategy, Policy and Science	Anita Dawe	
General Manager Operations	Gavin Palmer	
General Manager Regulatory and Communications	Joanna Gilroy (Acting) Richard Saunders	1 June 2023 to Current 3 March 2021 to 31 May 2023
General Manager Governance, Culture and Customer	Amanda Vercoe	

Otago Regional Council Details

Bankers	Bank of New Zealand
Auditors	Deloitte Limited on behalf of the Auditor-General, Wellington
Solicitors	Ross Dowling Marquet and Griffin, PO Box 1144, Dunedin
Principal Office	Philip Laing House, Level 2, 144 Rattray Street, Dunedin 9016
Website	www.orc.govt.nz
Phone	0800 474 082 0800 800 033 (Pollution Hotline)
Email	customerservices@orc.govt.nz

Port Otago Limited

Chairperson	Tim Gibson	January 2023 to Current
Deputy Chairperson	Pat Heslin	
Directors	Tom Cambell	Retired 31 December 2023
	Bob Fulton	
	Richard Herd	Appointed 1 January 2024
	Chris Hopkins	
	Becky Lloyd	
	Anne McLeod	July 2023 to Current
	Paul Rea	Retired 31 December 2022
Chief Executive	Kevin Winders	

Office and Depot Locations

Offices

Dunedin Office - Philip Laing House

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

Level 2
144 Rattray Street
Dunedin 9016

Queenstown Office

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

Terrace Junction 1092 Frankton Road
Queenstown 9300

Depots

We have staff located at depots throughout the region.

Please note that depots do not service general enquiries or accept payments. Please contact us by email or phone for guidance or general enquiries.

Alexandra

13 Ngapara Street
Alexandra 9340

Cromwell

14 Rogers Street
Cromwell 9310

Oamaru

32 Ribble Street
Oamaru 9400

Taieri

173 Dukes Road North
North Taieri 9092

Balclutha

Hasborough Place
Balclutha 9230

Dunedin

70 Stafford Street
Dunedin 9054

Palmerston

54 Tiverton Street
Palmerston 9430

Wānaka

185 Riverbank Road
Wānaka 9382

Statement of Compliance

In accordance with Part 3 of Schedule 10, Clause 34 of the Local Government Act 2002, the Council and management of Otago Regional Council confirm that all the statutory requirements in relation to the Annual Report have been complied with.



Richard Saunders
CHIEF EXECUTIVE



Gretchen Roberston
CHAIRPERSON



Lake Hayes, Central Otago

OTAGO REGIONAL COUNCIL