

## **Background Paper for ORC Council Workshop – Information on Environmental Funding Design**

<b>Prepared for:</b>	Council
<b>Activity:</b>	Strategic Discussion – Future of Environmental Funding
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### **PURPOSE**

- [1] As part of the Long Term Plan 2024-2034 Council approved an additional \$2 million dollars for environmental funding from year 2. This \$2 million dollars is in addition to current levels of funding provided by Council for environmental initiatives. The purpose of this paper is to provide Councillors with a summary of the existing environmental funding and to assist with determining priorities and strategies for allocation of existing and new environmental funding to be discussed at a workshop.

### **EXECUTIVE SUMMARY**

- [2] For a number of years Council has provided various types of funding for environmental initiatives. Through the LTP 2024-2034, \$500,000 has been allocated to increase funding support to the community through environmental funding in Year 1 (this financial year). From Year 2 (next financial year) an additional \$2 million of environmental funding is allocated on top of ECO Fund, incentive funding and other funding opportunities supported by the Environmental Implementation Team and the Consents Team.
- [3] A minimum of \$2,101,000 of funding is currently being provided through various types of funding, managed by the Environmental Implementation Team. \$50,000 of consent funding is available. From 1 July next year, the total funding available to support Environmental Initiatives will total approximately \$4,000,000.
- [4] ORC has contracted Frequency Ltd, a project management and advisory consultancy, to undertake a detailed review of our environmental funding structures and provide recommendations and options for the long-term structure of funding. This includes a workshop with Councillors to gain an understanding of the priorities and framework for the future allocation of funding.
- [5] The outcome of this work will be the presentation of a detailed report and recommendations to Council on future opportunities and options for a potential transition to alternative funding model structures over the coming years.

### **BACKGROUND**

- [6] ORC currently allocates just over \$2M per annum to support environmental initiatives, made up of directly funded agreements (to organisations such as Otago Catchment Communities), through incentive funding, large scale biodiversity funding, and the general ECO Fund. The summary table of current funding, presented to Council through LTP

Workshops, is included again for reference in Appendix 1 of this report. How funding is provided varies from direct to contestable and with various levels of reporting then required from the recipient.

- [7] To date, ORC has not developed an approach or criteria for the additional funding received through the LTP, nor undertaken a comprehensive review of the existing environmental funding structures to ensure they are aligned to strategic priorities, providing value of money or contributing to environmental outcomes.
- [8] At the November meeting, Council will receive a report outlining recommendations for the allocation of the ECO Fund for the 2024/25 Financial Year, which is being undertaken alongside, but independent of this work. The recommendations to come from the scope of this work, will run concurrently, and will be relevant for the 2025/26 FY and outlying financial years.
- [9] Through the recent LTP, Council consulted on a proposed increase in environmental funding of \$500,000 per year from 2025/26 to support large scale environmental projects. Following consultation, Council approved the allocation of \$2M per year to fund 'large scale environmental projects, funded by an Otago-wide rate'. This will increase the total allocation of environmental funding from around \$2 million to \$4 million per annum from 1 July 2025.
- [10] In July 2024, ELT approved the contracting of a supplier to support Council to undertake a wider review of the allocation of environmental funding, (accounting for current funding mechanisms, levels of funding, eligibility and accountability criteria), and to assess the opportunities for future funding models that could support more effective delivery of existing funding, as well as a structure and allocation of future increased funding.
- [11] Key matters to consider when thinking about how any funding could be allocated includes, but is not limited to:
  - a. The environmental domains ORC seeks to prioritise and fund with this money.
  - b. The level of funding to be allocated per initiative/project/programme.
  - c. The types of initiatives funded and the length of funding available.
  - d. The geographical allocation of funding.
  - e. The level of outcome and impact sought from the investment.
  - f. The eligibility criteria, accountability mechanisms and monitoring sought at a high level.
- [12] ORC and Frequency staff are currently consulting with partners as to the best process for mana whenua engagement through this process. Other key stakeholders, including current funding recipients will also be consulted with during this process. This will take the form of surveys and interviews.

### **Scope of workshop**

- [13] The purpose of the workshop is to seek guidance from Councillors around the strategic priorities for how the additional funding will be prioritised, discuss how this may work within an existing funding framework, and to start to address challenges or concerns that may need to be addressed in the context of a wider funding review. This will seek to

address challenges of how ORC may prioritise, invest and review its investment in Environmental Funding initiatives across the region based on the additional funding.

- [14] The workshop will provide examples of some existing environmental funding structures and models from around New Zealand and overseas.
- [15] The outputs of the workshop will be used to guide the next phase of work which includes an analysis and review of the current state and potential future funding arrangements. This includes a desktop review, community consultation, comparison of other existing environmental funding structures, and potential options for future funding model design and administration. A final report is planned to be presented to Council in March 2025. If needed an additional workshop will be run with Councillors before March 2025.

### **NEXT STEPS**

- [16] Priorities will be circulated to Councillors following consolidation of workshop discussion and agreed actions.
- [17] ORC staff will present recommendations for structure of ECO Fund 2024/25 funding allocation in November.
- [18] Work to engage stakeholders and mana whenua will commence.
- [19] A further workshop with Councillors will be held in 2025 and a report presented to Councillors in March 2025.

### **ATTACHMENTS**

- Appendix 1: Summary Table of Environmental Funding Currently Provided by ORC
- Appendix 2: Menti Survey QR Code to download file and respond
- Appendix 3: Paper copy of the Menti survey

## Appendix 1: Environmental Funding Currently Provided by ORC

Type of funding	Amount funded (2023/24)	Contestable or direct	When does it expire?
ECO Fund	\$300,000	Contestable	Ongoing yearly
Large scale biodiversity fund	\$300,000	Direct / Contestable	Previously directly funded Predator Free Dunedin (2018 – 2023). 2024 Funding was contestable Large scale biodiversity grant.
Incentive funding – native planting following pest plant control	\$50,000	Contestable	Ongoing assessed annually
Incentive funding – native planting for water quality	\$50,000	Contestable	Ongoing assessed annually
Incentive funding - sustained rabbit management	\$100,000	Contestable	Ongoing, assessed annually
Incentive Funding – Biodiversity enhancement on protected private land	\$100,000	Contestable	Ongoing, assessed annually
QEII Partnership to support protection of biodiversity	\$50,000	Direct	Annual funding – no expiry assessed annually. Commenced 2022/23
Nga Whenua rahui Partnership to support protection of biodiversity	\$50,000	Direct	Annual funding – no expiry assessed annually. To commence this year
Landowner supported pilot programme for possum control – Predator Free Dunedin Trust	\$221,000	Direct	Funding has been committed to until end of 2023/2024 – There was an initial commitment until 2028/2029 (approx \$100,000 for 3 more years) for West Harbour Mount Cargill OSPRI transition.
Otago Catchment Communities	\$430,000	Direct	Ends 30 June 2025
Balance Farm Environment Awards	\$20,000	Direct	Ongoing – assessed annually
LINZ lagarosiphon control	\$50,000	Direct	Ongoing - annual
Wakatipu Wilding Conifer Trust	\$100,000	Direct	Ongoing - annual
Central Otago Wilding Conifer Trust	\$100,000	Direct	Ongoing - annual
Upper Clutha Wilding Conifer Group	\$30,000	Direct	One off payment for last financial year. Will assess requests as they come.
Site led programme – opportunity for specific funding of groups in site led programme (link to ECO Fund)	\$100,000 (approx)	Direct	
Consent fee fund	\$50,000	Applications required	Ongoing - annual
<b>TOTAL</b>	<b>\$2,101,000</b>		

There has also been some other ad hoc funding provided to community groups which supports delivery of projects. Some examples include; the priority water projects ORC are delivering for Lake Tuakitoto, Tomahawk Lagoon and Lake Hayes, Toitū te Hākapupu, funding for rabbit management at Waiholā and

support for Orokonui to host a conservation networking day. There have also been requests made for sponsorship of events, but there is currently no funding for this or a sponsorship fund.

**Appendix 2: Link to Menti Survey**



**Appendix 3: Paper Copy of Survey (to be completed if QR Code or Link does not work)**