Council Agenda 26 August 2026

Meeting will be held at the Otago Regional Council Chamber, Aonui, 180 High Street, Dunedin, Otago, and live streamed on the ORC YouTube channel.

Members:
Cr Hilary Calvert (Chair)
Cr Kevin Malcolm (Deputy Chair)
Cr Robbie Byars
Cr Chanel Gardner
Cr Neil Gillespie
Cr Matt Hollyer
Cr Gary Kelliher
Cr Michael Laws
Cr Andrew Noone
Cr Gretchen Robertson
Cr Alan Somerville
Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Kylie Darragh, Governance Support Officer

26 August 2026 10:30 AM

Agenda Topic

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Agenda 1

1. WELCOME

Chair Calvert will open with a reflection.

2. APOLOGIES

No apologies received at the time of printing.

3. PUBLIC FORUM

3.1 Peter Foster - Sea Levels Affecting South Dunedin.

4. PETITION

Tony Cummings, Deputy Chair of Dunedin Area Citizens Association Inc. will present a petition "Fix South Dunedin's Stormwater First".

5. CONFIRMATION OF AGENDA

The agenda to be confirmed as published.

6. DECLARATIONS OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The Register of Member's Pecuniary Interests can be found on the ORC Website.

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11.3.1 Flood Protection Management Bylaw 2022 Review Engagement Summary 72

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This paper seeks Council's approval of the ORC Compliance Plan 2026 - 2029.

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To report on Otago Regional Council's (ORC) delivery of its responsibilities under the Otago Civil Defence and Emergency Management Agreement, for the 2025/26 year.

11.8.1 Otago Civil Defence Emergency Management Agreement 2022 275

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The purpose of this report is to provide Council with an update on the progress of the implementation of the Dunedin Future Development Strategy (FDS) actions.

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To pass resolutions in lieu of holding annual general meetings for Council's three wholly owned inactive subsidiaries. The resolutions are to not hold an annual general meeting and to not appoint an auditor for each company.

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This paper seeks Council direction on whether staff should proceed with developing an implementation plan for ORC to become a Living Wage Accredited Employer.

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12. NOTICES OF MOTION

No notices of motion had been submitted at the time of publishing.

13. CLOSURE

Otago Regional Council

Council
MINUTES

Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Aonui, 180 High Street, Dunedin on Wednesday 29 July 2026, commencing at 10:30 am

https://www.youtube.com/live/PqMKK74Qm3M?si=ErDhysH1hvl2I5vp

PRESENT

Cr Hilary Calvert	*(Chair)*
Cr Kevin Malcolm	*(Deputy Chair)*
Cr Robbie Byars	
Cr Chanel Gardner	
Cr Neil Gillespie	*(online)*
Cr Matt Hollyer	
Cr Gary Kelliher	
Cr Michael Laws	*(online)*
Cr Andrew Noone	
Cr Gretchen Robertson	
Cr Alan Somerville	
Cr Kate Wilson	

DRAFT

1. WELCOME

Cr Gardner opened the meeting with a reflection. Chair Calvert welcomed Councillors, members of the public and staff to the meeting at 10:30 am and acknowledged the recent passing of Waitaki District Council Councillor Jim Hopkins. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Nick Donnelly (GM Finance), Tom Dyer (GM Science and Resilience), Joanna Gilroy (GM Environmental Delivery), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Dianne Railton (Team Leader Governance), Kylie Darragh (Governance Support).

2. APOLOGIES

Resolution: Cr Wilson Moved, Cr Noone Seconded:

That the apologies for Cr Laws for an early departure be accepted.

MOTION CARRIED

3. PUBLIC FORUM

3.1 Don Robertson, online spoke on matter 9.2 Otago Deep Water Lakes Research and Monitoring Proposal, the Chair thanked Dr Robertson for attending.

3.2 Pierre Marasti spoke on behalf of Extinction Rebellion, the Chair thanked Pierre for attending.

3.3 Simon Telfer spoke on behalf of the Wanaka Upper Clutha Community Board, the Chair thanked Simon for attending.

4. CONFIRMATION OF AGENDA

It was Moved Cr Calvert, Seconded Cr Malcolm

That the Supplementary agenda for 29 July 2026, be received and added to the agenda item under Item 9.1 Rates Review.

MOTION CARRIED

5. DECLARATIONS OF INTERESTS

Councillors were reminded of the need to stand aside if a conflict of interest arises.

6. CONFIRMATION OF MINUTES

Resolution: Cr Hollyer Moved, Cr Byars Seconded

That the minutes of the Council meeting held on 24 June 2026 be received and confirmed as a true and accurate record.

MOTION CARRIED

7. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Open actions from resolutions of the Committee were reviewed.

8. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

8.1. Chairperson's Report

Chair Calvert was available to respond to questions on the report.

Resolution: Cr Kelliher Moved, Cr Wilson Seconded

1) ***Notes*** *this report*

2) ***Delegates*** *authority to the Chair and Deputy Chair to provide support and input on behalf of Otago Regional Council to any correspondence from Otago Mayors, or independently, to Government regarding local government simplification in Otago, ensuring ORC's priorities are highlighted including the importance of catchment management and managing environmental matters and authorises the Chair to approve ORC's formal endorsement of such correspondence.*

BY DIVISION

FOR:	Cr Byars, Cr Gillespie, Cr Kelliher, Cr Laws, Cr Wilson, Chair Calvert
AGAINST	Cr Gardner, Cr Hollyer, Cr Malcolm, Cr Noone, Cr Robertson, Cr Somerville
ABSTAINED	None
CASTING VOTE	Chair Calvert

MOTION CARRIED
6 in favour, 6 against, 1 casting vote from Chair.

8.2. Chief Executive's Report
Richard Saunders was available to respond to questions on the report.
Resolution: Cr Kelliher Moved, Cr Somerville Seconded
That the report be noted.
MOTION CARRIED

9. MATTERS FOR CONSIDERATION
9.1. Rates Review
[YouTube 1:08:20] This paper updated the Council on the early feedback from the Lower Clutha and Lower Taieri Flood and Drainage Scheme Liaison Groups in respect of the review of rates across the Lower Taieri and Lower Clutha Flood Protection and Drainage Schemes. Cr Kelliher introduced the paper. Brett Paterson (Manager Engineering), Kirsten Tebbutt (Team Leader Planning and Partnerships) online, Hayley Nicholson (Engagement Specialist) online, and Tom Dyer (GM Science and Resilience) were available to respond to questions on the report.

Resolution CM26-205: Cr Kelliher Moved, Cr Malcolm Seconded
That the Council:
1) ***Notes*** *this report.*
2) ***Notes*** *the Statement of Proposal and the draft consultation plan.*
3) ***Approves*** *public consultation on the proposed options, noting the Council's preferred option, in accordance with the draft consultation plan, under the Local Government Act 2002, subject to any changes discussed.*
4) ***Delegates to the Chief Executive*** *the authority to correct any minor typographical errors in the Statement of Proposal as required prior to notification.*
5) ***Delegates*** *authority to Councillors Robertson, Kelliher, Wilson and Gardner to hear submissions on the outcome of the Scheme Rates review and make recommendations to Council on adopting the confirmed option.*
6) ***Notes*** *that a quorum of three Councillors will be required to hear submissions.*
7) ***Delegates*** *Councillor Noone authority as an alternate for the group should it be required.*

MOTION CARRIED
Cr Byars abstained from the vote.

9.2. Otago Deep Water Lakes Research and Monitoring Proposal
[YouTube 1:24] This report presented a proposed monitoring and research programme to support evidence-based management of Otago's deep lakes, for consideration by the Council. This proposal was requested by the June 2025 Science and Resilience Committee. Portfolio lead Cr Robertson introduced the paper. Ben Mackey (Manager Science), Jason Augspurger (Principal Scientist), Hugo Borges (Senior Scientist - Lakes), Associate Professor Marc Schallenberg (Southern Lakes Laboratory, Otago University) and David Plew (Earth Sciences NZ) online, were available to respond to questions on the report.

At 12:32 pm It was moved Cr Robertson, Seconded Cr Noone
That Council adjourn for 5 minutes.
MOTION CARRIED

Resolution: Cr Calvert Moved, Cr Kelliher Seconded

That the Council:

1) ***Decides** not to include funding for this Deep Lakes Research and Monitoring proposal in the draft Long-term Plan.*
2) ***Notes** the work of the Otago Deep Water Lakes Technical Advisory Group in producing this proposal, and thanks the participants for their contribution and expertise.*

BY DIVISION

FOR:	Cr Byars, Cr Kelliher, Cr Laws, Cr Calvert.
AGAINST:	Cr Gardner, Cr Gillespie, Cr Hollyer, Cr Malcolm, Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson.
ABSTAINED:	None.

MOTION FAILED

Resolution CM26-206: Cr Malcolm Moved, Cr Noone Seconded

That the Council:

1) ***Receives** the Otago Deep Water lakes monitoring and research programme for consideration as part of the development of the upcoming Draft Long-Term Plan.*
2) ***Directs** governance and staff to continue to explore potential funding contributions from potential partners and deliver a Council Workshop to inform Governance roles and oversight to seek funding.*

BY DIVISION

FOR:	Cr Gardner, Cr Gillespie, Cr Hollyer, Cr Laws, Cr Malcolm, Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson, Chair Calvert
AGAINST:	Cr Byars, Cr Kelliher
ABSTAINED:	None.

MOTION CARRIED

Resolution CM26-207: Cr Malcolm Moved, Cr Noone Seconded

That the Council:

1) ***Notes** the work of the Otago Deep Water Lakes Technical Advisory Group in producing this proposal, and thanks the participants for their contribution and expertise.*

MOTION CARRIED

At 1:40 pm it was Moved Cr Wilson, Seconded Cr Robertson

That Council adjourn until 2:15pm

MOTION CARRIED

Cr Laws left the meeting at 1:40 pm.
Council reconvened at 2:18 pm

9.3. Natural Hazard Prioritisation

[YouTube 4:00:20] This paper updated Council on the findings of the Otago region natural hazards prioritisation work programme. Portfolio lead Cr Kelliher introduced the paper. Tim van Woerden (Senior Natural Hazards Analyst) and Tom Dyer (GM Science and Resilience) were available to respond to questions on the report.

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Resolution CM26-208: Cr Kelliher Moved, Cr Robertson Seconded
That the Council:
1) ***Notes*** *this report.*
2) ***Endorses*** *the report* Otago Region Natural Hazards Prioritisation Method*, dated June 2026.*
3) ***Notes*** *the natural hazards prioritisation findings.*
4) ***Endorses*** *the use of natural hazards prioritisation findings as a basis for ORC Natural Hazards planning for the 2027-2037 LTP, and engagement for the proposed LTP activities.*
5) ***Notes*** *the next steps in the work programme.*
MOTION CARRIED

9.4. Risk Appetite Framework

[YouTube 4:17] This report presented the Risk Appetite Framework to Council for adoption. It follows the Council workshop on 28 May 2026, subsequent refinement of the framework based on the feedback from the workshop, and the Audit and Risk Committee discussion on 25 June 2026. The report seeks one decision from Council - on the treatment of the Mana Whenua Partnership category and Council's adoption of the framework. Co-Chair of the Audit and Risk Committee Cr Malcolm introduced the paper, Ginny Irving (Senior Risk and Assurance Business Partner), Joanne Greatbanks (Manager Organisational Planning and Performance) and Amanda Vercoe (GM Strategy and Customer, Deputy CEO) were available to respond to questions on the report.

Resolution CM26-209: Cr Hollyer Moved, Cr Somerville Seconded
That the Council:
1) ***Notes*** *this report and the updated Risk Appetite Framework.*
MOTION CARRIED

Resolution CM26-210: Cr Hollyer Moved, Cr Somerville Seconded
That the Council:
2) ***Decides*** *to retain Mana Whenua Partnership Risk as a level One Category.*
MOTION CARRIED
Cr Byars, Cr Kelliher and Cr Gardner voted against.

Resolution CM26-211: Cr Hollyer Moved, Cr Somerville Seconded
That the Council:
3) ***Adopts*** *the Risk Appetite Framework, as amended to reflect the decision at 2.*
MOTION CARRIED

9.5. Wanaka-Upper Clutha Public Transport Investigations Business Case

[YouTube 4:32] This paper reported on the ORC Annual Plan 2025/26 direction to complete a business case for public transport in the Upper Clutha. Portfolio lead Cr Somerville introduced the paper. Robyn Hyde (Acting Planning Transport Lead) and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions on the report.

Resolution CM26-212 Cr Hollyer Moved, Cr Malcolm Seconded
That the Council:
1) ***Notes*** *this report.*
2) ***Approves*** *the endorsement of the Public Transport Upper Clutha Investment Case.*
3) ***Notes*** *the preferred option for an Upper Clutha public transport service trial will be included in the transport projects put forward for consideration in ORC's 2027 Draft Long-Term Plan.*
4) ***Notes*** *the preferred option for an Upper Clutha public transport service trial will be included in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.*
MOTION CARRIED

9.6. Bus Stop Audit Infrastructure Update

[YouTube 4:50] The purpose of this paper was to update Council on progress made in relation to the Dunedin bus stop audit work programme, including completed and ongoing bus stop infrastructure improvements. Portfolio lead Cr Somerville introduced the paper. Kaila Dobson (Implementation Advisor - Transport), Julian Phillips (Implementation Lead) and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions.

Resolution CM26-213: Cr Malcolm Moved, Cr Somerville Seconded

That the Council:

***1) Notes** this report.*

MOTION CARRIED

9.7. Customer Satisfaction Survey Dunedin and Queenstown

[YouTube 4:53:30] This paper updated Council on the 2026 Public Transport Annual Customer Satisfaction Survey results for the Dunedin and Whakatipu bus networks. Portfolio lead Cr Hollyer introduced the paper. Gemma Wilson (Analyst Transport), Julian Phillips (Implementation Lead - Transport) and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions on the report.

Resolution CM26-214: Cr Malcolm Moved, Cr Hollyer Seconded

That the Council:

***1) Notes** this summary of results for Public Transport Annual Customer Satisfaction 2026.*

MOTION CARRIED

Cr Gardner left the meeting at 3:22 pm.
Cr Gardner returned to the meeting at 3:23 pm.

9.8. Cruise Ship Season 2025/26

[YouTube 5:05] This paper presented information on the performance of 2025/26 cruise ship public transport services, and information on the upcoming 2026/27 cruise ship season. Portfolio lead Cr Hollyer introduced the paper. Julian Phillips (Implementation Lead - Transport) and Anita Dawe (GM Regional Planning and Transport) were available to respond to questions on the report.

Resolution CM26-215: Cr Hollyer Moved, Cr Somerville Seconded

That the Council:

***1) Notes** this report summarising the public transport response to the 2025/26 cruise ship season.*

MOTION CARRIED

9.9. LTP Development - Non-Financial Forecasting Assumptions

[YouTube5:08] This report sought Council endorsement of the draft non-financial significant forecasting assumptions which underpin development of the Long-Term Plan 2027-37 (LTP). Portfolio lead Cr Malcolm introduced the paper. Jasmin Lamorie (Senior Corporate Planner), Hilary Lennox (Manager Strategy), Ema Kurbos-Cooper (Advisor - Strategy) and Amanda Vercoe (GM Strategy and Customer, Deputy CEO) were available to respond to questions on the report.

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Resolution CM26-216: Cr Malcolm Moved, Cr Robertson Seconded
That the Council:

1) ***Approves*** *the draft non-financial Significant Forecasting Assumptions for the Long-Term Plan 2027-37 as described in this report and attached.*

2) ***Notes*** *that assumptions are based on available data, therefore some factors will be established later in the year when further data is available; final assumptions will be presented to Council for approval along with the draft Long-Term Plan budgets.*

MOTION CARRIED

9.10. Remuneration Authority Determination 2026/27

[YouTube 5:20] This report noted the 2026/27 Local Government Members Remuneration Determination, and adopted the 2026 Councillor Expenses, Reimbursements and Allowances Policy. Amanda Vercoe (General Manager Strategy and Customer Depuy CEO) was available to respond to questions on the report.

Resolution CM26-217: Cr Robertson Moved, Cr Malcolm Seconded
That the Council:

1) ***Notes*** *this report.*

2) ***Approves*** *the 2026 ORC Councillor Expenses, Reimbursements and Allowances Policy.*

MOTION CARRIED

9.11. Port Otago Statement of Corporate Intent 2026-2029

[YouTube 5:22] The paper shared Port Otago's Draft Statement of Corporate Intent for the three years to 30 June 2029. Portfolio lead Cr Malcolm introduced the paper. Nick Donnelly (GM Finance) was available to respond to questions on the report.

Resolution CM26-218: Cr Malcolm Moved, Cr Noone Seconded
That the Council:

1) ***Receives*** *this report and the attached Draft Statement of Corporate Intent for Port Otago Limited to 30 June 2029.*

2) ***Endorses*** *the Statement of Corporate Intent for Port Otago to 30 June 2029.*

MOTION CARRIED

9.12. Regional Software Holdings Limited Statement of Intent 2026-2027

[YouTube 5:34] This paper shared the Regional Software Holdings Limited's Statement of Intent for 2026-2027. Portfolio lead Cr Malcolm introduced the paper. Nick Donnelly was available to respond to questions on the report.

Resolution CM26-219: Cr Malcolm Moved, Cr Gardner Seconded
That the Council:

1) ***Notes*** *this report and the attached RSHL Statement of Intent 2026-2027.*

MOTION CARRIED

9.13. Register of the Common Seal

[YouTube 5:35:50] This paper informed the Council of delegations which have been exercised requiring application of the Council Seal during the period of 24 September 2025 to 30 June 2026.

Resolution CM26-220: Cr Calvert Moved, Cr Gillespie Seconded
That the Council:

1) ***Notes*** *this report.*

MOTION CARRIED

DRAFT

10. NOTICES OF MOTION

No notices of motion were submitted for this meeting.

11. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Calvert Moved, Cr Wilson Seconded:

That the public be excluded from the following items under LGOIMA 48(1)(a):

1.1 Public Excluded Minutes of Council 24 June 2026

2.1 Otago Central Lakes Regional Deal: Approval

2.2 Chief Executive Annual Performance Review and KPIs for 2026/2027

MOTION CARRIED

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1 Minutes of Council 24 June 2026	To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
2.1 Otago Central Lakes Regional Deal: Approval	To enable Council to carry out, without prejudice or disadvantage, negotiations with the Crown. 7(2)(i)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
2.2 Chief Executive Annual Performance Review and KPIs for 2026/2027	To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

DRAFT

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

12. CLOSURE

There was no further business and Chair Calvert declared the meeting closed at 3:54 pm.

_____ _____

Chairperson Date

DRAFT

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
24-06-2026	S&R2614 South Dunedin Future - 3 Proposed Adaptation Futures	In Progress	Resolution CM26-191 That a South Dunedin engineered flood protection system be designed and costed for inclusion in a future report for public consultation, this work is to be undertaken in partnership with the Dunedin City Council.	General Manager Regional Planning and Transport, General Manager Science and Resilience	17/07/2026 Governance Support Officer GM Regional Planning and Transport: Staff are working through the scope , timelines and cost of developing the additional option. An update will be provided to Council in due course.	2-08-2026
24-06-2026	ENV2604 Large Scale Environment Fund	In Progress	Resolution CM26-193 Requests that a report from the Governance Group be prepared for Council, no later than August, which includes the terms or reference, final criteria and documents, and early thinking about potential priority projects for investment.	Chief Executive, General Manager Environmental Delivery, Manager Environmental Implementation	16/07/2026 Governance Support Officer GM Manager Environmental Delivery: A meeting with the Governance Group members has been organised and a paper will be presented at the August Council meeting.	2-08-2026
29-07-2026	S&R2616 Otago Deep Water Lakes Research and Monitoring Proposal	In Progress	CM26-206 Directs governance and staff to continue to explore potential funding contributions from potential partners and deliver a Council Workshop to inform Governance roles and oversight to seek funding.	General Manager Science and Resilience	12/08/2026 Executive Assistant, Operations Council Workshop scheduled for 26 August 2026	30-11-2026

10.1. Chairperson's Report

Prepared for: Council

Author: Cr Hilary Calvert (Chairperson)

Date: 26 August 2026

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*

INTRODUCTION

[1] July's Council agenda reflected the breadth of Otago Regional Council's responsibilities, with decisions and updates across flood and drainage scheme rating reviews, deep lakes research, natural hazards planning, risk management, public transport and Long-Term Plan preparation. A common thread through these matters is the need to provide a clear and practical foundation for community engagement and service delivery across Otago.

[2] Local government reform has also remained a significant focus as councils across Otago and neighbouring areas work through Head Start proposals. The Chair and Council have continued to engage constructively with mayors, neighbouring councils and Government so that Otago's regional council functions, catchment-based environmental management responsibilities, and wider community interests are clearly understood as reform options are developed.

COUNCIL BUSINESS

[3] In July, Council approved public consultation on the proposed options for the Lower Clutha/Mata-Au and Lower Taieri flood protection and drainage scheme rating review, and delegated councillors to hear submissions and make recommendations back to Council. This is an important step in working through longstanding questions about how these schemes are funded, and in ensuring affected communities have a clear opportunity to consider and respond to the proposed approach.

[4] Council also considered the Otago Deep Water Lakes monitoring and research programme. Rather than making a final funding commitment at the meeting, Council received the programme for consideration through the upcoming Draft Long-Term Plan and directed governance and staff to continue exploring possible funding contributions from partners. A further workshop will help inform governance roles and oversight as that work progresses.

[5] Natural hazards was another significant area of focus. Council endorsed the Otago Region Natural Hazards Prioritisation Method and agreed that the findings should guide natural hazards planning and engagement for the 2027–37 Long-Term Plan. This provides a stronger, region-wide evidence base for deciding where further investigation, planning and community conversations should be focused.

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[6] Council adopted the Risk Appetite Framework following earlier workshop discussion and consideration by the Audit and Risk Committee. The framework gives Council a clearer and more consistent basis for considering risk, uncertainty and opportunity across its activities, including as future work programmes and investment choices are developed.

[7] Public transport was a major part of the July agenda. Council endorsed the Wānaka–Upper Clutha Public Transport Investment Case, with the preferred trial service option to be considered through the 2027 Draft Long-Term Plan and included in future regional and national land transport planning. This recognises the growth pressures in the Upper Clutha and the need to continue testing practical, staged options for improving transport choice.

[8] Council also noted several operational transport updates. These included progress on the Dunedin bus stop audit and infrastructure improvement programme, the 2026 customer satisfaction survey results for the Dunedin and Whakatipu bus networks, and the public transport response to the 2025/26 cruise ship season. Together, these updates provide a useful picture of how current services are performing and where improvements are continuing to be progressed.

REGIONAL AND NATIONAL ENGAGEMENT

[9] In the lead-up to the submission of Head Start proposals, there has been active engagement with mayors across Otago and in neighbouring areas. The Otago Mayoral Forum section below summarises the key proposals now being progressed. Our focus has been on staying connected to those discussions, ensuring Otago Regional Council's role and responsibilities are understood, and supporting constructive regional conversations about arrangements that will work for communities, catchments and the environment.

[10] We have also continued to engage with Government on the reform programme and on the importance of ensuring regional council functions are properly considered as proposals move from initial ideas into more detailed design. In correspondence to Ministers Watts and Bishop, the Chair acknowledged the positive progress being made by councils in Otago and reaffirmed Council's commitment to contributing constructively to reform. The correspondence supported a simpler, more accountable local government system, while also making clear that natural resource management, freshwater and coastal environments, and catchment-based environmental management need to remain central to reform design and implementation.

OTAGO MAYORAL FORUM

[11] Local government reform continues to be a significant focus across the region. In recent weeks, neighbouring territorial authorities have confirmed their respective Head Start proposals ahead of the Government's submission deadline.

[12] Clutha and Central Otago District Councils have reaffirmed their commitment to a joint proposal, while Waitaki District Council has approved participation in a proposal with Waimate, Mackenzie, Timaru and Ashburton councils.

[13] Dunedin City Council has resolved to continue progressing its Head Start proposal, and Queenstown Lakes District Council has agreed to work with Dunedin City Council on a proposal exploring a twin unitary authority model for Otago, comprising an Inland Otago Unitary Authority and a Coastal Otago Unitary Authority.

[14] These decisions represent the next stage in the Government's reform process, with proposals now being considered by the Ministry of Cities, Environment, Regions and Transport before Cabinet determines which proposals proceed to detailed design. Councils have indicated that further public engagement will occur as proposals are developed and assessed.

STAKEHOLDER AND COMMUNITY ENGAGEMENT AND EVENTS

[15] The Chair, Deputy Chair or alternate attended the following events and meetings:

- Port Liaison Group meeting
- Otago Mayoral Forum meetings
- LGNZ Regional Chairs, Mayors and Deputies meetings
- Public consultation sessions – coastal plan and pest management plan reviews
- LGNZ Annual General Meeting
- LGNZ Rural & Provincial Sector meeting
- LGNZ Regional Sector Meeting

RECENT MEDIA ENGAGEMENT

[16] The following media items were monitored during the reporting period and included reference to, or comment from, the Chair:

July 2026

- Vandervis pitches southern super council - ODT, 19 July
- Issues not fault of staff: Calvert - ODT, 19 July
- River flow process flawed: Fish & Game - ODT, 20 July
- Development of river Bill opposed – The News Central Otago & Wanaka, 23 July
- Southern super council way forward: Vandervis - Oamaru Mail / Wanaka Sun, 24 July
- Mayors agree 'in principle' to opt out - ODT, 27 July
- ORC not endorsing any merger - ODT, 29-30 July
- South Dunedin Future to focus on near-term infrastructure and longer-term adaptation - Scoop, 30 July
- Mayors opt out of merger head start - The News Central Otago & Wanaka, 30 July
- Council looks at short-term infrastructure fixes to protect South Dunedin - RNZ, 30 July
- ORC declines $21m for deep lake research - ODT, 30-31 July
- ORC plans ahead despite uncertain future - ODT, 31 July

August 2026

- Two-pronged approach emerges for South D adaptation - ODT, 1 August

KEY CORRESPONDENCE TO AND FROM THE CHAIR

[17] Correspondence Received:

- 3 August 2026: Letter from Rachel Napier, Catlins Coast Inc - Pest Control in the Catlins (forwarded to CE to respond).

[18] Correspondence Sent:

- 29 July 2026: Reply to Fish & Game letter re Local Bill for the Manuherikia minimum flow and associated matters relating to Falls Dam.
- 30 July 2026: Letter to Ministers Watts and Bishop re Local Government Reform.

ATTACHMENTS

1. 2026 08 03 Catlins Coast Inc. to ORC re Pest Control in the Catlins [**10.1.1** - 8 pages]
2. 2026 07 29 Otago Fish Game Council Reply [**10.1.2** - 1 page]
3. 2026 07 30 Letter to Min Watt & Min Bishop - Local Government Reform [**10.1.3** - 1 page]

3rd August 2026

Tēnā Koutou Otago Regional Councillors

I am writing on behalf of Catlins Coast Inc. regarding my previous correspondence 13/8/2025 (attached) to Otago Regional Council in terms of Pest Control in The Catlins, however sadly, it would seem there is nothing positive to report since my last correspondence.

Several farmers in The Catlins have lost large portions of their winter crops to feral deer, with one losing an entire paddock even though it had been sprayed with deer repellent. Large numbers of feral deer have been shot but still pasture and crop are disappearing.

A farm manger on a large property near Venlaw, employed a hunter to shoot feral deer, paying a bounty of $10/tail whereby 700 have been killed in 18 months and the manager said, it's the first time in over a decade that pasture has grown on the hill tops. It would seem paying a bounty gives excellent results for an affordable price.

I believe wild pigs are still widespread and have reached the point that they are now being hit by vehicles on the Tahakopa Valley Road and the roadsides are rooted up. I have contacted the Otago Regional Council (ORC) biodiversity team and the local police about this issue, but it would seem there is nothing they can do as they appear to be coming from private property.

It would seem possums are as numerous as ever, evident when taking a drive in The Catlins and counting the possum roadkill! A farmer repeated the same trap line as last year, and caught as many possums again, continuously filling his traps for 10 days.

Many landowners are doing their best, but it would seem Government policy enables the damage to continue, by not requiring individual property owners to control pests within their boundary, enabling the pests to breed and constantly re-infect neighbouring properties with the largest breeding ground of all, being our vast Department of Conservation (DOC) land where it would seem no management is taking place.

The Catlins Biodiversity Group {TCBG} was formed over 4 years ago, after concerns raised by farmers in the Owaka Valley at the vast possum numbers they were seeing and the damage to the surrounding bush (most of which were Rata) visible today (see photos Owaka Valley 1, 2, 3).

After several meetings and with support from landowners throughout The Catlins, TCBG was formed whereby planning began to organize a possum control programme.

TCBG with support of Catlins Coast Inc. (CCI), did receive some funding from the ORC biodiversity fund from which a strategic plan was developed for Pest control i.e., possums in The Catlins south of The Catlins river.

Hours of volunteer time was spent getting permission and ‘buy in’ from landowners, but we failed to get further ORC funding to actually begin killing possums.

TCBG did receive a small amount of funding from the ORC Integrated Catchment Group “seed money” and after much discussion and feedback it was decided to bulk purchase reusable Philproof bait stations and offer this to The Catlins landowners at a discounted rate of just $9/bait station instead of $22/bait station (both incl. GST).

These bait stations have several control methods:

- Pre-feed then follow up with toxin
- Pre-feed and set traps nearby
- Pre-feed and spot-light shooting

TCBG is currently organizing the purchase of bulk possum pre-feed and offering this at discounted rate of $12.14/bag (incl. GST) as opposed to to $32/bag (incl. GST).

To enable these projects to begin, private financial backing was required from the beginning and the ongoing support of CCI, thus these projects are the only ones currently available to landowners, otherwise Catlins landowners are either undertaking or funding the only pest control happening to date.

However, as the photo evidence shows, they are fighting a losing battle due to the majority of The Catlins being publicly owned by DOC land where it would seem no basic maintenance is taking place, with the exception of a few locations where Forest and Bird or community groups are working to protect valuable species, such as our native bats.

This now leaves our *native forest floors bare, our precious wildlife under continual threat and the ever-increasing risk of TB returning and infecting our cattle and deer herds!

*See photo 4 *(a comparison of ground cover at a deer enclosure plot showing the understory eaten-out by deer versus regeneration behind the deer fence)* and photo 5 (*continuous pig rooting denies plant recruitment. In areas of frequent pig rooting there are no seedlings or saplings).*

We believe basic, repetitive pest control for public land needs to be funded by Central

Government. The Otago Regional Council’s eco fund is not practical or financially sustainable to manage The Catlins large DOC pest and weed issues.

It would seem New Zealand’s current management of Pest control for public land has for many decades involved a lot of talking, with little bursts of action but long periods of nothing and when locals ask for help, the talking begins again!!

To protect our international reputation and to meet the 2050 Predator Free target, we believe New Zealand needs to start doing the basics, protecting our native wildlife & flora on our public land, which in turn would protect our international tourist reputation and our massive agriculture industry which I suggest would lead to more full-time employment for New Zealanders

Regards
Rachel Napier (Mrs)
CCI Deputy Chair
projects@catlins.org.nz











13 August 2025

Kate Wilson
Otago Regional Council
Kate.Wilson@orc.govt.nz

Tēnā koe Kate Wilson

Catlins Coast Inc. would like to bring attention to The Catlin's increasing pest problems. This letter of concern is being sent to all levels of Government and other involved organisations.

Due to there being no coordinated approach with pest control in The Catlins, it has resulted in ballooning numbers of deer, pigs and possums, while high numbers of rats and ferrets and stoats are also constantly present.

These identified pests are eating their way through our native bush, seedling trees, fodder crops, pasture, increasing the risk of TB returning to The Catlins and having a negative effect on our native wildlife.

Pest numbers are so high in some areas, that our native bush is on the brink of canopy collapse, with possums eating the trees' fresh growth and seedheads, deer grazing as high as they can reach standing on their hind legs, while pigs root up the ground.

This combined effort by the pests, leaves the forest floor barren and mature trees under stress, while removing food sources for our native species we are trying to protect. If this damage continues The Catlin’s reputation as a natural wonder of native bush and wildlife will be harmed along with our tourism industry.

A practical, continuous and consistent approach to protect our Catlins treasures needs to start and be supported by Central Government right down to those on the ground undertaking the work to eliminate these pests.

For the last 4 decades we believe we have had a broken pest control system in New Zealand which has involved everything except continuous proven methods to keep pest members low, with the goal of eliminating them completely in areas that are ‘home’ to our endangered native wildlife and vegetation.

Let's return to a country of task completers, not talkers! Millions of dollars seem to have been

spent on speeches, election campaigns and action plans, but the pests are winning. We believe we need to go back to basics:

- Ensure the funding gets to where the results happen i.e., in The Catlin’s forests and Farmland
- Ensure all our harmful pests are identified and targeted
- Ensure all landscapes are covered by control methods, not to leave a neighbouring breeding ground to re-infect a property which has a control pest programme in action
- Keep continuous pressure on i.e., a pest control program that only ends when there are no pests

There are already volunteer groups doing great work in The Catlins protecting nesting sites of our endangered penguins, bats and birds, but our precious wildlife is always under constant threat from huge pest populations from the vast areas where no pest controls are in place.

Our farmers and foresters too, are in a constant battle to protect their trees, crops and pastures. There are now yearly reports of farmers being left with less than 20% of winter crop to feed their livestock, as herds of 100 or more deer roam the countryside, returning to the safety of forestry and bush if disturbed.

For pest survival they graze mainly in the early hours of the morning, which forces farmers to hunt during the night to protect their business, while still doing their farming chores during the day. Currently no support is available for landowners whose properties are under constant attack from pests that live over the boundary fence.

We believe a coordinated and continuous programme needs to be undertaken that is based on proven methods and actual results. Yes, initially for the first couple of years, it will be very costly, but suggest once pest numbers have been reduced, less man-hours will be required to control pest populations.

A yearly pest maintenance plan will be more financially variable, than the current un-coordinated hit and miss system which seems to be failing us. The benefits of protection are worth it as we believe it will:

- Improve New Zealand’s reputation on the global stage
- Give better protection to our flora and fauna
- Increase native species survival
- Enable our native bush and wetlands to recover
- Protect our tourism industry reputation
- Lessen our dependency on 1080
- Reduce damage and losses to forestry and farming vegetation
- Help save Catlins agriculture businesses thousands of dollars in lost crops/trees/pasture
- Reduce damage to farm infrastructure

- Lessen the stress farmers are currently under
- Reduce soil erosion
- Lessen the risk of TB infection in deer and cattle herds
- Protect our meat and dairy industries reputation
- Make travelling our rural roads safer by reducing the risk of encountering pests on roads
- Reduce on-farm expenditure on pest and weed
- Secure full-time employment for pest control contractors
- Continue to provide wild meat for human or pet consumption
- Continue providing skins and fur for further processing
- Improve efficient pest control to achieve better financial results

We believe the current Government approach to pest control is failing to protect The Catlins natural treasurers and the businesses within it. The Catlin’s have many folks who actively hunt and trap the harmful pests but with 36 000 hectares of Department of Conservation land in The Catlins, it’s essential that Central Government support can travel down through all the agencies to reach The Catlins people.

Thank you and we look forward to hearing from you

Yours sincerely
Rachel Napier (Mrs)
Catlins Coast Inc. Deputy Chair/Secretary
projects@catlins.org.nz

Otago Regional Council

From the Office of the Chairperson

29 July 2026

Jamie Ward
Acting Chief Executive
Otago Fish & Game Council
5 Hazlett Road
Mosgiel 9024
Email: jward@fishandgame.org.nz

Dear Jamie

Thank you for your letter regarding the proposal to investigate a Local Bill for the Manuherikia minimum flow and associated matters relating to Falls Dam.

We appreciate Otago Fish & Game's long-standing interest in the Manuherikia catchment, and the time and effort it has invested over many years. We also acknowledge the concerns you have raised about the potential use of a Local Bill, community participation, and the need for a durable solution that provides certainty for river users and the wider community.

At this stage, any decision about whether to progress a Local Bill sits with Central Otago District Council. Otago Regional Council is not currently part of that process and has not been involved in shaping the proposal or the matters it seeks to address. We are awaiting the opportunity for more formal discussions with Central Otago District Council so we can better understand the proposal before forming a position.

Otago Regional Council is also considering the new resource management framework and how this may affect our own policy discussions with the Manuherikia community. Until there is greater certainty about the direction of reform, it is difficult to assess how any Local Bill proposal may align with or be affected by the future framework.

Given these factors, Council has not reached any conclusions on the proposal. We recognise the complexity of the issues and the range of interests across the catchment. We remain committed to engaging with relevant parties as discussions progress and more information becomes available.

Thank you again for outlining your views. We value Otago Fish & Game's perspective and will take your comments into account as this work develops. We will respond more fully when we are able to do so.

Regards,



Hilary Calvert
Chairperson

orc.govt.nz 0800 474 082 Private Bag 1954, Dunedin 9054

Otago Regional Council

From the Office of the Chairperson

30 July 2026

Hon Simon Watts
Minister for Local Government
S.Watts@ministers.govt.nz

Hon Chris Bishop
Minister for RMA Reform
chris.bishop@parliament.govt.nz

Dear Ministers Watts and Bishop,

I am writing on behalf of Otago Regional Council to acknowledge the positive progress being made by councils in Otago in responding to the Head Start opportunity, and to reaffirm our commitment to contributing constructively to the development and implementation of the Government's local government reform programme.

Otago Regional Council supports the Government's intent to simplify and strengthen local government, reduce duplication, improve accountability, and create a more efficient system that enables councils to plan and deliver for their communities. We recognise the importance of enabling growth and improving decision-making, while ensuring the natural environment remains a central consideration in reform design and implementation. This is particularly important in Otago, given the scale and diversity of our region, the significance of freshwater and coastal environments, and the need to manage natural resources at a catchment scale.

We also acknowledge that Otago's territorial authorities are considering different options as part of the current local government reform process. Our focus is on supporting constructive, informed conversations that help achieve successful outcomes for the people and environment of Otago. We anticipate any successful outcome would include each river catchment being contained within a unitary authority.

As reform progresses, we would welcome continued engagement with Ministers and officials on how catchment-based environmental management can be effectively reflected in the new system. This should align with natural systems, not administrative boundaries, with clear accountability and consistent standards across catchments. We consider this essential to ensuring reform delivers practical, durable arrangements that work for communities and support long-term environmental outcomes.

We appreciate the opportunity to contribute to this important national conversation and look forward to working with you and your officials as the reforms move from policy design into implementation.

Yours sincerely

Hilary Calvert
Chairperson

orc.govt.nz 0800 474 082 Private Bag 1954, Dunedin 9054

10.2. Chief Executive's Report

Prepared for: Council

Activity: Governance - Council

Endorsed by: Richard Saunders (Chief Executive)

Date: 26 August 2026

PURPOSE

[1] This report provides Council with an overview of Otago Regional Council's (ORC) key projects and current operational focus.

EXECUTIVE SUMMARY

[2] Implementation of the Annual Plan 2026-27 is underway, with no risks or issues identified to date. Development of the Long-Term Plan 2027-37 remains on track, with current work focused on activity build preparation, forecasting assumptions, design and theming, and upcoming Council workshops on fees and charges, infrastructure strategy, and finance and funding.

[3] Customer experience was positive in July 2026, with 5,145 customer interactions received across key channels, a 92% call service level and a 93% customer satisfaction rating.

[4] General Council Business updates cover flood protection, drainage and climate adaptation, including the Lower Clutha/Mata-Au and Lower Taieri scheme ratings review, South Dunedin Future work and Puerua Outfall upgrades.

[5] Public transport activity includes 1,933 submissions on proposed fare and payment changes, Wānaka-Upper Clutha service planning through the Long-Term Plan process, and positive satisfaction results in Dunedin and Queenstown.

[6] The Regional Pest Management Plan review has also received substantial community input, including more than 900 survey responses, with feedback to inform stakeholder workshops and development of a draft plan.

[7] ORC staff contributed to discussions concerning whether to submit Head Start proposal(s), ahead of three outline proposals being supported by various councils in the Otago region.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*

ANNUAL PLAN & LONG-TERM PLAN

[8] Implementation of the Annual Plan 2026-27 is underway, with no risks or issues identified to date.

[9] Development of the Long-Term Plan (LTP) 2027-37 remains on track. The July project update reports that 15 of 155 project tasks have been completed, with one of 29 core LTP elements completed. No delivery risks are currently flagged.

[10] July activity focused on completing and presenting current state briefings, confirming draft non-financial significant forecasting assumptions, progressing LTP design and theming work, and preparing for the next phase of activity build.

[11] Council workshops in August will focus on fees and charges, the infrastructure strategy, and finance and funding, which will help shape the financial and service-delivery foundations of the draft LTP.

CUSTOMER EXPERIENCE

[12] In July 2026, ORC received 5,145 customer interactions across reception, phone, email, online forms and social media. This was below July last year and the rolling 12-month average of 5,817 interactions per month. The main contact channels were phone, email, social media and reception, with Aonui recording 713 reception visits for the month.

[13] Common enquiry themes included rates balances and direct debit enquiries, mailing address changes, transport fares and zones, lost property, driver behaviour, service timeliness, and social media feedback on public transport fare zones and Harbourmaster car removal.

[14] Overall customer experience measures were favourable. Customer sentiment tracking was neutral, the total service level for calls was 92%, and the customer satisfaction rating for the month was 93%.

[15] Customer enquiries captured through the Customer Relationship Management system totalled 2,081 in July 2026. Finance accounted for the largest share at 33% (679 enquiries), followed by Strategy and Customer at 27% (554 enquiries) and Planning and Transport at 22% (453 enquiries). Environmental Delivery represented 14% (281 enquiries), with Science and Resilience at 3% (67 enquiries) and People and Corporate at 2% (47 enquiries).

GENERAL COUNCIL BUSINESS

[16] Flood protection, drainage and climate adaptation work remains a priority. Consultation is opening on proposed changes to the Lower Clutha/Mata-Au and Lower Taieri flood protection and drainage scheme rating approach, aimed at making cost-sharing fairer and easier to understand. The South Dunedin Future programme is also moving into its next phase, balancing near-term infrastructure investment with longer-term adaptation planning. In South Otago, the $2 million Puerua Outfall Structure Upgrades are nearing completion and will improve flood protection and drainage reliability for Balclutha, Kaitangata, surrounding farmland and key transport infrastructure.

[17] Public transport continues to attract considerable community interest and generally positive satisfaction. ORC received 1,933 submissions on proposed zone-based fares, fare capping and payment changes, with decisions expected in September. A Wānaka-Upper Clutha trial bus service has also moved into the Long-Term Plan process, and recent survey results show overall public transport satisfaction is high in both Dunedin and Queenstown.

[18] Early engagement on the Regional Pest Management Plan review has closed, with substantial community input including more than 900 survey responses. Feedback will inform stakeholder workshops and development of a draft plan, with formal notification expected in early 2027.

[19] ORC contributed to regional discussions concerning whether to submit Head Start proposal(s), ahead of three outline proposals being supported by various councils in the Otago region. This work helped ensure Otago's regional interests, future service delivery requirements and implementation considerations were understood as the proposals were considered.

STAKEHOLDER - COMMUNITY ENGAGEMENT AND EVENTS

[20] Events and meetings attended:

- Waiora Manuherekia Governance Group Final Meeting (Oamakau)
- RCEO Meeting (Wellington)
- RCEO Group Meeting (Wellington)
- Coast Drop-in Session 3 (St Clair, Dunedin)
- Meeting with Silverstream Biodiversity Planting Project representatives (Taieri)
- Mayoral Forum Simplyfing Local Government (Balclutha)
- Taiari/Taieri Integrated Catchment Group site visits and workshop 5 - Taiari/Taieri Catchment Action Plan (Taieri)
- Federated Farmers / ORC meeting (ORC, Dunedin)
- Otago Interim Regional Spatial Plan Governance Group Meeting (Cromwell)

OPTIONS

[21] As this is a report for noting there are no options to consider.

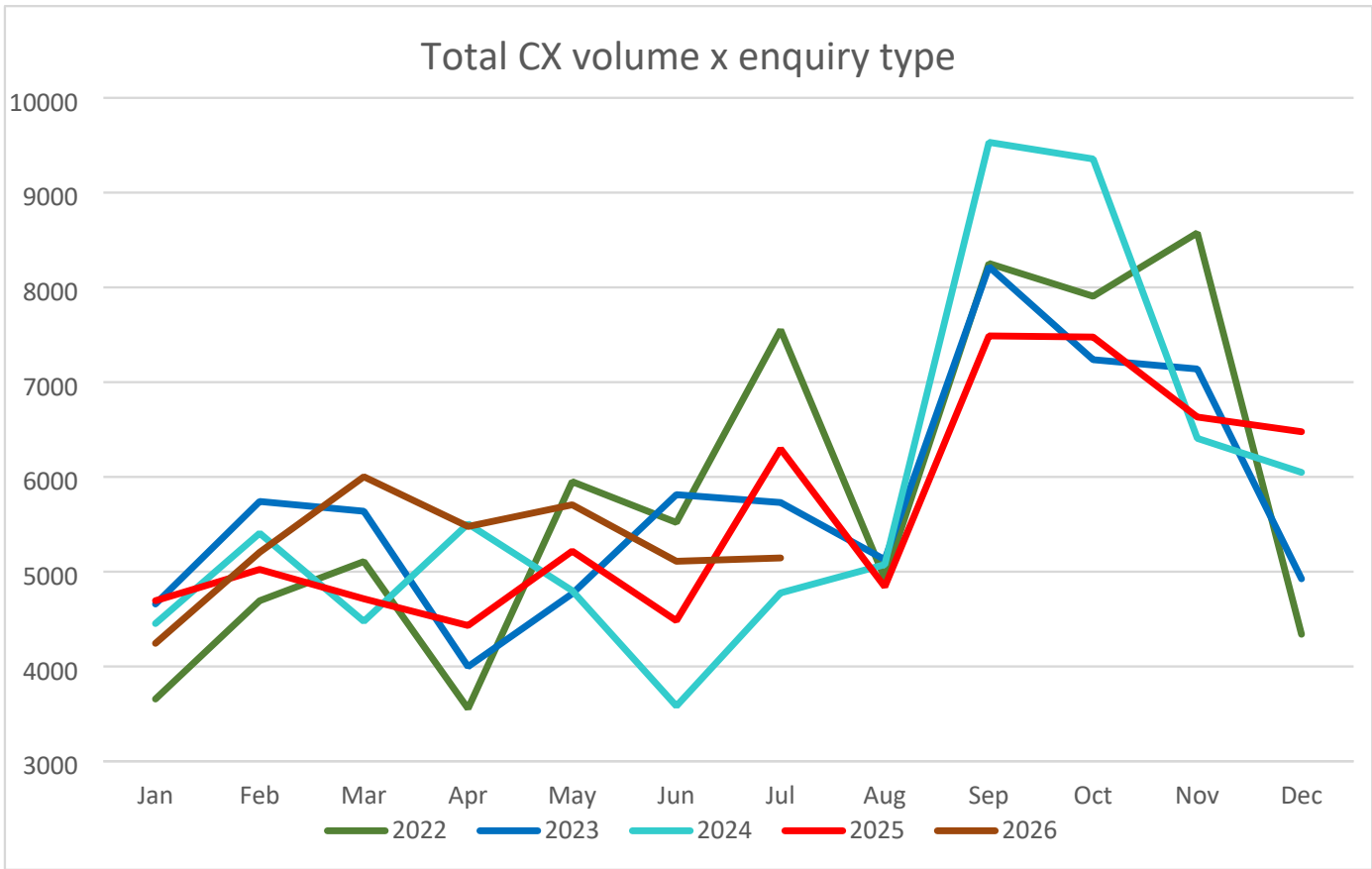
ATTACHMENTS

1. 2026 July Customer Report [**10.2.1** - 3 pages]

July 2026 Customer Report

Rolling 12-month customer interaction volume average is 5817 per month

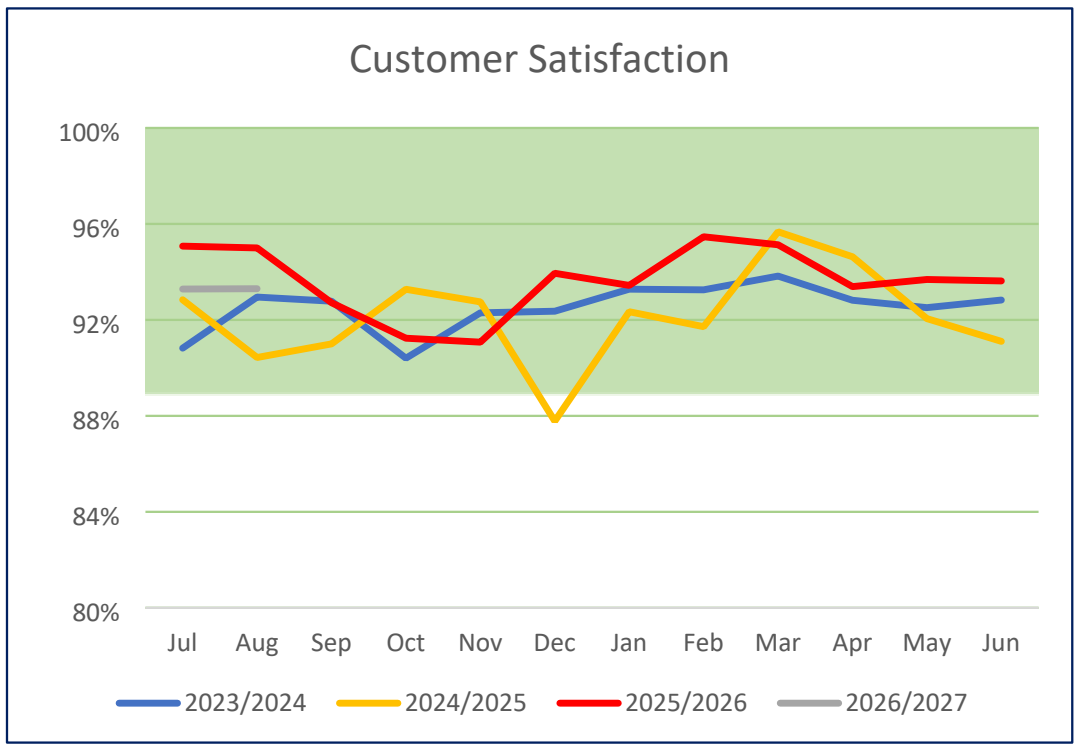
This month's customer volume total: **5145**
(reception = 713, phone = 1867, email = 1571, online form = 20, social 994, afterhours = n/a)



- Total customer interaction volume decreased by 1152 against this month last year
- Customer sentiment tracking was neutral.
- Total service level for all calls remained at 92%
- Total customer satisfaction rating this month at 93%.

Enquiry themes:

- Rates: balance enquiry, direct debit enquiry, mailing address change, email rates invoice, solicitor enquiry and mortgage collection.
- Transport – fares & zones enquiries along with routine enquiries: Lost Property, Driver behaviour, timeliness.
- Social media – highest contact posts: PT Fare zones feedback, Harbourmaster car removal
- Aonui reception visitors still increased at total 713 this month.



July Phone Survey results, customer voice recordings converted to text by AI:

"Do you have any suggestions on how our customer service can be improved?"

No suggestions.
No, it's, it's fantastic the job you're doing and, uh, the service would be excellent.
No, I can't think of anything. Thank you very much for your help.
No, seems to be pretty good.
Sorry, not really.
Yeah, there's nothing.
You want me to put it straight on the fit, so can you tell me what?
I have no suggestions at this point. It seems to be thoroughly polite, friendly and efficient.
I'm happy with this just the way it is. Thank you very much.
No, I spoke to a lovely lady, I think your name was Sue, and she was very helpful.
No, I'm quite campy.
Yeah, no, I think everything's absolutely fine. I mean, very, very caring people that listen intently to what we have to say. So I, I, I couldn't, I, I can't fault them at all. So thank you.
No suggestions. You're doing a pretty good job. Thank you.
Uh, the bus drivers might need to have better understanding of.
Uh, quite satisfactory my my request. Thank you.
No, I don't. Nothing to add to that.
Shelby was awesome, so understanding and patient. It was a difficult call to make about pollution and I really appreciated it. Really appreciated her time for listening and yeah, just to general manner. Wonderful. Thank you very much.
No. Very satisfactory customer service today. Thank you very much.
No, there's nothing that I can recommend. It was it was great service.
The service is absolutely excellent. I can't add to it. Thank you.
It was fine. Everything was fine. Thank you.
I'm happy with the service and I don't think you need to change. That's my opinion. Thank you very much. Bye.

This is great. Thank you very much.

Excellent service.

No, I don't have suggestions. You're doing the very best that you can and thank you very much for your help.

None.

No excellent service.

Not at present. I'm really happy with my customer service today.

Oh, OK.

No, Shelby was awesome. Answer the questions thoroughly.

No, I'm very happy with the service. OK.

No, it's all good. Thank you.

MMM, I just sent. No, it's OK. All good. Thank you.

No, they were marvelous. No, no suggestions could be any better than what it was. Thank you.

Nothing extra.

No, not particularly.

Everyone was she was helpful, very helpful. Thank you.

11.1. End of Year Non-Financial Performance Report

Prepared for:	Council
Report No.	S&C2632
Activity:	Organisational Planning and Performance
Author:	Vanessa Vidallon (Corporate Planning Business Partner), Joanne Greatbanks (Manager Organisational Planning and Performance)
Endorsed by:	Amanda Vercoe (General Manager Strategy and Customer)
Date:	26 August 2026
Portfolio Leads:	Cr Malcolm and Cr Gardner, Finance

PURPOSE

[1] To report the Council's quarter four non-financial service performance results. This completes reporting for the 2025-26 reporting period and confirms the year-end performance position (subject to external audit) for year two of the Long-Term Plan 2024-34.

EXECUTIVE SUMMARY

[2] The Activity Performance Report shows non-financial performance against service measures and targets defined in the Annual Plan 2025-26, year two of the Long-Term Plan 2024-34.

[3] The LTP provides detailed performance targets for years one to three, and in less detail for years four to ten. These service measures and targets are periodically reviewed as part of the Annual Plan process, to reflect improvement in how ORC measures performance, and changes in the understanding and expectations of performance.

[4] This report is concerned with year two, being the 2025-26 financial year with 61 active service measures and targets for expected performance.

[5] This is the fourth time these service measures and targets have been reported to Council throughout the year. The previously reported quarterly data has been retained where it assists insight into the year-end performance position.

[6] Of the 61 service performance measures, 50 (82%) achieved their targeted performance, and 1 (1.6%) was considered as partially achieved.

[7] 10 (16.4%) did not achieve their targeted performance, but of these, 4 (6.6%) were impacted by matters outside of the Council's control. As these targets formed part of the adopted Annual Plan 2025-26 (year two of the Long-Term Plan 2024-34), they are appropriately reported as not achieved for audit and accountability purposes.

[8] Overall, the year-end results demonstrate strong organisational performance against the community commitments set out in the Annual Plan 2025–26, highlighting the Council's effectiveness in delivering services and outcomes for the community.

[9] The 'Discussion' section talks to the different categories of service performance achievement, and the attachment to this report provides more detailed results and associated commentary.

RECOMMENDATION

That the Council:

1) ***Notes** this report.*
2) ***Notes** that the Attached Performance Report for the period 1 July 2025 to 30 June 2026 being quarter four of the 2025-26 financial year.*
3) ***Notes** that the full audited performance results are included in the Statement of Service Provisions (SSP) section of the Annual Report 2025-26, which will be presented to the Audit and Risk committee and Council in October 2026.*

BACKGROUND

[10] This report includes non-financial performance information relating to the service delivery activities in the Annual Plan 2025-26.

[11] Progress over the 2025-26 financial year has been reported to the Council on a quarterly basis. Accordingly, the year-end results are consistent with the performance trends previously reported and now reflect the final performance position of Council (subject to external audit).

[12] The Annual Report 2025-26 is currently in progress and following external audit, it will be submitted to Council for formal approval.

DISCUSSION

[13] The attachment shows activity performance recorded against the service measures and targets included in the Annual Plan 2025-26. As of 30 June 2026, there are 61 active service performance measures/targets, with 50 (82%) achieved, 1 (1.6%) partially achieved and 10 (16.4%) not achieved and falling short of their targeted performance.

Achieved (green)

[14] Of the LTP service targets, 50 were achieved in 2025-26, representing 82% of planned service performance. This is an improvement from 75% achieved in the previous financial year. Notable year-end achievements (evidencing improvement on previous year result) include:

- Engagement at strategic events increased by 253%, from 824 stall visitors in 2024/25 to 2,906 in 2025/26, while maintaining a high customer satisfaction rating of 96%.
- 43 ORC-led community events were delivered, significantly exceeding the annual target of 12 and an increase from the 30 events delivered in the previous year.
- Delivery of non-priority pest management action increased from 67% to 83%.

- Completion of the planned channel works maintenance programme increased from 87% to 94%.
- 100% of natural hazard measures were achieved.

Not achieved (red)

[15] 10 (16.4%) of the LTP service measures fell short of their targeted performance, including 4 (6.6%) unable to be progressed due to ongoing central government reforms, and a further 2 (3.3%) are considered narrow margin misses. These service measures include:

- Governance and Community Engagement Activity, and the following target:
  - *Timeliness of response to official information requests with a target of 100%*

    At of 30 June 2026, 99.5% of LGOIMA requests were responded to within the statutory timeframe, narrowly missing the LTP target due to a single request in Quarter 1 that experienced an internal processing delay prior to being actioned. Performance remained consistently strong throughout the remainder of the year, with 100% compliance achieved across Quarters 2-4. An average processing time of 10.27 working days demonstrates an efficient and well-managed response process, providing confidence that the organisation continues to meet its legislative obligations while delivering timely access to information.

- Regional Planning Activity, and the revision of the draft Air Quality Strategy.

  Central government reforms created uncertainty about the future regulatory and planning framework, affecting the timing and direction of this work. Council subsequently adopted a new Priority Action to investigate opportunities to improve air quality in the region's most affected towns. As this work requires strategic planning, it was not completed by 30 June 2026.

- Land and Water Activity, and the following targets:
  - *Review of the draft LWRP against new national direction to freshwater.*

    The Government has not released the new national direction for freshwater and will not do so until the new legislation is in place. Therefore, it is not possible to undertake a review of the draft LWRP against the new national direction. This work will need to be completed as part of the implementation of the new resource management system rather than a standalone review as originally planned.

  - *Issues and options papers developed and reported to Council by 30 June 2026.*

    In light of the Government's Plan Stop directive, it is not appropriate to continue working on issues and options for amending the Coast Plan, so the team's focus shifted to preparing a broader Issues and Opportunities Paper instead. A Council presentation on ORC's coastal technical work programme was held on 13 May 2026. Two weeks later Council agreed to proceed with community and stakeholder engagement to identify coastal issues and opportunities, ahead of presenting an Issues and Opportunities paper. These additional steps have delayed the stakeholder engagement process and have shifted the focus from a regulatory Issues and Options paper, to a broader

Issues and Opportunities Paper, which is not consistent with the original Long-Term Plan target.

- Regulatory Activity and the target of completing an annual self-review by ORC and Port Otago and signed off by the chief executives.

  The target was not achieved because the scheduled completion date was moved from mid-June 2026 to the next financial year. As this is a joint process that needs completing with Port Otago, the timing was not fully within ORC's control. The annual review is due for completion in July or early August 2026, with no material impact expected from the short delay.

- Biodiversity and Biosecurity Activity with the target of achieving 100% of priority pests management actions.

  Overall, 91.3% of priority pest management actions were delivered during 2025/26. Full achievement was reached for exclusion pest species and lagarosiphon management (both 100%), while seven of nine feral rabbit management actions were completed (77%). The target was not fully achieved because the remaining two actions — reviewing the rabbit management programme (including the associated community rabbit programme) to determine its effectiveness and identify improvements, and reporting the review's findings to Council — were still in progress, reflecting the timing of the statutory Regional Pest Management Plan review (expected to be completed close to year-end).

  These two actions will carry over into 2026/27, aligning with Council's priority action (EDA1) to strengthen rabbit-control outcomes through a dedicated working group focused on practical delivery, partnerships, and collaboration with communities and landowners.

- Air Activity, and the target of completing a public engagement campaign and pre-notification consultation on draft Regional Plan-Air.

  In July, Central government announced their intention to halt the notification of new plan or regional policy statement reviews, changes or variations until the end of 2027. The Plan Stop commenced on 21 August 2025. As air quality work is not included in exemptions, work on the Air Plan has now stopped.

- Emergency Management Activity, and the target of acquiring adequate staff numbers trained and capable to coordinate a region wide response.

  The annual target was not achieved, as staff capability remained below the level set out in the Group Training and Capability Strategy. While leadership capability improved through targeted training, participation remained low. Initiatives are underway to increase participation, including integration with the new HRIS Pulse system.

- Transport Activity, and the following targets:
  - *>90% target for Dunedin operated services departing Terminus on time.*

    The annual target was not achieved, with 84% of Dunedin public transport services departing the Terminus on time. Traffic congestion, roadworks, and associated diversions continued to affect service reliability throughout the year.

Timetable performance will continue to be monitored and reviewed to identify opportunities for improvement.

- *Maintain or increase 3 year rolling average ≥90% for the overall passenger satisfaction with Dunedin Public Transport at annual survey*

  Dunedin satisfaction with the public transport system overall for 2026 is 89% - a slight decrease from 90% in 2025. Dunedin 3-year rolling average for satisfaction with the public transport system overall is 89%, narrowly below the LTP target of ≥90%.

Partially achieved (yellow)

[16] Only 1 (1.6%) of the LTP service performance measures met the predefined criteria for a "partially achieved" year-end status.

[17] The biennial Community Survey was successfully reported to Council by the target date of March 2026, however, the associated Action Plan was reported to Council in June 2026. This work was still delivered within the Annual Plan 2025-26 year of planned work, rather than remaining outstanding and undelivered. Accordingly, this satisfies the criteria for a partially achieved performance status.

[18] The partially achieved status recognises that in specific and pre-defined circumstances, performance outcomes may not be appropriately represented by a purely binary "achieved"/"not achieved" evaluation. Particularly where a "partially achieved" status more authentically and transparently describes actual performance against the intent of the approved measure. This approach is consistent with the Audit Office's emphasis on achieving balanced, honest and meaningful performance reporting.

[19] Partial performance as a performance status, is well-defined, and importantly differentiates from 'not achieved' where the promised report/work remains undelivered, breaking a promise made within the Annual Plan/LTP. It can legitimately be applied, only in cases where the following pre-defined criteria are satisfied:

- a pre-demarcated level of measurable progress can be demonstrated, but the full target has not been met (usually in the form of pre-defined tolerance bands), or
- a required report has been completed with the work delivered during the associated Annual Plan/LTP year, but later than the stated timeframe and target date noted.

Continuous Improvement

[20] There is one additional inactive performance measure (with no target) associated with the Annual Plan 2025-26, year two of the Long-Term Plan 2024-34. It is noted here purely for completeness and audit accountability purposes.

- Regional Planning measure of support integrated and well managed urban growth across Otago. This relates to the Council's contribution to the joint development and completion of Future Development Strategies.

  The target was removed due to incoming Government direction on future resource management reform. It will remain unset until the Government RMA's direction is fully released. Once known, all related measures and associated targets will be realigned to these mandated requirements.

[21] Lessons from this reporting cycle will be incorporated into future planning and related decision-making.

[22] We will continue to review and improve our performance approach – increasing the clarity of expected performance to drive stronger accountability.

OPTIONS

[23] There are no options as this is a noting report.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Whole of Organisation

This work supports the whole organisation and, therefore, all Community Outcomes.

Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with Local Government Act 2002; section 98 by comparing the Council's actual activities and performance for the year against the intended activities and levels of service set out in the Annual Plan 2025-26.

Alignment With ORC Internal Policy

There is no specific ORC policy that is directly applicable to this work.

Financial Considerations

There are no direct financial implications arising from this report. Any financial implications identified through the end-of-year performance results will be considered through future budget and planning processes.

Legal/Compliance Risk

Accurate end-of-year performance reporting supports the Council's compliance with the Local Government Act 2002.

Reputational Risk

Accurate performance reporting supports public confidence in the Council's transparency and accountability.

Climate Resilience

The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions

The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
Not Applicable

Engagement With Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
There has been no engagement with external stakeholders and/or the public specifically for this work.

Communications
This is a noting paper and no decision-making is required.

NEXT STEPS

[24] The final, audited 30 June 2026 results will be presented in the 2025-26 Annual Report to Council on 28 October 2026.

ATTACHMENTS

1. Quarter 4 and Year End 2025-26 NFA Performance Result [**11.1.1** - 8 pages]

Activity Performance Report

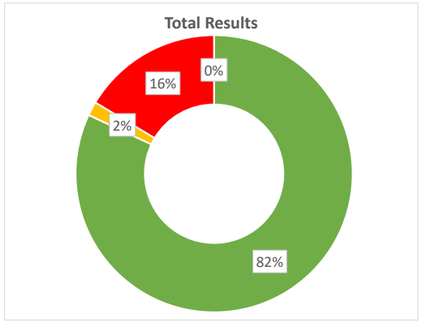
2025-26 QUARTER FOUR – @ **June** 2026

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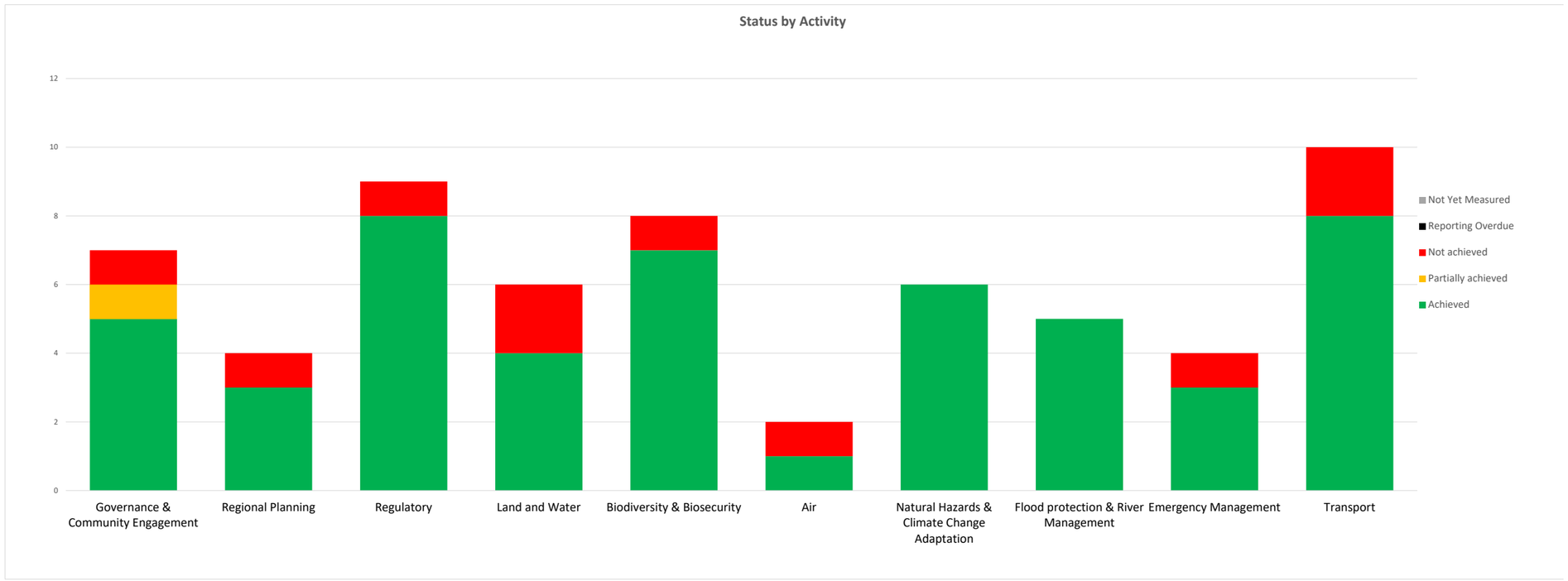
Service Delivery Performance

The 2025-26 Annual Plan contains 35 level of service statements, 57 measures and 61 targets related to activities being delivered in the 2025-26 year.



Achieved	50
Partially achieved	1
Not achieved	10
Reporting Overdue	0
Not Yet Measured	0

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



REGIONAL LEADERSHIP						
Governance & Community Engagement	**TARGET**	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Percentage of official information requests responded to within 20 working days of being logged	**100%**	**71 (99%)**	**43 (100%)**	**57 (100%)**	**50 (100%)**	Q4 result: 100% Year-end result: 99.54% During FY2025/26, we received 221 LGOIMA requests. Of these, one response was provided outside the statutory timeframe (in July 2025), resulting in an overall compliance rate of 99.54%.
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements	**Annual Plan [Yr3 LTP] adopted by council prior to 30 June 2026**					Development of the Annual Plan 2026-27 [Yr3 LTP] is completed. The Annual Plan 2026-27 was adopted by Council on 29 April 2026.
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements.	**Council financial and activity performance against Year 1 LTP 2024-34 reported to Council by 1 October 2025.**					Reporting of Council financial and activity performance against Year 1 LTP 2024-34 was reported to Council on 25 September 2025. This target was met.
Percentage of council agendas are publicly available two working days or more before a meeting	**100%**	**100%**	**100%**	**100%**	**100%**	All council agendas were publicly available two working days or more before a meeting. Target achieved.
Biennial survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.	**Survey and action plan completed March 2026.**					The Community Survey report was completed (presented/approved by Council) by the target date of March 2026, however, the Action Plan at that point was still in development, hence the Q3 result. Work on the action plan was then completed (presented/approved) at the June Council meeting. This work was therefore still delivered within the 2025-26 Annual Plan year, rather than remain outstanding and undelivered. This satisfies the criteria for a partially achieved performance status.
Customers express high levels of satisfaction with customer service provision.	**Meet or exceed satisfaction target of 85%.**	**94%**	**92%**	**93%**	**94%**	Q4 result: 94% Year-end result: 94% Customer satisfaction tracked at 94% average over the previous 12 months. Target achieved.
Increase opportunities for engagement with diverse groups across Otago to lift awareness and understanding of the work of the regional council and seek feedback on performance.	**Maintain or increase numbers**					The year 2 (2025/26) strategic events programme was completed and exceeded its participation target. A total of 2,906 people attended strategic events and engagement activities, with an average 96% positive satisfaction rating. This represents a significant increase in participation compared with the 2024/25 audited result of 824 attendees, while maintaining a consistently high level of satisfaction (93% in 2024/25).
Regional Planning		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Develop a regional biodiversity strategy and implement ORC actions.	**Regional biodiversity strategy is adopted by 30 June 2026.**					The final strategy was adopted by Council on 25 June 2026.
Develop a Regional Climate Change Strategy and implement ORC actions.	**ORC actions from the Regional Climate Change Strategy are implemented,**					Implementation of some of the new actions has begun, and other actions are well underway. Work has begun on a combined Climate and Biodiversity Implementation Plan.
Develop a Regional Climate Change Strategy and implement ORC actions.	**The effectiveness of the strategy is monitored and reported to Council annually.**					A report was brought to Council in June 2026 detailing the implementation and effectiveness of the climate strategy, as required by this Level of Service measure.
Develop a Regional Air Quality Strategy and implement ORC actions.	**Draft Air Quality Strategy revised following public consultation by 30 June 2026.**					On 29 April 2026, Council adopted a new Priority Action to investigate opportunities for the ORC to more effectively improve air quality in the region's most affected towns. As this work requires strategic investigation and planning, it was not completed by 30 June 2026. The outcomes of this work are expected to inform future planning, including the Long-Term Plan.
Regulatory		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Maintain 24-hour/7 day a week response for environmental incidents	**Pollution hotline staff available/on call 24/7**					ORC continue to provide a 24/7 pollution response service. In the 25/26 financial YTD we have received and responded to 1,249 service requests relating to 926 incidents. This is a decrease on 1,400 service requests received in the same period last financial year.

Maintain 20 appropriately trained responders for maritime oil pollution incidents	**20 responders attend 3 exercises per year**					We have completed the number of exercises for the year to date. We will continue to train and maintain 20 responders, due to natural attrition rates.
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes	**≥98%**	**100%**	**100%**	**100%**	**100%**	Q4 result: 100% Year-end result: 100% 100% of consents have been processed within timeframes since the start of the new financial year.
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	**≥90%**	**116%**	**148%**	**108%**	**120%**	Q4 result: 120% Year-end result: 109% The annual target was achieved, with 7,924 returns processed against a target of 7,250.
Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy	**100%**	**100%**	**100%**	**100%**	**100%**	Q4 result: 100% Year-end result: 100%. Target met.
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	**≥90%**	**98%**	**147%**	**142%**	**124%**	Q4 result: 124% Year-end result: 123%. The annual target was exceeded, with 1,497 compliance audits and site inspections completed against the planned programme. This included 1,097 consent audits, 362 dairy inspections, and 38 forestry audits.
Maintain compliance with Port and Harbour Marine Safety Code.	**Annual self review is completed by ORC and Port Otago Ltd (POL) and signed off by the chief executives.**					The target was not achieved because the scheduled completion date was moved from mid June 2026 to the next financial year. As this is a joint process that needs completing with Port Otago, the timing was not fully within ORC's control. The annual review is due for completion in July or early August 2026, with no material impact expected from the short delay.
The safety campaign for recreational 'boaters' is delivered.	**Develop and deliver a recreational boating engagement plan.**					The annual target was achieved through the delivery of the 2025/26 Recreational Boating Engagement Plan. Key activities included delivering a bar crossing seminar, attending three major public events to promote boating safety, providing safety information through social media, and engaging directly with recreational boaters at boat ramps and on the water throughout the year.
Percentage of public enquiries for consent information completed within 10 working days.	**98%**	**100%**	**100%**	**100%**	**100%**	Q4 result: 100% Year-end result: 100% of public enquiries were answered within 10 working days. There were a total of 1807 enquireies for FY 25/26.

On Track | At Risk | Off Track | Reporting Overdue | Not Yet Measured

ENVIRONMENT						
Land and Water		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Complete the Land and Water Regional Plan (LWRP)	**Review the draft LWRP against new national direction to freshwater.**					The Government has not released the new national direction for freshwater and will not do so until the new legislation is in place. Therefore, it is not possible to undertake a review of the draft LWRP against the new national direction. This work will need to be completed as part of the implementation of the new resource management system rather than a standalone review as originally planned.
ORC led and community/landowner supported workshops and events are delivered which promote best practice land management for soil conservation, water quality and/or the efficient use of water.	**At least 12 ORC led workshops or events are delivered annually**	**17**	**3**	**2**	**21**	Q4 result: 21 workshops/community events delivered. Year-end result: During 2025/26, ORC delivered or co-delivered 43 workshops/community events, significantly exceeding the annual target of 12. The diverse programme of workshops and community initiatives covered topics including intensive winter grazing, animal effluent management, stream health, rural waste and Adopt a Drain.
Site specific projects are developed for selected degraded waterbodies.	**At least 80% of project actions are progressed as scheduled.**					The three site-specific projects—Tomahawk Lagoon, Lake Tuakitoto and Waiwhakaata Lake Hayes—maintained conssistent progress during 2025/26, with 83% of planned project actions progressed as scheduled.
Catchment Action Plans (CAPs) give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community.	**One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2026.**					The annual target of presenting one Catchment Action Plan (CAP) to Council was achieved during the financial year with Council's endorsement of the Upper Lakes CAP in October 2025. This brings the total number of operational CAPs to two: Catlins and Upper Lakes, and four CAPs in development, Taiari/Taieri, Dunedin Coastal Catchments, Inland Mata-au/Clutha and Lower Mata-au/Clutha, with North Otago starting in March 2027.

Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments.	**Annual report for each of the 4 environments to Council prior to 30 June 2026.**					Reporting across the four environmental domains was completed during 2025/26. The Freshwater report was presented to Council in March 2026, the Land and Soil report in May 2026, and the Coast and Estuarine report in June 2026.
Complete a review of the Regional Plan: Coast.	**Issues and options papers developed and reported to Council by 30 June 2026.**					In light of the Government's Plan Stop directive, it is not appropriate to continue working on issues and options for amending the Coast Plan, so the team's focus shifted to preparing a broader Issues and Opportunities Paper instead. A Council presentation on ORC's coastal technical work programme was held on 13 May 2026. Two weeks later Council agreed to proceed with community and stakeholder engagement to identify coastal issues and opportunities, ahead of presenting an Issues and Opportunities paper. These additional steps have delayed the stakeholder engagement process and have shifted the focus from a regulatory Issues and Options paper, to a more broad Issues and Opportunities Paper, which is not consistent with the original Long-Term Plan target.
Biodiversity & Biosecurity		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed	**100% of priority pest management actions are achieved.**				**91.30%**	Overall, 91.3% of priority pest management actions were delivered during 2025/26. Full achievement was reached for exclusion pest species and lagarosiphon management (both 100%), while seven of nine feral rabbit management actions were completed (77%). The target was not fully achieved because the remaining two actions — reviewing the rabbit management programme (including the associated community rabbit programme) to determine its effectiveness and identify improvements, and reporting the review's findings to Council — were still in progress, reflecting the timing of the statutory Regional Pest Management Plan review (expected to be completed close to year end). These two actions will carry over into 2026/27, aligning with Council's priority action (EDA1) to strengthen rabbit-control outcomes through a dedicated working group focused on practical delivery, partnerships, and collaboration with communities and landowners.
Externally funded biosecurity projects/programmes are implemented as per their agreements.	**90% of deliverables in the agreements with Central Government are progressing as scheduled**				**100%**	All externally funded biosecurity programmes progressed as scheduled during 2025/26, with 100% of Ministry for Primary Industries (MPI) deliverables achieved. This included the Wallabies Eradication Programme, Wilding Conifers Progressive Containment Programme, and Check Clean Dry programme.
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed.	**At least one new project is developed and implemented with biodiversity forum partners.**					Four collaborative projects are progressing through delivery phases. At least one new initiative has been successfully developed and implemented in partnership with the biodiversity forum, meeting target expectations.
Joint projects are implemented against milestones.	**At least 80% of project actions are progressed as scheduled.**				**100%**	Four collaborative biodiversity projects progressed during 2025/26, with 100% of planned milestones achieved. Projects included invasive terrestrial plant management in the Upper Lakes, a rare and threatened vascular plants report, Otago-specific fish passage guidance, and lizard protection and rodent exclusion.
Alignment between initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives.	**All environmental projects and initiatives are aligned to at least one of the Council's environmental strategic objectives.**					Environmental projects and initiatives included in this measure are the ECO Fund and Predator Free Dunedin. All projects funded in the 2025 funding round align with at least one of Council's environmental strategic objectives. Alignment is confirmed through the annual funding assessment process, with funding agreements setting clear milestones and expected outcomes. Progress is monitored throughout the year, and recipients provide annual progress reports to confirm delivery against agreed objectives.
Externally funded freshwater projects/programmes are delivered as per their agreements.	**90% of deliverables in the agreements with Central Government are progressing as scheduled**				**100%**	This measure comprises two projects: Hill Country Erosion and Toitū Te Hakapupu. The Toitū Te Hakapupu project has now been completed and formally closed, with all deliverables successfully achieved. The Hill Country Erosion project also performed strongly, with 100% of scheduled deliverables completed in line with agreed timeframes, meeting all Ministry for Primary Industries (MPI) milestones and any approved contract variations.

Report the results of environmental monitoring for regional indigenous biodiversity ecosystems.	**Annual report on monitoring programme completed and reported to Council on 30 June 2026.**					Annual report on monitoring programme completed and reported to Council on 30 June 2026.
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed.	**80% of non-priority pest management actions are achieved.**				**83.70%**	Overall, 83.7% of non-priority pest management actions were delivered during 2025/26, exceeding the annual target of 80%. Five of the six KPI categories met or exceeded their targets, including eradication pest species (100%), sustained control (100%), Site-Led objectives (100%), and progressive containment (90%). Aquatic (marine and freshwater) pest management achieved 75%. Inspection targets were also exceeded for Nassella tussock (71 completed against 38 planned) and gorse and broom (90 completed against 80 planned).
Air		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Implement a regional air monitoring programme.	**Annual report on monitoring programme on previous calendar year completed and reported to Council.**					2025 calendar year air quality report was presented to Council in May 2026
Complete review of the Regional Plan Air.	**Complete a public engagement campaign and pre-notification consultation on draft Regional Plan - Air.**					In July 2025, Central government announced their intention to halt the notification of new plan or regional policy statement reviews, changes or variations until the end of 2027. The Plan Stop commenced on 21 August 2025. As air quality work is not included in exemptions, work on the Air Plan was stopped.

On Track	At Risk	Off Track	Reporting Overdue	Not Yet Measured

CLIMATE CHANGE AND RESILIENCE						
Natural Hazards & Climate Change Adaptation		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Natural hazards information is available via the web-based Otago Natural Hazards Database	**Database is accessible and up-to-date 100% of the time**					Database was accessible and up-to-date 100% of the time.
Percentage of flood warnings that are issued in accordance with the flood warning manual	**100%**					24-hour flood management and response system operated during the reporting period.
Deliver a natural hazards management and adaptation work programme based on a new prioritisation process.	**Natural hazards prioritisation process as presented to the Safety and Resilience Committee in November 2024 is completed by June 2026.**					Work on the prioritisation framework, as outlined in the November 2024 committee paper is now complete
Implement prioritised natural hazard risks adaptation works.	**Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.**					An action plan has been developed for the Head of Lake Whakatipu Natural Hazard Adaptation Strategy, with implementation planning underway and delivery now in progress.
Implement prioritised natural hazard risks adaptation works	**Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan**					Planned work on the South Dunedin Future Natural Hazards Adaptation Plan was delivered in accordance with the annual work programme.
Implement prioritised natural hazard risks adaptation works.	**Phase 1 and phase 2 of the Clutha Delta natural hazards adaptation programme completed by 30 June 2026.**					Work on the Clutha Delta adaptation programme progressed well during the reporting perdiod. Phase 1 (main technical assessments) completed and phase 2 (value identification) completed. Target achieved.
Flood protection & River Management		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**

Percentage of scheme renewals programme: Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	**>= 85% of renewal programmes completed**				89%	The delivery programme and key mile stones for 2025/2026 have been developed to align with LTP and AP requirements. At this stage, 8 out of the 9 renewal projects met their planned target (89%). One project is delayed due to no response being received from construction tender process.
Percentage of scheme maintenance programme: Major flood protection drainage and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	**>= 85% of planned maintenance programme completed**				**97%**	The scheme maintenance programme achieved 97% completion during 2025/26, with 164 of 169 planned maintenance tasks completed.
Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	**>=85% of planned maintenance programme completed**				**94%**	As at 30 June 2026, 94% of the annual work programme was completed, with 293 of 313 planned activities delivered. This included 209 planned inspections and 84 planned maintenance works, alongside 121 reactive works completed in response to operational needs. Target has been achieved.
The flood repair programme is made available to affected communities within 3 months of the event.	**100%**					No flood event occurred during the reporting period. Operational capability was maintained throughout despite not being activated. This appreciates the intent of the measure to gauge capability to respond, and not to hope that flooding occurs to test this target.
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	**98%**	**64 (100%)**	**75 (100%)**	**56 (100%)**	**67 (100%)**	Q4 result: 100% Year-end result: during 2025/26, 262 customer enquiries were received, with 100% responded to within the 20-working-day KPI.
Emergency Management		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency	**Maintain a duty roster for 24/7 365 coverage for initial responses to Civil Defence emergencies**					Duty roster coverage in place and operational, three staff members are available at all times after hours. Target met.
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency.	**An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.**					The Aonui building has been established as a full-time hot facility. In alignment with the CDEM Partnership Agreement, the site is equipped with the necessary infrastructure, workspace, and adequately trained personnel to support sustained 24-hour operations when required. The facility is maintained in a state of readiness, allowing for immediate activation without the need for setup or lead-in time. The new facility exceeds the previous hot facility functionality.
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM.	**Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement**					All admin matters are being delivered as per partnership agreement. Target met.
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency.	**Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response**					The annual target was not achieved, as the number of staff trained and capable of coordinating a region-wide response remained below the level set out in the Group Training and Capability Strategy. Leadership capability was strengthened through external support, two trainee controllers commenced training, and several function leaders undertook further development. However, training participation remained low, with average attendance rates of 29% for core training and 27% for function leader training. Work is underway to improve participation through integration with the new HRIS Pulse system and targeted capability initiatives.

On Track | At Risk | Off Track | Reporting Overdue | Not Yet Measured

TRANSPORT						
Transport		**Q1**	**Q2**	**Q3**	**Q4**	**YEAR TO DATE COMMENT**
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency.	**RLTP implementation progress reported annually to Regional Transport Committee.**					The annual target was achieved through reporting on progress with the Regional Land Transport Plan (RLTP) review to the Regional Transport Committee. During the year, the Committee received updates on early engagement activities, and the proposed vision, objectives, and policies were considered at a workshop on 22 June 2026.
Percentage of Whakatipu scheduled services delivered.	**>95%**	**99%**	**98%**	**98%**	**98%**	Q4 result: 98% Year-end result: The annual target was achieved, with 98% of scheduled Whakatipu public transport services delivered during the year.
Percentage of Dunedin scheduled services delivered.	**>95%**	**100%**	**100%**	**99%**	**99%**	Q4 result: 99% Year-end result: The annual target was achieved, with 99.5% of scheduled Dunedin public transport services delivered during the year.

Percentage of Whakatipu operated services departing terminus on time.	**>90%**	**91%**	**91%**	**90%**	**94%**	Q4 result: 94% Year-end result: The annual target was achieved, with 92% of Whakatipu public transport services departing the Terminus on time during the year.
Percentage of Dunedin operated services departing Terminus on time.	**>90%**	**85%**	**85%**	**84%**	**83%**	Q4 result: 83% Year-end result: The annual target was not achieved, with 84% of Dunedin public transport services departing the Terminus on time. Traffic congestion, roadworks, and associated diversions continued to affect service reliability throughout the year. Timetable performance will continue to be monitored and reviewed to identify opportunities for improvement.
Overall passenger satisfaction with Dunedin Public Transport system at annual survey	**Maintain or increase 3 yr rolling average >=90%**				**89%**	The Dunedin surveys were conducted 7-9 May 2026. Dunedin satisfaction with the public transport system overall for 2026 is 89% - a decrease from 90% in 2025. Dunedin 3-year rolling average for satisfaction with the public transport system overall is 89% - which means the LTP target of (≥90%) has not been met.
Overall passenger satisfaction with Whakatipu Public Transport system at annual survey	**Maintain or increase 3yr rolling average >=90%**				**91%**	Whakatipu surveys were conducted 23-25 April 2026. Whakatipu satisfaction with the public transport system overall for 2026 is 91% - a decrease from 92% in 2025. Whakatipu 3-year rolling average for satisfaction with the public transport system overall is 91% - which means the LTP target of (≥90%) exceeded has been met.
Annual public transport boardings in Queenstown	**Increase**				**7% increase**	Patronage for Queenstown for the year to date (July-June) is 2,094,772. This is a 7% increase on the previous financial year.
Annual public transport boardings in Dunedin	**Increase**				**0.3% increase**	Patronage for the year to date (July-June) was 3,502,758. This is up 0.3% over the previous financial year.
Overall passenger satisfaction with Total Mobility system at annual survey.	**Maintain or increase 3 yr rolling average >=90%**				**95%**	Satisfaction with the Total Mobility system overall for 2025/26 is 94.5%, slightly lower than the 98% for 2024/25. The three-year rolling average exceeds the target of ≥90% and demonstrates consistently high levels of customer satisfaction.

On Track	At Risk	Off Track	Reporting Overdue	Not Yet Measured

11.2. Quarter 4 Finance Report - 30 June 2026

Prepared for:	Council
Report No.	FIN2614
Activity:	Finance
Author:	Sarah Munro (Group Financial Controller), Sean Geary (Manager Financial Planning and Analysis), Nick Donnelly (General Manager Finance)
Endorsed by:	Nick Donnelly (General Manager Finance)
Date:	26 August 2026
Portfolio Leads:	Cr Malcolm and Cr Gardner, Finance

PURPOSE

[1] To present Council's Financial Reports for the 12-month period to 30 June 2026 being Quarter 4 of the 2025-26 financial year. This is the preliminary unaudited financial result for the 2025-26 financial year and excludes the revaluation of Port Otago Limited.

EXECUTIVE SUMMARY

[2] The actual operating surplus for the 12 months ending 30 June 2026 is $10,890,000. This is $10,160,000 ahead of budget of $730,000. The key drivers of the additional surplus include:

- Expenditure underspends in Policy and Planning +$3,857,000 and Land and Water Science +$920,000. This work has not progressed as these activities have been impacted by the change in central government direction.
- Expenditure underspend in Biodiversity Implementation +$2,234,000 as the implementation of the Large-Scale Environment Fund has been deferred to 2026/27.
- Lower Clutha Flood and Drainage +$1,413,000 additional funding from grants and other contributions.
- Public Transport Dunedin +$1,798,000 including additional fare revenue +$510,000, lower contract costs $668,000 and lower infrastructure spend $620,000.
- Other Gains -$1,203,000 which includes -$3,291,000 from the sale of Stafford Street not occurring as budgeted this year. This is partially offset by additional managed fund gains +$1,303,000 and higher investment property revaluation gains +$655,000.

[3] Actual operating revenue is $143,477,000 which is $7,071,000 (5%) ahead of budget of $136,406,000. Additional grants and subsidies +$2,425,000 and other revenue +$4,033,000 contribute most of the variance:

- Grants and subsidies includes Total Mobility $1,177,000, Wildings $896,000 and LiDAR $1,039,000. These budgets were set prior to the funding agreements for these activities being agreed and the additional grants received are offset by higher than budgeted expenditure.
- Other revenue includes additional fares revenue in Dunedin $510,000 and Queenstown $1,176,000 (including $368,000 ferry fares). Consent processing fees are $1,495,000 higher than budget as this includes $1,061,000 of unbudgeted fast track consent fees and other consent volumes have been higher than budgeted. Lower Clutha Flood and Drainage scheme includes $628,000 of unbudgeted contributions to flood repair works.

[4] Actual operating expenditure is $136,343,000 which is $4,291,000 (3%) under budget of $140,634,000. Other expenses are underspent by $6,610,000 which is partially offset by higher employee costs +1,155,000 and higher finance costs +$1,020,000:

- Other expenses include underspends in the Policy and Planning and Land and Water Science activities due to work in those activities being put on hold and the Biodiversity large-scale environment fund deferred spend as noted above.
- Employee costs includes fixed term payroll roles which is offset by lower other expenses as the budget assumed this cost would be outsourced.
- Finance costs includes $769,000 interest cost for on-lending to Port Otago. This is on-charged fully to Port. Council's interest cost is $251,000 higher than budget as actual interest rates are higher than the budget assumption.

[5] Other gains and losses are $3,755,000 which is $1,203,000 below budget of $4,958,000. The budget included a gain on sale of property of $3,291,000 that did not eventuate, offset by the gain on the value of the managed fund +$1,303,000 and higher investment property revaluation gains +$655,000.

[6] The Quarter 3 forecasted operating surplus for the year was $7,252,000 which is $3,638,000 below the actual year end result of $10,890,000. The variance from Quarter 3 to the final year end position included:

- Policy and Planning +$324,000 and Land and Water Science +$733,000, forecast surpluses were underestimated.
- PT Dunedin +$1,315,000 due to additional fares and grants and lower contract costs.
- Increased gain on the managed fund +$1,303,000.
- Increased gain on investment property +$655,000.

[7] Further commentary on these variances, capital expenditure, the Statement of Financial Position, Reserves and the Treasury Report are provided in the discussion section below.

RECOMMENDATION

That the Council:

*1) **Notes** this report and the attached Financial Reports for June 2026 (Quarter 4 of the 2025-26 financial year).*

BACKGROUND

[8] This report includes the following attached reports:

- **SCRE and Activity Reports**
  - Statement of Comprehensive Revenue and Expense (SCRE) reports showing operating surplus/deficit for the year to date and forecast for the full financial year to 30 June 2026.
  - Results are compared to the budget included in the Annual Plan 2025-26.
  - Includes results for Council as whole, a summary by Activity and results for each Group of Activities (including additional analysis by Significant Activity).
  - Capital expenditure.
- **Statement of Financial Position**
  - Balance sheet as at quarter end compared to previous year end (30 June 2025) and budget for the financial year-end (30 June 2026).
- **Reserves Report**
  - Summary of Council's reserves including movements in each reserve.
- **Treasury Report**
  - Further detail and analysis of cash, investments (managed fund) and borrowings.

DISCUSSION

Operating Surplus Variance – Actual Year to Date

[9] The actual operating surplus for the 12 months ending 30 June 2026 is $10,890,000. This is $10,160,000 ahead of budget of $730,000. Analysis of key activity variances are provided in the Table 1 below.

Activity Group	Activity	(Surplus)/Defcit	Comment
Environment	Biodiversity Implementation	(2,234)	Large Scale Fund
Environment	Land & Water Planning	(1,973)	Planning Work on Hold
Transport	Public Transport - Dunedin	(1,798)	Contract savings
Corporate	Treasury	(1,440)	Additional managed fund gain
Safety and Resilience	Lwr Clutha Flood Protection & Drainage	(1,413)	Additonal grants and contributions
Regional Leadership	RPS, Strategy, Urban Dev & Response to Issues	(1,220)	Planning Work on Hold
Environment	Land & Water Science and Monitoring	(920)	Planning Work on Hold
Environment	Biosecurity	(764)	Timing of contracts and in house resourcing
Environment	Regional Plan: Air	(663)	Planning Work on Hold
Safety and Resilience	River Management - Wakatipu/Wanaka	(637)	Timing of contracts
Corporate	ORC Property - Operational	2,413	Timing of Property gains
Total		(10,649)	

Table 1: Year to date surplus / deficit variance by key activities

Surplus Funding Impact

[10] The funding impact of the actual operating surplus/(deficit) variance is shown in Table 2 below.

Council Q4 year ending Jun 26	Surplus/(Deficit) Actual	 Budget	 Variance		General Reserve	Targeted Reserve
Consents & Compliance	156	0	156		182	(26)
Governance & Community	(19)	(350)	331		331	
Regional Plans & Policies	1,092	(128)	1,220		1,220	
Regional Leadership	**1,230**	**(478)**	**1,707**		**1,733**	**(26)**
Air	829	(0)	829		829	
Biodiversity	829	(2,044)	2,873		2,873	
Water	1,874	(715)	2,590		2,590	
Environment	**3,533**	**(2,759)**	**6,292**		**6,292**	**0**
Emergency Management	177	0	177			177
Flood Protection	602	(1,157)	1,759			1,759
Natural Hazards	(40)	(148)	108		108	
Safety and Resilience	**739**	**(1,305)**	**2,044**		**108**	**1,936**
Public Transport - Dunedin	3,388	1,590	1,798			1,798
Public Transport - Other	143	(0)	143			143
Public Transport - Wakatipu	382	(118)	500			500
Regional Land Transport Planning	(28)	0	(28)		(28)	
Stock Truck Effluent Disposal	(26)	0	(26)		(26)	
Transport	**3,858**	**1,472**	**2,386**		**(55)**	**2,441**
Corporate	**1,529**	**3,801**	**(2,271)**		**(2,271)**	
Total	**10,890**	**730**	**10,159**		**5,809**	**4,351**

Table 2: Actual Operating Surplus / (Deficit) funding allocation by activity

[11] The budget included Actual 2024-25 surpluses that were carried forward to the Annual Plan 2025-26. That included $700,000 for the Land & Water Regional Plan (General Reserve) and $550,000 for PT Whakatipu (Targeted Reserve). The Annual Plan 2025-26 also assumed the Large-Scale Environment Fund $2,000,000 (in Biodiversity) would be reserve funded.

[12] Use of the actual surpluses identified in Regional Plans & Policies, Air, and Water have been considered for carry forward as part of the Annual Plan 2026-27 development process. The total of the surplus variances is $3,900,000 and $1,400,000 has been carried forward in the Annual Plan 2026-27. The remainder is retained in the General Reserve for consideration in the LTP 2027-37.

Capital Expenditure

[13] Actual capital expenditure is $15,125,000 which is $5,432,000 under budget of $20,558,000. The underspend includes:

- Lower Taieri Flood under $2,476,000 – timing of contour channel and RIF funded projects.
- West Taieri Drainage under $1,624,000 – timing of contour channel bridges and RIF funded projects.
- Operational Property under $622,000 – timing of the general property capex budget of $500,000 which wasn't spent as the focus was on the Queenstown, Wanaka and Oamaru site moves and upgrades.

Statement of Financial Position

[14] Key items to note in the Statement of Financial Position are:

- Total equity as at 30 June 2026 is $936,342,000 which is an increase of $10,901,000 over the year.
- Cash on hand is $13,512,000.
- The managed fund balance is $33,606,000 (in Other financial assets).

- Borrowing is $175,136,000 which includes Council core debt of $25,000,000, and on lending to Port Otago of $150,000,000 (the remainder is accrued interest on ORC debt at balance date).

Reserves Report

[15] The Reserves Report provides a summary of Council's reserves as at 30 June 2026 and the movements in each reserve over the year to date.

[16] Key items to note in the Reserves Report are:

- Historic transport reserves are shown separately from any operational surpluses / deficits (this was effective from the start of the LTP 2024-34 period beginning on 1 July 2024).

Treasury Report

[17] Key items to note in the Treasury Report are:

- Cash and term deposits have decreased $4,874,000 over the year.
- The Managed Fund balance has increased of $3,714,000 over the year (this is $1,467,000 ahead of budget for the year).
- Total debt has increased $185,000 over the year. This relates to on-lending to Port Otago.
- Council's cost of debt including swaps is 4.43%.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Whole of Organisation

This work supports the whole organisation and, therefore, all Community Outcomes.

Alignment With Central Government Legislation

There is no specific national policy statement or central government direction that is directly applicable to this work.

Alignment With ORC Internal Policy

There is no specific ORC policy that is directly applicable to this work.

Financial Considerations

There are no financial considerations associated with the production of this report. This report provides Council's financial result for the reporting period outlining actual financial performance against the relevant Long-Term / Annual Plan.

Legal/Compliance Risk

There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk

There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
Not Applicable.

Engagement with Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
There has been no engagement with external stakeholders and/or the public specifically for this work.

Communications
Not Applicable.

NEXT STEPS

[18] Audit commences on 17 August 2026. Finalised Financial Statements for the year ended 30 June 2026 (including the revaluation of Port Otago) will be included in the draft Annual Report that will be presented to the Audit and Risk Committee for review in September 2026. The final Annual Report will go to Council for adoption on 28 October 2026.

ATTACHMENTS

1. SCRE and Activity Reports June 2026 [**11.2.1** - 9 pages]
2. Statement of Financial Position June-2026 [**11.2.2** - 1 page]
3. Reserves Summary June-2026 [**11.2.3** - 1 page]
4. Treasury Report June-2026 [**11.2.4** - 1 page]

Management Reports

Statement of Comprehensive Revenue Expenditure for Whole of Council	2
Activity Financial Summary	3
Statement of Comprehensive Revenue Expenditure - Regional Leadership	4
Statement of Comprehensive Revenue Expenditure - Environment	5
Statement of Comprehensive Revenue Expenditure - Safety and Resilience	6
Statement of Comprehensive Revenue Expenditure - Transport	7
Statement of Comprehensive Revenue Expenditure - Corporate	8
Capital Expenditure for Whole of Council	9

Statement of Comprehensive Revenue Expenditure	Year to Date			Full Year Forecast		
Whole of Council	Actual	Budget	Variance	Forecast	Budget	Variance
For the period ending: June						
Revenue						
Rates	68,462	68,467	(5)	68,427	68,467	(40)
Grants and subsidies	27,587	25,162	2,425	26,519	25,162	1,357
Dividends	20,616	20,000	616	20,475	20,000	475
Investment revenue	6,093	6,090	2	6,184	6,090	94
Other revenue	20,720	16,687	4,033	19,666	16,687	2,979
Total revenue	**143,477**	**136,406**	**7,071**	**141,271**	**136,406**	**4,865**
Expenditure						
Employee benefit expenses	43,543	42,388	(1,155)	42,905	42,388	(517)
Depreciation and amortisation	3,220	3,075	(145)	3,199	3,075	(124)
Finance costs	6,484	5,464	(1,020)	6,395	5,464	(931)
Other expenses	83,098	89,708	6,610	82,932	89,708	6,775
Internal Charges/Recoveries	(2)		2	(7)		7
Total operating expenditure	**136,343**	**140,634**	**4,291**	**135,424**	**140,634**	**5,210**
Other Gains/Losses	3,755	4,958	(1,203)	1,405	4,958	(3,553)
Surplus/(Deficit)	**10,890**	**730**	**10,159**	**7,252**	**730**	**6,521**
Fair value gain/loss on shares in subsidiary						
Fair value gain/loss on shares in subsidiary	-	-	-	29,649	29,649	-
	-	-	-	-	-	-
Other Comprehensive Revenue and Expenses	-	-	-	**29,649**	**29,649**	-
Total other Comprehensive Revenue and Expenses	10,890	730	10,159	36,901	30,379	6,521
Operating Surplus/(Deficit) - as per SCRE above	10,890	730	10,159	7,252	730	6,521
Less:						
Transport Rates Deficit - Dunedin	1,810	1,810	-	1,810	1,810	-
Transport Rates Deficit - Wakatipu	463	463	-	463	463	-
Underlying Comprehensive Revenue and Expenses	**8,617**	**(1,543)**	**10,159**	**4,979**	**(1,543)**	**6,521**

COUNCIL - YEAR TO DATE	Revenue			Expenditure			Surplus / (Deficit)		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Consents & Compliance	15,599	14,173	1,426	15,463	14,173	(1,289)	136		136
Governance & Community	15,307	15,167	140	15,326	15,518	191	(19)	(350)	331
Regional Plans & Policies	2,533	2,512	21	1,440	2,640	1,199	1,092	(128)	1,220
Air	1,773	1,769	4	944	1,769	825	829	()	829
Biodiversity	10,936	9,794	1,143	10,107	11,838	1,731	829	(2,044)	2,873
Water	19,230	19,568	(339)	17,355	20,284	2,929	1,874	(715)	2,590
Emergency Management	4,028	4,000	27	3,871	4,000	129	157		157
Flood Protection	11,629	11,032	597	11,027	12,189	1,162	602	(1,157)	1,759
Natural Hazards	4,301	3,290	1,011	4,340	3,438	(903)	(40)	(148)	108
Public Transport - Dunedin	31,530	31,020	510	28,142	29,430	1,288	3,388	1,590	1,798
Public Transport - Other	3,624	2,444	1,179	3,480	2,444	(1,036)	143	()	143
Public Transport - Wakatipu	14,297	13,779	519	13,916	13,897	(19)	382	(118)	500
Regional Land Transport Planning	722	694	28	750	694	(56)	(28)		(28)
Stock Truck Effluent Disposal	182	172	11	209	172	(37)	(26)		(26)
Internal	13	1,601	(1,588)	3,345	2,675	(670)	(3,332)	(1,074)	(2,258)
Overheads	7,773	5,390	2,382	6,627	5,474	(1,153)	1,146	(83)	1,229
CORPORATE	**7,785**	**6,991**	**794**	**9,971**	**8,148**	**(1,823)**	**(2,186)**	**(1,157)**	**(1,029)**
TOTAL COUNCIL	**143,477**	**136,406**	**7,071**	**136,343**	**140,634**	**4,291**	**7,135**	**(4,228)**	**11,362**
Other Gains & Losses	3,755	4,958	(1,203)				3,755	4,958	(1,203)
TOTAL COUNCIL	**147,232**	**141,364**	**5,868**	**136,369**	**140,634**	**4,265**	**10,890**	**730**	**10,159**

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Regional Leadership	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	110	77	34	162	77	85
Investment revenue	-	-	-	-	-	-
Other revenue	6,144	4,653	1,492	5,810	4,653	1,157
Rates	27,185	27,124	62	27,170	27,124	46
Total revenue	**33,440**	**31,853**	**1,587**	**33,141**	**31,853**	**1,288**
Expenditure						
Depreciation and amortisation	138	136	(2)	156	136	(21)
Employee benefit expenses	17,632	17,586	(46)	17,569	17,586	17
Finance costs	-	-	-	-	-	-
Internal Charges/Recoveries	7,875	7,726	(148)	7,857	7,726	(130)
Other expenses	6,585	6,883	298	6,759	6,883	124
Total operating expenditure	**32,229**	**32,331**	**101**	**32,341**	**32,331**	**(10)**
Surplus/(Deficit)	1,210	(478)	1,688	800	(478)	1,278

Commentary:

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
CONSENTS & COMPLIANCE						
COMPLIANCE MONITORING & CONTAMINATED SITES						
Revenue	6,458	6,256	202	6,520	6,256	265
Expenditure	6,521	6,256	(266)	6,402	6,256	(146)
CONSENT PROCESSING						
Revenue	6,134	4,621	1,513	5,717	4,621	1,096
Expenditure	5,700	4,621	(1,079)	5,491	4,621	(869)
HARBOUR MANAGEMENT						
Revenue	926	1,002	(75)	945	1,002	(57)
Expenditure	972	1,002	30	1,005	1,002	(3)
INCIDENT RESPONSE & ENFORCEMENT						
Revenue	2,081	2,295	(214)	2,093	2,295	(202)
Expenditure	2,269	2,295	26	2,369	2,295	(74)
Surplus/(Deficit)	136		136	9		9
GOVERNANCE & COMMUNITY						
CHIEF ADVISOR TO CE AND CHAIR						
Revenue	417	416	1	417	416	1
Expenditure	428	416	(12)	427	416	(11)
COMMUNICATIONS AND MARKETING						
Revenue	2,330	2,325	5	2,329	2,325	4
Expenditure	2,108	2,325	216	2,201	2,325	124
CUSTOMER AND GOVERNANCE						
Revenue	3,350	3,342	8	3,348	3,342	6
Expenditure	3,402	3,692	290	3,513	3,692	179
EXECUTIVE MANAGEMENT						
Revenue	3,413	3,405	8	3,411	3,405	6
Expenditure	4,036	3,405	(630)	3,945	3,405	(540)
GOVERNANCE & FINANCIAL CONTRIBUTIONS						
Revenue	207	207		207	207	
Expenditure	170	207	37	186	207	20
LEGAL COUNSEL						
Revenue	1,244	1,241	3	1,243	1,241	2
Expenditure	1,094	1,241	147	1,097	1,241	144
MANAGEMENT ACCOUNTANT						
Revenue	775	774	2	775	774	1
Expenditure	784	774	(11)	772	774	2
ORGANISATIONAL PLANNING AND PERFORMANCE						
Revenue	1,162	1,160	3	1,162	1,160	2
Expenditure	865	1,160	294	880	1,160	280
PARTNERSHIPS AND ENGAGEMENT						
Revenue	1,028	921	107	1,078	921	157
Expenditure	1,067	921	(146)	1,081	921	(160)
STRATEGY						
Revenue	1,381	1,377	3	1,380	1,377	2
Expenditure	1,371	1,377	6	1,290	1,377	88
Surplus/(Deficit)	(19)	(350)	331	(42)	(350)	308
REGIONAL PLANS & POLICIES						
RPS, STRATEGY, URBAN DEV & RESPONSE TO ISSUES						
Revenue	2,533	2,512	21	2,516	2,512	4
Expenditure	1,440	2,640	1,199	1,684	2,640	956
Surplus/(Deficit)	1,092	(128)	1,220	833	(128)	960

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Environment	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	3,513	2,830	683	2,370	2,830	(459)
Other revenue	83	-	83	83	-	83
Rates	28,343	28,301	42	28,332	28,301	30
Total revenue	**31,939**	**31,131**	**808**	**30,785**	**31,131**	**(347)**
Expenditure						
Depreciation and amortisation	496	441	(55)	474	441	(33)
Employee benefit expenses	10,906	10,571	(335)	10,671	10,571	(100)
Internal Charges/Recoveries	5,658	5,624	(34)	5,674	5,624	(50)
Other expenses	11,346	17,254	5,908	11,521	17,254	5,733
Total operating expenditure	**28,406**	**33,891**	**5,484**	**28,340**	**33,891**	**5,550**
Surplus/(Deficit)	**3,533**	**(2,759)**	**6,292**	**2,444**	**(2,759)**	**5,204**

Commentary:

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
AIR						
AIR MONITORING						
Revenue	904	902	2	903	902	2
Expenditure	737	902	164	803	902	99
REGIONAL PLAN: AIR						
Revenue	869	867	2	869	867	2
Expenditure	206	867	661	228	867	639
Surplus/(Deficit)	**829**	**()**	**829**	**741**	**()**	**741**
BIODIVERSITY						
BIODIVERSITY IMPLEMENTATION						
Revenue	1,577	1,574	3	1,577	1,574	3
Expenditure	1,388	3,618	2,230	1,491	3,618	2,127
BIODIVERSITY SCIENCE & MONITORING						
Revenue	1,330	1,327	3	1,329	1,327	2
Expenditure	1,455	1,327	(128)	1,297	1,327	30
BIOSECURITY						
Revenue	8,029	6,892	1,136	6,861	6,892	(32)
Expenditure	7,265	6,892	(372)	6,433	6,892	459
Surplus/(Deficit)	**829**	**(2,044)**	**2,873**	**546**	**(2,044)**	**2,590**
WATER						
ENVIRONMENTAL MANAGEMENT						
Revenue	1,523	1,521	1	1,522	1,521	1
Expenditure	1,833	1,521	(312)	1,900	1,521	(378)
LAND & WATER IMPLEMENTATION						
Revenue	2,832	3,399	(567)	2,927	3,399	(472)
Expenditure	2,825	3,399	574	2,797	3,399	602
LAND & WATER PLANNING						
Revenue	2,608	2,602	6	2,606	2,602	5
Expenditure	1,350	3,317	1,967	1,390	3,317	1,927
LAND & WATER SCIENCE AND MONITORING						
Revenue	12,267	12,046	221	12,190	12,046	144
Expenditure	11,347	12,046	699	12,003	12,046	43
Surplus/(Deficit)	**1,874**	**(715)**	**2,590**	**1,156**	**(715)**	**1,872**

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Safety and Resilience	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	2,848	1,753	1,096	3,387	1,753	1,634
Other revenue	1,143	593	550	620	593	27
Rates	15,966	15,976	(11)	15,957	15,976	(19)
Total revenue	**19,958**	**18,322**	**1,635**	**19,963**	**18,322**	**1,641**
Expenditure						
Depreciation and amortisation	890	953	62	902	953	51
Employee benefit expenses	6,386	6,518	132	6,345	6,518	173
Internal Charges/Recoveries	3,068	3,240	172	3,114	3,240	127
Other expenses	8,894	8,916	22	8,385	8,916	531
Total operating expenditure	**19,238**	**19,627**	**389**	**18,746**	**19,627**	**881**
Surplus/(Deficit)	719	(1,305)	2,024	1,217	(1,305)	2,522

Commentary:

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
EMERGENCY MANAGEMENT						
EMERGENCY MANAGEMENT						
Revenue	4,028	4,000	27	4,023	4,000	23
Expenditure	3,871	4,000	129	3,990	4,000	10
Surplus/(Deficit)	157		157	32		32
FLOOD PROTECTION						
ALEXANDRA FLOOD PROTECTION						
Revenue	329	329		379	329	50
Expenditure	251	329	77	292	329	37
EAST TAIERI DRAINAGE						
Revenue	763	762		763	762	
Expenditure	1,044	1,023	(21)	983	1,023	40
LEITH FLOOD PROTECTION SCHEME						
Revenue	1,530	1,570	(40)	1,530	1,570	(40)
Expenditure	708	836	128	607	836	229
LWR CLUTHA FLOOD PROTECTION & DRAINAGE						
Revenue	3,051	1,487	1,564	2,690	1,487	1,203
Expenditure	2,334	2,183	(151)	2,023	2,183	160
LWR TAIERI FLOOD PROTECTION SCHEME						
Revenue	2,405	3,058	(652)	2,492	3,058	(565)
Expenditure	1,333	1,878	545	1,487	1,878	391
NON SCHEME MANAGEMENT						
Revenue	77	77		77	77	
Expenditure	6	77	71	31	77	45
RIVER MANAGEMENT - CENTRAL						
Revenue	410	409	1	409	409	1
Expenditure	612	626	14	525	626	101
RIVER MANAGEMENT - CLUTHA						
Revenue	486	485		486	485	
Expenditure	812	890	78	848	890	43
RIVER MANAGEMENT - DUNEDIN						
Revenue	266	266	()	265	266	()
Expenditure	910	713	(197)	754	713	(41)
RIVER MANAGEMENT - WAITAKI						
Revenue	660	659	1	660	659	1
Expenditure	818	876	58	889	876	(13)
RIVER MANAGEMENT - WAKATIPU/WANAKA						
Revenue	568	567	1	567	567	1
Expenditure	581	1,217	636	644	1,217	573
RIVER MANAGEMENT OVERSIGHT						
Expenditure	-	-	-	10	-	(10)
SCHEME OVERSIGHT						
Revenue	78	137	(60)	60	137	(77)
Expenditure	185	137	(48)	160	137	(23)
TOKOMARIRO DRAINAGE						
Revenue	192	192		192	192	
Expenditure	296	320	24	294	320	26
WEST TAIERI DRAINAGE						
Revenue	817	1,035	(218)	812	1,035	(223)
Expenditure	1,136	1,085	(51)	1,047	1,085	38
Surplus/(Deficit)	602	(1,157)	1,759	789	(1,157)	1,946
NATURAL HAZARDS						
FLOOD & LOW FLOW RISK MANAGEMENT						
Revenue	603	601	1	602	601	1
Expenditure	318	601	283	443	601	158
NATURAL HAZARDS						
Revenue	3,698	2,689	1,010	3,957	2,689	1,268
Expenditure	4,022	2,837	(1,186)	3,720	2,837	(883)
Surplus/(Deficit)	(40)	(148)	108	396	(148)	544

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Transport	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Grants and subsidies	21,115	20,503	612	20,601	20,503	97
Other revenue	10,622	9,010	1,612	10,453	9,010	1,442
Rates	18,619	18,596	23	18,607	18,596	11
Total revenue	**50,356**	**48,109**	**2,247**	**49,660**	**48,109**	**1,551**
Expenditure						
Depreciation and amortisation	323	269	(54)	317	269	(47)
Employee benefit expenses	1,531	1,659	128	1,690	1,659	(31)
Internal Charges/Recoveries	871	859	(12)	867	859	(8)
Other expenses	43,772	43,850	78	44,225	43,850	(375)
Total operating expenditure	**46,497**	**46,637**	**139**	**47,099**	**46,637**	**(462)**
Surplus/(Deficit)	3,858	1,472	2,386	2,561	1,472	1,089

Commentary:

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
PUBLIC TRANSPORT - DUNEDIN						
Revenue	31,530	31,020	510	30,997	31,020	(22)
Expenditure	28,142	29,430	1,288	28,924	29,430	506
PUBLIC TRANSPORT - OTHER						
Revenue	3,624	2,444	1,179	3,315	2,444	871
Expenditure	3,480	2,444	(1,036)	3,501	2,444	(1,057)
PUBLIC TRANSPORT - WAKATIPU						
Revenue	14,297	13,779	519	14,520	13,779	742
Expenditure	13,916	13,897	(19)	13,749	13,897	148
REGIONAL LAND TRANSPORT PLANNING						
Revenue	722	694	28	672	694	(23)
Expenditure	750	694	(56)	769	694	(75)
STOCK TRUCK EFFLUENT DISPOSAL						
Revenue	182	172	11	155	172	(16)
Expenditure	209	172	(37)	156	172	16
Surplus/(Deficit)	3,858	1,472	2,386	2,561	1,472	1,089

REVENUE & EXPENSES	Year to Date			Full Year Forecast		
Corporate	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue						
Dividends	20,616	20,000	616	20,475	20,000	475
Grants and subsidies	-	-	-	-	-	-
Investment revenue	6,093	6,090	2	6,184	6,090	94
Other revenue	2,728	2,431	297	2,701	2,431	270
Rates	(21,651)	(21,531)	(121)	(21,639)	(21,531)	(108)
Total revenue	**7,785**	**6,991**	**794**	**7,722**	**6,991**	**731**
Expenditure						
Depreciation and amortisation	1,372	1,276	(97)	1,350	1,276	(74)
Employee benefit expenses	7,088	6,054	(1,035)	6,629	6,054	(576)
Finance costs	6,484	5,464	(1,020)	6,395	5,464	(931)
Internal Charges/Recoveries	(17,474)	(17,449)	25	(17,519)	(17,449)	69
Other expenses	12,501	12,805	304	12,042	12,805	763
Total operating expenditure	**9,971**	**8,148**	**(1,823)**	**8,897**	**8,148**	**(749)**
Fair value gain/loss on shares in subsidiary						
Fair value gain/loss on shares in subsidiary	-	-	-	-	-	-
	-	-	-	-	-	-
Surplus/(Deficit)	(2,186)	(1,157)	(1,029)	(1,176)	(1,157)	(18)

Commentary:

Significant Activities	Year to Date			Full Year Forecast		
	Actual	Budget	Variance	Forecast	Budget	Variance
INTERNAL						
INFORMATION SYSTEMS						
Revenue	96	-	96	94	-	94
Expenditure	2,208	1,140	(1,068)	1,767	1,140	(628)
ORC PROPERTY - OPERATIONAL						
Revenue	102	100	2	124	100	24
Expenditure	(244)		244	(452)		452
RATES COLLECTION						
Revenue	(203)	1,501	(1,704)	(71)	1,501	(1,572)
Expenditure	1,169	1,501	332	1,262	1,501	238
VEHICLES						
Revenue	18	-	18	14	-	14
Expenditure	212	34	(178)	125	34	(91)
Surplus/(Deficit)	(3,332)	(1,074)	(2,258)	(2,542)	(1,074)	(1,468)
OVERHEADS						
CORPORATE SUPPORT/RECORDS						
Expenditure	64		(64)	(3)		3
FINANCE						
Revenue	1,587	-	1,587	1,485	-	1,485
Expenditure	602		(602)	250		(250)
Fair value gain/loss on shares in subsidiary	-	-	-	-	-	-
HEALTH & SAFETY						
Revenue	1	-	1	1	-	1
Expenditure	(94)		94	(49)		49
HUMAN RESOURCES						
Expenditure	(92)		92	(48)		48
KURIWAO LEASES						
Revenue	26	50	(24)	32	50	(18)
Expenditure	3	10	7	5	10	6
TREASURY						
Revenue	6,158	5,340	817	6,043	5,340	702
Expenditure	6,144	5,464	(681)	6,041	5,464	(577)
Surplus/(Deficit)	1,146	(83)	1,229	1,366	(83)	1,450

Capital Expenditure	Year to Date			Full Year Forecast		
Whole of Council	Actual	Budget	Variance	Forecast	Budget	Variance
Air Monitoring	290	153	(136)	153	153	1
Biodiversity Science & Monitoring	-	153	153	38	153	115
Biosecurity	-	-	-	-	-	-
Environmental Management	-	-	-	-	-	-
Land & Water Science and Monitoring	790	542	(248)	780	542	(238)
Environment	**1,079**	**848**	**(231)**	**971**	**848**	**(123)**
Compliance Monitoring & Contaminated Sites	-	-	-	-	-	-
Harbour Management	30	21	(8)	35	21	(14)
Incident Response & Enforcement	2	8	6	6	8	1
Communications and Marketing	-	-	-	-	-	-
Regional Leadership	**32**	**29**	**(3)**	**42**	**29**	**(12)**
Emergency Management	-	-	-	-	-	-
Alexandra Flood Protection	-	-	-	-	-	-
East Taieri Drainage	14	460	445	10	460	450
Leith Flood Protection Scheme	-	102	102	115	102	(13)
Lwr Clutha Flood Protection & Drainage	1,741	613	(1,128)	2,078	613	(1,465)
Lwr Taieri Flood Protection Scheme	1,714	4,190	2,476	1,882	4,190	2,308
River Management - Clutha	-	22	22	10	22	12
River Management - Dunedin	11	598	587	10	598	588
River Management - Wakatipu/Wanaka	-	-	-	-	-	-
Scheme Oversight	7	-	(7)	-	-	-
Tokomariro Drainage	-	358	358	52	358	306
West Taieri Drainage	32	1,656	1,624	76	1,656	1,580
Flood & Low Flow Risk Management	-	-	-	-	-	-
Natural Hazards	-	-	-	-	-	-
Safety and Resilience	**3,520**	**7,998**	**4,479**	**4,233**	**7,998**	**3,766**
Public Transport - Dunedin	168	-	(168)	130	-	(130)
Public Transport - Wakatipu	-	-	-	-	-	-
Stock Truck Effluent Disposal	5	-	(5)	-	-	-
Transport	**173**	**-**	**(173)**	**130**	**-**	**(130)**
Information Systems	618	894	276	563	894	331
ORC Property - Operational	4,616	5,238	622	1,515	5,238	3,723
Vehicles	483	1,073	590	751	1,073	322
Finance	-	51	51	13	51	38
Health & Safety	-	-	-	-	-	-
Whare Runaka	4,604	4,426	(179)	7,799	4,426	(3,373)
Corporate	**10,321**	**11,682**	**1,361**	**10,640**	**11,682**	**1,042**
Total Council Capital Expenditure	**15,125**	**20,558**	**5,432**	**16,016**	**20,558**	**4,542**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026 $'000	June Current Year Actual	2025 Prior Year Actual	Year to Date Variance	2026 Current Year Budget
Assets				
CURRENT ASSETS				
Cash and cash equivalents	13,512	18,387	(4,874)	2,455
Trade and other receivables	14,923	15,854	(931)	18,180
Property held for sale	0	0	0	0
Related party receivable	150,000	57,102	92,898	0
Other financial assets	33,435	29,737	3,698	29,181
Other Current Assets	3,815	1,281	2,534	1,433
Borrower Notes	125	125	0	0
Total Current Assets	**215,811**	**122,486**	**93,325**	**51,249**
NON-CURRENT ASSETS				
Shares in subsidiary	788,120	788,120	0	780,239
Property, plant and equipment	116,473	104,523	11,950	109,835
Intangible assets	38	157	(119)	2,025
Related party receivable	0	92,832	(92,832)	150,088
Investment Property	17,825	17,000	825	17,134
Borrower Notes	625	500	125	500
Total Non-Current Assets	**923,080**	**1,003,132**	**(80,052)**	**1,059,821**
Total Assets	**1,138,891**	**1,125,618**	**13,273**	**1,111,070**
Liabilities				
CURRENT LIABILITIES				
Trade and other payables	22,080	20,575	1,505	22,594
Employee entitlements	5,334	4,602	732	2,716
Borrowings	160,136	67,169	92,966	69,878
Total Current Liabilities	**187,550**	**92,346**	**95,203**	**95,188**
NON-CURRENT LIABILITIES				
Non current borrowings	15,000	107,832	(92,832)	110,438
Total Non-Current Liabilities	**15,000**	**107,832**	**(92,832)**	**110,438**
Total Liabilities	**202,550**	**200,178**	**2,372**	**205,626**
NET ASSETS	**936,342**	**925,440**	**10,901**	**905,444**
Equity				
PUBLIC EQUITY				
Public Equity	133,304	114,124	19,180	120,576
Total Public Equity	**133,304**	**114,124**	**19,180**	**120,576**
RESERVES				
Reserves	803,037	811,316	(8,279)	784,868
Total Reserves	**803,037**	**811,316**	**(8,279)**	**784,868**
TOTAL EQUITY	**936,342**	**925,440**	**10,901**	**905,444**

SUMMARY OF RESERVES

AS AT 30 June 2026 $'000	Opening Balance 1-Jul-2025	Transfers In	Transfers Out	Closing Balance 30-Jun-2026
GENERAL RESERVES				
General Reserve	69,226	99,681	(84,617)	84,290
Asset Replacement Reserve	8,112	2,358	(6,855)	3,615
Building Reserve	7,515	162	(4,654)	3,023
Emergency Response Reserve	4,925	127		5,052
Kuirwao Endowment Reserve	6,617	191	(433)	6,375
Asset Revaluation Reserve	16,029	825		16,854
Port Share Revaluation Reserve	768,120			768,120
Total General Reserves	**880,544**	**103,344**	**(96,559)**	**887,329**
TARGETED RESERVES				
River Management				
River Management Central	119	411	(611)	(81)
River Management Clutha	(767)	486	(831)	(1,112)
River Management Dunedin	240	266	(901)	(395)
River Management Queenstown Lakes	461	580	(565)	476
River Management Waitaki	1,137	687	(816)	1,008
Flood & Drainage				
Alexandra Flood	132	335	(221)	246
Leith Flood	(10,370)	1,530	(594)	(9,434)
Lower Clutha Flood & Drainage	(4,461)	3,401	(4,067)	(5,127)
Lower Taieri Flood	(49)	2,405	(3,022)	(666)
West Taieri Drainage	(1,947)	817	(1,075)	(2,205)
East Taieri Drainage	(460)	763	(1,049)	(746)
Tokomairiro Drainage	(68)	192	(297)	(173)
Transport				
Dunedin Transport	(360)	29,725	(28,042)	1,323
Dunedin Transport - Historic Balance	(10,445)	1,816	(238)	(8,867)
Queenstown Transport	532	13,847	(13,877)	502
Queenstown Transport - Historic Balance	(1,821)	463	(40)	(1,398)
Oamaru Transport	51	1	(52)	-
Other				
Catchment Management	960	4,679	(5,348)	291
Biosecurity	(955)	7,772	(7,875)	(1,058)
Wilding Pines	(817)	1,073	(256)	-
Emergency Management	(7)	6,299	(6,120)	172
Navigational Safety	(88)	885	(999)	(202)
Dairy Monitoring	(12)	12	-	()
Infrastructure Assets Reserve	73,892	3,688	(1,120)	76,460
Total Targeted Reserves	**44,897**	**82,133**	**(78,016)**	**49,014**
TOTAL RESERVES	**925,440**	**185,477**	**(174,575)**	**936,342**

TREASURY REPORT

AS AT 30 June 2026 $'000	June 2026 Actual	June 2025 Actual	Variance	Summary by Quarter

Cash and Term Deposits — Current vs Previous Year End / Current Financial Year

BALANCES	Jun-2026	Jun-2025	YTD Movement	25/26 Q1 Sep-25	25/26 Q2 Dec-25	25/26 Q3 Mar-26	25/26 Q4 Jun-26
Cash	13,512	18,387	(4,874)	27,878	9,720	9,841	13,512
Term Deposits	0	0	0	0	25,000	19,000	0
Cash and Term Deposits	**13,512**	**18,387**	**(4,874)**	**27,878**	**34,720**	**28,841**	**13,512**

Managed Fund — Current vs Previous Year End / Current Financial Year

ASSET ALLOCATION	Jun-2026	Jun-2025	YTD Movement	25/26 Q1 Sep-25	25/26 Q2 Dec-25	25/26 Q3 Mar-26	25/26 Q4 Jun-26
Cash	1,440	1,785	(345)	1,287	1,238	1,455	1,440
NZ Fixed Interest	7,607	10,075	(2,467)	11,051	7,404	7,301	7,607
International Fixed Interest	6,787	2,934	3,853	2,909	6,928	6,686	6,787
Total - Defensive	**15,834**	**14,794**	**1,040**	**15,247**	**15,570**	**15,442**	**15,834**
NZ Property	897	896	1	1,017	965	865	897
NZ Equities	5,182	5,127	56	5,227	5,443	5,088	5,182
Australian Equities	4,940	4,654	287	4,796	4,660	4,712	4,940
International Equities	6,753	4,421	2,332	5,085	5,510	5,317	6,753
Total - Growth	**17,772**	**15,098**	**2,674**	**16,126**	**16,578**	**15,982**	**17,772**
Total Managed Fund Balance	**33,606**	**29,892**	**3,714**	**31,373**	**32,148**	**31,424**	**33,606**

PORTFOLIO PERFORMANCE	YTD Actual	YTD Budget	Variance	25/26 Q1 Sep-25	25/26 Q2 Dec-25	25/26 Q3 Mar-26	25/26 Q4 Jun-26
Interest	424	400	24	125	132	63	104
Dividends	616	350	266	173	119	183	141
Other (Fees)	(126)		(126)	(32)	(33)	(28)	(34)
Market Value Gain / (Loss)	2,800	1,497	1,303	1,215	557	(944)	1,971
Desposit / (Withdrawal)			0	0	0	0	0
Total Portfolio Performance	**3,714**	**2,247**	**1,467**	**1,481**	**776**	**(725)**	**2,182**

Borrowing — Current vs Previous Year End / Current Financial Year

LGFA DEBT	Jun-2026	Jun-2025	YTD Movement	25/26 Q1 Sep-25	25/26 Q2 Dec-25	25/26 Q3 Mar-26	25/26 Q4 Jun-26
Council	**25,000**	**25,000**	**0**	**40,000**	**25,000**	**25,000**	**25,000**
Port Otago	**150,000**	**149,815**	**185**	**146,573**	**149,976**	**150,000**	**150,000**
Total LGFA Debt	**175,000**	**174,815**	**185**	**186,573**	**174,976**	**175,000**	**175,000**

Cost of Funds — **2.750% Current BKBM**

COUNCIL DEBT	Amount	Maturity	Rate	BKBM	Margin	Rate
Commercial Paper	5,000	Dec-2026	3.090%	2.890%	0.200%	3.090%
Floating Rate Note	5,000	Apr-2027	3.255%	2.555%	0.700%	3.255%
Fixed Rate Bond	5,000	May-2028	5.700%			
Floating Rate Note	5,000	Apr-2029	3.590%	2.540%	1.050%	3.590%
Floating Rate Note	5,000	May-2030	3.385%	2.655%	0.730%	3.385%
Total Council Debt	**25,000**		**3.804%**	**2.660%**	**0.670%**	**3.330%**

SWAPS	Amount	Maturity	Rate	Live	vs Current BKBM	Net Cost / (Benefit)
3 Years: 15-Apr-2025	2,000	May-2028	3.520%	2,000	0.770%	15,400
3 Years: 15-Apr-2026	5,000	May-2029	4.115%	5,000	1.365%	68,250
5 Years: 15-Apr-2025	5,500	May-2030	3.730%	5,500	0.980%	53,900
Total Swaps	**12,500**		**3.850%**	**12,500**	**1.100%**	**137,550**

COST OF FUNDS (Including Swap Cost)	Amount	Maturity	Rate	Budget AP25/26	Rate Variance	Act vs Bud Variance $
Total Debt	**25,000**		**4.426%**	**4.000%**	**0.426%**	**106,550**

11.3. Proposed Review of the Flood Protection Management Bylaw 2022

Prepared for:	Council
Report No.	S&R2615
Activity:	Engineering
Authors:	Kirsten Tebbutt (Team Leader Planning & Partnerships), Brett Paterson (Manager Engineering), Alison Weaver (Team Leader Commercial and Regulatory)
Endorsed by:	Tom Dyer (General Manager Science and Resilience)
Date:	26 August 2026
Portfolio Leads:	Cr Kelliher and Cr Robertson, Science and Resilience

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PURPOSE

[1] To seek approval to commence the review process for the Otago Regional Council Flood Protection Management Bylaw 2022 ("Bylaw") under the Local Government Act 2002 ("LGA").

EXECUTIVE SUMMARY

[2] The purpose of the Bylaw is to manage, regulate and protect the effective operation and integrity of flood protection and drainage assets ("FPW") owned by or under the control of the Otago Regional Council.

[3] A Bylaw made under the LGA must be reviewed within 5 years of the date it is first made. The Bylaw was first made on 29 June 2022. Council needs to start the process to review the Bylaw under the LGA.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*
2) ***Approves*** *the preferred option (option 2) to commence a review of the Flood Protection Management Bylaw 2022 under the Local Government Act 2002.*

BACKGROUND

[4] Otago Regional Council owns and maintains FPW which provide flood protection and land drainage to 43,000 hectares of rural and urban land in Otago. Much of the FPW has regulatory protection under the Bylaw which ensures the flood protection and land drainage occurs to mitigate the full effects of flood events.

[5] The Bylaw is an important tool for managing and protecting FPW throughout Otago. The Bylaw:

a. Applies to identified drains, overland flow paths, defences against water, excavation sensitive areas, floodways, groynes, cross-banks, training lines and flood protection vegetation which are either owner by or under the control of Council;
b. Has restrictions on and affects activities on or adjacent to the FPW; and
c. Contains a process for applying for authority to undertake activities which would contravene the Bylaw.

[6] The FPW subject to the Bylaw are either owned by or under the control of Council. The Bylaw provides Council with authority for maintaining and protecting the effective operation of the FPW.

[7] The Bylaw came into force on 1 September 2022 to replace the 2012 version of Bylaw.

[8] Under s158 of the LGA, a new bylaw must be reviewed within 5 years from the date it was made. A bylaw which has been reviewed under s158 must then be reviewed every 10 years from the date it was made under s159 of the LGA.

[9] While the intention of the review of the Bylaw in 2022 was to continue the existing Bylaw (which would then require review in 10 years' time in 2032), the review created a new Bylaw which must be reviewed by 29 June 2027.

[10] If the Bylaw is not reviewed, under s160A the Bylaw will be revoked on 31 August 2029.

DISCUSSION

Bylaw Review Process

[11] Council staff have received advice that the review in 2022 likely created a new Bylaw due to the wording utilised when the Bylaw was adopted creating an impression that it was a new Bylaw. A new Bylaw must be reviewed within 5 years of its adoption, pursuant to s158 of the LGA whereas a Bylaw which has been reviewed already need not be reviewed again for 10 years pursuant to s159 of the LGA.

[12] To avoid any challenge to the lawfulness of the Bylaw it is recommended that the Bylaw is reviewed prior to 29 June 2027 under s158 of the LGA.

[13] When undertaking a review, Council must determine under s155 LGA that

a. A Bylaw (as opposed to other regulatory or non-regulatory methods) is the most appropriate way of addressing the perceived problem (s155(1) LGA).
b. The current ORC Bylaw is the appropriate way of addressing the perceived problem.
c. The Bylaw does not give rise to any implications and is not inconsistent with the New Zealand Bill of Rights Act 1990.

[14] If Council accept the recommendation to proceed with a review, Council staff will:

a. Address the above s155 considerations.
b. Seek input from the community in accordance with the Engagement Summary contained in Attachment 1.
c. Report back to Council regarding the review and provide any recommendations.

[15] It is noted that staff's initial view is that the s155 considerations can be answered appropriately so that Bylaw continues in effect. Staff also consider that while the Bylaw is acceptable, amendments could be made to improve it. Staff will report back to Council on these matters at the same time as a report on the review occurs.

Consultation

[16] Council must consider the views and preferences of persons likely to be affected or whom have an interest in the review. The Engagement Summary (Attachment 1) sets out a process for undertaking consultation.

Proposed timeline

[17] If a decision is made that the process will start to review the Bylaw, then the below timeline is proposed:

a. Undertake a review of the Bylaw in accordance with s155 of the LGA including seeking community input (October- November 2026);
b. Present findings to Council. If amendments are proposed Staff will also present a draft Bylaw and associated documents and seek Council approval to proceed with consultation (March 2027);
c. Undertake consultation in accordance with the special consultative procedures prescribed under ss83 and 86 of the LGA (May-June 2027);
d. Hearings (late June 2027);
e. The Bylaw following consultation and hearings is presented to Council for approval (September 2027).

OPTIONS

Option 1 – Do nothing

[18] This option will result in the Bylaw being revoked on 31 August 2029, 2 years after the final date on which review could have occurred.

Advantages	Disadvantages
• No action required from the Council.	• Will mean that FPW are unprotected from activities that impact on their efficacy.
	• Expected to result in the erosion of levels of service associated with the Council's FPW, funded via targeted rates.
	• Will not be complying with the LGA which requires a review to occur.

Option 2 – Review Bylaw

[19] This is the preferred option and first step to ensure the Bylaw remains in force. The future consideration by Council will be whether the Bylaw should continue as it is or be amended as part of the review.

Advantages	Disadvantages
• Ensures that Council owned or maintained assets remain protected and providing the anticipated level of service across the Otago community.	• None identified.
• Enables changes to the Bylaw to be considered where necessary.	

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Resilience

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

Alignment With Central Government Legislation

There is no specific national policy statement or central government direction that is directly applicable to this work.

Alignment With ORC Internal Policy

OBJ

Financial Considerations

This work is unbudgeted and will be absorbed within the existing budget in the 2024-34 Long-Term Plan. There will be no significant external expenditure and the work will be undertaken in house.

Legal/Compliance Risk

There is minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk

There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience

The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
This work is of LOW significance as assessed against He Mahi Rau Rika.

Engagement With Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work however next stages of the work will involve community engagement.

Stakeholder Engagement
There has been no engagement with external stakeholders and/or the public specifically for this work, however next stages of the work will involve community engagement.

Communications
The decision will be communicated with the relevant audiences, via consultation as provided for in the Engagement Summary.

NEXT STEPS

[20] Council staff will undertake a review of the Bylaw.

[21] The reviewed Bylaw and proposed amendments (it is expected that staff will recommend some amendments) and a plan for consultation with the community is presented to Council.

ATTACHMENTS

1. Flood Protection Management Bylaw 2022 Review Engagement Summary [**11.3.1** - 3 pages]

Flood Protection Management Bylaw 2022 Engagement Summary

1. Introduction

This engagement summary outlines how the Otago Regional Council (ORC) intends to engage with bylaw stakeholders to inform the review of the Flood Protection Management Bylaw 2022, subject to Council approval

The engagement process will support the development of a Bylaw that manages and protects the effective operation and integrity of flood protection assets owned by or under the control of ORC.

2. Project context and purpose

The purpose of the Bylaw is to manage, regulate and protect the effective operation and integrity of flood protection works owned by or under the control of the ORC. It controls activities that may affect the integrity or operation of flood protection works.

The Bylaw came into force on 1 September 2022 to replace the 2012 version of the Bylaw. Under s158 of the Local Government Act 2002 (LGA), the Bylaw must be reviewed by 29 June 2027.

Engagement:

The LGA requires ORC to undertake two phases of engagement. Phase one engagement focuses on whether the Bylaw is appropriate to manage flood protection. This summary outlines Phase one and briefly touches on Phase two. If after the review, Council decide to proceed with a making amendments to the Bylaw, Phase two will be a Special Consultative Procedure and a detailed engagement summary for Phase two will be provided with the Statement of Proposal.

Phase one engagement objectives:

- Identify any concerns stakeholders might have with the use of the current bylaw to manage flood protection works.

3. Stakeholders

3.1 Liaison groups

The Lower Clutha and Lower Taieri Liaison Groups will play an important role throughout the project. These groups represent scheme users and will help provide early feedback, and act as a conduit between ORC and the wider community.

3.3 Mana whenua partners

ORC is committed to working in partnership with mana whenua, recognising mātauraka Kāi Tahu as an integral part of decision-making. This commitment reflects ORC’s legislative responsibilities and gives effect to the Otago Regional Council’s

Significance and Engagement Policy, He Mahi Rau Rika, ORC's Strategic Direction partnership goal, and the Councillor-endorsed 34 Priority Actions. Early and collaborative engagement creates a shared understanding and supports informed decision-making between ORC and mana whenua.

4. Engagement methods

Engagement methods for target audiences under Phase 1 are set out in the table below.

Stakeholder	Engagement methods
Lower Taieri and Lower Clutha Liaison Groups	• Workshop at September/October 2026 Liaison Group meetings
Mana whenua partners	• ORC will partner with mana whenua to establish an effective engagement approach that reflects shared expectations, supports participation, and enables consistent and collaborative engagement for both parties.

5. Timeframes

The key engagement timeframes and tasks are summarised in the table below.

Timeframe	Stakeholder Engagement	Methods
Phase one		
Oct - Nov	Early engagement with Phase One stakeholders	Workshops and methods that supports mana whenua participation
Dec - Jan 2027	• Incorporation of feedback into draft bylaw if applicable • Report to council	N/A
Phase two		
Feb	• Finalisation of draft bylaw • Development of consultation materials • Stakeholder identification and communications planning	N/A
Mar	Decision to consult	N/A
May	Special Consultative Procedure	To be confirmed and consistent with the requirements of the LGA 2002
July	Hearings and analysis of submissions	Public engagement summary released

6. Role of Councillors

Councillors will be engaged throughout the process to ensure they understand the rationale for the review, the engagement process, and the implications of a review.

Staff propose that Councillors support engagement on the bylaw review by promoting awareness of the engagement process, encouraging participation across affected communities, and supporting constructive community discussion.

Councillors may also assist in connecting the project team with relevant stakeholders and helping communicate the purpose of the review and the importance of community feedback in shaping the bylaw.

11.5. Approval of ORC Compliance Plan

Prepared for:	Council
Report No.	ENV2609
Activity:	Compliance
Author:	James Adams (Senior Policy Analyst), Kerstin Strauss (Team Leader Policy)
Endorsed by:	Joanna Gilroy (General Manager Environmental Delivery)
Date:	26 August 2026
Portfolio Leads:	Cr Noone and Cr Byars, Environmental Delivery

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PURPOSE

[1] This paper seeks Council's approval of the ORC Compliance Plan 2026 - 2029 (The Plan) (Attachment 1).

EXECUTIVE SUMMARY

[2] The Compliance Plan is a high-level operational tool that provides a framework for prioritising Compliance team activities based on risk. It sets Compliance Team objectives and priorities and provides a transparent and consistent basis for decision-making and communication with resource users.

[3] The current Plan has reached the review stage of its three-year lifecycle. An internal review found it is operating as intended, aligns with national guidance, and has contributed to improved ORC compliance monitoring performance over its first two iterations. While no significant changes are proposed, amendments have been made to improve clarity, transparency, and usability, including refining objectives and priority statements, referencing marine discharges, increasing the priority of wastewater treatment plants, clarifying key definitions, and making editorial corrections.

[4] This work contributes directly to a Council strategic action seeking to ensure that compliance and consenting are fair, transparent, efficient and timely. Approval of the revised Plan will provide an up-to-date, Council-endorsed document that supports consistent communication of compliance priorities and decision-making while bridging the period between the expiry of the current Plan and any future requirements arising from national resource management reform.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*
2) ***Approves*** *the ORC Compliance Plan 2026 - 2029, included at Attachment 1.*
3) ***Delegates*** *to the Chief Executive the power to approve minor corrections (editing errors) to the Compliance Plan if needed.*

BACKGROUND

What is the Compliance Plan?

[5] The ORC Compliance Plan is a high-level operational tool that helps the Compliance team structure their monitoring and investigations work programme. The current Plan is included at Attachment 2. This plan has been in place since 2023.

[6] The amount of work that ORC's Compliance team needs to do is growing due to:

a. Increases in, and intensification of a range of activities including but not limited to: industry, farming, horticulture, infrastructure and population leading to increased numbers of consents and permitted activities, and
b. Heightened scrutiny and expectation by the community.

[7] Resources for meeting this growing demand are limited. ORC has more than 8,000 consents on its books, monitored by 20.5 staff. Impending resource management reform and new fast track consenting processes will also contribute to growing workloads. Consents issued through the fast track process tend to be large and require extensive monitoring. RMA reform has signaled a direction of less consents, but more permitted activity monitoring.

[8] ORC takes a risk-based approach to its work, consistent with the Resource Management Act 1991. The ORC Compliance Plan prioritises resources to ensure that appropriate resources are allocated and deployed to activities that carry the highest risk of environmental effects. The Plan gives the Compliance team an agreed framework for doing this by:

a. Setting objectives for team workload management.
b. Translating Community Outcomes from the ORC 2024-2034 Long-Term Plan, Levels of Service, statutory obligations, and risk, into a set of Compliance Priorities in Otago for the next three years.
c. Providing a transparent and consistent basis for decision-making, target-setting with Council (LTP and Annual Plans), and implementing Council's Strategic actions.
d. Supporting consistent, transparent, and risk-based decisions about proactive monitoring and the proportionality of incident response.
e. Giving effect to Councillor priority actions.

[9] Because the Plan is a high-level work prioritisation tool, it describes practices rather than defining detailed day-to-day processes. It is not a self-contained strategy, nor does it strictly define priority for individual activities, or set policy or rules. Detailed work planning, resourcing, and procedures are set through internal team plans and standard operating processes. For example, the Plan does not cover ORC's education-focused workstream and activities, which are often targeted to higher priority activities in the plan and are planned across the group each year.

[10] The Plan is not a statutory document.

What effect has the current Compliance Plan had?

[11] Before 2020, the Compliance team's work prioritisation was ad hoc. This is reflected in national reporting: at its lowest point in 2018/19 (records began in 2017), ORC monitored only 52.3% of consents requiring it.[1] Two iterations of the Compliance Plan have since been developed – the first covering 2020 to 2023 and the second (largely a restatement of the first) covering 2023 to 2026. Since 2020, the ORC Compliance team's performance, as measured in National CME metrics reports, has increased dramatically – exceeding monitoring targets each year since 2022/23.

Why and how has the Compliance Plan been reviewed?

[12] The Plan has a three-year lifespan and has reached the review stage of its lifecycle. A joint Policy and Planning team and Compliance team working group led a qualitative review, looking at:

a. ORC internal processes and strategic framework related to the Compliance Plan.
b. National frameworks: Ministry for the Environment Best Practice Guidelines, the Regional Sector Strategic Compliance Framework, and Compliance Monitoring and Enforcement Metrics.
c. Other Regional Councils' published approaches to CME strategy and policy.

[13] The review process included a workshop with Council on 11 June, seeking input on the strategic elements of the Plan – the objectives and priorities.

What about Resource Management reform?

[14] Resource Management reform is underway at a national level and will have implications for Compliance practice in the future, including the potential requirement to develop a Compliance Strategy. The parameters and details are yet to be developed, but a more detailed strategy document may be required in time.

[15] This revision of the Compliance Plan fills the gap between the expiry of the current Plan at end of June 2026 and whatever new requirements come into play in the future.

DISCUSSION

What has the review found?

[16] Fundamentally, the Plan is working as intended. It provides a clear, Council endorsed- framework for prioritising compliance work, is widely used by Compliance staff to organise workloads and justify decisions and aligns with national CME guidance. Since its introduction, compliance monitoring performance has improved markedly. Accordingly, the review has focussed on refinement, not wholesale changes.

[17] The issues identified through the review relate primarily to clarity, expression, and transparency. The changes aim to improve understanding and usability without altering the core framework.

[18] While the priorities and objectives have not undergone significant change, they have been refined and reordered to better align with Councillor feedback, ORC's wider

[1] Doole, Dr Marie A (2020): *Independent analysis of the 2018/2019 compliance monitoring and enforcement metrics for the regional sector* The Catalyst Group, p55.

strategic goals and priority actions, and to better reflect the Plan's purpose. The revisions also reflect staff experience.

What changes have been made?

[19] Existing narrative content has been reordered to improve the flow of information, including design work by ORC's communications team to make the Plan easier to understand. This reordering of information makes a tracked change version to show changes from the current version of the Plan impractical. Attachment 3 records the key changes in the new version of the Plan.

[20] The changes made to the Compliance Plan aim to:

a. Clarify purpose and logic by being clear about the Plan's primary role in organising and prioritising compliance work, its scope, and its relationship to the wider planning framework.
b. Tighten and reorder objectives by refocusing the first objective (high-level environmental outcome) to focus on what the Compliance Team can directly influence, elevate the second objective (prioritisation) as the primary objective, and refine how the third objective (communication) is expressed.
c. Strengthen the priorities' narrative by explaining how they operate, refining the priority statements to lead with the "why," and being clear that the activities listed under each priority are examples rather than exclusive lists.
d. Refine content of priorities by:
    i. Including wastewater treatment plants under Priority 1 (currently Priority 2 but treated as priority 1);
    ii. Clarifying the meaning of "large-scale and integrated" under Priority 2,
    iii. Explicitly referencing marine discharges under Priority 6; and
    iv. Removing oil spill preparedness from the priorities (as it is an operational capability rather than a work-prioritisation issue).

[21] The revision also addresses updates and editing errors:

a. Artifacts from previous updates (e.g. old Plan dates still stated in some parts).
b. Table of contents not matching contents of the Plan.
c. Minor spelling and grammatical errors.
d. Credits/descriptions on photos.
e. Graphics using now-outdated data.

OPTIONS

Option 1 (recommended): Approve the ORC Compliance Plan 2026 - 2029

[22] It is recommended that Council approves the updated plan. The additional clarity provided by the revisions would improve the Plan's useability and transparency, explaining Compliance priorities and process.

[23] The review and revision of the Plan contribute to Council's strategic actions, in particular:

"Audit and Risk to complete a deep dive into consenting, and compliance condition activities to ensure they are operating fairly, transparently, at an appropriate cost, efficiently and in a timely fashion. This would include setting conditions, monitoring and enforcement of above."

[24] This is because the plan is part of ensuring that the community knows how compliance activities are prioritised, ensuring transparency.

[25] Approving the revised Plan also shows Council's continuing support for the objectives and priorities expressed within. This makes the Plan a robust communication tool for Compliance staff when communicating decisions and intent around Compliance activities. There will be opportunities to update the plan as needed as a result of RM Reform.

Option 2: Continue without a current Compliance plan

[26] The priorities and objectives that form the core of the Plan's content are well understood by the Compliance staff who deal with them most. Current service is likely to continue even without a current Plan.

[27] Proceeding without a current Plan would also be inconsistent with ORC's Community Outcomes and strategic actions because it would not be meeting commitments to transparency about how work is planned.

[28] The current Plan includes some clear editing errors. Having an out-of-date plan may also cast doubt on Council's support for the Plan's contents. This could limit Compliance team members' ability to use the Plan to support Compliance priorities and decisions when dealing with consent holders, people carrying out permitted activities, or other members of the public.

Option 3: Redraft a new version of the Compliance Plan

[29] Council may prefer a different approach to that taken in the revised Plan.

[30] This would involve continuing to operate under the current expired Plan while a new revised Plan is drafted.

[31] Resourcing and timeframes for the new revision would depend on Council's goals, instructions, and requirements.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Communities

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

Environment

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

Resilience

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

Alignment With Central Government Legislation
There is no specific national policy statement or central government direction that is directly applicable to this work. Guidelines published by the then Ministry for the Environment and a Compliance Framework developed by the Regional Sector's Compliance and Enforcement Special Interest Group (CESIG) provide for a consistent approach to best practice in compliance, monitoring and enforcement (CME) across New Zealand's Regional Sector. ORC's approach to CME, with ORC's Compliance Plan as a core component, is driven by the approach laid out in these documents.

Alignment With ORC Internal Policy
This work is consistent with relevant ORC policies, in particular the ORC RMA Compliance and Enforcement Policy, and Pollution Incident and Response procedure.

Financial Considerations
The budget for this work was approved through the 2024-2034 Long-Term Plan and comes from the Compliance budget. The 2026/27 budget includes $2,878K in expenditure for proactive monitoring and $2,313K in expenditure for reactive monitoring including pollution response, incident investigation and enforcement.

If the plan is approved there is no ongoing financial requirements. If the plan is not approved then there will be financial considerations relating to the potential amount of re-work. This would be in the form of internal staff time.

Legal/Compliance Risk
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions have not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
This work is of LOW significance as assessed against He Mahi Rau Rika.

Engagement With Mana Whenua
Mana whenua were engaged with through Aukaha and TAMI as a part of the review process.

Stakeholder Engagement
There has been discussion with primary industry and stakeholder groups. There has not been wider engagement with external stakeholders and/or the public specifically for this work. As the Compliance Plan is an internal operational prioritisation tool rather than a statutory or policy document, formal public consultation was not considered necessary.

Communications
The decision will be communicated with the relevant audiences, in particular internal ORC teams interacting with Compliance, and will be available to interested external parties on the ORC website.

NEXT STEPS

[32] If Council approve the plan, the Compliance team will use this as the basis for future work prioritisation and target setting. A copy of the plan will be updated to Council's website.

ATTACHMENTS

1. REG Compliance Plan Doc July 2026 PROOF 260730 [**11.5.1** - 24 pages]
2. ORC Compliance Plan 2023 - 2026 (Website Jan 2026) [**11.5.2** - 18 pages]
3. Table of revisions to Compliance Plan [**11.5.3** - 2 pages]

Otago Regional Council

Otago Regional Council Compliance Plan

2026–2029

August 2026



VERSION	DATE	AUTHOR / EDITORS
1.0	July 2026	**James Adams** Senior Policy Analyst RPS, Air & Coast, Policy and Planning

CONTRIBUTORS	DESCRIPTION	APPROVED BY
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Cover image: *Staff at Silver Stream, Gordon Road*



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Lake Hāwea

About the compliance plan

The Otago Regional Council (ORC) regulates activities that affect water, air, land, and the coastal environment to achieve sustainable environmental outcomes.

Demand on ORC's compliance function is increasing due to growth and intensification of land use, a rising number of resource consents, and higher community expectations.

In this context, compliance effort must focus on the areas of greatest risk to the environment and what matters most to the community.

This Compliance Plan sets out how ORC will prioritise and deliver its compliance functions from July 2026 to June 2029.

The compliance priorities draw on statutory obligations, Council direction, and known risks.

They guide both proactive monitoring and incident response, ensuring effort is directed to activities with the greatest potential for adverse effects or non-compliance.

This plan:

- sets objectives to define success,
- identifies compliance priorities, based on risk,
- provides a Council-endorsed basis for allocating compliance resources.

It is a strategic framework rather than an operational work programme. Detailed work planning, resourcing, and procedures are set through internal team plans and standard operating processes.



Figure 1: *The Compliance Plan's regulatory and organisational context.*

Objectives

The Compliance Plan objectives are to:

- **Identify and prioritise the activities that ORC's Compliance team will focus its resources on.**
- **Ensure compliance with rules and consent conditions.**
- **Proactively communicate with communities and consent holders about ORC's Compliance team activities, encourage good practice, and raise environmental awareness.**

By focusing compliance effort where the risk is greatest, this Plan supports ORC's work towards achieving community outcomes, environmental outcomes, and giving effect to the RMA.

This plan sets the direction for ORC's compliance work over the next three years.

It explains what we will focus on to deliver good compliance and environmental outcomes. It does not list every activity we will undertake.

Our work programmes are updated regularly so we can respond to new issues, emerging risks, and changes in national direction.

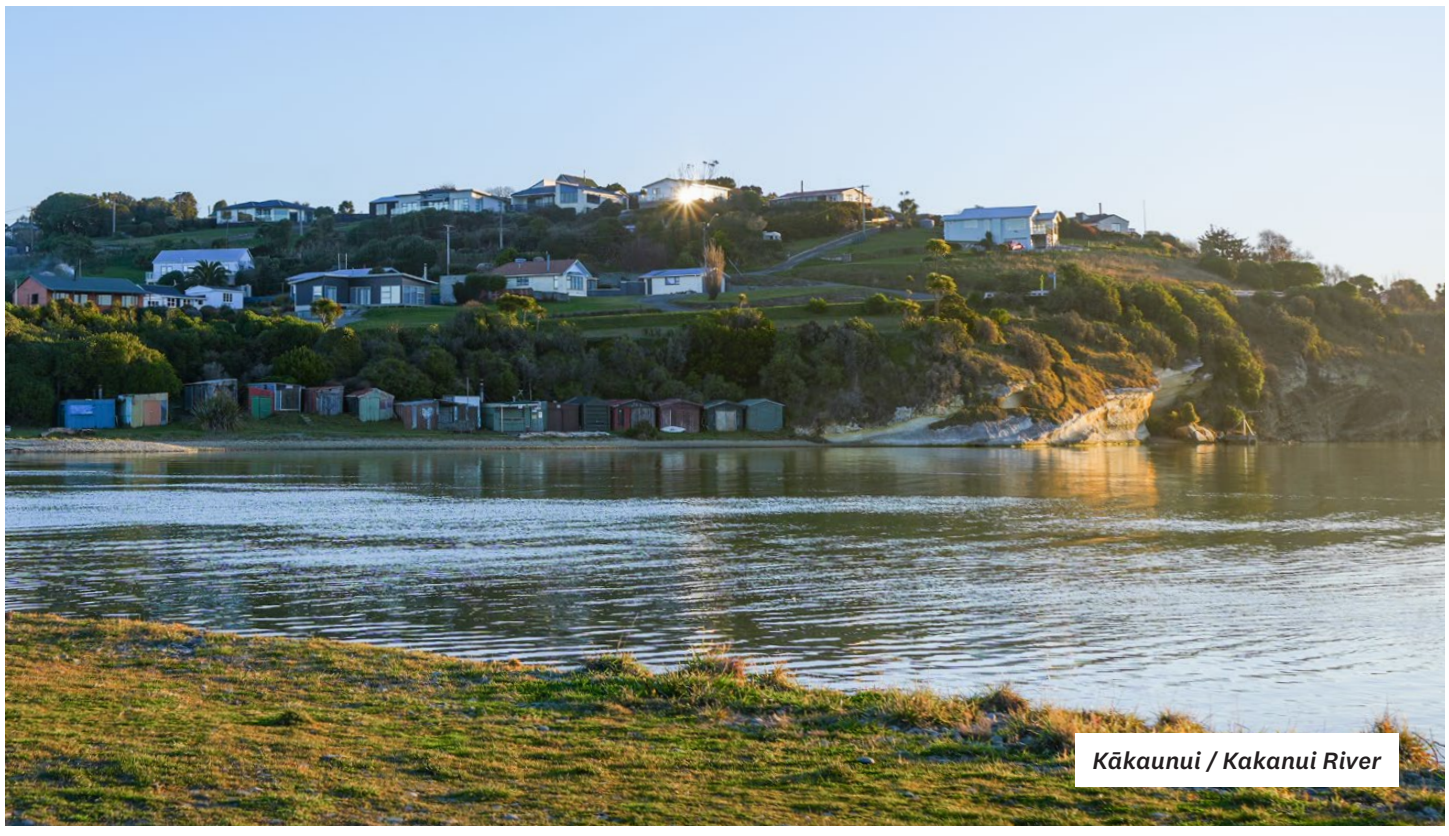
Monitoring these objectives

ORC measures the success of this plan by drawing on:

- feedback from compliance staff, key partners, and close stakeholders,
- progress against programmed workplans.

Around the mid-point of the Plan, ORC will perform a desktop assessment to:

- ensure the priorities are still aligned with risk and Council direction,
- identify any emerging gaps or unintended consequences,
- inform future iterations of the Compliance Plan and related work programmes.



Kākaunui / Kakanui River

Compliance priorities in Otago

How ORC establishes its compliance priorities

Identifying priorities for compliance monitoring enables ORC to plan its work to focus on the issues with the highest environmental and community impacts. For incident response, these priorities help determine the level and type of response.

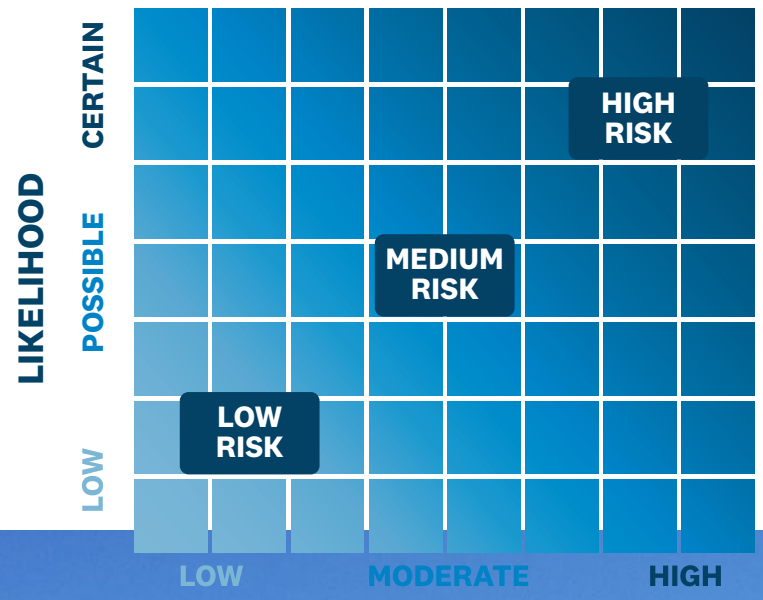
The Compliance Priorities in Otago are based on the level of risk an activity poses to people and the environment.

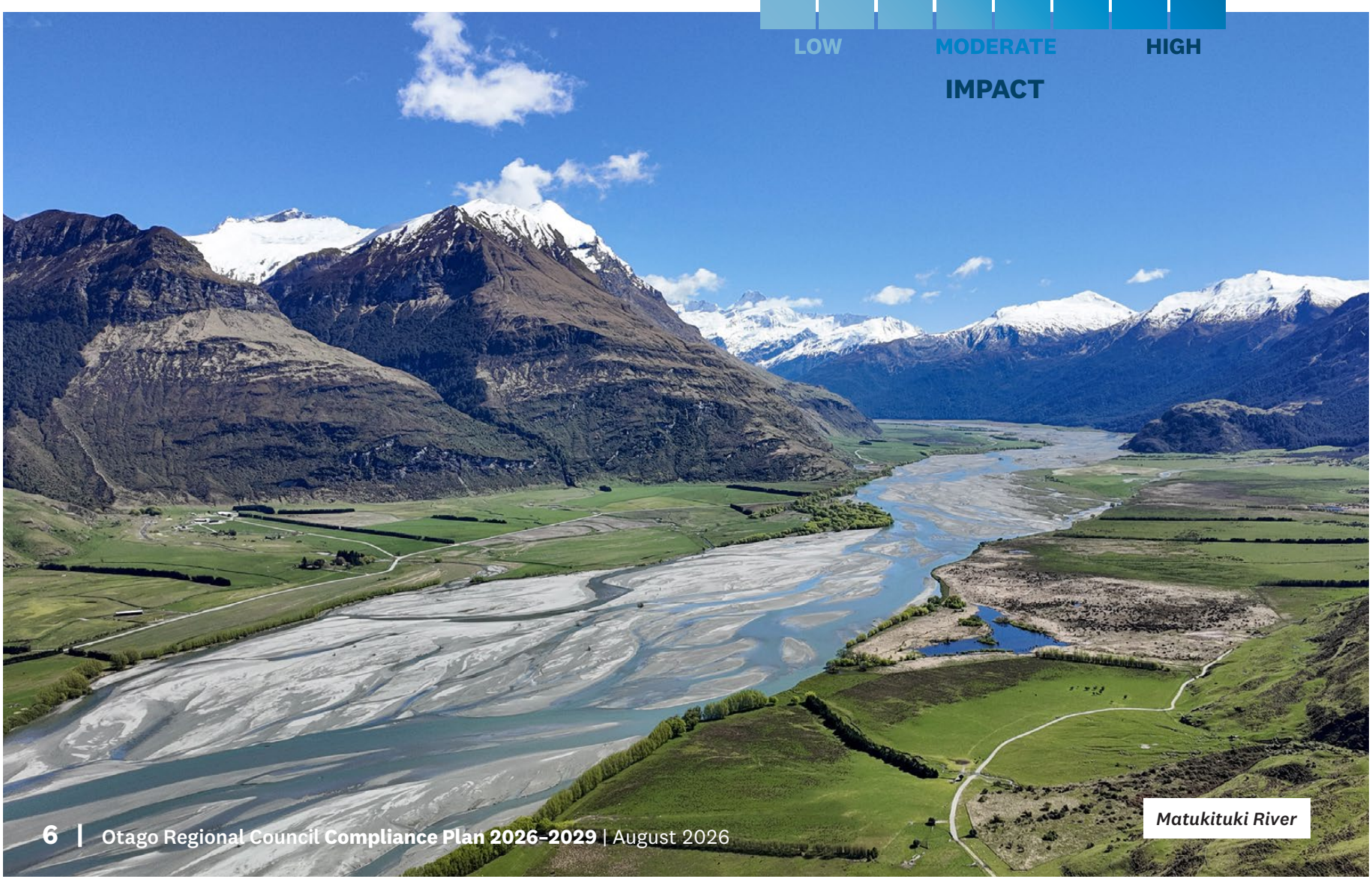
In accordance with the Regional Sector Strategic Compliance Framework, this risk assessment considers how likely non-compliance is and the potential impact if it occurs (including cultural, social, and economic effects).

Activities are grouped into priorities, as shown in **Appendix 1,** with Priority 1 representing the highest risk. These priorities guide how often and how closely activities are monitored.

Risk matrix

(based on Regional Sector Strategic Compliance Framework)





Matukituki River

The priorities

For 2026–2029, the compliance teams will focus on:

Priority 1: Improving freshwater quality by reducing non-compliant discharges

Poorly managed discharges directly affect the quality of our region's rivers, lakes, and underlying groundwater aquifers.

As national direction and regional regulations regarding water management continue to evolve, ORC's primary compliance focus is the active monitoring and enforcement of discharge rules.

We provide guidance to support good environmental practice and use regulatory tools to ensure consent holders and landowners meet their compliance obligations.

Priority 2: Safeguarding regional natural resources through proactive and integrated monitoring of large-scale activities

"Large-scale activities" involve multiple inter-related consents (e.g. earthworks, water takes, discharges, and structures) or occur at a scale that concentrates potential effects in one location (such as large quarries or major industrial plants).

We use an integrated approach, monitoring the full suite of consents and potential effects together, to ensure regulatory efficiency.

For these activities, the Compliance team actively manages monitoring of consents, reviews data, and works proactively with consent holders to achieve compliance.

Priority 3: Protecting water quantity by monitoring water takes and use

Maintaining river flows, lake levels and aquifer levels is critical for the health of Otago's waterbodies.

To protect these values, we actively monitor water takes and audit water meter data. We also work proactively with consent holders to protect freshwater values by maintaining flows and adhering to allocation limits.

Priority 4: Protecting freshwater habitats, hydrological function, and aquifer security by monitoring structures and works in and adjacent to fresh water

Monitoring structures in and adjacent to fresh water, including wetlands, is an important regional priority.

Poorly designed works, including non-compliant bore construction and operation, culverts, and wetland modifications, can severely impact the habitats of freshwater species, disrupt hydrological function, and, in the case of non-compliant bore construction, create pathways for groundwater contamination.

Priority 5: Improving air quality by reducing non-compliant air discharges

Non-compliant domestic air discharges from inefficient domestic burning during winter months can affect human health. Non-compliant industrial and rural air discharges, such as outdoor burning, that breach permitted activity rules or consent conditions also have localised impacts on air quality.

Air quality is a significant work programme for Council, but many air quality issues are currently more effectively managed through incident response, education, and other programmes than through routine proactive monitoring.

The priority given to air discharges in this Plan reflects where compliance activity can most effectively influence outcomes under the existing regulatory framework.

Priority 6: Protecting coastal habitats and water quality by monitoring coastal structures and discharges

Non-compliant structures and discharges in the coastal environment can affect coastal water quality, damage marine habitats, and reduce public amenity.

Applying priorities in practice

The priority of an activity in this Plan provides a starting point. In practice, the level of attention given to a specific activity or incident will depend on the situation.

When planning monitoring, or responding to and investigating incidents, we consider risk factors such as:

- the actual or potential impact on people and the environment
- compliance history, and the scale and nature of the activity
- community and mana whenua concerns
- the sensitivity of the receiving environment, and
- opportunities to support behaviour change.

This means that some lower priority activities will receive a higher level of attention at times where the risk is greater.

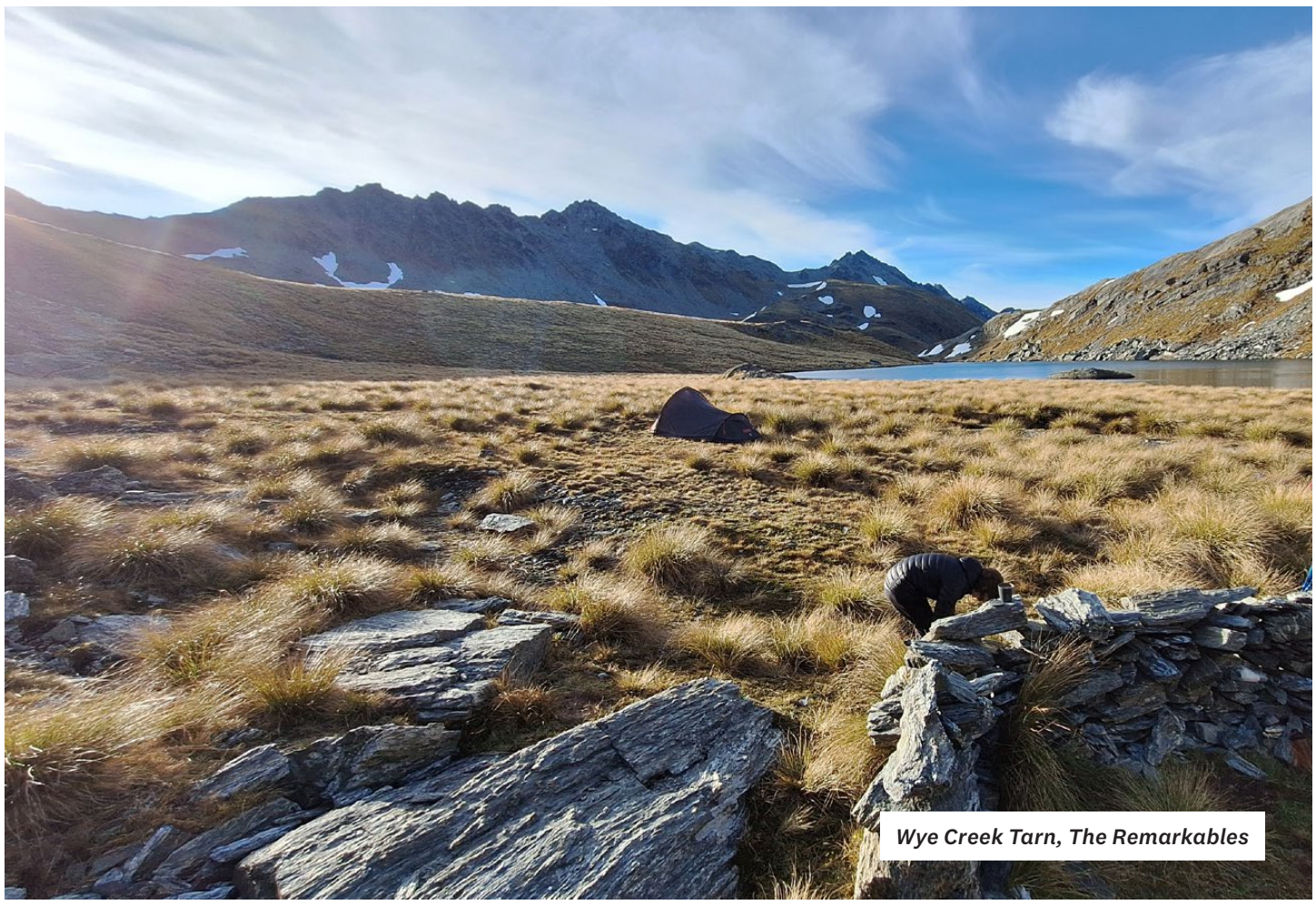
For example, most coastal discharges are generally low risk and require less frequent monitoring. However, higher-risk coastal discharges, such as industrial discharges or contaminated stormwater, are monitored more closely.

A risk-based approach allows the Compliance team to focus our effort where it will have the greatest impact. This includes targeting areas where the risk is higher or where compliance is less likely.

Local knowledge and professional judgement are important. Risks vary across Otago and change over time, so we adapt our approach based on monitoring data and what we are seeing on the ground.

Otago's environmental pressures are geographically diverse, and compliance issues differ between coastal and inland communities.

To ensure our approach fits the needs of the moment, officers continuously adapt their monitoring strategies using data, incident trends, professional judgement, and state of the environment reporting to respond to evolving risks.



Wye Creek Tarn, The Remarkables

What ORC's Compliance team does

ORC's Compliance team monitors permitted activities and consent conditions and responds to and investigates incidents.

Monitoring activities

ORC monitors activities to check they are meeting resource consent conditions and permitted activity rules.

The Compliance Priorities in Otago provide a framework for structuring monitoring work across the team, ensuring that work is carried out efficiently and focused on the right activities.

The team receives and analyses environmental monitoring data, carries out site visits, and uses tools such as aerial monitoring to assess compliance.

Incident response

We respond to reports of environmental non-compliance and pollution incidents received through our 24-hour Pollution Hotline, website, and email, as well as field reports from staff.

In addition to responding to reported incidents, the team also undertakes proactive monitoring of activities operating under permitted activity rules.

All incidents and compliance matters are logged, assessed, and responded to. The priorities in this Plan help determine the allocation of resources and urgency of the response.

ORC uses a risk-based approach to decide how we respond. This determines how quickly we act and what type of response is needed, for example whether:

- a site visit is required, and how quickly,
- a response is needed after hours; or,
- further monitoring, education, or enforcement action is appropriate.

All incidents are responded to and reported.

Specialist response capability

We also maintain the capability to respond to coastal oil spills under the Maritime Transport Act.

This function is managed through operational plans.

Working in partnership with Kāi Tahu

ORC recognises the value that engagement with mana whenua adds through the sharing of their knowledge and wisdom.

Council works with Kāi Tahu as mana whenua in Otago and is committed to developing a trusted and enduring relationship, and to enable the development of mana whenua capacity to contribute to decision making, reflecting Te Tiriti o Waitangi, and Kāi Tahu tikaka and mātauraka in our work.



Cromwell

Compliance approach

The compliance team applies a proactive, responsive, and risk-based approach to our regulatory functions.

Our philosophy is **education first.** We will work proactively with groups, resource users, and consent holders on good environmental practice. We are guided by the Regional Sector Strategic Compliance Framework 2019–24 operating principles:[1]

Transparent

We provide clear information about compliance requirements, providing good information on environmental performance, and our actions to address non-compliance.

Responsive

We will respond in an effective and timely manner in accordance with legislative and organisational obligations.

Consistent

Our actions are consistent with legislation and within our powers. We will strive for consistency of compliance and enforcement outcomes.

Targeted

We focus on the most important issues to achieve the best outcomes, targeting regulatory intervention at activities that pose the greatest risk to the environment.

Collaborative

We collaborate and share information with other regulators and stakeholders. We will engage with consent holders and communities to achieve good environmental outcomes.

Evidence-based

Our decisions will be informed by a range of sources, including science, other regulators, the community, industry, and interest groups.

Lawful, accountable

We conduct ourselves lawfully and impartially in accordance with relevant policies and guidance. We will measure and report on our performance.

Fair and reasonable

Our decisions are appropriate to the circumstances, and our actions will be proportionate to the risks to the environment, people, and the seriousness of the incident.

[1] This framework is in the process of being updated at time of writing. The drafters advise that these principles are likely to remain the same.

How we respond to non-compliance

ORC uses the model set out in the Regional Sector Strategic Compliance Framework to inform the approach and the regulatory tools we use to address non-compliance:

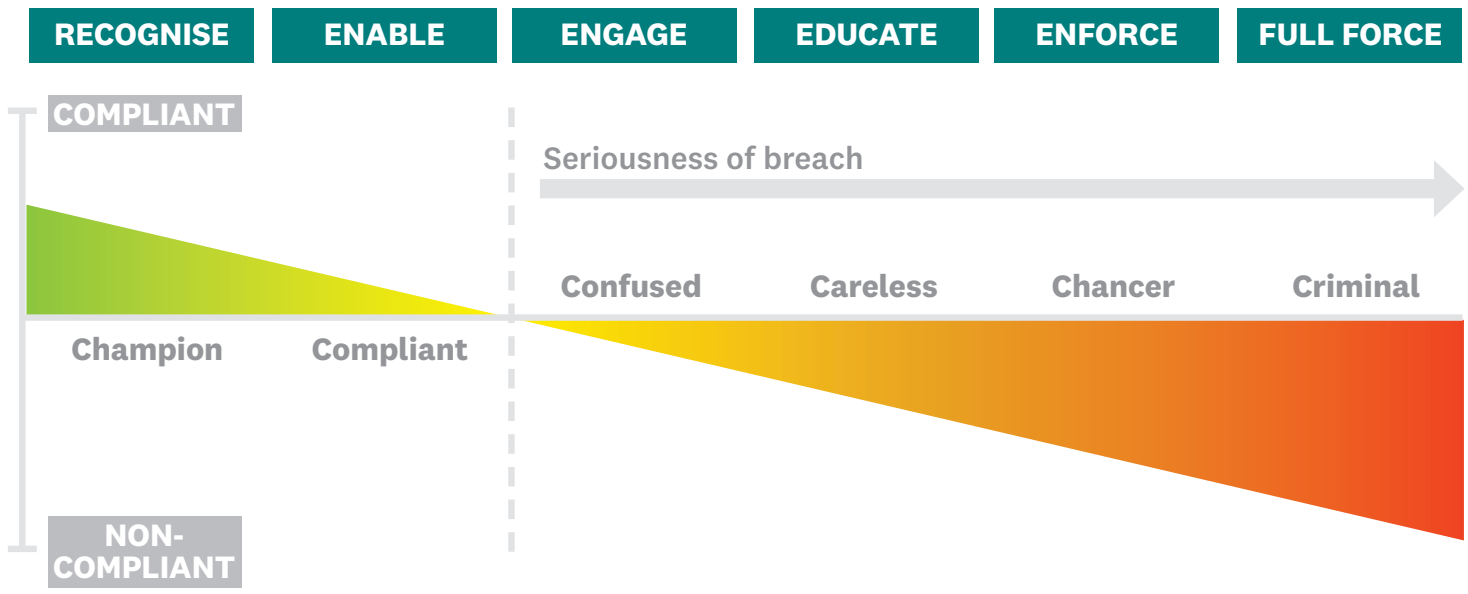


Figure 2: *Influencing behaviour change — based on the Regional Sector Strategic Compliance Framework Mark II Model*



Sandymount from Allans Beach

Compliance tools

We use a range of compliance and enforcement tools to respond to non-compliant resource consents and incidents which breach our plans or national regulations:

Letters	Used where a minor breach has been reported and/or to educate on the relevant consent conditions, rules and regulations that apply.
Formal warnings	Used when the risk to the environment or people from a breach is low and to work proactively to improve compliance to avoid repeat incidents.
Infringement notices	Used when non-compliance with a consent condition or with rules requires a more formal approach and where a fee is required to be paid.
Abatement notices	Used when non-compliance with a consent condition or rules requires works to cease and/or where remediation is required.
Enforcement orders	Used for higher level offending, made by the Environment Court, and requires activities to cease, actions to be taken and/or costs to be paid.
Prosecutions	For higher level offending, establish the guilt or innocence of an accused party, and can include fines and/or imprisonment.

Programmes to support compliance

To support our compliance priorities, we work proactively with landowners and consent holders. We engage with them on compliance matters, enable compliance wherever possible, and educate on good environmental practices.

We achieve this through:

ORC website

We provide clear guidance on good practice across sectors, including farming, earthworks, bores, water takes, and data reporting. We are also improving how people can submit information to us.

On-site advice

We provide practical, on-site advice across rural and urban settings to support good practice and help people meet plan rules and national regulations.

Compliance correspondence

We keep consent holders informed about the results of monitoring and how they can improve compliance.

This includes both resource consents and permitted activities, such as dairy farming and forestry.

Industry workshops

We work with other ORC teams and industry groups to run practical field days and sector specific workshops (such as earthworks workshops and farm days) to share good practice and discuss how to apply rules.

Proactive compliance

We monitor permitted activities and work with consent holders early to address issues before they become non-compliant.

This includes programmes such as dairy farm monitoring, forestry harvest planning, and low flow management.

Partnerships

We work with industry groups to promote good practice and support compliance.

Guidance material

We publish technical guidance, fact sheets and other resources that explain requirements and show how to apply them in practice.

Proactive communication

We use ORC channels, and targeted communications to explain our compliance priorities, provide seasonal guidance (such as low flows and winter air quality), and keep communities informed about issues that may affect them.

Compliance at a glance: financial year 2024 to 2025

8000 consents in our system

549 activities and structures in/over waterbodies

1,656 water takes

296 air discharge consents

682 consents for structures in the coast

1,879 discharges to land, water, and coast

162 earthworks consents

472 dairy farms monitored

899 consents monitored on-site & 3170 desktop audits

39 Forestry inspections

1045 incidents responded to

400 registered dams

377 significant non-compliant site[2] and desktop inspections

587 moderate non-compliant site[2] and desktop inspections

2807 low risk non-compliant site[2] and desktop inspections

5198 fully compliant site[2] and desktop inspections

[2] This site inspection number does not include dairy or forestry inspections (permitted activities)

Appendix 1: Priorities with example activities

The activities listed under each priority are examples of where we will focus our effort. They are not exhaustive or exclusive lists. We may include other activities with similar risks and adjust priorities for particular activities as circumstances change.



Priority 1: Improving freshwater quality by reducing non-compliant discharges

Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
Sedimentation of freshwater from earthworks and in-river works **Issue:** Poorly managed earthworks, and in-river works can discharge sediment and affect water quality.		
Educate and advocate good erosion and sediment control practices. Monitor earthworks and in-river works.	• Work closely with district councils and industry to promote effective erosion and sediment control practices. • Educate and promote good practice for in-river works. • Monitor compliance with consents for earthworks and in-river works. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Compliance with earthworks rules and resource consents. • Sedimentation of freshwater and estuaries is reduced.
Plantation forestry **Issue:** Poorly managed forestry activities discharge sediment, disturb river habitats, and affect water quality.		
Educate and advocate good forestry practices to reduce sediment discharges and monitor forestry activities.	• Educate and promote good practice for afforestation, harvesting and earthworks. • Monitor consents and permitted activity plantation forestry. • For higher risk activities, undertake pre-harvest inspections, monitoring during harvesting and post-harvest inspections where appropriate. • Take appropriate action where breaches of consent conditions or the NES are identified.	• Compliance with NES rules. • Impacts of plantation forestry activities on freshwater are reduced.

Action	Compliance team outputs	Outcome
Stock exclusion **Issue:** Stock access to freshwater degrades water quality of rivers, lakes, and wetlands.		
Educate farmers on stock exclusion requirements and monitor stock access.	• Where appropriate, apply a proactive education first approach to enabling compliance with current regional rules and regulations for stock access and further education as the regulatory framework changes. • Monitor stock interactions with rivers, lakes, and wetlands. • Take appropriate action where breaches of consent conditions, NES, or plan rules are identified.	• Farmers understand current and upcoming requirements. • Where required, stock is excluded from freshwater bodies. • Negative impacts on water quality are reduced.
Dairy inspections **Issue:** The effects of non-compliant farm effluent discharges is a contributor to water quality degradation.		
Monitor farm waste management (the storage and discharge of solids and liquids generated by farming activities).	• When appropriate, apply a proactive education first approach to enabling compliance with regional rules for farm effluent discharges. • On-site monitoring of collected animal waste discharges and infrastructure based on risk with high-risk farms inspected annually. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Farmers understand current and upcoming requirements. • Improved compliance with rules and consents conditions. • Negative impacts on water quality are reduced.



Action	Compliance team outputs	Outcome
Intensive farming **Issue:** Poorly managed intensive farming can cause water quality degradation.		
Monitor intensive farming practices and educate farmers on the requirements.	• Where appropriate, apply a proactive education first approach to enabling compliance with regional and national rules and regulations for intensive farming – dairy farms, intensive grazing, feedlots and stockholding, agricultural intensification, synthetic nitrogen use. • Undertake desktop, and aerial monitoring annually of known at risk catchments. • Site inspections where risks have been observed during flyovers. • Appropriate action where breaches of consent conditions or plan rules are identified.	• Farmers understand current and upcoming requirements. • Farmers comply with the new rules or have obtained consent. Impacts on water quality are reduced.
Municipal wastewater treatment plants **Issue:** Non-compliant discharges from wastewater treatment plants and reticulated systems can have significant impacts on freshwater and coastal water quality.		
Monitor municipal wastewater treatment discharges.	• Monitor wastewater treatment plants at least annually, based on environmental and health risk and previous records of non-compliance. • Work proactively with district councils to reduce incidents of non-compliance. • Take appropriate action where breaches of consent conditions, national standards or plan rules are identified.	• Ensure compliance at wastewater treatment plants. • Reduced impacts on freshwater and coastal water quality.



Silver Stream, Mosgiel

Priority 2: Safeguarding regional natural resources through proactive and integrated monitoring of large-scale activities

Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
District council consents (excluding wastewater) **Issue:** District councils hold several large-scale consents, and compliance with these consents is not always achieved, which can impact the receiving environment.		
Monitor all large-scale district council consents and work with councils to improve compliance.	• Work proactively with district councils to reduce incidents of non-compliance. • Monitor large-scale consents at least annually and based on environmental and health risk and previous records of non-compliance. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improved compliance with consent conditions. • Improved collaboration with district councils.
Contaminated land and landfills **Issue:** Monitoring of contaminated land activities, and active and closed landfills is needed to address risk associated with leachate and odour, and potential discharges to water.		
Monitor contaminated land activities and all landfills.	• Monitor active landfills at least annually. • Monitor closed landfills at least every 3 years, and prioritise monitoring based on level of risk to water, the coastal marine area, land, and community concern. • Monitor disturbance of contaminated land consents based on level of risk. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Active landfills are compliant with conditions. • Impacts from closed landfills are identified and effects are addressed.
Other large-scale activities **Issue:** The scale and nature of these activities in Otago require an integrated approach to monitoring consents.		
Monitor large-scale activities.	• Monitor large-scale activities (such as mining and quarrying activities, larger private wastewater schemes, large-scale industrial and processing activities, meat works and rendering plants, and large power generation schemes) based on the history of compliance, environmental risk, and monitoring data. • Where non-compliance with consent conditions is identified, take appropriate regulatory action and work proactively with consent holders to improve compliance and performance.	• Consent holders are compliant with conditions of their consents. • Risks to the receiving environment from non-compliance are reduced.

Priority 3: Protecting water quantity by monitoring water takes and use

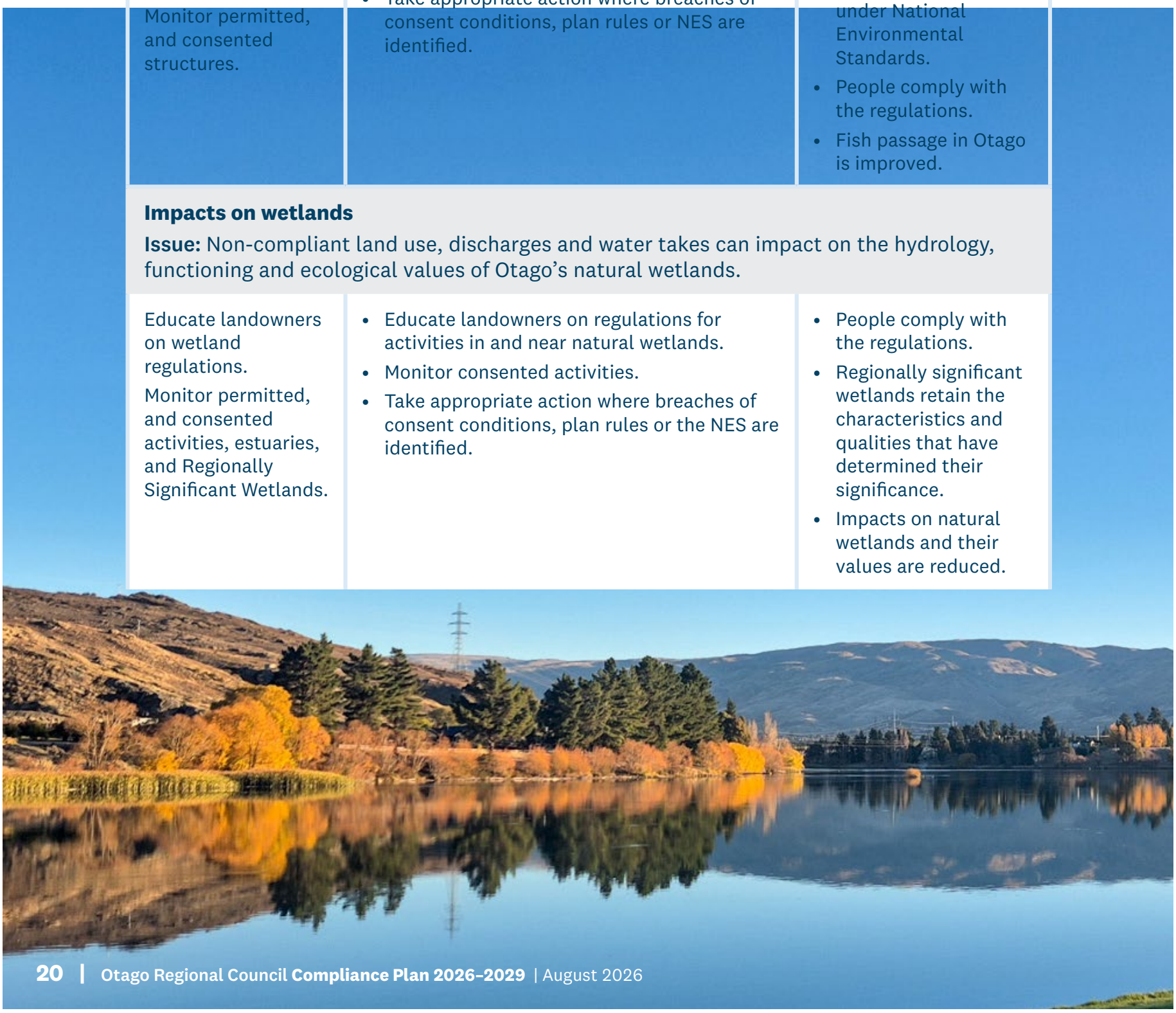
Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
Water takes **Issue:** Taking more water than is consented is unlawful and can adversely affect mauri, freshwater habitats, and other water users.		
Monitor water takes.	• Undertake desktop or on-site monitoring of water permits based on catchment risk (e.g. Upper Taieri, Manuherikia, Cardrona, Pisa, Gibbston and Central Otago). • Work proactively with water users to reduce incidents of non-compliance. • Take appropriate action where breaches of consent conditions, plan rules or water measuring regulations are identified.	• Improved compliance with rules and consents conditions. • Impacts on freshwater and habitats are reduced. • The reliability and accuracy of water use data provided by consent holders is improved.
Water flows and levels during dry periods **Issue:** During dry weather, water takes during low flows have greater impacts on freshwater.		
Ensure minimum flows are maintained during dry weather periods.	• Establish dry weather task force prior to dry weather conditions affecting flows. • Monitor low flow conditions and work proactively with permit holders to ensure minimum flows are maintained during low flow periods. • Issue water shortage directions where required. • Monitor residual flows on permits and prioritise this based on the level of risk. • Take appropriate action where breaches of consent conditions or plan rules are identified.	• Compliance with minimum and residual flows is improved. • Environmental impacts from water takes are reduced during low-flow periods.

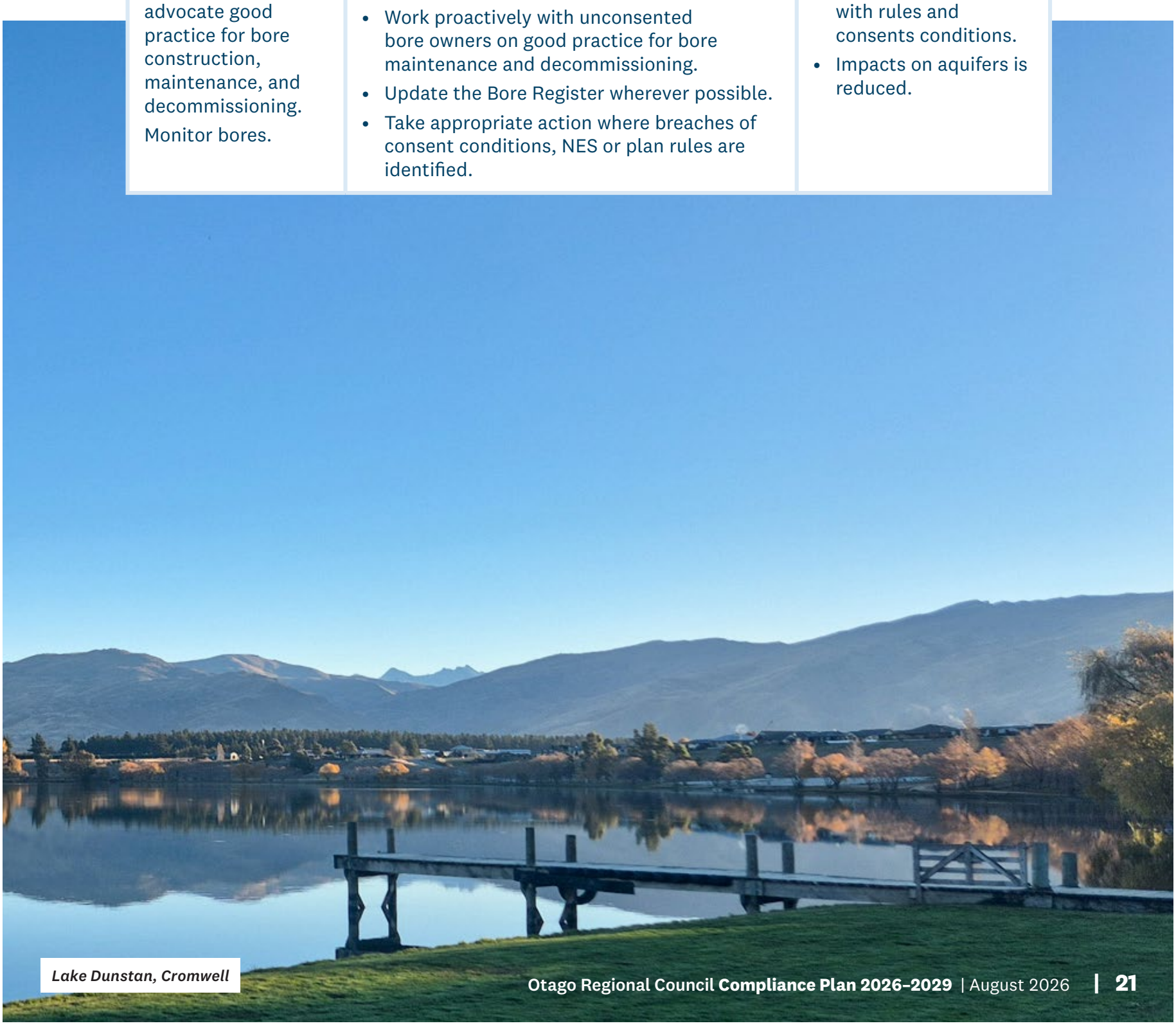
Priority 4: Protecting freshwater habitats, hydrological function, and aquifer security by monitoring structures and works in and adjacent to fresh water

Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
Instream structures **Issue:** Structures in rivers can obstruct fish passage and impact habitat, particularly for migratory species.		
Educate and advocate for structures which provide fish passage. Monitor permitted, and consented structures.	• Educate and promote good practice for fish passage for structures in rivers. • Monitor consented structures. • Take appropriate action where breaches of consent conditions, plan rules or NES are identified.	• People understand the requirements to carry out activities permitted under National Environmental Standards. • People comply with the regulations. • Fish passage in Otago is improved.
Impacts on wetlands **Issue:** Non-compliant land use, discharges and water takes can impact on the hydrology, functioning and ecological values of Otago's natural wetlands.		
Educate landowners on wetland regulations. Monitor permitted, and consented activities, estuaries, and Regionally Significant Wetlands.	• Educate landowners on regulations for activities in and near natural wetlands. • Monitor consented activities. • Take appropriate action where breaches of consent conditions, plan rules or the NES are identified.	• People comply with the regulations. • Regionally significant wetlands retain the characteristics and qualities that have determined their significance. • Impacts on natural wetlands and their values are reduced.



Action	Compliance team outputs	Outcome
Dams and other structures **Issue:** Monitoring of dams and structures is needed to reduce the impacts of non-compliance on freshwater, habitats, and safety.		
Monitor dams and other structures.	• Prioritise the frequency and extent of monitoring of dams and structures in accordance with new NES information requirements. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Compliance with rules and NES. • Dam failure risk is reduced and dam impacts on fresh water are reduced.
Bores **Issue:** Poorly constructed or maintained bores can provide pathways for contaminants to enter groundwater.		
Educate and advocate good practice for bore construction, maintenance, and decommissioning. Monitor bores.	• Monitor compliance with consents. • Work proactively with unconsented bore owners on good practice for bore maintenance and decommissioning. • Update the Bore Register wherever possible. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improved compliance with rules and consents conditions. • Impacts on aquifers is reduced.



Lake Dunstan, Cromwell

Priority 5: Improving air quality by reducing non-compliant air discharges

Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
Domestic burning **Issue:** Discharges from inefficient domestic burning during the winter months can impact health.		
Educate on efficient domestic burning and monitor domestic air discharges.	• Where appropriate, apply a proactive education first approach regarding correct burning practices – particularly in Air Zone 1 Airsheds. • Take appropriate action where breaches of plan rules and NES are identified. Letters are sent, and inspections are undertaken for any on-going non-compliance.	• Improved compliance with rules and good burning practice. • Particulate matter levels in airsheds are reduced.
Industrial air discharges **Issue:** Localised effects from non-compliant industrial discharges can impact on health and amenity.		
Monitor industrial air discharge consents in Otago.	• Undertake monitoring of higher risk air discharges at least annually, and lower risk discharges less frequently. • Work proactively with consent holders to improve discharge quality over time. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improved compliance with consents and rules. • Reduced localised impacts from non-compliant discharges.
Rural air discharges **Issue:** Discharges from rural activities such as outdoor burning can impact on health and amenity.		
Educate on appropriate outdoor burning.	• Prepare educational material regarding rural discharges and work proactively with landowners to improve outdoor burning practice. • Take appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improve compliance with rules. • Reduce localised impacts from discharges.

Priority 6: Protecting coastal habitats and water quality by monitoring coastal structures and discharges

Examples of actions and outputs under this priority:

Action	Compliance team outputs	Outcome
Coastal activities and structures **Issue:** Non-compliant structures and activities in the coastal environment can affect habitats and coastal amenity.		
Undertake monitoring of consented coastal structures.	• Monitor according to the level of risk. • Take appropriate action where breaches of consent conditions or plan rules are identified.	• Impacts on the coastal environment are reduced.
Coastal discharges **Issue:** Non-compliant coastal discharges can affect marine habitats and coastal amenity.		
Monitor consented coastal discharges, focusing on those with higher potential environmental effects.	• Monitor according to the level of risk. • Take appropriate action where breaches of consent conditions or plan rules are identified.	• High-risk coastal discharges are identified and addressed. • Adverse impacts on coastal water quality are reduced.



Karitāne

Otago Regional Council


Otago
Regional
Council
Otago Regional Council
Compliance Plan
2023 - 2026

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COMPLIANCE PLAN 2023-2026

Otago Regional Council (**ORC**) is responsible for regulating activities affecting water, air, land and the coast to promote the sustainable management of our environment. The ORC Compliance Teams help our community meet our rules and regulations through compliance monitoring, education, advice, investigations and enforcement.

The Compliance Plan is ORC's roadmap of compliance priorities for the next 3 years. The Compliance Plan informs ORC's work in accordance with our obligations under the Resource Management Act 1991, and the national compliance direction set for all regional councils under the Regional Sector Strategic Compliance Framework.

The Compliance Plan will be used to inform our work programme. By monitoring progress against our priorities, ORC is agile in responding to those issues which are the most important for Otago's environment.



Water quality sampling

COMPLIANCE PLAN OBJECTIVES

The Compliance Plan sets out ORC's compliance priorities to 30 June 2026. The key objectives of the Compliance Plan are:

- To improve environmental outcomes associated with the activities ORC regulates – such as discharges to land, water and air, the take and use of water, and activities which impact on our rivers, lakes, wetlands and coastal environment.
- To identify and prioritise the activities that we will focus our resources on over the next 18 months.
- To inform communities and consent holders in Otago about the compliance activities ORC undertakes to protect our environment, encourage compliance and good practice, and improve environmental performance and raise environmental awareness.

The Compliance Plan informs the direction of the ORC compliance teams and how the teams will work together to deliver good compliance and environmental outcomes. The Compliance Plan does not provide an exhaustive list of all compliance activities that will be undertaken during this period. ORC has ongoing proactive compliance programmes in place to monitor all activities we regulate. We must also reactively respond to new issues as they arise and be agile to respond to national changes which introduce new rules and regulations.



WHAT OUR COMPLIANCE TEAMS DO

Monitoring consented and permitted activities

ORC is responsible for monitoring compliance with resource consent conditions and permitted activities like dairy and forestry with our plans and national regulations. Our Compliance Monitoring and Regulatory Data and Systems teams receive and analyse monitoring data, conduct aerial monitoring, and undertake site visits.

Of the 2,421 consents monitored in 2021-22, most consents were compliant or had only minor or technical non-compliance recorded. Of these consents monitored, 13% required compliance team follow up to improve compliance performance. For permitted activities, 87% were complaint with the rules and 13% required compliance follow up.

6,110 consents in our system

521 activities & structures in/over waterbodies

1,646 water takes

231 air discharge consents

685 consents for structures in the coast

1,146 discharges to land, water, & coast

1,098 consents monitored on-site & 1,782 desktop audits

243 dairy farms monitored

Investigating incidents which impact our environment

Our Investigations Team has a key role in responding to incidents where unlawful activities impact our environment. We responded to 1,206 incidents in 2021-22 and took appropriate action where it was needed.

COMPLIANCE APPROACH

ORC applies a proactive, responsive and risk-based approach to our regulatory functions. Our philosophy is **Education First,** and we will work proactively with groups, resource users and consent holders on good environmental practice. We are guided by the Regional Sector Strategic Compliance Framework 2019-24 operating principles:

Transparency

Providing clear information about compliance requirements, providing good information on environmental performance, and our actions to address non-compliance.

Collaborative

ORC collaborates and shares information with other regulators and stakeholders. We will engage with consent holders and communities to achieve good environmental outcomes.

Responsive

We will respond in an effective and timely manner in accordance with legislative and organisational obligations.

Evidence-based

ORC's decisions will be informed by a range of sources, including science, other regulators, the community, industry and interest groups.

Consistency

Actions are consistent with legislation and within our powers. We will strive for consistency of compliance and enforcement outcomes.

Lawful, accountable

Conducting ourselves lawfully and impartially in accordance with relevant policies and guidance. We will measure and report on our performance.

Targeted

Focusing on the most important issues to achieve the best outcomes, targeting regulatory intervention at activities that pose the greatest risk to the environment.

Fair and reasonable

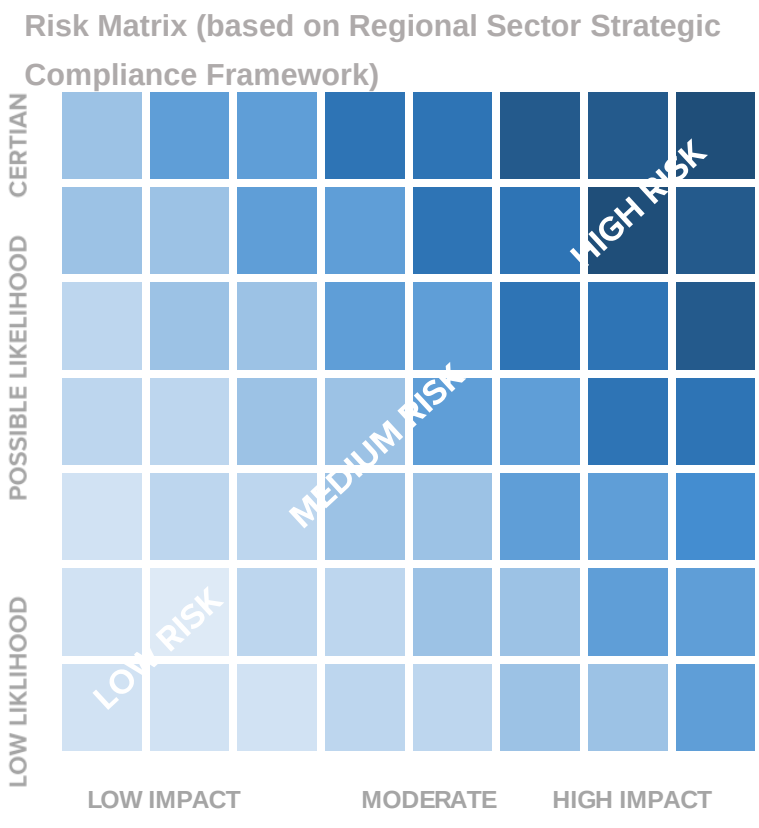
Our decisions are appropriate to the circumstances and our actions will be proportionate to the risks to the environment, people, and the seriousness of the incident.



How we prioritise our compliance activities

The Compliance Plan has been prepared using a risk-based approach in accordance with the Regional Sector Strategic Compliance Framework to determine our priorities for 2023-26.

When assessing risk, the level of impact to people and the environment (environmental, social, economic and cultural effects) and the relative likelihood of the impact is considered. This informs how to prioritise compliance monitoring activities generally as well as how we respond to incidents where non-compliance is identified.

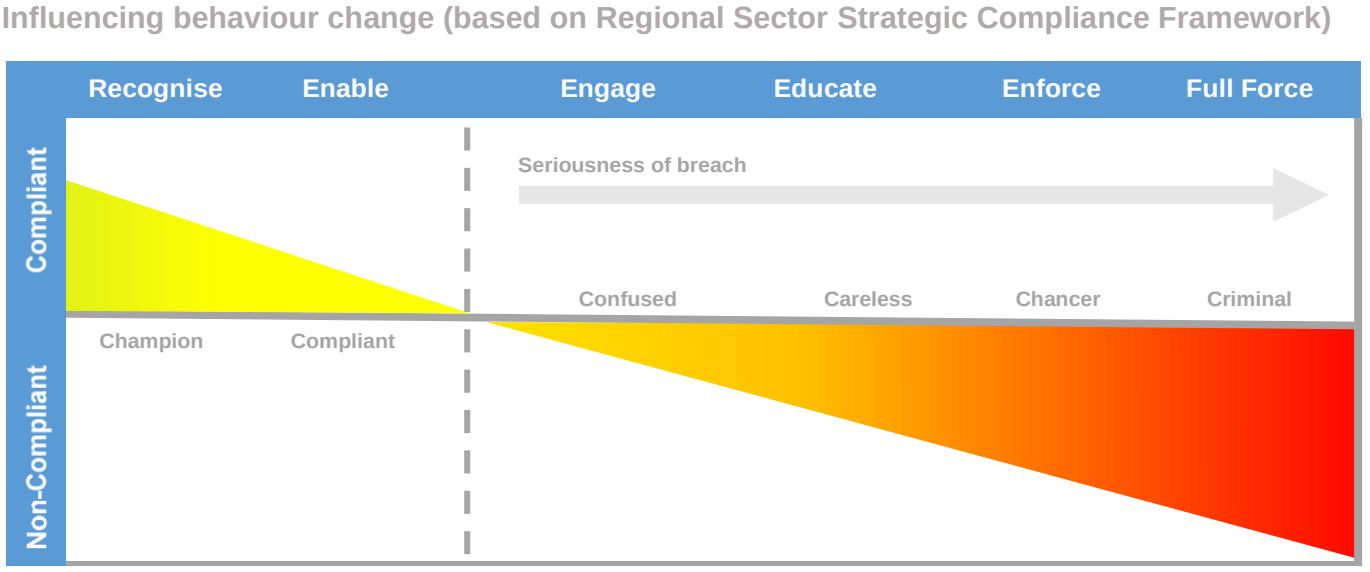


Monitoring frequency

An assessment of perceived and actual risk is used to determine the auditing frequency of resource consents and permitted activities. The history of non-compliance, the significance of potential effects, previous monitoring records, the sensitivity of the receiving environment is considered when we determine how frequently we monitor. We also consider data available from state of environment reporting to inform our compliance monitoring programme. This means we can adapt our monitoring frequency over time, as risks to the environment change, and focus our resource to achieve the best environmental outcomes.

How we respond to non-compliance

There is no ‘one size fits all’ approach to addressing non-compliance. ORC’s approach and use of regulatory tools depends on the issue, context and seriousness of the breach as illustrated below:



Incident response

Our Investigations Team respond to reports of environmental non-compliance and pollution incidents that are received through our 24-hour pollution hotline, website and email messages, or from field reports from staff.

Environmental incidents are triaged according to the level of risk and immediacy of effects. For incidents that are a high priority due to significant potential effects on the environment or people, our team responds immediately where possible, and always within 24 hours of the incident being reported. For incidents that are a lower priority, the timing of the response is dependent on the level of risk. All incidents are responded to and reported.



High priority incidents response within 24 hours



All incidents are responded to and are reported on

Compliance tools

We use a range of compliance and enforcement tools to respond to non-compliant resource consents and incidents which breach our plans or national regulations:

Letters	Used where a minor breach has been reported and/or to educate on the relevant consent conditions, rules and regulations that apply.
Formal Warnings	Used when the risk to the environment or people from a breach is low and to work proactively to improve compliance to avoid repeat incidents.
Infringement Notice	Used when non-compliance with a consent condition or with rules requires a more formal approach and where a fee is required to be paid.
Abatement Notices	Used when non-compliance with a consent condition or rules requires works to cease and/or where remediation is required.
Enforcement Orders	Used for higher level offending, made by the Environment Court, and requires activities to cease, actions to be taken and/or costs to be paid.
Prosecution	For higher level offending, establishes the guilt or innocence of an accused party, and can include fines and/or imprisonment.

PROGRAMMES TO SUPPORT COMPLIANCE

To support our compliance priorities, we work proactively with landowners and consent holders to **Engage** with on them compliance matters, support them to **Enable** compliance wherever possible, and **Educate** on good practices. We will do this by:

ORC website

Keeping our website up to date with best practice information, including good farming and land use practice, and good practice for water takes, water use and recording of data. We will work towards changes to our website to make it easier for communities and consent holders to report data to us in the future.

Proactive compliance

Monitoring of permitted activities to ensure compliance and working closely with consent holder to address compliance issues before they arise (such as dairy farm monitoring, working with the forestry industry on harvesting plans, and the low flow task force).

On-site advice

Providing advice when on-farm or on-site about good practice to achieve compliance with the ORC's regional plans and national regulations.

Partnerships

Continuing to form strong partnerships with industry groups such as Dairy NZ, Sheep and Beef NZ, Horticulture NZ, Federated Farmers, the Forestry Association, the Deer Association and others.

Fact sheets

Printable fact sheets on good practice supports ORC's online content and are taken on-site when monitoring is undertaken. These will provide advice about what is required in plans, and new national regulations to apply these practically for rural communities and understand consenting obligations.

Compliance correspondence

Keeping consent holders up-to-date following monitoring of their consents, keeping dairy farm and forestry operations up to date on permitted monitoring, and providing tips on good practice to improve compliance.

Farm days

Partnering with other ORC teams to host farm days for farmers to educate and discuss environmental management and explore different methods to achieve compliance.

Workshops with industry

Partnering with other ORC teams to workshop with industry groups on good practice principles and as a forum to discuss how to interpret and apply plan rules and regulations.

COMPLIANCE MONITORING PRIORITIES IN OTAGO

Identifying the priorities for compliance monitoring enables ORC to focus on those issues with the highest environmental impacts. For 2020-22, the compliance teams will focus on:

Priority 1: Reduce non-compliant discharges to improve freshwater quality

Poorly managed discharges affect the quality of water in our lakes, rivers and the coastal environment. Additionally, the 2020 NPS and NES for freshwater and Stock Exclusion Regulations have recently introduced new rules and regulations, which require a proactive and education-based approach to supporting consent holders with compliance.

Priority 2: Proactive and integrated approach to monitoring large-scale activities

For larger-scale activities, monitoring reports provided by consent holders are reviewed. In circumstances where consent conditions are not met, the compliance team takes proactive approach to working with consent holders to achieve compliance.

Priority 3: Monitor water takes and use to protect water quantity

Maintaining river flows and lake and aquifer levels in Otago's waterbodies is critical for freshwater health and working proactively with consent holders to maintain flows protects freshwater values.

Priority 4: Monitor structures and works in and adjacent to freshwater

Monitoring Otago's wetlands is an important regional priority. Poorly designed structures and works in and near freshwater can affect the habitats of freshwater species and hydrological function. Additionally, the 2020 NPS and NES for freshwater have introduced new monitoring requirements and new rules.

Priority 5: Reduce non-compliant air discharges to improve air quality

Non-compliant domestic discharges from inefficient domestic burning during winter months can affect health. Non-compliant industrial and rural air discharges which do not have a consent or do not meet consent conditions can have localised impacts on air quality.

Priority 6: Monitor coastal structures and oil spill preparedness

Monitoring activities and structures in the coastal marine area and ensuring we can respond to incidents affecting the coast.

Priority 1: Reduce non-compliant discharges to improve freshwater quality

Action	Compliance team outputs	Outcome
Sedimentation of freshwater from earthworks and in-river works **Issue:** Poorly managed earthworks, and in-river works can discharge sediment and affect water quality.		
Educate and advocate good sediment practices and monitor sediment discharges.	• Work closely with district councils and industry to promote effective sediment controls. • Educate and promote good practice for in-river works. • Monitor resource consents for earthworks and in-river works. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Compliance with new earthworks rules. • Sedimentation of freshwater and estuaries is reduced.
Plantation forestry **Issue:** Poorly managed forestry activities discharge sediment, disturb river habitats and affect water quality.		
Educate and advocate good forestry practices to reduce sediment discharges and monitor forestry activities.	• Educate and promote good practice for afforestation, harvesting and earthworks. • Monitor consents and permitted activity plantation forestry. • For higher risk activities, undertake pre-harvest inspections, monitoring during harvesting and post-harvest inspections where appropriate. • Appropriate action where breaches of consent conditions or NES are identified.	• Compliance with NES rules. • Impacts of plantation forestry activities on freshwater are reduced.
Stock exclusion **Issue:** Stock access to freshwater degrades water quality of rivers, lakes and wetlands.		
Educate farmers on stock exclusion requirements, and monitor stock access.	• Apply a proactive education first approach to enabling compliance with regional and national rules and regulations for stock access before the new rules apply. • Monitor where stock access rules apply now for new pastoral and intensive farming systems. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Farmers understand current and upcoming requirements. • Where required, stock is excluded from freshwater bodies. • Impacts on water quality are reduced.

Farm effluent management **Issue:** The effects of non-compliant farm effluent discharges is a contributor to water quality degradation.		
Monitor farm effluent discharges utilising a proactive education first approach.	• Apply a proactive education first approach to enabling compliance with regional rules for farm effluent discharges. • On-site monitoring of dairy farm discharges and infrastructure based on risk with high risk farms inspected annually. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Farmers understand current and upcoming requirements. • Improved compliance with rules and consents conditions. • Impacts on water quality are reduced.

Intensive farming **Issue:** Poorly managed intensive farming can cause water quality degradation, and new rules and regulations now apply.		
Monitor intensive farming practices and educate farmers on the new requirements.	• Apply a proactive education first approach to enabling compliance with regional and national rules and regulations for intensive farming – dairy farms, intensive grazing, feedlots and stockholding, agricultural intensification, synthetic nitrogen use. • Undertake desktop, and aerial monitoring annually of known at risk catchments. • Site inspections where risks have been observed during flyovers. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Farmers understand current and upcoming requirements. • Farmers comply with the new rules or have obtained consent. Impacts on water quality are reduced.



Aerial monitoring

Priority 2: Proactive and integrated approach to monitoring large-scale activities

Action	Compliance team outputs	Outcome
District council consents **Issue:** District councils hold several large-scale wastewater water supply and stormwater consents and compliance with these consents is not always achieved, which can impact the receiving environment.		
Monitor all large-scale district council consents and work with councils to improve compliance.	• Work proactively with district councils to reduce incidents of non-compliance. • Monitor large-scale consents at least annually and based on environmental and health risk and previous records of non-compliance. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improved compliance with consent conditions. • Improved collaboration with district councils.
Contaminated Land and landfills **Issue:** Monitoring of contaminated land activities, and active and closed landfills is needed to address risk associated with leachate and odour, and potential discharges to water.		
Monitor contaminated land activities and all landfills in Otago.	• Monitor active landfills at least annually. • Monitor closed landfills at least every 3 years, and prioritise monitoring based on level of risk to water, the coastal marine area, land, and community concern. • Monitor disturbance of contaminated land consents based on level of risk • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Active landfills are compliant with conditions. • Impacts from closed landfills are identified and effects are addressed.
Other large-scale activities **Issue:** The scale and nature of larger-scale activities in Otago requires the compliance team to take an integrated approach to monitoring consent conditions.		
Monitor large-scale activities in Otago.	• Monitor compliance with conditions based on the history of compliance, environmental risk and performance monitoring data for consents for large-scale activities, including mining and quarrying activities, larger private wastewater schemes, large-scale industrial and processing activities, meat works and rendering plants, and large power generation schemes. • Where non-compliance with consent conditions is identified, work proactively with consent holders to improve compliance and performance over time.	• Consent holders are compliant with conditions. • Risks to the receiving environment from non-compliance are reduced.

Priority 3: Monitor water takes and use to protect water quantity

Action	Compliance team outputs	Outcome
Water takes **Issue:** Taking more water than is consented is unlawful and can adversely affect mauri, freshwater habitats and other water users.		
Monitor water takes in Otago.	• Undertake desktop, aerial or on-site monitoring of water permits based on catchment risk, and policy development requirements under the NPSFM. • Focus on Upper Taieri, Manuherikia, Cardrona, Pisa, Gibbston and Central Otago catchments. Work proactively with water users to reduce incidents of non-compliance. • Appropriate action where breaches of consent conditions, plan rules or water measuring regulations are identified.	• Improved compliance with rules and consents conditions. • Impacts on freshwater and habitats are reduced. • Improve the reliability of data records provided by consent holders.
Water flows and levels during dry periods **Issue:** During dry weather, water takes during low flows have greater impacts on freshwater.		
Ensure minimum flows are maintained during dry weather periods.	• Establish dry weather task force prior to dry weather conditions affecting flows. • Monitor low flow conditions and work proactively with permit holders to ensure minimum flows are maintained during low flow periods. • Issue water shortage directions where required. • Monitor residual flows on permits and prioritise this based on the level of risk. • Appropriate action where breaches of consent conditions or plan rules are identified.	• Compliance with minimum and residual flows is improved. • During low flows impacts from water takes on freshwater and habitats are reduced.

Priority 4: Monitor structures and works in and adjacent to freshwater

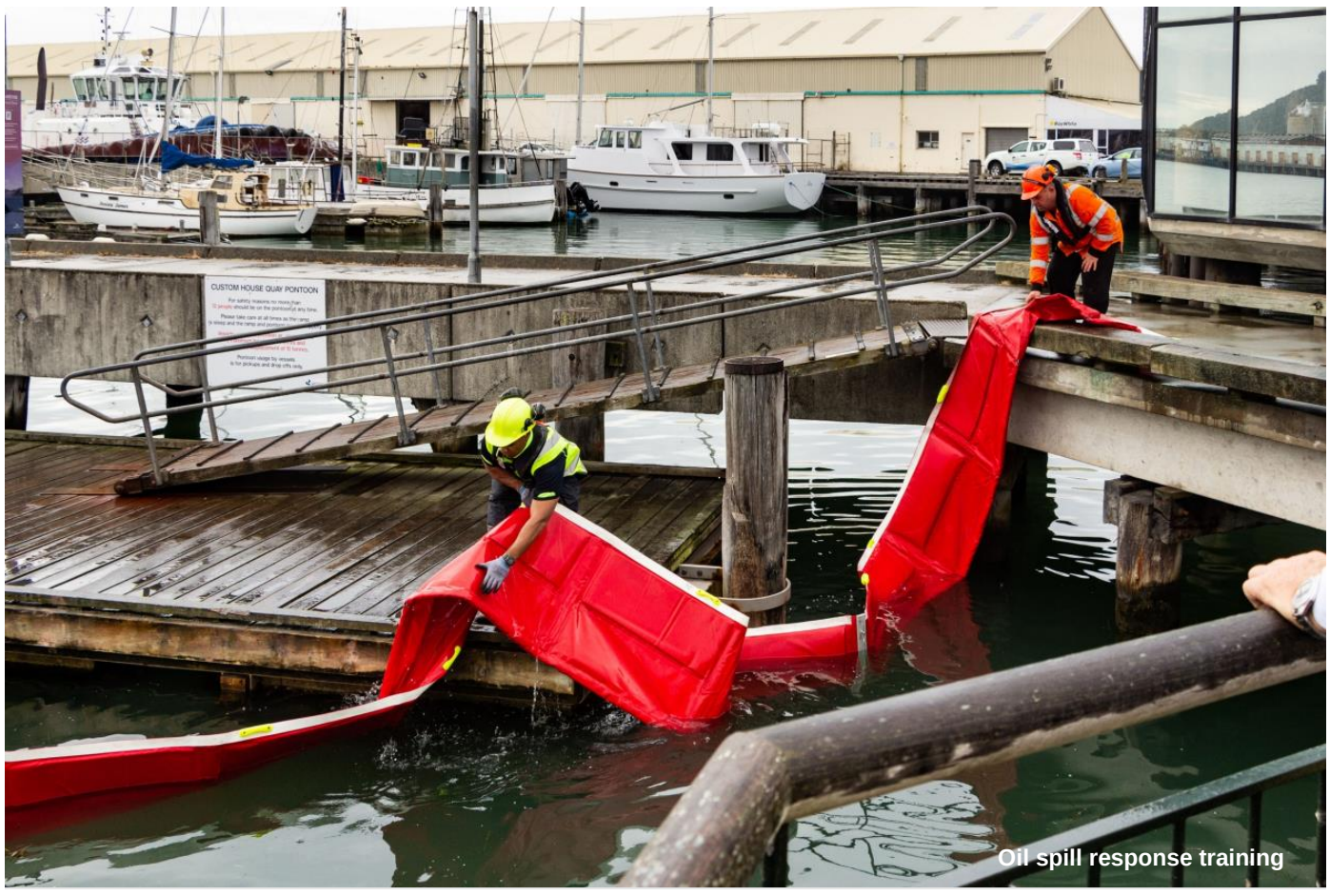
Action	Compliance team outputs	Outcome
Fish passage **Issue:** Structures in rivers can obstruct fish passage and impact habitat, particularly for migratory species.		
Educate and advocate for structures which provide fish passage, and monitor permitted, and consented structures.	• Educate and promote good practice for fish passage for structures in rivers. • Establish a new monitoring programme for permitted and consented structures. • Appropriate action where breaches of consent conditions, plan rules or NES are identified.	• People understand current and upcoming requirements. • People comply with the new regulations. • Fish passage in Otago is improved.
Impacts on wetlands **Issue:** Non-compliant land use, discharges and water takes can impact on the hydrology, functioning and ecological values of Otago's natural wetlands.		
Educate landowners on new wetland regulations, monitor permitted, and consented activities, estuaries and Regionally Significant Wetlands	• Educate landowners on new regulations for activities in and near natural wetlands. • Establish a new monitoring programme for permitted and consented activities. • Desktop monitor Regionally Significant Wetlands every 3 years including site inspections where wetland risks are identified. • Appropriate action where breaches of consent conditions, plan rules or the NES are identified.	• People comply with the new regulations. • Regionally significant wetlands retain the characteristics and qualities that have determined their significance. • Impacts on natural wetlands and their values are reduced.
Dams and other structures **Issue:** Monitoring of dams and structures is needed to reduce the impacts of non-compliance on freshwater and habitats		
Monitor dams and other structures in Otago.	• Prioritise the frequency and extent of monitoring of dams and structures in accordance with new NES information requirements. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Compliance with rules and NES. • Dam failure risk is reduced and dam impacts on freshwater are reduced.

Priority 5: Reduce non-compliant air discharges to improve air quality

Action	Compliance team outputs	Outcome
Domestic burning **Issue:** Discharges from inefficient domestic burning during the winter months can impact health.		
Educate on efficient domestic burning and monitor domestic air discharges.	• Apply a proactive education first approach regarding correct burning practices – particularly in Air Zone 1 Airsheds. • Appropriate action where breaches of plan rules and NES are identified. Letters are sent, and inspections are undertaken for any on-going non-compliance.	• Improved compliance with rules and good burning practice. • Particulate matter levels in airsheds are reduced.
Industrial air discharges **Issue:** Localised effects from non-compliant industrial discharges can impact on health and amenity.		
Monitor industrial air discharge consents in Otago.	• Undertake monitoring of higher risk air discharges at least annually, and lower risk discharges less frequently. • Work proactively with consent holders to improve discharge quality over time. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improved compliance with conditions and rules. • Reduced localised impacts from non-compliant discharges.
Rural air discharges **Issue:** Discharges from rural activities such as outdoor burning can impact on health and amenity.		
Educate on appropriate outdoor burning.	• Prepare educational material regarding rural discharges and work proactively with farmers to improve outdoor burning practice. • Appropriate action where breaches of consent conditions, NES or plan rules are identified.	• Improve compliance with rules. • Reduce localised impacts from discharges.

Priority 6: Monitor coastal structures and oil spill preparedness

Action	Compliance team outputs	Outcome
Coastal activities and structures **Issue:** Non-compliant structures and activities in the coastal environment can affect habitats and coastal amenity.		
Undertake monitoring of consented coastal structures.	• Monitor according to the level of risk and at least every 5 years. • Appropriate action where breaches of consent conditions or plan rules are identified.	• Impacts on the coastal environment are reduced.
Oil spill response **Issue:** ORC must be prepared to respond in the event of oils spills under the Maritime Transport Act.		
Appropriately trained and resourced oil spill response.	• Undertake oil spill response training and exercises twice a year. • Always maintain spill response gear.	• Effects from oil spills are reduced as a result of effective oil spill response.



Oil spill response training



ATTACHMENT 3: KEY CHANGES MADE TO UPDATE THE COMPLIANCE PLAN

Issue with current Plan	Change in revised Plan
Scope and purpose The Plan is not clear about how it links to its wider strategic context. This means external stakeholders, the public, and internal staff may struggle to understand the Plan's purpose.	The Plan has been redrafted to more clearly articulate these links, including a diagram to show context.
Review process The Plan is not clear about how success should be measured when the plan is reviewed.	A section has been introduced outlining the review process.
First objective (environmental outcomes) While important, this objective is framed as a high-level environmental outcome that is difficult to link directly to compliance influence.	This outcome has been changed to more directly reflect Compliance Team responsibilities. It has also been moved to second in the list of objectives – this is discussed below. The link to wider environmental outcomes is maintained in the accompanying text.
Second objective (prioritising activities) This objective is the core purpose of the Compliance plan and the most used by staff to justify decisions but is stated second. Additionally, the 18-month timeframe mentioned is incorrect.	The timeframe has been removed, and this objective is now stated first in order. Though there is not a hierarchy between the objectives, it makes sense to state the core purpose first.
Third objective (Communications) The objective's focus on "informing" is narrower than what the Compliance teams do in practice. The wording is somewhat convoluted.	The objective's focus has been broadened to proactive communication, and wording has been refined.
The priorities are under-explained The Plan is not explicit enough about how the priorities work and interact with day-to-day responsibilities of the Compliance team (particularly incident response).	The narrative sections of the plan have been redrafted to more clearly explain how the priorities work.

Wording of the priorities is inconsistent The way the priorities are expressed differs, which can obscure their purpose in some cases.	Each priority has been reframed to begin with the "why" statement. This makes the wording more consistent.
Apparent rigidity The activities listed under the priorities appear to be rigid and exhaustive categories, which is not the case.	Text has been added to emphasise that the activity lists are examples.
Coastal water quality is not addressed The current framing does not clearly signal how coastal discharges are addressed.	Coastal water quality has been added to Priority 6.
Defining "large-scale" The term "large-scale" in Priority 2 is not defined and is inconsistently understood.	The Plan is now explicit about what "large-scale" means.
Where oil spill preparedness belongs Priority 6 mentions oil spill preparedness, which is about team performance, not a consented or permitted activity that requires compliance monitoring.	Oil spill preparedness has been removed from the priorities and is now mentioned in the description of Compliance team responsibilities.

11.6. Sub-Regional Public Transport Investigations Business Case

Prepared for:	Council
Report No.	TRN2619
Activity:	Transport Planning
Authors:	Robyn Hyde (Transport Planning Lead), Stacey Hitchcock (Senior Transport Planner), Grace Longson (Transport Planner)
Endorsed by:	Anita Dawe (General Manager Regional Planning and Transport)
Date:	26 August 2026
Portfolio Leads:	Cr Hollyer and Cr Somerville, Transport

PURPOSE

[1] To report on the ORC Annual Plan 2025/26 direction to investigate how to transport workers from Alexandra/Cromwell to Queenstown.

[2] To present the completed Central Lakes Sub-Regional Public Transport Investment Case to Council and seek their endorsement of the business case.

EXECUTIVE SUMMARY

[3] Staff have completed a business case which outlines the case for investing in the introduction of a public transport service connecting Alexandra, Clyde, Cromwell and Wānaka with Queenstown.

[4] The investment case has been prepared in response to the Otago Regional Council (ORC) Long-Term Plan 2024–34 direction to investigate public transport opportunities in communities currently underserved by public transport, and more specifically, the Annual Plan 2025-26 commitment to undertake an investigation into how to move workers from Alexandra and Cromwell to Queenstown.

[5] A wide range of viable options for public transport in the Central Lakes sub-region have been considered and assessed through a structured long-list and short-list evaluation process. The investigation has considered a broad range of trip purposes (not exclusively work-related trips).

[6] Taking into account the current limited funding environment and strong focus on affordability, the preferred option is a two route bus network operating four return trips per day, seven days per week connecting Alexandra, Clyde and Cromwell; and Wānaka, Luggate, Pisa Moorings, Cromwell and Queenstown. This option is considered to represent the best value-for-money entry point for establishing public transport in the Central Lakes sub-region. There is flexibility to scale up service levels subject to Council appetite and available funding.

[7] The indicative annual operating cost is approximately $2.929 million and the simplified economic assessment indicates a base Benefit-Cost Ratio (BCR) of approximately 1.6.

Sensitivity testing shows performance improves significantly as population and patronage increase over time.

[8] Initially operated as a trial service commencing in early 2028, the estimated cost for FY 27/28 would be $976,000 for four months service delivery and $100,000 in set up implementation costs.

[9] If endorsed, staff recommend that this project be included alongside other transport improvements, for consideration as part of the draft LTP considerations process.

[10] The recommendation would be that the trial is paid for through targeted rate funding to meet the local share (49%) of total operating costs of a two-year trial through ORC's Long-Term Plan 2027-2030, on the presumption of co-funding.

[11] Co-funding for this service would then be sought from NZTA through ORC's 2027-2030 RLTP (currently under development) future Service Improvement Programme bid.

[12] Delivery of the preferred option is considered achievable within existing ORC staff resources and governance arrangements.

[13] Initiating this project would provide people in the Central Lakes sub-region with greater choice in how they safely move around to participate in economic and social opportunities. It would also contribute to reducing transport-related emissions through less reliance on private vehicles.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*
2) ***Approves*** *the endorsement of the Central Lakes Sub-Regional Public Transport Investment Case.*
3) ***Notes*** *the preferred option for a Central Lakes sub-regional public transport service trial and notes that it will be included as part of the broader transport improvements package for ORC's draft 2027 Long-Term Plan considerations.*
4) ***Notes*** *the preferred option for a Central Lakes sub-regional public transport service trial will be included in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Programme bid.*

BACKGROUND

[14] The Central Lakes sub-region is experiencing rapid population growth, increasing visitor demand and ongoing transport challenges. The Central Otago District population has grown 12.7% between 2018 and 2023 and is projected to reach at least 36,900 by 2045–2055.

[15] Developer-led urban growth, geography and low availability of affordable housing close to Queenstown has contributed to people choosing to live in the various urban centres of the sub-region (Wānaka, Cromwell and Alexandra). Many of them travel to Queenstown frequently for work or other economic activities.

[16] With no subsidised public transport services in the sub-region apart from Queenstown, most residents remain heavily reliant on private vehicles. This causes challenges to mobility, access and connectivity – especially for those that do not have reliable access to a private vehicle or wish to use more sustainable modes.

[17] Commercial bus services currently serve Wānaka, Alexandra, Cromwell and Queenstown. These services cater primarily to the visitor market and connections to Queenstown airport. As commercial operations, the fares for these services are largely cost prohibitive for regular use.

[18] Public transport for the Central Lakes sub-region is signalled in the 2025 Regional Public Transport Plan's (RPTP) regional network aspirations (RPTP, p. 60/61) and is considered to be an integral service to the Otago public transport network (RPTP, p. 120).

[19] An Alexandra to Queenstown trial service was included in the 2024-2034 Long-Term Plan (LTP) as well as the 2024 Regional Land Transport Plan (RLTP) National Land Transport Programme (NLTP). NZTA co-funding was not secured and a decision was made to remove the Alexandra to Queenstown trial from the draft Annual Plan 2025/26. Council resolved [Resolution CM24-204, 20 November 2024 Council meeting] to retain a small amount of funding to investigate how to move workers between Alexandra, Cromwell and Queenstown.

[20] This investment case has been prepared in response to the Long-Term Plan 2024–34 direction to investigate public transport opportunities in communities currently underserved by public transport, and more specifically, the Annual Plan 2025-26 directive to investigate options for an Alexandra/Clyde/Cromwell service to connect to Queenstown.

[21] This Sub-Regional Public Transport Investment Case and the recently endorsed Upper Clutha Public Transport Investment Case are closely interrelated and together form an important step in realising the RPTP's key priority of improving regional connectivity and network aspiration to have local public transport services in the Central Lakes sub-region. They also form part of the Otago Central Lakes Regional Deal's Transport Network Plan, a strategic framework setting out how the sub-region's transport system should function and evolve to 2053.

DISCUSSION

[22] The **Central Lakes Sub-Regional Public Transport Investment Case** (Attachment 1) outlines the case for investing in the introduction of a public transport service connecting Alexandra, Clyde, Cromwell and Wānaka with Queenstown.

[23] The case assesses the proposal through the Better Business Case Five Case Model, confirming:

- The need for investment and making a compelling case for change
- A range of potential options have been identified and the feasibility, costs, benefits and risks considered for each option
- The preferred option optimises public value and is commercially viable
- The necessary funding and management arrangements for the successful delivery of the project.

[24] The community needs are the foundational reason for initiating this project. Four investment objectives central to investment in public transport for the Central Lakes sub-region are described as:

- Land use and transport integration – public transport is well integrated with land-use and the built environment to support good urban form and well-functioning urban environments.
- Connectivity and choice – People have greater choice in how they move around safely to participate in social and economic opportunities in the Central Lakes sub-region.
- Environmental sustainability – Transport-related emissions are reduced through less reliance on private vehicles.
- Affordability - Public transport is provided at a cost that is affordable to both users and funders.

[25] A broad range of possible public transport service options for the Central Lakes sub-region were developed and assessed through a structured long-list to short-list process. Multi-criteria analysis was undertaken to assess each of the short-list options against the defined investment objectives, critical success factors (strategic fit, value for money, supplier capacity and capability, affordability and achievability), risks and expected benefits.

[26] Based on the assessment, the preferred option is a two-route bus network **operating four return trips per day, seven days per week** connecting:

- Alexandra – Clyde – Cromwell
- Wānaka – Luggate – Pisa Moorings – Cromwell – Frankton – Queenstown

This option is considered to represent the best value-for-money entry point for establishing public transport in the Central Lakes sub-region.

[27] An economic assessment was undertaken using NZTA's simplified procedure SP9, which is a simplified method for appraising the economic efficiency of new public transport services and associated infrastructure. The indicative annual operating cost of the preferred option is approximately $2.928 million per year (plus $100,000 of implementation costs in year 1) and has a base Benefit-Cost Ratio (BCR) of approximately 1.6.

[28] Sensitivity testing was carried out to test how sensitive the assessed benefits and costs are to change. For the preferred option the BCRs ranged from 0.6 to 5.1 with fares being the most sensitive of the variables tested. Due to the existing SkyDrive service (an exempt service between Wānaka and Queenstown), likely trip generation rate was modelled off this service's existing patronage data. This provided a high level of certainty to inform likely demand for a Central Lakes regional service.

[29] Over time as population and demand grows, higher frequency and longer service hours will likely be achievable. This will increase the convenience and attractiveness of public transport and achieve the investment objectives and benefits sought to a higher degree.

[30] Staff undertook a market sounding to inform the Commercial Case and confirm market interest and capability in delivering services within the Central Lakes sub-region. This exercise provided a level of assurance of adequate market competition to drive contract pricing and quality service delivery. Operators identified opportunities for collaborative

service development and highlighted the key commercial risks as workforce availability, depot requirements, seasonal demand variation and fleet selection.

[31] The planned procurement approach for a service operator would be a one-step open competitive tender.

[32] As part of the business case process, staff propose that this project be included as part of the broader transport improvements package being considered for inclusion in the Otago Regional Council's draft Long-Term Plan 2027-2030 process, with funding from a targeted rate to meet the local share (49%) of total operating costs of the two-year trial (the preferred option). This will enable this project to be weighed up against all other priorities for inclusion in the draft LTP.

[33] Co-funding would also be sought from NZTA. The preferred option will form part of ORC's 2027-2030 service improvement programme bid for a three-year programme approval. If NZTA approve the inclusion of this project in ORC's 2027-2030 NLTP PT improvement programme, 51% of the net operating costs will be eligible for funding from NZTA.

[34] Small trials have previously sought general rate funding (for example the trials proposed for Balclutha and the Central sub-region in LTP 2024 – 2034), however the investment required for this proposed trial is significantly higher than those previous trials. For this reason, staff suggest that a targeted rate is more appropriate should a trial go ahead. If Council choose to include this in the draft LTP for consultation, staff will develop a suitable targeted rating area based on the service for consultation with the community

[35] A trial provides an opportunity to establish and embed the service in the community before being evaluated and an assessment of its long-term viability completed.

[36] If the trial is considered successful and Council (and NZTA) approved the continuation of the service beyond a trial, staff would recommend a broader targeted rate review of the Queenstown, Upper Clutha and Central Lakes sub-region to understand how to best fund and support public transport across the Otago Central Lakes region.

[37] Passenger fares will be an important source of fare revenue to off-set the running cost of this service.

[38] Council is currently consulting on a move to a zonal fare structure. It is proposed that, if the business case is endorsed and included in the Long-Term Plan for consultation, it would need to include a zone fare structure and fare pricing for the Central Lakes sub-region, consistent with any zoning decisions made.

[39] The economic modelling for the proposed service assessed both a $20 fare (comparable to roughly half the SkyDrive fares) and a $10 fare (in line with the proposed fares for the Ōamaru to Dunedin service) for the longer trips (e.g. Wānaka/Alexandra - Queenstown), with $2.50-$3.00 fares for travel within one zone (e.g. within Alexandra or Cromwell). In the analysis the $20 fare generates a high level of cost recovery for the four trips per day option. In comparison, the $10 fare performs better; however, it has a lower cost recovery and may drive demand that exceeds capacity, possibly requiring larger buses or higher frequency.

[40] The fare price proposals would be considered through draft Long-Term Plan development and consultation if Council choose to include this project as part of the broader transport improvements.

[41] As noted earlier, funding would need to be secured to progress this project. Should both local share and co-funding from NZTA be forthcoming, staff consider it achievable to launch an introductory level of service in early 2028 using existing ORC staff resources and governance arrangements.

[42] ORC's Transport team would own and manage the project delivery including the design, planning, procurement and management of the service, collaborating with key partners, such as CODC, QLDC, NZTA, and the service operator, as well as other stakeholders where relevant.

[43] The investment case (Attachment 1) details the strategic risks and management risks. The following key risks and associated mitigation strategies of the proposed service have been identified:

- If NZTA co-funding is not successfully secured for the initial trial service, then Council would need to consider funding in full, with rate funding to proceed with the trial, or delay the trial. Staff will continue to engage with NZTA to demonstrate the need and value of public transport for the sub-region. Funding prioritisation is assessed nationally against all other public transport improvement programmes competing for funding from the NLTP.
- If service frequency or coverage is too limited, residents may perceive the service as inadequate, reducing trust or ridership. Staff will engage with the community during design and early implementation phases and plan the service in an iterative and evidence-led way. An adaptive management approach will be taken throughout the trial period.
- If the service does not generate enough patronage to be financially viable in the long term, then Council could decide to withdraw the service. The service is anticipated to be launched with existing fleet and frequent review periods would be built into the trial evaluation and proposed contract terms to provide Council with options to terminate. It will take time to build patronage and change entrenched travel behaviour patterns. The service would be marketed and promoted including education campaigns to remove barriers for use.

[44] Should the Central Lakes sub-region service trial proceed, periodic reviews of the trial's performance against outcomes sought would be undertaken. These would be used to inform ongoing adaptive management of timetables and operational efficiencies, inform future procurement opportunities and scaling of services. They would also be used to keep Council updated and support future funding requests.

[45] Staff recommend Council endorses the Central Lakes Sub-Regional Public Transport Investment Case. The investment case provides a comprehensive assessment of public transport options for the Central Lakes sub-region and demonstrates public value in introducing public transport services into the sub-region. It provides sound evidence to support inclusion of a Central Lakes Sub-regional public transport service trial in ORC's 2027-2030 Long-Term Plan and ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.

[46] Endorsement means that the business case has demonstrated, and Council agree, that a case for investment has been established, the preferred option addresses the problem, is strategically aligned, affordable and ready to progress to the next planning stage (e.g. put into the draft LTP and RLTP for consultation).

[47] Implementation of a public transport service between Alexandra, Clyde and Cromwell, and between Wānaka and Queenstown (via Cromwell hub) four trips per day, seven days per week will provide a practical and scalable first step towards improving mobility, supporting future growth and creating greater transport choice for communities in the Central Lakes region.

OPTIONS

[48] **Option 1:** Support the endorsement of the Central Lakes Sub-Regional Public Transport Investment Case.

[49] The Central Lakes Sub-Regional Public Transport Investment Case outlines the case for investing in the Central Lakes sub-region, which is currently underserved by public transport. Planning and investing early could significantly improve regional connectivity and assist in addressing the escalating network-level issues currently occurring in Queenstown. The investment case provides a comprehensive assessment of public transport options for the Central Lakes sub-region and demonstrates public value in establishing public transport in the sub-region. It aligns with Otago's Regional Public Transport Plan network aspirations and key priorities.

[50] This option is recommended as Council's endorsement of the business case would allow funding pathways to be prepared for a trial service and enable options for consultation through the Long-Term Plan. The investment case provides sound evidence to support inclusion of a Central Lakes sub-regional public transport service trial in ORC's 2027-2030 Long-Term Plan and ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.

[51] **Option 2:** Do not support the endorsement of the Central Lakes Sub-Regional Public Transport Investment Case.

[52] If option 2 is chosen and the investment case not endorsed, ORC would be left without a forward plan or funding pathway for implementing public transport in the Central Lakes sub-region in the next three years.

[53] Staff would seek direction from Council on what further alternatives to consider for the Central Lakes sub-region.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Transport

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

Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with the Land Transport Management Act 2003 (LTMA) and Local Government Act 2002 (LGA) where investigating public transport options for communities with limited or no public transport service fulfils the LTMA s115(1) principles of:

(a) Well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology

(b) Public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe.

The Project fulfils the following LGA *s12(2)* and *(5)* mandates for a regional council to deliver benefits to significant areas of its region:

(2) "For the purposes of performing its role, a local authority has—

(a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and

(b) for the purposes of paragraph (a), full rights, powers, and privileges."

(5) "A regional council must exercise its powers under this section wholly or principally for the benefit of all or a significant part of its region, and not for the benefit of a single district."

Alignment With ORC Internal Policy

This work is consistent with relevant ORC policies, in particular the 2025 – 2035 Regional Public Transport Plan, 2025/26 Annual Plan and the 2024-2027 Procurement Strategy.

Financial Considerations

Decisions sought in this report do not result in any financial commitments for Council.

Should the service be confirmed through the long term plan process the estimated cost of delivering the recommended option is $2.928 million per annum. There would be an additional $100,000 in general implementation costs in year one. The project delivery would be managed within existing transport staff resources.within existing transport staff resources.

The proposed approach is to seek targeted rate funding through Otago Regional Council's Long-Term Plan 2027-2030 process to meet the local share (49%) of total operating costs of a two-year trial. NZTA co-funding would also be sought through Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.

The required public transport infrastructure would be funded and delivered by CODC, QLDC and NZTA, the road controlling authorities in the sub-region. Staff have confirmed the authorities have included the required infrastructure investment for the recommended option in their draft Long-Term Plans and Regional Land Transport Plan funding bids.

Legal/Compliance Risk
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Public transport services between Alexandra, Cromwell and Queenstown and Wānaka and Queenstown have been signalled in ORC's 2021 and 2025 Regional Public Transport Plans. This investment case work responds to support from the community to proceed with investigating public transport for the Central Lakes sub-region despite lack of NZTA co-funding. Not endorsing this business case has the potential to further erode community trust and Council reputation.

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

The introduction of a bus service in the Central Lakes sub-region is expected to generate mode shift away from private vehicle travel, reducing transport-related emissions in Otago.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
This work is of MEDIUM significance as assessed against He Mahi Rau Rika.

Engagement With Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
Several engagement sessions have been held with community board members in preparation of this investment case.

In the coming months Council will decide on whether to include the proposed service as an item in the draft LTP 2027-2037 for public consultation. It will also be considered for inclusion in Otago's RLTP and NLTP bid which will also seek public feedback through consultation.

COMMUNICATIONS

The decision will be communicated with the relevant audiences, in particular Vincent and Cromwell Community Boards, Central Otago District Council, Queenstown Lakes District Council and New Zealand Transport Agency.

NEXT STEPS

[54] If Council approve the investment case for endorsement, ORC's Transport team will:

- Include the Central Lakes Sub-Regional public transport service trial as part of the package of transport improvement projects which Council can consider for inclusion in ORC's 2027-2030 draft Long-Term Plan.
- Include the Central Lakes Sub-Regional public transport service trial in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.
- Continue market engagement to refine timetable design, service delivery costs and fleet requirements.

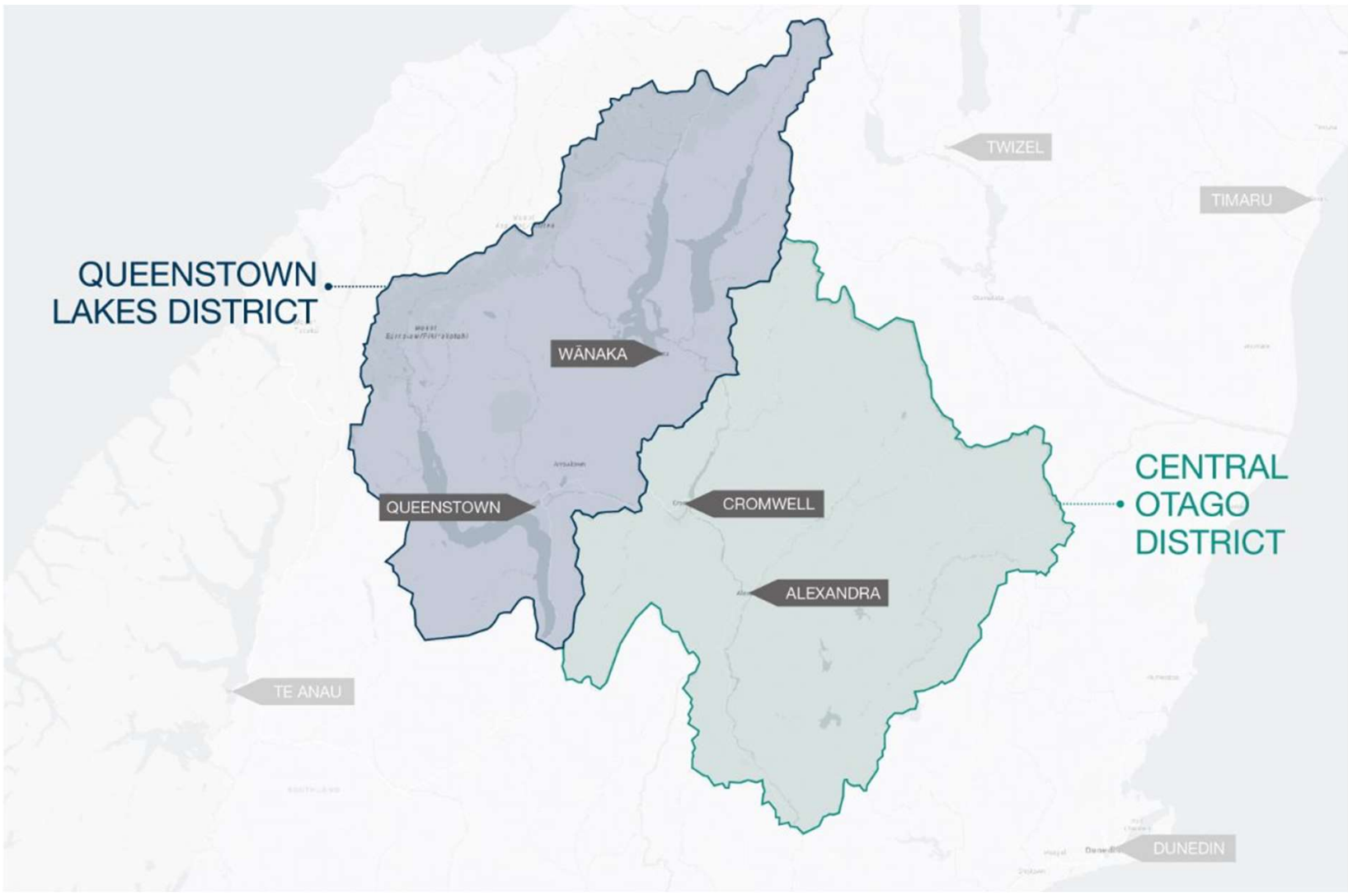
ATTACHMENTS

1. Sub-regional PT Investment Case [**11.6.1** - 119 pages]

Otago Regional Council

Public Transport – Central Lakes Sub-Region

Investment Case



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Public Transport - Central Lakes Sub-Region

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Executive Summary

Introduction

This Single Stage Business Case outlines the case for investing in the introduction of a public transport service for the urban centres of the Central Otago and Queenstown Lakes Districts, defined as the Central Lakes sub-region. It seeks formal approval to progress with a trial service operating four return trips per day, seven days per week with an estimated annual operating cost of $2.928 million (the preferred option) to be included into ORC's 2027-2030 Long-Term Plan and Otago's 2027-2030 Regional Land Transport Plan.

The Central Lakes sub-region is experiencing rapid population growth, increasing visitor demand and ongoing transport challenges. With no subsidised public transport services in the sub-region beyond Queenstown, residents in most areas remain heavily reliant on private vehicles. This causes challenges to mobility, access and connectivity – especially for those that do not have reliable access to a private vehicle or wish to use more sustainable modes.

Addressing regional connectivity is a priority for our community, as is increasing transport choice and confronting the climate emergency, as outlined in the 2025 Regional Public Transport Plan (RPTP).

Purpose

This investment case has been prepared in response to the Otago Regional Council Long-Term Plan 2024–34 direction and subsequent Annual Plan 2025-26 commitment to investigate options for an Alexandra/Clyde/Cromwell to Queenstown service. The purpose of this investment case is to:

1. Consider and analyse a range of potential public transport options within the **Central Lakes sub-region**.
2. Identify an optimal solution to expand public transport services in Otago, to address poor access and connectivity for people in the sub-region.
3. Inform the 2027-2030 Regional Land Transport Plan (RLTP) and Long-Term Plan (LTP) funding decisions, and position Council to respond to future NZTA investment opportunities.
4. Seek approval from Council to proceed with preparing the investment proposal for procurement.
5. Describe the necessary management arrangements for successful delivery.

The case assesses the proposal through the Better Business Case Five Case Model, confirming:

- the need for investment and making a compelling case for change
- a range of potential options have been identified and the feasibility, costs, benefits and risks considered for each option
- the preferred option optimises public value and is commercially viable
- the necessary funding and management arrangements for the successful delivery of the project.

Strategic Case

The case for change is driven by rapid and sustained population growth, dispersed urban development patterns, increasing visitor numbers and a lack of transport alternatives to private vehicle travel. The Central Lakes' population has gone from making up 17% of Otago's total population in 2000 to 31% in 2025. It is projected the sub-region will exceed 190,000 residents by 2055. Despite this growth, public transport services are largely absent, creating barriers to mobility, particularly for young people, older adults, disabled people, lower-income households and visitors.

The proposed investment aligns strongly with national, regional and local policy, including the Otago Regional Public Transport Plan, Regional Land Transport Plan, Queenstown Lakes Spatial Plan and wider transport and urban development objectives.

The investment seeks to:

- Support good urban form and integrated land-use planning
- Improve connectivity and accessibility using sustainable modes
- Reduce transport-related emissions and reliance on private vehicles
- Increase access to affordable alternatives to private vehicle travel.

The proposal also relates to other projects currently underway including the Otago Central Lakes Regional Deal's Transport Network Plan and sub-regional spatial planning. It also complements the Upper Clutha Public Transport Investment Case, endorsed by ORC in July 2026. These projects seek to improve the sub-region's transport network to accommodate the rapidly expanding economic and urban growth by providing strong connectivity between and within key centres.

Economic Case

The economic case considers viable options for public transport in the Central Lakes sub-region. A wide range of service, geographic coverage, delivery, timing and funding options were assessed through a structured long-list and short-list evaluation process. The assessment considered strategic fit, value for money, affordability, achievability, risks and expected benefits.

The preferred option is a two-route bus network operating four return trips per day per route, seven days per week (Option 2a), connecting:

- Alexandra – Clyde – Cromwell
- Wānaka – Luggate – Pisa Moorings – Cromwell – Frankton – Queenstown

Taking into account the current limited funding environment and strong focus on affordability, the preferred option was selected as it is considered to represent the best value-for-money entry point for establishing public transport in the sub-region.

There is flexibility to scale up service levels subject to Council appetite and available funding. Council could opt to go straight to a six trips per day service (Option 2b) to make the service as attractive as possible from the outset. However, in the short-term getting an initial service in place for the sub-region would be a step change, and as demand grows, service levels can be scaled over time to realise greater benefits.

The preferred option:

- Achieves the highest relative benefit-to-cost performance.
- Provides a meaningful increase in transport choice and accessibility.
- Supports future growth while limiting financial exposure.
- Creates a scalable foundation for future service enhancements as demand grows.

The indicative annual operating cost is approximately **$2.928 million**, and the simplified economic assessment indicates a base Benefit-Cost Ratio (BCR) of approximately **1.6**, with sensitivity testing showing performance improves significantly as population and patronage increase over time.

Commercial Case

The preferred delivery model is a **subsidised gross-cost public transport contract**, consistent with existing public transport arrangements in Queenstown and Dunedin.

Under this model:

- ORC procures and manages the service.
- ORC sets fares and retains fare revenue.
- The operator receives a contracted payment to deliver services.
- Service quality, branding, ticketing and customer experience remain under ORC control.

A market sounding exercise confirmed market interest and capability in delivering services within the Central Lakes sub-region. It also provided a level of assurance of adequate market competition to drive contract pricing and quality service delivery. Operators identified opportunities for collaborative service development and highlighted the key commercial risks as workforce availability, depot requirements, seasonal demand variation and fleet selection.

Procurement would be undertaken in accordance with ORC's Transport Procurement Strategy and NZTA public transport procurement requirements. The planned approach to procurement would be an open competitive tender process.

Financial Case

The Financial Case outlines the funding requirements for the preferred option.

The preferred option is considered financially achievable through a combination of fare revenue, ORC rates and NZTA co-funding (not guaranteed). Given current Government transport investment priorities, NZTA co-funding for a new public transport service outside a major urban centre cannot be assumed in the short term. Consequently, local funding arrangements will be critical to implementation.

The estimated operating cost of the preferred option is approximately **$2.928 million per annum**. Sensitivity testing demonstrates the proposal remains affordable under a range of patronage and cost assumptions.

It is proposed that this project seek targeted rate funding through Otago Regional Council's Long-Term Plan 2027-2030 process to meet the local share (49%) of total operating costs of the two-year trial and a suitable targeted rating area for the service developed.

Co-funding would also be sought from NZTA. This project will form part of ORC's 2027-2030 service improvement programme bid for a three-year programme approval (supported by 10-year forecasts). If NZTA approve the inclusion of this project in ORC's 2027-2030 National Land Transport Programme (NLTP) public transport (PT) improvement programme, 51% of the net operating costs will be eligible for funding from NZTA.

A trial provides an opportunity to establish and embed the service in the community before being evaluated and an assessment of its long-term viability completed. If the trial is considered successful and Council (and NZTA) approved the continuation of the service beyond a trial, a broader targeted rate review of the Queenstown, Upper Clutha and Central Lakes sub-region would be undertaken to understand the best approach to fund and support public transport across the Otago Central Lakes region.

The financial profile and apportionment of costs assuming co-funding from NZTA is shown in the table below. With a proposed service start date of March 2028, only four months service operating costs have been signalled for the 2027/28 financial year.

	Financial year >	2027/28	2028/29	2029/30	2030/31	Yrs 5-9	Total
Operating Expenditure							
1	Service delivery contract (AGP)	976,000	2,928,000	2,928,000	2,928,000	14,640,000	24,400,000
2	General implementation costs	100,000					100,000
3	**Total Operating costs (OPEX) $**	**1,076,000**	**2,928,000**	**2,928,000**	**2,928,000**	**14,640,000**	**24,500,000**
Capital Expenditure							
4	Basic stop infrastructure (CODC)	100,000			650,000		750,000
5	Basic stop infrastructure (QLDC)	100,000			1,000,000		1,100,000
6	**Total Capital costs (CAPEX) $**	**200,000**			**1,650,000**		**1,850,000**
Total Expenditure							
7	**Total Project Costs (CAPEX+OPEX) $**	**1,276,000**	**2,928,000**	**2,928,000**	**4,578,000**	**14,640,000**	**26,350,000**
Funding							
8	CAPEX funding (CODC/NZTA)	100,000			650,000		750,000
9	CAPEX funding (QLDC/NZTA)	100,000			1,000,000		1,100,000
10	OPEX funding (ORC)	355,353	908,747	898,228	887,498	4,268,879	7,318,706
11	NZTA PT improvements co-funding	369,858	945,839	934,890	923,722	4,443,119	7,617,429
12	Fare revenue	350,789	1,073,414	1,094,882	1,116,780	5,928,001	9,563,865
13	**Total funding $**	**1,276,000**	**2,928,000**	**2,928,000**	**4,578,000**	**14,640,000**	**26,350,000**

Management Case

The proposed preferred option would initially be implemented as a trial service following approved funding pathways being established. The trial period is estimated to be one to three years, with an estimated commencement date of early 2028 (following completion of Motu Move). Initially implemented using existing fleet, service and fleet improvements will be planned on approval of longer-term funding.

Delivery of the proposal is considered achievable within existing ORC resources and governance arrangements. ORC's Transport team would own and manage the project delivery including the design, planning, procurement and management of the service, collaborating with key partners, such as CODC, QLDC, NZTA, and the service operator, as well as other stakeholders where relevant.

Council will approve the final LTP 2027-2037 by June 2027 and government is set to release the NLTP 2027-2030 in August 2027. If funding for this project is secured it will proceed to implementation following these key dates.

The most significant risks that have the potential to delay, prevent or minimise achieving the investment objectives sought through the investment have been identified as:

- Availability of local share and NZTA co-funding for the trial
- Service frequency or coverage is too limited
- Lower or higher than expected patronage
- Changes in government priorities and policy settings
- Funding of infrastructure not aligned
- Uncertainty of long-term funding

Appropriate mitigation measures have been identified and will be managed through business planning and processes, procurement, and working closely with funding partners.

As a trial service, periodic reviews of the trial's performance against outcomes sought will be undertaken. These will be used to inform ongoing adaptive management of timetables and operational efficiencies, inform future procurement opportunities and scaling of services. They will also be used to keep Council updated and support future funding requests.

Next Steps

This investment case outlines the public value in introducing public transport services into the Central Lakes sub-region and seeks formal approval from Council to:

- Endorse the preferred option for a Central Lakes public transport service
- Include the Central Lakes service trial in the transport projects for local share funding in ORC's 2027-2030 Long-Term Plan
- Include the Central Lakes service trial in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid
- Continue market engagement to refine timetable design, service delivery costs, fleet and operational planning
- Establish a procurement project team to progress procurement planning for upcoming procurement activities.

Implementation of a four return trips per day, seven days per week public transport service will provide a practical and scalable first step towards improving mobility, supporting future growth and creating greater transport choice for Central Lakes communities.

The Strategic Case – the Case for Change

This strategic case summarises the strategic context for the investment proposal and makes the case for change.

The proposed sub-regional public transport services linking Alexandra, Clyde, Cromwell and Wānaka with Queenstown would improve connectivity and provide a reliable, affordable alternative to private vehicles. The introduction of these services would help ease congestion and emissions while expanding travel choice. The proposed investment also supports integrated land use, improved accessibility and aligns with Otago's Regional Public Transport Plan priorities.

Strategic context

The Central Lakes sub-region is comprised of the urban centres of Queenstown, Wānaka, Cromwell and Alexandra, with smaller townships, rural areas, lakes and mountainous forming the surrounds. The sub-region is experiencing rapid change driven by high population growth and a burgeoning tourism sector. In 2000 the sub-region had only 17% of Otago's population but now makes up over 31%.[1] This significant growth in people living in and visiting the area has led to pressures on the transport network, particularly in Queenstown, Wānaka and Cromwell, which are only expected to grow.

Geographic context

The sub-region is comprised of the Queenstown Lakes District and the Central Otago District. The evidence shows that these two districts are increasingly interconnected in terms of economic activity, tourism, and housing growth. As a result of the increasing cross boundary activity, Otago Regional Council (ORC), along with Queenstown Lakes District Council (QLDC) and Central Otago District Council (CODC) are increasing their collaboration to plan and respond to the growing transport demands.

This investigation's geographic scope focuses on the urban centres of Wānaka, Cromwell, Clyde and Alexandra due to the areas' high population growth rates, tourism appeal and proximity to Queenstown.

[1] Otago Central Lakes Regional Deal Light Touch Proposal, from 26 February 2026 ORC Council meeting agenda (p. 20)



Figure 1 Central Lakes geographic scope

Central Otago

Central Otago is a large inland district within Otago, covering approximately 9,968 km^2 and comprising a network of small towns including Alexandra, Cromwell, Clyde, Roxburgh and Ranfurly.[2]

The Central Otago District has a resident population of approximately 26,000[3] in 2025, with a significant proportion of residents living across Alexandra and Cromwell and the remaining residing in the surrounding rural areas. Cromwell serves as a key growth centre and visitor hub, supported by its proximity to Queenstown and Wānaka. The district is a well-established tourism destination, attracting visitors year-round.

Queenstown Lakes

Queenstown Lakes District is a key growth area within Otago, centred on Queenstown in the Whakatipu Basin and Wānaka in the Upper Clutha. The district has experienced rapid population growth in recent decades, driven by its strong tourism sector and lifestyle appeal. The area is characterised by high visitor numbers, a rapidly expanding population, and ongoing pressures on housing, infrastructure and transport. Covering approximately 8,700 km^2, it is one of New Zealand's fastest-growing districts and plays a significant role in the national visitor economy.

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[2] Central Otago District, Place and ethnic group summaries | Stats NZ

[3] https://regions.infometrics.co.nz/central-otago-district/population/growth

Social context

Despite its relatively small share of the Otago population, Central Lakes is one of the region's fastest-growing areas, with visitor demand placing additional pressure on infrastructure, particularly during peak periods.

In 2025 the population[4] of the Central Lakes sub-region was approximately 80,600, with 50,500 of those living in the main urban centres. Significant growth has resulted in a 69.4% population increase in Queenstown Lakes and a 35.8% increase in Central Otago over the past 10 years.

Central Otago

The Central Otago District population grew 12.7% between 2018 and 2023, and the population is projected to reach at least 36,900 by 2045–2055.[5] This growth is fuelling residential and commercial expansion around established centres, while also increasing development pressure in smaller settlements. Dispersed, low-density development patterns and limited public transport contribute to a strong reliance on private vehicles.

Visitors significantly increase the district's population. An average day will see roughly 5,600 visitors while a peak day will see up to 21,000, effectively doubling the population during peak periods over the summer months and around major events.[6] The impact of high visitor numbers continues to place additional demand on infrastructure and services.

Looking ahead, Central Otago is expected to experience steady population growth over the coming decades, driven by both natural increase and inward migration, as well as continued visitor growth. This will further increase pressure on transport networks and reinforce the need for more efficient and scalable transport solutions to support both residents and visitors.

Queenstown Lakes

The estimated population in Queenstown Lakes District was 54,400 in 2025,[7] with a population growth rate of 18% between 2018 and 2023. The population is projected to reach 130,600 in 2045 and 153,200 in 2055.

Queenstown represents a high growth district within New Zealand, where population growth in Queenstown has been increasing faster than traditional projection timeframes expected. The rate of population growth for Queenstown Lakes is a key challenge for future planning, resulting in QLDC producing annual population and growth reports.[8]

Queenstown also attracts a high number of visitors. An average day will see roughly 25,200 visitors in the Queenstown Lakes district while a peak day this increases to 84,800. During peak periods, visitors outnumber residents by approximately 1.5 to 1. Cumulatively the high numbers of visitors in

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[4] Usually resident population

[5] May 2026 growth projections - Resources - Central Otago District Council

[6] 'Central Otago, A Helicopter View' report presented to CODC 27 August 2025 https://www.codc.govt.nz/your-council/news?item=id:2vb5z5fsb1cxbylvhq2z

[7] May 2026 growth projections from CODC used as comparator between the two council areas - https://www.codc.govt.nz/repository/libraries/id:2apsqkk8g1cxbyoqohn0/hierarchy/Services/Economic%20Development/Resources/Growth%20Projections%20-%202025%20v3.0%20FINAL.pdf

[8] https://www.qldc.govt.nz/community/population-and-demand

Queenstown and Central Otago place significant pressure on the infrastructure across the Central Lakes sub-region.

Economic context

Queenstown is the major economic centre of the Central Lakes sub-region and has a significant impact on the wider regional transport network for the following reasons:

- Queenstown Airport is the main entry point for international tourists visiting the Central Lakes, distributing visitors to surrounding areas such as Wānaka, Alexandra and Cromwell.
- Tourism, hospitality, and the primary sector (horticulture and viticulture) drive the region's economy. Queenstown absorbs a massive share of this market, generates significant regional spending and provides critical employment that supports the wider sub-region.
- Queenstown acts as a central base within the district for administration, healthcare and trades, drawing labour and serving communities across the Central Lakes sub-region.
- Developer-led urban growth, geography and low availability of affordable housing close to Queenstown has contributed to people choosing to live in the various urban centres of the sub-region (Wānaka, Cromwell and Alexandra). Many of them travel to Queenstown frequently for work or other economic activities.

The Otago Central Lakes economy is one of New Zealand's fastest growing economies and since 2000 has driven 50% of Otago's GDP growth, tripling its economy[9].

Employment growth over the 10 years to 2025 averaged 2.8% per annum in Central Otago and 4.6% per annum in Queenstown Lakes, compared with average growth of 1.9% per annum for New Zealand. Employment in the tourism sector accounted for approximately 10% in Central Otago and 30% in Queenstown Lakes of total employment in 2025, demonstrating the district's strong tourism focus[10].

The leading employment industries in Queenstown Lakes are accommodation and food services (18%), construction (16%) and retail trade (10%)[11]. By comparison, agriculture (19%) and construction (17%) are the largest employers in Central Otago, underscoring the district's rural economic base and growth in the construction sector.[12] Construction is a strong and growing sector for the whole sub-region to support the strong housing growth statistics.

Spatial planning context

In order to meet the demands of population and visitor growth, a number of urban development projects (using traditional and new spatial planning processes) are in various stages throughout the sub-region. As shown in Table 1, the highest increase in population from 2015 to 2025 was seen in Wānaka, Frankton and Cromwell, which have also seen the highest increase in residential developments.

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[9] Excerpt from Otago Central Lakes Regional Deal material

[10] https://regions.infometrics.co.nz/queenstown-lakes-district/employment/growth?compare=new-zealand

[11] https://regions.infometrics.co.nz/queenstown-lakes-district/employment/structure?compare=new-zealand

[12] https://regions.infometrics.co.nz/central-otago-district/employment/structure

Table 1 Population changes for key centres in Central Lakes sub-region[13]

Location	2015	2025	% change
Central Otago District	19,550	25,800	24%
Queenstown Lakes District	33,400	53,800	38%
Cromwell	4,840	7,480	35%
Alexandra	5,100	5,850	13%
Wānaka	7,820	13,210	41%
Frankton	6,700	13,410	50%
Queenstown Centre	8,080	8,450	4%

Traditionally spatial plans outline how territorial authorities will respond to population growth and illustrate the areas identified for future housing development. QLDC and CODC's respective spatial plans acknowledge the geographic constraints that limit where development can happen, while identifying a number of key areas for future development as shown below in Figure 2, Figure 3 and Figure 4.

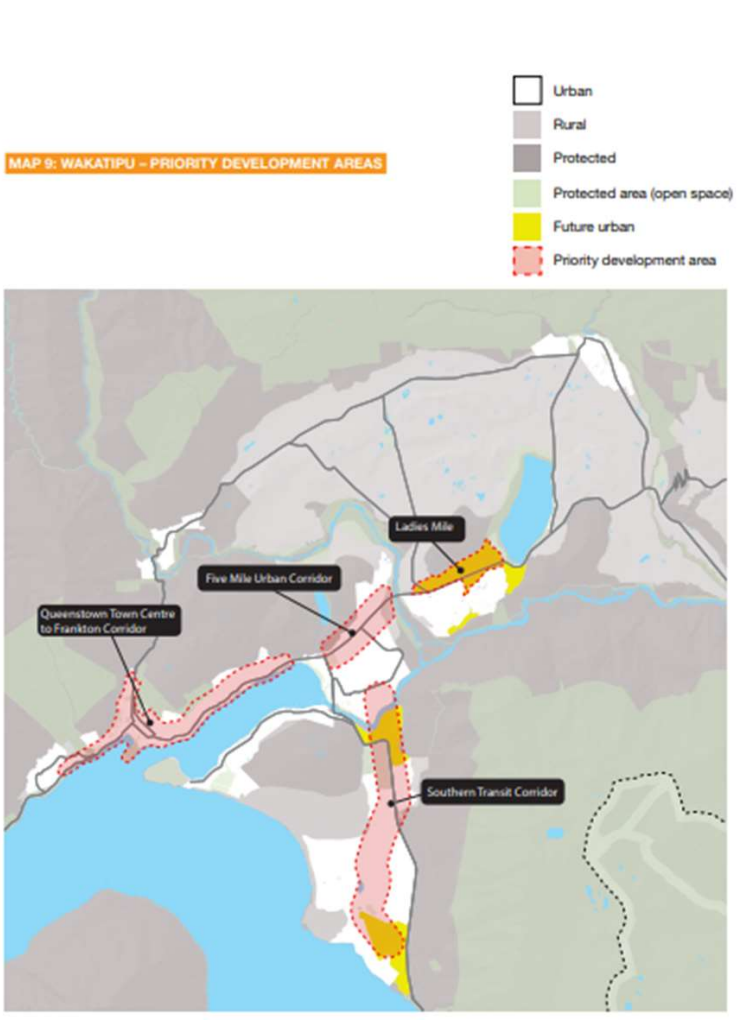
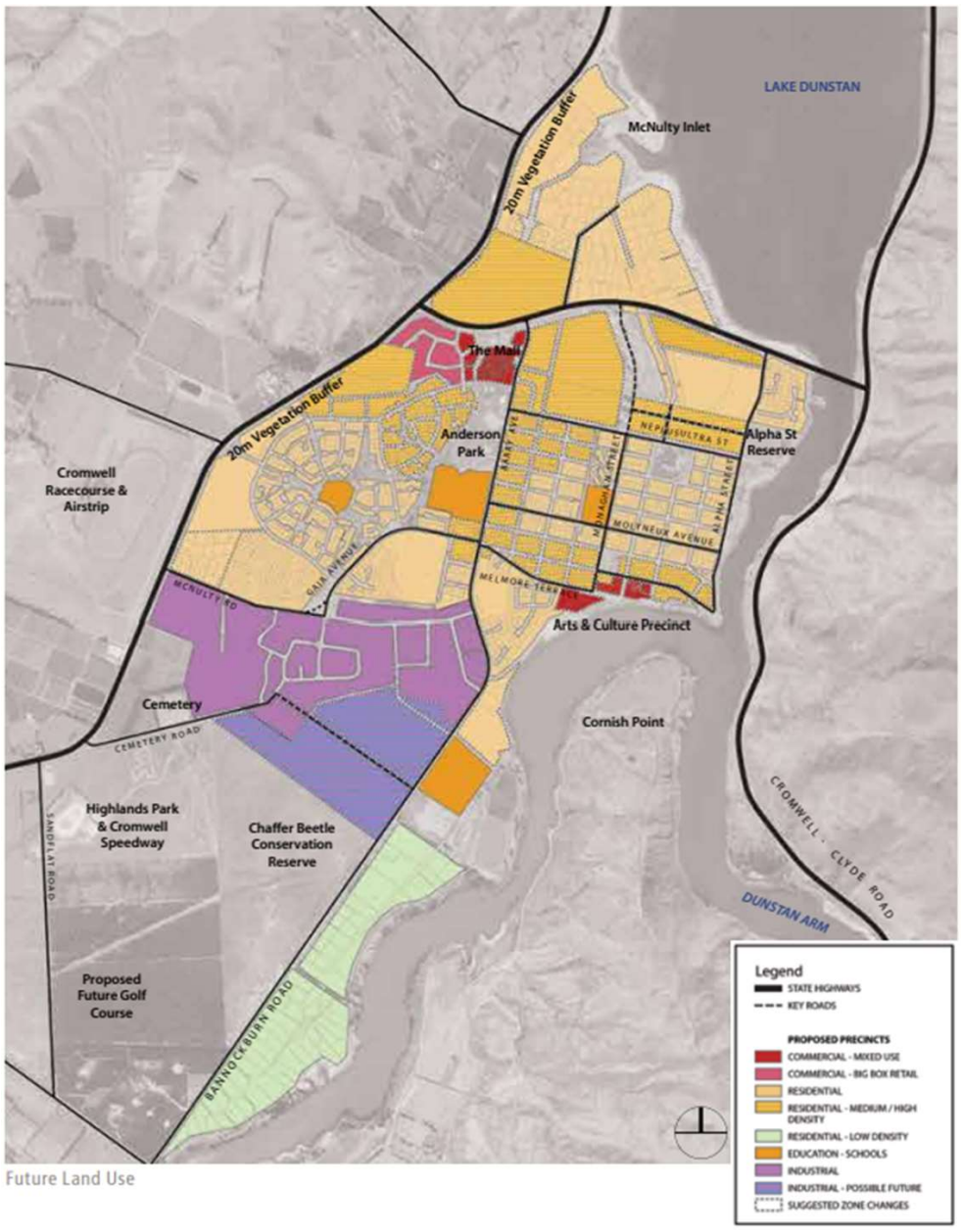


Figure 2 Queenstown Lakes priority development areas (2021)

[13] https://regions.infometrics.co.nz/queenstown-lakes-district/population/growth?compare=new-zealand



Future Land Use

Figure 3 Cromwell Masterplan future land use (2019)

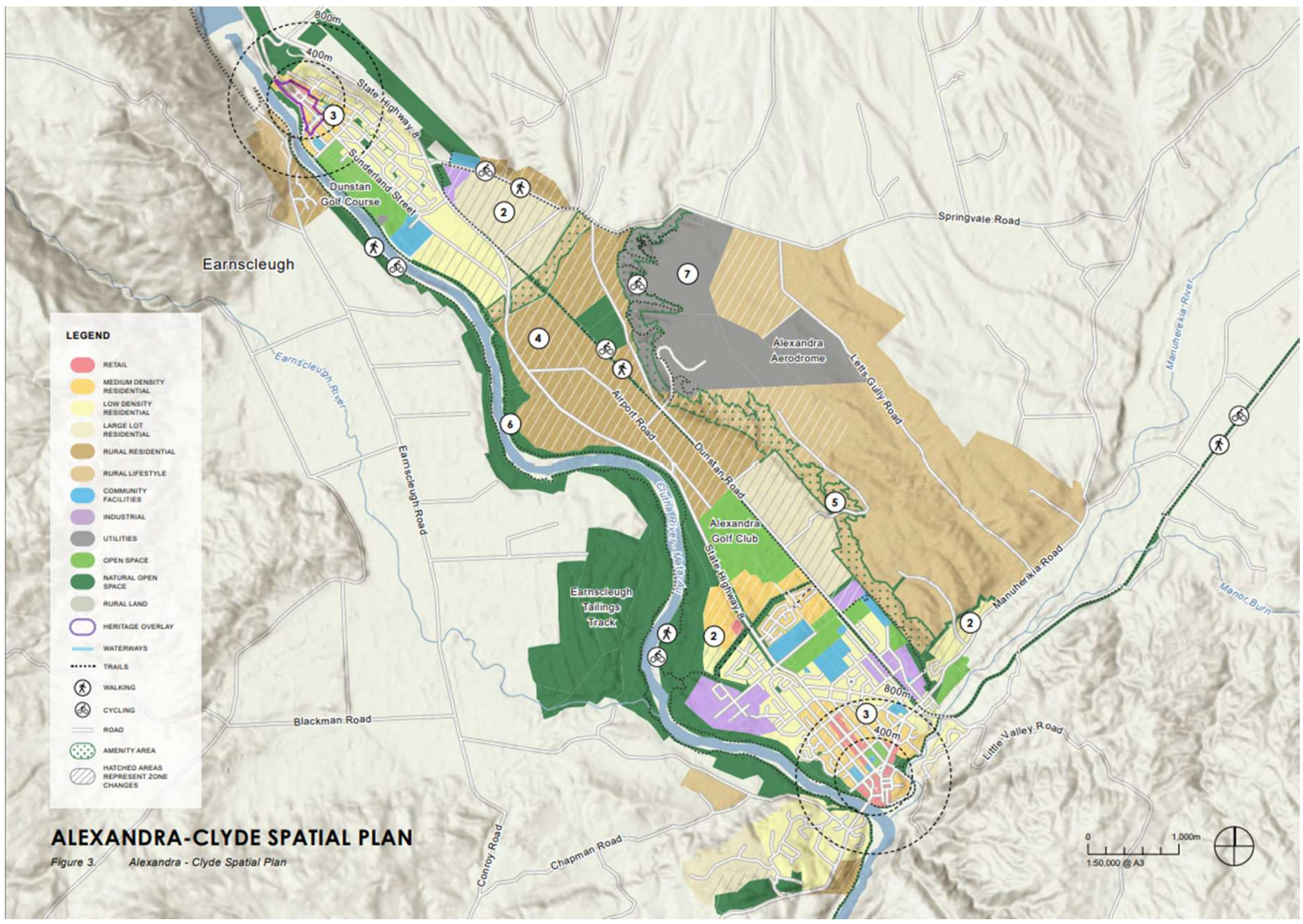


Figure 4 Alexandra-Clyde Spatial Plan (2022)

Beyond conventional spatial planning processes, urban growth in the sub-region is increasingly being driven by out-of-sequence development enabled by the Fast-track Approvals Act 2024. As of July 2026, one housing development project application has reached approval, resulting in approximately 2800 new dwellings being constructed in the Whakatipu Basin.[14] Other urban development project applicants that have indicated they will be undertaking the fast-track process could see an additional 4800 dwellings in Whakatipu Basin, 263 dwellings in Wānaka, and 1000 dwellings in Cromwell.[15]

Transport context

The Central Lakes transport network comprises the following elements:

- State highways (SH6, SH8) connect Alexandra, Clyde, Cromwell, Wānaka and Queenstown to the wider region.
- Rural connectors and rural roads as part of the Road Controlling Authority network connect settlements across the region. Urban roads, footpaths and cycleways allow people to connect to key activity centres.
- A public transport network serves urban Queenstown with five bus routes and one ferry service.
- Active travel corridors offer pedestrians and cyclists travel routes free of motor vehicle traffic, primarily in the form of recreational routes throughout Otago, with some protected and off-road active transport infrastructure within Queenstown and Wānaka.
- Ministry of Education school bus services operate within Queenstown, Wānaka, Cromwell, Clyde and Alexandra as public transport service is not available.
- Some private businesses provide shared transport options to support their employees.
- Anecdotal evidence reveals that some people carpool with colleagues between centres.
- Several tourist operators provide transport for their customers to travel from Queenstown to their sites e.g. AJ Hackett Bungy and Trail Journeys.
- Two public expert commercial operations currently provide travel options between the main centres across Otago, as shown in Figure 5.
    - InterCity provide commercial bus services daily between Queenstown and key towns in the South Island, stopping at other centres in the sub-region along the way. Destinations from Queenstown serviced by InterCity are:
        - Christchurch (via Cromwell)
        - Franz Josef (via Wānaka and Cromwell)

[14] Homestead Bay approximately 2800 residential allotments approved February 2026, Ayrburn Screen Hub, fil and TV production facility with worker accommodation near Lake Hayes approved April 2026.

[15] Housing/land projects listed on the Fast Track projects web page within the Central Lakes sub-region https://www.fasttrack.govt.nz/projects?query=%21showall&f.projectRegion%7CprojectRegion=Otago&f.Project+Sector%7CprojectSector=Housing%2Fland

        - Dunedin (via Alexandra, Clyde and Cromwell)
        - Mt Cook (via Cromwell)
        - Te Anau.
    - SkyDrive, operated by Ritchies, service between Wānaka and Queenstown. The service has two route options, each with two trips a day (in each direction):
        - Via Crown Range (Queenstown Central - Queenstown Airport - Frankton Bus Hub - SH6 Crown Range Carpark - Cardrona Hotel - Wānaka) journey time of 1 hour 10 minutes
        - Via Cromwell (Queenstown Central - Queenstown Airport - Frankton Bus Hub - Cromwell - Wānaka) Journey time of 1 hour 50 minutes.

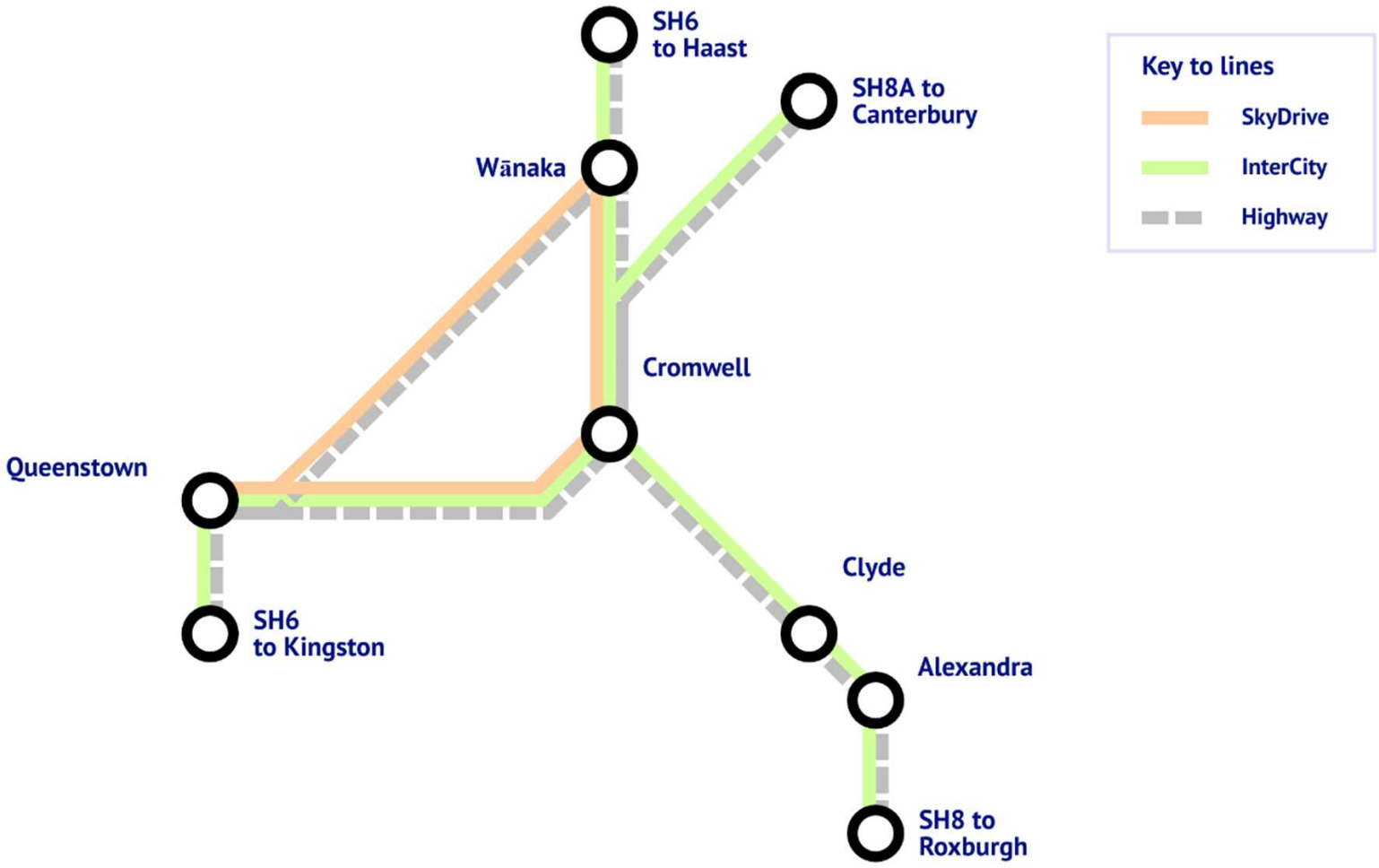


Figure 5 Current InterCity and SkyDrive exempt services

The combined return trip frequencies of the exempt services are:

- Cromwell – Queenstown: 4-5 trips per day
- Wānaka – Cardrona – Queenstown: 2 trips per day
- Wānaka – Cromwell: 2-3 trips per day
- Alexandra – Cromwell: 1-2 trips per day

Figure 6 presents the coverage of regional public transport services, both publicly contracted (integral) and commercially delivered (integral exempt), as of June 2025. SkyDrive and InterCity services described above are reflected by the grey connections while Orbus services are shown in red.

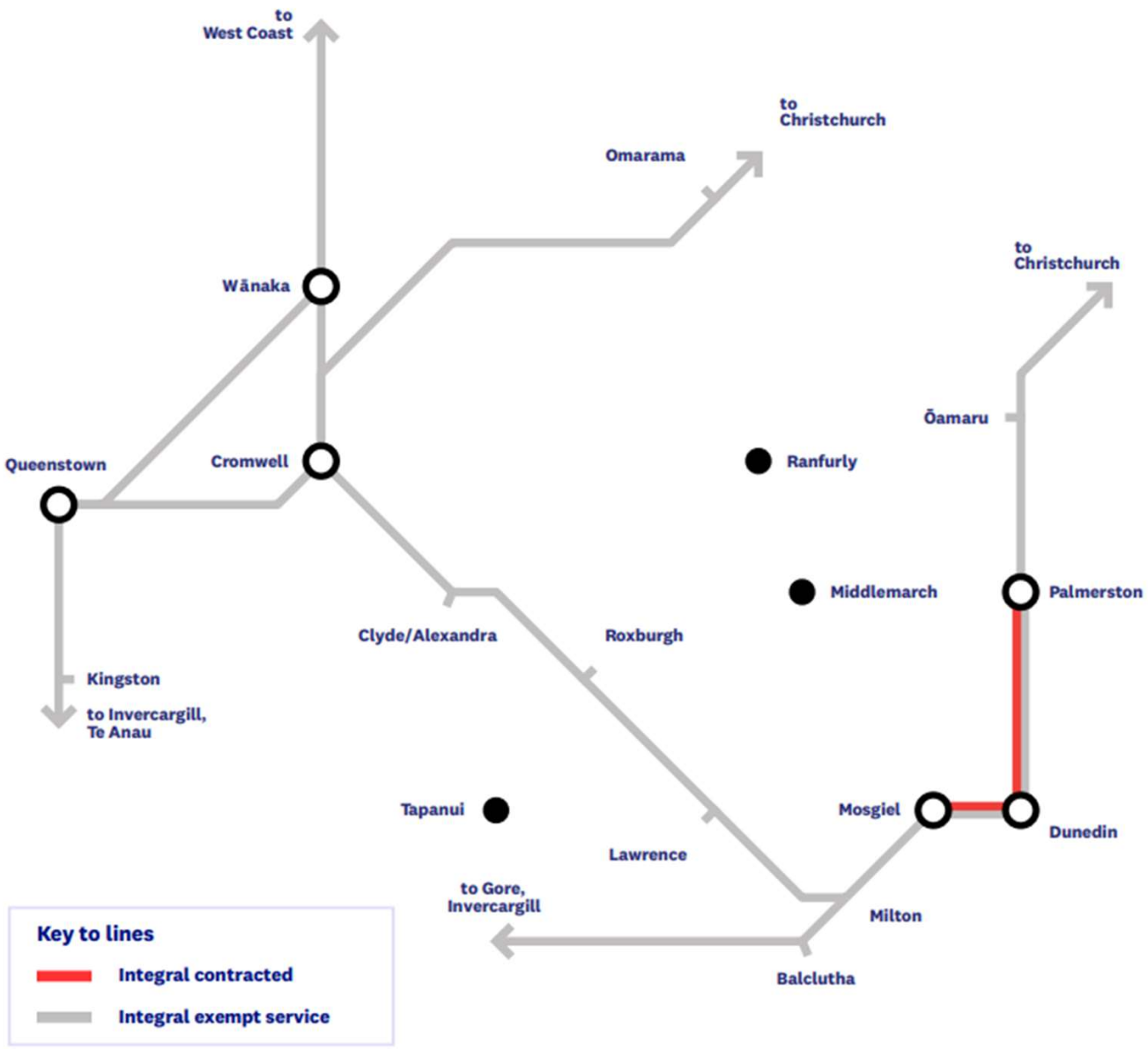


Figure 6 Current Otago regional network map as shown in the RPTP (2025)

How do people move around?

Most trips within the Central Lakes are made by private vehicle. This is the case for trips to work (Figure 7), trips to education (Figure 8), as well as most trips made by visitors.

For residents travelling to work or education, driving a private vehicle, company vehicle or being a passenger in a vehicle make up the greatest share of trips. Rates of cycling to work and education are notably higher than the national average. Working and studying from home also occurs well above the national rate. Walking to education is significantly higher in Central Otago than in Queenstown Lakes, as well as higher than the national average. Notably, school bus rates are higher in both regions compared to the national average due the large rural school catchments of the sub-region and public transport only being available within Queenstown.

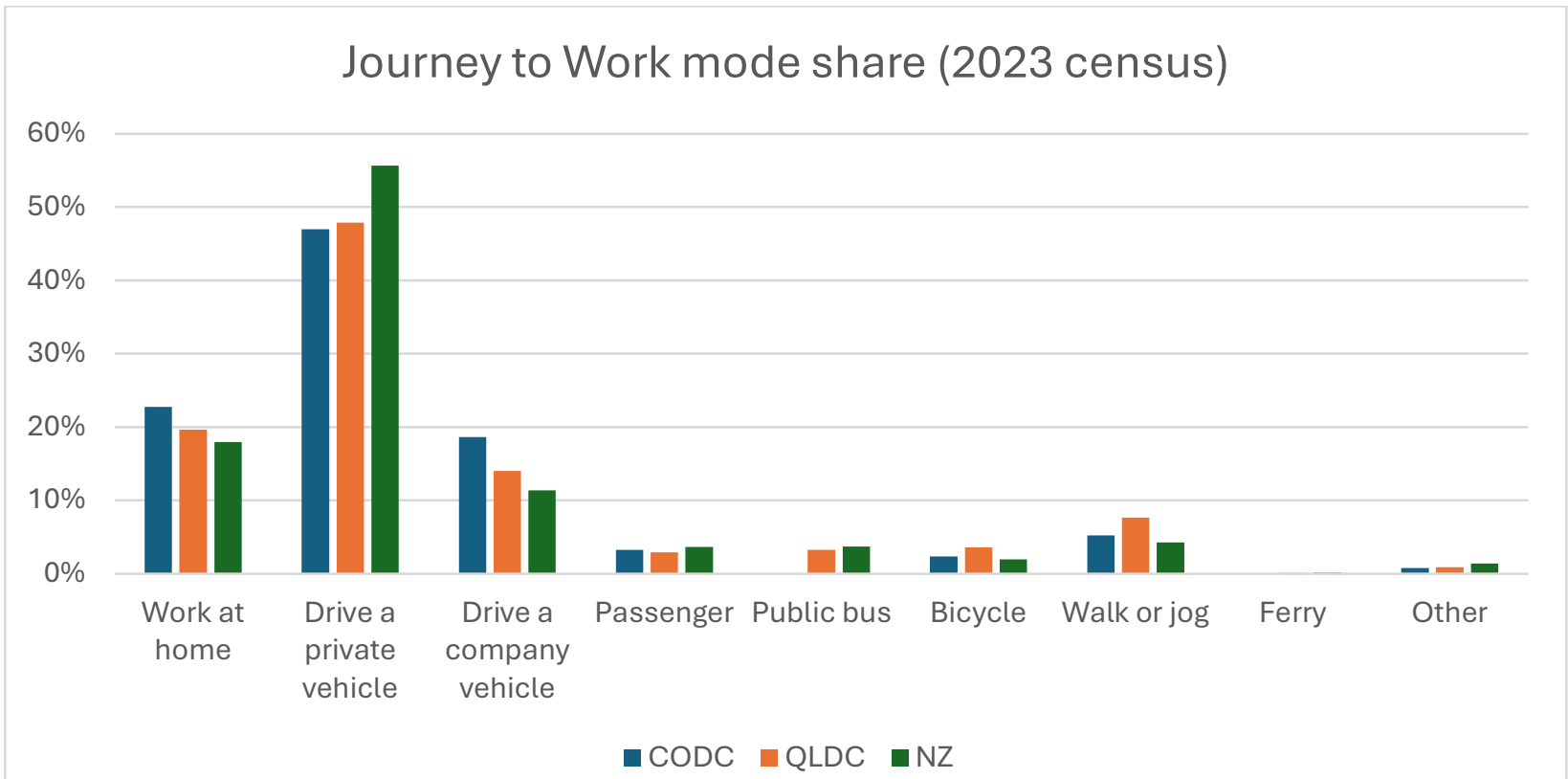


Figure 7 Journey to work mode share data, by territorial authority (2023)[16]

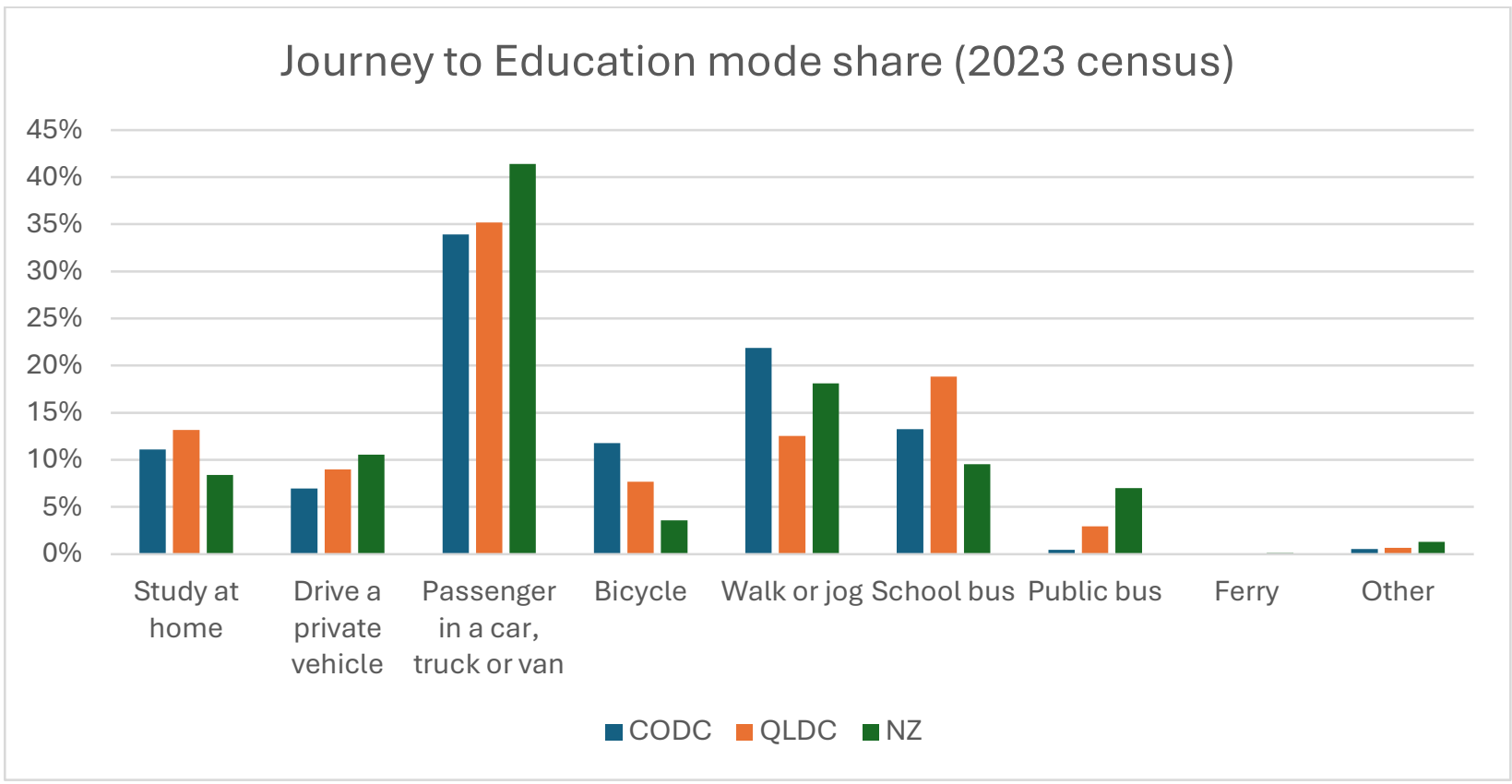


Figure 8 Journey to education mode share data, by territorial authority (2023)[17]

The high reliance on private vehicles for most journeys means there are more households in the region that have access to two or more vehicles compared to the rest of New Zealand.[18] Driven by the lack of transport options and the large share of rural residents, only 3% of households do not have a vehicle, compared to 6% of households nationally.[19] The proposed service seeks to reduce

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[16] Aotearoa Data Explorer

[17] Aotearoa Data Explorer

[18] https://tools.summaries.stats.govt.nz/places/UR/alexandra/vs/UR/cromwell#number-of-motor-vehicles

[19] 3.1 % in Central Otago District and 2.6 in Queenstown Lakes District, averaged to 3% for the combined sub-region.

the need for people to rely on private vehicles and support those who live car-free, whether through choice or need, to participate fully in their community.

Driven by high levels of activity and large visitor numbers, the Queenstown road network experiences high demand and congestion across the day. Traffic modelling reports produced in 2026 focusing on the key network pinch points accessing Queenstown (Frankton Road, Shotover Bridge and Kawarau Falls Bridge) include a 2025 baseline for total person trips (per hour) for the AM peak (27,050), interpeak (24,860) and the PM peak (34,440).[20] These numbers show that on top of the traditionally high travel demands from morning and evening commuters there is a strong demand for people to travel during the interpeak period, typically around midday.

Where do workers travel?

Given the role of Queenstown as an economic hub and the proximity of urban centres in the sub-region, there is frequent travel between centres. Census journey to work data demonstrates the travel trends (beyond mode share) for commuters and illustrates where people travel to and from.

The growth experienced in the sub-region has resulted not only in population growth, but also more people living further from where they work. The following table describes the change in transport trends between 2018 and 2023[21] for each of the centres:

Table 2 Travel to work trends

Area	Change in travel 2018 vs 2023		
	Total work trips	Living and working within area	Travel to other areas
Queenstown Centre	**+237** (+8%)	**-300** (-8%)	**+225** (+15%)
Frankton	**+1,023** (+37%)	**+1,569** (+69%)	**+534** (+28%)
Wānaka	**+702** (+78%)	**+1,371** (+35%)	**+372** (+58%)
Cromwell	**+450** (+55%)	**+438** (+24%)	**+372** (+47%)
Alexandra	**+180** (+16%)	**+48** (+3%)	**+141** (+24%)

Figure 9 below has been produced to illustrate the number of people travelling between the key centres of Central Lakes sub-region (as recorded on census day 2023).[22] Due to the steady population and economic growth since 2023, it is assumed that the numbers presented here are an

[20] Table 2-6: Total Person-Trips (per hour), p.21, from the Queenstown Strategic Network Plan Demand Capacity Analysis report, May 2026.

[21] Commuter Waka comparison of arrivals (SA3) data between 2018 census and 2023 census journey to work data https://commuter.waka.app/?mode=sa3#

[22] Commuters between Queenstown Centre and Frankton were not included as they could utilise existing public transport services. https://commuter.waka.app/?mode=sa3#

under-estimation compared with 2026 travel patterns (as illustrated above by the sizable growth in trips between centres from 2018 to 2023).

Figure 9 demonstrates there is material demand for travel between centres for work. For example, 264 people said their journey to work began in Alexandra, with their destination being one of the other urban centres within the sub-region. Figure 10 shows further detail on commuter travel behaviour with the number of people arriving and departing each urban centre. For example, 192 of the 264 people that left Alexandra were travelling to Cromwell, while 51 continued on to Frankton and Queenstown.

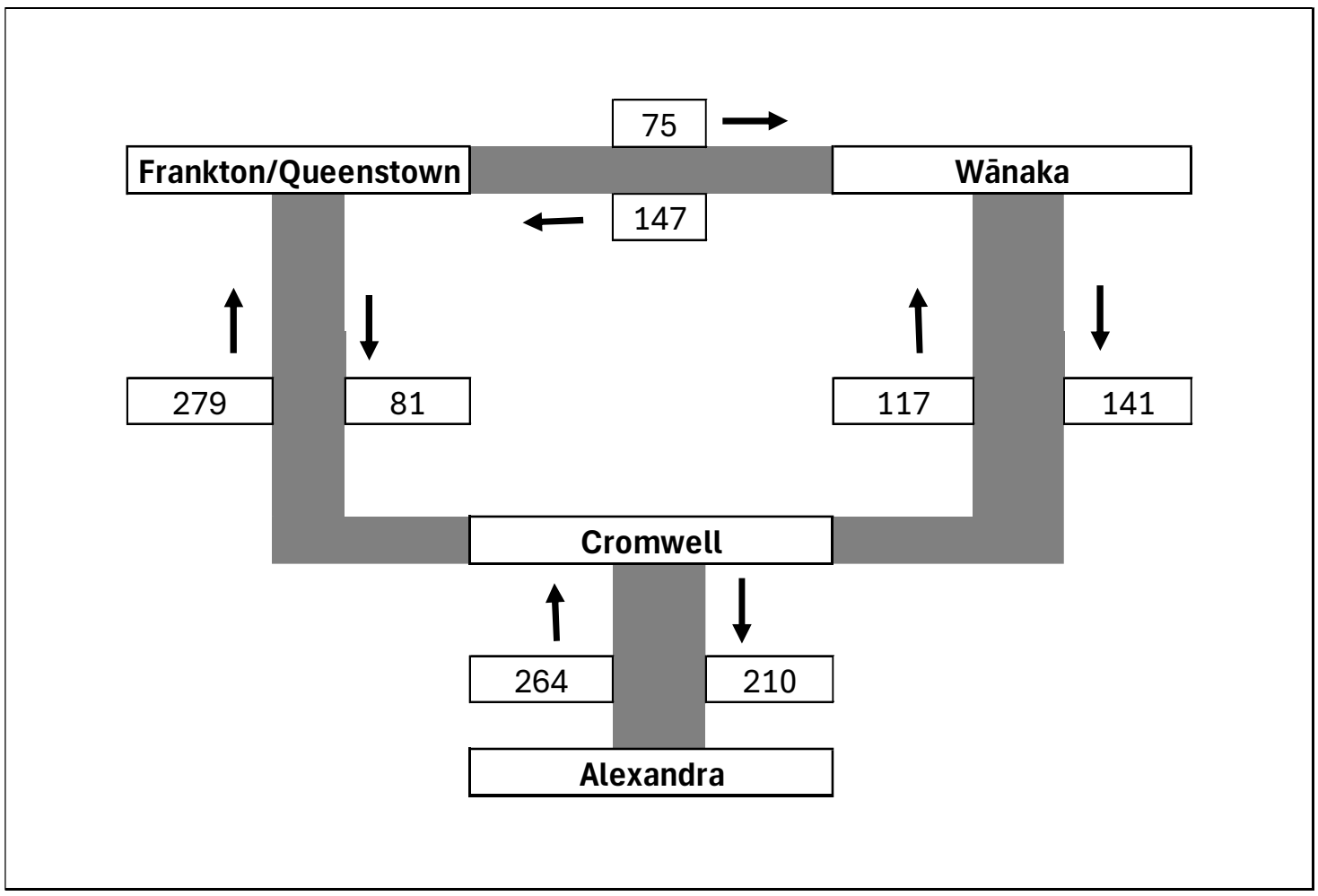


Figure 9 Journey to work routes (2023 Census)

		Destinations				
		Alexandra	Cromwell	Wānaka	Frankton	Queenstown
Departures	Alexandra		192	21	39	12
	Cromwell	165		96	153	75
	Wānaka	33	108		72	75
	Frankton	12	48	42		1551
	Queenstown		21	33	1089	

Figure 10 Journey to Work Origin-Destination (2023 Census)

Note that the figures in blue between Frankton and Queenstown are excluded from Figure 9 Journey to work routes (2023 Census) due to them being considered local trips within an urban centre, rather than trips between centres in the sub-region.

To support and inform this investment case, a targeted survey of businesses in the Central Lakes sub-region was conducted (June 2026). The survey was intended to gain an understanding of existing staff and customer transport arrangements and to see if there was an appetite for sub-regional public transport services. Results from this survey are discussed in the Stakeholder

engagement section and further support the case that people regularly travel between the centres within the sub-region.

Many journeys occur for reasons other than commuting to work and education, particularly in the Central Lakes where visitors generate a high share of trips on the network. The Queenstown and Wānaka Visitor Experience Survey suggests that visitors also travel largely by motor vehicle, with 88% of respondents indicating they travelled by a private or rented motor vehicle while in Wānaka[23] and 70% in Queenstown.[24]

The tourism sector provides private transport services, such as shuttles to ski fields, wineries and cycle trails, which comprise a share of visitor trips. Taxi services are available in Wānaka and some limited options in Alexandra, Clyde and Cromwell.

What if people don't have access to a car or can't drive?

Many people in the Central Lakes sub-region who cannot frequently and reliably access a private vehicle are left with limited transport options, and consequently are transport disadvantaged. Table 3 outlines the share of people in the Central Lakes sub-region that likely experience some transport disadvantage, and the associated costs to these people not served.

Table 3 Transport disadvantage prevalence in the Central Lakes[25]

Type	Prevalence	Cost if not served
Seniors who do not or should not drive	5-10%[26]	Non-drivers lack mobility, require chauffeuring (special vehicle travel to transport a non-driver), or costly options (taxis and ride-hailing), or move to another community with better transport options.
Disabled people	4.7%[27]	
Youth (10-19 years)	10.2%[28]	
Drivers who share vehicles	5-15%[29]	
Drivers whose vehicles are inoperable or must be transported to another region for repair or sale	Varies	Requires chauffeuring, hitchhiking or costly taxi or ride-hailing services

[23] https://marketing.queenstownnz.nz/acton/fs/blocks/showLandingPage/a/44251/p/p-015d/t/page/fm/0

[24] https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/queenstownnz/Queenstown_Visitor_Experience_Survey_Summary_YE_June_2025_f17ba37a-35fb-43b8-bb52-b62e634b1c19.pdf

[25] Table derived from 'A Business Case for Improving Interregional Bus Services' produced by the Victoria Transport Policy Institute

[26] Estimation from Victoria Transport Policy Institute at https://www.vtpi.org/bcit.pdf

[27] Source: 2023 Census data from https://regions.infometrics.co.nz/central-otago-district/census/indicator/disability-indicator and https://regions.infometrics.co.nz/queenstown-lakes-district/census/indicator/disability-indicator

[28] Source: 2025 figure from https://regions.infometrics.co.nz/central-otago-district/population/age-composition?compare=new-zealand and https://regions.infometrics.co.nz/queenstown-lakes-district/population/age-composition?compare=new-zealand

[29] Estimation from Victoria Transport Policy Institute at https://www.vtpi.org/bcit.pdf

People with high socioeconomic deprivation	13.2%[30]	Lack mobility or bear excessive transport costs
Visitors	27.8%	Lack mobility, bear excessive transport costs or forego visiting the area
Impaired or distracted drivers	Varies	Increased road safety risks

High fuel costs exacerbate transport disadvantage for low-income people and increase the community's vulnerability to petroleum-related economic shocks.

The types of people noted above in Table 3 are the groups of individuals most likely to use public transport if it was accessible, affordable and convenient.

30 Source: 2023 Census figures from https://tools.summaries.stats.govt.nz/places/TA/central-otago-district/vs/TA/queenstown-lakes-district#new-zealand-index-of-socioeconomic-deprivation. High socioeconomic depravation is defined as socioeconomic depravation index scores of 7 or higher.

Organisational overview

As per Land Transport Management Act 2003, ORC's responsibilities as the public transport authority for Otago include:

- Planning public transport networks
- Designing, procuring and funding public transport services
- Influencing land use via regional policy statements and regional plans developed in accordance with the Resource Management Act 1991.

ORC currently maintains public transport networks in Dunedin and Queenstown and Total Mobility services in several urban centres including Queenstown, Wānaka, and Alexandra. Total Mobility is a nationwide scheme that provides door-to-door transport for disabled people who are unable to safely use regular public transport.

Road Controlling Authorities

As Road Controlling Authorities (RCAs) NZTA, CODC and QLDC are responsible for planning, constructing, maintaining and operating the road network within their territorial boundary.

QLDC regularly includes, as part of their LTP and RLTP programme funding bids, funding for associated infrastructure for public transport, and are familiar with implementing public transport infrastructure as part of the multimodal transport network.

CODC's transport programme historically is more focused on safety improvements and maintaining their network. There is no publicly funded public transport within their area. Existing public exempt services have bus stops in Cromwell and Alexandra marked with signs and line markings. With a small transport programme budget compared to QLDC, CODC is likely to be significantly impacted by any additional funding required to increase the number of bus stops or improve the level of service to support an expanded service.

Strategic alignment

This section provides a summary of the strategic alignment of the proposed investment in public transport services for the Central Lakes sub-region, with legislation, and national and regional policy priorities.

Strategy	Alignment
Land Transport Management Act 2003 (LTMA)	Investigating public transport options for communities with limited or no public transport service fulfils the LTMA *s115(1)* principles of: (a) well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology (b) public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe.

Transport Outcomes Framework	An investment in public transport in the Central Lakes sub-region would primarily contribute to the Transport Outcomes Framework outcomes of inclusive access, economic prosperity, and environmental sustainability.
Government Policy Statement on land transport (2024-2034) (GPS)	The GPS has four strategic policy areas: • Economic growth and productivity • Increased maintenance and resilience • Safety • Value for money. Implementing public transport into the Central Lakes sub-region directly supports the GPS 2024 Economic Growth and Productivity priorities by: • Easing congestion and parking demand through mode shift from private cars to shared transport. • Increasing access to employment, services, and markets by connecting residents, workers, and visitors across Queenstown, Alexandra, Cromwell and Wānaka. • Supporting workforce mobility and business productivity through improved connectivity between residential and commercial hubs. • Building sustainable travel habits that support long-term economic growth and liveability. Noting the size of the Central Lakes sub-region catchment and the scale of the proposed services, any reduction in travel times and congestion is likely to be minimal in the short-term. The introduction of public transport in the region will enable mode choice and sustainable travel habits to be established supporting economic growth and liveability as well as resilience to rising energy prices in the longer term. From a pragmatic perspective, the government outlines in the GPS 2024 (p.13) that it will continue to fund existing public transport services "where they are cost effective, achieve value for money, and achieve the expected outcomes of less congestion and increased patronage". Further it includes investment in targeted public transport projects in Auckland and Wellington. The GPS also sets an expectation for increased private share funding to: • Support increased levels of public transport expenditure • Reduce pressure on ratepayers and taxpayers. Due to the low priority afforded to new public transport services outside New Zealand's major centres in the current GPS, consideration will need to be given to how an adequate balance between public funding and private contributions can be achieved to reduce long-term costs and be consistent with the government's expectation and current fiscal environment.
New Zealand's second emissions reduction plan 2026-2030	The second ERP focuses on urban public transport infrastructure and emissions reduction in cities. It doesn't provide direct justification for establishing public transport in areas like the Central Lakes, though the general principles

	(reducing emissions, zero-emissions vehicles, and integrating transport investment with housing and land-use planning) are still relevant.
National Policy Statement on Urban Development	The National Policy Statement on Urban Development (2020) (NPS-UD) sets objective and policies required for major urban centres to have well-functioning urban environments. Specifically, it mandates tier 1 and 2 centres to achieve "urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future".[31] It strongly encourages all smaller, or tier 3, urban centres such as those in the Central Lakes sub-region to align with its objectives and policies. Public transport is emphasised in the NPS-UD as a key component of urban environments and directs local governments to support good public transport provision in land use planning decisions.
Proposed Otago Regional Policy Statement 2021	Investment in public transport in Otago Central Lakers aligns with implementing the proposed Otago Regional Policy Statement (pORPS) transport objectives: • EIT-TRAN-O10 - Energy efficient and safe transport - Otago has an integrated air, land and water based transport network that: ○ is effective, efficient and safe ○ connects communities and their activities within Otago, with other regions, and internationally, and ○ is resilient to natural hazards and the effects of climate change, and the changing needs of communities. • EIT-TRAN-O11 - Transport system - The transport system within Otago supports the movement of people, goods and services, is integrated with land use, provides a choice of transport modes and is adaptable to changes in demand. • EIT-TRAN-O12 – Effects of the transport system - The contribution of transport to Otago's greenhouse gas emissions is reduced and communities are less reliant on fossil fuels for transportation.
Queenstown Lakes Spatial Plan	The Queenstown Lakes Spatial Plan (2021) provides a blueprint for future urban growth, emphasising the necessity of public transport to support new development. It includes a vision for a sub-regional transport service to connect Glenorchy, Kingston, Wānaka, Cromwell and Queenstown. This aspirational network will provide options for residents and visitors aside from private (or rental) vehicles to get around the region. The plan is set to be replaced with a future development strategy that reflects the outcomes of the Otago Central Lakes Regional Deal.

[31] Objective 1, https://environment.govt.nz/assets/publications/National-Policy-Statement-Urban-Development-2020-11May2022-v2.pdf

Cromwell Masterplan Stage 1: Spatial Framework (CODC 2019)	Establishes a 30-year growth framework for Cromwell, directing future residential, commercial and industrial development to occur in a more consolidated urban form centred on Cromwell. The plan promotes growth within walkable distances of the town centre, improved connectivity between key activity nodes, precinct-based development, enhanced public spaces, greenway networks, and integrated transport connections. It seeks to accommodate population growth while maintaining accessibility, reducing reliance on dispersed development patterns, and supporting sustainable movement throughout the Cromwell Basin. These outcomes align strongly with public transport objectives by increasing travel demand concentrations, supporting active travel, improving access to key destinations, and creating a more efficient environment for future public transport services.
Vincent Spatial Plan (CODC 2022)	Establishes a 30-year spatial growth framework for Alexandra, Clyde, Ōmakau and Ophir. The Plan directs growth towards existing urban centres, supports consolidated residential and employment development, and guides future infrastructure investment to service forecast population growth. While it does not specifically address regional public transport connections to Cromwell, Wānaka, Queenstown or Frankton, the Plan's focus on concentrating growth within established settlements supports the development of efficient regional transport and public transport networks by increasing demand within identifiable population and employment centres.
Mid-term review (2024) Otago Southland Regional Land Transport Plans 2021-2031 (RLTP)	The strategic objectives and transport network improvement plans for the Otago Southland region are set out in the RLTP, and inform Otago's Regional Public Transport Plan (RPTP). Specifically, it contains a connectivity and choice objective to "develop a range of travel choices that are used by communities and business to connect", and an investment priority to "optimise an efficient and accessible transport network through enhanced mode choice provision across the regions".
Otago Regional Public Transport Plan (RPTP)	The RPTP sets Otago Regional Council's intentions to develop a regional public transport network that connects smaller towns to enhance connectivity across the region. This includes connections between Alexandra and Queenstown to supplement exempt services (p.60) and Queenstown, Wānaka and Cromwell (p.61) as per section 5.2 Regional Network Aspiration Maps. Policy *NF P9*, (p.73) and Action *NF A2* (p.74) further detail prioritisation of transport solutions for smaller communities.

The problem/opportunity

The core focus within scope of this investment is responding to the lack of transport options for people living and/or travelling between the main centres within Queenstown Lakes and Central Otago (Queenstown, Wānaka, Cromwell, Clyde and Alexandra).

Problem Statement:

Rapid and dispersed housing development combined with high visitor numbers across the region are increasing travel distances and demand for movement between centres. This has resulted in high dependence on private vehicles, placing pressure on the wider transport system.

Figure 11 Problem Statement

The root causes of the problem include:

- Faster than predicted growth in population and visitors across the Central Lakes sub-region.
- Insufficient public transport and shared transport options in areas outside of Queenstown.
- Exempt commercial bus services that operate between the main centres, do not adequately meet people's transport needs because timetables are limited, fares are high, and prebooking is required.
- A high concentration of the region's jobs are located in Queenstown, but limited availability of affordable housing in Queenstown results in many people living in the sub-region and travelling to Queenstown for work.
- High demand on a constrained transport network (primarily in Queenstown) is resulting in increasing congestion.
- Housing development driven by the private sector is contributing to urban sprawl
- Historically small towns no longer considered "small" given the rate of growth in housing, as well as the changing economic landscape, has resulted in Queenstown becoming the closest major activity centre for the Central Lakes sub-region.
- Queenstown is the main retail centre and a popular tourism destination that draws high numbers of visitors to the area. Many visitors hire cars to experience the region, further contributing to congestion.
- High seasonal workforce demand across the whole sub-region
- Strong reliance on private vehicles due to lack of viable alternatives.

Status of the evidence base

There is strong evidence to support this problem. Census data, reports and engagement feedback consistently demonstrate the challenges arising from rapid population growth and limited transport options. The evidence base for key components of the problem statement are described below:

- Evidence of lack of transport options and car dependence

- There are no publicly funded public transport services outside Queenstown, and no formal car/ride share (e.g. taxi, Uber) services outside of Queenstown and Wānaka. Residents and visitors to Cromwell, Alexandra and Clyde are limited to private vehicle or active transport. Some people will be eligible for the Total Mobility Scheme.
- There are some informal carpooling arrangements or employer provided transport options for people who commute between the centres (indicated through targeted engagement with businesses (see Appendix B for more detail).
- Census journey to work data shows the mode share is dominated by private or company vehicles as the main mode of transport for commuters.
- High numbers of private and company vehicles travelling into Queenstown from the other key centres contributes to the already congested roading network, as shown through traffic counts and modelling reports.
- Traffic modelling (prepared for the Queenstown Strategic Network Plan) shows that the current network within Queenstown is close to capacity, with the Eastern Corridor already over capacity in the morning peak at the Shotover Bridge (SH6 between Ladies Mile and Frankton). This has a negative impact on reliable journey times for people commuting from the sub-region into Queenstown. The modelling also shows that by 2035 with a low growth scenario peak travel times and routes will be over capacity.
- Annual Average Daily Traffic (AADT) count data for State Highways[32] and QLDC roads[33] indicates the high volume of vehicles on the roads within the sub-region.

Site	AADT
SH 6 (Shotover)	19,284
SH 6 (Arrow River Bridge)	10,727
SH 6 (Swiftburn)	7,199
Crown Range Road (QLDC)	3,660[34]
SH 6 (Gibbston)	6,005
SH 6 (Cromwell)	5,915
SH 8B (Cromwell, Deadmans Point Bridge)	8,016

[32] AADT from NZTA continuous traffic counts, Traffic Monitoring Sites

[33] ADT from QLDC traffic sites Traffic by Site - Latest Counts | Spatial Data Hub

[34] Count date 20/8/2024, Site ID1234 Crown range Rd between Jeffery Rd and Glencoe Rd

SH 6 (Lowburn)	6,627
SH 84 (Mt Iron)	14,133
SH 8 (Alexandra)	6,746

- Evidence of population growth and urban sprawl expansion:
    - The population within Central Otago has increased by 24%, while the population of Queenstown Lakes has increased by 38% between 2015 and 2025. The rate of growth over the same time in the key centres was Frankton 50%, Wānaka 41%, Cromwell 35%, Alexandra 13% and Queenstown 4%.
    - QLDC population and growth data forecasts high residential population growth (2.3% per annum), with 2.2% per annum growth in the Whakatipu ward and 2.6% per annum growth in the Wānaka ward.[35]
    - QLDC Demand Projections 2025 “High Plus” growth scenario is utilised for the district’s Housing and Business Capacity Assessment 2025. This reflects much higher growth than previous demand projections, responding to recent trends where actual growth has exceeded the anticipated growth projections.
    - The QLDC Housing and Business Capacity Assessment 2025 projects 3,400 more dwellings will be demanded by 2033, a 23.5% increase from 2026 housing demand.
    - The patterns of new developments indicate that the majority of residential development will occur within the Cromwell Ward, to accommodate for the forecasted population increases.
    - Forecasts for ‘Business as usual development trends’ show the projected number of new dwellings to be 1906 for the Cromwell Ward and 1104 for the Vincent Ward by 2035. Forecasts for ‘large scale’ development are projected to be 2,639 from Cromwell and 826 for Vincent by 2035[36].
    - Fast Track consenting process indicates further developments in Cromwell with an additional 1000 dwellings, in addition to the numerous proposed developments within the Queenstown Lakes area (approximately 7600 new dwellings).
    - Average house values across the sub-region are further evidence that people seeking more affordable housing will be more likely to live in the Central Otago district. Quotable Value (QV) House Price Index (May 2026 update) shows the

[35] https://www.qldc.govt.nz/community/population-and-demand/

[36] Central Otago: A Helicopter View (2025), presented to CODC Council August 2025 https://centralotago.infocouncil.biz/Open/2025/08/CO_20250827_AGN_2498_AT.PDF

average house price in Central Otago is $924,522, while Queenstown Lakes is $1,941,732[37].

- Evidence for high visitor demand
    - Central Lakes is a popular tourist destination with key attractions including ski fields, adventure activities, wineries, National Parks, historic sites, and walking and cycling trails.
    - During peak times, there are more visitors in the sub-region than residents, particularly in the Queenstown Lakes district where the peak tourist estimates are almost double the resident population.
    - Table 4 below show the projected peak and average visitor numbers (across the districts

Table 4 Visitor population projections for CODC and QLDC

	2025		2045		2055	
	CODC	***QLDC***	***CODC***	***QLDC***	***CODC***	***QLDC***
Regional Peak overnight visitors	21,000	84,800	33,300	130,600	39,500	153,200
Average overnight visitors	5,600	25,200	9,300	38,800	11,100	45,500

Investment Objectives

Four investment objectives have been identified and are central to this investment case. Each investment objective has been weighted to reflect ORC's level of responsibility and ability to impact through investment. The sections below discuss each of these objectives and contrast the current state with the business needs or desired future state. The business needs represent the foundational reasons for initiating this project.

Table 5 Investment objectives

[37] https://www.qv.co.nz/price-index/

Investment Objective		Weighting
1	**Land use and transport integration** Support good urban form Public transport is well integrated with land-use and the built environment to support good urban form and well-functioning environments.	20%
2	**Connectivity and choice** Increase connectivity and accessibility using safe and sustainable modes People have greater choice in how they safely move around and participate in economic and social opportunities in the Central Lakes sub-region.	35%
3	**Environmental sustainability** Carbon emissions are reduced and air quality is improved Transport-related emissions are reduced through less reliance on private vehicles.	15%
4	**Affordability** Increase access to affordable alternatives to private vehicle travel Public transport is provided at a cost that is affordable to both users and funders.	30%

Existing arrangements and future state (gap analysis)

Investment Objective 1: Land use and transport integration

IO1 statement: Support good urban form	
Existing arrangements	• Growth in the Central Lakes has encouraged car reliance (transport – land use feedback loop). • Increasing transport demand generated by population and visitor growth is contributing to congestion at key points on the network. • Alexandra and Cromwell are growing in their own right, as well as performing a satellite town function, due to lack of affordable housing in Queenstown.
Future state	• The sub-region is served by good public transport. • Enables future growth to be planned with the certainty that reliable public transport will be available for residents, supporting well-functioning urban environments. • Increased travel demand is planned for. • New services adhere to principles of serving diverse trip types, prioritising a patronage-oriented network and mode-neutrality.

Investment Objective 2: Connectivity

IO2 statement: Increase connectivity and accessibility using safe and sustainable modes	
Existing arrangements	• No public transport services in the Central Otago. • Reliance on private or commercial vehicles for most journey types. • Social isolation especially for those not able to drive.

Future state	• People have greater choice for how they move between Alexandra, Clyde, Cromwell, Wānaka and Queenstown. • Public transport connects and services diverse trip types. • Public transport supports equitable access to places, facilities, services and social and economic opportunities. • Services are delivered in a manner that is coordinated, integrated, reliable, accessible, and safe.

Investment Objective 3: Environmental sustainability

IO3 statement: Carbon emissions are reduced and air quality is improved	
Existing arrangements	• Reliance on private vehicles for most journey types. • High private vehicle use is responsible for increasing transport-related emissions. • Active transport is an option for some people for short trips or parts of longer trips but is not a suitable mode of transport for all trips between towns. • With no public transport in Central Lakes, population growth places further pressure on transport-related emissions from private vehicle use.
Future state	• Public transport service performance is comparable with private car travel, incentivising its uptake. • Well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles. • Vehicles use zero-emission technology. • Integrated multimodal transport networks enable people who chose active transport to connect in with public transport. • Safe, covered and secure bike parking is provided at bus stops to encourage multimodal trips.

Investment Objective 4: Affordability

IO4 statement: Increase access to affordable alternatives to private vehicle travel	
Existing arrangements	• People without reliable access to a private vehicle are susceptible to social isolation, or reliant on others for transport. • Active transport is the only available affordable travel mode, but it is not accessible for everyone nor suitable for every trip. • The high cost of private travel excludes people from accessing essential services and opportunities.
Future state	• Public transport is provided at a cost that is affordable to both users and funders. • Reliable and affordable public transport supports greater social inclusion for all.

Case studies

The purpose of this section is to briefly compare the Central Lakes sub-region, which currently does not have publicly funded public transport services, with comparable areas in New Zealand which do have such services. It provides an example of "what is possible", and specifically what kinds of public transport services are currently receiving funding (both within Otago, and nationally).

Table 6 Case studies of public transport (PT) services in comparable New Zealand contexts

Location	Description of area	Description of service	Similarities and differences with Central Otago	Overall relevance
Rangiora (Canterbury)	Rangiora is the largest town of the Waimakariri District in Canterbury. Located 29km north of Christchurch and a 25-minute drive from the International Airport. It is a growth area with a current population of over 21,000 residents.	• Direct service between Rangiora and Christchurch city (Route 91) operates Monday-Friday. Journey takes around 50mins • Four morning services (half hourly 6.30-8am), five evening services (half hourly 3.40-5.40pm) • Three Park & Ride locations in Rangiora and drop offs at four locations in the city (no additional stops) • This service is designed to get passengers from Rangiora to the city as quickly as possible in the mornings and back home in the afternoons	• Similar population to Cromwell and Alexandra • Distance/travel time from Cromwell to Queenstown Airport is approximately 54km and takes 45 minutes (traffic dependent) • Public service operated by regional council, across territorial authority boundaries	Rangiora is an example of a satellite town for Christchurch city. Operating an express bus services enabling people to use public transport for their commute to work or school in Christchurch City. Example of successful public transport connection with supporting park and ride facilities.
Rolleston (Canterbury)	Rolleston is 25km (30-minute drive) south of Christchurch, with a population of approximately 34,000 and Canterbury's second largest urban area.	• The Rolleston Direct service begins from both the East and West of Rolleston, merges in the town centre, and then continues to the city - with the route reversed in the afternoon • Operates as a 'hail and ride' within Rolleston • Approximately 1 hour bus journey • Nine morning and evening services, Monday to Friday	• Larger population than the Central Otago centres • Concentration of housing development for Canterbury • Rolleston Centre has schools, retail and health services, while Christchurch remains the main employment centre	Rolleston is an example of a satellite town for Christchurch city. Operating an express bus services enabling people to use public transport for their commute to work.

		• Two Park and ride locations within Rolleston	• Public service operated by regional council, across territorial authority boundaries	
Darfield (Canterbury)	Darfield is a town in the Selwyn District. It is 35 kilometres west of Christchurch and has a population of 3,590 as of June 2025.	• Route 86 operates as an express service to the city from Darfield, Kirwee and West Melton • The morning trip does not pick-up passengers after Russley Rd (outskirts of Christchurch city) (drop-offs only) and the afternoon trip does not drop-off passengers before Russley Rd (pick-ups only) • One morning and evening service operates Monday – Friday • 1 hr 15min bus journey • Additional services during school term.	• Similar journey times - 40-minute car journey and 45km distance to central Christchurch • Smaller population in Darfield compared to Central Otago centres • Public service operated by regional council, across territorial authority boundaries	Darfield is an example of a satellite town for Christchurch city. Operating an express bus services enabling people to use public transport for their commute to work or school.
Wakefield (Tasman)	Wakefield is a small settlement of approximately 2,730 people that sits at the southern end of the Waimea Plains, 28 km (30min by car) south of Nelson. Surrounded by dairy farms, berry crops and vineyards.	• A 50min “express service” operates between 6.55 am and 6.30pm, Monday – Friday with six inbound and outbound services • Peak and off-peak services	• Wakefield has a similar economy to central Otago with horticulture and viticulture • Most like Clyde in the Central Otago context • Public service operated by regional council, across territorial authority boundaries	Wakefield is an example of a satellite town for Nelson city. Operating an express bus service enabling people to use public transport for their commute. Commuter focus, however also includes services throughout the day, for broader trip purposes.
Motueka (Tasman)	Motueka is the second largest town in the Tasman Region with a population of 8,290,	• A 90min “express service” operates between 6.30am and 6.50pm, Monday to Friday, with four inbound and outbound services • Peak and off-peak services	• Comparable distance and travel time with Central Otago and Queenstown • Similar population to Cromwell	Motueka is an example of a satellite town for Nelson city.

	located 48km (45mins by car) from Nelson.		• Public service operated by regional council, across territorial authority boundaries	Operating an express bus service enabling people to use public transport for their commute. Commuter focus, however also includes services throughout the day, broader trip purposes.
Arrowtown	Arrowtown is a historic settlement in the Whakatipu Basin, 20km from Queenstown. The resident population is around 3,000, and there are large numbers of tourists. The expected level of population growth is low.	• Two half-hourly bus routes, one to Frankton, one direct to Queenstown (net 48 trips per day per direction) • Full service 7 days a week • This is a 2025 improvement, splitting a previous service into two services and giving more direct travel options • The level of service is not justified by Arrowtown alone; intermediate destinations (Arthurs Point, Ladies Mile) contribute as well as its proximity to Queenstown urban area	• Both Arrowtown and the Central Lakes settlements are separated from the core urban area (Queenstown) but are close enough to form a functional part of the urban area • Similar populations at present • Despite distance, both Wānaka, Cromwell, Alexandra and Arrowtown form effective anchors for public transport routes, to support the wider network	Arrowtown is an example of an area with a high level of public transport service relative to population. This is because despite distance barriers, it generates sufficient trips to clearly “anchor” the bus routes. Cromwell would fulfil a similar “anchor” function in a sub-regional network and could be a stronger trip generator due to planned long-term growth and proximity with Alexandra and Wānaka which also have strong trip generating potential.
Mosgiel	Mosgiel is a town on the outskirts of Dunedin City with a population of around 15,000. The town forms a part of a single functional urban area with Dunedin.	• A half-hourly (15min at peak, with additional express trips) service, which is well patronised and primarily delivers travel to/from destinations beyond Mosgiel • A limited On-Demand service operates 5 days a week until 6pm, delivering local trips within Mosgiel • On-Demand has demonstrated limited improvements on previous low-usage loop routes, but not a transformational change in usage for local trips	• Mosgiel is a small urban area with a strong bus service • Although smaller than the sub-region towns it forms part of a larger functional urban area. • Similar population to both Cromwell and Alexandra combined • Although Dunedin does not have the same growth as the Central Lakes sub-	While more different to Central Otago than other examples in Whakatipu, Mosgiel is a reasonable comparator for potential demand for public transport. Similar journey time (route 77) and population centre to what a service between Cromwell, Wānaka and Queenstown would be.

			region, Mosgiel is where much of Dunedin's growth is concentrated	
Otago Peninsula	Otago Peninsula lies on the outskirts of the Dunedin network and has a number of small townships. The areas served by the Peninsula have a population of up to 5,000, and there are a number of tourist attractions that generate trips.	• An hourly service with additional peak trips due to high school-travel demands • Limited trips are extended past Portobello to Harington Point	• Although the core Peninsula service is classed as part of the urban network, it has relatively long trips and serves a dispersed population, more so than the Central Lakes sub-region would • However, it does form part of a larger Dunedin network • Like the Central Lakes sub-region, there are a high number of visitors as well as residential PT users	The Peninsula service demonstrates the potential demand for a dispersed population, with strong trip attractors (Central Dunedin and tourist attractions).
Taupō	Taupō is a town of around 30,000 in the central North Island.	• A limited "Taupō Connector" 8-trip-per-day urban service • Runs six days a week • Supplemented by a very limited "Connect2Taupō" bus service that connects outlying areas to Taupō less-than-daily	• Taupō is a geographically distinct urban area a long way from larger settlements, and therefore its local public transport is not distorted by being a part of a wider network of any scale • Taupō also has a visitor-oriented economy like the Central Lakes, and a similar lakeside geography to Wānaka and Queenstown • Although larger in population this difference would be reduced when considering visitor numbers and will likely decrease over time	Taupō is valuable because of its geographic similarities to the Central Lakes sub-region. Its PT service design is also quite distinct from other services listed here. The service design would form a good model for a very limited start-up service option in the sub-region. Because of the service's limitations, the patronage is satisfactory for a single service, while at the same time being low relative to the town's population. As such it illustrates potential lower bounds on trip generation.
Thames	Thames is a coastal settlement of around	• A limited "Thames Connector" service of five trips a day in each direction operates	• Thames is substantially smaller in population than the Central Lakes sub-	The Thames Connector illustrates the potential demand for a highly limited

	8,000 people in north-eastern Waikato, on the Coromandel Peninsula	• This service is compressed in time relative to Taupō, running from 9:30am to 3:30pm, and is operated by a taxi company running a 14-seat minibus	region but is an area with high visitor numbers	service with different properties to the Taupō Connector; oriented towards inter-peak usage only with no commuter trips and operated using small vehicles. A service along these lines could be a minimum-level skeleton service in Central Lakes and could potentially be delivered by more community-led mechanisms and could still deliver sufficient trips to generate acceptable patronage.

Scope and key service requirements

The Regional Public Transport Plan (2025) provides the basis of the geographical scope of this investment case along with its aspiration to increase regional connectivity. The 6-10 year vision shows connections between Clyde/Alexandra, Cromwell, Wānaka and Queenstown (Figure 12).

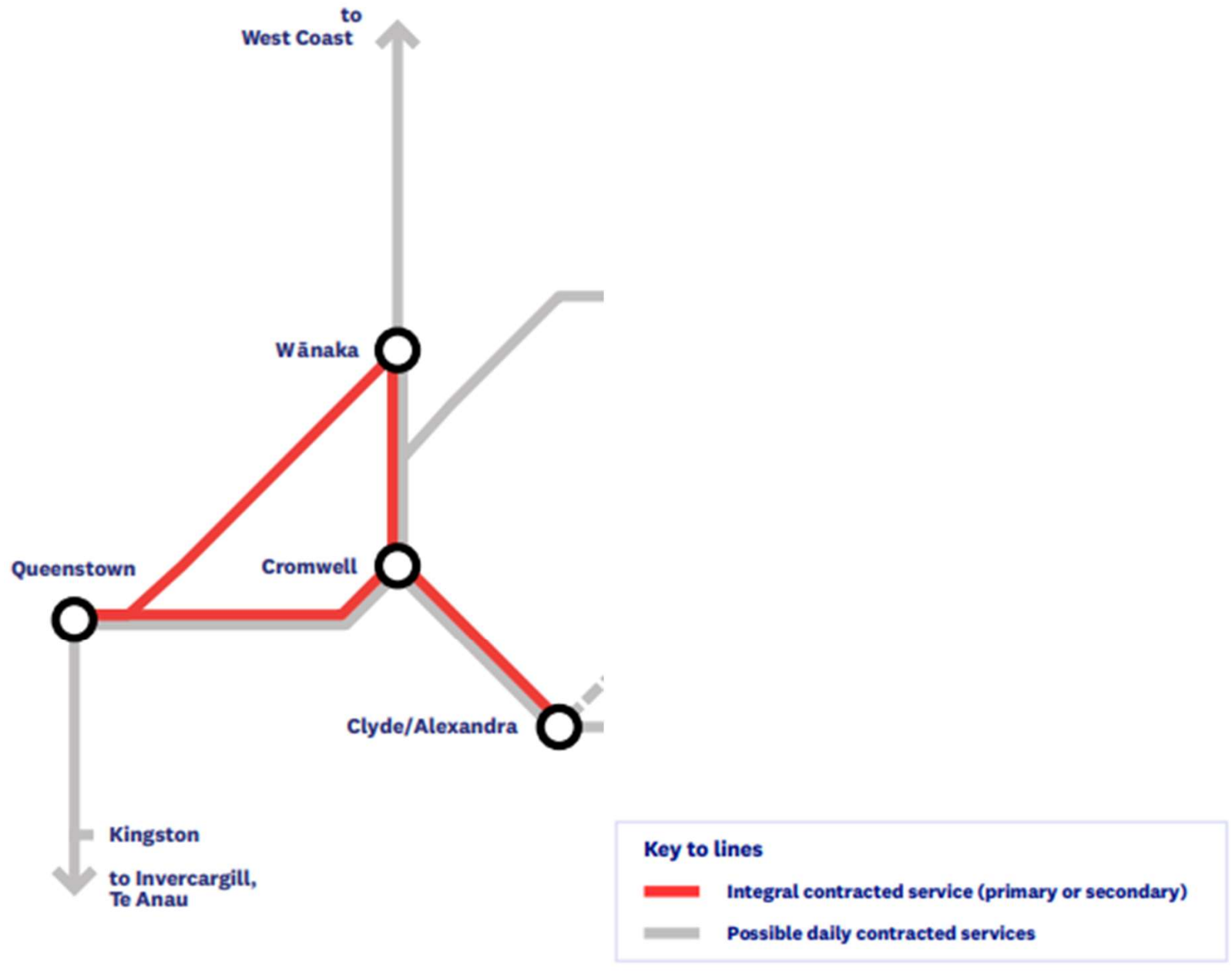


Figure 12 RPTP (2025) regional connectivity 6-10 year aspiration

The primary objective of this investment will be to support workers moving between Alexandra, Cromwell and Queenstown, however if diverse trip purposes can be served, it will increase the number of people benefiting from the service. Other key service requirements are shown below (Table 7) and drawn from the RPTP's Focus area 4: A connected and integrated network, guiding principles and service design policies SD P1 to SD P6 (p.51, 52) to meet the business needs and investment objectives.

Table 7 Key service requirements

Service Requirements	Potential Scope
Serve diverse trip types	Services connect people to diverse destinations including shops, restaurants, libraries, workplaces and schools. Services also support complex travel patterns that are time and cost effective.

Prioritise a patronage-orientated network	Focus on serving high demand areas with high service frequency and maximum convenience. Whilst also optimising resources to deliver quality coverage to support equitable access where possible.
Support connections with other modes	Service design supports easy and convenient connections with other modes. Services will be planned in a way that aligns with existing infrastructure, allowing for safe seamless access or transition between modes.

Out of scope

The following services and trip types are out of the scope for this investment case:

- **Urban networks:** Some basic local accessibility through routing design will be accommodated, however this business case is not considering comprehensive services within the urban extent of the Central Lakes sub-region's key centres, i.e. services within Alexandra, Clyde or Cromwell. An urban service for Wānaka is being investigated through a separate business case.
- **Eastern Central Otago services:** services extending beyond Alexandra within Central Otago to Ranfurly and Roxburgh are not considered in this investment case due to the small populations of these areas generating little transport demand and the geographical distance to urban centres, such as Queenstown.
- **Otago-wide and inter-regional services:** services to Southland, the West Coast, Canterbury and Coastal Dunedin are sufficiently served with exempt services and are outside the geographical scope of this investment which is focused on the Central Lakes sub-region.
- **Ski field services:** as a popular recreation activity for both residents and visitors, trips to ski fields account for a large number of trips between June and September. While ski-related travel is a notable trip type for a portion of the year, this investment prioritises public transport options that serve people's daily and essential travel needs over recreational interests. Transport to ski fields already exists in the form of commercial services. Where possible (e.g. Cardrona), stops near ski fields/key destinations may be a suitable option for part of a journey but will not be designed specifically to serve this transport need.
- **Walking- and cycling-exclusive trips:** this business case does not consider active travel modes such as walking or cycling specifically. It is however noteworthy the importance of good walking and cycling first and last mile connections to encourage use of public transport.

Related projects

This investigation takes consideration of the following workstreams currently underway within the region (Table 8).

Information on previous projects informing this investigation is offered in Appendix A.

Table 8 Related projects to the Central Lakes sub-regional public transport investigation

Project	Description
Otago Central Lakes Regional Deal – sub-regional Transport Network Plan (2026)	As a part of the Otago Central Lakes Region Deal (as of July 2026) the three councils (CODC, ORC, QLDC) are producing a Transport Network Plan, a network level framework that defines how the transport system should function, be prioritised, and evolve over the long term. This will be the first all-mode analysis of the Central Lakes sub-region. This Project will inform the public transport components of this plan.
Otago Central Lakes Regional Deal – sub-regional spatial planning (unknown timeframe)	As a part of the Otago Central Lakes Region Deal (as of June 2026) it is expected that the three councils (CODC, ORC, QLDC) will collaboratively develop a combined spatial plan for the Central Lakes sub-region. The successful establishment of a regional deal is required to confirm this sub-regional spatial plan as an official work programme. The Project will inform the transport components of this plan.
Upper Clutha Public Transport Business Case (2026)	This ORC-endorsed business case proposes an eight-trip per day skeleton service between Lake Hāwea, Albert Town, Northlake, Wānaka town centre and Three Parks to establish public transport in the Upper Clutha area. This Central Lakes business case proposes a service which complements a local Upper Clutha public transport route.
Balclutha – Dunedin (via Airport) public transport investigation (2026)	The Balclutha - Dunedin investigation is expected to be completed in the first half of FY 2026/27. While a different geography, the close overlap in the projects' scales and processes warrant their coordination. Collectively the three public transport investigations (Balclutha, Central Lakes sub-region and Upper Clutha) will form part of ORC's public transport improvements programme seeking funding through the 2027-2030 LTP and RLTP processes.
Queenstown Public Transport Business Case (2024)	This ORC and NZTA endorsed business case is the blueprint for public transport investment to increase mode share in Whakatipu. The preferred programme is presented in four distinct stages between 2024 and 2039. Stage 1 service improvements were completed in 2025 and planning for Stage 2 implementation is in progress.
Cromwell Town Centre Upgrade	Initially consulted on in 2008, this project has been reignited following Council resolution in November 2025. This project will investigate options within the town centre, focusing on Council owned land, for high-level detailed concept options to be considered for inclusion in the 2027/37 Long Term Plan consultation process.

Cromwell Intersection Upgrades	CODC has identified key intersection upgrades for safety improvements in the centre of Cromwell for investigation and construction within the 2027 NLTP period, funding dependent. The following intersections have been identified for improvements: • Murray Terrace realignment (Sargood Road/Murray Terrace/Iles Street) • Barry Ave / Waenga Drive.
Motu Move Ticketing System Rollout (2027)	Otago is scheduled to launch the new national ticketing system (Motu Move) in July 2027. The rollout involves the installation of new ticketing hardware and system across Otago's fleet. Any delays to the project may impact when the Upper Clutha service could commence as it would not be feasible to install the existing Bee Card system.

Timing

As detailed in the strategic context section above, the Central Lakes' population has averaged 4.8% annual growth over the past decade compared to the 1.7% national average, while dwelling consents are the highest per capita in New Zealand. Coupled with increasing visitor numbers and limited transport choices, significant pressure is being placed on the existing transport network.

With limited ability to manage growth, there is a sense of urgency to plan and invest in improving transport choice for a range of journeys people in the sub-region need to make. Investing early in public transport could contribute to improving connectivity between key centres for residents and visitors, reducing the escalating network-level and congestion issues currently occurring in Queenstown. It would also contribute to reducing emissions and improving safety on key highway corridors.

There is a need to recognise and respect the strong influence the public transport system can have in shaping urban form and future infrastructure needs. This investment case seeks to demonstrate that addressing the public transport deficit in Central Lakes should be a high priority.

Benefits of investment

The key benefits of investing in this proposal have been listed below in Table 9. The benefits and measures are linked to each of the investment objectives and are consistent with the Land Transport Benefits framework, RPTP performance measures, and recent NZTA research[38]. The numbers next to each of the benefits and measures directly relate to the transport outcomes and benefit classifications in the framework.

Baseline values for each of the measures have not yet been established.

Table 9 Key Benefits

[38] Baker, K., Weir, D., Woodfield, C., Kelley, S., & Wallis, I. (2025). Vertically integrated public transport measurement (NZ Transport Agency Waka Kotahi research report 747).

Benefit	Measures	Targets
Investment Objective 1: Land use and transport integration: Support good urban form		
Impact on network productivity and utilisation (5.2)	5.2.6 Access to key economic destinations	Percentage of people in region living within 45-minutes door-to door travel time39 (morning peak) to key economic opportunities by public transport, cycling and walking is increasing
Improved spatial coverage of public transport (10.2, 10.3)	10.2.5 Spatial coverage of public transport for employees/Public transport access to jobs	The number of employees in the Central Lakes sub-region within 500m of a bus stop is increasing
	10.2.6 Spatial coverage of public transport for residents	The number of residents in the Central Lakes sub-region within 500m of a bus stop is increasing
	10.2.6a Spatial coverage of public transport for new dwellings	% of recently built residential dwellings with access to PT (within 500m of a bus stop) is increasing
	10.3.1 Access to key social destinations	Proportion of population living within 45 minutes of key social opportunities (e.g. education, health care, supermarkets) in the morning peak by different modes is increasing OR The percentage of key activity centres (central Wānaka, Cromwell and Alexandra) within 500m of a bus stop is increasing
Investment Objective 2: Connectivity and choice: Increase connectivity and accessibility using safe and sustainable modes		
Impact on social cost of deaths and serious injuries (1.1)	1.1.4 Personal risk (crash rate)	Average annual fatal and serious injury crashes per vehicle-kilometre is decreasing
Improved public transport mode choice (10.2)	10.2.1 People - mode share	Number of people in the Queenstown Lakes and Central Otago Districts using public transport is increasing
	10.2.2 Accessibility of public transport facilities	Number of bus stops that are fully accessible is increasing
	10.2.7 Temporal availability of public transport	Public transport frequency per hour weighted by percentage of the population living within 500m of a bus stop is increasing
	Service use/Passenger demand	Passenger boardings are increasing annually

[39] Door to door travel time includes the walk up access and egress as well as wait time.

Investment Objective 3: Environmental sustainability: Carbon emissions are reduced and air quality is improved		
Reduced emissions from land transport (8.2)	8.1.1 Greenhouse gas emissions (all vehicles)	Total vehicle CO2 equivalents emitted per capita is reducing
	8.1.3 Vehicle kilometres travelled (VKT) reduction	Light vehicle VKT is reducing
Investment Objective 4: Affordability: Increase access to affordable alternatives to private vehicle travel		
Improved transport affordability for users (10.2)	10.2.8 Cost of access to key destinations for all modes	Cost to access destinations is reducing with the introduction of affordably priced public transport
	Fair fares relative to other PT networks in the region	Public transport fares are comparable with the existing Otago network
Value for money (for funders) – using limited resources to best serve communities.	Private share of operating costs	Private share contributions to the costs of service delivery grow over time
	Operating cost per passenger kilometre	Average operating cost per passenger kilometre remains comparable with the rest of the Otago network
Changes in human health (3.1)	3.1.1 Physical and mental health benefits from availability of affordable and reliable public transport	[Qualitative] Improvement in quality of life experienced by users such as reduced financial stress, improved social interaction (reduced isolation), and improved physical health through use of active first/last mile trip legs

Risks

The table below discusses the most significant strategic risks that might prevent, degrade, or delay the achievement of the investment objectives or otherwise undermine the outcomes being sought through this investment.

Table 10 Initial risk identification and assessment

Strategic risk	Risk management strategy
IF the preferred option does not align with the current government policy statement, the regional deal or Council's priorities THEN the ability to progress public transport services in the Otago Central Lake sub-region may be at risk.	Regular review of strategic alignment and priority with partners (QLDC, CODC and NZTA) and Council (via portfolio leads) throughout project development.
IF the project is not deemed a priority for inclusion through the 2027 Long-Term Plan and RLTP process THEN implementation and the realisation of benefits may be delayed.	The benefits of investing and value proposition will be articulated as strongly as possible through this business case. Staff will work in an integrated manner with the LTP and RLTP project prioritisation process – including across councils.

IF the Upper Clutha PT project progresses without this project due to affordability, THEN ORC may be unable to achieve the objectives and benefits for the Central Lakes sub-region.	Clearly articulate the benefits of approving and funding the two projects alongside each other to decision makers.
IF there is engagement or consultation fatigue, or people are disenfranchised, THEN it may be difficult to connect with the community and receive representative feedback.	Establish good communication, engagement and consultation plan. Engage early and meaningfully with communities. Make sure purpose, scope, impacts and benefits are clearly communicated.
IF there is a change in government following the election in late 2026 or preferences of the government change THEN rework of the investment case may be needed.	Release of the draft GPS will signal government's priorities. This will provide an opportunity to assess alignment (or not) of this project. A change in government may delay the GPS release and assessment.
IF this project is not procured and delivered alongside the Upper Clutha PT project, THEN the resulting contract may be less attractive to the market, more expensive and more difficult to deliver.	Undertake early market engagement to test approaches and identify constraints. Package the services into a single procurement opportunity to maximise market attractiveness
IF urban development occurs out of sequence through processes, such as those set out in the Fast-Track Approvals Act 2024, THEN public transport may not be able to viably serve it.	Actively monitoring and responding to fast-track applications. Planning the service with consideration of potential future greenfield urban development locations. Working with QLDC and CODC to plan the service to be integrated with surrounding land uses, present and future.
IF the projected development and growth does not occur as planned, THEN the service may not be right sized for the area and only generate low levels of patronage.	Work with QLDC and CODC and review development areas and pace of development. Adjust implementation timing and scale of trial based on best available demand information. A trial is a good opportunity to test different options and adapt to the community's needs.

Risk of not investing in public transport services in the Central Lakes sub-region

The risk of not planning and investing in public transport in the Central Lakes sub-region is that there will be continued strain and deterioration of level of service on the road network, and limited transport choice for the growing number of residents and visitors. If unaddressed, access to essential services and opportunities will continue to be limited to those people that face transport disadvantage. Growing centres such as Wānaka, Alexandra and Cromwell will continue to be disconnected from each other, housing developments will be planned without public transport connections in mind, and car dependency further enforced.

Stakeholder engagement

Territorial authorities

Engagement and support from territorial authorities is important for the success of this investment. Elected representatives' support will help indicate whether there will be community support for the proposed routes and potential future users. ORC has presented the route options to the community

boards whose areas include the proposed routes (Wānaka Upper Clutha Community Board, Cromwell Community Board and Vincent Community Board).

Engagement with technical staff is important for reviewing that the context accurately represents the areas for the investment and ensuring delivery aligns with interrelated projects and infrastructure for budgeting requirements. Feedback from CODC and QLDC staff has been sought throughout the development of this business case. As the local road controlling authorities, both have confirmed they understand and are planning for the cost of infrastructure, such as bus stops signage and line markings, to support the proposed service.

Local businesses

To inform this investigation and understand more about private local transport options, ORC set up an online survey and contacted local businesses to collect feedback on their customer and staff transport needs. The survey link was sent to businesses from a variety of sectors across Central Lakes to gather information on customer and staff transport demand and provision, as well as opinions on a proposed sub-regional public transport connection. The survey was live between 19 May and 10 June.

Responses were received from 25 businesses across a range of industries, the most common being tourism, construction and primary industry. Others included mining, professional services, property management and public institutions. 8% of respondents provided transport for customers, while 44% provided transport for staff. These services varied in nature and scale depending on the size and transport needs of the business. Staff transport was typically funded by the business while customer transport was funded by the customers through the service price. More detail of the feedback received is included in Appendix B and the assessment of working with private transport operators to deliver a public transport service is included in the Economic Case.

The Economic Case – Identifying the preferred option

The purpose of the economic case is to identify the investment option that best meets ORC and its partners' investment objectives and optimises value for funders. This economic case summarises the range of investment options that have been considered, how these have been evaluated, and confirms the preferred option.

The preferred option will address the lack of sustainable transport options and improve connectivity and liveability in the Central Lakes sub-region through the introduction of a bus service connecting Alexandra, Cromwell and Wānaka with Queenstown. It will be designed following Service Design Policy SD P1 as set out in the RPTP and delivered initially as a trial service.

Critical Success Factors

Table 11 below outlines the critical success factors (CSF) determined for this investment case. These broadly follow Treasury's and Better Business Case standard CSFs.

Table 11 Critical Success Factors

Critical Success Factor	Broad Description
Strategic fit and organisational needs (Strategic)	Assesses the option against the investment objectives, related business needs and service requirements, integrates with ORC's other strategies, programmes, and projects.
Potential value for money (Economic)	Assesses whether the option represents good value to ORC and the community for the funds being spent.
Provider capacity and capability (Commercial)	Assesses the option against potential supplier capacity and capability to deliver the required services in a manner that is likely to result in a sustainable arrangement that optimises value for money.
Potential affordability current and future (Financial)	Assesses affordability of the option from potentially available or planned funding, and matches other funding constraints.
Potential achievability (Management)	Assesses whether ORC has the internal capacity and available skills required for successful delivery.

Long-list options

A broad range of possible public transport service options for the Central Lakes sub-region were developed and refined through several working sessions. Table 12 below summarises the five dimensions for options that have been considered.

Reference to 'trips per day' means return trips. For instance, Option SC2 of two trips per day equates two two one-way Cromwell – Queenstown trips and two one-way Queenstown – Cromwell trips per day.

Table 12 Five dimensions for long-list options

Dimension	Options

1. Geographical scope What levels of coverage are possible?	GC1	Do nothing (status quo)
	GC2	Cromwell – Queenstown
	GC3	Alexandra – Clyde – Cromwell – Queenstown
	GC4	Wānaka – Cromwell – Queenstown
	GC5	Alexandra – Clyde – Cromwell – Queenstown, Wānaka – Queenstown via Crown Range
	GC6	Alexandra – Clyde – Cromwell, Wānaka – Cromwell – Queenstown via Cromwell Hub
	GC7	Alexandra – Clyde – Cromwell – Queenstown, Wānaka – Cromwell, Wānaka – Cardona – Queenstown
	GC8	Alexandra – Clyde – Cromwell, Wānaka – Cromwell – Queenstown – Southern Corridor – Kingston, Wānaka – Cardona – Queenstown – Glenorchy (do maximum)
2. Service solution How could the preferred scope of scope be delivered?	SC1	Do nothing (status quo)
	SC2	Shopper service: 2 trips per day at inter-peak times with synchronised transfers in Cromwell
	SC3	Commuter service: 2 trips per day at peak times with synchronised transfers in Cromwell
	SC4	4 trips per day with synchronised transfers in Cromwell (starting and ending in peak times)
	SC5	6 trips per day with synchronised transfers in Cromwell (including evening service)
	SC6	Hourly service with offset transfers in Cromwell
	SC7	Frequent-rapid service, including alternative modes (do maximum)
3. Service delivery Who will deliver the service?	SD1	Exempt (community led): community-led organisation plans, funds and operates the service
	SD2	Subsidised (gross cost): ORC contracts an operator and pays a set fee to deliver the services. ORC collects the fare revenue and bears risk of patronage fluctuations. ORC controls fares, branding, service quality and integrated ticketing. Reflects the BAU, or standard approach, for ORC
	SD3	Subsidised (net cost): ORC contracts an operator and provides a subsidy to operate to cover operating costs and risk. The operator retains fare revenue. Net contracts incentivise operators to increase patronage
	SD4	Small private sector collaboration: working with existing private transport operators, e.g. companies providing staff or customer transport services
	SD5	Exempt (commercial): a private company plans, funds and operates the service without ORC involvement

4. Implementation/ timing When will the service be delivered?	IM1	Delay indefinitely (do nothing)
	IM2	Phase over Years 1-10 of next LTP
	IM3	Phase over Years 4-10 of next LTP
	IM4	Immediately in Years 1-3 of next LTP (do maximum)
5. Funding How will it be funded?	FD1	Fares/third party funding + ORC rates + NZTA co-funding: private share, local share and central government subsidy. Reflects the BAU, or standard approach, for ORC
	FD2	Fares/third party funding + ORC rates: private share and local share
	FD3	Fares/third-party funding: private share only (user pays and third-party subsidy)
	FD4	Fares only: private share only (user pays 100%)

Initial consideration was given to including ‘service fleet’ (e.g. small bus, medium bus, large bus, high-capacity bus, high capacity non bus mode) as a dimension to the option analysis. It was subsequently removed as it was considered to be covered within the service solution/service frequency dimension. For instance, it would not be economical to run very small buses at a rapid frequency or run a skeleton service using high-capacity buses. ORC will work collaboratively with operators to match a suitable vehicle type to the service solution and demand for the service. Several vehicle options may be tested over the duration of the trial.

Long-list assessment

Figure 13 on the following page shows the long-list assessment of each option dimension against the investment objectives (from the Strategic Case) as well as the critical success factors detailed above. The high-level assessment uses “Yes” to indicate strong alignment and ability to meet a criterion, “No” where an option element does not meet a criterion, and “Partial” where an option element somewhat meets the criterion.

The project team used their qualitative judgement to assess and score each of the options. Further detail of the rationale behind the assessment of each option can be found in Appendix C.

Dimension	Geographical Scoping Options (what levels of coverage are possible?)								Service Solution Options How could the preferred scope of services be delivered?							Service Delivery Options Who could deliver the preferred scope and service solution?					Implementation/Timing Options When could services be delivered?				Funding Options How could the service be funded?			
Option	Status Quo	Min			Intermediate			Max	Status Quo	Min		Intermediate			Max	Min	BAU	Intermediate			Status Quo	Intermediate		Max	BAU			
	GC1	GC2	GC3	GC4	GC5	GC6	GC7	GC8	SC1	SC2	SC3	SC4	SC5	SC6	SC7	SD1	SD2	SD3	SD4	SD5	IM1	IM2	IM3	IM4	FD1	FD2	FD3	FD4
Description of Option	Do nothing	Cromwell - Queenstown only	Alex - Queenstown only	Wānaka - Cromwell-Queenstown only	Alex-QT & Wānaka-QT (via Crown Range)	Alex-Cromwell & Wānaka-QT (via Cromwell Hub)	Services from Alex, QT, Wānaka meeting in Cromwell hub, and Crown Range service (4-leg network)	4-leg network plus Kingston and Glenorchy services	Do nothing	Shopper service (2 trips per day at inter-peak times with synchronised transfers in Cromwell)	Commuter service (2 trips per day at peak times with synchronised transfers in Cromwell)	4 trips per day with synchronised transfers in Cromwell (starting and ending in peak times)	6 trips per day with synchronised transfers in Cromwell (including evening service)	Hourly service (with offset transfers in Cromwell)	Frequent-rapid service, including alternative modes	Exempt (community-led)	Subsidised (gross cost contract)	Subsidised (net or hybrid net cost ontract)	Small private operator collaboration	Exempt (commercial)	Delay indefinitely (do nothing)	Phase over Yr 1-10 of next LTP	Phase over Yrs 4-10 of next LTP	Immediately in Yrs 1-3 of next LTP	Fares/ third party funding + ORC rates + NZTA co-funding	Fares/ third party funding + ORC rates	Fares/ third party funding	Fares only
Investment Objectives																												
Land use integration: Support good urban form	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Partial	Partial	Partial	Yes	Yes	No	Yes	Yes	Partial	Yes	No	Yes	Partial	Yes	Yes	Yes	Partial	Partial
Connectivity and choice: Increase connectivity and accessibility using sustainable modes	No	Partial	Partial	Partial	Partial	Partial	Yes	Yes	No	Partial	Partial	Partial	Yes	Yes	Yes	Partial	Yes	Yes	Partial	Yes	No	Yes	Partial	Yes	Yes	Yes	Yes	Yes
Environmental sustainability: carbon emissions are reduced and air quality is improved	No	Partial	Partial	Partial	Yes	Partial	Yes	Yes	No	No	Partial	Yes	Yes	Yes	Partial	Partial	Yes	Yes	Partial	Yes	No	Yes	Yes	Yes	Yes	Yes	Partial	Partial
Affordability to users: increase access to affordable alternatives to private vehicle travel	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Partial	Partial	Partial	Partial	No	Yes	Yes	Partial	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Partial	No
Critical Success Factors																												
Strategic fit and organisational needs (Strategic)	No	No	Partial	Partial	Yes	Yes	Yes	No	No	Partial	Partial	Yes	Yes	Partial	No	Yes	Yes	Yes	Yes	Partial	No	Yes	Yes	Partial	Yes	Yes	Yes	No
Potential value for money/Benefit optimisation (Economic)	No	No	Partial	Partial	Yes	Yes	Yes	Partial	No	No	Partial	Partial	Yes	No	No	Yes	Yes	Yes	Yes	Partial	No	Partial	Partial	No	Yes	Yes	Yes	No
Provider capacity and capability (Commercial)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Potential affordability - current and future (Financial)	Yes	Partial	Partial	Partial	Partial	Partial	No	No	Yes	Partial	Partial	Partial	Partial	No	No	Yes	Partial	Yes	Partial	Partial	No	Partial	Partial	Partial	Partial	No	Yes	Yes
Potential feasibility/achievability (Management)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	Partial	Yes	Yes	No	Yes	Yes	Yes	No
SUMMARY	Carry forward as comparator	Discount	Discount	Discount	Preferred	Carry forward	Discount	Discount	Carry forward as comparator	Discount	Discount	Carry forward	Preferred	Discount	Discount	Discount	Preferred	Possible	Discount	Discount	Discount	Preferred	Possible	Discount	Preferred	Discount	Possible	Discount
Options Progressed to Short-list	↓				↓	↓			↓			↓	↓				↓					↓			↓			

Figure 13 Long-list options assessment

Existing public transport service provision appraisal

This section discusses exempt public transport and private transport services currently operating in the sub-region, and assesses their ability to meet people's transport needs relative to a publicly funded service.

Exempt public transport services

As discussed in the transport context and problem/opportunity sections of the Strategic Case above, there are several exempt commercial public transport services that operate in the sub-region. These services meet the transport needs of some, but they do not provide a useful level of service for most trips, particularly for residents seeking to make everyday trips.

The exempt commercial services are enabled by the high visitor demand for travel to Queenstown and collectively result in a reasonable service frequency. However, the following service design factors prevent them from fulfilling the role of a viable public transport option:

- **Affordability for users:** as commercial enterprises, the exempt service operators seek to generate the greatest profit rather than to meet communities' transport needs to the greatest degree. As a result, prices are set to meet the market, making the service unaffordable for many, especially regular users. This is the greatest factor in these services not being a viable option for most trips and is reflected in the long-list assessment's discounting of the 'exempt (commercial)' service delivery option (SD5) and the 'fares only funding option (FD4) against several investment objectives and critical success factors.
- **Frequency and convenience:** Combined, the services offer a reasonable frequency for most connections. However, by operating at times that are most useful to visitors rather than residents (particularly commuters, who require more than eight hours of layover within a single-day return trip), they have a limited impact on improving peoples' access to economic opportunity.
- **Coverage:** While all towns in the sub-region are served by at least one exempt service, the lack of stops result in few people being within the service's walk-up catchment (e.g. within an 800m walk). Consequently, these services have limited impact on improving people's connectivity and choice (IO2).
- **Accessibility:** both exempt service operators use vehicles with several stairs at their entrance, preventing physically disabled people from easily using the services.
- **User demographics:** as a high proportion of users are visitors, the exempt services are designed to prioritise visitors' transport needs. Consequently, stop locations largely serve key visitor destinations, rather than key economic and social destinations for residents.
- **Environmental impact:** these services only serve a small number of trip purposes meaning their patronage accounts for a negligible share of total trips in the sub-region. This means these services do little to reduce private vehicle travel and transport-related emissions (IO3).

Together, these factors reveal that the existing commercial exempt services do not meet most people's transport needs as they fail to provide an affordable, convenient or accessible public transport option. The underlying problems discussed in the strategic case still exists and this investment case investigates options to address this gap.

Private transport services

The private transport survey circulated to local businesses (described in the stakeholder engagement section of the Strategic Case and Appendix B) revealed that many companies offer a form of private transport service to support staff and customers to travel to their businesses. In addition to gaining information on the scale and nature of private transport in the sub-region, the survey also sought to gauge businesses' interest in exploring opportunities to collaborate with ORCto utilise their current services for public use. While this approach to service delivery would be unconventional, staff identified that it could provide a cost-efficient pathway to establishing a first iteration of subsidised public transport for the sub-region. This service delivery option is captured in the long-list of options as option SD4 – small private operator collaboration.

The assessment of this service delivery option highlights the risks to service quality and longevity.

Staff transport

The 11 survey respondents who provide staff transport described services varying widely in nature and scale. Vehicle fleet ranged from a single five-seat vehicle to six or more vehicles carrying six to ten workers. Most staff transport services ran every workday, departing in the morning (5:30 – 9:00AM) and returning in the evening (5:00 – 8:00PM), while others varied depending on staff's activities. Pick-up and drop-off locations were relatively evenly dispersed throughout the sub-region, with the greatest share transporting staff within the same ward or to and from rural locations.

Respondents cited providing staff transport due to private vehicle being the only mode available, variable work site locations, providing a reliable way to work, staff not living nearby, and to improve the job's attractiveness. Three respondents who provide staff transport expressed interest in exploring opportunities for using their staff transport services to collaboratively deliver public transport with ORC, citing reducing emissions and safer commutes as influencing factors. These results illustrate that a large share of staff transport exists due to the lack of other transport options, particularly publicly funded public transport. Excluding jobs which require the transport of equipment or travel to rural areas, many of these services fill the gap that public transport could provide.

Customer transport

Only two businesses reported providing customer transport. The most common reason respondents cited for not providing customer transport was that it would be infeasible with current resourcing. Both businesses supplying customer transport are established tourism enterprises that operate several shuttle vehicles to transport customers to rural locations or as a part of a tour. Neither business expressed willingness to explore opportunities to collaborate with ORC as they felt their transport services met unique transport needs.

Assessment

Informed by the findings of the private transport survey, the option to deliver service in collaboration with a small private operator (option SD4 – small private operator collaboration), was not found to sufficiently achieve criteria to be carried forward due to the following factors:

- **Provider capacity and capability**: the reliance on a company whose primary business is not transport service operation to deliver the service would increase the uncertainty of its longevity. If the company closed or no longer wanted to operate public transport, the

continuation of the service would be at risk, reflecting a partial achievement of the commercial CSF and a failure to achieve the management CSF.

- **Land-use integration**: as a result of the uncertainty of the service's longevity, developers would be more hesitant to design new urban areas in a way that supports the efficient delivery of public transport (IO1).
- **Connectivity and choice**: because the service would have to prioritise the transport needs of the operating company, it would be challenged to provide the frequency, capacity or coverage to meet the wider sub-regional population's transport needs (IO2).
- **Affordability for funders**: with no examples of such a delivery model, the cost of the service would be uncertain (financial CSF).
- **Environmental impact:** these services only serve a small number of trip purposes meaning their patronage accounts for a negligible share of total trips in the sub-region. This means these services do little to reduce private vehicle travel and transport-related emissions (IO3).

As delivering a sub-regional public transport service through collaboration with a small private operator did not sufficiently achieve the investment objectives or critical success factors to be considered viable, another service delivery option will be required to improve transport options for local businesses' staff and customers.

An alternative approach to increase the economic viability of sub-regional public transport through collaborating with private parties would be to enable businesses to 'purchase' seats for staff or customers on an ORC-run service, eliminating the need for them to run their own transport. This approach would guarantee fare revenue for ORC while also meeting the transport needs of businesses' staff and customers. As this option relies on an ORC-run service being in place, it was not considered in the options assessment process. Upon a service being approved and funded, ORC would engage with local businesses again to explore opportunities for such an arrangement to be established.

Short-list options

This section outlines the short-listed options available to Council. Through the long-list assessment process two viable geographical scoping options and two viable service solutions were identified. Only one option for each of the delivery, funding and timing dimensions was carried forward. The status quo of ORC providing no sub-regional public transport was brought forward as the base line comparator.

On the basis of analysis of the long-list options, the recommended short-list is shown below in Table 13.

Table 13 Short-listed options

	Do nothing	Option 1a	Option 1b	Option 2a	Option 2b
Geographical scope	GC1 – Do nothing Status quo	GC5 - Alex-Queenstown & Wānaka-Queenstown (via Crown Range)	GC5 - Alex-Queenstown & Wānaka-Queenstown (via Crown Range)	GC6 - Alex-Cromwell & Wānaka-Queenstown (via Cromwell Hub)	GC6 - Alex-Cromwell & Wānaka-Queenstown (via Cromwell Hub)

Service solution	SC1 – Do nothing – No publicly funded scheduled services continue	SC4 - 4 trips per day with synchronised transfers in Cromwell (starting and ending in peak times)	SC5 - 6 trips per day with synchronised transfers in Cromwell (including evening service)	SC4 - 4 trips per day with synchronised transfers in Cromwell (starting and ending in peak times)	SC5 - 6 trips per day with synchronised transfers in Cromwell (including evening service)
Service Delivery	N/A	SD2 – Subsidised gross cost contract			
Timing	IM1 – Delay indefinitely (do nothing)	IM2 - Phase over Yr 1-10 of next LTP			
Funding	N/A	FD1 - Fares/third party funding + ORC rates + NZTA co-funding			
Description	No publicly funded service is taken forward as the status quo scenario and forms the base line comparator	Alexandra – Queenstown and Wānaka – Queenstown (via Crown Range) services each run **4 round trips** per day	Alexandra – Queenstown and Wānaka – Queenstown (via Crown Range) services each run **6 round trips** per day	Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub) services each run **4 round trips** per day	Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub) services each run **6 round trips** per day

The options carried forward to the short-list reflect the importance of having adequate geographic coverage and frequency to achieve the investment objectives and critical success factors.

Figure 14 and Figure 15 visualise the proposed routes corresponding to geographical scoping options included in the short-list.

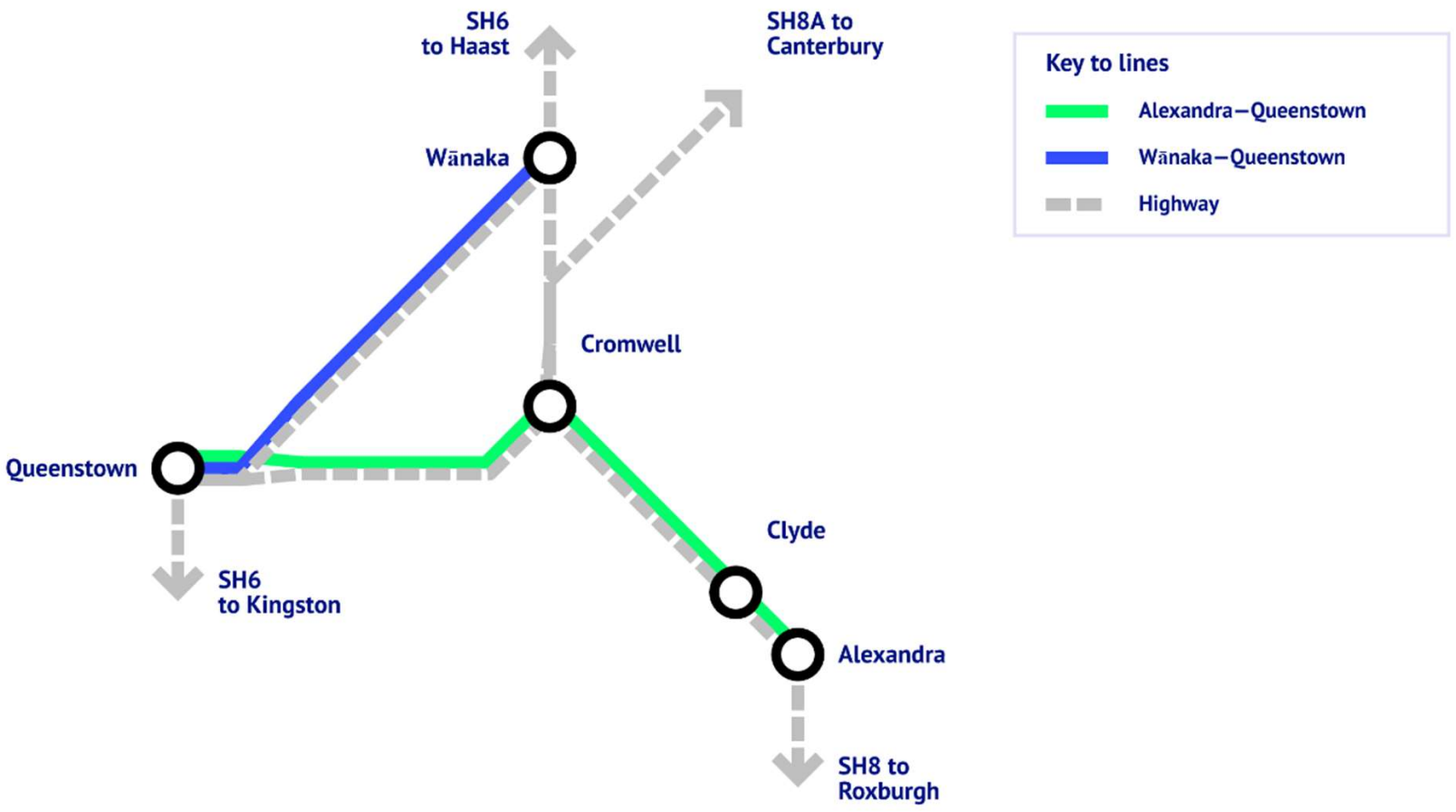


Figure 14 GC5 - Alex-Queenstown & Wānaka-Queenstown (via Crown Range)

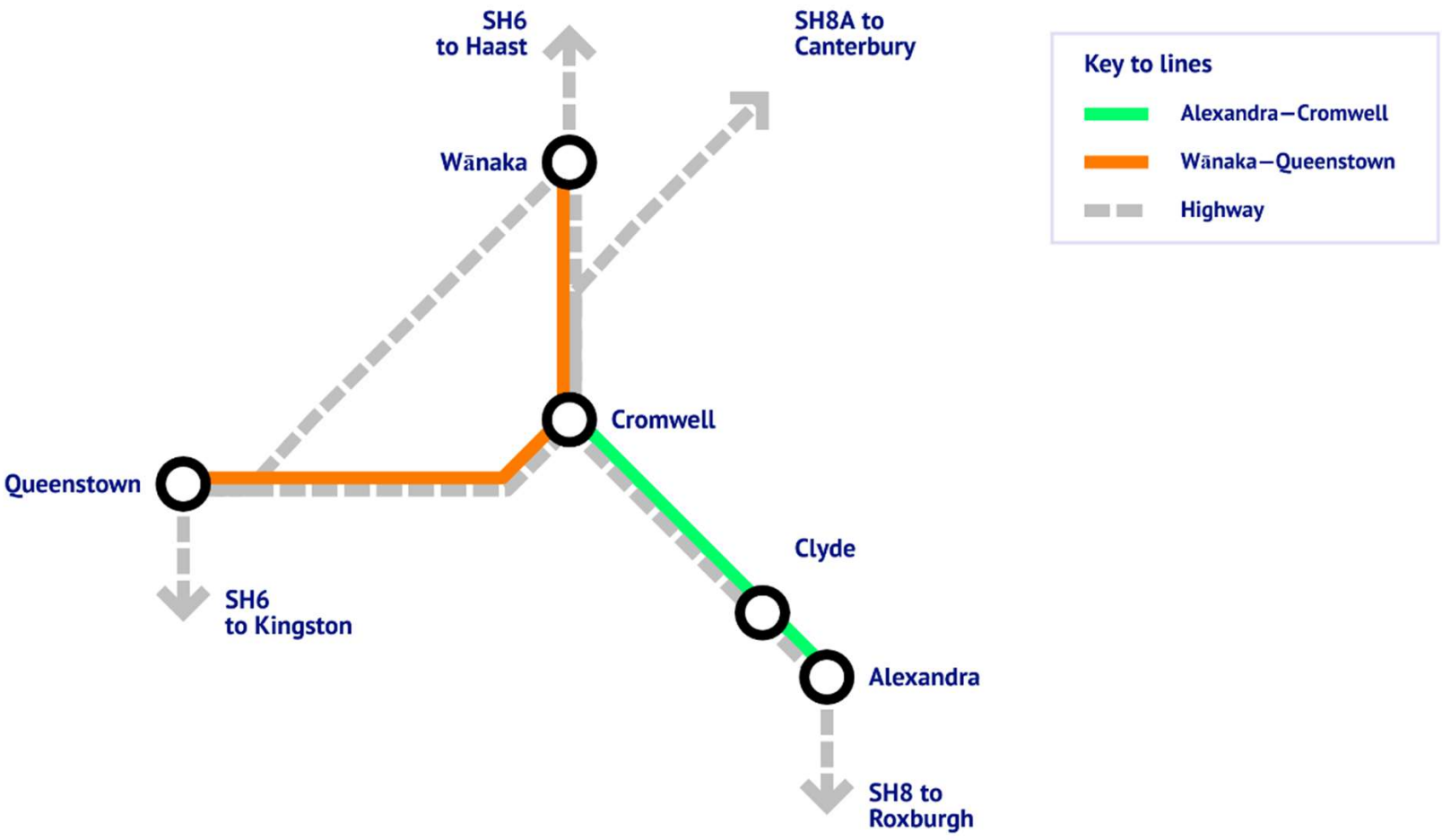


Figure 15 GC6 - Alex-Cromwell & Wānaka-Queenstown (via Cromwell Hub)

Short-list options assessment

Further analysis of the short-list of options has been undertaken to assess suitability for investment and determine a preferred option. The project team used a multi-criteria analysis (MCA) approach informed by NZTA guidance to assess effectiveness and value for money in an integrated manner.[40] While the long-list assessment weighed each option against the investment objectives and critical success factors in isolation, the MCA provides the opportunity to evaluate the short-list options across all service dimensions at once.

An economic assessment was undertaken using NZTA's simplified procedures to assess indicative costs, benefits and relative value (value for money).

Evaluation criteria

Table 14 below summarises the MCA evaluation criteria used to appraise each of the short-list options.

Each option was evaluated against the investment objectives, critical success factors, costs and benefits. An assessment of each option's level of exposure to operational risks has been excluded from the MCA as risks do not significantly differ between options. Risk is fully discussed in the Management Case.

Several impacts provided in the NZTA guidance have been excluded from the MCA to avoid double counting. Climate change mitigation and environmental impacts overlap with investment objective 3 (Environmental Sustainability). Social impacts related to the mental health benefits of the availability of an affordable transport option and the physical health benefits of walking or cycling to access public transport ("the first and last mile") were excluded to ensure benefits 3.1.1 and 10.2.8

[40] https://nzta.govt.nz/resources/multi-criteria-analysis

were not double counted. Other impacts, such as the Climate change adaptation/resilience impacts, impacts on te ao Māori and property impacts were excluded due to their lack of relevance to the service options.

Table 14 MCA Evaluation criteria

Criteria	Description
Investment Objectives	How well will the option….
Land use integration	Support good urban form?
Connectivity and choice	Increase connectivity and accessibility using sustainable modes?
Environmental sustainability	Contribute to reduction in carbon emissions are improvement in air quality?
Affordability to users	Increase access to affordable alternatives to private vehicle travel?
Critical Success Factors	The extent to which the option…
Strategic Fit	Meets ORC's public transport objectives (as set out in the RPTP). Specifically, to invest in a public transport system that reduces dependence on private vehicles, positive environmental outcomes and supports sustainable urban development.
	Aligns to the ORC's strategic direction for transport and long-term business needs, including increasing transport choice, regional connectivity and planning to meet changing community needs as the region grows.
Potential value for money	Optimises value for money (i.e., provides the optimal mix of potential benefits, costs, and risks for ORC).
	Supports achievement of the benefits sought.
Provider capacity and capability	Is likely to be deliverable in the market.
	Is likely to result in a sustainable arrangement with a supplier.
Potential affordability	Can be delivered from available funding or rating mechanisms.
	Is likely to obtain funding from possible funding sources.
	Matches other funding constraints.
Potential feasibility/achievability	Is likely to be delivered from existing ORC resources.
	Level of complexity and/or delivery risk is acceptable to ORC.
Benefits[41]	The extent to which the option can…
Access to opportunity (5.2)	Improve access to key economic destinations (5.2.6).

[41] Numbers correspond to NZTA Land Transport Benefits Framework: https://www.nzta.govt.nz/assets/planning-and-investment/docs/Land-Transport-Benefits-Framework-overview-table.pdf. For benefits not included in the framework, no numbers are provided.

Spatial coverage of public transport (10.2, 10.3)	Improve spatial coverage of public transport to jobs (10.2.5), for residents (10.2.6) and for new dwellings (10.2.6a).
	Improve access to key social destinations (10.3.1).
Road safety (1.1)	Reduce personal risk (1.1.4).
Transport mode choice (10.2)	Improve public transport mode share (10.2.1).
	Improve accessibility of public transport facilities (10.2.2).
	Improve temporal availability of public transport (10.2.7).
	Increase passenger demand.
Emissions from land transport (8.1)	Reduce transport-related CO2 emissions (8.1.1).
	Reduce VKT (8.1.3).
Improve transport affordability for users (10.2)	Lower cost of access to key destinations (10.2.8).
	Provide fare public transport fares relative to other networks in the region.
	Physical and mental health benefits from availability of affordable reliable public transport (3.1.1).

Scoring

A standard NZTA seven-point scoring system was used to score the options against the criteria, as presented below in Table 15. All short-list options including the Do Nothing scenario were scored using this scale.

Costs are an input into the assessment of both the affordability and value for money critical success factors. Costs and Benefit Cost Ratios (BCR) are recorded for each option as useful information to inform any investment decision but are not scored as part of the MCA.

Table 15 MCA seven-point scoring system

Score	Description
+3	Major positive impacts resulting in substantial and long-term improvements or enhancements of the existing environment.
+2	Moderate meaningful positive impact. Positive outcome may be in terms of new opportunities and outcomes of enhancement or improvement.
+1	Minimal or small positive impact. May be confined to a limited area.
0	Neutral – little or no discernible or predicted positive or negative impact.
-1	Small but minimal negative impact. May be confined to a small area.
-2	Moderate negative impact. Impacts may be short-, medium-, or long-term and are likely to detract from outcomes sought.

-3	Impacts with serious, long-term and possibly irreversible effect leading to serious damage, degradation or deterioration of the physical, economic, cultural or social environment.

Results

The results of the MCA are presented below in Table 16. The full MCA including detailed commentary of scoring rationale can be found in Appendix D.

The assessment process has revealed that **Option 2a: Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub), four round trips daily** provides the strongest alignment to the investment objectives and achieves the benefits to the highest degree relative to the service cost and therefore is the emerging preferred option.

This option's strength lies in the high level of spatial coverage it delivers relative to its cost. By the service using SH6 to connect Wānaka to Queenstown, people living in and around Luggate, Queensberry, Mount Pisa and Lowburn, estimated to be 2510 people, will be along a public transport route.[42] This contrasts the route of Options 1a and 1b that would travel via the Crown Range, only providing public transport coverage to an additional 190 people residing between Southern Wānaka and Arrow Junction.

The direct connection between Wānaka and Queenstown via the Crown Range will likely still be served by SkyDrive and can continue to be considered as an expansion of the sub-regional network in the longer-term.

Before considering cost, options providing six trips daily frequencies (Option 1b or 2b) provide the strongest alignment to the investment objectives and contributes to the key benefits to the highest degree by enabling longer service hours and greater connection. However, the higher operational costs of these additional service options result in a four-trip frequency performing better overall. A six-trip daily frequency may become the preferred option once the service is established if the sub-region's resident and visitor population growth rates remains high and/or demand for the service strains capacity.

Taking into account the current limited funding environment, the assessment applies a stronger focus on the affordability of options. Whilst Option 2a is considered to offer a lower level of service, the marginal gain in benefits relative to the additional investment required for the options offering direct Wānaka – Queenstown routing and/or six-trip daily frequencies is significant.

If Council wished to realise the additional value of six-trip frequency services more quickly, it could opt to go straight to a six-trip service (Option 2b). This would make the new public transport offering as attractive as possible (longer service hours, enabling greater connectivity and patronage) from the outset. However, getting an initial service in place for the Central Lakes sub-region will be a step change, and as demand grows, there is the potential to increase the service level over time to realise greater benefits. The preferred option although only four trips per day is still suitable as a 'proof of concept'/trial for a future service. The viability of the future service uplift is explored through the sensitivity testing that follows.

[42] Figures derived from 2026 population estimates of Luggate, Queensberry, Mount Pisa, Lowburn and Cardrona localities, source: https://koordinates.com/from/data.linz.govt.nz/layer/113764-nz-suburbs-and-localities/

Table 16 MCA results summary of short-list options

Criteria category	Do Nothing	Option 1a Alex-QT & Wānaka-QT (via Crown Range) **4** trips daily	Option 1b Alex-QT & Wānaka-QT (via Crown Range) **6** trips daily	Option 2a Alex-Cromwell & Wānaka-QT (via Cromwell Hub) **4** trips daily	Option 2b Alex-Cromwell & Wānaka-QT (via Cromwell Hub) **6** trips daily
Investment objectives	0	5	5	6	6
Critical success factors	4	6	6	5	5
Benefits	0	10	12	10	12
Total unweighted score*	4	21	23	21	23
Operational cost p/ annum ($millions)	0	$3.19	$4.64	$2.93	$4.24
Indicative Benefit Cost Ratio (Benefit score divide by cost in millions)**	**n/a**	**3.13**	**2.58**	**3.41**	**2.83**
Emerging preferred option	No	No	No	Yes	No

*Each criterion is weighted equally, resulting in the criteria categories with a greater number of criteria receiving greater weight.

**The indicative benefit to cost ratio uses the derived benefits score divided by the estimated costs (detailed further in the economic analysis section) to calculate a BCR approximation for relative comparative purposes.

Assumptions

For the purposes of the MCA the following assumptions have been made:

- While most townships in the sub-region currently have relatively small population bases, it is assumed resident and visitor population growth rates will persist as projected, thus future travel demand will be much higher than current resident population numbers suggest.
- That urban growth will occur primarily in planned locations as per the Queenstown Lakes Spatial Plan 2021, Cromwell Master Plan 2019 and the Vincent Spatial Plan 2022.
- It is assumed central government's current strategic funding priorities of transport activities will remain consistent for the foreseeable future.

Preferred option

Based on the combination of costs, risks and benefits, the **preferred option** is Option 2a: Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub), four round trips per day. This option represents best value for money in the short term.

The preferred option includes:

Scope	GC6	Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub)

Service	SC4	Four return trips per day with synchronised transfers in Cromwell (starting and ending in peak times)
Delivery	SD2	Subsidised (gross-cost contract)
Timing	IM2	Phase over Years 1-10 of next LTP
Funding	FD1	Fares/third party funding + ORC local rates + NZTA co-funding

This preferred option is shown below in Figure 16 and has an indicative annual operational cost of $2,928,000.

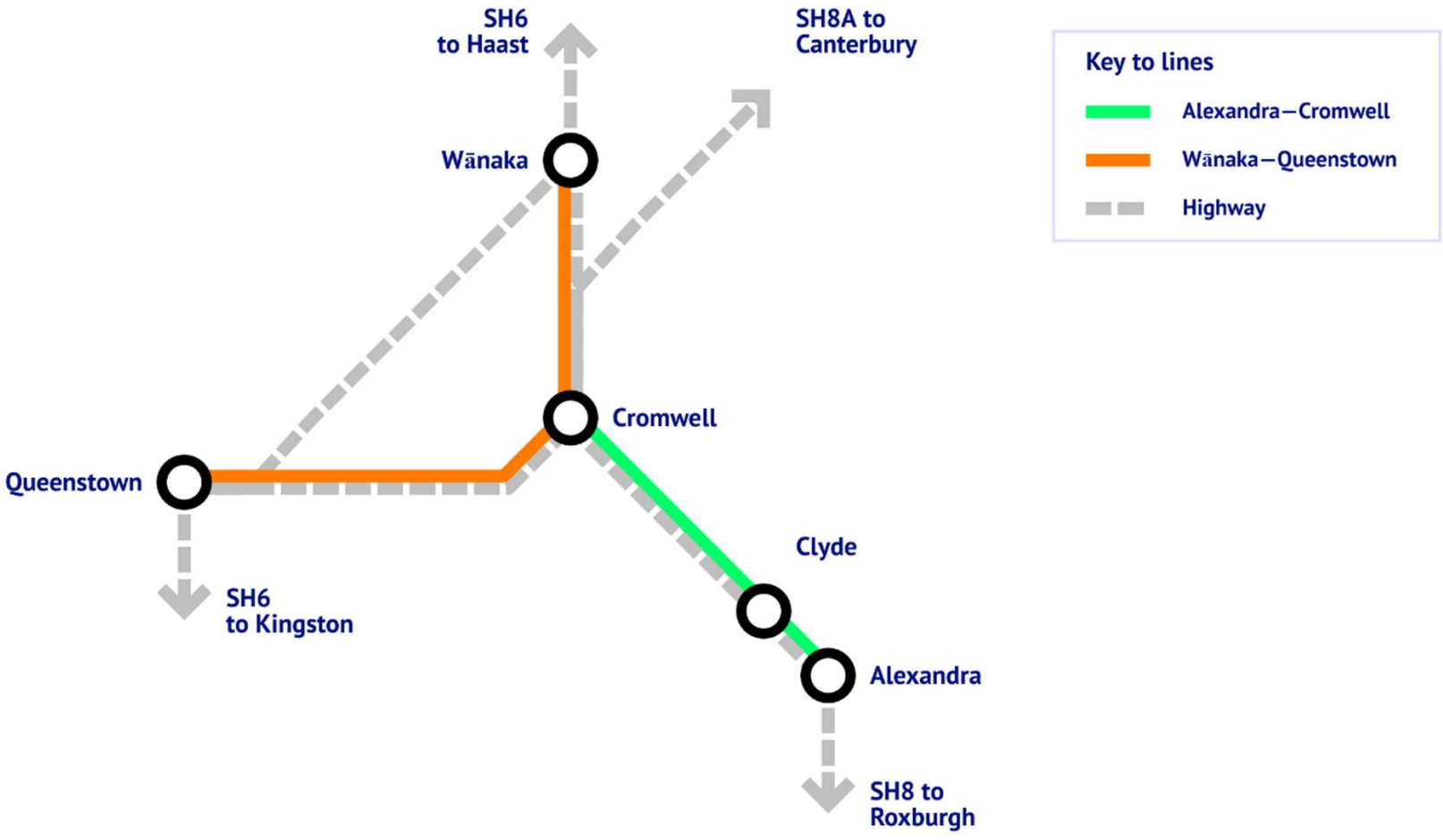


Figure 16 Depiction of the proposed Central Lakes sub-regional public transport preferred service option

Economic Analysis

An economic assessment has been undertaken using NZTA's simplified procedure SP9, which is a simplified method for appraising the economic efficiency of new public transport services and associated infrastructure.

Benefits

In this procedure, it is assumed that public transport (PT) benefits ultimately accrue to either PT users (who gain benefits from using the service) or road users (through lower traffic levels). As such, benefits can be reasonably estimated that:

- For a PT user taking a trip, the benefit relates to the difference between what a passenger would be willing to pay, and what they actually pay. For example, if someone is willing to pay $6 but only pays $3, they benefit by $3.
- For a road user, the benefit of a PT trip comes from the likelihood of one PT trip taking a car off the road (typically around 70%) and the benefit of reduced road traffic.
- Outside of Wellington and Auckland, road user value is taken based on Christchurch, and is given a low value, $0.40 per vehicle, per kilometre (compared to $2.99 in Auckland and $1.83 in Wellington). Even with this value, the traffic impact is much larger than the user impact,

so the low valuation outside of Auckland and Wellington limits the benefits able to be produced using this simplified procedure. Furthermore, the nature of Queenstown's transport network (constrained, vulnerable to disruption and frequently congested) suggests that its road user value may be better reflected by Wellington or even Auckland's higher values.

The key inputs to the economic analysis are estimations of costs, boardings, and willingness-to-pay. The following assumptions have been made:

Costs

Costs have been estimated using a value of $6 per kilometre (combining hourly and distance costs), and $100,000 per peak vehicle. This is derived from latest contract rates of $4 in Dunedin and $7.91 in Queenstown. The sub-region has a lot of similarities with Queenstown that would drive increased cost, but is unlikely to be as extreme, so the intermediate value was deemed appropriate. This analysis considers the resources required for the two sub- regional bus routes. However, if both the sub-regional services and the Upper Clutha service are contracted and delivered together there may be opportunity for resource sharing and cost saving.

Boardings

The likely demand for a new sub-regional public transport service has been estimated by considering population levels (daytime population – resident population plus average daily visitors) across the broad sub-regional area that would be served by the service. Consideration has also been given to Queenstown airport which is a strong trip generator. Boarding rates connected to SA2s in Whakatipu have also been used for comparison. It was found that weaker SA2s in Whakatipu generated around three boardings per year, per daytime head of population (six with return trips), while stronger areas generated 8-10.

Due to urban form factors and longer walking distances to access a single bus route in Alexandra, Cromwell, Clyde and Wānaka the modelling has assumed a trip generation of approximately six trips per year, per daytime population for the sub-regional bus service. Table 17 below shows the annual estimated boardings for the preferred option. Sensitivity testing has been used to test a range of possibilities for this factor.

Table 17 Boardings per year for the sub-regional bus service (four return trips per day)

Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
78,115	79,677	81,271	82,896	84,554	86,245	87,970	89,729	91,524	93,354

Service elasticity

Service-level elasticity is the responsiveness to changes in service level – e.g. if there is a 100% increase in frequency, there should be a related increase in boardings. Typical short-term values are 0.5-0.6 at low frequencies, decreasing to 0.4 or less at high frequencies.[43] For example, improving a 20-minute frequency to a 10-minutes frequency will not create as large a percentage improvement in boardings as improving a 60-minute frequency to 30 minutes.

[43] NZ Transport Agency Waka Kotahi (NZTA) Monetised benefits and costs manual (MBCM)

Given that relatively low frequencies being considered (four or six round trips per day), a short-term elasticity of 0.6 (long-term 1.2) was used for non-airport travel; for airport travel the elasticity did not increase in the long-term. Sensitivity testing also tested 0.5 and 0.7.

General cost elasticity

General cost elasticity considers the responsiveness of changes in fares and travel time. Typically this would account for changes in frequency, but at low frequencies this was considered unreliable and service-level elasticity was considered separately. Therefore the general cost elasticity used excluded service level changes, considering only fares and travel time A general cost elasticity of -1.5 was used in this analysis. This considers fare levels (-0.35), in-vehicle time (-0.4) and a multiplier (2) to recognise the major change in service with the implementation of a new service. Typical direct elasticities estimate a range between -0.2 and -0.6 for fares, and -0.1 and -0.7 for in-vehicle time.[44] Sensitivity testing has also been undertaken on this variable, testing values of 1.2 and 1.8.

Willingness-to-pay

Willingness to pay has been estimated using an ORC fare model which (based on MCBM parameters including distance) calculates the likely fall-off in patronage for different fare levels. For example, if 1000 people are willing to ride for free, but only 900 are willing to ride for $0.50, it is assumed that the 100 people who stopped travelling had a willingness-to-pay of $0.25 (halfway between $0 and $0.50. The willingness-to-pay was taken for all passengers willing to pay a given fare, and so the average willingness-to-pay increases when the fare increases.

The average willingness-to-pay of users with a $20 adult fare (as a possible zonal fare option for Alexandra to Queenstown or Wānaka to Queenstown trips), reduced according to concession rates, was estimated through this model to be $46.69. Due to zonal fare assumptions the average adult fare paid at a $20 base fare would actually be $17.96, and the average fare after GST and concessions is $13.47.

A lower fare (such as $10 from Wānaka to Queenstown), which would be in line with currently proposed zonal fares for Ōamaru to Dunedin, would result in a lower average willingness-to-pay from users (as a number of users with lower willingness-to-pay are included in the weighted average). It is shown below in sensitivity testing that such a lower fare results in a substantially higher BCR, but the higher fare is maintained in the core analysis as it significantly improves the private share and ease of funding the service.

Further key assumptions included in the base analysis are:

- No adjustment has been made for optimism bias
- 2028 implementation
- Discount rate of 2% for years 1-30, and 1.5% for years 31-40
- Estimated patronage growth rate per annum of 2%
- The average car trip replaced by the new public transport service is 64km long (representing the distance from Wānaka to Queenstown via the Crown Range).

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44 https://www.nzta.govt.nz/assets/resources/monetised-benefits-and-costs-manual/Monetised-benefits-and-costs-manual-volume-1-procedures.pdf Table 83

Benefit cost ratios

A benefit-cost ratio (BCR) provides a measure to summarise the overall relationship between the relative costs and benefits of a proposed investment. It is one tool and should be used in conjunction with a range of analysis to help assess the viability of a project and compare alternate projects. In general, a BCR greater than 1 suggests benefits will outweigh costs and the option should be considered. If the BCR is less than 1, the costs outweigh the benefits.

The benefit-cost ratios have been calculated for the preferred option (2a) - a service running four return trips per day, as well as option 2b which would run a slightly higher level of service with six return trips per day for comparative purposes. Because there is no current service, and it is plausible that there could be no service in the future, options were therefore assessed against a do-nothing (counter factual).

Value	Option 2a (4 trips)	Option 2b (6 trips)
BCRg (government benefit-cost ratio; relative to do-min existing exempt services)	1.6	1.4
BCR (incremental)	1.6	1.2

Under these assumptions both service options are likely to achieve a BCR above 1. This means they would achieve a “Low” efficiency rating under the 2024-2027 NLTP Investment Prioritisation Method.[45]

Sensitivity Analysis

Sensitivity analysis has been carried out to test how sensitive the assessed benefits and costs are to changes in the assumptions of the economic analysis. The levels of change chosen represent an informal assessment of the level of uncertainty on a given variable.

Table 18 below tests how sensitive some of the key inputs to the economic analysis are. The BCRs for each scenario are shown below for each of the options relative to the do-nothing.

For the preferred option (four trips per day) the BCRs range from 0.6 to 5.1 with the trip generation rate being the most sensitive of all the variables.

Table 18 Sensitivity testing

Sensitivity scenario		4 trips per day	6 trips per day
Base (QT-Wānaka via Cromwell + Alex-Cromwell)		1.6	1.4
Alternative (QT-Wānaka via Crown Range + Alex-Queenstown)		1.3	1.2
Fares	Doubled ($40 Wānaka – Queenstown)	0.6	0.7

[45] Under the 2024-2027 NLTP Investment Prioritisation Method a “Low” efficiency rating is defined as an investment with a BCR of 1 to less than 3.

	Halved ($10 Wānaka – Queenstown)	2.5	2.1
Service cost estimate	Increase cost estimate by 25%	1.1	1.0
	Decrease cost estimate by 25%	2.9	2.2
Length of car trip replaced	Increased by 25%	1.9	1.7
	Decreased by 25%	1.3	1.2
Service-level elasticity	Decreased from 0.6 to 0.5	1.6	1.3
	Increased from 0.6 to 0.7	1.6	1.5
General elasticity (fare and time only)	Decreased from -0.75 to -0.65	1.4	1.3
	Increased from -0.75 to -0.85	1.7	1.5
Benefits profile for diversion rates and road traffic reduction benefits	Wellington profile instead of recommended Christchurch profile	5.1	4.5

This sensitivity analysis shows:

1. The alternative option (which runs Wānaka to Queenstown via Crown Range, and extends the Alexandra-Cromwell service to Queenstown, performs weaker. Although the faster Wānaka-Queenstown trip times are an improvement, the higher operating costs due to the Alexandra service not being able to be cut short for a connection at Cromwell increases the costs. A number of secondary connections (such as Cromwell-Wānaka) would also become impractical.
2. Lower fares (towards $10 for Wānaka-Queenstown) perform better. Due to financial constraints a higher fare was assumed, but it is clear that if a lower fare can be afforded, it gives very good value for money. The constraint on this would be if lower fares required larger buses (which would increase costs a little) or more trips (which would significantly increase costs). For this reason a six trip per day frequency might be required if fares are set at $10.
3. Changes in the service costs could significantly impact the BCR; an assumption of $6 per kilometre plus fixed fleet costs has been made, which is relatively high.
4. If the length of the average car trip replaced is affected this has a moderate impact on the BCR. The distance set is based on the Queenstown-Wānaka via Crown Range route, but some Queenstown-Wānaka car travel is via the much longer Cromwell route.
5. Changes to elasticities -- the responsiveness of customers to service level, quality, and cost – have a moderate impact on BCR.
6. If more aggressive diversion rates were used – equivalent to Wellington or Auckland instead of Christchurch, the BCRs would become extremely high. Such diversion rates would not

normally be characteristic of a longer-distance service, but with the constraints, severe congestion, and limited alternative routes, for the Eastern Corridor and Frankton in particular, reconsideration of this factor could substantially change the investment case and create a case for much more intensive Cromwell-Queenstown service in the future.

Investment Prioritisation Method 2024-2027 (IPM) profile

Under the 2024-2027 Investment Prioritisation Method, a new public transport network for the Central Lakes sub-region would fit into NZTA's Low-cost, low-risk (LCLR) programme definition. All LCLR projects have a default starting IPM profile of HHM - High (GPS Alignment), High (Scheduling) and Medium (Efficiency) and priority order 3 in the 2024-2027 ranking. It would then get moderated to fit within allocated funding based on the value proposition of this project versus the other PT Services LCLR proposals nationally.

The 2027-2030 NLTP IPM will be developed following the release of the 2027 GPS. The draft NZTA Public Transport Programme guidance developed to assist with RLTP development signals a revised approach to public transport service improvements, however at the time of writing (July 2026) the detail and IPM guidance have not yet been released. This assessment will need to be updated following the release of the 2027-2030 NLTP IPM.

Summary

The preferred option identified through the economic case is Option 2a: Alexandra – Cromwell and Wānaka – Queenstown (via Cromwell Hub), four round trips per day. This option is considered best value-for-money and a good starting point for public transport in the sub-region. Over time as population and demand grows, higher frequency and longer service hours will likely be achievable. This will increase the convenience and attractiveness of public transport and achieve the investment objectives and benefits sought to a higher degree.

Commercial Case

The Commercial Case describes the planned procurement route to implement the preferred option.

The proposed preferred option will require a private operator to deliver the services through a service contract with ORC. Procurement will be in accordance with ORC's most up-to-date NZTA endorsed transport procurement strategy, with a focus on achieving value for money for funders.

The purpose of this Commercial Case is to:

- Outline the commercial structure and risk allocation of the preferred delivery option
- Summarise the market sounding undertaken and insights gathered
- Discuss the proposed procurement approach, process, timeframes and contractual arrangements
- Identify any key contractual considerations and/or issues.

Preferred commercial approach to delivery

Four service delivery options were explored through the economic case. Two options considered variations of exempt services that would have little or no ORC involvement (community led or wholly commercial), while the other two options involved ORC procuring operators to deliver the service under a subsidised contract. The preferred commercial approach is a **subsidised gross contract.**

Under this model, ORC will contract an operator and pay a set fee to deliver the preferred services. ORC sets the fares, collects the fare revenue and carries the risk of fluctuations in patronage. ORC also controls branding, marketing and integrated ticketing. Further, as the public transport authority (PTA) ORC has a role to oversee the service quality. This is the standard commercial delivery approach of bus services nationally and is consistent with existing contractual arrangements for bus service delivery across the Dunedin and Queenstown networks.

As discussed in the Economic Case there are several fully commercial exempt services operating in the region. As both Alexandra to Queenstown and Wānaka to Queenstown services are listed as integral services in the 2025-2035 RPTP, procurement of these services may require a variation of the exempt services.

Through the pre-procurement phase ORC will work closely with existing operators to make sure the best outcomes can be achieved for the community. This may mean variations to existing exempt services to complement the contracted service provision. For example, SkyDrive may choose to operate as a premium airport express service, while the publicly funded service has a broader coverage and timetable.

Market sounding

The potential introduction of a service into a new area of Otago provides an opportunity to explore new ways of partnering with public transport operators. ORC wishes to take a collaborative approach to the planning, designing, delivering and scaling of new services, and therefore included a market sounding exercise as part of this business case.

The purpose of the market sounding was to seek the views of potential suppliers to inform the investigations into:

- local service options for Wānaka and Lake Hāwea, and
- expanding the wider sub-regional network to include services between Queenstown and Wānaka, and between Queenstown and Alexandra (this business case).

It is also hoped that the early engagement with commercial operators through this market sounding exercise and follow up interactions may attract new suppliers to future tenders.

To engage with the market, ORC issued a Request for Information (RFI) on the Government Electronic Tender Service (GETS) on 13 March 2026. The key outcomes sought from the RFI were to understand the views and perspectives of current industry operators on:

1. How public transport could be designed and delivered to best serve the communities of Wānaka, Lake Hāwea, Alexandra, Cromwell, Clyde and Luggate, and their connections with Frankton and Queenstown
2. Potential service delivery models
3. How ORC and the supplier might be able to collaborate in the design and delivery solutions for one or both of the study areas
4. The capability and interest of the market in delivering public transport services in the Central Lakes sub-region
5. The industry's perceptions of the primary commercial risks, market constraints and possible challenges with implementation and delivery of public transport services in the Central Lakes sub-region.

The RFI also noted ORC's interest in understanding opportunities to collaborate on solutions with a high level of "private share" cost recovery. Such service delivery models may enable services to be introduced more rapidly than the highly subsidised services that ORC typically contracts.

Respondents were given a deadline of 24 April 2026 to prepare and submit a response the RFI.

One formal response to the RFI was received from Tranzit Group through GETS. Responses were also received from Go-Bus and Ritchies following conversations with these existing ORC contracted operators. Individual online follow up meetings were held with each of the respondents to discuss responses and ideas in more detail.

Market sounding insights

Capability and capacity

All three respondents have an existing presence in the Central Lakes sub-region operating across a range of services including small-vehicle services, coach and charter services, tourism services, school bus services and contracted public transport services. They each have strong operational capability, access to fleet and local depot facilities and have significant experience in the delivery of public transport services (and working with PTAs) across New Zealand.

One respondent cited experience operating regional services in the North Island, having introduced several services as trials which have later become part of a core public transport network. Lessons learned from these trials were discussed. Another respondent mentioned specific experience providing services in tourism-driven regional environments where demand is variable. One operator stated they had the capability to mobilise and operate a time-limited trial service to test demand assumptions ahead of a full implementation.

All three operators conveyed a genuine interest in operating public transport in the sub-region, with one stating it was a key strategic growth area for them and another affirming their support for improving regional connectivity outcomes in Otago.

Service design and timetables

Whilst this business case focuses on public transport options for the wider sub-regional network, a parallel business case investigating options for a local Wānaka and the Upper Clutha public is closely interrelated. From a delivery perspective there is likely to be commercial efficiencies through designing the timetables for each area in a coordinated manner.

The market feedback discussed in this section refers broadly to the implementation and operation of new services for the Upper Clutha and the broader sub-regional network collectively.

The RFI proposed a potential timetable consisting of three base routes:

- 101 Wānaka to Queenstown
- 102 Wānaka to Cromwell
- 103 Alexandra to Frankton.

It suggested a 150-minute headway and six trips per day for these routes which would allow for:

- Routes 101 and 102 to combine to give a local service with 75-minute headway, from Lake Hāwea to Wānaka via Albert Town and North Wānaka, and
- Routes 102 and 103 to connect with a timed transfer at Cromwell, six times per day.

Routes 101 and 103 could both serve Queenstown Airport, although only route 101 could extend into Central Queenstown under these timetables.

Market feedback on these potential timetables included suggestions for ORC to look at:

- Adopting a flexible approach to timetable development:
    - Running initial services based on maximising operational efficiency such as reduced idle time rather than a ‘clockface’ timetable could reduce costs
    - Scenario modelling with operators with operator-side input on costs, fleet requirements and revenue assumptions. Use of this supply side optimisation is likely to eliminate costs associated with additional peak vehicle or unnecessary idle times.
    - Setting a timetable that requires the fewest number of depots. A need for multiple depots attracts a higher cost due to additional infrastructure and considerations on how spare vehicles and servicing is conducted.
    - Consideration of linking Luggate to the 101 Wānaka to Queenstown route. This provides coverage for Luggate and keeps the local Wānaka and Lake Hāwea service separate.
    - Consideration of Arrowtown as a possible connection point.
- A staged delivery approach:
    - Determine minimum viable service, but may need to over deliver initially to have an attractive service that generates interest. Focus on frequency over coverage

    - Carefully consider and define peak demand - commuter, education and key employment travel
    - Allow mechanisms to add services to meet growth in demand including through seasonal or event-based activities
    - Enable sufficient agility to move fast and adapt to changes in demand.
- Realistic timetabling:
    - Prioritise reliability – making sure timetabling accounts for congestion on key corridors
    - Service timings to align with employment, education and visitor movements.
- Service design review:
    - Practical operator input on route timing, stop placement, interchange design and timetable feasibility based on local operating conditions
    - Data led continuous refinement and optimisation of timetables in partnership with ORC as the routes mature and network grows.
- Collaboration with developing the trial arrangements, vehicle options and specs to meet the unique service requirements.

Fleet

Key points raised by operators with respect to fleet included:

- **Higher quality vehicles:** The long distance and open road environment of some of these services may warrant consideration of a coach style vehicle for enhanced safety and comfort for passengers. This may require approval from NZTA for an exemption from Requirements for Urban Buses (RUB). A similar exemption has recently been received for Dunedin's Route 1 to Palmerston, so this should not pose a problem. Making the service as attractive and comfortable as possible is also likely to attract patronage (especially mode shift from private vehicles).
- **Luggage:** The nature and length of the service could mean passengers have more luggage. Vehicles will need suitable luggage capacity. This could be in the form of a larger luggage compartment or a trailer.
- **Utilisation of existing fleet:** It could be more cost efficient for operators to initiate the trial service with existing available fleet. This would allow for quick mobilisation of the service. Smaller vehicles could be used while the service is embedded in, then and as demand grows, larger vehicles could be introduced. This approach carries less risk and less capital investment.
- **Electrification**: Operators indicated that there are several suitable vehicle options for these routes available or coming to the market.
- **Planning:** It may be best to start with what we expect Year Two operation to look like. This would allow for growth and mean that operators will not have to scramble for extra vehicles if the growth occurs quicker than anticipated in the first year.

Delivery model

The contracted service delivery model and partnership approach with ORC was preferred by all three respondents. Given the level of investment (in capital and workforce) required to set up, the contract model provides operators with a level of certainty that their costs are met, while quality early collaboration is likely to have a material impact on long-term network outcomes.

Respondents suggested ORC consider in the contract design:

- Flexibility with fleet and how vehicles, of varying sizes, might be able to be introduced easily throughout the contract period
- Joint development of timetables to ensure the service strikes a balance between being cost competitive and attractive
- KPIs that incentivise delivery of a reliable and punctual service, without being penalised for factors outside of their control such as congestion
- Sharing of risk including incentives for growing patronage and alignment with other services to reduce some of the 'sunk costs' of the service
- The length of the service contract. The longer the contracted delivery period, the more competitive the total cost. Potentially cost as a two-year trial, with a cost supplied separately if the trial proves successful and the contract is extended.

A hybrid model was proposed by one operator as the most practical and commercially sustainable approach for this sub-region. The preference for early implementation was a mix of private share cost recovery and ORC subsidy with the level of subsidy reviewed against actual performance as the network establishes.

The Queenstown to Wānaka route was considered to have the strongest commercial potential due to the airport, tourism and commuter volumes, while the regional corridor routes were more likely to require higher subsidy to maintain frequency and coverage, particularly outside peak periods.

Coordination of branding, integrated ticketing and timetable alignment would allow commercial flexibility while building customer familiarity.

Commercial risks, market constraints or implementation challenges

Drawing on their operational knowledge and market experience, operators raised the following risks:

- Depots
    - The high cost of land in Queenstown poses a significant barrier to entry for new operators. With public transport contracts generally being for nine years (and no certainty beyond that), this exposes new operators to significant risk and challenges to purchase or lease land, and design and build a new depot.
    - Land for depots in Lake Hāwea or Alexandra is likely to be less challenging to source.
    - Land for one to two vehicles could also be easier to secure. However, changing fleet and increasing the number of vehicles required as patronage on the new services grow may create challenges if the size of the depot is not adequate or able to be adapted.

- Electrification
    - The use of electric vehicles for this service will be reliant on the availability of necessary charging infrastructure (or ability to upgrade) at the depot. This becomes more complex if there are multiple depots.
    - The willingness of operators to introduce electric vehicles is likely to be contingent on the length of the service contract as operators will need to balance the investment in capital required with continuity risk.
- Workforce
    - Driver availability is a persistent challenge across New Zealand. A high cost of living, housing affordability and housing availability in the Central Lakes sub-region along with the high demand for seasonal workforce are likely to present challenges for attracting and retaining drivers. Wages and employment costs for locally-based operational staff and drivers will be higher than comparable services in other areas.
    - If the timetables are designed in a manner that is attractive to part-time drivers, this may attract a more sustainable workforce.
    - A significant portion of the costs of these services will be driver wages. Ensuring that the wage rate is competitive from tender will be key part of delivering services that are reliable. Competition for drivers will not only come from tour drivers but also other transport roles in the region.
    - Drivers will also require comprehensive training for the open road setting and open road driving conditions.
- Geographic dispersion
    - Given that terminus and depots (with the proposed timetable) could easily be more than one hour from each other, ensuring there are adequate vehicles available will require careful consideration.
    - To deliver a reliable service, a higher than usual (10%) spare bus ratio may be required to make sure routine servicing is able to be met, and that there is adequate vehicle coverage for vehicle breakdowns.
- Seasonal variance
    - Seasonal variance is difficult to manage as an operator.
- Lead-in times
    - Lead-in times required varied across respondents, but generally it would take six to eight months to source new fleet and 12 to 18 months to mobilise depots. Staffing was highlighted as a challenge, but no specific lead in time was articulated. A key recommendation was to get the timetables out as soon as possible for schedulers to start working on operational details.

Exposure to these risks and the costs associated with them is likely to be reflected in contract pricing.

Mitigation and management of these risks will be critical to the success of new services in the Upper Clutha area and Central Lakes sub-region.

Current supplier market

The current supplier market for bus services is constrained, with only two market participants (Go Bus and Ritchies) in recent market tenders for bus contracts in Dunedin and Queenstown. Ritchies are the current contractor for the current Queenstown (Unit 6 and Unit 7) contracts. They also operate the Wānaka to Queenstown SkyDrive commercial shuttle services.

The large tourism market in Queenstown means there are a number of other bus and coach operators as well as smaller vehicle operators operating commercial services in the area. This includes ski field transport, long distance commercial services to Te Anau and Milford, and transporting private tour groups.

Procurement of an operator

Public transport planning, procurement and delivery must follow the statutory framework laid out in the Land Transport Management Act 2003 and in accordance with NZTA requirements. As a PTA, ORC contracts the delivery of public transport services to specialist public transport operators (PTOs). Procurement of public transport services by a PTA must specifically follow the new Public Transport Procurement Procedures Manual (PTPPM), which as of 1 July 2026 has supplanted the NZTA Procurement Manual.

Procedures under the PTPPM are designed to obtain 'best value for money spent' under the LTMA. Value for money in this context means "*achieving clearly defined outcomes in the public interest in a way that is both effective and efficient*". Value for money is not purely about minimising cost and is considered over a long strategic time period.

The approach to procurement of an operator to deliver the preferred option will be based on ORC's Transport Procurement Strategy. The current strategy was endorsed by NZTA in 2024 and will be renewed in the latter half of 2026. The update is required due to changes in ORC's procurement environment as a result of the most recent round of bus contracts, and a complex set of unit procurements scheduled in 2027 and 2028.

This following section describes the proposed approach to procuring the Central Lakes sub-regional and Upper Clutha services. It is noted that the update of the ORC Procurement Strategy may result in changes resulting from strategic considerations across the wider procurement programme.

Procurement approach

The procurement of an operator to deliver (initially through a trial) the Central Lakes sub-regional network and the Upper Clutha local service will follow the service delivery approach as set out in ORC's Transport Procurement Strategy.

Delivery model

The delivery model for this procurement will be the **relational delivery model**. This model supports collaboration for co-design and continuous improvement, and enhanced risk and reward sharing between the purchaser and supplier. It is built on trust, transparency, flexibility and mutual long-term goals. It encompasses all stages of planning, procurement and delivery without detracting from the basic contractual management and obligations of each party. The relational delivery model is considered the standard NZTA approved delivery model for most scheduled public transport services. It must be governed by a relational contracting approach.

The conditions surrounding this procurement have been assessed below in Table 19. The assessment affirms that the standard approach is appropriate as this procurement is for scheduled public transport services identified in the RPTP. There is also value for both ORC (the purchaser) and suppliers to work closely together to design and deliver the services as well as share the risks appropriately between both parties.

Table 19 Delivery model assessment for procurement of the proposed activity

Procurement factors	Assessment of procurement activity	Commentary
Type of service	Scheduled bus services	Identified in the RPTP
Complexity	Low	New sub-regional and local services for new area
Scale	Small	Hourly or less than hourly
Contract term	To be determined	Initially a 2-year trial with possible extension for longer.
Timing and urgency	Moderate to high	Urgently need to respond to growth and community need. Identified as high priority in 2025 RPTP. Funding to be applied for through 2027-2030 RLTP and LTP processes. Queenstown bus contracts due for re-tender on the expiry of the Units 6 and 7 contracts in 2028 for 2029 commencement.
Innovation potential	Moderate	Opportunity to be innovative with use and size of vehicles and timetable design for new services in new area.
Risk management	Low to moderate risk	A number of risks have been raised by commercial operators and will be managed through the procurement, delivery and management stages. Risk sharing mechanisms will be explored further through tendering and contract development.
Supplier market	Good	Three operators expressed a strong interest in these services through the market sounding exercise.
Demand for PT in the region	High	Public transport does not currently exist for people living in the Central Lakes sub-region. There is a high interest in increasing transport choice in the sub-region and patronage uptake is anticipated to be strong.

Supplier selection method

Based on the low value of the procurement and the low level of complexity and potential risk to ORC, the recommended approach to market for this project is a **one-step open competitive tender.**

This approach is deemed appropriate as pre-engagement with the market has occurred through the market sounding RFI process to inform this business case (eliminating the need for a two-step process). This aligns with ORC's Transport Procurement Strategy.

The **price quality method** of tender evaluation will be used. Price quality is considered the standard approach for tendered units under the relational delivery model where the specified outputs can be priced by the supplier(s). ORC can then determine that best value for money will be obtained by selecting the supplier that offers the best combination of price and quality requirements as set out in the Request for Proposal (RFP). Quality of the supplier is of high importance to ORC.

Procurement plan

The market sounding exercise has been useful in starting conversations with three potential operators for these new services. Each operator has indicated a willingness to work together in an open and collaborative way to refine the design and requirements for the new proposed services. If approved to proceed, ORC will continue to work with all three operators through the procurement and pre-tender phase to make sure a realistic trial service is implementable, right sized and scalable over time. This will draw on the industry's expertise to refine the timetable design (scheduling and rostering) to inform the scope of the procurement activity. It will also involve developing industry led cost estimates improving on the generic rates used through the business case process.

Working closely with operators through procurement and contract planning is likely to provide the greatest level of benefits for all stakeholders in public transport.

Once funding approvals have been received through the Long-Term Plan 2027 and Regional Land Transport Plan 2027-2030, a detailed procurement plan for the contract of these bus services will be developed. This will include a refinement of the contract scope including whether the Upper Clutha local service is contracted as a stand-alone contract, or part of a wider Central Lakes service contract that includes services between Wānaka, Alexandra, Cromwell and Queenstown.

The detailed procurement plan will also outline the content of the RFP, required preconditions, the composition of the evaluation team, evaluation criteria and weightings, and contract terms.

Procurement schedule – key dates

Lead times for the procurement of bus contracts is generally 12 months, with three to six months required for the procurement process. However, in some locations a longer period may be required. For example, in Queenstown, the complexity of mobilising new contracts in that location, with regards to depot and workforce, indicates a period or 18 months is more likely.

Whilst this procurement to commence new public transport services in Wānaka, Upper Clutha and the Central Lakes sub-region would be a new contract, there are several potential opportunities to coordinate the procurement process to align with the expiry of existing unit contracts.

The Unit 4 Dunedin contract is due to expire in late 2028. The tender process for this contract renewal will need to start in early to mid-2027. If the procurement of the Upper Clutha and sub-regional

services was to align with the re-procurement of Dunedin Unit 4, although quite different, there would be efficiencies in tender document preparation, contract specifications and ORC staff time.

Units 6 and 7 which include all bus services on the Queenstown network are due to expire in November 2029. The procurement preparation for the services within these units will commence in late 2027 with the RFP released in the first half of 2028.

The procurement timing for these new services is also dependent on securing funding allocation approvals through ORC's LTP and RLTP processes. ORC is scheduled to approve the LTP in June 2027, but the availability of NZTA co-funding will not be confirmed until August 2027. The first timeline shown below in Table 20 outlines the proposed procurement schedule assuming funding allocation is secured through these processes.

The suggested procurement schedule is to coordinate the tender for these services with the Unit 4 contract re-tender. This would mean commencing procurement preparation in early 2027 aiming to go to the market mid-2027 (following approval of LTP and NLTP funding). Ideally, the contract would be awarded and the trial would commence early in 2028. This would mean that trial would have been running for several months when the procurement planning for the re-tender of Unit 7 is started. At this point consideration could be given to the pathway for bringing the trial services into the continuous programme including how this may align or coordinate with future tenders of Unit 7. The new Queenstown bus contracts are due to commence in November 2029.

Proposed procurement timeline (Primary approach)

Subject to endorsement of this Investment Case and an approved funding pathway, the procurement milestones are as shown below in Table 20. The period between contract award and contract start date is constrained, however operators have indicated that if a trial is commenced using existing diesel fleet they would be able to mobilise operations quickly. This mobilisation period may also be extended through supplier engagement.

As ORC's Transport Procurement Strategy requires updating by 2027 and several procurement activities fall in close succession, a procurement project team will be set up to manage the procurement requirements and tasks efficiently across the contracts.

Table 20 Proposed procurement timeline

Procurement Milestone	Indicative Date
Pre-procurement	
Business Case approved	August 2026
Set up procurement project team (cross contracts)	September 2026
Procurement Strategy update approved	November 2026
Pre-procurement market engagement	Jan/Feb 2027
Detailed Procurement Plan developed and approved (subject to funding approval)	Jan/Feb 2027
Tender documents completed	Apr/May 2027
Tender documents approved	May 2027
Advance notice published on GETS	May 2027

Inclusion in LTP approved	June 2027
NZTA co-funding secured	August 2027
Tender	
Tender advertised on GETS	August 2027
Supplier briefing(s)	August 2027
Tender closing date	September 2027
Evaluation	
Evaluation panel meetings	October 2027
Recommendation to award contract presented to Council	November 2027
Post-evaluation	
Advise bidders of outcome	November 2027
Debrief unsuccessful suppliers	November 2027
Due diligence & contract negotiation	November 2027
Contract Award Notice published on GETS	November 2027
Contract start date for trial to commence	Feb/Mar 2028
Procurement coordination	
Unit 4 tender preparation complete	Mar/Apr 2027
Unit 4 new contract commencement	Late 2028
Queenstown bus contracts' tender preparation	Dec - Feb 2028
Queenstown bus services' new contract commencement	November 2029

Alternative procurement approach

Connecting Wānaka, Cromwell, Alexandra and Queenstown with public transport is a high priority for the community. An alternative procurement approach could work with operators in the design of timetables, refinement of costs and contract terms if negotiations are favourable. Under these conditions it may be preferred to **direct appoint** the contract (subject to approval from NZTA and legal review). Leveraging off the momentum gained through working with operators to develop this business case, by the end of 2026 ORC would be in a good position to understand whether a direct appoint approach would be feasible and offer the best value for money spent.

Value for money in direct appointment negotiations are contingent on a strong fall-back position, if negotiations are not favourable. There would still be time to revert to the full open tender procurement process as outlined above. Because the service is new (not a continuation of an existing service) the start date can also be delayed if there are unsuccessful negotiations.

The constraints imposed by the funding timelines would not allow the start date of the trial to be expediated, but direct appointment would reduce the risk of the timeline being extended and could create improved continuity with the existing exempt services. A direct appoint approach could also save on resources and effort. An alternative procurement timeline is outlined below in Table 21.

Table 21 Alternative procurement timeline

Procurement Milestone	Indicative Date
Pre-procurement	
Business Case approved	August 2026
Pre-procurement market engagement	August 2026
Timetable design and broad contract terms	Aug/Sept 2026
Cost negotiations	Oct/Nov 2026
Review point – if negotiations are not favourable revert to standard open tender	February 2027
Procurement	
Inclusion in LTP approved	June 2027
Inclusion in NLTP approved	August 2027
Direct appoint operator (subject to funding approval through the LTP/NLTP)	September 2027
Contract start date for trial to commence	February/March 2028

The procurement timelines proposed are based on the assumption that a trial (of either Upper Clutha, the sub-region or both) will be started using existing fleet and depot arrangements. Scaling operations and fleet electrification will occur over the contract duration.

The primary approach is the planned approach to procurement however opportunities to expediate to the alternative approach will be explored during the ORC Transport Procurement Strategy update in the latter half of 2026.

Contractual arrangements

Type of contract

The contract for these services will be tendered on a **gross-cost** basis. This aligns with ORC's NZTA approved procurement strategy for bus contracts and is regarded as the industry standard. Financial and performance incentive mechanisms will be considered to grow patronage and share risk.

While the introduction of a new service in a new area of Otago presents opportunity for alternative contract models to be explored, at this point the gross-cost is considered the most appropriate contract arrangement as it supports ORC's strategic position in the planning and integration of this service into the wider Queenstown network.

Through the market sounding, operators did express an interest in exploring hybrid contracts that might include performance incentives. This could be in the form of a hybrid net contract where ORC guarantees a base payment that covers most of the service operating costs. The operators retain the fare revenue, and the operator shares in additional revenue that exceeds agreed targets. This contract approach with performance incentives would reward growing patronage and reliability. It would also provide an opportunity for operators to be creative and exert a level of control over this compact network. Hybrid net contract arrangements will be investigated further through pre-procurement market engagement. The final contract model would need to have the flexibility to work for both parties through the duration of the contract.

Contract length

Selecting the length of the contract will be a key decision made through the pre-procurement engagement and detailed procurement planning. New public transport services are generally funded and operated on a trial basis (usually a minimum of two years). The trial allows for a new service to embed and grow patronage before an evaluation of its viability and value for money is completed. Following a successful trial, ORC would apply to have the service incorporated into its Public Transport Continuous Programme with NZTA to secure continuity of long-term funding support.

The contract length would need to consider the trial length while also providing greater supplier certainty to enable their investment in upgrading fleet and depot requirements for the longer term.

The contract length will also need to consider Queenstown's Units 6 and 7 contract expiry. Although the requirements of a trial make it challenging to tender these contracts at the same time, it is desirable for their expiries to be aligned in the long-term. For instance, the contract length for the next Queenstown contract could be at the upper end of the standard range of 8-11 years, or an exemption for a contract longer than 11 years could be approved. This could result in either a shorter Upper Clutha and Central Lakes sub-region contract (in order for it to be re-tendered halfway through the Queenstown contracts' term) or a longer contract (potentially beyond 11 years) to stretch out to the Queenstown contracts' expiries. A shorter contract could favour a direct appointment.

Flexibility will also be required to manage changes and support the evolution of the services over time. The types of mechanisms that will be included in the contract to assist with service adaptation will be periodic reviews, re-evaluation of appropriate risk allocation and contract variable pricing.

While accounting for the possibility of changes to this term for purposes such as contractual alignment, it is proposed that the contract length be tendered on a **1 + 2 + 6** basis for a **9-year total commitment** in line with the majority of public transport relational bus contracts. This structure would provide a one-year firm initial term for the one-year trial to commence in early 2028 with existing fleet. There would be two unilateral options to renew in two years followed by a final six-year extension. A PTA Extension Option would also be included to provide ORC with a mitigation measure if the succession contract commencement date needs to be deferred for unforeseen future circumstances.

NLTP funding would be applied for the full 2027-2030 period providing the ability to extend the trial for another two years if the initial trial meets the outcomes sought and is deemed successful. In the following RLTP (2030-2040) the services would then be incorporated into ORC's continuous programme to give the certainty for the six-year extension.

Contract price

The contract price for a relational contract will be based on the annual gross price of operating the service. The price will be set through a competitive process or negotiation if ORC pursue the direct-appoint procurement approach. Pre-engagement with operators will inform the contract price development.

Relationship management

The relational delivery model relies on parties committing to work together to achieve best value for money spent. The goal with public transport services in Otago is to grow patronage and private share of operating costs to reducing reliance on subsidy.

The work to date with the three operators that have expressed an interest in delivering these services has been collaborative and open. There has been a genuine interest and willingness to share information and work collectively to establish viable public transport options for the Central Lakes sub-region. These relationships will continue to be nurtured through pre-implementation tasks and into the future delivery contract.

Potential for risk sharing

Otago Regional Council acknowledges the commercial risks and constraints that have been raised by market participants. To achieve the key outcomes of these services ORC will be looking to share risk to maximise value for money by allocating risk in a manner that places risk with the party best placed to effectively manage it.

Otago Regional Council proposes to apportion the risks related to contracted services as follows in Table 22.

Table 22 Summary of commercial risk allocation

Area of risk/ responsibility	Risk allocation			
	ORC	Operator	Shared	Rationale
Depot availability		X		The operator is responsible for purchasing or leasing depot space to fulfil fleet availability requirements. In Queenstown there is a high cost and financial risk, especially with uncertainty of contract length.
Lack of market competition - Barrier to market entry high	X			The high cost of land creates a barrier to entry for some operators. This limits competition and is likely to impact contract costs that will be passed on to ORC.
Workforce sustainability		X		The operator is responsible for attracting and retaining drivers and support staff and managing any impact on service delivery.
Electrification of fleet			X	Willingness to electrify fleet will be contingent on the length of the service contract as operators will need to balance the investment in capital required with continuity risk. Diesel vehicles are proposed in the short term.
Fleet decarbonisation			X	ORC risk meeting decarbonisation goals if fleet electrification is too expensive of complex for operators.

Seasonal variance in patronage		X	Contract to include patronage incentives for operators. ORC can mitigate through communications and marketing activities.
Timetable reliability and performance requirements		X	The operator is responsible for meeting performance requirements set out in the contract. Timetables will be designed collectively to manage uncertainties and reliability issues with the Queenstown traffic.
Contractor underperformance	X		ORC is responsible for managing contractor performance and addressing issues early.
Approvals and licenses		X	Funding and process approvals sit with ORC. All other licensing and regulation adherence is the responsibility of the operator.
Force majeure		X	Shared in line with standard contract terms.
Changes in law (general)		X	General changes to law (for example employment law) which have an impact on cost or delivery will be shared. Specific changes in law, i.e. those which have a direct impact on the ORC projects will be held by the Council.
Changes in law (specific)	X		
Variations		X	Managed in line with contract terms.

Contract management

The responsibility for managing delivery under the contract, as well as supplier relationship management, will sit with ORC's public transport operations team. A contract- and relationship-management plan will be developed in consultation with the successful supplier as part of contract negotiations.

Variations to the contract will be based on detailed analysis, including impact on patronage, revenue and private share as well as wider benefits and timeframes. Market analysis and benchmarking will also be used. Significant variations involving an increase in price will only be made within the limit of ORC staff delegated financial authority and approvals processes. Any changes will be made in writing and signed by both parties.

Financial Case

The Financial Case outlines the estimated service operating costs and the proposed funding and affordability of the preferred option.

The proposed preferred option is estimated to have an annual operating expenditure of $2.928 million (plus $100,000 of implementation costs in year 1). The proposed funding approach is to seek funding for the local share through ORC targeted rates in the 2027-2030 LTP and NZTA co-funding through the 2027-2030 RLTP/NLTP. There will be a focus on building patronage and fare revenue to reduce reliance on subsidy over time.

The purpose of this Financial Case is to:

- Outline the estimated cost of the preferred delivery option
- Determine the funding requirements and proposed funding approach
- Demonstrate that the recommended option is affordable.

Financial profile

Table 23 below outlines the operating expenditure, estimated fare revenue and funding for the preferred option of **four return trips** per day for Alexandra to Cromwell, and Wānaka to Queenstown (via Cromwell Hub) services.

Through the market sounding exercise operators strongly suggested starting any new services in this region with a timetable that was as attractive and convenient as possible for a variety of trip types. They felt this was important to attract and grow patronage quickly. Essentially it was pitched to start with what was envisaged as a year two service level and grow the patronage into it, rather than start with a more skeleton service and then grow the service level as demand and population grew. For this reason, while the four return trips per day is the preferred option, Table 24 below has also been included to outline an alternative financial profile for the six daily return trip option. This option provides slightly higher frequency and longer service hours. Collectively the two profiles provide a financial range for the proposed services. The trial will be used to test demand and consider optimum medium to longer-term service level requirements.

The project period of nine years spans FY2027/28 to FY2035/36. The service delivery contract structure would be for an initial 1-year fixed term with two unilateral options to renew after year 1 for a further two years followed by a final six-year extension. Each renewal is an opportunity to review affordability. Funding will be based around three-year long-term plan and National Land Transport Plan cycles, commencing with the 2027-2030 bid for funding for this service.

The annual service operating cost for the four trip option is $2,928,000 and for the six trip option $4,242,000. With a proposed service start date of March 2028, only four months service operating costs have been signalled for the 2027/28 financial year in Table 23 and Table 24 below.

Table 23 Financial profile for the preferred option (4 return trips per day)

	Financial year >	2027/28	2028/29	2029/30	2030/31	Yrs 5-9	Total
Operating Expenditure							
1	Service delivery contract (AGP)	976,000	2,928,000	2,928,000	2,928,000	14,640,000	24,400,000
2	General implementation costs	100,000					100,000
3	**Total Operating costs (OPEX) $**	**1,076,000**	**2,928,000**	**2,928,000**	**2,928,000**	**14,640,000**	**24,500,000**
Capital Expenditure							

	Financial year >	2027/28	2028/29	2029/30	2030/31	Yrs 5-9	Total
4	Basic stop infrastructure (CODC)	100,000			650,000		750,000
5	Basic stop infrastructure (QLDC)	100,000			1,000,000		1,100,000
6	**Total Capital costs (CAPEX) $**	**200,000**			**1,650,000**		**1,850,000**
Total Expenditure							
7	**Total Project Costs (CAPEX+OPEX) $**	**1,276,000**	**2,928,000**	**2,928,000**	**4,578,000**	**14,640,000**	**26,350,000**
Funding							
8	CAPEX funding (CODC/NZTA)	100,000			650,000		750,000
9	CAPEX funding (QLDC/NZTA)	100,000			1,000,000		1,100,000
10	OPEX funding (ORC)	355,353	908,747	898,228	887,498	4,268,879	7,318,706
11	NZTA PT improvements co-funding	369,858	945,839	934,890	923,722	4,443,119	7,617,429
12	Fare revenue	350,789	1,073,414	1,094,882	1,116,780	5,928,001	9,563,865
13	**Total funding $**	**1,276,000**	**2,928,000**	**2,928,000**	**4,578,000**	**14,640,000**	**26,350,000**

Table 24 Financial profile for the alternative six return trips per day

	Financial year >	2027/28	2028/29	2029/30	2030/31	Yrs 5-9	Total
Operating Expenditure							
1	Service delivery contract (AGP)	1,414,000	4,242,000	4,242,000	4,242,000	21,210,000	35,350,000
2	General implementation costs	100,000					100,000
3	**Total Operating costs (OPEX) $**	**1,514,000**	**4,242,000**	**4,242,000**	**4,242,000**	**21,210,000**	**35,450,000**
Capital Expenditure							
4	Basic stop infrastructure (CODC)	100,000			650,000		750,000
5	Basic stop infrastructure (QLDC)	100,000			1,000,000		1,100,000
6	**Total Capital costs (CAPEX) $**	**200,000**			**1,650,000**		**1,850,000**
Total Expenditure							
7	**Total Project Costs (CAPEX+OPEX) $**	**1,714,000**	**4,242,000**	**4,242,000**	**5,892,000**	**21,210,000**	**37,300,000**
Funding							
8	CAPEX funding (CODC/NZTA)	100,000			650,000		750,000
9	CAPEX funding (QLDC/NZTA)	100,000			1,000,000		1,100,000
10	OPEX funding (ORC)	505,596	1,837,591	1,832,771	1,827,855	6,400,259	12,404,071
11	NZTA PT improvements co-funding	526,233	1,912,594	1,907,578	1,902,461	6,661,494	12,910,360
12	Fare revenue	482,172	491,815	501,651	511,684	8,148,247	10,135,569
13	**Total funding $**	**1,714,000**	**4,242,000**	**4,242,000**	**5,892,000**	**21,210,000**	**37,300,000**

Expenditure

The service operating cost estimates are based on an estimate of cost per kilometre comparable with other contracts, which is $6 per kilometre of service. This is lower than Queenstown contract costs but substantially higher than Dunedin costs. As the timetable design and operational requirements are refined through the pre-tender engagement with operators, greater certainty of costs will be able to be achieved. The final cost will be determined through the competitive tender process.

The contract for the delivery of the preferred service option would be structured as an Annual Gross Payment (AGP) that is divided by 12 and paid monthly to the contracted operator. There are quarterly corrections for indexation and the operator's capital costs (such as depot and fleet investments) are operationalised over the course of the contract.

A small amount of upfront operating expenditure in FY 2027/28 would be required to cover general implementation costs such as installation of ticketing equipment, branding, marketing and advertising for the proposed new service.

Funding arrangements

Public transport services are generally funded through a combination of **public** funding (local rates and central government funding) and **private** revenue (fares and third party) as depicted below in Figure 17.

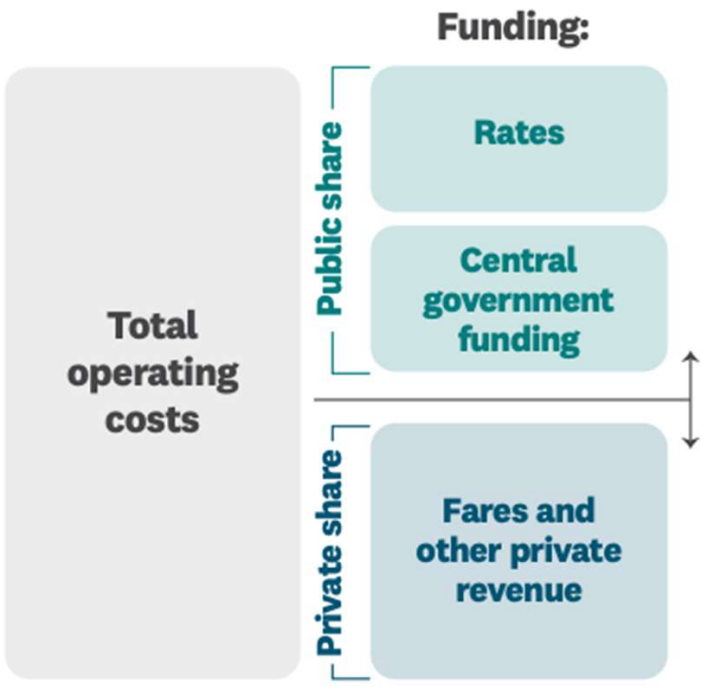


Figure 17 Depiction of how the service operating costs are funded

The level of public subsidy required for this service will be dependent of the amount of fare revenue collected from the users of the service. ORC would claim 51% of the net cost (i.e. gross contract cost less fare revenue) from NZTA with the remaining 49% of cost to be met with rate funding.

This proposed funding arrangements for this project will follow the above standard model. The components are discussed in more detail below.

Otago Regional Council

ORC collects rates from Otago ratepayers to help fund public transport services. Currently 80% comes from targeted rates applied to areas with immediate access to Orbus public transport services, and 20% comes from general rates paid by all ratepayers in Otago. The general rate contribution recognises the wider economic and environmental value that public transport has for all of Otago.

It is proposed that this project seek targeted rate funding through Otago Regional Council's Long-Term Plan 2027-2030 process to meet the local share (49%) of total operating costs of the two-year trial. If Council choose to include this in the LTP, staff will develop a suitable targeted rating area based on the service.

A trial provides an opportunity to establish and embed the service in the community before being evaluated and an assessment of its long-term viability completed. If the trial is considered successful and Council (and NZTA) approved the continuation of the service beyond a trial, a broader targeted rate review of the Queenstown, Upper Clutha and Central Lakes sub-region would be undertaken to understand the best approach to fund and support public transport across the Central Lakes.

New Zealand Transport Agency Waka Kotahi

As an approved organisation and the PTA for Otago, ORC is eligible to seek funding from the National Land Transport Fund for their public transport continuous programme (existing approved services) and a programme of public transport service improvements.

For the 2027-2030 NLTP, NZTA is progressing a programme-based approach to investment in improvements. This project will form part of ORC's 2027-2030 service improvement programme (Box A in Figure 18 below) bid for a three-year programme approval, supported by 10-year forecasts.

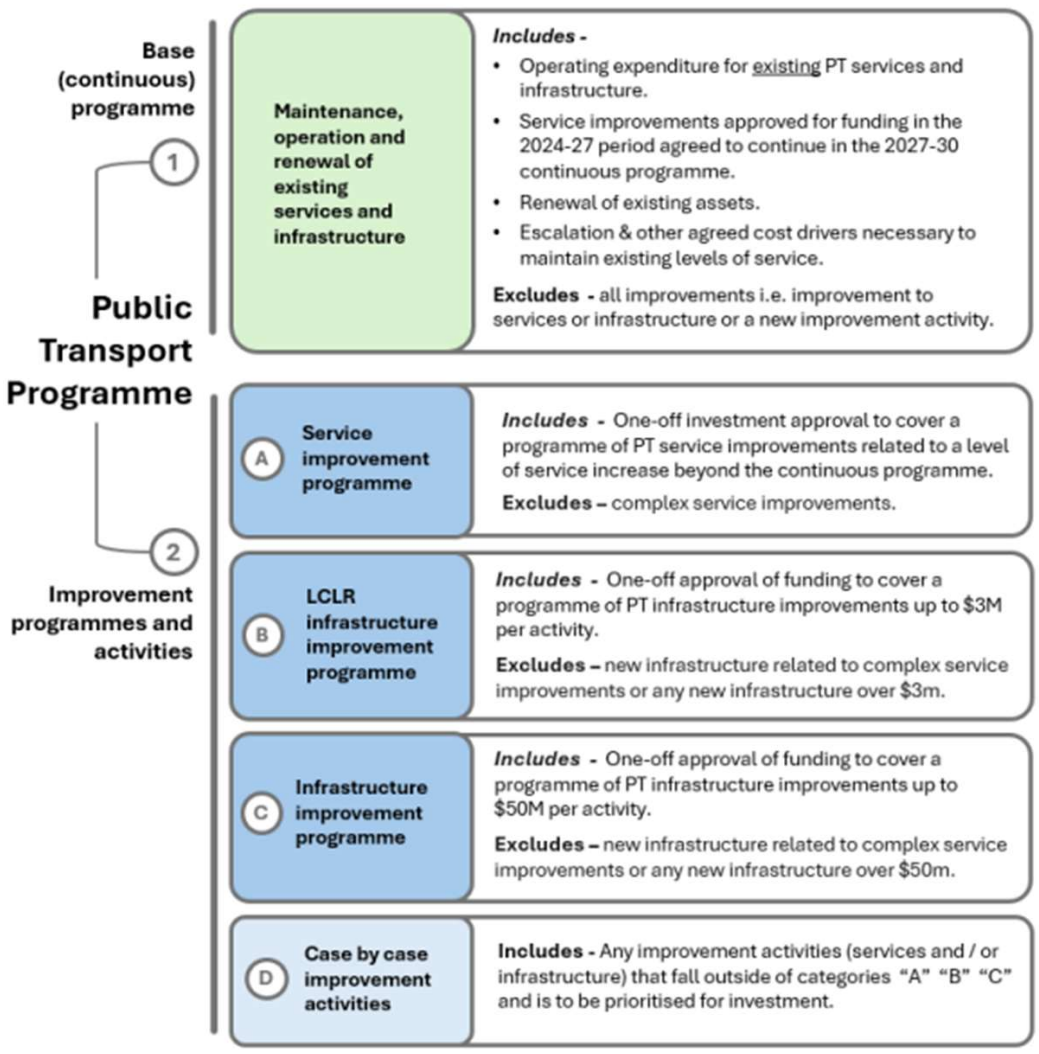


Figure 18 NZTA Public transport funding programme approach[46]

This business case will be a supporting document and form part of ORC's investment programme bid.

The GPS 2027 and NZTA's Investment Prioritisation Method and approach to the assessment of projects for inclusion in the NLTP 2027-2030 are not available at the time of writing. These documents guide the allocation of funding and approvals for co-funding.

If NZTA approve the inclusion of this project in ORC's 2027-2030 NLTP PT improvement programme, 51% of the net operating costs will be eligible for funding from NZTA.

Following the approval and delivery of the service in the 2027-2030 funding cycle, ORC will include it in its continuous programme of activities within the LTP 2030-2040 and RLTP 2030-2040 to be co-funded by NZTA.

[46] https://www.nzta.govt.nz/assets/planning-and-investment/nltp/2027/docs/pt-guidance.pdf

Fares and fare revenue

Passenger fares contribute towards the cost of running the public transport system (private share). They are an important source of revenue and help reduce the subsidy required from public sources. Affordability also plays a key role in influencing passenger behaviour and use of public transport, Fare policy therefore needs to delicately balance maximising demand and revenue, with achieving wider mode shift, environmental and social outcomes.

Otago currently has a simple flat fare structure, where an adult Bee card fare is $2.50 per trip no matter how far a passenger travels. Under a flat fare structure longer-distance trips are subsidised by shorter-distance trips, which indirectly supports dispersed land use patterns rather than consolidated urban form. Flat fares are also a major obstacle to introducing services that improve regional connectivity due to their inability to recover a meaningful share of the longer-distance operational costs.

In June 2025 ORC approved moving to a zonal fare structure that had a small number of zones, and the price for multiple zone travel to be based on small to moderate increments of the base fare. At the time of writing this business case ORC were consulting with the public on several zone fare options.

The proposed expansion of the Otago public transport network to include the Central Lakes sub-region will require a consistent and integrated approach to the fare structure. Early thinking suggests that a radial type approach to fare zones similar to that shown below in Figure 19 may be appropriate for the wider Central Lakes sub-region. These are based roughly on 15km rings from Queenstown.



Figure 19 Potential radial zone fare structure for the Central Lakes sub-region

Fares are yet to be decided. The economic analysis completed assumes a $20 adult fare for Wānaka-Queenstown and Alexandra-Queenstown travel, which would be reduced for shorter trips on a zonal-fare basis. This is half the cost of the current exempt service, but is high enough to still generate a high level of cost recovery, particularly for the Queenstown-Wanaka route. A lower fare more in line with the proposed Dunedin regional fares may generate greater benefits but would reduce cost recovery and require more funding. These options are not included in the July 2026 fare consultation and further work on the fare structure will be required before being consulted on. The consultation could also include 'willingness-to-pay' surveying to assist with understanding the public's views on fare pricing.

Central government fare policies could be a significant threat to the financial viability of these services. While in principle nationally mandated programmes such as Super Gold and Community Connect return lost fare revenue to the public transport authorities, such policies are generally based on the assumptions of urban public transport. Fare revenue on longer-distance sub-regional routes could be negatively affected by a national mandated fare cap or excessively low fares, as high patronage would induce pressure to increase capacity and the number of services. This would be expensive to deliver.

Private share

Estimates of costs and fare revenue have been provided above in Table 23 and Table 24. Based on the modelling undertaken for this analysis, the estimated private share ratios for the two service options have been calculated and are displayed below in Table 25. An estimation of the number of boardings is also provided in Table 25 below.

Table 25 Private share ratio estimations

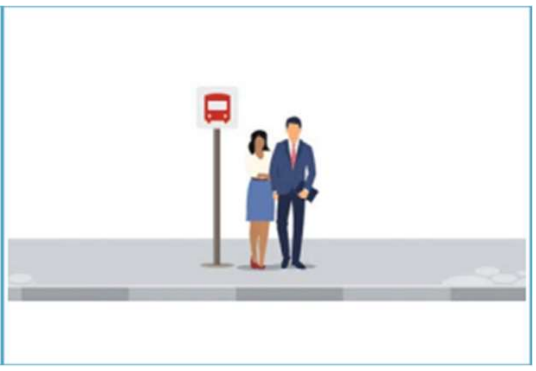
		Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Private share of operating costs							
1	Preferred option (4 trips per day)	0.36	0.37	0.37	0.38	0.39	0.40
2	Alternative option (6 trips per day)	0.34	0.35	0.35	0.36	0.37	0.38
Forecasted boardings (passengers)							
1	Preferred option (4 trips per day)	78,115	79,677	81,271	82,896	84,554	86,245
2	Alternative option (6 trips per day)	108,113	110,276	112,481	114,731	117,025	119,366

Cost recovery is generally higher on lower frequency services because it is anticipated that there will be more passengers on each trip. A lower level of service would also typically have reduced costs associated with operational components such as fuel and driver time. Private share is an indicative measure and whilst interesting at an individual service level, care needs to be taken not to overinterpret it. Public transport services operate as part of a network of services and some services will have higher or lower private share due the nature or role of that service within the wider network. The value of considering private share for this analysis is to gauge how the service might impact on Otago's overall private share ratio.

Private share estimates for both options show a strong level of private share which is likely to have a positive impact on Otago's overall private share ratio and targets.

Public transport infrastructure

Public transport infrastructure is funded and delivered by the local road controlling authority (RCA). For the Central Lakes sub-region service trial minimal infrastructure will be required. Bus stops will be 'basic' as classified in the NZTA One Network Framework[47] and shown in ORC's RPTP.

Basic	A very lightly used stop with a low level of service and requiring minimal infrastructure. Only a minority of stops are at a basic level.	

An allocation for additional bus infrastructure or improvement in stop facilities has been proposed for year 5 (2031/32). This will enable heavily used bus stops to have greater amenity and facilities, and the Cromwell hub to be upgraded.

47 https://www.nzta.govt.nz/partners/design-guidance/public-transport-design-guidance/bus-stop/bus-stop-location-planning/bus-stop-classifications?_searchAnalytics=eyJpbmRleE5hbWUiOiJuenRhMi1wcm9kLW1haW4tc2l0ZSIsInF1ZXJ5U3RyaW5nIjoiYnVzIHN0b3AgY2xhc3NpZmljYXRpb25zIiwiZG9jdW1lbnRJZCI6InNpbHZlcnN0cmlwZV9jbXNfbW9kZWxfc2l0ZXRyZWVfMjgwOTkiLCJyZXF1ZXN0SWQiOiJKb1o0aG9xdVFobTlqblZvYUZnbG5nIn0%3D

Intermediate	A heavily used bus stop, operating in a place with high amenity. Facilities are of increased quality. A minority of stops, but not an insignificant number, are expected to be intermediate.	

A small number of new stops will also be needed between Wānaka and Queenstown along the Crown Range and/or state highway. The feasibility of these stops is still to be determined.

Both Central Otago District Council and Queenstown Lakes District Council have signalled this investment in their public transport infrastructure planning and draft LTPs, and will apply for co-funding through their RLTP process.

Bus infrastructure improvements are usually funded 49% with local share and 51% co-funding from NZTA.

Otago Central Lakes Regional Deal

The Otago Central Lakes Regional Deal may provide new pathways to implement this project. Regional Deals is the Government's initiative for establishing long-term agreements between central and local government.[48] The programme unlocks funding and resource opportunities to support councils to make improvements in their region; for example, to roads, infrastructure, and the supply of quality housing.

CODC, ORC and QLDC are negotiating with central government to establish a long-term agreement to promote economic growth, deliver infrastructure and improve the supply of quality housing under the 'regional deal' framework. Referred to as the 'Otago Central Lakes Regional Deal', the proposed deal is comprised of five areas, or 'packages', that the councils have identified as needing government support.[49] One package is Transform Transport, which seeks to introduce new funding tools and amend regulation to enable the transport network to support the sub-region's rapid population and economic growth.

Further detail on the deal and how it might impact this project will be known upon the finalisation of the deal. This is expected to be by the end of 2026.

Overall affordability

Subject to Council endorsement, the proposed project will be included in the transport programme for consideration in ORC's 2027-2030 Long-Term plan. It would also be included in the Otago Regional Land Transport Plan 2027-2030 and bid for co-funding through the NLTP. The project is considered to offer good value for money, but the decision of affordability will be made through the LTP and RLTP process, including consultation with the public.

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[48] https://www.dia.govt.nz/Regional-Deals

[49] https://www.orc.govt.nz/get-involved/projects-in-your-area/otago-central-lakes-regional-deal

Management Case

The Management Case demonstrates that the delivery of the preferred service option is achievable and details the arrangements needed to ensure successful delivery of the outcomes sought from the investment.

Following approved funding pathways being established, the proposed preferred option will initially be implemented as a trial. The trial period is estimated to be one to three years with an estimated commencement date of early 2028. Initially implemented using existing fleet, service and fleet improvements will be planned on approval of longer-term funding.

The purpose of this Management Case is to:

- Outline management and governance arrangements
- Discuss project risks and risk management planning
- Demonstrate benefit management planning and project evaluation

Management strategy

The services and related infrastructure for this project are expected to be delivered as a long-term (9-year) project, commencing initially as a trial, but with the vision for the services to be incorporated into ORC's public transport services continuous programme. This project will be managed and the service developed and implemented incrementally to navigate uncertainties, constraints and dependencies.

The Central Lakes sub-regional service has some complexities that arise from the following factors:

- The diversity of project components involved in implementing contracted public transport services into a new geography
- Interrelationship and alignment of funding approvals and processes across multiple agencies
- Collaboration between road controlling authorities across the local and state highway network
- Interrelationship of the sub-regional services and the proposed Upper Clutha local service.

The design and planning of the services will be directed by the legislation and policies described in the Strategic Alignment section of the Strategic Case, with particular focus on the RPTP service design policies. The findings from the market sounding discussed in the commercial case and previous studies discussed in the Strategic Case will also inform the design and planning.

Project management arrangements

ORC resources will be used wherever possible. ORC's Transport team will own and manage the project delivery including the design, planning, procurement and management of the service, collaborating with key partners, such as CODC, QLDC, NZTA, and the service operator, as well as stakeholders where relevant.

ORC has demonstrated its ability to plan and deliver high performing public transport services across multiple networks through the 26 routes it currently manages in Dunedin and Queenstown. Multiple ORC teams will be involved in the implementation of a sub-regional service.

The Transport Planning team will lead the management of the service design and funding processes, while working collaboratively with the Transport Operations team through service procurement. Infrastructure planning will be a collective undertaking between Transport Planning and Operations and the relevant RCAs.

The Transport Operations team will incorporate the service into its existing work programme. It will be responsible for activities including managing service disruptions, coordinating infrastructure interventions with the RCAs, resolving customer feedback, monitoring performance and overseeing the operator's service delivery as per its contract.

The Communications and Marketing Team will develop the public information and promotional material for service launch in collaboration with the Transport Planning and Operations teams. For service launch it will lead a marketing campaign and respond to initial community feedback. Once operational, the team will incorporate the service into its existing work programme.

These teams have all been evaluated to have the resource required to implement a new Central Lakes sub-regional service in the timeframe set out in Table 28 below.

As an investment, the services have been assessed to have a low level of complexity and is thus suitable to sit within the business-as-usual ORC work programmes. Its planning and operation activities are well established processes. Longstanding relationships with CODC, QLDC and NZTA exist for the delivery of the necessary infrastructure. Overall, it is not expected that the introduction of the proposed service into a new geography will require substantially more resource than currently exists.

Project structure

Governance arrangements

ORC is the PTA for Otago, and the elected body responsible for the governance of the proposed new services. Council will make a decision on the inclusion of the proposed services in the ORC LTP 2027-2037 and RLTP 2027-2037 in mid-2026 following the completion of this investment case. If Council agrees to include this project in ORC's long-term planning, it will subsequently be responsible for approving the level of service and implementation timeline as a part of its decision to approve the proposed service operator contract following the tender process.

As a regulatory body and potential funder of the service, NZTA is also considered a governance body. As set out in the Financial Case, the preferred funding option for the service consists of a combination of NZTA funding, ORC rates funding and third-party funding (e.g. fares). Accordingly, this investment case plans for the proposed service to receive NZTA co-funding and be subject to the conditions of such funding as a result. For detail on preferred and alternative funding arrangements, refer to the Financial Case.

It is noted at the time of writing that local government reforms are underway, indicating regional governance structures will change in the coming years. It is expected that reforms will maintain continuity for existing local government work programmes to the greatest extent possible regardless of the change in governance arrangements.

Roles and responsibilities

Figure 20 provides a visual overview of the project's organisation structure while Table 26 describes each involved organisations' roles in the approval and delivery processes.

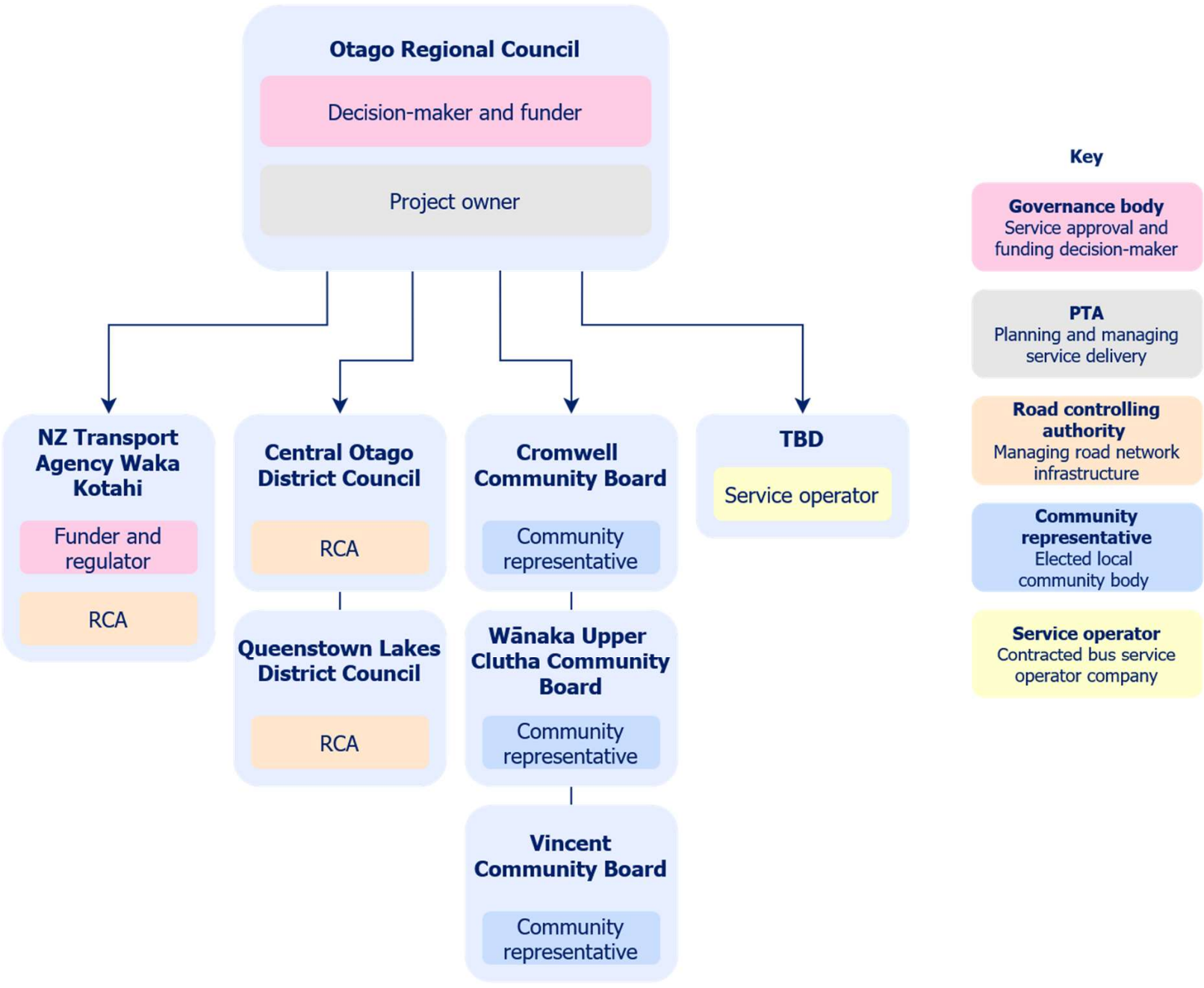


Figure 20 Project organisation chart

Table 26 Key project delivery roles and functions

Organisation	Role	Functions
Otago Regional Council	Public transport authority and procuring organisation	• Endorse investment case and approve local share funding • Manage procurement process and new contract • Service route design and timetable (collaboratively with operator) • Fleet specifications and application for any RUB exemptions • Implement ticketing system (coordinating device installation on vehicles, recruiting businesses to become local ticket retailers) • All comms and marketing - Produce and disseminate public information and marketing material. Plan and deliver advertising campaign. Update ORC website and General Transport Specification Feed (GTFS) to include the new service on online navigation platforms)
Central Otago District Council	Road controlling authority and community representative	• Approve local share funding for PT infrastructure • Lead the installation of bus stops on the CODC local road network

		• Lead any intersection, road corridor or footpath changes needed to accommodate bus service
Queenstown Lakes District Council	Road controlling authority and community representative	• Approve local share funding for PT infrastructure • Lead the installation of bus stops on the QLDC local road network • Lead any intersection, road corridor or footpath changes needed to accommodate bus service
NZTA Waka Kotahi	Road controlling authority and regulator	• Approve central government funding support • Lead the installation of bus stops on the state highway road network • Lead any intersection changes needed to accommodate bus service on the state highway network
TBD	Contracted service operator	• Service route design and timetable (collaboratively with ORC) • Service operation (employing staff, owning and operating the fleet, and managing depot requirements)
Vincent Community Board	Community representative	• Manage community feedback and advocate for community needs • Disseminate public information and marketing material for the service

Project schedule and milestones

The project will follow the standard process for inclusion in the 2027-2030 central government transport funding cycle described in Table 27. Council will make a decision on the timing of the local share of funding for the services through the LTP process, which will inform ORC's bid for NZTA co-funding in the RLTP. Central government's decision on NZTA co-funding the services would be determined in the National Land Programme 2027-2030. If NZTA does not co-fund the services this funding cycle, Council would then have an opportunity to amend (i.e. reduce, adjust or cancel) the services in the LTP through the Annual Plan 2028/2029 process.

Table 27 High level project approval schedule

Key project milestones for approval of the service	Owner	Approximate date
Council endorses this investment case	ORC	26 August 2026
Council includes the services as proposed in this investment case in the draft LTP and RLTP	ORC	September – December 2026
Public consultation on the draft LTP and RLTP	ORC	March – April 2027
Council approves the final LTP 2027-2037 with the services as proposed in this investment case included	ORC	June 2027

Otago Southland Regional Transport Committees approve the final RLTP 2027-2037 with the services as proposed in this investment case included	Otago Southland RTCs	June 2027
Government releases the National Land Transport Programme 2027-2030 with decision on NZTA co-funding for the services	Central Government	August 2027
Council decides on any amendments to the planned services following central government's decision on NZTA co-funding in the Annual Plan 2028/2029	ORC	February – June 2028

The delivery of the project is proposed for 2027-2037 (Years 1-10 of the next LTP) as described in Table 28. As discussed in the Commercial Case, there will be a joint procurement for the new Central Lakes sub-regional services, and the Wānaka Upper Clutha service. Service planning, design and pre-procurement would occur in 2026 and early 2027 in order for procurement and the services to launch in Year 1. Implementation planning will consider the most effective way to introduce the new service areas. It is envisaged the local Wānaka Upper Clutha will likely be implemented first in early 2028, and the sub-regional services would follow after this. Service roll out details still need to be worked through collaboratively with the successful contracted operator.

The required bus stop, roading and footpath infrastructure upgrades will be completed in collaboration with CODC, QLDC and NZTA, the road controlling authorities.

Motu Move is the new unified national ticketing solution which is scheduled for roll out in Otago in mid 2027. This new ticketing system allows the use of most bank cards to pay the bus fare. It requires the installation of new hardware across the bus fleet. The introduction of a new service in the Central Lakes sub-region will follow the Motu Move system installation in Otago. ORC will work with the new ticketing system supplier Cubic for this service's integration.

The Vincent and Cromwell Community Boards will be engaged to utilise their communication channels for promotion of the service and facilitate feedback between the community and ORC.

The trial period will be used to establish the services within the community and understand demand patterns. Service frequency and coverage will be evaluated through the first year of the trial and level of service improvements considered to accommodate community needs and service delivery optimisation. There is an aim to increase service frequency (and possibly coverage) as the demand, population and development in the Central Lakes sub-region evolves.

Table 28 High level project delivery schedule

Key project milestones for delivery of the service	Owner	Approximate date
Council approves the final LTP 2027-2037 with the service as proposed in this investment case included	ORC	June 2027
NZTA approves the final NLTP 2027-2037 with the service as proposed in this investment case included	NZTA	August 2027
Procurement of an operator to deliver the service	ORC, service operator	September 2027 (LTP Year 1)
Lead time for service operator to establish staffing, vehicle and depot arrangements	Service operator	Sep – Nov 2027 (LTP Y1)

Service and infrastructure	ORC, QLDC, NZTA, Cubic	2027/2028 (LTP Year 1)
Communications and marketing campaign planning for service launch and awareness of the services	ORC, QLDC	2027/2028 (LTP Year 1/2)
Services launched at an introductory level	ORC, service operator	Early 2028 (LTP Year 1)
Incremental service improvements	ORC, service operator	2028-2037 (LTP Year 2-10)

The management case may need to consider alternative project implementation timelines and have some flexibility to adjust milestones based on funding approval timelines and availability of funding sources.

Stakeholder engagement and communications

Key stakeholders and the wider community will have the opportunity to provide feedback on the proposed services during the LTP and RLTP public consultation periods in March – April 2027. ORC will produce and disseminate promotional material and contact key stakeholders directly with an invitation to engage.

Risk management

Risk will be managed in a manner that aligns with ORC Risk Management processes and policies.

The strategic risks associated with this project were outlined above in the risk section of the Strategic case. In this section an initial identification and assessment of the project risks associated with delivering the preferred option has been completed. On approval of the project a risk register will be set up. The risk register will be continuously reviewed and updated as required.

Risks

Table 29 presents the most significant risks that have the potential to delay, prevent or minimise achieving the investment objectives or outcomes sought through the investment.

Table 29 Risk assessment and risk management strategies

	Risk	Consequence (H/M/L)	Likelihood (H/M/L)	Risk management treatment (mitigations)
1	IF there are **seasonal peaks in demand** THEN vehicle capacity may be intermittently insufficient.	Medium	Medium	Collaborate with seasonal tourism or commuter transport providers to share fleet. Plan the service in an iterative and evidence-led way. Work with contracted operator to take an adaptive management approach.
2	If **service frequency or coverage is too limited**, residents may perceive it as inadequate, reducing trust or ridership.	High	Medium	Engage community for feedback during design and early implementation phases. Plan the service in an iterative and evidence-led way. Take an adaptive management approach throughout the trial period.

3	IF projected **baseline travel patterns** in the Central Lakes sub-region differ from those projected, THEN the service may be inappropriately scaled for demand.	High	Medium	Plan the service in an iterative and evidence-led way. Take an adaptive management approach throughout the trial period.
4	IF the launch of the service is met with **limited initial demand** due to entrenched travel behaviour patterns, THEN if may take time to promote and change behaviours, delaying the outcomes sought.	Medium	Medium	Encourage buy-in through extensive engagement and communication. Market, promote and educate to remove barriers to use. Consider service refinement through an adaptive management approach.
5	IF the service is **overcapacity** due to high demand, THEN it may experience reliability and reputational issues.	High	Medium	Plan the service in an iterative and evidence-led way. Take an adaptive management approach throughout the trial period.
6	IF increased **traffic congestion** on the road network negatively impacts service performance, THEN the service may experience lower patronage and reputational issues.	High	Medium	Continue to work with the RCAs to get PT priority where possible. Plan the service and timetables in a manner that provides for known congestion hot spots. Work with the contracted operator to take an adaptive management approach.
7	IF the service does not generate **sufficient fare revenue**, THEN the service may not be financially sustainable in the long term.	High	Low	Extensive engagement and communication: • Inform community of the implications of funding the service on rates and fare. • Consider opportunities to increase fare and private revenue opportunities
8	IF **NZTA co-funding** is not successfully secured for the initial trial service, THEN Council would need to use 100% local share to procced with the trial.	High	Medium	Continuously engage with NZTA to understand funding priorities. Produce comprehensive performance reports to demonstrate the service value. Explore opportunities for increasing the share of revenue from private sources.
9	IF **neither local share nor NZTA co-funding** are secured for the trial services in the 2027-2030 funding cycle THEN introducing public transport in the Central Lakes sub-region will not be able to proceed in a manner that meets community's expectation.	High	Medium	Demonstrate need and value of the service in LTP and RLTP prioritisation processes. Communicate rationale of decisions with the community.
10	IF **funding streams or policy priorities** do not support ongoing operation THEN the continued delivery of the service may be threatened.	High	Medium	Continuously engage with NZTA to understand funding priorities. Explore opportunities for increasing the share of revenue from private sources. Produce comprehensive performance

				reports to demonstrate the service value.
11	If the funding of **infrastructure is not aligned** with the funding of services, THEN funding could go unspent and the service could be delayed.	Medium	Low	Coordinate service and infrastructure planning and funding with RCAs. Highlight the dependencies between service and infrastructure for funders.
12	IF **state highway bus stop locations** are deemed unsafe due to the high-speed environments, THEN service coverage may be inadequate for certain catchments or trip types.	Medium	Medium	Engage NZTA Waka Kotahi early in the service planning process to determine the viability of state highway bus stop locations. Work with property owners along the state highway to utilise private land for alternative safe stop locations.
13	IF the **procurement timing** is competing with procurement of other major centre bus contracts, THEN there may be less operator interest or less operator capacity to engage with the tender process	High	Low	ORC will consider the expiry dates of bus contracts in other major centres in the preparation of the detailed procurement plan. Timelines will be communicated with the operators that have engaged with this process to date to give as much prior warning of likely procurement timing.
14	IF there are **delays or difficulties in contracting a suitable operator**, THEN service launch could be postponed or service quality or affordability could be compromised.	High	Low	Undertake pre-procurement engagement with potential operators to optimise service design and minimise commercial viability risks to attract good market competition.
16	IF the contracted operator is unable to secure **sufficient drivers, fleet or depot facilities** THEN the service commencement may be delayed.	High	Medium	Test through the procurement processes that operators have sufficient resources to deliver, or back up options available.
17	IF **Motu Move roll out is delayed**, THEN the service commencement may be delayed.	High	Low	Continue to work closely with the Motu Move implementation team managing processes and risks proactively to make sure roll out across Otago can happen on time as planned.
18	IF **government fare policies** substantially reduce fare revenue (including fare replacement schemes), THEN the financial cost of the service could be an obstacle to a trial or to its continuation	High	Medium	Ensure decision-makers are kept aware of the risk to budgets and raise the issue with NZTA through policy consultation processes.

The sections below provide additional context to key risks and uncertainties identified.

Misalignment of service capacity and demand

Baseline year-round travel patterns between Alexandra, Cromwell, Wānaka and Queenstown and key destination areas in the Central Lakes sub-region are not fully understood due to limited data and the high variability of visitor travel patterns. Beyond the insights gained from the existing

exempt service operator, Statistics NZ census and NZTA traffic data, trip purpose, time-of-day patterns, and multi-stop journeys remain uncertain. Visitor flows and seasonal tourism demand generate uneven patterns that are challenging to provide suitable year-round capacity for in a financially viable way. The degree to which residents and visitors will shift from private vehicles or active travel modes to a public transport service is also untested.

If demand for the services exceeds capacity (even for certain times of day or year) it will demonstrate the high value of the service. However, it will put the service's reliability and reputation at risk as users may lose confidence in the service as travel times become less predictable. People with other transport options will not be attracted to use the service and those without other options will be burdened with the inconvenience associated with an unreliable service.

Due to the community demand for sustainable and affordable transport modes and rapid growth in the area, this risk has a high likelihood of occurring in the medium-term. Mitigation will require a range of interventions. The service will need to be planned in an iterative and evidence-led way, and its delivery will require an adaptive management approach. Collaboration with seasonal tourism or commuter transport providers to explore fleet-sharing opportunities will also be required. Finally, ORC will need to continuously advocate for increasing the level of service to accommodate the high demand and achieve greater realisation of the project's investment outcomes.

If demand for the service is substantially below the capacity provided, then the value of the service may be questioned, and its existence may be short lived. This risk would have a high impact as insufficient demand puts the realisation of investment objectives in jeopardy. Fortunately, due to the anticipated high demand for the service, it is unlikely to eventuate beyond the initial period of service when users are yet to change their travel behaviour. Managing this risk will require extensive communication and engagement with the community, including the visitor demographic, to raise awareness and encourage use of the service.

Financial sustainability uncertainties

The willingness for users, ratepayers and government to pay for the full cost of the service is uncertain. Users who have other transport options may not find the public transport offering appealing enough (considering fares, wait times and timetables) to compete with private vehicle or active travel modes. There is a notably large share of active mode trips in the area.

Ratepayers may not support the rates increase required to fund the service, particularly if the service does not receive funding from central government. If demand for the service exceeded capacity in the initial trial stage, the council and central government investment required to transition to permanent service levels is not guaranteed. This risk has a medium likelihood of occurring as the current GPS priorities do not include public transport service expansion in a regional setting (refer to The Strategic Case – the Case for Change for further detail). The NLTF is constrained and bids for inclusion in the NLTP are currently oversubscribed. This project will be competing with public transport service improvements across New Zealand.

To mitigate this risk, extensive engagement and communication will be undertaken so the community is informed on the level of funding required, whether from fares or rates, and ORC can reflect the preferred balance in the design of the service and fare structure. Like the risk of misaligned capacity and demand discussed above, the service will need to be planned in an iterative and evidence-led way, and its operation will require an adaptive management approach. To advocate for the value of the service, ORC will engage with NZTA to maintain an up-to-date

understanding of the transport funding environment, explore opportunities for increasing the share of revenue from private sources and produce comprehensive performance reports to demonstrate the service value.

Other risks and uncertainties

Collaboration with RCAs will be required to manage potential risks involving public transport infrastructure. These include ensuring the necessary funding for bus stop infrastructure and any minor roading upgrades are secured alongside service funding. ORC will work with QLDC and NZTA to determine safe stop locations along the high-speed environment of the state highway. Finding appropriate mechanisms for mitigating these risks will be necessary to ensure the end-to-end journey experience is safe, accessible and convenient for a variety of users.

Motu Move is scheduled to be rolled out across the Otago public transport network in July 2027. With the Central Lakes sub-regional services commencement scheduled for early 2028, this is unlikely to impact the new service timing. However, if Motu Move is delayed, the sub-regional trial start date would also likely need to be delayed as it would not be feasible to install the old Bee Card system and undertake the necessary system changes required to activate a new service of this scale.

Benefits management arrangements

This project will manage benefits delivery in accordance with published NZTA[50] and Treasury[51] guidance. This will enable the actual benefits realised to be documented and compared to those planned through this investment case process. Benefits realisation will be a key part of assessing the future viability of Central Lakes sub-regional public transport services and demonstrating the value of long-term funding beyond the initial trial period.

The benefits specific to the project are set out in Table 9 of the Strategic Case. All benefits are owned by the ORC Transport team, who will measure benefits and report on their realisation as a part of the existing network monitoring report presented to Council on a six-monthly basis.

Without the existence of public transport in the area, few benefits currently have established baselines. Accordingly, initial benefit realisation measures will be adjusted for scale.

Trial evaluation planning

As a trial service, periodic reviews of the trial's performance against outcomes sought will be undertaken. These will be used to inform ongoing adaptive management of timetables and operational efficiencies, inform future procurement opportunities and scaling of the services. They will also be used to support future funding requests.

The key measures that will be evaluated are:

Primary measures (compare annual actual with annual forecast)

- Patronage numbers and breakdown of user types (Adult/Child/Super Gold)
- Private share ratio

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50 https://www.nzta.govt.nz/assets/resources/land-transport-benefits-framework-measures-manual/Land-Transport-Benefits-Framework-measures-manual.pdf

51 https://www.treasury.govt.nz/publications/guide/managing-benefits-projects-and-programmes-guide-practitioners

- Average passenger fare
- Passenger fare per passenger kilometre (fare revenue/passenger kilometres)
- Service expenditure cost per service kilometre (service expenditure/service kms).

Secondary measures (compare with other services in the Queenstown network)

- Number of cancelled services
- Punctuality
- Reliability

Narrative which incorporates community feedback and general observations will also be documented to provide wider context for decision makers.

Trial evaluation reviews are planned as follows:

Review date (after service commencement)	Purpose
Three months	• Review primary measures to understand service demand and more about the people using the service. • Engage with operators to get their feedback on service elements and any operational changes that could improve the service quality.
Six months	• Review primary measures to understand service demand and more about the people using the service. • Engage with operators to get their feedback on service elements and any operational changes that could improve the service quality. • Provide feedback to Council and Community Boards including value for money assessment
One year	• Review primary and secondary measures • Evaluate outcomes with existing fleet and consider longer term fleet requirements • Inform whether to commence second term of the operating contract • Inform Unit 7 procurement preparation • Provide feedback to Council and Community Boards including value for money assessment

Next steps

This business case outlines the case for investing in public transport for the Central Lakes sub-region and seeks formal approval to progress with including the implementation of the preferred option of Alexandra to Cromwell, and Wānaka to Queenstown (via Cromwell Hub) services operating **four return trips** per day (seven days per week) into ORC's 2027-2030 Long-Term Plan and Otago's Regional Land Transport Plan.

If approved, ORC's Transport team will:

- Include the Central Lakes sub-regional trial in the transport projects for local share funding in ORC's 2027-2030 Long-Term Plan.
- Include the Central Lakes sub-regional trial in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 Regional Land Transport Plan and 2027-2030 National Land Transport Plan bid.
- Continue market engagement to refine timetable design, service delivery costs and fleet requirements.
- Establish a procurement project team to progress procurement planning for upcoming procurement activities.

Appendix A. Previous regional planning and transport investigations

Project	Description	Details and relevance
Wānaka Network Optimisation Business Case (2025)	Incomplete but concluded transport business case for the Upper Clutha	Considered the supressed demand of sustainable transport options in the Upper Clutha area and assessed the community led public transport trials (2022, 2023)
Queenstown Public Transport Business Case (2024)	PT Business Case for public transport provision in Queenstown to 2039	Did not consider transport connections from Queenstown to Upper Clutha and Central Otago other than a Cromwell park and ride option which was not recommended
Otago Community and Accessible Transport Study (OCATS) (2023)	High-level investigation into regional community and accessible transport.	Various regional public transport options across the region were briefly investigated and roughly costed, including the following fixed route services: • Ōamaru • Ōamaru – Dunedin • Alexandra – Queenstown • Wānaka • Balclutha – Dunedin
Upper Clutha Community Shuttle Trial (2022, 2023)	Two short-term public transport trial services led by Community Networks/LINK, a local community support and connection centre.	Highlighted the demand for an affordable and sustainable transport option, especially noting the strong support of a direct express link between Lake Hāwea and Wānaka.
Better Ways to Go – A mode shift plan for Queenstown Lakes District (2022)	Mode shift plan to increase the share of travel made on foot, by bike or bus in Queenstown Lakes District.	Sets a vision for a public transport network in Upper Clutha. Signals PT investment and uptake likely to make the greatest contribution to mode shift.
Queenstown Transport Business Case (2020) and Queenstown Integrated Transport	Transport business cases to improve network performance through infrastructural, public transport and behaviour change measures	None - Areas outside Queenstown were out of scope

Programme Business Case (2017)		
Wānaka Network Operating Framework (2018)	Development of a Network Operating Framework considering the inter-relationship with land use, transport networks, infrastructure and services.	Provision of: Primary Public Transport routes that provide major connections between the airport, suburbs, satellite towns and Wānaka town centre. Secondary Public Transport routes that enable movement of people from commercial centres and the town centre to primary public transport routes (i.e. pick up and drop off points). Including school buses and tourist buses with access to accommodation and ski fields

Appendix B. Local business private transport survey results

This document presents the findings of an online survey for ORC produced for businesses in the sub-region to provide information on staff and customer transport provision. These findings have informed the ORC Central Lakes Public Transport Investment Case.

General findings

- The survey compromised of two sections: one about staff transport and one about customer transport
- The survey received 25 responses from organisations across a range of sectors and communities within the sub-region
- Respondents represented a range of industries, the most common being tourism (10, or 36%), construction (3, or 12%) and horticulture (3, or 12%). Others included mining, professional services, property management and public institutions (all 2, or 8%)
- 11 of 25 respondents offer transport for staff and provided information on how it operates
- Only two of 25 respondents provided feedback on transport for their customers, but there were also insights from 10 respondents that shared the reasons their organisation did not provide customer transport
- Some businesses contacted provide neither staff nor customer transport
- Staff transport was typically funded by the business (10) while customer transport was funded by the customers through the service price (2)

Staff transport

Respondents who provide staff transport

- More respondent organisations provided a form of transportation for staff than for customers
- 11 responding organisations (44%) provide transport for staff, while 14 (56%) do not
- Respondents were dispersed throughout the sub-region: with eight being based in the Whakatipu, seven in Vincent (Alexandra and surrounds), six in Cromwell (including Bendigo), four in the Upper Clutha and two in Teviot Valley (Roxburgh, Ettrick, etc.)
- Staff transport services range from company vehicles (9) to organised carpooling (3) to shuttle services (2)
- Most staff transport services ran in the AM and PM peaks (6) while others varied throughout the day (4). Some made one round trip daily (4) while others ran most days per week but on a variable schedule (4). Only one respondent ran more than one trip in a given day, running two trips daily
- Pick-up and drop-off locations are presented in the tables below. The greatest share of respondents transported staff within the same township or ward (4) or travelled to rural locations (4)

Respondents' staff pick-up locations	
Whakatipu	2
Cromwell (including Bendigo)	3
Upper Clutha	2
Vincent	4
Teviot	1
Location varies	1
Multiple locations	3

Respondents' staff drop-off locations	
Whakatipu	2
Dunstan	2
Upper Clutha	1
Vincent	2
Teviot	2
Location varies	1
Multiple locations	1

- Respondents were roughly evenly split between varying staff transport seasonally (6) and providing the same level of service throughout the year (5). Reasons for providing staff transport seasonally was typically due to operations slowing or pausing through the winter (3) in the horticulture (2) or tourism sector (1)
- Some organisations reported operating six or more staff transport vehicles (5, or 45%) while others reported running only one or two (4, or 36%)
- Most staff transport providers reported using small capacity vehicle such as cars with a capacity of five or less (5, 50%) or six to ten people (4, or 40%)
- Reasons respondents gave for providing staff transport included:
    - Work site locations vary (3)
    - The only transport option being private vehicle (3)
    - To provide a reliable way to get to work (2)
    - Staff not living where jobs or work sites are located (2) (e.g. due to cost of living)
    - To improve the job's attractiveness (2)
    - Vehicle needed to transport equipment (2)
    - To provide a safe way to work (1)
    - To lower fuel costs (1)
    - To reduce transport emissions from staff commuting (1)
- Some respondents report established staff transport arrangements (3) while others have introduced it as an option in the last 5 years (3)
- If ORC was to introduce public transport to the sub-region, the effect on staff transport respondents reported included:
    - Positive as PT would complement staff transport; respondents reported they would consider using PT service in addition to staff transport (5)
    - No impact due to the proposed service area not including respondents' work areas (3). One respondent cited that 60 staff travel from Roxburgh to Alexandra every day before 7am, presenting an opportunity to start an Alexandra – Queenstown commuter PT service in Roxburgh

    - Little to no effect due to varying work site locations (2)
    - Positive due to PT possibly able to replace staff transport for some trips (1)
    - Positive effect as a high PT uptake from staff would be expected (1)
- Three respondents providing staff transport (27%) expressed interest in exploring opportunities for using their staff transport services to collaboratively deliver public transport with ORC, citing reducing emissions and improved safety as influencing factors. Three respondents were not interested (27%) due to a lack of suitability with the nature of their business while five were uncertain (45%)
- When asked about their staff's transport needs, organisations' responses included:
    - Public transport would not be useful for most employees in the construction sector due to variable work locations and the equipment they're required to transport, however office-based staff could benefit
    - Staff would be more inclined to take public transport if it was more frequent and reliable
    - Opportunities to meet staff's transport needs while reducing costs and emissions would be of interest

Respondents who do <u>not</u> provide staff transport

- The 14 respondents who do not provide staff transport cited a range of reasons for not providing it. Some respondents did not have the budget to provide it (4). Others did not have enough staff overall to have sufficient demand (3) or staff lived too dispersed for it to be viable (3). Three respondents cited staff largely using public or active transport modes, therefore not requiring private vehicle transport
- If ORC introduced sub-regional public transport connections, half of the respondents without staff transport reported it would have a positive impact (7), citing reasons such as:
    - Reducing the cost of living (both by providing a lower cost transport option and enabling staff to live farther away without having to rely on private vehicle travel) (5)
    - Improving commute safety and comfort for staff who live farther away (4)
    - Enabling businesses to recruit staff from a larger area (1)
    - Other respondents (6) reported little to no expected effect, reporting reasons such as most staff living locally (2)

Customer transport

Respondents who provide customer transport

- Fewer respondent organisations provided transport for customers than for staff
- Only 2 respondents reported providing transport for customers
- Both organisations change their customer transport service throughout the year due to the seasonality of the business, operating primarily in the summer months

- Both organisations providing customer transport reported high capacities, with both respondents reporting at least five vehicles of more than 20 seats in their respective fleets
- Both respondents are established tourism enterprises, both having operating customer transport for at least 25 years
- Neither organisation anticipated the introduction of sub-regional transport would affect their customer transport services
- Neither organisation expressed interest in exploring opportunities for using their customer transport services to collaboratively deliver public transport with ORC, both citing a lack of suitability

Respondents who do <u>not</u> provide customer transport

- The most common reason respondents cited for not providing customer transport is that it would be infeasible with current budget/resourcing
- These respondents highlighted the benefits customers (generally characterised as visitors) would experience from a sub-regional public transport service including greater access to areas in the sub-region beyond Queenstown (5), improved connections to and from the Queenstown Airport (2) and the ability to transport bikes (1)

Appendix C. Long-list options assessment

The below table provides a detailed assessment of each service option across five dimensions against the following four investment objectives (IOs) and five critical success factors (CSFs):

Investment objectives

- **IO1**. Land use integration: Support good urban form
- **IO2**. Connectivity and choice: Increase connectivity and accessibility using sustainable modes
- **IO3**. Environmental sustainability: carbon emissions are reduced and air quality is improved
- **IO4**. Affordability to users: increase access to affordable alternatives to private vehicle travel

Critical success factors

- **Strategic**: strategic fit and organisational needs
- **Economic**: potential value for money and benefit optimisation
- **Commercial**: provider capacity and capability
- **Financial**: potential affordability – current and future
- **Management**: potential feasibility/achievability

	Option		Result	Commentary
Geographical Scoping Options	GC1	Do nothing	Carry forward as comparator	Does not achieve any investment objectives (IOs) or align with our strategic or economic critical success factors (CSFs) but was considered affordable as it requires no investment. Carried forward as the base comparator.
	GC2	Cromwell – Queenstown	Discount	Partially achieves most IOs but failed on strategic and economic CSFs due to it not delivering the strategic priority and the associated value of improving regional connectivity for Wānaka or Alexandra.
	GC3	Alexandra – Clyde – Cromwell – Queenstown	Discount	Partially achieves most IOs and CSFs. Offers coverage to the geography set out to be investigated in the Annual Plan 2025/26 (Alexandra – Queenstown corridor), but discounted due to failing to deliver services to Upper Clutha.

GC4	Wānaka – Cromwell – Queenstown	Discount	Partially achieves most IOs and CSFs, however discounted due to failing to offer coverage to the geography set out to be investigated in the Annual Plan 2025/26 (Alexandra – Queenstown corridor).
GC5	Alexandra – Clyde – Cromwell Queenstown, Wānaka – Queenstown via Crown Range	Preferred	Achieves the most IOs and CSFs and offers coverage to the geography set out to be investigated in the Annual Plan 2025/26. The lack of service between Wānaka and Cromwell results in its partial achievement increasing connectivity (IO2) and the uncertainty of funding results in its partial achievement of the financial CSF. The direct connection between the Upper Clutha and Queenstown via the Crown Range enables the route to compete with private vehicle travel and in turn to reduce emissions (IO3), resulting in it being carried forward as the preferred option.
GC6	Alexandra – Clyde – Cromwell, Wānaka – Cromwell – Queenstown via Cromwell Hub	Carry forward	Achieves the majority of IOs and CSFs. The lack of direct service between Wānaka and Queenstown results in an only partial ability to increase connectivity (IO2) and compete with private car travel to reduce emissions (IO3). The uncertainty of funding results in its partial achievement of the financial CSF. Carried forward as the second-best performing option.
GC7	Alexandra – Clyde – Cromwell – Queenstown, Wānaka – Cromwell, Wānaka – Cardona – Queenstown	Discount	Achieves all IOs and CSFs by maximising both service coverage and directness between all major towns in the sub-region, however fails on the affordability CSF as it is not financially viable to deliver such a level of service in the current funding environment.
GC8	Alexandra – Clyde – Cromwell, Wānaka – Cromwell – Queenstown – Southern Corridor – Kingston, Wānaka – Cardona – Queenstown – Glenorchy (do maximum)	Discount	Achieves all IOs except for supporting good urban form (IO1) as it encourages dispersed development patterns throughout the sub-region. Fails on the strategic CSF due to PT services to Kingston and Glenorchy not being a strategic priority due to long distances, small populations and limited projected growth in the short- and medium-term. Fails on the affordability CSF as it is not financially viable to deliver such a level of service in the current funding environment.

Service Solution Options	SC1	Do nothing	Carry forward as comparator	Does not achieve any of the IOs nor align with strategic priorities but was considered affordable as it requires no investment. Carried forward as the base comparator.
	SC2	Shopper service: 2 trips per day at inter-peak times with synchronised transfers in Cromwell	Discount	This option's lack of peak-time service fails to enable land use integration with transport (IO1) or reduce emissions (IO3). It also fails on the economic CSF due to not realising the economic benefits associated with peak-time commuter services.
	SC3	Commuter service: 2 trips per day at peak times with synchronised transfers in Cromwell	Discount	Partially or fully achieves all IOs and CSFs due to the peak-time connectivity it offers, however discounted as other options with higher levels of service meet them to a greater degree.
	SC4	4 trips per day with synchronised transfers in Cromwell (starting and ending in peak times)	Carry forward	Partially or fully achieves all IOs and CSFs due to the connectivity it offers throughout the day. Partially achieves the financial CSF due to the uncertainty of funding sources. Offers greater connectivity (IO2) and value for money (economic CSF) than a two-trip commuter frequency. Carried forward as the second-best performing option.
	SC5	6 trips per day with synchronised transfers in Cromwell (including evening service)	Preferred	Achieves most IOs and CSFs due to the connectivity it offers throughout the day and into the evening. Like the other best performing options, it only partially achieves financial CSF due to the uncertainty of funding sources. Carried forward as the preferred option.
	SC6	Hourly service with offset transfers in Cromwell	Discount	While a frequent service would achieve most IOs, it fails to provide sufficient value for money (economic CSF) or be reasonable for funding sources to support (financial CSF). However, it could be a more achievable option in the long term once urban growth has generated greater transport demand and a public transport service is well-established.

	SC7	Frequent-rapid service, including alternative modes (do maximum)	Discount	This high level of service fails across all CSFs due to its lack of alignment with strategic priorities, the extremely high cost, and unestablished delivery/management model. It only partially achieves IO3 (environmental sustainability) due to the embodied carbon associated with rapid transport infrastructure and vehicles. It fails on IO4 (affordability for users) due the high fares that would be required to offset the high capital and operating costs. Moreover, it would require too much resource relative to the expected demand levels and small ratepayer base, resulting in excessive service provision and poor valuable for money (economic CSF).
Service Delivery Options	SD1	Exempt (community-led)	Discount	A community-led option, such as a door-to-door volunteer driver service, would be affordable for users and increase mode choice for some transport disadvantaged people. However, it fails across several IOs and CSFs due to its inherently small scale. As a result, it cannot deliver a sufficient level of service required to support urban form (IO1) or reduce transport-related emissions (IO3). Whilst considered affordable, the charity community transport model relies on volunteers and is therefore fragile.
	SD2	Subsidised (gross cost contract)	Preferred	A gross cost contract is the widely preferred public transport service delivery model in New Zealand due to the control PTAs maintain over key service components such as network design and fare-setting. It fully achieves all IOs and CSFs except for the affordability CSF as it may not be a viable model in this funding environment. Carried forward as the preferred option.
	SD3	Subsidised (net or hybrid net cost contract)	Possible	A net contract delivery model is the only option which achieves all CSFs as it is expected to be better suited to operate within the higher operating costs of longer-distance services. However, it only partially achieves IO4 (affordability for users) as the commercial operators would set fare prices. Considered a potentially viable pathway to gross contracts. Carried forward as the second-best performing option.

	SD4	Small private sector collaboration	Discount	Collaborating with private transport providers, such as businesses who provide staff or customer transport options (e.g. shuttle or carpooling arrangements) could be an efficient way to expand existing transport services for public benefit. However, the private transport survey conducted as a part of this investigation suggests that no suitable provider currently exists, resulting on this option to fail on the management CSF. As this model is uncommon in the NZ context, it is uncertain whether it could achieve the commercial or financial CSFs.
	SD5	Exempt (commercial)	Discount	While exempt services exist in the sub-region, their high fares fail to be affordable to users (IO4) and only partially delivers value for money (economic CSF). Due to services being planned, funded and managed by the private sector it fails on the management CSF.
Implementation/ Timing Options	IM1	Delay indefinitely (do nothing)	Discount	Delaying indefinitely fails to achieve all IOs and most CSFs as no existing transport issues are resolved.
	IM2	Phase over Yrs 1-10 of next LTP	Preferred	Beginning implementation in the short-term and lengthening the phasing timeline ensures a flexible and iterative 'trial and error' approach that delivers the greatest value for money. In the context of a rates freeze, no options achieve complete affordability. Carried forward as the preferred option.
	IM3	Phase over Yrs 4-10 of next LTP	Possible	Delaying service provision to begin Year 4 of the LTP 2027-37 would enable ORC to focus on implementing an Upper Clutha local service in Years 1-3. It is noted that it would delay realising the benefits of the investment. In the context of a rates freeze, no options achieve complete affordability. Noted as a possible option.
	IM4	Immediately in Yrs 1-3 of next LTP	Discount	Implementing immediately (in Years 1-3 of the LTP 2027-2037) would not achieve the maximum value for money due (economic CSF) to it forgoing a more flexible and iterative 'trial and error' approach. ORC would also struggle to manage its implementation alongside the implementation of an Upper Clutha local service, resulting in its failure to achieve the management CSF.

Funding Options	FD1	Fares/third party funding + ORC rates + NZTA co-funding	Preferred	This funding model is employed by most integral public transport services in the country, generally representing a fair distribution of cost between the user and the community. This is reflected in its achievement of all IOs and most CSFs. Only partially achieves financial CSF due to the uncertainty of funding sources. Carried forward as the preferred option.
	FD2	Fares/third party funding + ORC rates	Discount	This option fails on the financial CSF due to the current council rates freeze prohibiting increasing costs placed on the community. However, due to the sub-region's strong local economy, sponsorship opportunities may be possible, enabling all IOs and CSFs to be achieved.
	FD3	Fares/third party funding	Possible	This would be presented as the preferred option within a funding environment where no public funding is available. Due to the sub-region's strong local economy, sponsorship opportunities may be possible. However, the high fares expected to result would not encourage sufficient patronage to enable land use and transport integration (IO1), reduced emissions (IO3) or affordability to users (IO4), resulting in only partial achievement of these IOs.
	FD4	Fares only	Discount	The high fare prices resulting from employing a user-pays model would not encourage sufficient patronage to enable land use and transport integration (IO1), reduced emissions (IO3) or affordability to users (IO4).

Appendix D. Short-list options multi-criteria analysis

Criteria	Do nothing	Option 1a	Option 1b	Option 2a	Option 2b	Commentary
	Status quo	Alex-QT & Wānaka-QT (via Crown Range), 4 trips daily	Alex-QT & Wānaka-QT (via Crown Range), 6 trips daily	Alex-Cromwell & Wānaka-QT (via Cromwell Hub), 4 trips daily	Alex-Cromwell & Wānaka-QT (via Cromwell Hub), 6 trips daily	
Investment Objectives (IOs)						
Land use integration: Support good urban form	0	+1	+1	+1	+1	Options 1-4 would provide sufficient public transport service to support a more consolidated urban form, though the relative infrequency of each option makes the impact minimal.
Connectivity and choice: Increase connectivity and accessibility using sustainable modes	0	+1	+1	+2	+2	Options 1-4 increase connectivity and choice but the greater number of residents within the catchment area of Options 3 and 4 generate a substantial positive impact.
Environmental sustainability: carbon emissions are reduced and air quality is improved	0	+1	+1	+1	+1	Options 1-4 would enable mode shift from long-distance private vehicle travel, but the relative infrequency of the services results in the impact on reducing transport-related emissions being minimal.
Affordability to users: increase access to affordable alternatives to private vehicle travel	0	+2	+2	+2	+2	Options 1-4 would generate a substantial positive impact on people's access to an affordable transport option.
IOs total (/12)	0	5	5	6	6	

Critical Success Factors (CSFs)						
Strategic fit and organisational needs (Strategic)	0	+1	+2	+1	+2	Options 2 and 4's greater frequency align more closely with RPTP policies of increasing useful PT service provision and meeting communities' transport priorities and needs.
Potential value for money/benefit optimisation (Economic)	0	+1	+1	+1	+1	Options 1-4 deliver some value for money but are limited by their relatively low frequency and high costs (due to longer trip distances).
Provider capacity and capability (Commercial)	0	+1	+1	+1	+1	Options 1-4 are equally commercially achievable. The low level of service frequency does not enable economies of scale for providers, thus capacity/capability may be limited.
Potential affordability - current and future (Financial)	+2	+2	+1	+1	0	In the current operating environment, no funding is available, current or planned, from public sources. However, the absence of cost associated with the do nothing option (status quo) and the lower costs of the public sector investing in Option 1's low level of service result in increased affordability.
Potential feasibility/achievability (Management)	+2	+1	+1	+1	+1	All options would be feasible to manage as they would be an extension of ORC's existing core service as the region's public transport authority. The As the do minimum option (status quo) does not require any change its delivery is more feasible than adding publicly delivered services.
CSFs total (/15)	4	6	6	5	5	
Costs						
Operational costs per annum	$0	$3,190,800	$4,636,200	$2,928,000	$4,242,000	

Key benefits						
Impact on network productivity and utilisation (5.2): - 5.2.6 Access to key economic destinations	0	+1	+2	+1	+2	Options 1-4 all provide greater access to economic destinations, such as jobs, and training, but only the higher frequency of Options 2 and 4 increase this access a substantial amount.
Improved spatial coverage of public transport (10.2, 10.3) - 10.2.5 Spatial coverage of public transport for employees/ public transport access to jobs - 10.2.6 Spatial coverage of public transport for residents - 10.2.6a Spatial coverage of public transport for new dwellings - 10.3.1 Access to key social destinations	0	+3	+3	+3	+3	Options 1-4 would deliver a substantial increase in public transport's spatial coverage in the sub-region as they would introduce publicly funded services to the Upper Clutha, Alexandra, Clyde and Cromwell.
Reduced impact on social cost of death and serious injuries (1.1) - 1.1.4 Personal risk (crash rate)	0	+2	+2	+2	+2	Any level of service beyond the do minimum option would deliver a material improvement to safety by reducing private vehicle travel, particularly on the high-risk corridors of the Kawarau Gorge and Crown Range.

Improved public transport mode choice (10.2) - 10.2.1 Mode share - 10.2.2 Accessibility of public transport facilities - 10.2.7 Temporal availability of public transport - Passenger demand	0	+1	+2	+1	+2	Options 1-4 all enable greater mode choice, but the higher frequency service levels of Options 2 and 4 generates a substantial impact on the services' temporal availability and opportunity for mode shift.
Reduced emissions from land transport (8.1) - 8.1.1 CO2 emissions - 8.1.3 Vehicle kilometres travelled (VKT) reduction	0	+1	+1	+1	+1	Options 1-4 will reduce transport-related emissions and VKT, but greater service frequencies are needed to generate substantial impact.
Improved transport affordability for users (10.2) - 10.2.8 Cost of access to key destinations for all modes Fair fares relative to other PT networks in the region (no corresponding NZTA measure) - 3.1.1 Physical and mental health benefits from availability of affordable reliable public transport.	0	+2	+2	+2	+2	Options 1-4 would substantially improve people's access to an affordable transport option and deliver notable mental and physical health benefits of having public transport available.
Benefits total (/15)	0	10	12	10	12	

11.7. 2025/26 Annual Public Transport Performance Report

Prepared for:	Council
Report No.	TRN2617
Activity:	Public Transport
Author:	Julian Phillips (Implementation Lead - Transport), Gemma Wilson (Analyst Transport)
Endorsed by:	Anita Dawe (General Manager Regional Planning and Transport)
Date:	26 August 2026
Portfolio Leads:	Cr Hollyer and Cr Somerville, Transport

PURPOSE

[1] To update Council on the performance of Public Transport and Total Mobility services for the full 2025/26 Financial Year, being 1st July 2025 – 30th June 2026.

EXECUTIVE SUMMARY

[2] Dunedin bus patronage for 2025/26 is 3,502,758 trips – an increase of 0.3% from 2024/25.

[3] Dunedin fare revenue for the corresponding period is $4,996,018, an increase of 21%.

[4] Queenstown bus patronage for 2025/26 is 2,094,772 trips – an increase of 7% from 2024/25.

[5] Queenstown fare revenue for the corresponding period is $3,999,917, an increase of 27%.

[6] Queenstown ferry patronage for 2025/26 is 94,135 trips – an increase of 32% from 2024/25.

[7] Queenstown ferry fare revenue for the corresponding period is $970,144, an increase of 26%.

[8] Across the whole network, 99% of scheduled services were operated (463,311 trips).

[9] 86% of trips departed their start terminus on time, a decrease of 1% from 2024/25, and 73% of trips arrived on time, an increase of 23%.

[10] Total Mobility patronage for 2025/26 is 151,408 trips – up 6.4% from 2024/25.

[11] ORC was recognised for its work to increase private share – and received an award from NZTA Waka Kotahi and Public Transport Association Australia New Zealand (PTAANZ) for greatest increase in fare recovery (private share) in FY25/26.

RECOMMENDATION

That the Council:

1) ***Notes*** *this summary of public transport activity in Otago for 2025/26.*

DISCUSSION – DUNEDIN

[12] This report sets out data for the full 2025/26 financial year in relation to public transport data for Bus, Ferry and Total Mobility.

[13] The monthly and annual patronage, revenue, and fare breakdown for Dunedin is set out in Figure 1 below. Overall, patronage increased slightly compared with the previous year. This continues Dunedin's pattern of annual patronage growth, although staff had expected growth to start flattening during this period.

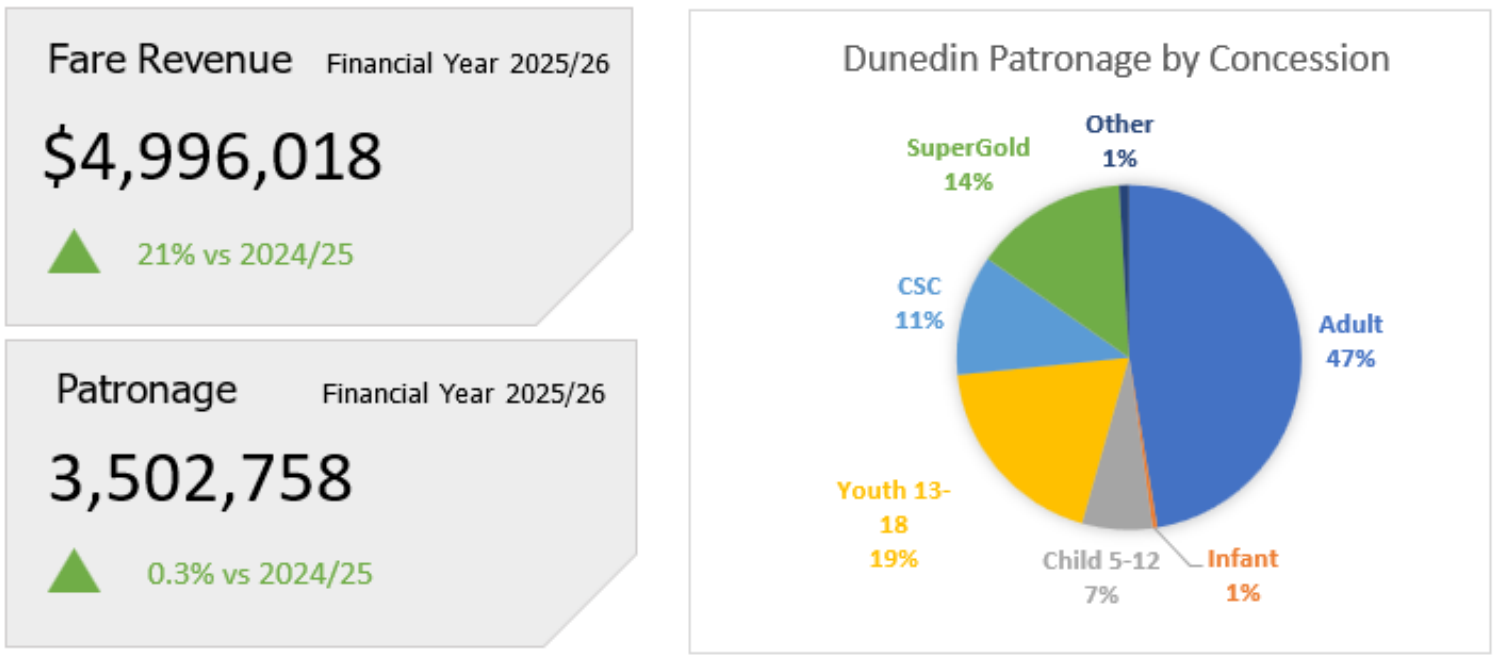


Figure 1: Dunedin 2025/26 Patronage and Revenue

[14] Alongside the modest increase in patronage, revenue has increased substantively compared to the previous period. This reflects the increase in fares introduced on 30 September 2025 which is the first annual increase in revenue for some time. The fare changes were an increase in the adult Bee Card fare from $2 to $2.50, and the reintroduction of child Bee Card fares, of $1.50, as set out in Figure 2 below.

Concession	Prior to 30 September 2025	30 September onwards
Child (5-12)	Free	$1.50
Youth (13-18)	$1.20	$1.50
Adult	$2.00	$2.50
SuperGold (Peak)	$2.00	$2.50
Community Services	$1.00	$1.25

Figure 2: Changes to Bus Fares introduced in September 2025

[15] Monthly and annual patronage from 2017/18 to date is set out in Figure 3.

[16] Dunedin bus patronage remained stable for 2025/26. While patronage tracked below 2024/25 levels through parts of the first half of the year, demand strengthened during the latter part of the year, with several months exceeding the previous year's results. This follows the stronger growth achieved in 2024/25, suggesting patronage growth has largely consolidated at current levels following the substantial increases recorded in recent years. Despite the low annual growth, record monthly patronage was recorded in July 2025, October 2025, March 2026 and June 2026.

Dunedin	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2017/18	176,400	209,028	200,936	191,510	200,606	162,802	164,256	191,055	233,396	178,507	237,131	206,217	2,351,844
2018/19	195,272	235,930	221,438	212,965	223,894	177,520	172,142	213,992	246,593	198,745	245,477	204,362	2,548,330
2019/20	220,652	235,666	230,329	224,285	226,692	182,910	181,525	228,477	175,526	26,802	68,709	197,681	2,199,254
2020/21	293,294	278,162	209,278	224,799	223,263	190,821	160,848	201,611	250,266	195,795	243,550	234,783	2,706,470
2021/22	231,082	144,505	170,397	196,538	223,952	185,219	156,857	190,746	213,639	185,831	246,438	221,895	2,367,099
2022/23	194,544	242,825	229,954	213,011	237,385	189,812	181,899	244,977	291,825	208,030	294,188	268,850	2,797,300
2023/24	256,596	310,050	285,998	293,805	294,909	229,261	224,020	297,223	314,954	286,690	337,078	266,661	3,397,245
2024/25	291,655	323,847	304,480	290,240	296,306	231,031	230,317	305,828	338,983	277,643	333,326	268,904	3,492,560
2025/26	**307,820**	**316,577**	**297,074**	**302,647**	**278,023**	**226,668**	**213,151**	**289,456**	**352,274**	**283,776**	**331,676**	**303,616**	**3,502,758**

Figure 3: Dunedin patronage, 2018/19 to 2025/26

[17] Of note, the annual patronage figures highlight the phenomena known as March madness, which is a period of particularly high patronage across the country. Notably, March patronage in Dunedin in 2026 was the highest month for patronage across the year.

[18] Quarterly patronage is shown in Figure 4 below. A stable first quarter was followed by a modest (2%) decline in patronage during Quarters 2 and 3, which was anticipated due to the fare increases which took effect from September, before recovering with a 4.5% increase in Quarter 4. While a range of factors can influence patronage, increasing fuel prices are likely to have contributed to this reversal by making public transport a more attractive travel option.

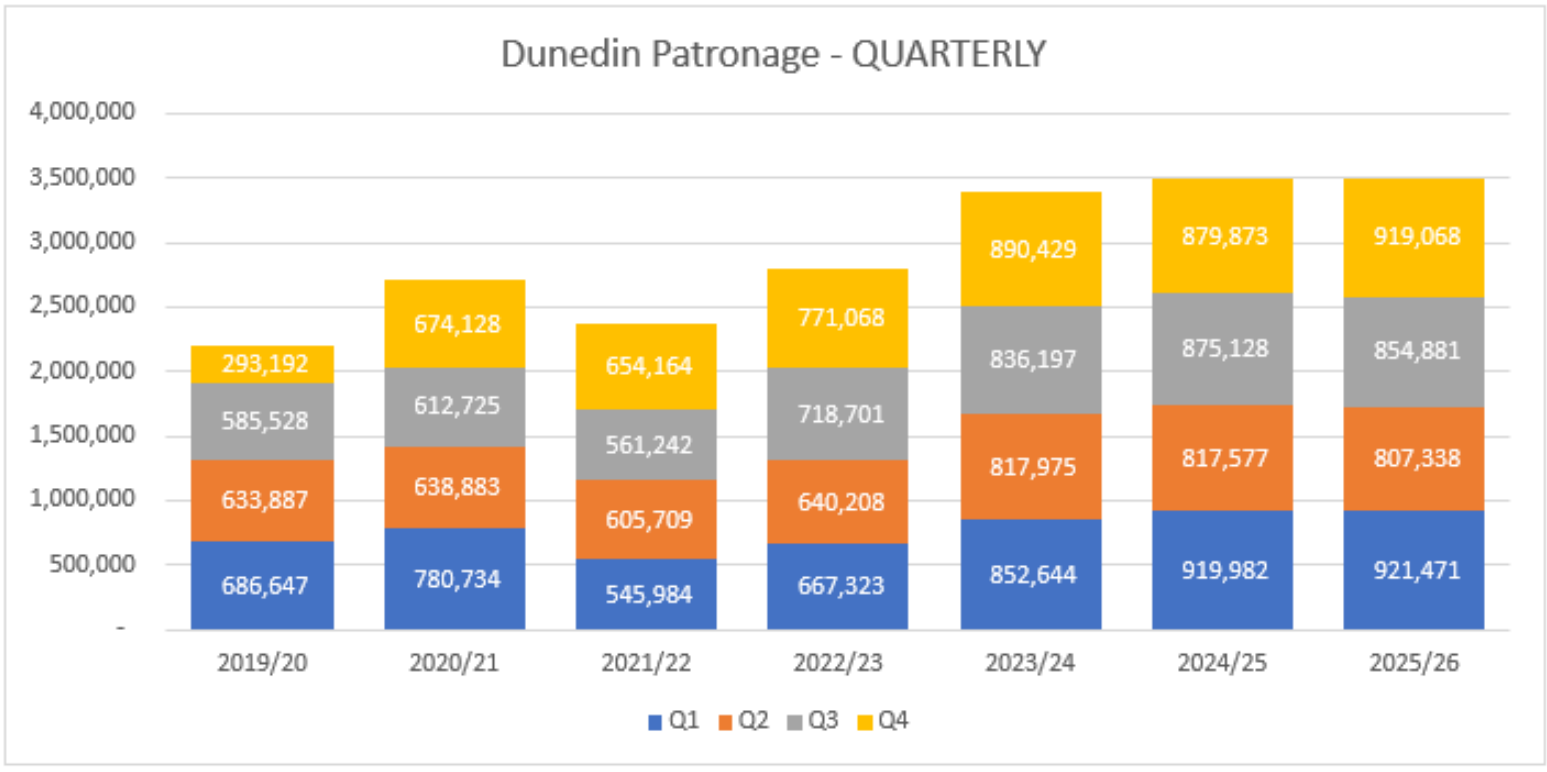


Figure 4: Quarterly Dunedin patronage performance

[19] Figure 5 presents patronage by concession type. Since the introduction of new fares at the beginning of Q2, Youth Concessions (aged 13-18) have increased by 4%, Community Connect has increased by 21%, and SuperGold by 9%.

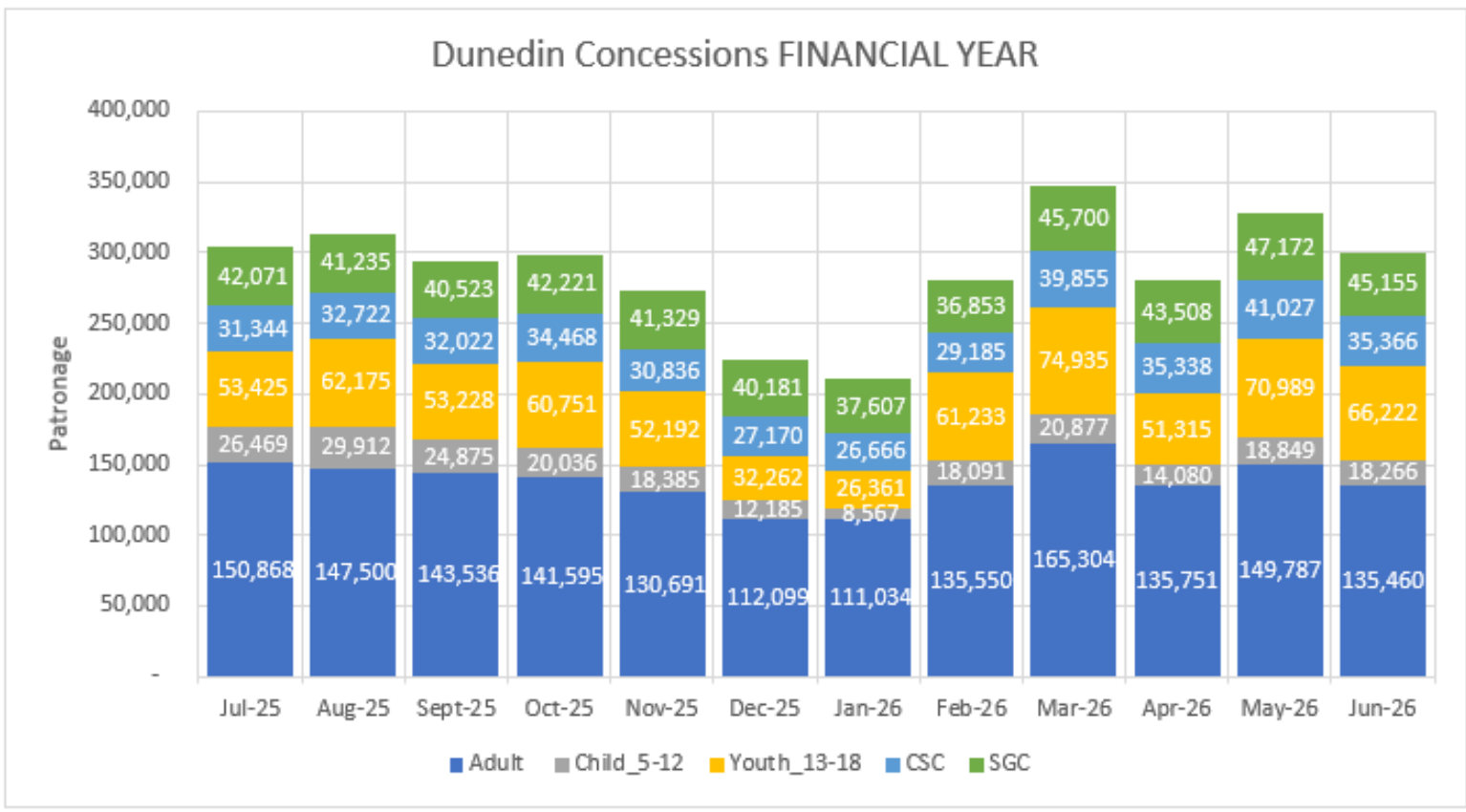


Figure 5: Patronage by concession type

[20] There has been a marked impact on the most affected concession, the child fare, which moved from free to $1.50. There has been a 32% decline in child fare patronage since the introduction of the revised fare schedule, as shown in Figure 6.

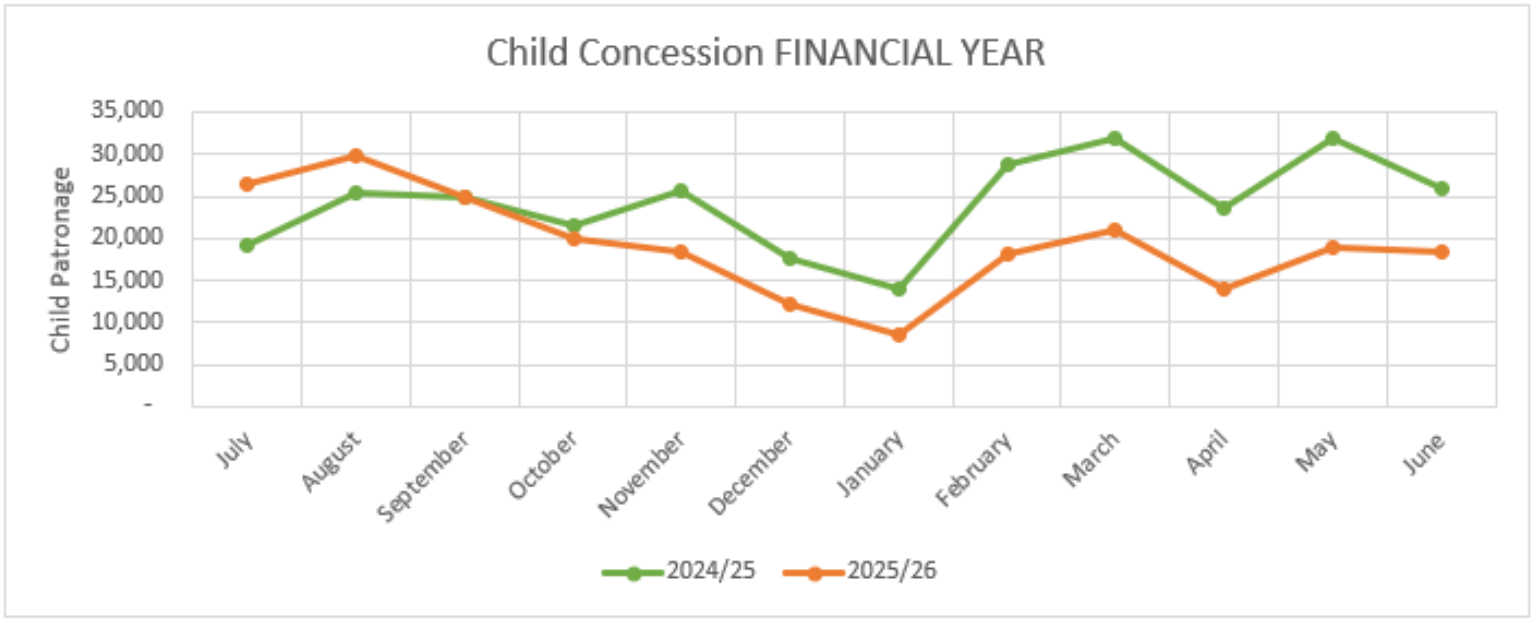
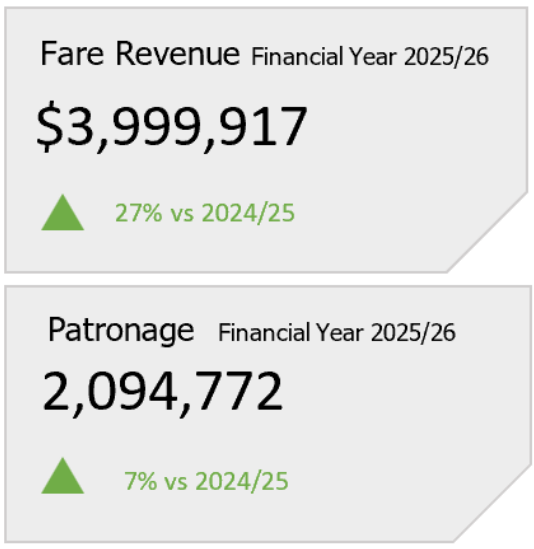
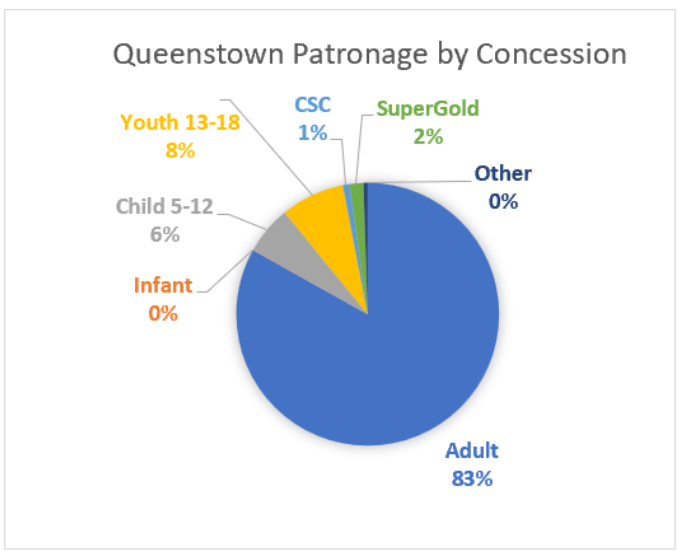


Figure 6: Child fare concession trend, 2024/25 vs 2025/26

DISCUSSION - QUEENSTOWN

[21] The monthly and annual patronage, revenue, and fare breakdown for Queenstown is set out in Figure 7 below. The data shows continued year-on-year growth in patronage, with 2025/26 surpassing the previous record set in 2024/25.





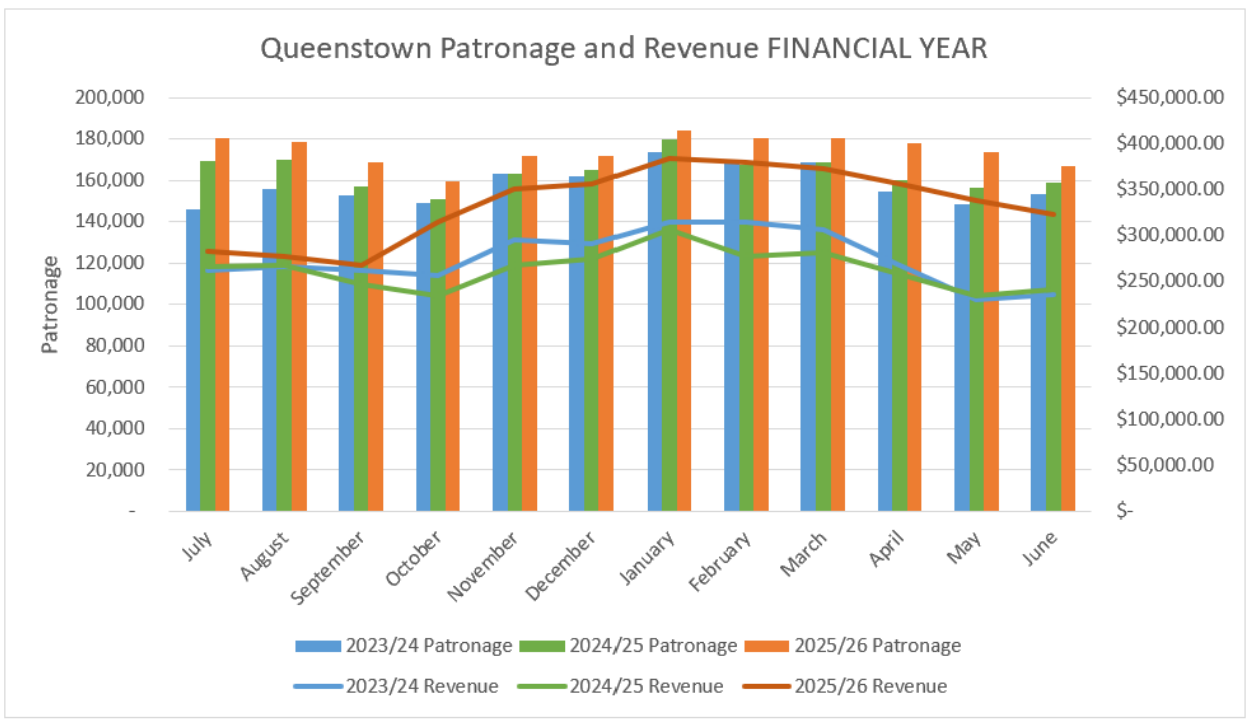


Figure 7: Queenstown 2025/26 Patronage and Revenue

[22] Revenue has also increased significantly compared to the previous period. This reflects the increase in fares introduced on 30th September 2025. The fare changes were an increase in the adult Bee Card fare from $2 to $2.50, and the reintroduction of child Bee Card fares, of $1.50, a set out in Figure 8 below.

Concession	Prior to 30 September 2025	30 September onwards
Child (5-12)	Free	$1.50
Youth (13-18)	$1.50	$1.50
Adult	$2.00	$2.50
SuperGold (Peak)	$2.00	$2.50
Community Services	$1.00	$1.25

Figure 8: Changes to Bus Fares introduced in September 2025

[23] Monthly and annual patronage from 2017/18 to date is set out in Figure 9.

Queenstown	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2017/18	46,027	40,182	35,157	36,761	37,383	85,454	100,063	98,774	107,971	101,274	98,658	108,268	895,972
2018/19	122,752	117,442	103,974	111,657	125,600	118,997	136,055	129,439	134,084	125,244	118,077	124,736	1,468,057
2019/20	136,766	129,011	121,416	120,662	128,440	128,282	136,985	131,102	90,746	9,919	42,577	73,597	1,249,503
2020/21	100,951	98,102	72,143	73,385	71,464	69,096	68,550	60,717	62,613	65,928	66,863	79,251	889,063
2021/22	95,278	51,010	51,987	66,690	64,895	66,507	69,147	52,471	53,524	68,158	73,786	93,367	806,820
2022/23	100,966	100,668	88,268	91,277	100,579	91,940	89,306	102,118	116,667	118,955	117,645	134,593	1,252,982
2023/24	145,759	155,936	152,621	148,964	163,182	161,886	173,398	170,018	168,881	154,766	148,606	153,183	1,897,200
2024/25	168,957	169,976	157,061	150,977	163,273	165,252	179,781	167,539	168,371	160,052	156,102	158,745	1,966,086
2025/26	**180,526**	**178,780**	**168,841**	**159,164**	**171,621**	**172,005**	**184,222**	**180,531**	**180,242**	**177,928**	**173,853**	**167,059**	**2,094,772**

Figure 9: Queenstown patronage, 2018/19 to 2025/26

[24] Queenstown bus patronage remained strong for 2025/26, with all months exceeding 2024/25. Record monthly patronage was recorded for every month of the year, with the January 2026 figure of 184,222 being the highest month on record since the network was introduced. It is noteworthy that February 2026 had three days where patronage exceeded 7,000 trips. These are the highest three days of patronage ever recorded for Queenstown.

[25] Quarterly patronage is shown in Figure 10.

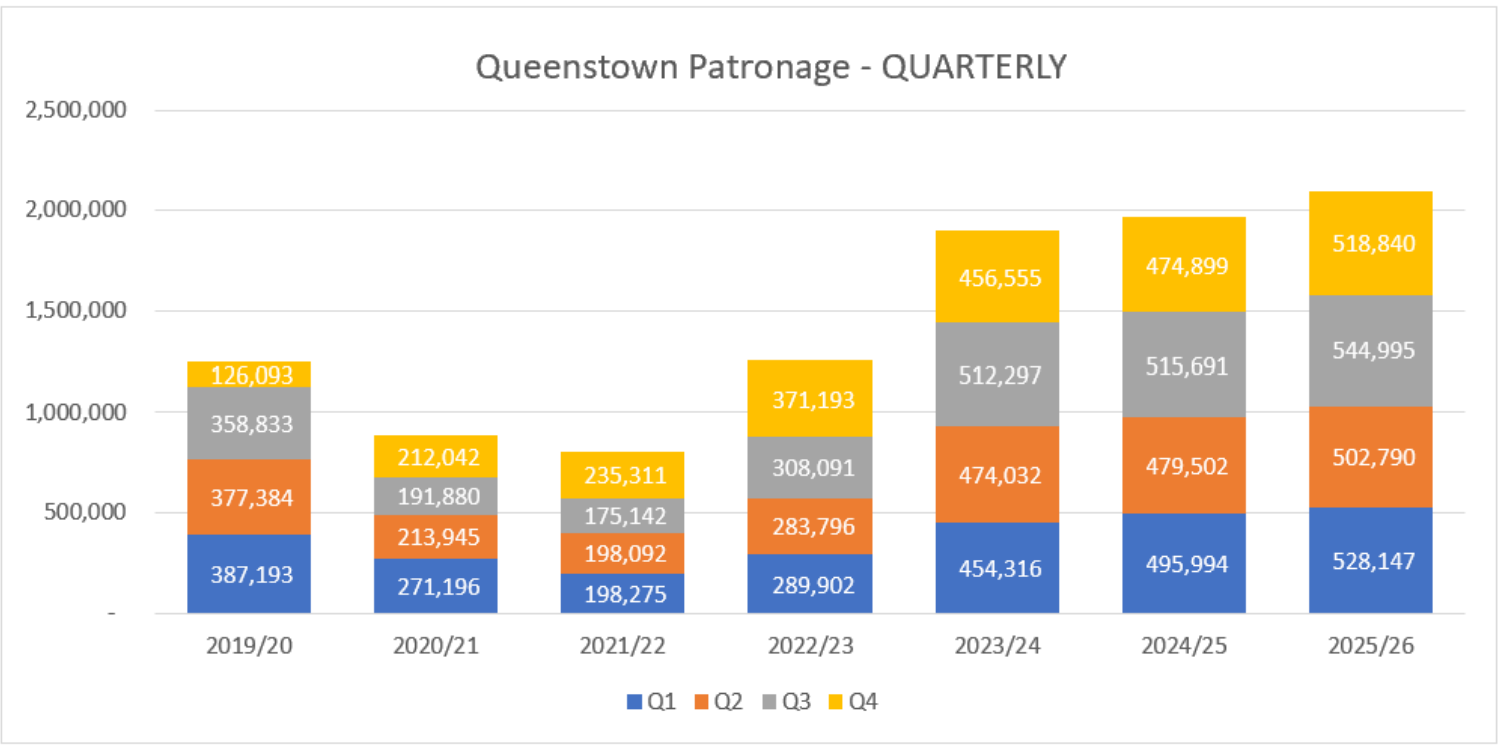


Figure 10: Quarterly Queenstown patronage performance

[26] The first 3 quarters show stable growth of 5% to 6%, with quarter 4 being the strongest performer at 9% growth. This growth occurred despite the challenging roading conditions and congestion currently being experienced in the region.

[27] Although there is no clear statistical link between fuel price increases and continued patronage growth, this factor, plus the introduction of network changes at the start of Q1, are likely to have contributed towards sustained growth. These network changes are set out in Figure 11.

	Route description prior to July 2025	**Route description after July 2025**	**Changes**
Route 1	Sunshine Bay to Remarkables Park return	Same route	Timing changes.
Route 2	Arrowtown to Arthurs Point return	Arrowtown to Frankton Hub and return	The route now terminates at the Frankton Hub, and timing changes and frequency changes.
Route 3	Kelvin Heights to Quail Rise return	Same route	Timing changes and frequency changes.
Route 4	Jacks Points to Frankton Hub return	Arrowtown to Jacks Point, via Arthurs Point and Queenstown and return	This route now travels along Malaghans Road via Arthurs Point and Stanley Street, and frequency changes.
Route 5	Lake Hayes to Queenstown return	Same route	Timing changes.

Figure 11: July 2025 Queenstown network changes

[28] Figure 12 clearly shows the patronage redistribution effect of these changes, with particular attention to routes 2 and 4, with Route 4 now the primary Arrowtown to Queenstown direct corridor. Overall, there is a 26% increase in total corridor demand, not just redistribution of existing demand.

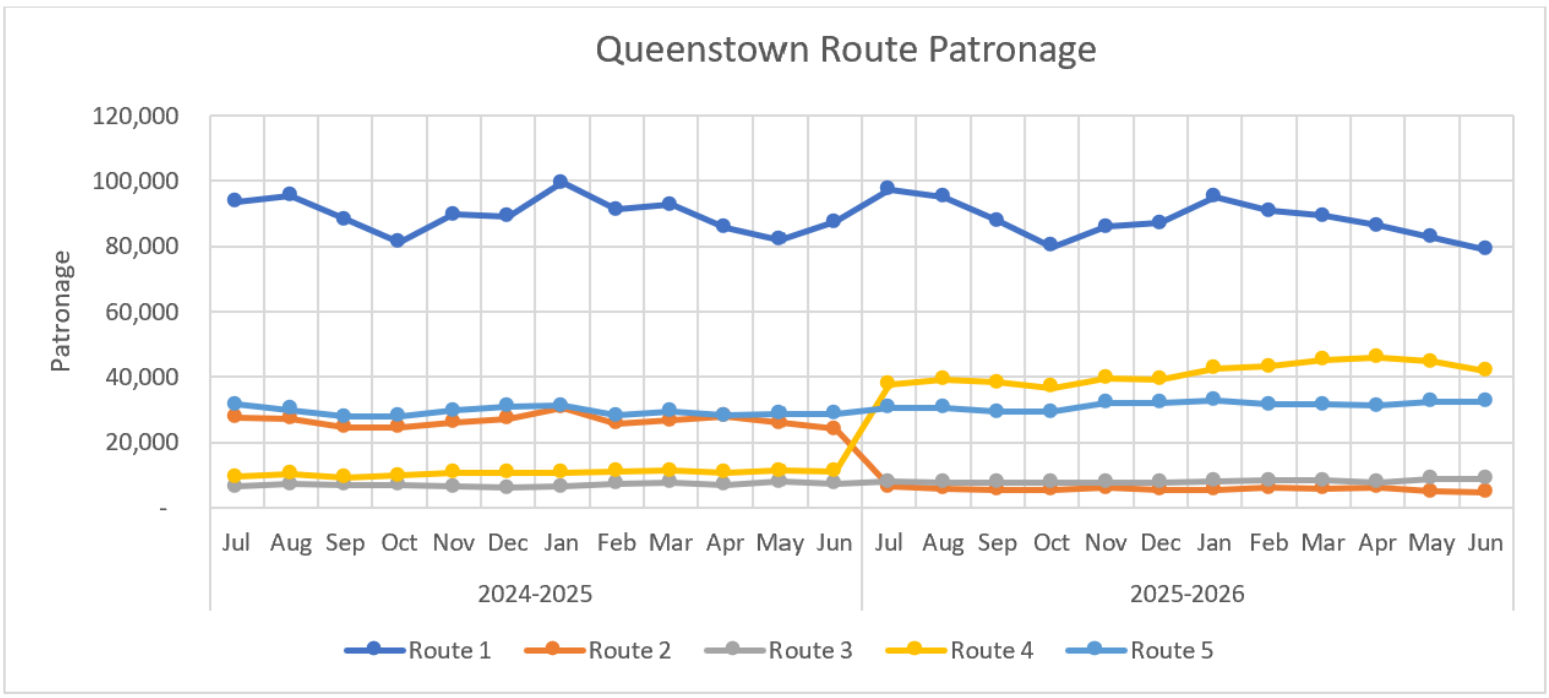


Figure 12: Impact of Queenstown network changes

[29] Figure 13 presents patronage by concession type, which for Queenstown is around 83% adult travellers.

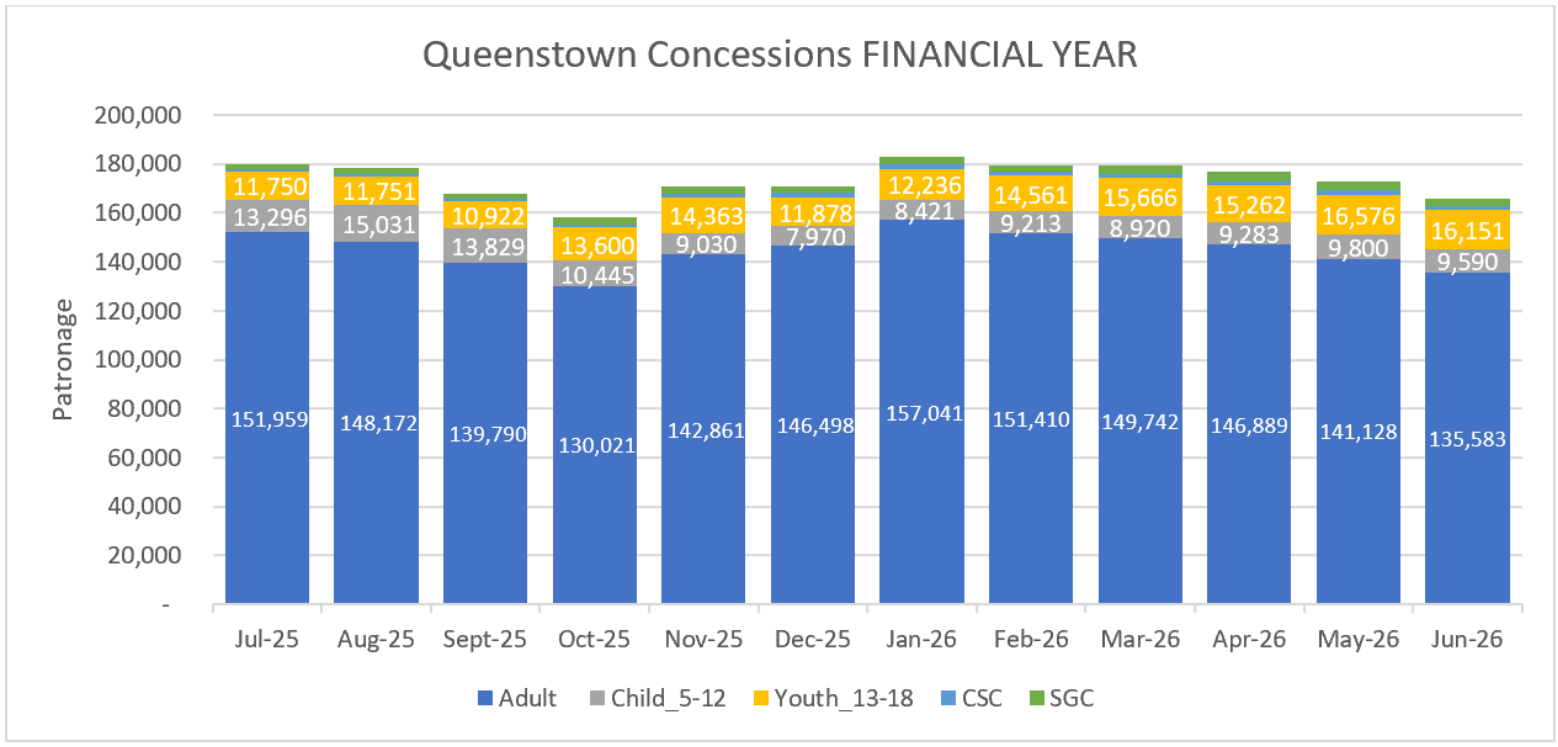


Figure 13: Patronage by concession type

[30] The impact of the change in child fares has been felt similarly in Queenstown, with a 23% decline in child patronage since the introduction of the $1.50 fare, as set out in Figure 14.

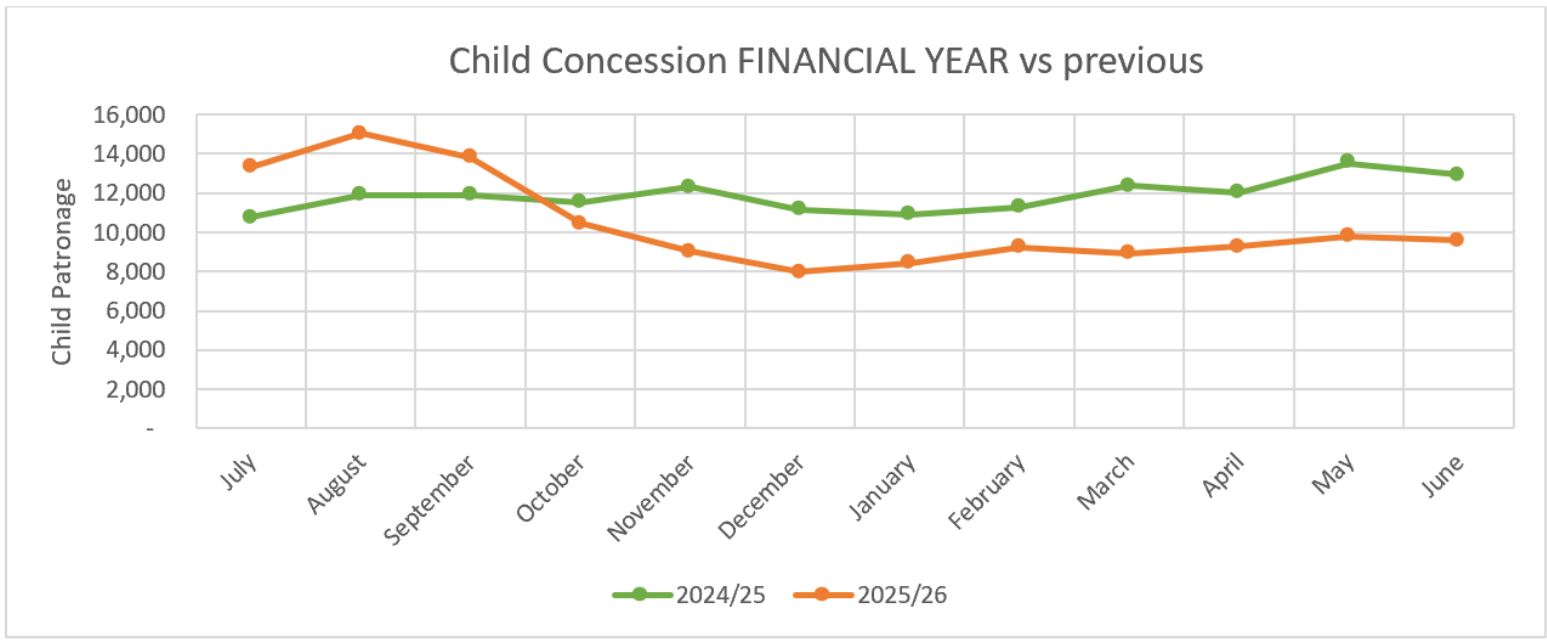


Figure 14: Child fare concession trend, 2024/25 vs 2025/26

DISCUSSION – QUEENSTOWN FERRY

[31] Since a change in operator and the introduction of more services, both patronage and revenue for the Queenstown Ferry have increased. The data is set out in Figure 15 below.

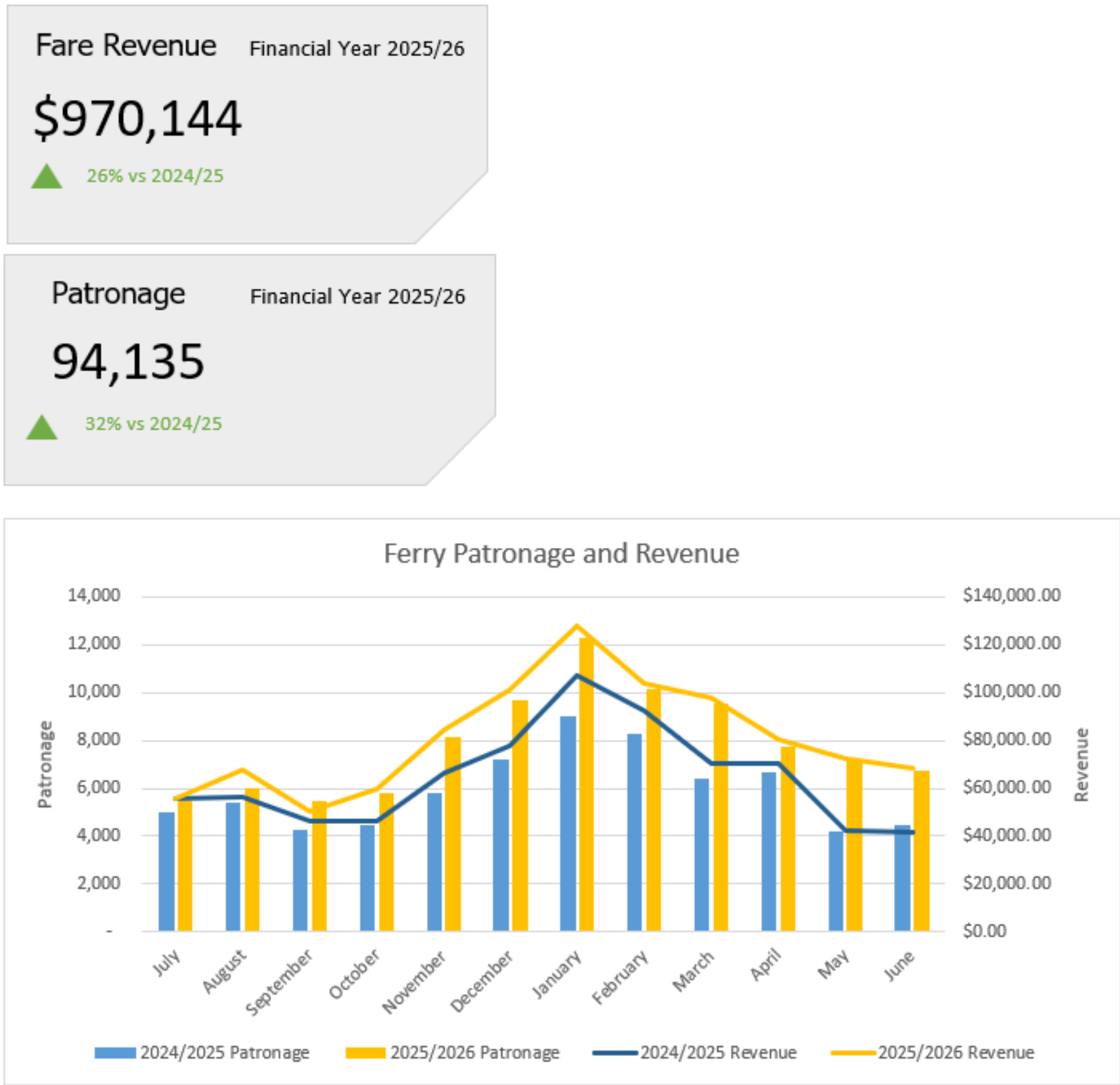


Figure 15: Queenstown Ferry 2025/26 Patronage and Revenue

[32] Fare revenue for 2025/26 is up 26% compared to 2024/25, and total patronage for the period is up 32%.

[33] The Lake Whakatipu ferry contract, awarded in 2025 to new operators Watersports Ltd, provided an opportunity to expand services, specifically by maintaining a consistent weekly timetable.

[34] In July 2025, late-night services were extended from three nights per week to seven nights per week, and daytime services were increased to run on an hourly frequency between approximately 8:15 am and 9:45 pm.

[35] The impact of these service level increases, together with a rebranding of the service to clearly associate it with the Orbus public transport network, has led to a very strong performance overall. In addition, a new vessel was introduced in August 2026, the first to be branded in Orbus Ferries livery (figure 16).



Figure 16, new vessel, 'Cecil', in service and displaying Orbus Ferries branding.

[36] Further potential service level increases are currently under discussion with the operator.

DISCUSSION - TOTAL MOBILITY

[37] Total Mobility provides subsidised door-to-door transport through contracted small passenger services for those with long-term impairments who are unable to safely and reliably use conventional public transport.

[38] On 1st July 2026, ORC implemented Ministry of Transport (MoT) guidance to reduce the Total Mobility subsidy level from 75% to 65%, alongside a reduction in fare cap from $50 to $45. Per trip this means the maximum subsidy available has reduced from $37.50 to $29.25.

[39] Transport staff will report the usage and expenditure impact of the subsidy level changes through standard patronage reporting.

[40] Subscription to the Total Mobility scheme continues to see a significant increase, increasing 13.2% in 2025/26 to 7,520 registered users.

[41] For 2025/26 a total of 151,408 trips were recorded, of which 24,046 were wheelchair hoist trips, reflecting a 6.4% increase in total trips from 2024/25. In contrast, hoist trips declined by 1% from 24,284 in 2024/25 to 24,046 in 2025/26.

[42] The decline in hoist trips is likely the outcome of a 10% reduction in wheelchair accessible vehicles (WAVs), with 3 WAVs across multiple operators no longer conducting Total Mobility trips, taking total number of WAVs in Otago from 29 to 26.

DISCUSSION – PASSENGER FEEDBACK

[43] Passenger engagement during the reporting period recorded a total of 4,732 feedback entries. This reflects a consistent level of public interaction with the transport network.

[44] The majority of interactions were informational, with general enquiries accounting for 49% of all entries. Complaints comprised 43% of total feedback, and the remaining 8% of entries were distributed evenly between positive feedback, incidents/accidents, and lost property.

[45] From a total of 463,311 scheduled trips, the complaint rate remains low at 0.4%. This indicates that while complaints represent a significant portion of feedback volume, they occur on fewer than one in every 229 trips, suggesting high overall operational reliability.

[46] Safety & Asset Management: Feedback regarding incidents and lost property remained minimal, each accounting for 3% of total entries.

[47] Figure 17 shows the split between feedback type, together with a detailed categorization of the complaints segment.

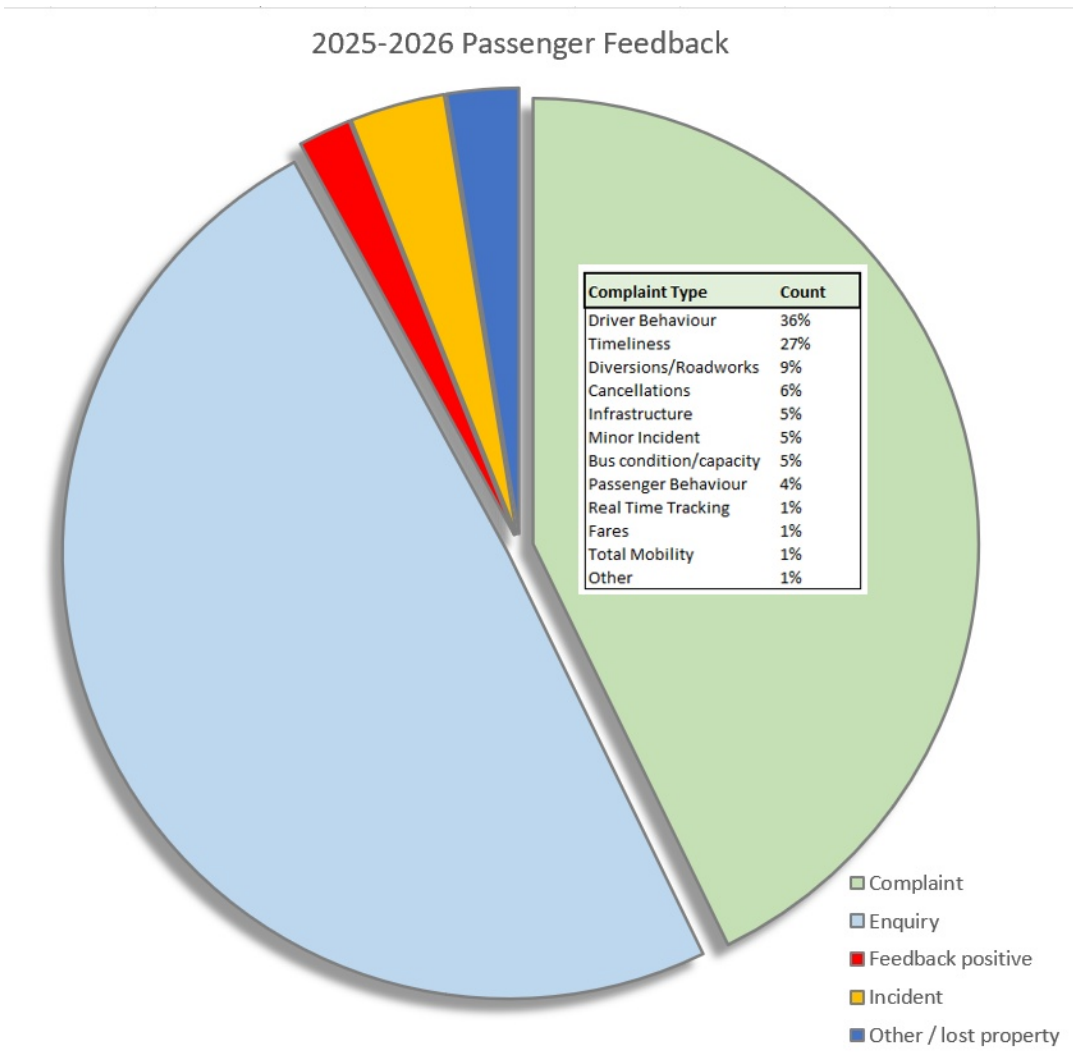


Figure 17: Passenger feedback categories, with complaint-subtypes

[48] Timeliness accounted for 27% of feedback this period, followed by Roadworks/Diversions at 11%. These delays are largely systemic rather than a reflection of driver performance, representing the operational reality of a network navigating significant regional transformation, particularly in Queenstown.

[49] While the overall complaint rate is low relative to the number of trips, transport staff remain focused on the 36% of complaints that relate specifically to driver behaviour.

[50] These reports - including "pushing" yellow lights, driving behaviour/perception, and issues of management of passenger behaviour on school services - are treated as safety indicators and investigated individually. To address these concerns and improve service quality, there are a number of proactive measures currently underway.

[51] These measures have included transport staff conducting targeted "ride-alongs" during peak school and commuter periods. This allows for real-time monitoring of passenger conduct, adherence to road rules (such as intersection safety), and viewing the engagement between passengers and drivers.

[52] These are conducted not as audits, but as opportunities for transport staff to support drivers during high-pressure peak periods. This "boots on the ground" approach allows the Council to witness operational challenges firsthand and provide constructive feedback to operators.

[53] In addition, transport staff have been working with Dunedin Police to facilitate proactive 'toolbox' briefings with bus companies, at local bus depots. Rather than focusing on isolated infringements, these sessions serve as safety reminders regarding heavy vehicle positioning, intersection etiquette, and sharing the road with other users. This collaborative approach ensures that road safety remains top-of-mind for our transport operators.

[54] A more formal process for addressing antisocial behaviour is also underway.

[55] A specialist accessibility trainer delivers annual training sessions to our contracted operator depot managers. Transport Operations and Planning staff also attend these sessions, which cover best practice for providing accessible public transport services.

[56] Key drivers of service variability include peak congestion, with increasing vehicle volumes in both the Whakatipu Basin and Dunedin city centre often result in buses being caught in general traffic, particularly where dedicated bus priority is not yet available.

[57] In Queenstown, the Strategic Upgrades (Kā Huanui a Tāhuna, the Whakatipu Transport Programme Alliance) which are high impact works at the Frankton (SH6/SH6A) intersection have introduced unavoidable bottlenecks during the construction of new signalised layouts and Frankton Bus Hub expansion. The works are forecast to be completed in mid-2028, doubling the Hub's capacity and including new signalised entries to make bus movements easier. The replacement of the current "BP" roundabout with a much larger signalised intersection is the project's centrepiece and works will continue to intensify through to 2027.

[58] Ongoing infrastructure renewals and streetscape upgrades in the Dunedin CBD (including the George Street and Hospital precincts) have altered traffic flow and increased congestion on core bus corridors, and more broadly, extensive maintenance and Stop/Go" traffic management across the wider Otago region continue to cause cumulative delays

[59] While these projects currently impact reliability, they are essential for the long-term efficiency of the road network. Staff continue to use Real-Time Tracking and alerts through the website, Transit app and social media, to provide passengers with transparency during these periods. Whilst these tools are valuable, they are not yet fully automated, meaning the potential for human error and timeliness issues with the creation of service alerts. Staff are working with a software provider to introduce a fully automated system that generates trip alerts across all platforms simultaneously, to be introduced later in 2026.

[60] In terms of reliability of service, staff undertake route and timetable reviews biannually and a suite of timetable and route improvements for Dunedin will be introduced in October 2026, following changes made to the Queenstown network in July 2025.

[61] Transport staff are receiving a growing number of enquiries about capacity issues on Queenstown school bus services, particularly between Jacks Point/Hanley's Farm and Wakatipu High School. Staff are reviewing a potential short-term solution for this suburb in advance of longer-term school service solutions to be considered by Council. More broadly, there is an ongoing workstream to address the Ministry of Education's future withdrawal of Queenstown school services. Whilst interim MOE services are in place for the time being, there is community expectation that ORC will provide additional bus capacity, either as direct school service replacements, or as public bus services with more school focuses routes, when the MOE withdraw. Staff are progressing with the planning of an integrated public transport solution, subject to funding and community consultation.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Transport

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

Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with the Land Transport Management Act 2003 and reporting requirements from New Zealand Transport Agency (NZTA).

Alignment With ORC Internal Policy

The provision of public transport services in Otago is consistent with the vision to provide safe, sustainable, and inclusive transport.

Financial Considerations

There are no direct financial implications resulting from this report. However, we use our monitoring of network performance to inform decision making for transport activities.

Legal/Compliance Risk

There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk
Ongoing complaints about bus reliability, delays, and cancellations may reduce public confidence in the council's transport services

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
Having a reliable and efficient public transport network supports mode shift, and increased patronage, which in turn contributes to ORC's carbon emissions reduction goals.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
This work is of low significance as assessed against He Mahi Rau Rika.

Engagement With Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
Ongoing community feedback through CSI surveys, community board meetings, CRM data, and other engagement channels helps identify issues and opportunities, enabling continuous improvements to public transport services.

Communication
Clear and timely communication helps manage customer expectations, keep passengers informed of service changes, and maintain public confidence in the public transport network.

NEXT STEPS

[62] A review of Quarter 1 and 2 performance for 2025/26 will be presented to Council at the end of the period.

ATTACHMENTS

Nil

11.8. Emergency Management Otago - Annual Update

Prepared for:	Council
Report No.	S&R2619
Activity:	Emergency Management Otago
Author:	Matt Alley (Group Manager, Emergency Management Otago), Roderick Francis (Team Leader Group Office), Glenn Mitchell (Principal Advisor Group Office)
Endorsed by:	Tom Dyer (General Manager Science and Resilience)
Date:	26 August 2026
Portfolio Leads:	Cr Kelliher and Cr Robertson, Science and Resilience

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PURPOSE

[1] To report on Otago Regional Council's (ORC) delivery of its responsibilities under the Otago Civil Defence and Emergency Management Agreement, for the 2025/26 year.

EXECUTIVE SUMMARY

[2] ORC and the five Otago territorial authorities have responsibilities under the Civil Defence and Emergency Management Act 2002 within the Otago Civil Defence and Emergency Management Group area. Those responsibilities are delivered through Emergency Management Otago (EMO) with support from each local authority, including ORC. The responsibilities of ORC and four of the five territorial authorities are recorded in the Otago Civil Defence and Emergency Management Agreement (June 2022).

[3] ORC's achievement in relation to its functions and responsibilities specified in the Agreement, for the 2025/26 year, is summarised as follows: The detail on these activities is attached as attachment 1.

53 – Achieved
5 – Partially Achieved
1 – Not Achieved
0 – Not Applicable.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*

BACKGROUND

[4] ORC and the five Otago territorial authorities have responsibilities under the Civil Defence and Emergency Management Act 2002 within the Otago Civil Defence and Emergency Management Group area. The Group area includes the whole of Waitaki District.

[5] Whilst the Act prescribes governance and oversight arrangements for the Civil Defence and Emergency Management (CDEM) functions undertaken by local authorities, it is silent on the operational arrangements and how they should be structured. This gives the Groups discretion on how they choose to deliver the responsibilities and the associated delivery structure. For the Otago CDEM Group, those responsibilities are delivered through Emergency Management Otago with support from each local authority, including ORC (Figure 1). The responsibilities of ORC and the five territorial authorities are recorded in the Otago Civil Defence and Emergency Management Agreement (June 2022)[1].

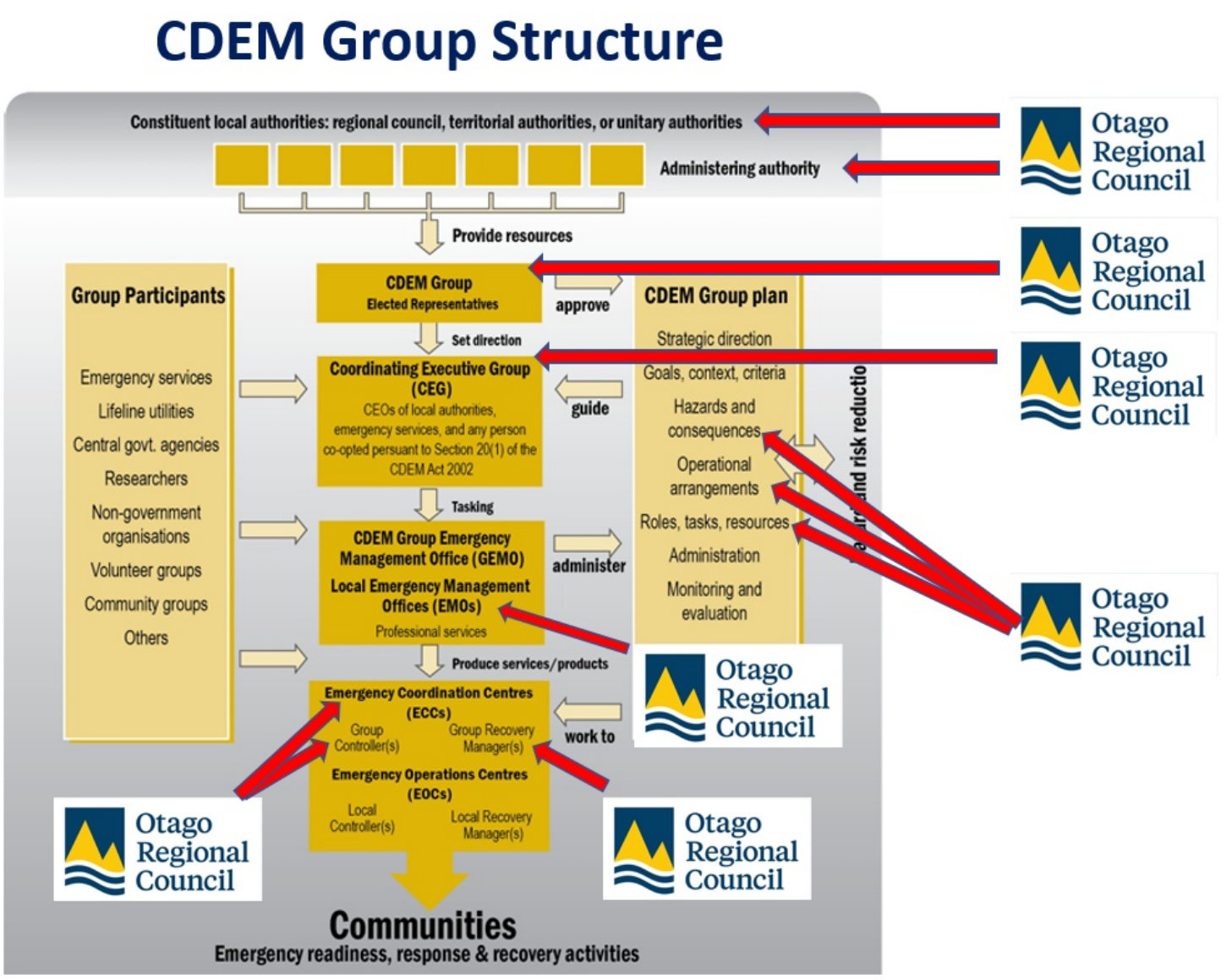


Figure 1: ORC's participation in the Otago CDEM Group.

[6] This report describes ORC's achievements in relation to each of its responsibilities set out in the Agreement. It also provides detail and context for reporting against the 2025/26 Annual Plan measures and targets. Those measures and targets are presented in Figure 2, for reference.

[1] *Emergency Management Otago Partnership Agreement*, Report OPS2104, Report to 25 May 2022 Council.

Level of Service Statement, Measures and Targets

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

Level of Service: Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.	
Performance Measure	Target
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act, and Civil Defence Emergency Management Partnership Agreement.	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.
Level of Service: Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.	
Performance Measure	Target
Emergency Management Otago Staff are available to respond 24/7 to a civil defence emergency.	Maintain a duty roster for 24/7 coverage for initial response to civil defence emergencies.
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency.	An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.
	Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable of coordinating a region-wide response.

Figure 2: ORC Annual Plan 2025/26 targets for civil defence and emergency management.

DISCUSSION

[7] The functions and responsibilities of ORC under the Agreement are listed in Attachment 1. Achievement against each of those responsibilities for 2025/26 is noted, with commentary. This is summarised as follows:

51 – Achieved
7 – Partially Achieved
1 – Not Achieved
0 – Not Applicable.

[8] One emergency was declared in Clutha District in response to the windstorm event in October 2025. The CDEM Group facilitated the declaration being made by the Central Otago Mayor, the first sworn in post-elections. The Group Emergency Coordination Centre was activated to support Clutha, assisting with public information management, logistics and liaising with central government.

[9] During the October event, Emergency Management Otago has obtained a pool of portable Starlink satellite terminals which can be rapidly deployed into communities where telecommunications have been impacted. These were used in the latter stages of the October event in several communities in the Clutha District.

[10] The transition to Aonui has enabled the provision of a more fit-for-purpose Emergency Coordination Centre with more enhanced visual displays and more working space for function teams to operate. The ability to expand operations elsewhere within the facility in a regionally significant event is a major step forward.

[11] Work has been underway in the last 12 months to review the Otago CDEM Group Plan, with it now nearing prepared for partner and stakeholder engagement. This review has considered the implications of the Emergency Management Bill No 2 due to be enacted before the end of this parliamentary term.

[12] Support from the Natural Hazards team to the Emergency Management Advisors in delivering hazard awareness training to community resilience groups throughout Otago has been well received in the community and adds credibility to the work being done to build capacity in the community to respond in emergencies.

[13] Changes to legislation with the incoming Emergency Management Bill will place more emphasis on hazards planning being driven from the CDEM Group Plan, as the legislation will require the Emergency Management Committee to take the lead in identifying and assessing those hazards and risks, and co-ordinate the management of those hazards and risks.

[14] An effective CDEM response is critically dependent on staff capability and capacity. EMO has a core complement of professionally trained staff with a wider pool of trained staff available from ORC. 43 team members (up from 34 in July 2025) and 7 function managers form the current ECC staff capability. The target levels are a minimum of 46 team members and 14 function managers, approved by the Coordinating Executive Group (CEG)[2].

[15] Of the 43 team members, 25 have still to meet the required minimum training level and 3 of the 7 function managers have met the required minimum training standard. ELT has requested further information about minimum training time and scheduling to support CDEM in their recruitment and training of ORC staff.

[16] A larger number of ORC staff are potentially available to support ECC operations, but not all are trained to the minimum standard. The Function Team staff numbers are the combined totals across all seven Coordinated Incident Management System (CIMS) functions. As a generalisation, ORC staff who are directly involved in responding to flood events (principally from the Engineering, Environmental Monitoring and Natural Hazards teams) are not part of the Emergency Coordination Centre.

[17] A number of actions are underway following a paper that was presented to ELT in April 2026. A working group is being formed to undertake a number of improvements, including building clearer expectations into position descriptions, and a refresh of internal communications to improve recruitment.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

[2] A Function Lead leads one of the following functions as defined in the Coordinated Incident Management System (CIMS) model: Intelligence, Logistics, Operations, Planning, Public Information Management (PIM), Safety, Welfare.

Resilience

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

Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with the Civil Defence Emergency Management Act 2002 and the National Disaster Resilience Strategy, which seeks to outline the vision and long-term goals for civil defence emergency management (CDEM) in New Zealand.

Alignment With ORC Internal Policy

There is no specific ORC policy that is directly applicable to this work.

Financial Considerations

The budget for this work was approved through the [2024-2034 Long-Term Plan / 2025 Annual Plan] and comes from the Civil Defence Emergency Management targeted rate activity budget.

Legal/Compliance Risk

There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk

There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience

The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions

The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy

This work is of MEDIUM significance as assessed against He Mahi Rau Rika.

Engagement With Mana Whenua

Emergency Management Otago works closely with the Araiteuru Emergency Facilitator in many aspects of the work programme.

Stakeholder Engagement

There has been no engagement with external stakeholders and/or the public specifically for this work.

COMMUNICATIONS

The information in this report is in line with regular reporting to the Otago Civil Defence Emergency Management Coordinating Executive Group and the Civil Defence Emergency Management Joint Committee.

NEXT STEPS

[18] To provide an update to the Council in 2027 on progress with the achievement of the Partnership Agreement responsibilities for the 2026/27 Year.

[19] Regular updates to Council on the numbers of staff available to support CDEM responses will continue to be provided through quarterly non-financial reporting.

ATTACHMENTS

1. Otago Civil Defence Emergency Management Agreement 2022 table [**11.8.1** - 11 pages]

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Achieved
Partially Achieved
Not Achieved
Not Applicable

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
Business Continuity Management Disruptions are an expected part of business, so it's important to be prepared for when they occur. Disruptions can be internal events that impact the organisation alone (e.g, IT system failure), or external events that could impact across several organisations and locations (e.g., earthquake).	Undertake business continuity planning for Otago Regional Council to be capable of delivering essential services and a functioning Group Emergency Coordination Centre (GECC) during a crisis/ emergency event and through the recovery.			ORC does not currently have an operational Business Continuity Plan. The move of all ORC Dunedin-based staff to the new Aonui building has included the establishment of a dedicated Emergency Coordination Centre with an on-site backup generator and satellite telecommunications.
Capability Development, Training and Exercises Training and exercising progressively enhances individuals, local authorities and the Otago CDEM Group's capability to prepare for and manage emergencies and resources, using lessons learnt. The CDEM Group and each member of the Group are to take all steps necessary on an ongoing basis to maintain and provide, or to arrange the provision of, or to otherwise make available suitably trained and	Agree sufficient access to all ORC staff identified in CDEM roles with supervisors to ensure they're available for, attend and complete all competencies associated with training and exercises in accordance with the agreed training schedule.			BAU work pressure for ORC has continued to prove a barrier to attendance at training. Sufficient staff have been identified to fill operational roles. The rating reflects the number of trained and capable staff available, as defined in the CDEM Group Training and Capability Strategy.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
competent personnel, including volunteers, and an appropriate organisational structure for those personnel, for effective civil defence emergency management.				
Community Resilience and Partnership Community resilience in the Civil Defence and Emergency Management context, can best be described as the community's ability to cope with, bounce back and learn from adversity encountered during and after disasters. There are activities to support in building community resilience. These activities are community engagement, community planning, public education, monitoring and evaluation to measure community resilience. The integration and inclusion of iwi in community resilience activities cements the Otago CDEM principles of Māori partnership.	Support Emergency Management Otago (EMO) and local level Community Resilience activities by commitment of staff resources and technical information to assist in local Community Resilience activities (hazard specific) as required.			Work continues with Emergency Management Otago and Natural Hazards teams to deliver presentations in the community on local hazards.
	Ensure whole-of-council approach to Regional Council Community Resilience activities.			
Equipment Includes all equipment to support readiness, response and recovery activities.	Fit out and provide associated Information Technology (IT) equipment and infrastructure for EMO staff and GECC facilities (and alternate sites).			The new Emergency Coordination Centre in Aonui has dedicated IT equipment facilitating greater situational awareness in response.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
	Implement minimum equipment standards required for GECC in line with CDEM Group policy.			
	Own equipment and associated infrastructure, to cover costs to maintain it to an operational standard and to manage and conduct maintenance programme.			
	Provide EMO with furniture and equipment for staff located at Otago Regional Council offices.			
	Undertake fleet management of all Emergency Management Otago vehicles.			
	Procure any priority equipment required by the activated GECC to ensure effective operational capability of the GECC.			Starlink satellite has now been installed in the ECC facility to increase communication capability.
Facilities Includes any facility to support readiness, response and recovery activities.	Provide and maintain GECC facilities (and alternate facilities) for operational response.			The ECC in Aonui has greater capacity than the previous setup in the Stafford Street Annex. In addition, overflow plans with meeting rooms 6a-6c give greater operational capacity.
	Provide EMO with fit-for-purpose office space.			
	Support the activation of the GECC facility if required for response if requested by the Group Controller.			Recent activations for the October ’25 and July ’26 storm events were well supported by a small team from

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
				ORC, appropriate to the staffing required for these events.
Financial Management The CDEM Group is to ensure allocation of financial budget to ensure effective delivery of the of CDEM services as outlined in the Group Plan.	Provide financial management and accounting services for CDEM Group budget.			
	Manage, administer and submit reporting to the CDEM Group of Regional Council budgets for regional CDEM delivery.			
	Provide staff time and travel and accommodation costs associated with attendance at training and exercises.			
Governance and Management	**Joint Committee**			
	Active participation through appointed designates.			
	As Administrating Authority, provide governance and secretarial support to the Joint Committee.			
	Provide reports and recommendations on Regional Council matters to the Joint Committee.			
	Provide reports, decisions and recommendations back to Regional Council on CDEM Group matters			
	Coordinating Executive Group (CEG)			

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
	Active participation through appointed designates and provide support as agreed to lead delivery of the regional CDEM work programme.			
	Develop and implement specific Regional Council Annual Plan tasking in a Regional Council CDEM work programme with alignment to CDEM Group Annual Plan.			With the imminent adoption of the Emergency Management Bill this year, there is a risk that this current year's workplan will not meet all the objectives due to resourcing constraints.
	CEG Operations Sub-committee			
	Active participation through appointed designates and support the CEG Sub-committees.			
	Ensure the alignment of CDEM Group Annual Plan and Regional CDEM work programmes.			
Hazard and Risk Management In relation to relevant hazards and risks: identify, assess, and manage those hazards and risks; consult and communicate about risks; identify and implement cost-effective risk reduction. Identification of the hazards and risks in a Group area that may result in an emergency that requires national-level support and co-ordination.	Lead identification of hazards (as required) in accordance with the hazard scape outlined in the CDEM Group Plan at the regional level.			
	Own and manage the hazards (as required) and risk within the appropriate area of responsibility as mandated through the Regional Policy Statement in alignment with the hazardscape detailed in the Otago CDEM Group Plan.			The All-hazards community exposure report (2025) goes some way to identifying at-risk communities; however, some hazards – for example wildfire – were not covered in the report.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
	Fund and manage hazard investigation within the appropriate area of responsibility as mandated through the Regional Policy Statement in alignment with the hazardscape detailed in the Otago CDEM Group Plan			The demands for better information before and during response require better modelling of known hazards and risks. This has been done well for the Leith/Lindsays catchment; however, many other catchments require the same level of modelling.
	Support effective planning for response through collaboration on hazard risk management for hazards with cross-regional and national impacts.			
Lifeline Utilities Lifeline's failures can disrupt and endanger the wellbeing of local and regional communities. Effective relationships, priority of response protocols and lead agency role definition can reduce the risk such failures may pose. Lifeline utility means an entity named or described in the CDEM Act 2002 in Part A of Schedule 1, or that carries on a business described in the CDEM Act, Part B of Schedule 1.	Lead hazard risk assessment and planning for hazard risk reduction and response activities on key Regional Council services and infrastructure.			
	Support lifelines projects and activities.			GIS support has been provided to support the creation of a critical infrastructure viewer within Arc GIS online.
Planning Fundamental to any successful undertaking is attention to planning and preparation. Whilst we pay attention to the plans that are produced, the process of planning is	**Otago CDEM Group Plan**			
	Support, the development, implementation, maintenance, monitoring and evaluation of the Otago CDEM Group Plan.			

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
important to ensure that the plans developed meet the needs of the people affected. CDEM Groups and agencies are expected to routinely incorporate CDEM arrangements into their business planning and risk management processes, and to regularly monitor and report on their progress as appropriate. This is an important role to play in making progress towards the vision of a 'Resilient New Zealand'.	Ensure alignment between the Otago CDEM Group Plan and Regional Council Long Term Plans.			
	Pre-event response action planning			
	Support development, implementation and maintenance of CDEM response planning for Regional Council.			
	Standard Operating Procedures			
	Support the development, implementation and maintenance of CDEM Standard Operating Procedures as required			
	Recovery planning			
	Support the development, implementation and maintenance of Regional Council Recovery Plan for key council infrastructure and assets.			There is no Regional Council Recovery Plan. Event-specific recovery plans have been prepared for damage to flood protection infrastructure and assets as required. A Plan will be prepared based on learnings from the North Island weather events.
	Financial planning			
	Support the development, implementation and maintenance of CDEM Group policy on the management of response and recovery claims.			

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
Public Information Management Public information management (PIM) enables people affected by an emergency to understand what is happening and take the appropriate actions to protect themselves. This is achieved by making sure that timely, accurate, and clear information is shared with the public in an emergency. Strategic communications is a core component of Public Information Management activities.	**Public Information Management staff**			
	Alternate Group Public Information Managers provided by Regional Council.	●	●	
	Provide staff to support a 24/7 duty Group PIM function.	●	●	
	Provide communications/ media staff to receive training and support the Group and local PIM functions, including strategic communications	●	●	
	Public Information Management planning			
	Support all CDEM Communications and Social Media activities at the Group and local level as required.	●	●	
	Support consistent CDEM messaging across all Regional Council social media platforms and websites.	●	●	
	Provide communications/ media staff to support the Group and Local PIM function during response and recovery if required.	●	●	
Reporting, Monitoring and Evaluation All members of the CDEM Group must provide reports that may be required by the Group. Monitoring and evaluation provide a method for learning from experience,	**Reporting**			
	Ensure Elected Officials and Leadership Team are informed of Joint Committee and CEG resolutions, directions and decisions.	●		Information is made available to Elected Officials via ORC's website and, as required, through Chairperson's reports to Council. CDEM matters are included in ELT Management reports as appropriate.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
analysing capability, planning and allocating resources, and demonstrating results as part of accountability to stakeholders.	Provide reporting to Joint Committee, CEG and CEG Sub-Committee on specific Regional Council Annual Plan tasks related to CDEM.			
	Monitoring and Evaluation			
	Support, contribute and implement a lessons learned/ knowledge management process for CDEM Group.			
	Support Monitoring and Evaluation process for CDEM Group.			
Staff All staff with CDEM responsibilities including CDEM career staff, CDEM appointed staff, Regional Council and Territorial Authority staff fulfilling CIMS functions as part of an Emergency Coordination Centre (ECC) or Emergency Operations Centre (EOC) and any CDEM volunteers providing support to any CDEM function. The CDEM Group and each member of the Group are to take all steps necessary on an ongoing basis to maintain and provide, or to arrange the provision of, or to otherwise make available suitably trained and	**CEG Operations Sub-committee**			
	Appoint a Senior Manager as CDEM designate to represent Regional Council.			
	CDEM career staff			
	The Otago Regional Council is the employer of CDEM career staff (EMO) to deliver CDEM outlined in the CDEM Group Plan and this Agreement.			
	24/7 Duty staff			
	Provide staff to support a 24/7 duty Group Controller capability.			
	Staff for CIMS functions			
	Group Emergency Coordination Centre Incident Management Team and alternates provided by Regional Council.			Due to staff movements and unavailability to attend training, the current composition of IMT and alternates is at 50%.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
competent personnel, including volunteers; and an appropriate organisational structure for those personnel, for effective civil defence emergency management.	Provide staff to Coordinated Incident Management System (CIMS) functions within the GECC.			Staff are provided for these functions but target levels have not been met for Function Leads and Function Teams.
	Consult with EMO on appointments of staff to Coordinated Incident Management System (CIMS) functions for the GECC.			
	Ensure all CDEM GECC staff have their respective CDEM role included in Job Description, KPI in annual performance plan, required training and exercising in annual professional development plan and be allocated the time for active participation.			Further work is underway to include KPIs in performance plans.
	Activation in response/ recovery			
	Ensure availability and prioritisation of staff to conduct GECC operations and deliver 24/7 response.			
	Support the provision and deployment of surge regional council CDEM staffing to support Group and Local level response and recovery within the Otago or across New Zealand.			Surge support was provided in the October 2025 and July 2026 weather events.
Warning Systems When there is an imminent threat to life, health or property from	Ensure an effective flood event monitoring and information system.			An information management system using D4H for duty flood officers has been in place since late 2025.

Attachment 1 - Otago Civil Defence and Emergency Management Agreement June 2022

Function	ORC Responsibility	Achievement 2025/26	Achievement 2024/25	Explanation
hazard events the issue of official warnings is the responsibility of CDEM agencies.	Promote the flood warning system to partners, emergency services and communities.			
	Support the dissemination of warnings from the CDEM Group to communities.			
Welfare Management Management of welfare across all welfare services and clusters: Registration, Needs Assessment, Inquiry, care and protection services for children and young people, Psychosocial support, Household goods and services, Shelter and accommodation, Financial Assistance and Animal welfare. The objective of the welfare services function is to carry out activities across the 4Rs to provide for the needs of people affected by an emergency and to minimise the consequences of the emergency for individuals, families and whanau, and communities.	Support Group (GECC) and local (EOC) welfare activities in response.			Support was provided in the October 2025 and July 2026 weather events.

11.9. Progress on implementing the Dunedin City Council Future Development Strategy

Prepared for:	Council
Report No.	P&P2608
Activity:	Regional Planning
Author:	Ify Ukonze (Policy Analyst)
Endorsed by:	Anita Dawe (General Manager Regional Planning and Transport)
Date:	26 August 2026
Portfolio Leads:	Cr Wilson and Cr Gillespie, Policy and Planning

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PURPOSE

[1] The purpose of this report is to provide Council with an update on the progress of the implementation of the Dunedin Future Development Strategy (FDS) actions.

EXECUTIVE SUMMARY

[2] The Implementation Plan of the FDS was jointly prepared by the Dunedin City Council (DCC) and Otago Regional Council (ORC) in accordance with the provisions of the National Policy Statement on Urban Development 2020 (NPS-UD), following the adoption of the FDS in April 2024.

[3] The FDS Implementation Plan was noted by Council on 27 August 2025. It sets out how the FDS will be delivered over the short (1–3 years), medium (4–10 years), and long term (11–30 years), aligning with funding provisions in Dunedin City Council's (DCC's) 2025–2034 9 Year Plan, ORC's 2024–2034 Long Term Plan (LTP), and associated infrastructure strategies. The Implementation Plan is to be updated annually following each budget adoption.

[4] Dunedin City Council and Otago Regional Council (ORC) have jointly prepared a 2026 Implementation Plan to report on the progress in implementing the FDS in accordance with the provisions of the NPS-UD and to capture any changes that have occurred since the 2025 Implementation Plan.

[5] The updated Implementation Plan is attached to this report.

RECOMMENDATION

That the Council:

1) ***Notes*** *the progress on implementing the Dunedin Future Development Strategy.*
2) ***Notes*** *that subject to current legislative reform, this is expected to be the final Future Development Strategy Implementation Plan required by Council.*

BACKGROUND

[6] DCC and ORC jointly prepared and then adopted the FDS 2024 - 2054 in April 2024, in accordance with the NPS-UD, with input from mana whenua, Kāinga Ora, and the New Zealand Transport Agency Waka Kotahi.

[7] The FDS describes how Dunedin will deliver a well-functioning urban environment and provide enough development capacity to meet expected long-term housing and business land needs based on the business land capacity assessment for Dunedin undertaken in 2022, and the housing capacity assessment for Dunedin undertaken in 2023.

[8] The FDS preferred development priorities were presented to councillors through workshops that were held during the development of the 2024 – 34 LTP. These informed the planning and prioritisation of investment and infrastructure programmes included in the LTP.

[9] The NPS-UD required DCC and ORC to jointly prepare an implementation plan for the FDS, which was presented to Council and noted on 27 August 2025. It must be updated annually following the budget adoption for annual plans for both councils.

[10] The purpose of the FDS Implementation Plan is to operationalise the FDS by outlining the specific actions, responsibilities, timeframes and monitoring processes required to deliver on the strategy's objectives over the short, medium and long term.

DISCUSSION

[11] The FDS Implementation Plan 2026 is an update of the 2025 implementation plan, and captures changes made in delivery programmes since that time. This includes changes to project timing, sequencing, scope and funding. This maintains an up-to-date and coordinated view of the infrastructure and development projects required to support the growth outcomes identified in the FDS.

[12] Delivery of actions identified in the FDS continues to progress, with delivery of infrastructure projects, including transport, three waters, flood protection and recreation improvements, continuing broadly in line with planned programmes. ORC has completed some projects since the 2025 implementation plan was published, including Water of Leith model build, completion of modelling at Lindsay Creek and the Taieri Flood Protection riverside spillway. Given fiscal constraints and lack of funding support from NZTA, the three public transport actions are still unfunded.

[13] DCC has completed several projects since 2025 and added a small number of new actions to respond to emerging priorities. Some project timeframes have been revised, with several 3 waters projects now on hold pending outcomes from the South Dunedin Future programme and wastewater optimisation studies.

[14] Strategic planning initiatives, including future reviews of the FDS and some planning projects, continue to be affected by uncertainty associated with Resource Management reform.

[15] Overall, implementation of the FDS remains broadly on track and implementation continues to align with the priorities identifies in the FDS.

[16] The Government is currently reforming the resource management legislation and will enact a new Planning Bill within the next few months. On 20 July, the Environment Committee released its select committee report on the Planning Bill. The amendments made by the Environment Committee include an exemption for local authorities from compliance with ongoing requirements for Future Development Strategy implementation plans. This exemption takes effect one month following enactment (i.e. approximately October 2026). There will therefore no longer be a requirement to produce implementation plans in future years.

[17] Under the proposed new resource management system, the FDS will be replaced by a Regional Spatial Plan (RSP), which must be notified within 21 months of enactment of the Planning Bill (i.e. by mid-2028). The bill outlines that RSPs will set the strategic direction for growth and change in a region for at least 30 years. They will identify priority locations for growth and change, and existing and future infrastructure that is significant for the region. An RSP implementation plan will be required once the RSP is finalised.

[18] Until the RSP is prepared, monitoring of the FDS actions will still take place through the routine reporting on the Council forward work programme.

OPTIONS

[19] Not applicable.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-term Plan:

Whole of Organisation

This work supports the whole organisation and, therefore, all Community Outcomes.

Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with the requirements of the NPS-UD 2020 which has the status of regulations under the RMA.

Alignment With ORC Internal Policy

This work is consistent with relevant ORC policies, in particular, the region's strategic objectives of enabling sustainable, and quality urban development and demonstrating regional leadership. It also complies with central government policy direction on urban development.

Financial Considerations
There are no financial considerations associated with the 2026 Implementation Plan as it is a reporting document. It reflects funding decisions made through DCC's 2025–34 9-Year Plan, ORC's Long-Term Plan, and any changes as a result of the recent annual plan. Any ORC actions are built into existing work programmes and do not result in additional expenditure.

Legal/Compliance Risk
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

The Resource Management (RM) reform may introduce changes to planning requirements, which could affect the scope, direction or reporting obligations of the Implementation Plan. Continuity in monitoring and reporting will be necessary to ensure alignment with any new legislative frameworks.

Reputational Risk
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience
There are no climate change considerations associated with this report as it is a noting paper.

Carbon Emissions
There are no carbon emissions considerations associated with this report as it is a noting paper.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
Not applicable

Engagement With Mana Whenua
The FDS Implementation Plan is a reporting document and there was no engagement with mana whenua or Māori during this process.

Stakeholder Engagement
There has been no engagement with external stakeholders and/or the public specifically for this work.

COMMUNICATIONS
The Implementation Plan was made public by being uploaded to the Dunedin City Council Website FDS Implementation Plan 2025. The Implementation Plan update will also be published on the Dunedin City Council's website.

NEXT STEPS

[20] The Implementation Plan will also be presented to DCC for noting at their Council meeting on 13 August 2026.

[21] The 2026 Implementation Plan will be published on the Dunedin City Council website. Each annual update will document any changes in timing and funding decisions to monitor implementation of the FDS.

ATTACHMENTS
1. FDS Implementation Plan 2026 [**11.10.1** - 21 pages]

AUGUST 2026

FUTURE DEVELOPMENT STRATEGY

IMPLEMENTATION PLAN 2026

FDS IMPLEMENTATION PLAN 2026
AUGUST 2026

1 INTRODUCTION

1.1 Dunedin Future Development Strategy

The Future Development Strategy (FDS) describes how Dunedin will deliver a well-functioning urban environment and provide sufficient development capacity to meet expected demand. The Dunedin City Council (DCC) and Otago Regional Council (ORC) jointly prepared the FDS in April 2024 in accordance with the National Policy Statement on Urban Development 2020 (NPS-UD).

The NPS-UD also requires DCC and ORC to jointly prepare and maintain an implementation plan to support delivery of the FDS. An initial FDS Implementation Plan was completed and noted by Council in August 2025[1].

This 2026 FDS Implementation Plan identifies changes since the 2025 version, highlighting actions where scope, timing, funding or delivery status has changed, or where significant progress has occurred.

1.2 Purpose of the Implementation Plan

The Implementation Plan describes how the Future Development Strategy (FDS) will be implemented over the short (1–3 years), medium (4–10 years) and long term (11–30 years). It is based on the funding provided through the Dunedin City Council's 2025–34 Nine-Year Plan and the Otago Regional Council's 2024–34 Long-Term Plan, related infrastructure strategies, and any changes made through the councils' annual plan processes. It enables monitoring of implementation projects and programmes, highlighting where delivery of FDS actions is behind anticipated timeframes or otherwise at risk.

1.3 Preparation of the 2026 Implementation Plan

The 2026 Implementation Plan indicates changes since the 2025 Implementation Plan was prepared. It has been informed by external providers and departments within each council directly responsible for implementation. Amendments to the 2025 Implementation Plan are limited to those items where significant changes have been identified by those departments and providers.

Broad or multi-step actions have been broken down into discrete projects or stages with identification of anticipated delivery dates and proposed funding when known.

1.4 Monitoring and updating the Implementation Plan

The Joint Future Development Strategy Executive Steering Group (FDS ESG) monitors progress on delivering the short-term actions within the Implementation Plan. Progress on delivering FDS actions will be reported to both councils annually via an update report following budget adoption each year.

1.5 Resource Management Act reform

The Government continues to progress a comprehensive reform of the resource management system. The proposed changes are expected to replace the requirement for a Future Development Strategy (FDS) with a requirement for a Regional Spatial Plan. It remains unclear whether an equivalent requirement for an implementation plan will be retained under the new system.

2 DELIVERY PROGRAMME

2.1 Implementation methods

DCC and ORC are implementing the FDS through various methods including:

- new and upgraded infrastructure, facilities and services
- plans and strategies
- engagement with mana whenua
- engagement with other key stakeholders
- financial incentives
- design guidance, advice and advocacy
- monitoring and research

The delivery programme:

- Organises FDS actions by geographic areas and entity responsible for implementation
- Breaks FDS actions down into phases or discrete projects
- Indicates anticipated delivery timeframes
- Identifies funding commitments in councils' LTPs and Annual Plan

The delivery timeframes, while based on current funding, are aspirational targets with greater certainty in the short term and less certainty further out in time. As DCC and ORC consider future annual and long-term plans, they will have the ability to modify funding levels and delivery timeframes. It is expected that councils' priorities will shift in response to changing needs and conditions. Each annual update to the implementation plan will document any changes in timing and funding decisions to monitor progress towards implementing the FDS.

2.2 Actions completed since the 2025 Implementation Plan

The following actions have been completed since the 2025 Implementation Plan:

- Water of Leith (Forth Street to Harbour) Model Build (ORC Engineering)
- Lindsay Creek Flood Hazard Assessments. Completion of modelling 2026 (ORC Natural Hazards)
- Māori Hill school road safety improvements (DCC Transport)
- Mayfield Playground, Wakari (DCC Parks and Recreation)
- South Dunedin Library and Community Complex (DCC Property)
- Taieri Flood Protection riverside spillway investigations (ORC Engineering)
- Willow Street Park playground upgrade (DCC Parks and Recreation)

- Kinmont Park playground upgrade (DCC Parks and Recreation)
- Allanton Playground Upgrade (DCC Parks and Recreation)
- Tahuna WWTP nitrous oxide solution (DCC 3 Waters)
- Water and wastewater servicing assessments (DCC 3 Waters)
- Stage 1 of the Tunnels Trail

3 IMPLEMENTATION STATUS REPORT

The tables below report the updated status (as of 30 June 2026) of the actions identified to implement the FDS. These are arranged by geographic area:

- Table 1: Dunedin Centre
- Table 2: North Dunedin- Ōpoho-NEV-Pine Hill-Glenleith
- Table 3: Māori Hill-Roslyn-Belleknowes-Mornington-Maryhill
- Table 4: Wakari-Helensburgh-Halfway Bush-Brockville
- Table 5: Bradford-Kenmure-Kaikorai-Abbotsford-Fairfield
- Table 6: Green Island-Concord-Calton Hill-Corstorphine
- Table 7: South Dunedin-Caversham-Forbury-Kew-St Clair-St Kilda
- Table 8: Musselburgh-Tainui-Andersons Bay-Waverley-Shiel Hill
- Table 9: Mosgiel
- Table 10: Outram-Allanton-Middlemarch
- Table 11: Otago Peninsula
- Table 12: South Coast
- Table 13: North Coast
- Table 14: West Harbour
- Table 15: Citywide

The tables indicate anticipated delivery timeframe for actions using a shaded timeline for the short (years 1–3), medium (years 4–10) and long (years 11–30) term as follows:

PROJECT DELIVERY	When the delivery period for a project is known it is shown in dark blue in the timeline section of the tables below.

PROGRAMME DELIVERY	When the delivery period for a project has not been set, the timeline shows the years when funding has been (or will need to be in the case of long-term actions) allocated to the programme that will deliver the project.

LTP funding commitments for specific projects are provided when available in the funding column. If a specific allocation has not been made for a project, but there is funding for the broader programme, the total programme funding is provided in the notes column. Actions eligible for funding through development contributions or other funding sources are also noted.

Changes made since the 2025 Implementation Plan are shown in red.

FDS IMPLEMENTATION PLAN 2026
AUGUST 2026

TABLE 1: DUNEDIN CENTRE		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Albany St connection (Te Aka Otakou, campus & CBD)	*DCC TRANSPORT*												**$ 3.00**	Project underway, estimated completion December 2026.
Waterfront Bridge bike-ped connection	*DCC TRANSPORT*												**$ 20.00**	Eligible for funding from development contributions
George/Bank St connection (Albany St to North Rd)	*DCC TRANSPORT*												**$ 4.00**	
Bike hubs	*DCC TRANSPORT*												**$ 0.20**	
Central city cycling and pedestrian improvements	*DCC TRANSPORT*												*see notes*	Funding from $6.0m for Ōtepoti pathways pedestrian improvements citywide Funding from $6.0m for Ōtepoti pathways cycling improvements citywide
Central city bus hub	*DCC TRANSPORT*												unfunded	
Princes St connection (bus priority & safety)	*DCC TRANSPORT*												**$ 7.00**	Eligible for funding from development contributions
Signals project (bus priority)	*DCC TRANSPORT*												**$ 2.00**	
Harbour arterial project (stages 2-3)	*DCC TRANSPORT*												**$ 4.30**	Eligible for funding from development contributions
Harbour arterial project (stage 4)	*DCC TRANSPORT*												unfunded	
Road safety improvements (to serve heavy vehicles)	*DCC TRANSPORT*												n/a	Identified as a long-term action in FDS
Tertiary precinct project	*DCC TRANSPORT*												**$ 1.20**	Eligible for funding from development contributions
SH1 improvements (to serve new hospital)	*WAKA KOTAHI*												***see notes***	Funding approved for pre-implementation phase. Construction funding approved for mid-block crossing between outpatients building and New World Supermarket
3 WATERS														
New/upgraded wastewater pipes (existing res capacity)	*DCC 3 WATERS*												*see notes*	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
Works to improve water capacity (pipe upgrades)	*DCC 3 WATERS*												*see notes*	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
New/upgraded stormwater pipes (existing res capacity)	*DCC 3 WATERS*												*see notes*	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
PARKS & RECREATION														
~~Upgrade Harwood Park & Irvine Rd playgrounds~~	~~*DCC PARKS*~~												~~***see notes***~~	~~Funding from $0.5m for playground renewals citywide~~ *(line item in incorrect location - moved to Table 11)*
Improvement to tracks through Town Belt	*DCC PARKS*												**$ 0.27**	Specific projects still to be confirmed. Not all of allocated funding will be required for the Town Belt.
OTHER														
Zoning around new and old hospital sites	*DCC CITY DEV*												opex	Plan changes on hold due to RM reform
Dunedin new hospital outpatient building	*MIN OF HEALTH*												n/a	Due for completion in late 2026
Dunedin new hospital inpatient building	*MIN OF HEALTH*												n/a	Due for completion in late 2030, with opening anticipated in early 2031

FDS IMPLEMENTATION PLAN 2026
AUGUST 2026

TABLE 2: NORTH DUNEDIN-OPOHO-NORTHEAST VALLEY-PINE HILL-GLENLEITH		SHORT-TERM FISCAL YEARS			MEDIUM-TERM FISCAL YEARS							LONG-TERM 5-YEAR PERIODS	FUNDING MIL$	NOTES
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
SH88 improvements (to support new hospital)	*WAKA KOTAHI*												***see notes***	Funding approved for pre-implementation phase. Funding for construction 2027-30
3 WATERS														
New/upgraded wastewater pipes in Northeast Valley	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
Works to improve water capacity in NEV Parks area	*DCC 3 WATERS*												**$ 2.50**	Eligible for funding from development contributions
Works to improve water capacity in Pine Hill	*DCC 3 WATERS*												**$ 2.00**	Eligible for funding from development contributions
Works to improve water capacity in Northeast Valley, Pine Hill, Leith Valley (pipe upgrades)	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
HAZARD MITIGATION														
Water of Leith (Forth St to harbour) model build	*ORC ENGINEERING*												**$ 1.30**	Model built, anticipated completion July 2026
Water of Leith public safety assessment	*ORC ENGINEERING*													
Water of Leith historic walls (feasibility)	*ORC ENGINEERING*													
Water of Leith historic walls (construction)	*ORC ENGINEERING*													
Water of Leith amenity (feasibility)	*ORC ENGINEERING*													
Water of Leith amenity (construction)	*ORC ENGINEERING*													
Lindsay Creek flood hazard assessments	*ORC NAT HAZ*												see notes	Ongoing BAU
Lindsay Creek identification of flood mitigation options	*ORC NAT HAZ*												**$ 3.65**	
Lindsay Creek legalisation of land ownership	*ORC NAT HAZ*													
Lindsay Creek hydraulic modelling	*ORC NAT HAZ*													
Lindsay Creek Quarry Bridge	*ORC NAT HAZ*													Survey completed and bridge concepts developed
Lindsay Creek flood mitigation (nature-based solutions)	*ORC NAT HAZ*												see notes	Mitigation projects to be recommended in plan
Lindsay Creek flood mitigation Implementation	*ORC NAT HAZ*												see notes	Mitigation projects to be recommended in plan
PARKS & RECREATION														
Upgrade Chingford Park playground	*DCC PARKS*												~~**$ 0.30**~~	Project removed from Annual Plan budget *(previously identifed for delivery in 26/27)*
Redevelop Woodhaugh Gardens	*DCC PARKS*												**$ 3.50**	

FDS IMPLEMENTATION PLAN 2026
AUGUST 2026

TABLE 3: MAORI HILL-ROSLYN-BELLEKNOWES-MORNINGTON-MARYHILL		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Maori Hill (school road safety improvements)	*DCC TRANSPORT*												see notes	Delivery confirmed 2026/2027
Mornington (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
PARKS & RECREATION														
Upgrade neighbourhood playgrounds in Belleknowes	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade McMillan playground in Maori Hill	*DCC PARKS*												**$ 0.30**	
Upgrade Mornington Park playground and skate park	*DCC PARKS*												unfunded	
Upgrade neighbourhood playgrounds in Roslyn	*DCC PARKS*												**$ 0.04**	Timeframe updated to 27/28

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TABLE 4: WAKARI-HELENSBURGH-HALFWAY BUSH-BROCKVILLE		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Pedestrian crossing (Taieri/3 Mile Hill Rd, Halfway Bush)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Footpaths along Wakari Rd in Wakari	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions. Funding from $19.8m for FDS transport projects citywide
Brockville (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
~~Roundabout~~ Intersection improvements Wakari Rd/Helensburgh Rd	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide Funding from $9.0m for low cost, low risk transport projects citywide Delivery anticipated 27/28. Project description amended.
3 WATERS														
Works to improve water capacity in Wakari	*DCC 3 WATERS*												see notes	Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects
PARKS & RECREATION														
Develop new community playground in Brockville	*DCC PARKS*												**$ 0.50**	
Upgrade playground in Halfway Bush	*DCC PARKS*												**$ 0.20**	
Upgrade Mayfield playground in Wakari	*DCC PARKS*												**$ 0.05**	Project completed
OTHER														
Investigate future use of Wakari Hospital site	*DCC CITY DEV*												opex	
New cell site in Brockville	*TELECOM*												n/a	Delivery timeframe unknown, but not anticipated within the next 2-4 years

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TABLE 5: BRADFORD-KENMURE-KAIKORAI VALLEY-ABBOTSFORD-FAIRFIELD		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Connection to the Tunnels Trail via Flower St	*DCC TRANSPORT*												**unfunded**	
Improve Brockville Rd / Kaikorai Valley Rd intersection	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide Funding from $9.0m for low cost, low risk transport projects citywide
Roundabout on Kaikorai Valley Rd in Burnside	*DCC TRANSPORT*												see notes	
Roundabout at Barr St / Kaikorai Valley Rd intersection	*DCC TRANSPORT*												see notes	
Kerb build outs and/or modal filters on Kaikorai Valley Rd between Glenelg St and Brockville Rd	*DCC TRANSPORT*												see notes	
Kairorai Valley Road Study	*DCC TRANSPORT*												opex	New project added
3 WATERS														
Kaikorai Valley diversion to Green Island WWTP	*DCC 3 WATERS*												**$ 60.60**	
Wastewater improvement in Kaikorai Valley	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
Wastewater network programmed renewal in Kaikorai Valley	*DCC 3 WATERS*												**$ 4.00**	
Upgrade main sewer distribution line in Kaikorai Valley	*DCC 3 WATERS*												see notes	Funding from $46.9m for other wastewater renewals citywide
Water distribution network renewal in Kaikorai Valley hills	*DCC 3 WATERS*												**$ 2.00**	Eligible for funding from development contributions
Works to improve water capacity in Kaikorai Valley, Fairfield & Abbotsford	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
New/upgraded stormwater pipes in Kaikorai Valley	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
PARKS & RECREATION														
Upgrade Glenelg Street playground in Kaikorai Valley	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Kaikorai Stream trail	*DCC PARKS*												**unfunded**	No timing set for this action in the FDS
OTHER														
Investigate re-zoning lands proposed for business	*DCC CITY DEV*												opex	Plan changes on hold due to RM reform
New cell sites to serve proposed future industrial land	*TELECOM*												n/a	Delivery timeframe unknown, but not anticipated within the next 2-4 years

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TABLE 6: GREEN ISLAND-CONCORD-CALTON HILL-CORSTORPHINE		SHORT-TERM FISCAL YEARS			MEDIUM-TERM FISCAL YEARS							LONG-TERM 5-YEAR PERIODS	FUNDING MIL$	NOTES
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Footpaths along Blackhead Rd in Green Island	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Carisbrook (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide Partial project delivery expected 2026/27
Intersection of Main South Rd & Emerson St in Concord	*DCC TRANSPORT*												see notes	Planned delivery Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide Funding from $9.0m for low cost, low risk transport projects citywide Project delivery expected 2028/29
Middleton Rd classification status (Corstorphine)	*DCC TRANSPORT*												opex	
Foodpath extension on Emerson St	*DCC TRANSPORT*													New project added
Intersection improvements Corstophine/Riselaw Road, Blackhead/Middleton Road	*DCC TRANSPORT*													New project added
New bus terminus at Blackhead Rd/Emerson St	*DCC TRANSPORT*													New project added
3 WATERS														
Wastewater improvements in Corstorphine	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
Wastewater improvements in Calton Hill (future cap)	*DCC 3 WATERS*												n/a	No timing set in the FDS
Works to improve water capacity in Green Is & Concord	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
Works to improve water capacity in Corstorphine	*DCC 3 WATERS*												see notes	Delayed. Delivery timeframe now 27/28 and 28/29. Funding from $51.1m for other water renewal projects citywide
New/upgraded stormwater pipes in Corstorphine	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
Stormwater improvements in Calton Hill (future cap)	*DCC 3 WATERS*												n/a	Long-term action in the FDS
PARKS & RECREATION														
Upgrade Emerson Park playground in Concord	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Mulford Park playground in Concord	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade playground in Corstorphine	*DCC PARKS*												**$0.20**	
Upgrade playground in Green Island	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
New sports hub (potential location in Corstorphine)	*DCC PARKS*												n/a	Long-term action in the FDS
OTHER														
Closure of Green Island landfill	*DCC WASTE*												**$8.50**	
Development of resource recovery park at GI landfill	*DCC WASTE*												n/a	Long-term action in the FDS

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TABLE 7: SOUTH DUNEDIN-CAVERSHAM-FORBURY-KEW-ST CLAIR-ST KILDA		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Kings (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $2.0m for safer school streets in South Dunedin (zero carbon) Funding from $9.0m for low cost, low risk transport projects citywide Inital work to be undertaken in 2026/27
Queens (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide Inital work to be undertaken in 2026/27
Bathgate Park (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide Inital work to be undertaken in 2026/27
St Bernadettes (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide Inital work to be undertaken in 2026/27
St Clair (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide Inital work to be undertaken in 2026/27
Improve Shore St, Teviot St, Portsmouth Dr intersection	*DCC TRANSPORT*												**$1.40**	
3 WATERS														
Wastewater network improvements in South Dunedin	*DCC 3 WATERS*												see notes	Work in support of South Dunedin Future preferred option Funding from $46.9m for other wastewater renewals citywide Large network improvements are delayed pending SDF outcome. Work completed in Surrey St to divert high level flows to adjacent network.
Works to improve water capacity in South Dunedin	*DCC 3 WATERS*												see notes	Work in support of South Dunedin Future preferred option (prioritised for funding). Funding from $51.1m for other water renewal projects citywide (prioritised for funding) Project delayed pending SDF outcome.
New/upgraded stormwater pipes in South Dunedin	*DCC 3 WATERS*												**$29.20**	Work in support of South Dunedin Future preferred option. Project delayed pending SDF outcome.
HAZARD MITIGATION														
South Dunedin flood alleviation	*DCC 3 WATERS*												**$15.00**	In partnership with ORC Eligible for funding from development contributions Work completed in Surrey St to divert high level flows to adjacent network.
Monitoring under the St Clair to St Kilda Coastal Plan	*DCC TRANSPORT*												see notes	Ongoing BAU In partnership with ORC
South Dunedin Future	*SDF*												opex	
Integrate SDF results into FDS during next review	*DCC CITY DEV*												opex	On hold due to RM reform
PARKS & RECREATION														
Redevelop Marlow Park	*DCC PARKS*												**$4.60**	Timeframe confirmed
OTHER														
Re-zone Te Kaika health centre area in Caversham	*DCC CITY DEV*												opex	Plan changes on hold due to RM reform
South Dunedin Library and Community Complex	*DCC PROPERTY*												**$19.90**	Project completed

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TABLE 8: MUSSELBURGH-TAINUI-ANDERSONS BAY-WAVERLEY-SHIEL HILL		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Bayfield (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Tainui (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Andersons Bay (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
3 WATERS														
Musselburgh wastewater network renewal	*DCC 3 WATERS*												**$8.00**	Project delayed, planning work ongoing
Musselburgh tunnel (replace Tahuna rising mains)	*DCC 3 WATERS*												**$48.90**	Eligible for funding from development contributions
New/upgraded WW pumping stations in Musselburgh	*DCC 3 WATERS*												**$18.40**	
PARKS & RECREATION														
Upgrade Kinvig Street playground in Andersons Bay	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide

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TABLE 9: MOSGIEL		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Strategic Transport Study for Mosgiel	*DCC TRANSPORT*												opex	Currently in progress
Assess appropriateness of indicative freight hub site	*DCC TRANSPORT*												opex	Freight hub proceeding through fast-track consenting process
Mosgiel heavy vehicle bypass	*DCC TRANSPORT*												unfunded	Recommendations on this project to be made as part of the DCC Mosgiel Transport Study and the NZTA SH1/SH87 optimsation project
Pedestrian safety improvements on Gordon Rd	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Raised pedestrian crossing (Wingatui/Gladstone Rd int)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Footpath extension (Irwin Logan Dr to Gladstone Rd)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Footpath extension (north on Riccarton from Gladstone)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Footpath (Wingatui Rd to Gladstone Rd)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Kerb build outs on Lanark St	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Speed reduction infrastructure on Woodland Ave	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Traffic calming & footpath enhancements (Gladstone Rd)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Kerb build outs on side streets around Inglis St	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Cycling safety improvements in Mosgiel	*DCC TRANSPORT*												see notes	Funding from $6.0m for Ōtepoti pathways pedestrian improvements citywide Funding from $6.0m for Ōtepoti pathways cycling improvements citywide
Future cycling and pedestrian routes in Mosgiel	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Mosgiel park and ride	*DCC TRANSPORT*												$ 5.00	
Taieri College (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Placement of modal filters near Ayr St	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide Funding from $9.0m for low cost, low risk transport projects citywide
Roundabout at Bush Rd/Riccarton Rd intersection	*DCC TRANSPORT*												see notes	
Roundabout at Gladstone Rd/Riccarton Rd intersection	*DCC TRANSPORT*												see notes	
Turn restrictions on Bush Rd (multiple intersections)	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Activated warning sign at SH87/Dukes Rd/Gordon Rd int	*WAKA KOTAHI*												unfunded	
Activated warning sign at SH87/Riccarton/School Rd int	*WAKA KOTAHI*												unfunded	
Upgrade SH1 intersection (Riccarton Rd East)	*WAKA KOTAHI*												see notes	Part of Mosgiel optimisation improvement project but not yet scoped

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TABLE 9: MOSGIEL		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
3 WATERS														
Upgrade Green Island WWTP to serve Mosgiel flows	*DCC 3 WATERS*												$ 43.07	Eligible for funding from development contributions
Decommission Mosgiel WWTP and pump to Green Island	*DCC 3 WATERS*													
WWTP upgrades to serve future capacity	*DCC 3 WATERS*												n/a	Long-term action in the FDS
New/upgraded wastewater pipes in Mosgiel	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
New/upgraded wastewater pumping stations in Mosgiel	*DCC 3 WATERS*													Funding from $32.0m for wastewater pumpstation renewal projects citywide
New wastewater detention storage tanks in Mosgiel	*DCC 3 WATERS*												n/a	Long-term action in the FDS
Address wastewater overflows during wet weather	*DCC 3 WATERS*												see notes	Funding from $46.9m for other wastewater renewals citywide
New/upgraded treated water tanks in Mosgiel	*DCC 3 WATERS*												see notes	Funding from $42.9m for other water renewals citywide
New/upgraded water storage in Mosgiel (future capacity)	*DCC 3 WATERS*												n/a	Long-term action in the FDS
Wingatui to Mosgiel water main renewal	*DCC 3 WATERS*												$ 0.50	
Works to improve water capacity in Mosgiel	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
New/upgraded water pump stations in Mosgiel	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
Stormwater pump station & network renewal in Mosgiel	*DCC 3 WATERS*												$ 0.60	
Stormwater infrastructure to support growth	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
Reid Ave stormwater pumpstation upgrade	*DCC 3 WATERS*												$ 8.00	
Stormwater enhancements (future capacity)	*DCC 3 WATERS*												n/a	Long-term action in the FDS

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TABLE 9: MOSGIEL		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
HAZARD MITIGATION														
Taieri flood protection (TFP) - geotechnical investigations	*ORC ENGINEERING*												$21.90	
TFP public safety assessment	*ORC ENGINEERING*													
TFP contour channel resilience upgrade	*ORC ENGINEERING*													
TFP riverside spillway investigations and planning	*ORC ENGINEERING*													Investigation complete. Planning expected to be completed by Sept 26
~~TFP Outram flood bank resilience improvements~~	~~*ORC ENGINEERING*~~													Project no longer required due to the asset state not requiring the anticipated interventions.
TFP lower pond gravity gates renewal	*ORC ENGINEERING*													
TFP scheme performance and risk	*ORC ENGINEERING*													
TFP Taieri/Waipori Confluence	*ORC ENGINEERING*													
Silver Stream capacity maintenance	*ORC ENGINEERING*												$0.80	Phase 3 scheduled for October 2026
Silver Stream pumpstation/environmental improvement	*ORC ENGINEERING*													
PARKS & RECREATION														
Upgrade Willow Street Park playground	*DCC PARKS*												$0.04	Projected completed
Upgrade Kinmont Park playground	*DCC PARKS*												$0.04	Projected completed
Upgrade Sproule Park playground	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Murray Street playground	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Redevelop Mosgiel Memorial Park	*DCC PARKS*												$3.10	
New sports hub (Memorial Park potential location)	*DCC PARKS*												n/a	Long-term action in the FDS
Investigate horse trails in the Takitakioa Forest	*DCC PARKS*												unfunded	In partnership with City Forests
Develop horse trails in the Takitakioa Forest	*DCC PARKS*												unfunded	In partnership with City Forests
Purchase land to link residential & recreational areas	*DCC PARKS*												n/a	Long-term action in the FDS
Provision of a reserve in southeast Mosgiel	*DCC PARKS*												n/a	No timeframe specified in the FDS
Develop a park and tracks along Silver Stream	*DCC PARKS*												n/a	No timeframe specified in the FDS
OTHER														
Re-zoning for freight hub	*DCC CITY DEV*												opex	Plan changes on hold due to RM reform
Address capacity of schools in Mosgiel	*MIN OF ED*												n/a	Timeframe updated to medium term

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TABLE 10: OUTRAM-ALLANTON-MIDDLEMARCH		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Future cycling and pedestrian routes	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Outram (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Rural intersection upgrades along SH1 in Allanton	*WAKA KOTAHI*												unfunded	
SH87 crossing near Hoylake St in Outram	*WAKA KOTAHI*												unfunded	Project description corrected
SH87 crossing near Mold St in Middlemarch	*WAKA KOTAHI*												unfunded	Project description corrected
Connection to Dunedin from Clutha Gold Trail													n/a	Community led & funded
3 WATERS														
Potable water servicing assessment for Middlemarch	*DCC 3 WATERS*												opex	Project completed
Potable water options analysis for Middlemarch	*DCC 3 WATERS*												see notes	Options analysis dependent on servicing assessment results
Provision of water supply in Middlemarch	*DCC 3 WATERS*												n/a	Long-term action in the FDS
Wastewater servicing assessment for Outram	*DCC 3 WATERS*												opex	Project completed
Wastewater options analysis for Outram	*DCC 3 WATERS*												see notes	Options analysis dependent on servicing assessment results
Provision of reticulated wastewater supply to Outram	*DCC 3 WATERS*												n/a	Long-term action in the FDS
Upgrades to Middlemarch wastewater treatment plant	*DCC 3 WATERS*												**$1.70**	Project delayed as will be subject to new Wastewater Environmental Performance Standards (timeframe unconfirmed)
Upgrades to Middlemarch wastewater network	*DCC 3 WATERS*												**$8.10**	Eligible for funding from development contributions
Improvements to address water quality in Outram	*DCC 3 WATERS*												**$0.70**	
Develop new groundwater supply for Outram	*DCC 3 WATERS*												**$6.00**	Eligible for funding from development contributions
HAZARD MITIGATION														
Investigate flood hazard mitigation in Middlemarch	*ORC NAT HAZ*												see notes	Funded through LTP and AP In partnership with DCC 3 Waters
Undertake mitigation improvements in Middlemarch	*ORC NAT HAZ*												see notes	Funded through LTP and AP In partnership with DCC 3 Waters
Improvements to Lower Taieri flood protection scheme	*ORC ENGINEERING*												see notes	See Taieri flood protection actions in Table 9. Regional infrastructure fund grant received for this project
PARKS & RECREATION														
Upgrade Allanton playground	*DCC PARKS*												**$0.10**	Project completed
Upgrade Middlemarch playground	*DCC PARKS*												**$0.30**	

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TABLE 11: OTAGO PENINSULA		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MILS	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Safety upgrades (Camp Rd/Portobello Rd int in Broad Bay)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide
Future cycling and pedestrian routes	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Completion of Te Aka Ōtākou (Portobello/Harington Pt)	*DCC TRANSPORT*												**$20.50**	Action supports hapu aspirations and intent
Resilience improvements to Harington Pt Rd	*DCC TRANSPORT*												see notes	Action supports hapu aspirations and intent Funding from $14.0m for transport coastal plan citywide
Increase frequency of bus service to Portobello	*ORC TRANSPORT*												**unfunded**	
3 WATERS														
Potable water servicing assessment for Harington Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent. Project Complete
Potable water options analysis for Harington Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent Options analysis dependent on servicing assessment results
Provision of reticulated water supply to Harington Pt	*DCC 3 WATERS*												**unfunded**	Action supports hapu aspirations and intent
Wastewater servicing assessment for Harington Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent. Project Complete
Wastewater options analysis for Harington Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent Options analysis dependent on servicing assessment results
Provision of reticulated wastewater to Harington Pt	*DCC 3 WATERS*												see notes	Action supports hapu aspirations and intent Eligible for funding from development contributions Funding from $46.3m for wastewater service extensions citywide
New/upgraded wastewater pipes (2GP growth areas)	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $30.2m for new capital projects supporting growth citywide Funding from $31.0m for consequential growth renewal projects citywide
Address wastewater overflows during wet weather events	*DCC 3 WATERS*												n/a	Long-term action in the FDS
Rotary park water main network renewal	*DCC 3 WATERS*												**$10.20**	Eligible for funding from development contributions
Works to improve water capacity	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
PARKS & RECREATION														
Upgrade Harwood Park & Irvine Rd playgrounds	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide *(project moved to correct table)*
Upgrade playground in Broad Bay	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Harwood Park in Harwood	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Latham Park in Portobello	*DCC PARKS*												**$0.20**	
Investigate developing a track from St Clair to Portobello	*DCC PARKS*												n/a	Long-term action in the FDS

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TABLE 12: SOUTH COAST		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Future cycling and pedestrian routes	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Cycleway to connect Brighton with Green Island	*DCC TRANSPORT*												**unfunded**	
Big Rock School (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Safety improvements (Church Hill & Green Is Bush Rds)	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Increase frequency of bus service to Brighton	*ORC TRANSPORT*												**unfunded**	
3 WATERS														
Investigate water supply constraints	*DCC 3 WATERS*												**unfunded**	Alternative approach recommended in ISP
PARKS & RECREATION														
New recreational facilities in Brighton	*DCC PARKS*												n/a	Community funded
OTHER														
Opening of Smooth Hill landfill	*DCC WASTE*												**$92.40**	
Address school capacity issues on South Coast	*MIN OF ED*												**n/a**	No current capacity issues, project unlikely to be required

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TABLE 13: NORTH COAST		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Future cycling and pedestrian routes	*DCC TRANSPORT*												n/a	Long-term action in the FDS. Waitati walking and cycling bridge indicatively planned for 2027/28. New track to development sites and upgrades to the existing Waitati path planned for 2028/29
Warrington & Karitāne (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Improve resilience of Coast Rd & Stornaway St in Karitāne	*DCC TRANSPORT*												see notes	Funding from $14.0m for transport coastal plan citywide
Coastal Communities Cycle Connection													n/a	Community led and funded
SH1 pedestrian crossing near Mount St, Waikouaiti	*WAKA KOTAHI*												**unfunded**	Project description amended
SH1 activated warning signs near Jones Rd in Evansdale	*WAKA KOTAHI*												**unfunded**	
Safety improvements to bus stops on SH1	*DCC TRANSPORT*												**unfunded**	Delivery team updated
3 WATERS														
Potable water servicing assessment for Brinns Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent. Project Complete
Potable water options analysis for Brinns Pt	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent Options analysis dependent on servicing assessment results
Provision of reticulated water supply to Brinns Pt	*DCC 3 WATERS*												**unfunded**	Action supports hapu aspirations and intent
WW serv assessment for Brinns Pt, Puketeraki & Waitati	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent. Project Complete
WW options analysis for Brinns Pt, Puketeraki & Waitati	*DCC 3 WATERS*												opex	Action supports hapu aspirations and intent Options analysis dependent on servicing assessment results
Provide reticulated WW to Brinns Pt, Puketeraki & Waitati	*DCC 3 WATERS*												see notes	Action supports hapu aspirations and intent Eligible for funding from development contributions Funding from $46.3m for wastewater service extensions citywide
New centralised WWTP (decommission existing WWTPs)	*DCC 3 WATERS*												**$43.60**	Action supports hapu aspirations and intent Eligible for funding from development contributions
New groundwater supplies for Waikouaiti & Karitāne	*DCC 3 WATERS*												**$11.80**	Eligible for funding from development contributions
Upgrade capacity of northern pipeline from Mt. Grand	*DCC 3 WATERS*												**unfunded**	Alternative approach recommended in ISP
Upgrade Waikouaiti water treatment plant	*DCC 3 WATERS*												**$1.00**	Eligible for funding from development contributions
Works to improve water capacity in Warrington & Seacliff	*DCC 3 WATERS*												see notes	Funding from $51.1m for other water renewal projects citywide
Works to improve water capacity in Waitati	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
PARKS & RECREATION														
Upgrade Waikouaiti Domain playground	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Seacliff & Stephenson St playgrounds	*DCC PARKS*												**$0.08**	Need for upgrading Stephenson Street playground still to be confirmed
Upgrade Warrington Domain playground	*DCC PARKS*												**$0.20**	

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TABLE 14: WEST HARBOUR		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Pedestrian and cycle crossing points along SH88													see notes	Eligible for funding from development contributions Funding from $19.8m for FDS transport projects citywide Project not currently planned.
Future cycling and pedestrian routes	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Port Chalmers (school road safety improvements)	*DCC TRANSPORT*												see notes	Eligible for funding from development contributions Funding from $9.0m for low cost, low risk transport projects citywide
Improve resilience of Osborne Rd & Aramoana Rd	*DCC TRANSPORT*												see notes	Funding from $14.0m for transport coastal plan citywide
Increase frequency of bus service to Port Chalmers	*ORC TRANSPORT*												**unfunded**	
Cycleway to connect Port Chalmers to Waitati													n/a	Community led & funded
Safety improvements to bus stops on SH88													**unfunded**	Project not currently planned
3 WATERS														
New/upgraded wastewater pipes	*DCC 3 WATERS*												see notes	Funding from $46.9m for other wastewater renewals citywide
Improvements to address WW issues in Sawyers Bay	*DCC 3 WATERS*												see notes	Project awaiting outcome of wastewater optimisation project Funding from $46.9m for other wastewater renewals citywide.
Works to address wastewater overflows in Sawyers Bay	*DCC 3 WATERS*												see notes	Project awaiting outcome of wastewater optimisation project Funding from $46.9m for other wastewater renewals citywide.
Construct water main to Port & decommission Port WTP	*DCC 3 WATERS*												**$14.20**	Eligible for funding from development contributions
Pipe upgrades to improve water capacity	*DCC 3 WATERS*												see notes	Funding from $51.1m for other water renewal projects citywide
New/upgraded stormwater pipes	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
PARKS & RECREATION														
Upgrade Watson Park playground	*DCC PARKS*												**$0.30**	
Upgrade Manuka St playground	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade Hudson Park playground	*DCC PARKS*												see notes	Funding from $0.5m for playground renewals citywide
Upgrade to playgrounds	*DCC PARKS*												n/a	Long-term action in the FDS
Rec links (Port Chalmers, Sawyers Bay & cycleway)	*DCC PARKS*												n/a	Long-term action in the FDS

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TABLE 15: CITYWIDE		SHORT-TERM			MEDIUM-TERM							LONG-TERM	FUNDING	NOTES
		FISCAL YEARS			FISCAL YEARS							5-YEAR PERIODS	MIL$	
		24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/39		
PROJECT DELIVERY	**PROGRAMME DELIVERY**													
TRANSPORT (PUBLIC, PRIVATE, FREIGHT)														
Initial options assessment for an inland port	*DCC TRANSPORT*												opex	Fast track inland port application process underway
Develop passenger rail service	*DCC TRANSPORT*												n/a	Long-term action in the FDS Implementation not recommended in 2025 passenger rail study
Rail shift feasibility study	*DCC TRANSPORT*												opex	To be done in parallel with refresh of integrated transport strategy
Cycling improvements in the main urban area	*DCC TRANSPORT*												see notes	Funding from $6.0m for Ōtepoti pathways pedestrian improvements citywide Funding from $6.0m for Ōtepoti pathways cycling improvements citywide
Future cycling & pedestrian routes in the main urban area	*DCC TRANSPORT*												n/a	Long-term action in the FDS
Tunnels Trail connecting Mosgiel to Dunedin, Stage 1	*DCC TRANSPORT*												**$1.40**	Completed. In partnership with Dunedin Tunnels Trail Trust
Tunnels Trail connecting Mosgiel to Dunedin, later stages	*DCC TRANSPORT*												**$1.00**	In partnership with Dunedin Tunnels Trail Trust Anticipated to be partially community funded
Parking policy	*DCC TRANSPORT*												**$1.40**	Part of larger central city parking management project Delivery timeframe updated from 25/26
Coastal hazard monitoring and mapping	*DCC TRANSPORT*												see notes	Funding from $14.0m for transport coastal plan citywide In partnership with ORC Natural Hazards
3 WATERS														
Green Island & Tahuna WWTP upgrades based on PCA	*DCC 3 WATERS*												**$8.80**	Eligible for funding from development contributions
Green Island WWTP improved land contact/passage	*DCC 3 WATERS*												**$5.00**	Eligible for funding from development contributions
All WWTPs minor renewals	*DCC 3 WATERS*												**$10.60**	Eligible for funding from development contributions
Tahuna WWTP nitrous oxide solution	*DCC 3 WATERS*												**$0.40**	Project complete, no capital works required
Upgrade main sewer interceptor	*DCC 3 WATERS*												**$26.30**	Eligible for funding from development contributions
New/upgraded WW pipes in main urban area (future cap)	*DCC 3 WATERS*												n/a	Long-term action in the FDS Excludes Calton Hill
All WTPs renewals/upgrades based on PCA	*DCC 3 WATERS*												**$39.80**	Eligible for funding from development contributions
All WTP minor renewals	*DCC 3 WATERS*												**$4.30**	
Offline water storage (damming of water on land)	*DCC 3 WATERS*												n/a	Long-term action in the FDS
New/upgraded treated water tanks	*DCC 3 WATERS*												see notes	Project delayed, awaiting outcome of district metering areas project. Funding from $42.9m for other water renewals citywide.
Upgraded water storage in main urban area (future cap)	*DCC 3 WATERS*												n/a	Long-term action in the FDS
New/upgraded water pump stations in main urban area	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $21.0m for new capital projects supporting growth citywide Funding from $22.7m for consequential growth renewal projects citywide
Water pump stations in main urban area (future cap)	*DCC 3 WATERS*												n/a	Long-term action in the FDS
New/upgraded SW pump stations in main urban area	*DCC 3 WATERS*												see notes	Eligible for funding from development contributions Funding from $8.1m for new capital projects supporting growth citywide Funding from $18.3m for consequential growth renewal projects citywide
Upgraded SW infrastructure, main urban area (future cap)	*DCC 3 WATERS*												n/a	Long-term action in the FDS Excludes Calton Hill
HAZARD MITIGATION														
Monitor coastal erosion	*ORC NAT HAZ*												n/a	Ongoing BAU work
PARKS & RECREATION														
New/upgraded playgrounds in main urban area	DCC PARKS												n/a	Long-term action in the FDS
Accessible pedestrian connections to recreational spaces in the main	DCC PARKS												n/a	Long-term action in the FDS
New sports fields (replace fields lost to managed retreat)	DCC PARKS												n/a	Long-term action in the FDS
New/upgraded walkways in main urban area	DCC PARKS												n/a	Long-term action in the FDS
New/upgraded open space in main urban area	DCC PARKS												n/a	Long-term action in the FDS
Urban forest plan	DCC PARKS												opex	In partnership with DCC City Development
OTHER														
Green blue network action plan	DCC CITY DEV												$0.20	Project anticipated to have multiple partners (DCC Parks, DCC Zero Carbon, ORC) Project on hold pending resource management reform (anticipated to be incorporated into Regional Spatial Plan work)
Review planning provisions for use of native reserves	DCC CITY DEV												opex	Action supports hapu aspirations and intent Plan changes on hold due to RM reform Timing updated
FDS implementation plan & action monitoring	JOINT DCC/ORC												opex	Ongoing BAU work
Monitor housing and business land needs	JOINT DCC/ORC												opex	Ongoing BAU work
Prepare HBA (next HBA prior to 2027 LTP)	JOINT DCC/ORC												opex	Timing updated. Completion anticipated late 2026
Review of FDS (next review prior to 2027 LTP)	JOINT DCC/ORC												opex	On hold due to RM reform
Update of FDS (next update prior to 2030 LTP)	JOINT DCC/ORC												opex	On hold due to RM reform

11.10. Annual Returns of Inactive Subsidiaries

Prepared for:	Council
Report No.	FIN2613
Activity:	Finance
Author:	Nick Donnelly (General Manager Finance), Sarah Munro (Group Financial Controller).
Endorsed by:	Nick Donnelly (General Manager Finance)
Date:	26 August 2026
Portfolio Leads:	Cr Malcolm and Cr Gardner, Finance

PURPOSE

[1] To pass resolutions in lieu of holding annual general meetings for Council's three wholly owned inactive subsidiaries. The resolutions are to not hold an annual general meeting and to not appoint an auditor for each company.

EXECUTIVE SUMMARY

[2] Council is the sole shareholder of three inactive subsidiaries. These shareholdings are retained to ensure the company names cannot be used by anyone other than Council.

[3] Under the Companies Act each company is required to have either an Annual General Meeting, or under Section 122 of the Companies Act the shareholders may pass a special resolution that it shall not be necessary for a company to hold an annual general meeting if everything required to be done at that meeting is done by resolution.

[4] At an Annual General Meeting, the company must decide whether to appoint an auditor. A company need not appoint an auditor if a unanimous resolution is passed by all the shareholders.

[5] Given that the companies are inactive, it is recommended that Council pass two resolutions for each of the companies; the first to not hold an Annual General Meeting, and the second to not appoint an auditor.

RECOMMENDATION

That the Council:

1) ***Approves*** *the following resolutions:*
   a. *That it shall not be necessary for Regional Services Limited to hold an Annual General Meeting for the 2026 year under section 120 of the Companies Act 1993.*
   b. *That no auditors be appointed for Regional Services Limited for the year ending 30 June 2027 under section 196 (2) of the Companies Act 1993.*
   c. *That it shall not be necessary for Regional Pest Services Limited to hold an Annual General Meeting for the 2026 year under section 120 of the Companies Act 1993.*

d. That no auditors be appointed for Regional Pest Services Limited for the year ending 30 June 2027 under section 196 (2) of the Companies Act 1993.

e. That it shall not be necessary for Regional Monitoring Services Limited to hold an Annual General Meeting for the 2026 year under section 120 of the Companies Act 1993.

f. That no auditors be appointed for Regional Monitoring Services Limited for the year ending 30 June 2027 under section 196 (2) of the Companies Act 1993.

BACKGROUND

[6] Due to the significance and profile of Council's previous Regional Services Business Unit, the Council, solely for name protection purposes, registered the following companies in April 2006:

- Regional Services Limited;
- Regional Pest Services Limited;
- Regional Monitoring Services Limited.

[7] The companies are inactive, and do not have constitutions. The companies are owned 100% by the Otago Regional Council, with a share issue of 100 shares in each company. It is considered important to retain these companies, as this will ensure that the names cannot be used by any other party. The use of these names would suggest a linkage to the Otago Regional Council.

[8] Section 214 of the Companies Act 1993 requires that an Annual Return be completed for each of the above companies each year. The Annual Return includes providing information on shareholding, auditors and Annual General Meetings.

SUMMARY OF CONSIDERATIONS

Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Whole of Organisation

This work supports the whole organisation and, therefore, all Community Outcomes.

Alignment With Central Government Legislation

There is no specific national policy statement or central government direction that is directly applicable to this work.

Alignment With ORC Internal Policy

Not Applicable

Financial Considerations

The budget for this work was approved through the 2026-27 Annual Plan and comes from the Council Organisation activity budget.

Legal/Compliance Risk

There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
Not Applicable

Engagement With Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
Not Applicable

COMMUNICATIONS
Not Applicable

NEXT STEPS

[9] Finance staff will file the Annual Return for the three subsidiary companies.

ATTACHMENTS

Nil

11.11. Draft Living Wage Implementation Plan

Prepared for:	Council
Report No.	S&C2630
Activity:	Health, Safety and Wellbeing
Author:	Ema Kurbos-Cooper (Advisor Strategy)
Endorsed by:	Tami Sargeant (General Manager People and Corporate)
Date:	26 August 2026
Portfolio Leads:	Cr Malcolm and Cr Gardner, Finance

PURPOSE

[1] This paper seeks Council direction on whether staff should proceed with developing an implementation plan for ORC to become a Living Wage Accredited Employer.

EXECUTIVE SUMMARY

[2] On 23 July 2025, a paper was brought before Council to discuss the opportunities and risks associated with ORC becoming a Living Wage Accredited Employer. A resolution that the Council "Directs staff to report back to Council with a draft implementation plan for living wage accreditation for council to discuss, including cost estimates for meeting the necessary criteria" was moved and carried.

[3] Since this time, the context within which ORC operates has changed. Resource Management and Local Government reforms are now underway, rates capping has progressed, and local government elections have taken place. As this is a new Council, staff have prepared this paper in lieu of a full implementation plan, so that Council can confirm their direction on this matter before any more resource is dedicated to it.

RECOMMENDATION

That the Council:

1) ***Notes*** *this report.*
2) ***Directs*** *staff on whether or not to develop an implementation plan for ORC to achieve Living Wage Employer Accreditation.*

BACKGROUND

[4] Living Wage is defined as "The income necessary to provide workers and their families with the basic necessities of life." It is independently calculated each year by the New Zealand Family Centre Social Policy Unit. The rate for 2025/26 is $28.95, increasing to $29.90 from 1 September 2026.

[5] A few regional councils in New Zealand have achieved Living Wage accreditation:

a. Environment Canterbury (ECAN)
b. Greater Wellington Regional Council (GWRC)
c. Auckland Council

[6] ORC already pays all directly employed staff and bus drivers at or above the Living Wage. Accreditation would formalise this commitment and extend it to all regular contractors and sub-contractors.

[7] As noted above, on 23 July 2025, a paper was brought before Council to discuss the opportunities and risks associated with ORC becoming a Living Wage Accredited Employer, and staff were requested to prepare a draft implementation plan for consideration. Much has changed since then, and as this is a new Council it was considered prudent to reconfirm Council's direction on this matter before any more resource is dedicated to it.

DISCUSSION

[8] To become an accredited Living Wage Employer, ORC must meet several criteria set by the Living Wage Movement Aotearoa New Zealand:

a. Pay the Living Wage to all directly employed staff and regular contractors (e.g., cleaning, pest management, public transport).
b. Provide employees with access to a union.
c. Apply to the Accreditation Advisory Board.
d. Sign a licensing agreement to use the Living Wage Trademark.
e. Pay an annual accreditation fee of $1,500.
f. Undergo periodic compliance reviews.

[9] The requirements for becoming a Living Wage Accredited Employer are attached at Attachment 1.

[10] The definition supplied by Living Wage Aotearoa for "regular and ongoing contractors" has been further clarified by GWRC via their successful accreditation process.

[11] Of the contractors that ORC has worked with in the past seven years, roughly 700 would be considered "regular" contractors. Of those regular contractors, about one-third deliver services falling within scope of Living Wage accreditation. These contractors will need to be paying the Living Wage to all their employees who are delivering services for ORC. Some of these contractors, particularly in sectors such as professional and legal services, will most likely already be paying at or above the Living Wage. It is expected that others, particularly in sectors such as cleaning and security, may not be paying their employees the Living Wage.

[12] Engagement with in-scope suppliers would be necessary to determine exactly how many would be impacted by an ORC move toward Living Wage Employer Accreditation. To avoid signalling to contractors that changes may be coming when a Council decision has not yet been made, such engagement has not yet been undertaken.

[13] While this paper does not include a full implementation plan for achieving accreditation, an overview of the process ORC would need to follow has been prepared:

a. Stage 1: Engage with ORC's in-scope contractors to understand which are currently paying the Living Wage. Estimate total cost gap between current wages and the Living Wage. This will indicate how much more it would cost for ORC to continue procuring these services from those providers (it is assumed that the cost of raising wages to the Living Wage will be on-charged to ORC).
b. Stage 2: Using the information gathered in Stage 1, prepare an implementation plan for achieving Living Wage Employer Accreditation and present this plan to Council for a decision. Should Council decide against adopting the implementation plan, the process would end here.
c. Stage 3: Establish milestones for bringing current contractors in line with Living Wage Accreditation criteria. These milestones will align with contract expiration timeframes, so that current contracts do not need to be renegotiated.
d. Stage 4: Update ORC's Procurement Policy to formalise ORC's commitment to being a Living Wage Employer within organisational policy. Add a declaration to ORC's New Supplier Request Form to record contractor commitment to paying the Living Wage and to ensure all new in-scope contracts adhere to Living Wage Accreditation criteria.
e. Stage 5: Apply for Living Wage Employer Accreditation.

[14] There are potentially far-reaching benefits to Living Wage accreditation:

a. Enhanced workforce stability and reduced turnover, both for ORC and relevant contractors.
b. Demonstrated commitment to fair employment practices.
c. Broader economic benefits through increased local spending and reduced reliance on social services.

[15] Living Wage accreditation also carries risks that would need to be carefully managed:

a. Increased costs from extending the Living Wage to all relevant contractors and sub-contractors, especially in lower-paid sectors like maintenance, cleaning, and security services.
b. Procurement processes would need to be updated to include Living Wage requirements.
c. Ongoing compliance monitoring may increase administrative burden.
d. Reputational risk if implementation is incomplete or inconsistent.
e. The pool of contractors ORC can work with may become limited.

OPTIONS

[16] Option 1: *Council decides to further explore Living Wage Employer Accreditation and directs staff to prepare an implementation plan with costings.*

[17] Option 2: *Council decides not to pursue Living Wage Employer Accreditation at this time.*

[18] Due to the uncertain future of the ORC organisation with Local Government reforms underway, Option 2 is recommended.

SUMMARY OF CONSIDERATIONS

Community Outcomes
This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

Communities

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

Alignment With Central Government Legislation
There is no specific national policy statement or central government direction that is directly applicable to this work.

Alignment With ORC Internal Policy
This work is consistent with relevant ORC policies, in particular ORC's People Strategy and Remuneration Grades.

Financial Considerations
There are no costs associated with delivering the recommended option (Option 2). ORC currently pays staff and bus drivers at or above the Living Wage, and this is provided for within budgets. The implications of extending to all relevant contractors and sub-contractors is unknown (Option 1).

Legal/Compliance Risk
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

Reputational Risk
There is a risk that communities will be disappointed in ORC's option either to pursue or not to pursue Living Wage Employer Accreditation. In either case, it is important to note that ORC already pays all directly employed staff at or above the Living Wage, and this cost is already budgeted for.

Climate Resilience
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

Carbon Emissions
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
Not Applicable

Engagement with Mana Whenua
There has been no engagement with mana whenua or Māori specifically for this work.

Stakeholder Engagement
ORC has engaged with the accrediting body, Living Wage Aotearoa, to inform the preparation of this paper. Engagement with contractors would be essential if Council were to decide to

direct staff to prepare an implementation plan for ORC to achieve Living Wage Employer Accreditation.

Communications

The decision will be communicated with the relevant audiences, in particular Living Wage Aotearoa and – if Council decides to direct staff to prepare an implementation plan for ORC to achieve Living Wage Employer Accreditation – contractors. – contractors.

NEXT STEPS

[19] ORC will continue current practice of ensuring that all directly employed staff and contracted bus drivers are paid at or above the Living Wage.

[20] Should Council decide to further explore Living Wage Employer Accreditation, staff will prepare an implementation plan with costings to inform Council's future decision on whether or not to apply for accreditation.

ATTACHMENTS

1. LWE Accreditation Criteria for Living Wage Employers [**11.11.1** - 3 pages]
2. LWE Accreditation Policy [**11.11.2** - 1 page]

Accreditation criteria for Living Wage Employers

You must fulfil the following criteria to achieve and keep Living Wage Employer accreditation. Once you're accredited:

- you'll be a Living Wage Employer
- you can display the Living Wage Employer trade marks.

Your employees get the Living Wage

All your directly employed workers aged 16 or over and based in New Zealand must be on the current Living Wage. 'Directly employed workers' are people you employ in an employer–employee relationship.

Workers employed by contractors get the Living Wage

All indirectly employed workers must be either:

- on the current Living Wage
- on milestones for phasing in the Living Wage, as we've agreed with you.

'Indirectly employed workers' are people employed by your contractors (other than apprentices or interns) who do a service for you on a regular and on-going basis at any of:

- your premises
- property you own, occupy, or lease
- land you're responsible for maintaining or working on
- another workplace
- their own home.

Examples of indirectly employed workers

Workers who come onto your premises regularly, such as:

- cleaners
- security staff
- mailroom staff
- catering staff.

Workers who work in other places, such as:

- construction workers who work on various sites
- home care workers who work in the community
- truck drivers who travel the country.

Some workers and work do not count towards accreditation

We don’t count these things towards your accreditation:

- workers who are self employed
- work arranged by a landlord to deliver services on your premises
- work delivered by a separate entity on premises they hire from you
- work you pay for that’s not ‘regular and on-going’ — for example, contracts you have with printers, telecommunication providers, electricity retailers.

Some workers employed by subcontractors get the Living Wage

Some people employed by your subcontractors may meet the definition of ‘Indirectly employed workers’. If they do, they must be either:

- on the current Living Wage
- on milestones for phasing in the Living Wage, as we’ve agreed with you.

We’ll help you identify which of your subcontractors’ workers meet this definition.

Trainees get the training rate or the Living Wage, plus costs

You must pay trainees:

- the training rate (90% of the current Living Wage) for the first 12 months, or 1,040 hours of work, whichever is less
- the full Living Wage rate after 12 months
- all costs to do with getting qualified, including course costs and leave needed.

If you don’t meet the above criteria, the Living Wage rate applies.

Trainees are workers:

- doing an NZQA qualification to Level 3 NZQA Certificate or above
- receiving their training to meet the requirements of their job.

You don’t need to pay the Living Wage to apprentices

The Living Wage does not apply to apprentices. Formal apprenticeships under the Education and Training Act 2020 have pay criteria dictated by government.

Your franchisees meet all the accreditation criteria

If you’re a master franchiser, you must make sure that all your franchisees meet the criteria for Living Wage Employers. (A master franchiser being accredited does not automatically result in accreditation for individual franchisees.)

If you’re a franchisee, you can become accredited individually. This accreditation does not apply to other franchisees unless either:

- the master franchiser is accredited and has included individual franchisees on their licence agreement
- the other franchisees have individual accreditations.

Your workers have access to a union

You must give your workers access to a union, as required by section 20 of the Employment Relations Act 2000. We’ll check that you’ve done this. If you have a current relationship with the union, we’ll notify the union that you’ve become accredited, giving them at least 7 days’ notice.

Your workers’ conditions are not reduced

You must not reduce your employees’ terms and conditions to pay the Living Wage. For example, you cannot reduce hours or other benefits so you can cover the cost of paying the Living Wage.

Salaries increase within 5 months of a Living Wage increase

You must apply the new Living Wage rate within 5 months of it being released.

Your accreditation is valid once you’ve signed your licence

When you’ve met all the above criteria, you’ll sign an Accreditation Licence. Your Living Wage Employer accreditation is valid for as long as your licence is in force.

Living Wage
Aotearoa New Zealand

LIVING WAGE EMPLOYER ACCREDITATION POLICY

1. The criteria for an Accredited Living Wage Employer[1] are as follows:
   a. All directly employed workers are on the current Living Wage prior to accreditation "Directly employed" means that workers employed by a business/organisation in an employer/employee relationship
   b. All indirectly paid workers employed by contractors, delivering a service to the business/ organisation on a regular and on-going basis[2], are either on the current Living Wage or on milestones agreed as part of the License
   c. Employers have provided workers with access to a union[3], and
   d. Employees' terms and conditions have not been reduced in order to meet the current Living Wage rate. An example of this may be the reduction of hours or other benefits in order to pay for the cost of delivering the Living Wage.
2. The Living Wage Licence will remain valid for 12 months or until the release of the new Living Wage rate.
3. The licensed Living Wage Employer must implement the new Living Wage rate within four months of the release of the new rate in order to continue to be a license-holder.

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1. The words "Living Wage Employer" refer to any franchiser and its franchisees i.e. a Living Wage franchiser must ensure all franchisees are also meeting the criteria for a Living Wage.
2. The intention of this clause is to at least cover cleaners and others coming in to the workplace to do regular work. It would generally apply to work done on the premises but some contracting out is not necessarily on the premises (e.g. book-keeping, deliveries) and could be taking place in other workplaces or in the home. In some cases the workplace is not a building and the contracted work could be out in the community (e.g. construction, home care, truck-driving). Wider procurement issues such as contracts the employer has with printers, telecommunication providers, electricity retailers and so on, would need to be addressed on a case-by-case basis. For the purposes of this provision they are not considered "regular and on-going" and would not be a requirement of accreditation.
3. There is a current requirement in law to provide union access (Employment Relations Act 2000 s20). Accreditation will seek confirmation that this has been acted upon and that where there is a current relationship with a union that this union has been notified.