

What's the story?

Why is my rates bill a lot higher than last year?

Environment and climate change are hot topics. So it's not surprising our communities and central government are asking us here at Otago Regional Council (ORC) to achieve more for the wellbeing of Otago's environment and communities.

These are challenging times for everyone in Otago as we balance what is expected of us with what is affordable and achievable. ORC is both catching up on its work and responding to central government's expectations to do more.

There's lots to be done.

And it's simple.

Doing more costs more.

How ORC funds these increased costs is a little more complex. Our 2021-2031 Long-term Plan (LTP) sets the direction for spending and activities for the next 10 years.

The LTP's financial strategy provides the detailed background for the significant rates increase in 2021-2022. It uses debt, rating and investment income combined to lessen the impact of increased spending on ratepayers.

This flier presents an overview of our work and how it's funded.



So...what will you get for your money?

You've told us what your priorities are for Otago's future as part of our 2021-2031 Long-term Plan process. Our work programme reflects these priorities and the need to meet the direction set by central government.

Our work and priorities

| Environment  | Transport  | Safety and resilience  |
|--|--|---|
| <p>We've increased our capacity to work on:</p> <p>Land and water</p> <ul style="list-style-type: none"> Regional Plan integrated catchment action plans site specific projects a strategic lakes plan <p>In biodiversity and biosecurity we're</p> <ul style="list-style-type: none"> extending knowledge and monitoring of biodiversity | <p>Our focus is to improve bus services in Dunedin and Queenstown for the long-term. These services come at a significant cost, and we continue to explore the balance between the price of fares and rates, acknowledging that COVID continues to influence passenger numbers (particularly in Queenstown).</p> | <p>We've maintained our capacity to provide</p> <ul style="list-style-type: none"> flood protection and drainage schemes across Otago an emergency management response <p>We're gradually doing more work to understand natural hazard and climate-related risks.</p> |

Environment

- undertaking on the ground initiatives
- implementing the Regional Pest Plan

In **air quality** we've

- paused our work over the next two years except in air monitoring
- our focus is to create a regional air plan and strategy

Climate change is an issue of global importance. At ORC it touches everything we do. Our immediate priorities are to understand the risk climate change brings to Otago, and to connect with our key partners (including central government) to share knowledge and understanding.

Paying for these services

The table below shows the different types of funding used to pay for ORC's work – totalling \$97million.

While all this funding is important it is usually the rates component that grabs the attention – it provides 41% of the money needed to deliver the total work programme.

Understanding the two types of rates on your bill provides some insight into who pays for what. Ratepayers across the region don't all receive the same service. This is reflected in the rates they pay.

- General rates** are paid by all Otago ratepayers for services where there is a perceived benefit to everyone.

- Targeted rates** are paid for service(s) to a specific community (e.g. a district or a smaller geographic area). These services may be public transport, flood protection and drainage activity.

In a nutshell, people living in different parts of Otago may receive different ORC services (targeted rates) depending on the local environment and economic activity where they live – and pay accordingly.

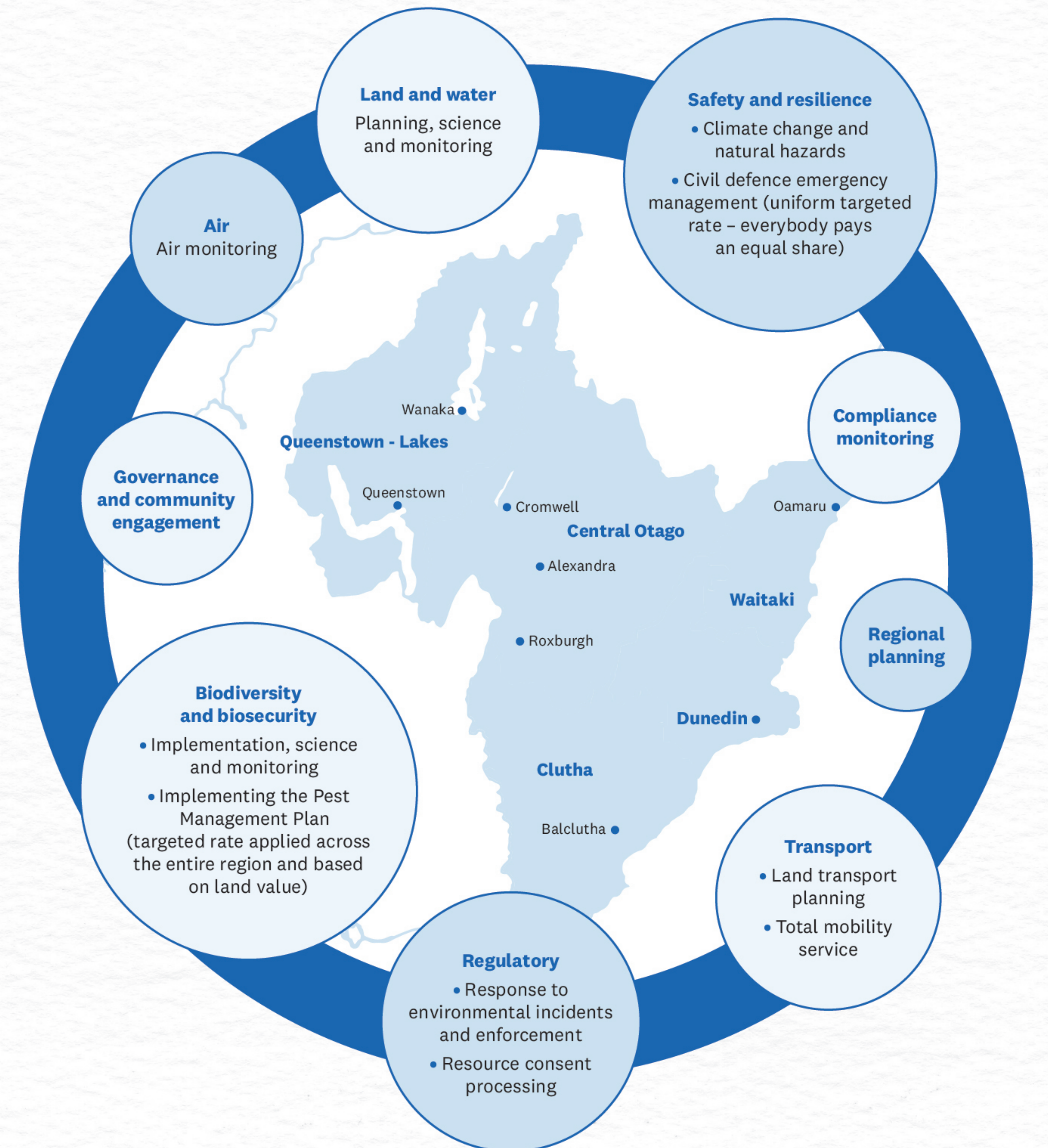


| ACTIVITY AREA | 2021-22 |
|-------------------------------|---------------------|
| General Rates | \$19,364,000 |
| Targeted Rates | \$20,398,000 |
| Grants | \$18,637,000 |
| Other income (e.g. bus fares) | \$10,487,000 |
| Fees and Charges | \$6,158,000 |
| Reserves | \$8,025,000 |
| Dividends and Investments | \$13,928,000 |
| TOTAL INCOME IN YEAR 1 | \$96,997,000 |

By spreading costs over several years, and using our investments and dividends, we're planning to achieve a sound and sustainable future for Otago.

Services funded by general rates across Otago

We're all paying for the services shown below (or a proportion of them) mainly via ORC's general rate no matter where we live in Otago. A few are also partly funded through individual fees or charges (e.g. regulatory) or central government grants (e.g. transport).



District targeted rates

This map indicates important work that is either 100% or mostly funded by district ratepayers through a targeted rate.

Where there is a regional benefit to this work general rates may make a small but valuable contribution. Work may also be supported by a partial grant e.g. government support for flood and drainage projects.

Your targeted rates fund specific projects benefitting your local community.

