

KEY DECISIONS

IN THE LEAD UP TO THIS LONG TERM PLAN WE PRODUCED A CONSULTATION DOCUMENT TO HELP EXPLAIN KEY ISSUES AND DECISIONS COUNCIL WAS FACING. IT SET OUT OPTIONS WE WANTED FEEDBACK ON TO HELP US IN MAKING CHOICES AND SET FUTURE DIRECTION.

Just over 220 written submissions were received from residents and organisations.

A further 48 people also came to speak to Council in support of their written submissions.

Thanks also to the 300 residents who responded to questions about the Long Term Plan priorities during the Annual Resident Survey in April 2021.

Council would like to formally acknowledge those who took time to be involved and give their feedback.

The key issues as presented in the consultation document are included on the following pages, along with the decisions Council went on to make for this plan.





Let's talk
Kia korero

LIVING & WORKING IN CLUTHA UPDATE

Our 'Living & Working in Clutha' Strategy is one of our key guiding documents. In this Long Term Plan we gave it a refresh to explain how we're intending to promote the well-being of the Clutha District's communities. It focuses on these priorities we believe have a crucial part to play:

Facilitating More Quality Housing

Clutha District's housing market is under pressure, with the availability of quality housing for both ownership and rental an issue. Demand for social housing is also growing. We're proposing to play an active leadership role to enable housing solutions. This includes continuing to build on partnerships with communities and Central Government. We will look to continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and in-fill development in our towns.

Filling Our Jobs

We're focused on sustaining and growing businesses by helping fill jobs in the district. For Clutha District this means continuing to provide direct recruitment support for our businesses. Having a vibrant and diverse workforce with the skills to meet the changing needs of the district will be crucial to our success both now and into the future. We see also a key role of Council is to provide supporting infrastructure which enables businesses to flourish.

Improving Health, Safety & Well-Being

Our communities are known for being caring and supportive, with a practical no nonsense approach to addressing issues. We have a relatively small and aging population and our volunteers are increasingly stretched. Drugs and alcohol can cause issues and we lack public transport options. We believe connectivity and access to health services should be a focus.

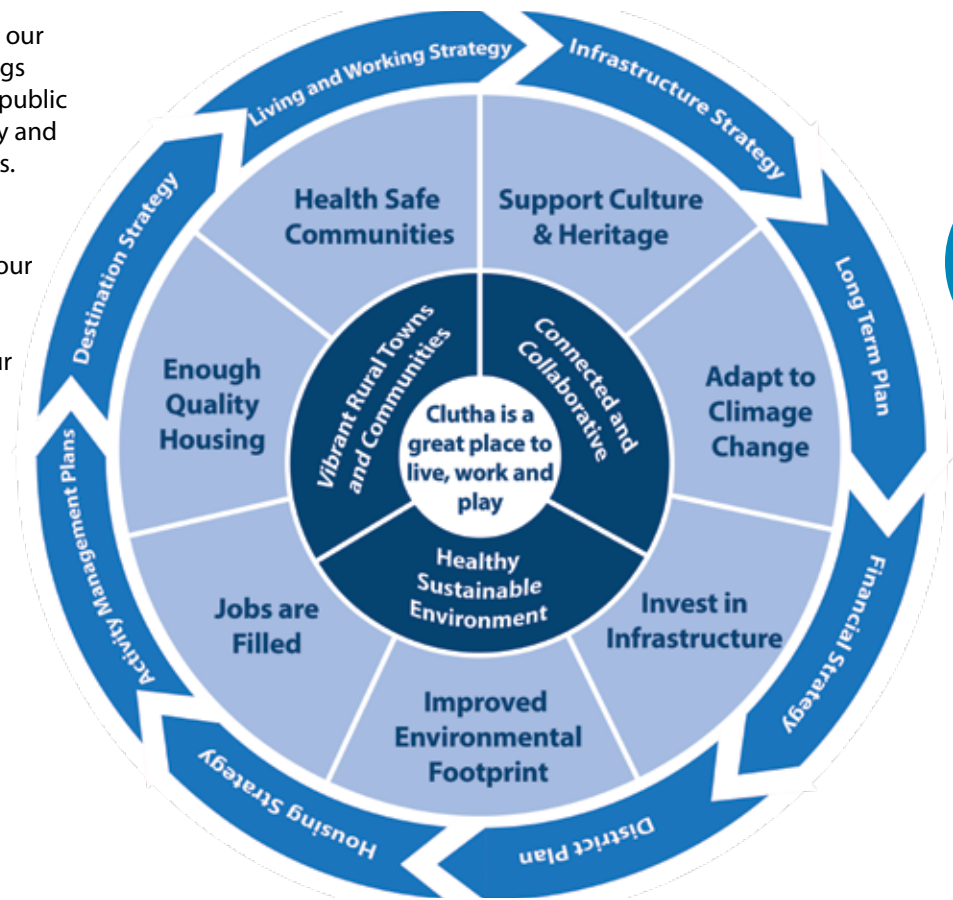
Supporting Culture & Heritage

We're looking to more actively showcase our culture and heritage to better share and celebrate who we are. Some examples include using innovative ways to make our community stories, objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans

LIVING & WORKING IN CLUTHA FRAMEWORK



Reducing Our Environmental Footprint

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

Addressing Climate Change

Climate change will present challenges and opportunities throughout the district. We've been working on gathering better information about what we can expect in the coming century. This is providing more detail including 'trigger points'. We can use this information when making decisions, to set us up in the best position possible for the longer term.

Investing in Infrastructure

We intend to continue looking after what we've got and increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. Importantly, Council will also look at facilitating growth where there is potential for this. For more details refer to the Infrastructure Strategy 2021/51.

**THE QUESTION WE POSED WAS
"HAVE WE GOT OUR PRIORITIES
RIGHT FOR THE CLUTHA
DISTRICT?"**

KEY ISSUE: LIVING & WORKING IN CLUTHA

SUMMARY OF FEEDBACK

The feedback received through consultation confirmed community support for the seven priority areas presented in the 'Living and Working in Clutha' strategy.

The quality of and level of engagement for this consultation question was noted.

The consultation document asked respondents to rate the importance of each of the seven priority areas, which include quality affordable housing, filling our jobs, reducing our environmental footprint, supporting culture and heritage, adapting to climate change, investing in infrastructure and healthy, safe communities. There were 144 submissions received which rated these items. Investing in infrastructure and Healthy Safe Communities were rated highest, at 5.1 out of 6. However, the results show that all

seven priority areas are seen as important by the community. For example, although Supporting Culture & Heritage was rated lowest of the seven priority areas (at 4.1 out of 6) most submissions (65%) still rated this as 4 or more – i.e., it is still seen as reasonably important.

The comments received helped refine the strategy, and to prioritise work within each area.

Further work will refine some sections, particularly the objectives (where we want to be), and implementation methods (how we are intending to get there).

It was considered that the 'Living and Working in Clutha' strategy in general has the priorities right for the Clutha District.

COUNCIL'S DECISION:

COUNCIL CONFIRMED THE LIVING AND WORKING IN CLUTHA STRATEGY IN GENERAL HAS THE RIGHT PRIORITY AREAS FOR THE CLUTHA DISTRICT.

**We
consulted
on:**



INVESTING IN INFRASTRUCTURE

We are a widespread district of over 6,000 km² including various towns and smaller settlements that all have their own infrastructure needs. In terms of key infrastructure, Council plays an important part.

Where we are now

We maintain just over 2,900km of local roads and 360 bridges. There are 22 water schemes that deliver water to 15 urban areas and over 2,000 rural properties throughout the district. We protect the environment and public health by collecting, treating and disposing of the treated sewage from 14 townships via 11 sewerage schemes. Stormwater drainage helps protect people and properties across 13 of the district's communities. Council is responsible for managing a billion dollars worth of infrastructure, including the third largest local roading network in the country.

In recent years there has been substantial investment in infrastructure and our communities are experiencing the benefits of these works. Our roading network is generally in good condition when compared with other similar networks and we have reduced capital works for sealed roads compared to 10 to

15 years ago. There has also been a focus on providing better drinking water for the majority of our towns, along with sewage treatment upgrades. We have also considered community facilities on a case-by-case basis and in some instances, divested facilities if this is the most sustainable longer-term option.

Where we want to be

Council is committed to continuing to sustainably manage and maintain key infrastructure for residents throughout our district.

In some instances we will increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. We want to continue to consolidate and build on our existing asset base, while we sustainably manage and maintain key infrastructure for residents and future generations throughout our district. Importantly, Council will also look at facilitating growth where there is potential for this, to help achieve our goal of growing the rating base. We acknowledge this is a medium to longer term goal.

Our strategy is to:

1. Plan for and be adaptive to growth and enable private infrastructure investment where it is beneficial to the community.
2. Continue to focus on maintaining the infrastructure we have already invested in, and prioritise investment in infrastructure that balances cost, risk, and service levels.
3. Use our solid financial position and existing infrastructure as a platform to enable growth.
4. Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level.

What we plan to do (Our investment priorities)

FACILITATE GROWTH

Our Approach: We plan for and are adaptive to growth, enabling private infrastructure investment where it will benefit our community's well-being.

Key priorities include:

- Enabling growth in the Milton-Milburn-Waiholo Corridor.

- Managing drinking water demand in our rural and urban water schemes, and where viable, supplying more capacity.

IMPROVE LEVELS OF SERVICE

Our Approach: We prioritise investment in infrastructure that balances cost, risk, and service levels.

Key priorities include:

- Upgrading rural and urban water schemes to meet national drinking water standards.
- Upgrading wastewater infrastructure to improve the quality of discharges.
- Increasing stormwater capacity to reduce the risk of localised flooding.
- Investing in the Milton main street improvements.

RENEWALS

Our Approach: We're aiming to have the funds needed to replace assets when they wear out.

Key priorities include:

- Minimising the costs and impacts of our aging infrastructure.
- Efficient road maintenance.
- Continuing with our 'fast tracked' bridge replacement programme, as co-funding from Waka Kotahi allows.
- Securing the long term future for Mt Cooee Landfill.

OUR PROPOSED INVESTMENT IN INFRASTRUCTURE IS THE BIGGEST IN COUNCIL'S HISTORY

We outlined key projects and programmes in the coming ten years from our 2021/51 Infrastructure Strategy:

Safer drinking water (\$23.8M)

Compliance with the NZ Drinking Water Standards is now a legal requirement. Council also has responsibility to keep rates as low as possible to support the economic well-being of the community. The level of treatment necessary is dependent on the quality of the water source. Work for all our rural treatment plants will take place. Also refer to the Greenfields information about the proposal that would provide improvements for a number of the district's residents involving a single, high capacity, reliable quality source on the Clutha River supplying four rural schemes and Lawrence township.

Increasing standards for discharges (\$7.8M)

New rules and regulations expected in the coming years will influence levels of treatment for wastewater and eventually stormwater as well.

Several of our wastewater treatment plants have been going through resource consent renewals. In the past consents have been for 35 years.

Given the current uncertainty we are aiming that current consent renewals are shorter than usual, to take us through to 2028 (for Clinton and Waihola) and 2033 (for Balclutha). Longer terms consents will be considered once the new requirements and outcomes of the Three Waters reform are confirmed.

Improving stormwater protection (\$4.1M)

How we collect and dispose of stormwater run-off affects residents, their property and

businesses. To quantify what level of protection we have we talk about frequency. For example, at the moment our pipe systems are designed to manage between 1-in-5 and 1-in-10 year events. Several flooding risks exist in some of our smaller communities and a programme of upgrades is underway over the next 10 years.

These projects are in Milton, Owaka, Lawrence, Tapanui, Heriot, Clinton, Waihola and Pounaweia. The proposed projects will mean a higher level of protection for communities during heavy rainfall events. Heavy weather events are becoming more common, so in the longer term we're investing how we improve protection that can manage more rain more often.

Community housing improvements (\$9.2M)

A key consideration for helping our district move forward is quality housing. We are planning a programme of upgrades to our portfolio of 98 residential housing units spread across 8 towns in the Clutha District. The improvements will bring the units up to Healthy Home Standards, making them warmer and drier. Healthy Homes improvements will cost \$7.6M, to be funded through rent increases.

There are also new-builds for community housing of \$1.6M planned during 2021 to 2024 in Balclutha, Milton and Waihola.

Securing the future for Mt Cooe Landfill (\$3.4M)

Mt Cooe, the district's landfill located in Balclutha will need to renew its resource consent by 2023 to continue receiving waste. Council is proposing to secure this long-term 30-year consent until 2053 rather than a short-term extension to 2028, or to send waste to a landfill



outside the district. We're also continuing waste minimisation and recycling efforts to continue to slow down the rate to landfill, including to build a resource recovery park at Mt Cooe. Having more tools to help residents and businesses reduce waste is a 'win win' as it will cost us all less in the long run.

Facilitating growth in the Milton/Milburn/Waihola area (\$40.1M)

This area along State Highway 1 in the northern part of the district has strong residential and industrial development potential. Several projects are proposed for this growth area of the district. This is also supported by recent district plan changes to enable further development in the area. Contributions from developers and those directly benefiting from the new infrastructure will fund the majority of the costs. These projects include new wastewater and water treatment plants in Milburn and the Milton-Waihola water pipeline which move Waihola township's supply off the North Bruce Rural Water Scheme, enabling more water in both these areas.

Replacing aging water pipelines (\$18.5M)

Clutha District is entering a long-term cycle of asset renewal, the timing of which will echo the installation era of the 1950s through to the

1980s. As these 'spikes' or bow waves of renewals approach, they pose price, affordability and delivery risks (year 10 to year 30). Many of the large pipes are brittle materials. They perform poorly during and after major earthquakes compared to modern materials. Replacing pipes before they are due could both 'smooth' out the workload and reduce our exposure to response and recovery of a major event, improving our resilience.

Milton main street improvements (\$5.0M)

Following on from Balclutha improvements, the priority for the second largest town to have its turn remains a priority.

Efficient sealed road renewals (\$34.1M)

Keeping our roads open, safe, and affordable is as important today as it was 100 years ago. We are and will remain, a very large exporter of food, fibre and wood products. We recognise that the transport network is the 'first mile' to our export markets. Improving the cost effectiveness of road maintenance translates into direct benefits to our community and our co-investors.

Since 2015 we have changed tack on how we look after local sealed roads. Instead of maintaining them all to the same standard, we've begun focusing on the ones that have

the biggest economic benefit to the district with the aim of giving ratepayers the 'best bang for their buck'. This approach is called 'sweating the asset'.

Doing so incentivises us to be innovative and open to carrying some risk in order to save money and keep roading rates down. We actively monitor the performance of our sealed road pavements to signal when this strategy of 'sweating the asset' needs to adapt and change.

Strengthening our bridges (\$10.2M)

As we improve how freight moves around New Zealand, trucks are becoming both longer and heavier with 50 tonne loads becoming the norm. At the moment a large part of our local roading network, i.e. access to farms and forestry, is not accessible by what are referred to as High Productivity Motor Vehicles (HPMVs). Council's is looking to open up more of the local network to HPMV vehicles, on the proviso that our delivery partner, Waka Kotahi NZ Transport Agency support us to enable this.

TRANSPORTATION UPDATE

The Waka Kotahi NZ Transport Agency is a key co-investor for the Clutha District's local roading network, providing a financial assistance rate of 65% for the 2021/24 roading programme.

While Waka Kotahi funding will not be confirmed until after the adoption of this plan, we have received information that there will be approval of a \$42.7M programme for the 2021/24 period. This is a 15% increase on the 2018/21 programme, but 13% less than the \$48.9M requested. Council acknowledges Waka Kotahi's drop in income due to the impacts of Covid-19, and this has impacted on the level of funding available in the 2021/24 period.

We will look to reprioritise work programmes, particularly for bridges and resealing, and continually review annual plan and long term plan updates. This is to minimise the impact of these reductions on the levels of service the transportation network provides to customers.

KEY ISSUE: INVESTING IN INFRASTRUCTURE

SUMMARY OF FEEDBACK

The consultation document asked respondents to rate the importance of nine infrastructure investment projects that included safer drinking water, replacing ageing infrastructure, increasing stormwater protection, improving discharges to the environment, efficient road maintenance, securing the future of Mt Cooe Landfill, growth in the Milton/Milburn/Waiholo area, Council housing improvements and bridge replacements.

Safer drinking water was rated highest, and 'very important' at 5.42 out of 6. However, the results show that all nine infrastructure investment projects are seen as important by the community. Although faster bridge replacement was rated lowest, at 4.23 out

of 6, most submissions (68%) still rated this as 4 or more, i.e. it is still seen as reasonably important.

In summary, while there is always room for improvement and increased asset data and information, Council has applied industry best practice asset management principles to the maintenance and future renewals programmes as outlined in the Infrastructure Strategy. Areas of focus and additional investment have been identified and programmes and practices will continue to be refined in future years. It is considered that the Infrastructure Strategy in general has the priorities right for the Clutha District.

COUNCIL'S DECISION: COUNCIL CONFIRMED THE INFRASTRUCTURE STRATEGY 2021/51 HAS THE PRIORITIES RIGHT FOR INFRASTRUCTURE IN THE CLUTHA DISTRICT.

**We
consulted
on...**



A BETTER WATER SOURCE?

We're putting a long-term lens over several of the district's rural water schemes

We've got a lot of water infrastructure in the Clutha District. There are 11 rural water schemes in the Clutha District which provide water for stock, for rural businesses and for domestic consumption.

Two treatment plants, Evans Flat and Waitahuna, which source their water from the Waitahuna River and the Tuapeka River, need work. Neither plant is able to produce reliable water which meets national standards and they struggle to meet demand during summer. They are not reliable or resilient during heavy rainfall events. We asked if it was time to think longer

term about where we get our water from. We presented two possible future options:

Option 1 Establish a new supply from the Clutha River

We are proposing to build one new treatment plant that will source water from the Clutha River at Greenfield.

We would involve amalgamating the four water schemes (Balmoral 1, 2, Tuapeka East and West) into one and decommissioning the Evans Flat and

Waitahuna plants.

We're also proposing Lawrence town water scheme join this new water supply. Lawrence's water currently comes from the historic Phoenix Dam, one of the oldest in the southern hemisphere. We are doing work to understand more about Phoenix Dam including its structural integrity during a possible earthquake. But a new source is likely to be a better long term option.

The proposed treatment plant would be easier to access and less complex to run. For example, access to the Waitahuna treatment plant is through

people's farms and is compromised during flooding because of its location.

While a single treatment plant would cost more to build than option 2, in the long term there would be savings from reduced operating costs.

This option could provide 25% (and possibly up to 50%) more water which would enable further growth in this part of the district. This plant would be expected to have an 80 year lifespan.

Total cost of upgrade: \$14.5 million. Annual operating cost: \$1.6M million (over its 80 year life span). Water unit rate: \$445.

Option 2 Continue to source water from the Waitahuna and Tuapeka rivers

The Waitahuna (on the Waitahuna River) and the Evans Flat (on the Tuapeka River) plants were built in the 1980s. These plants will need to be replaced to have the technology they need to meet national drinking water standards.

The life span of the new treatment plants would be 30 years. This option would produce the same amount of water as the plants currently produce.

The schemes which source their water from these two treatment plants are:

Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West. They would continue to operate as separate schemes.

Total cost of upgrade: \$7.5 million. Annual operating cost: \$3.0 million (over its 30 year life span). Water unit rate: \$650.

Option 1

A Better Water Source?	Option 1 New supply from the Clutha River	Option 2 Continue to source water from the Waitahuna and Tuapeka rivers
Total cost to build	\$14.5M ³	\$7.5M ³
Annual cost to run	\$1.6M	\$3.0M
Annual water unit rate	\$445 from 2025	\$650 from 2025
Number of treatment plants	1 ²	3 ¹
Total lifespan	80 years	30 years

¹ Waitahuna, Evans Flat & Lawrence plants

² Proposed Greenfield plant

³ Total cost to build for both options will be debt funded

KEY ISSUE: A BETTER WATER SOURCE?

SUMMARY OF FEEDBACK

Of a total of 127 respondents, 115 respondents (91%) preferred Option 1. The submissions received regarding a new water source show a clear preference for Option 1.

The Balmoral 1, Balmoral 2 and Tuapeka Rural Water Scheme Committees unanimously endorsed the new Greenfield bore water supply option at the 2021 Annual General Meetings.

This clear preference aligns with two separate questions within the LTP consultation document, relating to infrastructure investment and safer drinking water.

With compliance of the New Zealand Drinking Waters Standards now being a mandatory

requirement, Option 1, a single treatment plant from a high quality, high capacity source makes this much more achievable.

It also has the added advantage of reducing the number of water take consents required and removes the requirement for any discharge consents altogether, as well as reducing operations and maintenance costs.

This is also a reliable source for the future and will be minimally impacted by the effects of climate change according to current predictions.

COUNCIL'S DECISION:

COUNCIL CONFIRMED THE ESTABLISHMENT OF A NEW SUPPLY FROM THE CLUTHA RIVER AS A MULTI-YEAR CAPITAL PROJECT WITH A BUDGET OF \$14.5 MILLION.

Council noted that approval to proceed with the new supply from bores near the Clutha River is subject to final confirmation of production capacity of the bore and quality testing, which is due by the end of July 2021.

We consulted on...



“We asked: How far should we go and how much should be spent improving Milton’s main street?”

Option 1: Stewart Reserve Area Only



WE CHECKED BACK IN ABOUT MAIN STREET IMPROVEMENTS

After feedback in 2018 we agreed to main street improvements from Mill Street to Abercrombie Street area and a major overhaul of the public toilets at Stewart Reserve.

Following this we worked on the details of the physical work needed to make this happen. While the public toilets are fully funded, we found we also need to replace older sewerage pipes and upgrade stormwater pipes.

Detailed pricing, including undergrounding power lines, has come back higher than anticipated and our initial budget of \$2M was not going to cover the Mill to Abercrombie Street area proposed. As promised we checked back in about options.

OPTION 1: Stewart Reserve Area Only (\$2M)

This was Council’s preferred option prior to consultation. It involved staying with an initial budget of \$2M, which would enable an upgrade to the Stewart reserve area and undergrounding of power lines from Eden to Osian streets.

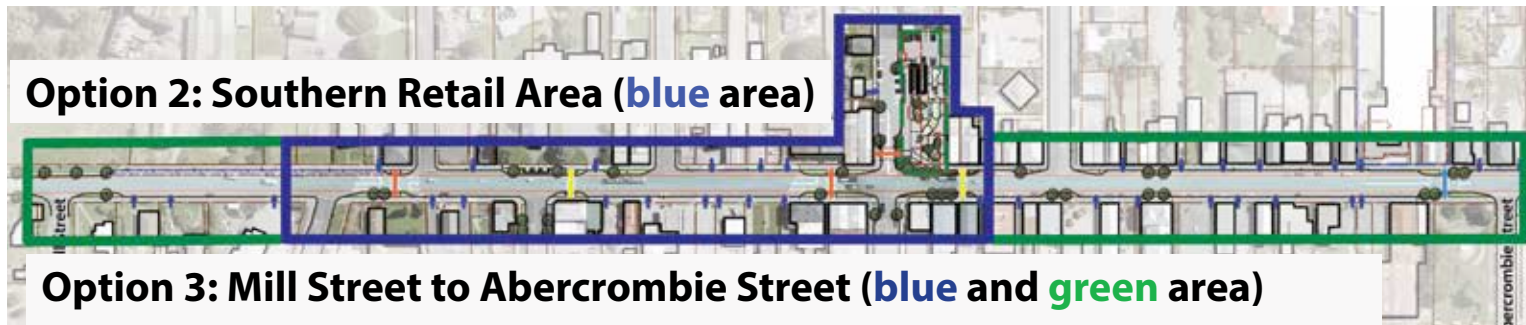
OPTION 2: Southern Retail Area (\$3.75M)

This involved the work outlined in Option 1 (red area), plus improvements to footpaths, pedestrian crossings, plantings, signage, and undergrounding of power lines would extend as

far south as High Street (blue area). It also included a feature wall in the Stewart Reserve area.

OPTION 3: Mill Street to Abercrombie Street (\$5M)

This involved the work outlined in Option 1 (red area), Option 2 (blue area) and extending improvements to footpaths, pedestrian crossings, plantings, signage, and undergrounding of power lines would extend as far north as Abercrombie Street and as far south as Mill Street (green area).



Option 2: Southern Retail Area (blue area)

Option 3: Mill Street to Abercrombie Street (blue and green area)

Option 3



Rating area example (\$)	Option 1 (Existing budget)	Option 2 Spend \$1.75M more	Option 3 Spend \$3M more
Balclutha	2.18	4.03	5.40
Kaitangata	2.07	4.02	5.41
Kaka Point	2.42	4.25	5.75
Lawrence	2.07	3.91	5.06
Milton	23.76	44.58	59.40
Owaka	2.07	3.68	4.94
Stirling	2.18	4.14	5.52
Tapanui	1.84	3.45	4.60
Waihola	23.76	44.46	59.17
Commercial	7.48	13.91	18.40
Industrial	4.83	9.09	11.85
Lifestyle	2.64	5.06	6.67
Rural - Dairy	13.22	24.84	33.01
Rural - Sheep & Beef	11.61	21.85	29.21

How much each option we consulted on was expected cost each year (Includes funding from Waka Kotahi)

KEY ISSUE: MILTON'S MAKEOVER

SUMMARY OF FEEDBACK

The submissions received showed a preference for Option 3, with 84 out of the 158 (53%) in favour of this option.

However, the level of support varied considerably depending on location. Support for Option 3 was strongest amongst Milton and Bruce Ward residents.

Support for Option 3 amongst submissions from outside the Bruce Ward was lower (19%). The preferred option amongst this group was Option 1 (69%).

The overall preference for a more comprehensive upgrade generally aligns with feedback received previously through the 2018-28 LTP and the 2017 Our Place Milton Community Plan consultation.

However, it was noted 36% of all submitters prefer Option 1, and that these people are unlikely to be in favour

of increasing the budget to undertake main street improvements. Arguments put forward against an increased spend included that in the current environment it was prudent to be conservative, and the main street didn't need improved.

At the other end of the spectrum, submitters argued that the main street improvements are well overdue, with comments such as "get on with it now", "if it's going to be done, it has to be done properly", "do it once and do it right", and "the opportunity may never arise again".

The feedback received has confirmed that overall, Option 3 is preferred over the alternatives.

However, feedback shows that issues such as parking, tree planting and landscaping should be carefully considered as part of any improvement work which is undertaken.

COUNCIL'S DECISION:

UPDATE FROM INITIAL PREFERRED OPTION 1: SPEND \$2M TO OPTION 3: SPEND \$5M.

We
consulted
on...



PROJECTS SUPPORTING LIVING & WORKING

After feedback we agreed to support a variety of projects supporting Living & Working throughout Clutha

WEST OTAGO HEALTH

West Otago Health Trust provides community-owned health care facilities and services for residents in their area, including district and community nursing, after hours emergency care, and semi-dependent living (four modern cottages on campus). Their key facility is a fully staffed medical centre and home (Ribbonwood) that houses residents needing age-related or hospital-related residential care which is crucial to enabling local residents needing this type of care to remain in the area. In 2010 Council provided \$1M towards the facility being built. A targeted rate to households

in West Otago is repaying this funding over time (25 years through to 2035) at approximately \$70 each year. The Trust is aiming to expand the facility to help meet their community's increasing demand for aged-related care, respite and palliative care and has approached Council to draw down an additional \$300,000 to help fund this.

COUNCIL'S DECISION: Council approved funding of \$300,000 in 2021/22 for West Otago Health expansions, with \$150K to be funded via the West Otago Health Trust rate and \$150K to be funded from investment fund surpluses, with a nil rates impact.

WAIHOLA PLAYGROUND

Waihola is part of the Waihola/Milburn/Milton corridor, a key growth area in the district. Lake Waihola's foreshore is a popular spot for locals and visitors alike. A community-led project supporting Waihola's Our Place community plan is to upgrade the facilities into a destination playground.

COUNCIL'S DECISION: Council approved funding of \$200,000 for Waihola Destination Playground to be funded from investment fund surpluses, with a nil rates impact.

OWAKA SWIMMING POOL

Originally built in 1976 Owaka's swimming pool facility has provided many years of education and enjoyment in The Catlins. A community committee of dedicated volunteers has overseen a number of improvements including roofing, heating and ongoing maintenance needs since the pool has been in operation. The pool now needs a range of improvements to meet modern day standards and to set it up to continue on for future generations in the Catlins to benefit from. This is also a community-led project supporting The Catlins' Our Place community plan.

COUNCIL'S DECISION: Council approved funding of \$195K for Owaka Swimming Baths improvements to be funded from investment fund surpluses, with a nil rates impact.

PROJECT BRUCE

Project Bruce is a community-led development project for the people of Bruce community that includes Tokomairiro-Milton, Waihola, Taieri Mouth and all the rural areas in between. Their work has been bringing their community together, building community resilience, leadership and volunteer participation. Now that the first years of central government funding have ended, in recognition of the part it plays in the well-being of the Bruce community, Council has agreed to provide funding \$60,000 each year for the continuation of Project Bruce. We're proposing a new rate is created to fund this service, as a fixed charge in the Bruce community rating area of \$30 from 2021/22.

COUNCIL'S DECISION: Council confirmed funding for Project Bruce at \$60,000 per annum in 2021/22, 2022/23 and 2023/24, funded by a new community projects rate via ratepayers in the Bruce community rating area.

LIGHTING UP BALCLUTHA BRIDGE

The bridge is Balclutha's most iconic feature. Improvements to it, including traffic flow and its appearance, were a top priority in Balclutha's Our Place community plan. A project to light up the bridge was trialled in early 2020. The cost for permanent lighting up of the bridge is expected to cost \$350,000. Council will continue to support the project, on the basis that the project will only go ahead if it doesn't impact on rates.

COUNCIL'S DECISION: Council confirmed keeping the Balclutha Bridge Lighting project, as a non-rate funded project.

GROWING TOURISM

The Clutha Destination Strategy aims to grow visitor spending in the district and increase the part it plays in our local economy. It aims to manage the growth of respectful tourism, including growth of visitor spending and increasing tourism jobs and businesses. Some of the initiatives involved include destination management and developing visitor experiences in iconic key areas such as The Nuggets near Kaka Point and Gabriel's Gully near Lawrence.

This work, carried out by Council's economic development contractor Clutha Development, is being funded by central government's post-Covid stimulus funding until 2021/22.

COUNCIL'S DECISION: Council approved \$180K to be funded from investment fund surpluses, with a nil rates impact.

LIVING & WORKING PROJECTS UPDATE

OUR LONG TERM PLAN CONFIRMS OUR SUPPORT FOR OUR PLACE COMMUNITY PLAN PROJECTS THROUGHOUT THE DISTRICT

Our Place Community Plans support the Living & Working Strategy by identifying the projects the community tell us are important and providing a platform to facilitate priority projects through the district's main towns

Council has encouraged partnerships with community groups which have ambition and desire to drive community improvement projects. These groups have access to multiple external funding sources, that help to minimise rates impact for these projects.

Through this process Council has supported and committed funding to community initiatives such as the Clutha Community Hub (\$7.5M) and Naish Park developments (\$194K) in Balclutha. Funding has also been committed to a Milton community facility (\$2.5M) to replace aging facilities in the town.

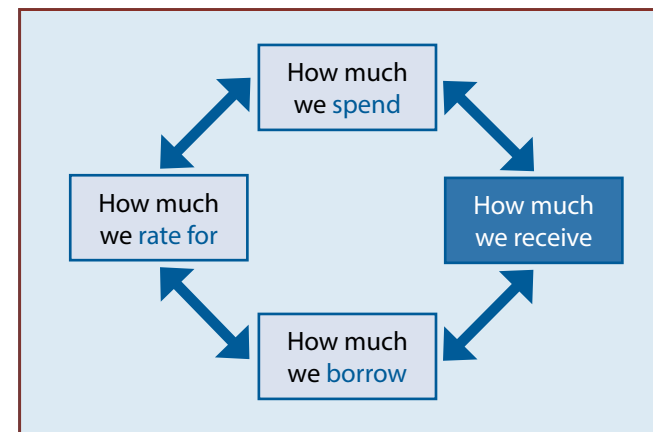
Further to the projects referenced in this section Council also confirmed support for a series of projects throughout the district. This includes supporting and funding towards:

- Lawrence community plan and reserve management plan projects including Whitehaven Street Playground and Gabriel's Gully entrance (\$90K).
- Catlins' community plan and reserve management plan projects including in Pounaweia, Kaka Point and Papatowai (\$170K).
- Kaitangata community plan and reserve management plan projects such as the War Memorial Reserve (\$50K), boat ramp (\$10K) and additional toilets (\$50K).

We consulted on:



Our Financial Mix



We outlined our financial mix and asked for feedback on preferences for keeping rates down

From a financial point of view there are four key parts to our mix, and they are closely linked – what happens with one influences the others.

Council can decide how much we spend, how much we rate for and how much we borrow. How much we receive is outside of our direct control, but it is an important part of the mix.

How Much We're Proposing to Borrow

We're planning to borrow to help fund our extensive asset build programme of \$278M during the ten years from 2021 to 2031.

Our approach to debt has been changing in recent years. Instead of having no debt and using our reserves to fund our capital programme (internally borrowing from ourselves), we have been using the reserves to build our investment portfolio which earns us more in returns.

We use part of these returns to keep rates down. We're now proposing to keep our investment portfolio intact, and to borrow to fund our proposed extensive asset build programme. We feel this is the best use of our investments. We also feel the approach is fairer

as it means that future ratepayers also pay their share for assets and services created today (known as intergenerational equity).

How Much We're Expecting to Receive From Investments

Council maintains investments to:

1. Use some of the income to help reduce rates.
2. Help fund the development and growth outcomes of the district i.e. support our community's well-being through the priorities in our Living & Working in Clutha Strategy and Our Place community plans.
3. Make sure we have money set aside to cover our share of replacing assets destroyed or damaged in a natural disaster.

Overall, we want to maximise investment returns while preserving ratepayer funds. We're targeting to earn an average of 3.4% for returns on our investment portfolio during the next ten years through to 2031.

We're proposing to use some of it (\$9M) to

reduce rates. We're forecasting the value of the fund will grow from \$30.6M to \$31.5M. But what we receive is dictated by many factors outside our control. If we receive better returns, we will decide the best way to use them, in keeping with the reasons Council maintains investments.

Weighing up who pays, and how much is affordable heavily influences Council's decisions.

One of the important aspects of running a council is doing our best to keep the cost of rates down. To keep rates down Council has set a goal of not increasing them overall by more than 4% on a yearly basis.

In our widespread rural district we have the added challenge of a relatively small population with a lot of infrastructure, especially for core services like roads and water.

Council has the important responsibility of getting the best mix possible for how we fund services. This involves rates, borrowing, using reserves, and how we use the investment returns we get.

Although our district isn't as affected as other parts of New Zealand, we also acknowledge the financial challenges facing us as a result of COVID-19.

We have identified that in the next 3 years there is going to be some major projects which are compulsory and must be addressed. But they will come at a cost. These bigger projects include:

- Upgrading our rural and urban water schemes to comply with NZ Drinking Water Standards.
- Improving wastewater discharges to the environment.
- Increasing stormwater capacity.
- Commitments to projects that will improve community facilities e.g. in Balclutha and Milton.

We will borrow to help fund these projects, but funding these important projects is forecast to push overall rates up higher than our 4% self-imposed limit. We asked for feedback on two options to help keep the overall rates increase under 4%.

WE CONSIDERED TWO OPTIONS FOR KEEPING RATES DOWN

Option 1: Use reserve funds to keep rates down in the short term

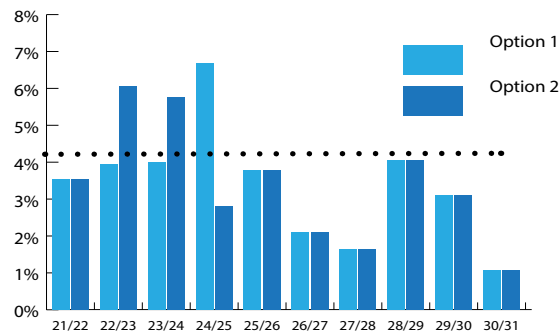
We proposed keeping the overall yearly rates increases under 4% during 2021/22 to 2023/24 by using accumulated roading reserve funds to off-set rates.

A total of \$1.75M was considered to use in this way. We noted this would improve the mix from an overall rates perspective in the short-term through to 2024, but not in the longer term from 2025 and beyond. This would impact roading rates, particularly for those in the rural area who pay a bigger proportion of this type of rate. But it wouldn't avoid imminent water, sewerage and stormwater rates increases for ratepayers who receive these services. The approach of keeping rates down using this funding in the shorter term means they will go up when it stops.

Option 2: Don't use reserve funds to keep rates down in the short term

Not use the measures described in Option 1 to achieve the goal of an overall increase of less than 4%.

The graph below shows the rates change profile of each of the options we considered.



KEY ISSUE: KEEPING RATES DOWN

SUMMARY OF FEEDBACK

A total of 132 respondents identified a preference for one of the two options proposed for keeping rates down. Overall, 79 respondents (60%) preferred Option 1 Use reserves to keep rates down, and 53 respondents (40%) preferred Option 2 Do not use reserves to keep rates down.

Comments in support of using reserves to keep rates down recognised the current uncertain economic climate. On the other hand comments in support of Option 2 raised concern that this was a short-sighted approach.

COUNCIL'S DECISION:

Coming into the mix at Long Term Plan decisions time was the result that our investment fund had realised returns in 2020/21 above forecast. We're proposing to use investment surplus funds from 2020/21 to reduce rates in 2021/22, 2022/23 and 2023/24 (\$1.25M), and using roading reserves to reduce roading rates in 2023/24 (\$840K). This will help us achieve our goal of ensuring overall rates increases stay within 4% during the term of this plan from 2021 to 2024.

Our forecast at the moment is that our 4% this limit may be in jeopardy in 2024/25 and 2025/26. There is a lot of uncertainty and factors outside our control. We're proposing to be flexible and adaptive where part of this approach will involve reviewing overall rates when we updating our financials on an annual basis and look at our mix to ensure we keep our overall rates increases below 4%.

COMMUNITY REQUESTS

COUNCIL RECEIVED A NUMBER OF REQUESTS FROM GROUPS AND INDIVIDUALS, AND THE FOLLOWING WERE GRANTED:

- Funding of \$1,500 per annum to the Clutha District Emergency Services Trust, towards operational costs for the Incident Control Centre Caravan.
- Funding of \$58,994 per annum to Clutha District Combined Museums Group in 2021/22, 2022/23 and 2023/24.
- Funding of \$600 per annum for the Clutha Super Masters Games in 2021/22, 2022/23 and 2023/24.
- Funding to Clutha Recreation Centre Inc trading as Cross Recreation Centre request of \$53,500 for 2021/2022.
- Funding of \$46,420 to Sport Clutha for 2021/2022.
- Staff support and that the requested work outside the Clinton Community Centre be carried out within existing budgets.
- Council Community Development Programme investigate options for providing Inspiring Communities training in the Clutha District. (Within existing budgets)
- Staff support to work with the Rotary Club of Milton to develop the Peter Vollweiler Memorial Walkway.
- Investigation of eradication of wilding sycamores in Whisky Gully as a project for consideration in the Our Place West Otago Community Plan. (This work will include identification of land ownership etc.)
- Approval of Balclutha Golf Club's request for partial reimbursement of metered water charges to the amount of \$2,000 per annum in 2021/22, 2022/23 and 2023/24.
- Funding of \$1,500 per annum to Catlins Coast Inc towards the continued review and development of the Care Code for 2021/2022. Funding of \$3,000 per annum to Catlins Coast Inc towards the printing of the Tear Off Map for 2021/2022, investment surpluses and one-off funding of \$2,000 in 2021/22 towards further enhancements on the Catlins Coast Inc website.
- Approval of Clutha Foundation's request for \$10,000 per annum towards operational funding in 2021/22, 2022/23 and 2023/24.
- Approval of Kaka Point Surf Lifesaving's request of an increase of funding by \$5,863 to \$25,000 per annum in 2021/22, 2022/23 and 2023/24
- Approval of Malcam Charitable Trust's request of an increase in funding of \$8,580 to \$38,580 per annum for the next three years 2021/2024.
- Approved Romahapa Hall Society's request of an increase of funding from \$1,717.35 to \$1,900 per annum for 2021/2022, 2022/2023, 2023/2024.
- Approval of top up funding of \$9,500 in 2021/22, 2022/23 and 2023/24 to the Sport New Zealand Rural Travel Fund, administered by the Sport New Zealand Rural Travel Fund Assessment Committee.
- Approval for an increase in the West Otago Community Centre operating grant from \$13,000 to \$26,000 in 2021/22, 2022/23 and 2023/24.
- Approval for Clutha District Youth Council's request for \$10,000 in 2021/22 to continue the Methamphetamine Awareness Campaign and \$7,000 in 2021/22 to fund district-wide "Not Even Once" billboards.
- Approval of Tuapeka Community Health Incorporated's reimbursement of subdivision and building consent fees of \$4,928; and sewerage and water connection fees of \$15,590.
- Approvals to Clutha Parks Trust who are leading Balclutha's Naish Park redevelopment as follows: \$6,000 car park investigations and concept designs; \$8,000 for investigating improvements to the Naish Park duck pond; \$35,000 for water system installation (to be funded from existing approved project budgets) and an associated increase in the Balclutha Parks and reserves operating budget of \$3,000.
- Council also endorsed a feasibility study to investigate the need for a Safer Communities Clutha coalition/co-ordinator.

