

Our Place Clutha District



COUNCIL'S PLANNING DOCUMENTS

Council uses a number of planning processes to realise its vision for the district. These are described below.

LONG TERM PLAN

Under the Local Government Act 2002, Council is required to put together a Long Term Plan every three years. This plan sets out Council's overall goals (community outcomes), the projects it intends to deliver over a 10-year period and how these will be funded. It also explains how Council intends to contribute to the well-being of the community over the life of the plan, with the overlying purpose of articulating and aligning Council's activities with what the community needs and desires and what it can afford.

ANNUAL PLAN

Council produces an Annual Plan for the two years between each Long Term Plan. The next Annual Plan will be produced for 2022/23. Annual Plans are less detailed than Long Term Plans, confirming arrangements for the coming year. An Annual Plan also contains any variations to the Long Term Plan, should any changes take place in the short term.

ANNUAL REPORT

Each year Council produces an Annual Report, to report to the community on Council's actual performance against the relevant plan (Annual Plan or Long Term Plan).

ACTIVITY MANAGEMENT PLANS

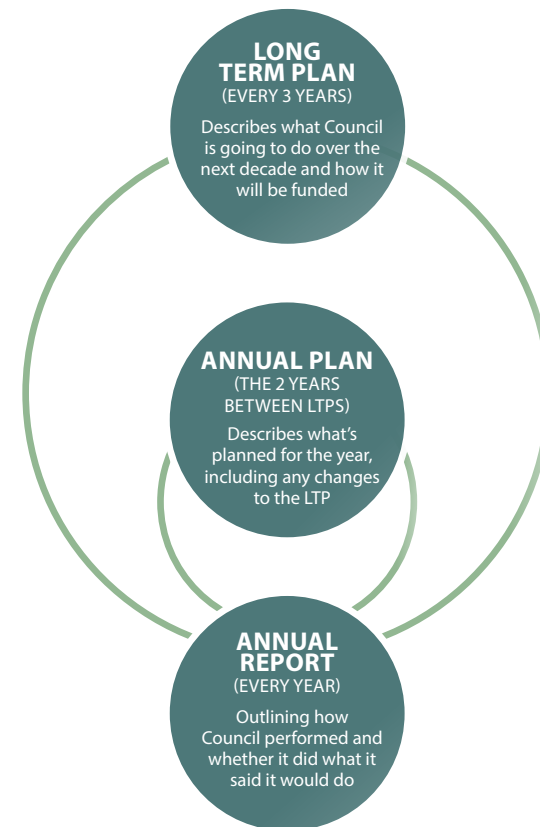
Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities.

A brief overview of the information contained in the Activity Management Plans is contained in this Long Term Plan. For more information about particular activities please contact Council to obtain a copy of the information you require from any of these plans.

CLUTHA DISTRICT PLAN

The District Plan provides a regulatory process for implementing policies prepared under the Long Term Plan, Activity Management Plans and the Resource Management Act. Unlike the other plans mentioned above, which only cover what Council

itself does, the District Plan sets out objectives, policies, and rules that apply to all people and activities within the District. These are intended to ensure the sustainable management of the natural and cultural environment, and appropriate use of Council infrastructure.



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INTRODUCTION



YOUR COUNCIL



Bryan Cadogan
MAYOR



Stewart Cowie
DEPUTY MAYOR
CLUTHA
VALLEY WARD



Ken Payne
CORPORATE
SERVICES CHAIR
BALCLUTHA WARD



Bruce Vollweiler
REGULATORY
SERVICES CHAIR
BRUCE WARD



Bruce Graham
SERVICE DELIVERY CHAIR
KAITANGATA-MATUA
WARD



Carol Sutherland
BALCLUTHA WARD



Wayne Felts
BALCLUTHA WARD



Alison Ludemann
BALCLUTHA WARD



Dane
Catherwood
CATLINS WARD



Jo-anne Thompson
CLINTON WARD



Gaynor Finch
BRUCE WARD



Selwyn Wilkinson
BRUCE WARD



Mel Foster
LAWRENCE/
TUAPEKA WARD



Lloyd McCall
WEST OTAGO WARD



John Herbert
WEST OTAGO WARD

MESSAGE FROM THE MAYOR



MAYOR
Bryan Cadogan

The 2021/31 Long Term Plan will be remembered for the positive spirit and enthusiasm shown by the number of residents and ratepayers that got involved in the process; the challenges to accommodate the ensuing requests; and the never-ending increase in expectations from Wellington. There was a real confidence and sense of pride everywhere we went during consultation, in how the district prevailed through Covid-19.

The end result of this plan has been a focus on delivering for our communities, while containing rate rises below our self-imposed 4% rates cap. This is an achievement that defied nationwide trends.

Key points of note was an immediate and sustained increase in Clutha's roading spend, coupled with a staggering \$278 million dollar core infrastructural spend (almost twice what was budgeted in our last long term plan) over the next 10 years in response to the inevitable increase in environmental expectations.

The complexity of the financial challenges we face requires a realignment moving forward, and our financial strategy recognises the need to debt fund long term infrastructure upgrades to reflect the inter-generational burden that should be distributed across the life of the asset.

Nationwide there has been a huge increase in demands placed on councils this planning round and Clutha was not immune to these pressures.

Fortunately the recalibration of our investment strategy some six years ago proved to be our saviour with a 21% return in the 2020/21 financial year. Without the latitude this exceptional return gave us, it would have been impossible to deliver on our community expectations.

Every ratepayer will not only benefit from these projects, they will also see anticipated rates increases mitigated via distribution of returns through the uniform annual general charge.

The emphatic direction given by Milton locals in support of the most comprehensive of the three options for their main street upgrade was another strong endorsement of Council's 'Living and Working in Clutha' strategy. It reflects a growing district-wide awareness that attention needs to be given to fundamental community infrastructure to make our towns more attractive and appealing. Council has steadfastly aligned our deliberations to our cornerstone 'Living and Working' strategy, always mindful of the

need to address our district's key economic challenges, particularly our shortage of housing and a lack of staff to fill vacancies.

We also support our community's desire to create more vibrant and resilient communities and understand the nuances of community's needs. In West Otago they have focused on further enhancing West Otago Health Trust facility, backing them with \$150,000 from our discretionary investment fund, plus another \$150,000 in the form of a loan.

Waihola received \$200,000 towards the proposed destination playground. For the Catlins, Owaka was supported with \$195,000 towards their pool refurbishment. This trend continued throughout the district with a raft of worthy projects funded as listed further on in this document.

We were impressed at the understanding and thoughtful consideration shown by so many individuals and groups during consultation. We valued and appreciated the assistance given to collectively get the balance right.

But this balance oscillates across our district. Once again virtually all the projects and consequential 'cost drivers' were focused on the urban centres. This has been reflected in

increases to urban rates and reductions for those in rural rating areas.

These dynamics were further exacerbated by recent revaluations which contributed to the challenges faced by urban ratepayers. The tools councils have to moderate the fluctuations are limited, hence our commitment to containing overall rates rises to below 4%, as our most effective means of ensuring our fiscal and social responsibilities are met.

This has been an exhaustive and fulfilling process, and Council is indebted to all those that got proactive and engaged in assisting us over the past six months.

I am proud of the organisation-wide commitment to championing our district's economic and social trajectory, and the encouraging belief that we get back from you all that Clutha is doing well and gaining positive momentum.

Once again I want to thank the public for their assistance and desire to get involved in this process.

Onwards and Upwards

A handwritten signature in black ink, appearing to read 'Bryan Cadogan', with a long, sweeping tail extending to the right.

Bryan Cadogan
Mayor

INDEPENDENT AUDITOR'S REPORT

ON CLUTHA DISTRICT COUNCIL'S 2021/31 LONG-TERM PLAN

Deloitte.

To the reader:

I am the Auditor-General's appointed auditor for Clutha District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 24 June 2021.

OPINION

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and

- the disclosures on pages 66 to 67 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

EMPHASIS OF MATTERS

Without modifying our opinion, we draw attention to the following disclosures:

Uncertainty over the delivery of the capital programme

Page 58 outlines that the Council is proposing to spend \$278 million on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 120, there is uncertainty over the delivery of the programme due to the significant constraints on the construction market. If the Council's is

unable to deliver on a planned project, it could affect intended levels of service.

Uncertainty over three waters reform

Page 119 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters service providers is currently uncertain because no decisions have been made. The plan is prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

BASIS OF OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are

reflected throughout the plan;

- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

RESPONSIBILITIES OF THE COUNCIL AND AUDITORS

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard

1 issued by the New Zealand Auditing and Assurance Standards Board; and

- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work carrying out all legally required external audits, we have no relationship with or interests in the Council.



for Deloitte Limited
On behalf of the Auditor-General, Dunedin,
New Zealand
Deloitte

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 Pounawea. 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 Cooee Landfill, growth in the Milton/Milburn/Waihola 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.

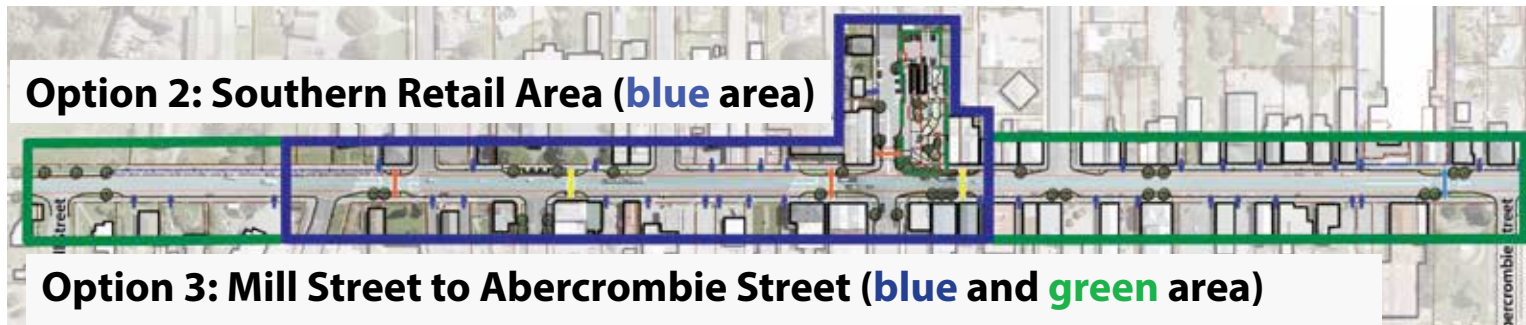
far south as High Street (blue area). It also included a feature wall in the Stewart Reserve area.

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 (\$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



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.

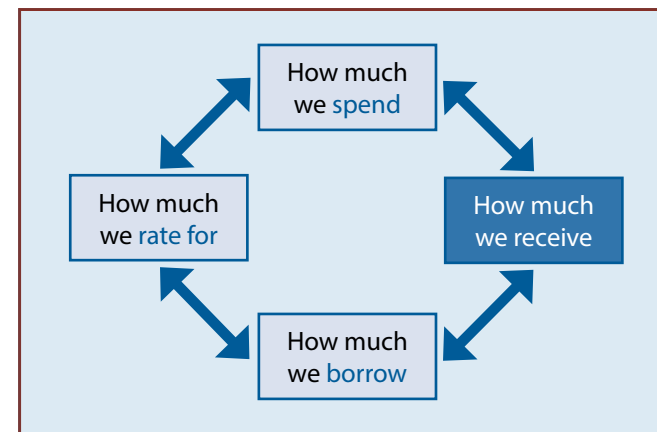
Further to the projects referenced in this section Council also confirmed support for a series of projects throughout the district. This includes supporting and funding towards:

- 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

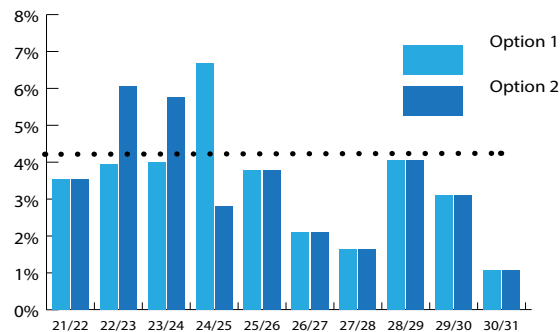
We proposed keeping the overall yearly rates increases under 4% during 2021/22 to 2023/24 by using accumulated roading reserve funds to off-set rates.

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.



INFRASTRUCTURE STRATEGY



INFRASTRUCTURE STRATEGY 2021/51

Infrastructure investment underpins our standard of living and our ability to live, work and play.

LIFE IN THE CLUTHA DISTRICT WITHOUT INFRASTRUCTURE IS ALMOST UNIMAGINABLE

Our modern standard of living is made possible through the accumulation of infrastructure investment over generations.

We have drinking water in our homes, toilets that carry waste and disease away, roads everywhere, bridges, community centres, parks, and playgrounds and more, not to mention access to mobile phone signal and the internet.

One of Council's primary roles is managing infrastructure on behalf our community, for now and for future generations.

ABOUT THIS STRATEGY

This strategy identifies:

What we expect will be significant infrastructure challenges for Clutha District Council (Council) over the next 30 years,

Options we have for managing those challenges including their costs, and our preferred way forward.

The infrastructure categories included in this strategy are:

- Drinking water, wastewater and stormwater (known as the 3-Waters)
- Transportation (including roads, bridges and footpaths)
- Solid waste
- Community facilities.

This strategy is reviewed and updated every three years to make sure things are still on track and to incorporate new information in our ever changing world.

We've outlined what we believe are our likely to be our big issues and how we're proposing to manage them

We want to provide confidence about our future to the community, the government, and potential investors.

We aim to do this by:

- Clearly defining our desired standards of living, now and into the future
- Communicating our appetite for growth and development
- Examining the community's ability to fund infrastructure (linkages with Financial Strategy)
- Challenging Council's ability to deliver
- Producing a clear plan of action.

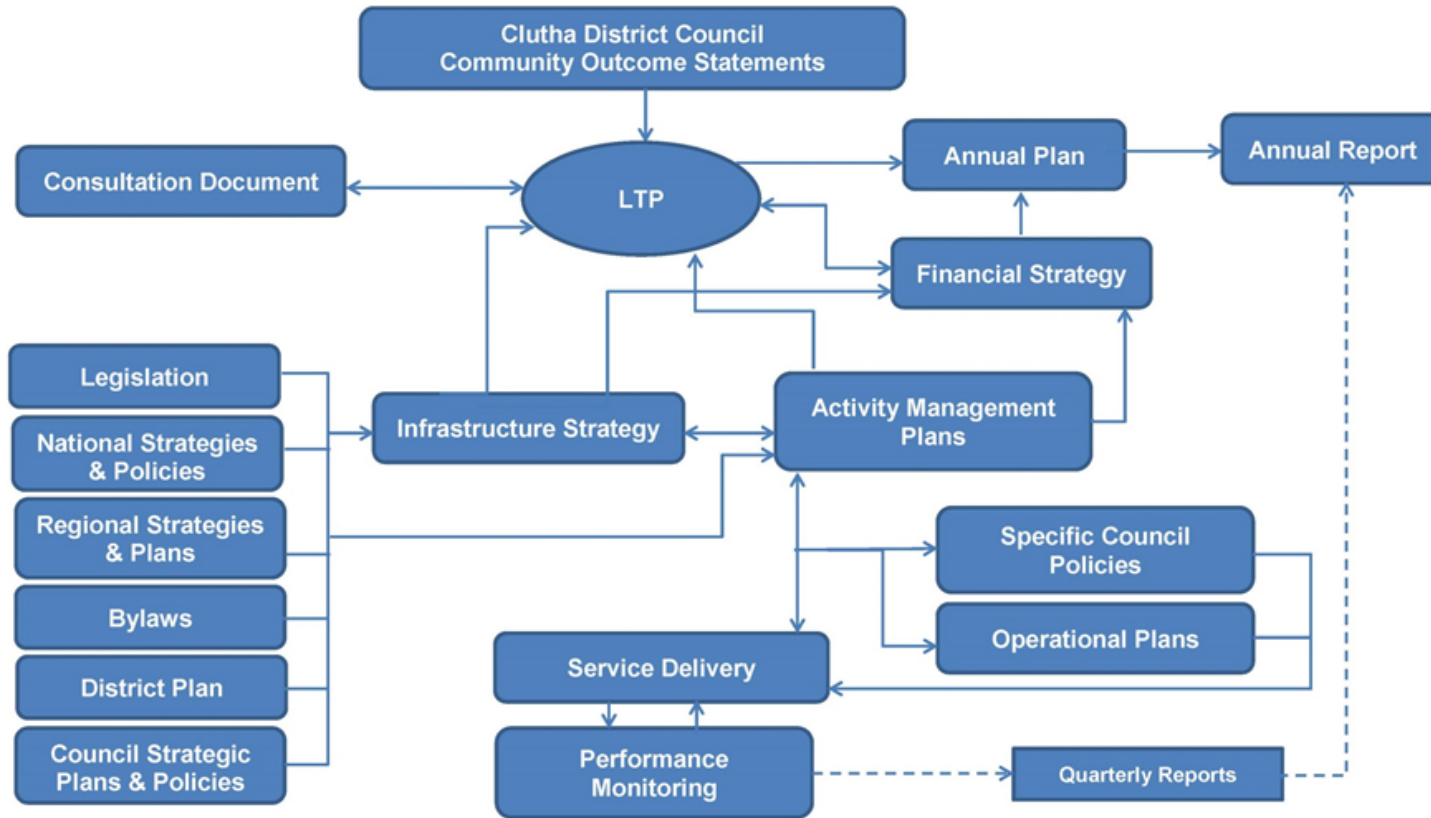
OUR FOCUS FOR INFRASTRUCTURE

We're focused on maintaining our key infrastructure for residents and future generations, and enabling investment where benefits are clear.

We will also look to facilitate growth where there is potential for this, to help achieve our goal of growing the population and the rating base. We acknowledge this is a medium to longer-term goal.

Council is also very focused on maintaining the affordability of its infrastructure.

LINKAGE WITH OTHER DOCUMENTS



Graph: Infrastructure Strategy Linkages with other Documents and Processes

WHERE WE HAVE COME FROM

Ka mua, ka muri - look to the past to inform our future

“Ka mua, ka muri” is a Māori whakatauki that translates roughly to “walking backwards into the future” - the philosophy that we look to the past to inform our future.

The story of the Clutha District is one of opportunity and adaptation. What we see in our past is that an abundance of natural resources drew people to the area - the hunters, fishers, whalers, miners, logging workers and farmers are testament to that. Our ancestors and pioneers created trade and prosperity across the district.

Early Māori roamed Te Tai O Arai Te Uru (Otago Coastal Marine Area) hunting and gathering and moving with the seasons. Those trails were the district’s first deliberate infrastructure. Then European whalers shipped tonnes of oil and whale bone across the world.

Gold and coal were mined; sawmills supported a booming trade in timber. Cleared land was used for farming, from which modern dairy factories and processing plants employed many people.

Underpinning all these activities was an ever-growing infrastructure of housing, riverways, roads, railways, bridges, and ferries, as well as drinking water schemes and wastewater systems.

Today, farming is Clutha’s primary industry. Its productivity is supported by an extensive network of roads and rural water supply schemes. In recent years, domestic and international tourism has become a significant economic driver of the district also. Now you can take your camper van on the Tuapeka Mouth ferry, walk to Nugget Point lighthouse, and cycle along the old hunting trails.

1200s to 1800s



Early Maori settled near fertile fishing and hunting grounds such as Kaitangata and the mouth of the Mata-au.

1868

1878



Opening of the current Balclutha Bridge was cause for great celebration.



Rural water schemes provide water for stock.



Tourism infrastructure such as walkways, cycleways, parking and public toilets support visitors to the district.

Networks of walking trails and canoe access

Whaling stations and primitive roads

Ferry at Balclutha

Roading network upgraded to support gold rush and logging

First Balclutha Bridge

GREAT FLOOD

Second Balclutha Bridge

Clutha Rail Bridge

Catlins River Branch Railway

Third Clutha Bridge

Farming becomes the District’s primary industry

Development of Three-Waters network

Rural water schemes

Roading upgrades for heavy traffic

Tourism infrastructure

Bridge upgrades

1788

Europeans arrived and set up whaling stations at Taieri Mouth, Port Molyneux and Tautuku.

1861

Gold is found at Gabriel’s Gully. A logging trade begins.



Roads are upgraded to allow horse and cart, then motor car.

1879-1971



The railway supports industry and connects people.



We have an extensive network of sealed and unsealed roads built to carry heavy vehicles like milk tankers and stock trucks.



Bridge upgrades ensure our roading network delivers the required level of service.

WHERE WE WANT TO HEAD

“It’s a simple choice really, to actively promote growth or be a bystander in our district’s future.”

Our district has changed considerably in the last 200 years. While it is impossible to predict exactly what the district will look like in the year 2051, we do know that some of the decisions made now will have an impact on that future.

What is also evident is that throughout our history, water, warmth, health, and connectivity has underpinned our prosperity.

So, the vision for our future is purposely simple:
Clutha is a great place to live, work, and play

Council will continue to facilitate growth and achieve our goal of growing the population.

We will continue to sustainably manage key infrastructure for residents and future generations throughout the district.

We will also invest to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water.



Graph: Clutha District Strategic Framework

THE INFRASTRUCTURE WE TAKE CARE OF

Core Infrastructure	Vital Statistics	Value (\$M)	remaining life
Roads and footpaths	846km sealed roads 2,062km unsealed roads 144km footpaths 171km surface water channels 360 bridges and bridge culverts	923.6	64%
Water supply (urban and rural)	11 schemes servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui, Clinton, Kaka Point, Waihola, Benhar, and Stirling. 11 rural water schemes: Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa. 2,684km of reticulation 16 treatment plants 46 pump stations	72.3	56%
Wastewater	11 schemes in Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. 201km of sewers 28 pump stations 1 treatment plant 10 oxidation ponds (5 with Biofiltro and 2 with membranes) 3 wetlands	51.2	57%
Stormwater	8 systems in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. 111km of pipes 4 pumping stations	15.1	47%

ACCURATE INFORMATION ABOUT OUR INFRASTRUCTURE

The information we have about the age, condition and performance of our assets are key factors in helping us make sound decisions around the timings of renewal, upgrade and disposal of assets. It is also important to calculate the annual use of the asset by residents and ratepayers, and calculate and fund depreciation accordingly.

All infrastructure assets are valued 3-yearly, which includes a formal assessment of their remaining life. For above-ground assets, assessments of condition and performance are relatively straight-forward and data is also updated as part of the maintenance and renewals process.

For underground assets (predominantly pipes) Council has an ongoing programme to monitor and improve the quality of the information we have. Condition assessments are undertaken as part of the maintenance contract as well as specific projects to assess vulnerable pipe classes e.g. asbestos cement (AC) cast iron and concrete.

As our infrastructure ages, so does the likelihood of their eventual failure. So we must prioritise the regular inspection of assets considered critical and nearing the end of their useful lives and combine this with engineering judgement to confirm renewals programmes.

For Transportation assets, we use the Roading Asset and Maintenance Management system or RAMM for short. This is a central database for storing information about these assets. RAMM includes a

schedule of all roads and footpaths on the network and detailed asset information such as road and footpath widths, surface types and ages. It also stores pavement details, traffic volume and loading information and condition data. Other assets are also recorded in RAMM such as signs, culverts, bridges and some greenspace assets.

The accuracy of the asset data in RAMM is a key component used in the development of forward works programmes for assets in the Transportation Activity Management Plan. This information is used

along with the knowledge of Council Staff and Consultants who have worked on the network for many years to ensure the programme is fit for purpose. The confidence level for all asset groups in RAMM is – Reliable. This is based on continual input of data into the system and recording of maintenance activities and other data.

The table below summarises the confidence level we have for the different classes of assets we take care of:

Asset Class	Confidence Level	Justification
3 Waters Reticulation	Reliable	Maintenance history of breaks for over 15 years has been captured and is used as a main driver for renewals. Known vulnerable materials such as AC, cast iron and concrete pipelines have had specific studies undertaken and are prioritised for renewals. CCTV work is undertaken periodically for assessment of gravity mains with the aim to assess the entire network over a 10-year period.
3 Waters Plant	Reliable	Reliability of information is variable on plant assets as the focus has been on compliance upgrades rather than routine renewals. These renewals are undertaken as plants are upgraded or the plant may be completely replaced. Very good information is known about recently renewed and assessed plants.
Transportation	Reliable	This is based on continual input of data into the system and recording of maintenance activities and other data such as cost activities and service requests.

PRINCIPLES OF INFRASTRUCTURE INVESTMENT

The 2018 infrastructure strategy signalled a sustained level of investment over the long term. This 2021 strategy continues this journey. Promoting growth is still our priority. This district has huge potential as a great place to live, work, play and invest. Our principles for investing in infrastructure remain unchanged, with a heavy focus on pragmatic expenditure and fiscal responsibility.

Decisions to invest in infrastructure are guided by a set of agreed principles.

1. Plan for and be adaptive to growth and enable private infrastructure investment where 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. Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level.
4. Use our solid financial position and existing infrastructure as a platform to enable growth.

LINKAGES WITH THE FINANCIAL STRATEGY

A 30-year strategy for infrastructure investment must be grounded in financial reality. The financial strategy (that directly follows this document) can be considered as the counterbalance by presenting financial consequences of the vision. It provides transparency and the overall direction through a set of financial aims and a financial vision for Council.

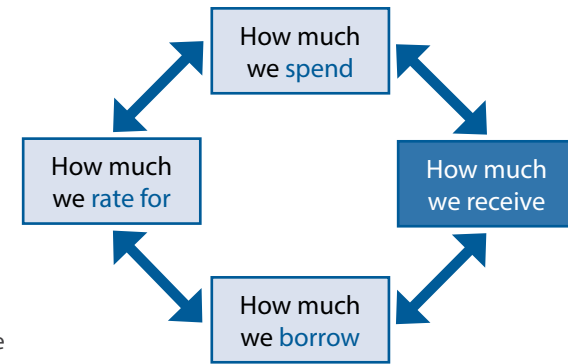
A well-balanced infrastructure and financial strategy ensures the right debate occurs and our community get the correct outcome.

Considering that infrastructure makes up close to 80% of Council's total expenditure, it is critical that these two documents are intrinsically linked.

The financial strategy has been structured around the three key drivers of infrastructure investment. These are:

- **Investment to Facilitate Growth**
- **Investment to Improve Levels of Service, and**
- **Investment to maintain what we've got.**

This infrastructure strategy encapsulates the broader vision, challenges and opportunities, bringing together our planned investments in these three areas.



Graph: Key Aspects of our Financial Mix

OUR INVESTMENT PRIORITIES

This section outlines the key investment priorities for each of Council's activities.

They are summarised below under the primary drivers of investment.

Priorities to Facilitate Growth

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

Key priorities include:

- Enabling growth in the Milton-Milburn-Waihola Corridor.
- Managing drinking water demand in our rural and urban water schemes, and where viable, supplying more capacity.
- We're also proposing a number of sewerage and water projects in other areas to help them expand. This includes in Balclutha, Kaitangata, Kaka Point and Tapanui.

Priorities to Improve Levels of Service

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

Key proposals include:

- Upgrading rural and urban water schemes to comply with NZ Drinking Water Standards.
- Upgrading wastewater infrastructure to improve the quality of discharges to the environment.
- Increasing the capacity of stormwater infrastructure to reduce the risk of localised flooding.
- Investing in the Milton main street improvements.
- Strengthening our bridges to carry high productivity motor vehicles.

Priorities to Take Care of What We've Got (Renewals)

Our Approach: We're aiming to have the funds needed to replace assets when they wear out (renew assets at the end of their economic life).

Key priorities include:

- Minimising the costs and impacts of our ageing infrastructure.
- Efficient road maintenance
- Continuing with our 'fast tracked' bridge replacement programme.
- Securing the future for Mt Cooe Landfill

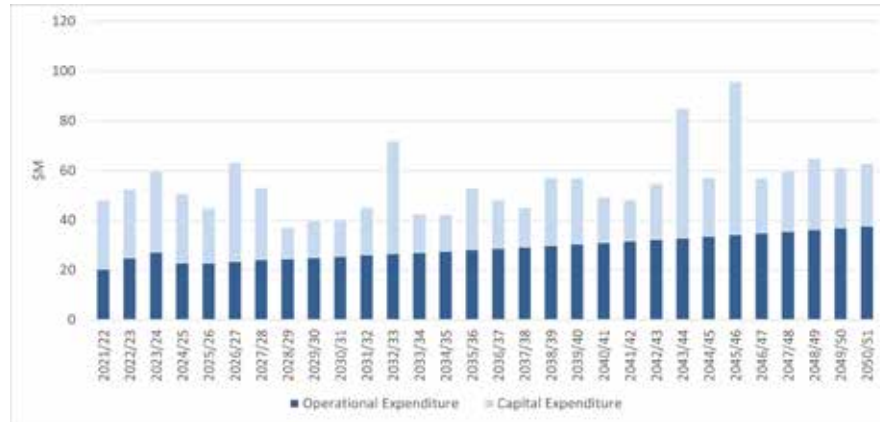
OUR INVESTMENT HORIZON

This section describes the expenditure which is planned throughout the next 30 years, based on the principles, assumptions and challenges identified in this strategy. A series of graphs are included, to help illustrate how much and when Council proposes to invest in infrastructure over this period.

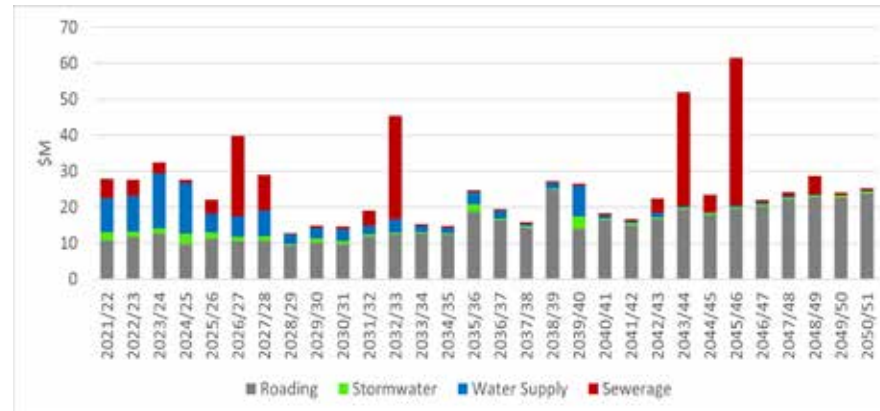
The forecast expenditure is significantly higher than historical expenditure. For each of the next five years, the forecast annual capital expenditure is over \$150M.

It is noted that the budgeted amounts include the effects of inflation (inflation rates are explained further in the accompanying Financial Strategy). The first graph summarises our 30-year horizon for both capital and operating expenditure for 2021-2051. Again, note that some of the increase in overall expenditure shown in this graph is due to inflation.

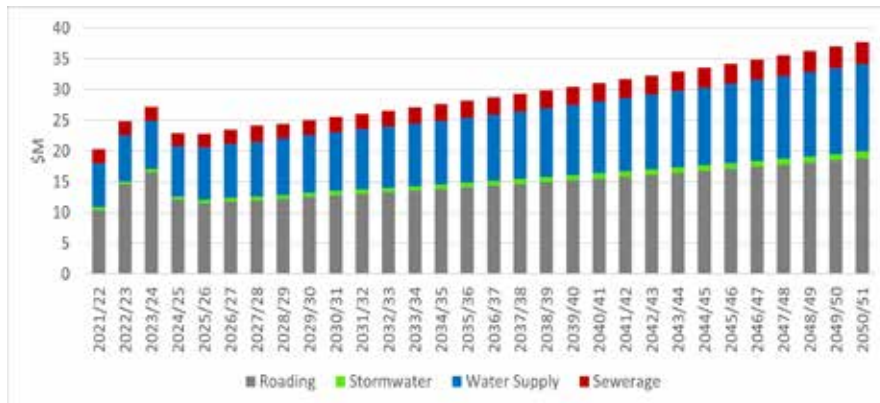
The plans and forecasts for the first three years have the most detail and confidence as the greatest amount of planning has taken place. The investments identified between four and ten years are an outline and have a reasonable degree of confidence. The forecasts beyond year 10 should be viewed as indicative estimates and will be developed further as time passes and more information is obtained.



Graph: Forecast Capital and Operating Expenditure for Infrastructure 2021/51



Graph: Forecast Capital Expenditure for Infrastructure by Category 2021/51



Graph: Forecast Operating Expenditure for Infrastructure by Category 2021/51

CHALLENGES TO MITIGATE

OUR CHANGING COMMUNITY

Like other rural areas in New Zealand, we have a relatively small, static, and ageing population. The average age of the population will continue to increase over the long-term, as is the case throughout New Zealand. In 2013 people aged 65 and over made up around 16% of the population; this is expected to increase to 32% by 2051.

Projected age changes indicate that the proportion of working age people (between 15 and 64 years) to non-working age will decline from 1.6 to 1.2 by 2051. This is much lower than the New Zealand average of 1.4.

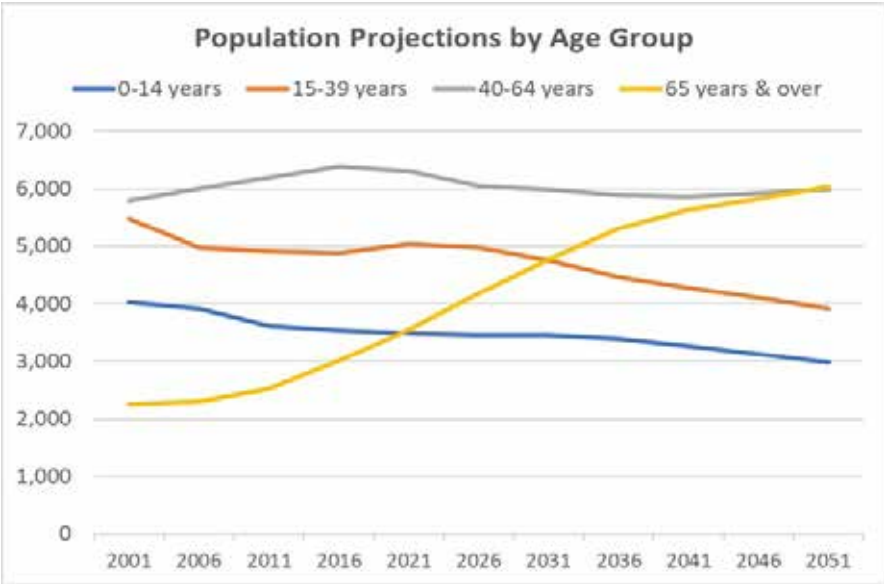
We know we need people of working age to move to the district to meet work force needs and to avoid the proportion of people over 65 increasing as quickly as forecast.

This is expected to affect the way Council delivers its services and the community's ability to pay. It is also anticipated demand will increase for community facilities and activities such as walking and cycling, as identified through the development of community plans for the district's main towns.

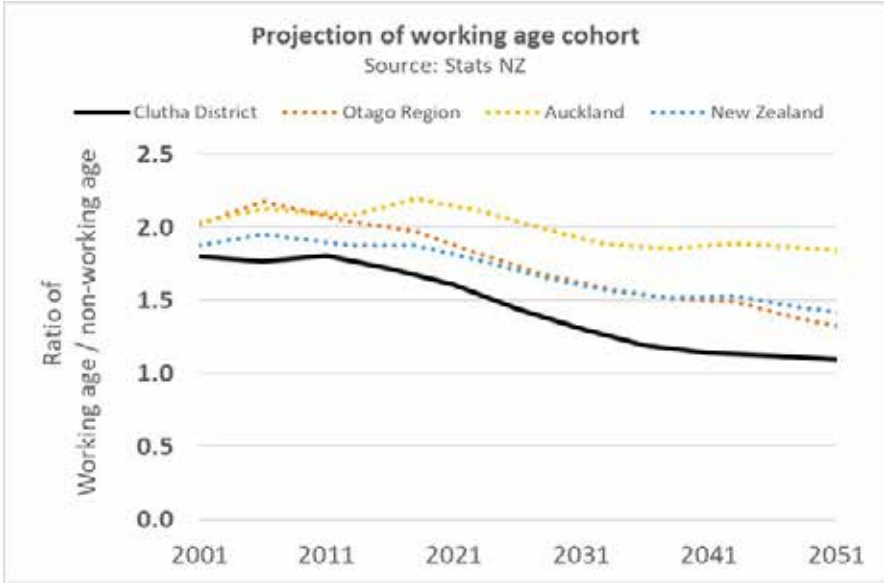
Initiatives such as Council's Living and Working in Clutha Strategy aim to attract more younger residents in the 15 to 64 age group to the district.

THE IMPACT OF COVID-19 ON INFRASTRUCTURE

While real annual GDP loss (in percentage terms) is the highest in tourism-centric regions (Queenstown-Lakes, Rotorua and Auckland), all regional economies of New Zealand are expected to contract due to the direct and flow-on effects associated with the COVID-19 restriction measures and weakened international markets. Our approach is to remain agile and responsive.



Graph: Clutha District Population Projection by Age Group



Graph: Clutha District Projection of Working Age Cohort

THREE-WATERS REFORM

Both central and local government acknowledge there are challenges facing local government water services and infrastructure, and the communities that fund and rely on these services.

Over the past three years, central and local government have been considering the issues and opportunities for regulating and managing the 3-Waters (drinking water, wastewater, and stormwater).

The Government inquiry into Havelock North's drinking water (following a serious campylobacter outbreak in 2016) identified widespread, systemic failure of suppliers to meet the standards required for the safe supply of drinking water. This has seen the Government progress a programme of 3-Waters regulatory reform, including the establishment in 2020 of Taumata Arowai, the new Water Services Regulator.

THE IMPACTS OF CLIMATE CHANGE

Clutha District will become warmer and wetter in the future, with more water likely flowing through the Clutha River. These changes may bring opportunities, such as improved winter pasture growth; however, they may also bring challenges such as a potential increase in flood frequency and severity.

Council commissioned investigative research during 2020 to understand the likely impacts of climate change to the Clutha district. The findings reveal that, overall, the Clutha District will become warmer and wetter over the next 70 years.

The key points to signal to the community and to underpin assumptions are:

- 1. More temperature extremes and dry days** up to 20 more hot days (days >30°C), and up to 50 fewer frost days (days <0°C), may be expected by 2090. The highest increases in temperature are predicted for West Otago. By the end of the century, The Catlins may experience up to four additional dry days per year, while the Clutha Valley, Milton and Waiholo areas are likely to experience fewer dry days and overall wetter conditions.
- 2. More Intense Rainfall and Localised Flooding** (where >25 mm of rain falls) are expected to increase (by 0 to 5 days), with the largest increases in The Catlins and over the Old Man Range by 2090. Rainfall totals during high intensity events are predicted to increase across the district, potentially leading to more frequent localised flooding.
- 3. Increased flood risk from rivers** The Clutha River is expected to experience an overall increase in river flow, especially during the winter and spring months, due to more precipitation in the upper catchment.
- 4. Coastal Risks from Rising Sea Levels:** Low-lying coastal settlements and the infrastructure that supports them will, over time, become increasingly susceptible to inundation. This includes low-lying parts of the Taieri Mouth, Toko Mouth, Kaitangata, Kaka Point, Pounawea and Jacks Bay settlements. Rural areas such as Molyneux Bay may also be affected.

This modelling, done specifically for our region, gives us the opportunity to make changes to our infrastructure over time that will help us continue to thrive.

However, the strategy assumes that the effects of climate change will be felt gradually throughout the period of this Infrastructure Strategy, allowing Council time to plan and prepare its response options around services and infrastructure. Council has begun working on its response to climate change. A key project is the Greenfield water scheme proposal.

RESILIENCE TOWARD NATURAL DISASTERS

While we can't predict exactly when earthquakes will occur, scientific research from AF8 (Alpine Fault Magnitude 8) shows the Alpine Fault has an unusually regular history of producing large earthquakes. Over the last 8,000 years, the Alpine Fault has ruptured 27 times - that's roughly every 300 years. The last significant earthquake on the Alpine Fault was in 1717 (+300 years = 2017). If the Alpine Fault continues in its regularity, the next severe earthquake could occur within the 30 years covered by this strategy.

The Clutha District is reasonably familiar with the effects of large flooding events. The overall risk to infrastructure is reduced somewhat because of our small and widely distributed communities. This reduces the likelihood of extensive damage across all critical infrastructure at the same time.

However, any major event would impact on Council through the need for immediate funding, and depending on the scale, duration and location of the event, there could be unforeseen costs in terms of damage to Council assets.

SKILLS SHORTAGES IMPACTING OUR SERVICE DELIVERY

Many councils throughout New Zealand are undergoing the same levels of sustained investment in infrastructure. Meanwhile, large swathes of the workforce are reaching retirement age. The immediate impact of border closures from COVID-19 further exacerbate this problem.

In recent years, Council has struggled to complete high proportions of its budgeted capital works. This is now at the point where we must prioritise investment by what can be physically delivered within available market capacity whilst investigating options to address the issue.

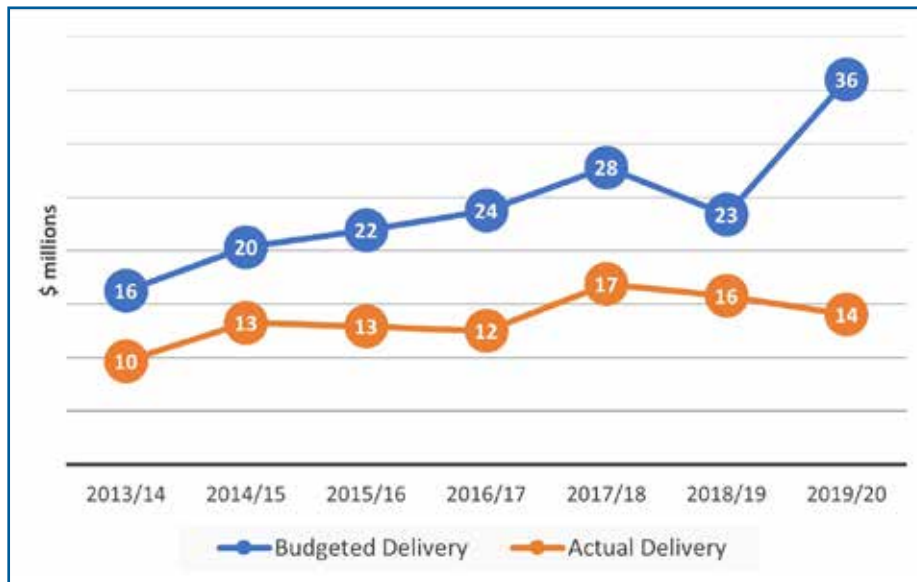
Council is limited in options to address this in the short term, other than to reduce spend to match delivery capacity. Longer term, several options are available to improve service delivery include:

- Shared services partnerships/agreements with neighbouring territorial authorities.
- Amalgamating small schemes to reduce costs and increase resilience.
- Improve the efficiency of our procurement processes and instill confidence in the marketplace to invest in capacity and skills.

SELF-IMPOSED RATES AND DEBTS LIMITS

We are aware that rates make up a significant proportion of the cost of living for many people. We have made a commitment to not increase overall rates by more than 4% per annum. We have a significant investment programme over the coming 30 years, and this limit may be in jeopardy in some years of this strategy. We update our financials on an annual basis and look at our mix to ensure we reduce year on year increases below 4%. We also have limits on the amount of debt we utilise to fund infrastructure investment.

Our Financial Strategy details how we ensure the prudent financial management by Council. It is detailed after this strategy.



Graph: Budget vs Actual Delivery of Capital Spend (\$M)

OPPORTUNITIES

LAND USE CHANGES

Recent District Plan changes for in Balclutha, Stirling, and Milton means areas of land in and around these towns rezoned to Urban, Transitional or Industrial Resource Areas. Most of this can be serviced by extending the existing infrastructure network, which is normally done at the developer's cost. This opens up more residential choices whilst sustainably managing the rural environment

In industrial areas, Council wants to understand what opportunities there are to provide more industrial land so that we can continue to attract businesses to our community, without compromising the amenity values of our urban areas (Our People, Our Environment).

We want to ensure our communities have the provisions to sustainably grow in the future.

LIFESTYLE REMOTE WORKING COASTAL AND MOUNTAINOUS LIFESTYLE

With a laptop and good internet connection, there are a growing number of people who can work from anywhere. The COVID-19 lockdown saw even more people take the leap into working remotely.

By ensuring there is affordable housing, good connectivity, and attractive amenities, there is a strong opportunity to attract young professionals, especially first-time buyers, to settle in the district as part of the Living and Working in Clutha Strategy.

FUTURE DEVELOPMENT - ROADS AND WATER EVERYWHERE

The district has a vast network of waters schemes local roads spread throughout the district. The network can carry large and heavy vehicles, meaning much of the productive areas are accessible. The district is also served by four state highways capable of carrying higher volumes of traffic throughout Otago/Southland region.

A rail freight corridor also runs directly through the district. It connects to Port Chalmers and further north and to Gore, Invercargill, and Bluff Port to the south.

The Clutha River / Mata-Au is the highest volume river in New Zealand, and the swiftest. There is potential for development alongside the river using its water or its powerful flow as a resource.

Where a significant decision relates to land or a body of water, Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga. This is an integral part of strengthening our partnerships with iwi and contributing to our cultural wellbeing.

VISITOR GROWTH

With border restrictions forecast to be in place until at least 2022, it may be a few years before we see international tourism return to pre-2020 levels. Despite this, the broader trend towards more tourism is expected to continue.

In the long term, global travel continues to become more affordable and the growing level of 'middle class' wealth throughout the world makes New Zealand increasingly accessible.

In line with our Clutha Destination Strategy 2020-30 we aim to manage the growth of respectful tourism. We will continue to improve infrastructure to support day visitors and longer stays including more rubbish bins, toilets, freedom camping areas, and dump stations. We will also work through the local Runanga to facilitate more inclusion of endorsed Māori heritage stories in site interpretation and tour/activity commentaries and seek to engage the Ngai Tahu Takiwa Tourism programme to establish Māori owned and operated tourism businesses in Clutha.

There is great scope for promoting our network of cycling trails, which have been hugely popular in neighbouring districts.

Our district's Clutha Gold Trail connects Lawrence with Roxburgh, and there are plans to extend the trail to the east (all the way to Lake Waiholo by 2022), putting it within easy reach of the coast.

DELIVERING WELL BEING THROUGH PROCUREMENT

In 2012, the budgeted 10-year spend on infrastructure (primarily physical works) was \$139m. The upcoming 2021/31 Long Term plan is projecting a spend of \$278m. This level of infrastructure investment is projected to continue for the long term (30 years). With such a large influence on the marketplace, there is a clear opportunity for Council to promote broader outcomes to its procurement practise.

Central Government is encouraging local authorities to start prioritising four priority outcomes within their procurement:

1. Increasing access for New Zealand Businesses

Agencies must consider how they can create opportunities for New Zealand businesses, including Māori, Pasifika, and regional businesses, as well as social enterprises.

2. Construction Skills and Training

The Government is committed to using its procurement to find ways to partner more effectively with the construction sector to grow the size and skills of New Zealand's construction workforce.

3. Improving Conditions for New Zealand Workers

The Government aims to improve conditions for New Zealand workers by requiring agencies

to ensure suppliers and their sub-contractors comply with employment standards, and health and safety requirements.

4. Reducing Emissions and Waste

The New Zealand Government is committed to achieving positive environmental outcomes through sustainable procurement by buying low emissions and low waste goods, services and works.

WHATS CHANGED IN THE PAST THREE YEARS?

This strategy picks up from where we got to in the 2018 Strategy, with a clear commitment to the District's future.

The long-term risks and challenges discussed in previous infrastructure strategies remain. Several have heightened in importance, while some new opportunities have arisen with the growth in tourism and new residents.

A summary of the key changes include:

- **Clutha District is growing** – The District's population grew slightly over the past 6 years. This was due to immigration of people into the district, which was a national trend.
- **More Work on climate change** – The risks to

the District from climate change have been more widely prioritised and modelled in more detail.

- **Focus on compliance** – Instead of taking "all practicable steps" we are now committed to delivering full compliance for national drinking water and wastewater discharge standards.
- **More information to help make decisions** – We've been improving how we prioritise taking care of our infrastructure (renewals), by gathering more information about them through condition assessments and the processes we have for balancing costs and risks.
- **Delivery on projects** – The infrastructure sector in Clutha and Otago/ Southland is experiencing a skills shortage which is influencing the viability and timing of project delivery.
- **Changes ahead for 3-Waters** – Central government has legislated for regulation and reform of the 3-Waters (drinking water, wastewater, and stormwater). This is still in progress but is likely to mean major changes in how these services are delivered for Council.

Global Pandemic – The change no-one can ignore is the immediate impact of a global pandemic. COVID-19 has created uncertainty in communities and business throughout the world.

TRANSPORTATION

Keeping our roads open, safe, and affordable is as important today as it was 100 years ago.

Our transport network serves the economic, social, and cultural needs of our people by providing efficient connectivity of people and places. It is also a link for longer journeys and for visitors who explore our district. From as far back as the early 1800s, our roads have been fundamental to the connectivity of people and the movement of goods around the district. Back then, it would take all day to move a mile. Today, our goods can travel across the world within 24 hours.

We are and will remain, a very large exporter of food and fibre products. We recognise that the transport network is the 'first mile' to our export markets.

The transport network includes more than just roads and cars. There are also footpaths, small culverts, streetlights, and other assets associated with the transport activity. The global trend of urbanisation is anticipated to continue leading to demand for shorter and more frequent journeys. Our urban centres are comparatively small to other metropolitan areas of New Zealand. We are increasingly recognising our role in facilitating the movement by many modes. Technological advancements such as ride sharing apps and e-bikes are rapidly increasing the options available and community expectations of mobility.

OUR ROADS HAVE ALWAYS BEEN THE KEY TO OUR PROSPERITY



Roads were lengthened and widened to allow ox and horse drawn carts to export produce like coal and timber in large quantities.



Early struggles with journey reliability in motorised vehicles!



Better roads enabled use of heavy goods vehicles.



Today's heavy vehicles can move vast amounts of produce quickly.



Safe and scenic roads encourage tourists to visit our district.

DELIVERING NEW ZEALAND'S TRANSPORT PRIORITIES

A major source of funding for our transportation network comes from Waka Kotahi NZ Transport Agency. A baseline level of funding (65%) is received for the operation, maintenance, and renewal of the existing roading network, as well as for improvements that meet the national outcome priorities. This co-investment now makes up a significant proportion of Council's overall roading programme.

Co-investment is conditional on the planned transportation activities delivering national priorities and criteria. It is very important we work collaboratively with Waka Kotahi to deliver these national priorities. These are set every 3 years through the Government Policy Statement on Land Transport.

SAFER TRANSPORTATION

New Zealand has often prioritised the fast, efficient movement of vehicles over the safety of people. Clutha District share and support the government's Road to Zero: NZ's Road Safety Strategy 2020-2030. Our shared vision is:

A New Zealand where no one is killed or seriously injured in road crashes. This means that no death or serious injury while travelling on our roads is acceptable.

Analysis of road safety data indicates that our district has a comparatively high level of risk on our low volume rural roads. This is where serious and fatal injury crashes mostly occur. Council is targeting a reducing trend of crashes on the network with no more than 10 fatal or serious injury crashes each year.

"We all make mistakes from time to time. We need to stop simple mistakes turning into tragedies."

Our priority areas of influence are:

- Safety treatments and infrastructure improvements on high-risk roads and along tourist routes
- Enhanced accessibility and safety within townships
- Tackling unsafe speeds on high-risk roads.

INVESTING IN TRANSPORT PRODUCTIVITY

High productivity motor vehicles (HPMV) are increasingly common across the truck fleet today. HPMVs carry much more freight than a typical truck. The ability to carry more freight from fewer movements improves the price competitiveness of our primary producers. It is our intention to promote HPMV access on specified permitted routes of our network and enable 50 MAX vehicles (vehicles with a maximum load of 50 tonne) to eventually cover the full network. The Government Policy Statement on Land Transport 2021 and our co-investor, Waka Kotahi shares this priority.

EFFICIENT ROAD MAINTENANCE

Improving the cost effectiveness of road maintenance translates into direct benefits to our community and our co-investors. It serves to keep our economy competitive by reducing business overheads, particularly for our primary producers.

We monitor our costs competitiveness with other comparative roading networks across New Zealand. Doing so incentivises us to be innovative and open to carrying some risk in order to deliver cost efficiencies.

Since 2015 Clutha’s approach to renewing the sealed road network has been aligned with the ‘sweating the

asset’ approach. This approach promotes timely and appropriate maintenance and renewals to prolong the roading network. It has successfully delivered a reduction in overall maintenance spends but also carries more risk of overall long-term network deterioration. has successfully delivered a reduction in overall maintenance spends but also carries more risk of overall long-term network deterioration.

This is a risk we are currently willing to accept and drives us to always seek new innovations and ways of doing things. We actively monitor the performance of our pavements and use advanced deterioration modelling techniques to signal when this strategy must adapt and change.

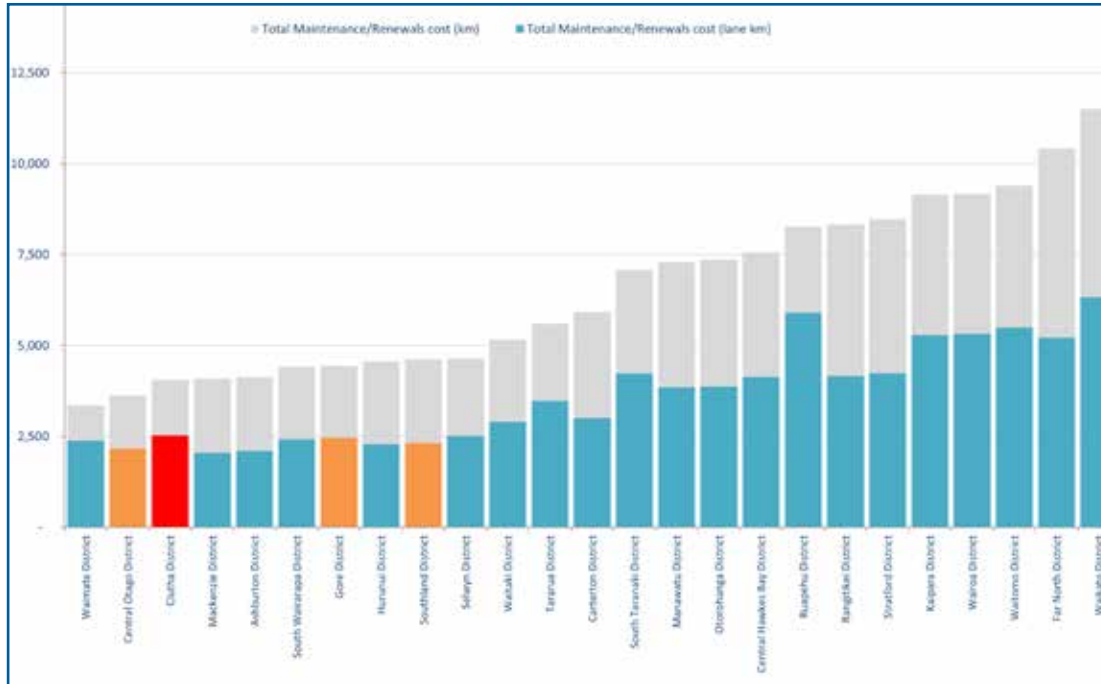
GETTING AROUND OUR TOWN CENTRES

There is increasing demand from communities for improved crossing facilities, public transport and lower speeds, especially around schools. Clutha’s aging population will exacerbate this.

Aging and cracked footpaths pose safety hazards to pedestrians. Clutha District and Waka Kotahi have recognised this risk and will progress the rate of footpath renewals over the next 10 years.

PREPARING FOR THE FUTURE OF ELECTRIC VEHICLES AND LOW CARBON TRANSPORT

Clutha District currently has four public EV charging points (Balclutha ,Lawrence Milton, and Tapanui) and intends to increase this number as a medium-high priority. Most electric vehicle (EV) charging happens overnight in people’s garages, but the most affordable and popular EVs still have a limited range of 250 km. Strategically, we will support providers, where possible, wishing to set up Electric Vehicle charging stations to help enhance a nationwide network.



Graph: Maintenance Operation & Renewal Expenditure Cost Per Lane km Comparison By Peer Group (\$)

3-WATERS

Safe drinking water and public sanitation enables us to thrive – people who are well go to school or work and add to the economic and social wellbeing of their community. Over several generations, our district has created drinking water schemes that supply thousands of people.

Waterborne diseases can have devastating effects on a community, as was experienced in Havelock North during 2016. The indirect consequences are still rippling through councils in the form of a new water regulator and reforms not seen since the 1989 amalgamations of local government.

SAFER DRINKING WATER AND A NEW WATER REGULATOR (TAUMATA)

Compliance with the NZ Drinking Water Standards is now a legal requirement. The level of treatment necessary in rural schemes depends on the quality of the water source. A larger water source and treatment plant is now needed for each rural scheme.

In September 2019, Cabinet agreed to create a new Water Services Regulator (Taumata Arowai) to enforce drinking water standards at a national level. It will ensure that councils have the funding and support to get the balance right.

A comprehensive programme of treatment upgrades has been approved by Council previously and is included in the first few years of this strategy.

SAFER DRINKING WATER \$18.1M

Compliance with the NZ Drinking Water Standards is 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.

GREENFIELD CLUTHA RIVER PROPOSAL \$14.5M

Compliance with the NZ Drinking Water Standards is 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. A larger and safer water source and treatment plant is needed for some schemes. The Greenfield proposal provides options for several of our existing rural water schemes.

1. Do nothing and accept the risk

Capital cost: \$0

Do nothing has been considered, but is not a valid option.

2. Carry out work to ensure national standards can be met

Capital cost: \$18.1M

Work is already underway and will include work to most of the 17 treatment plants throughout the district.

This is Council's preferred option

1. Upgrade each individual scheme source and treatment plant.

Continue with separate supplies and treatment plants for Balmoral 1 & 2 and Tuapeka East rural water schemes.

Capital Cost: \$7.5m

Ongoing Cost: \$3.0M`

2. Combine schemes to a high capacity, good quality water source and upgrade treatment plant.

Capital cost: \$18.1M

Work is already underway and will include work to most of the 17 treatment plants throughout the district.

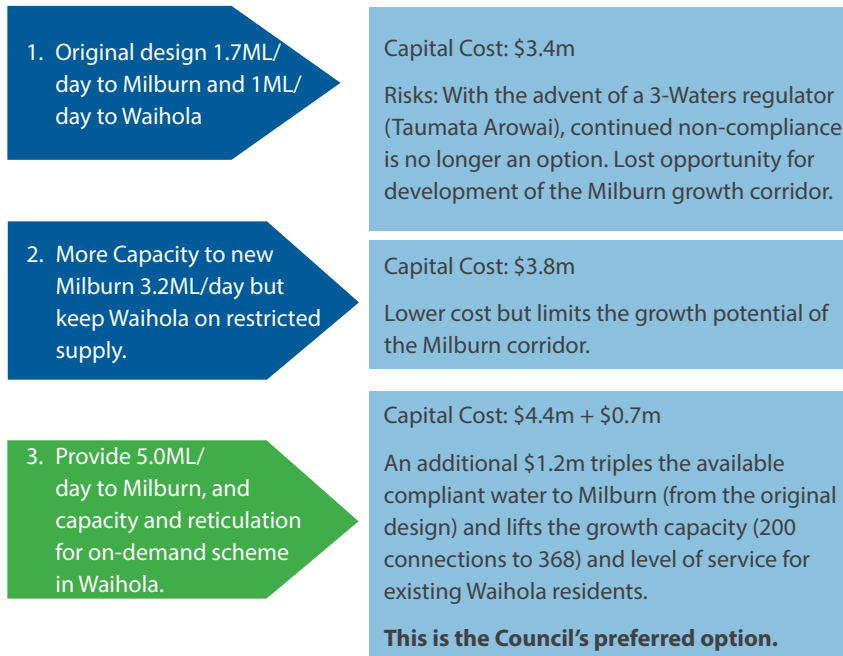
This is Council's preferred option

EXTENSIONS TO SERVICE GROWTH

New services are necessary to enable industrial growth in Milburn. Waihola also requires a better water source and more capacity to service growth.

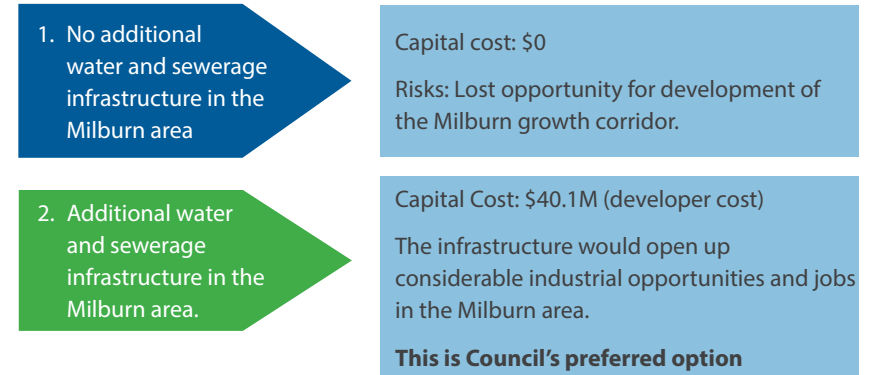
WATER FOR THE MILBURN WAIHOLA AREA

Originally planned in the 2018 as a means to supply Waihola with safe drinking water. But additional capacity is required for the Milburn Industrial Park development and to enable Waihola to be upgraded to an on-demand scheme from restricted. The existing Waihola scheme is at capacity.



MILBURN GROWTH CORRIDOR INFRASTRUCTURE

District Plan changes have paved the way to facilitate industrial development in the Milburn area. To enable this key water and sewerage infrastructure would need to be built, at the developer's cost.



INCREASING ENVIRONMENTAL STANDARDS FOR DISCHARGES

Acceptable standards of wastewater treatment have changed substantially since the days of early settlers discharging raw sewage into rivers!

The primary function of our wastewater networks is to uphold public sanitation by conveying waste away from habitable areas. Wastewater is pumped to a centralised treatment plant before being discharged into our waterways or directly onto land.

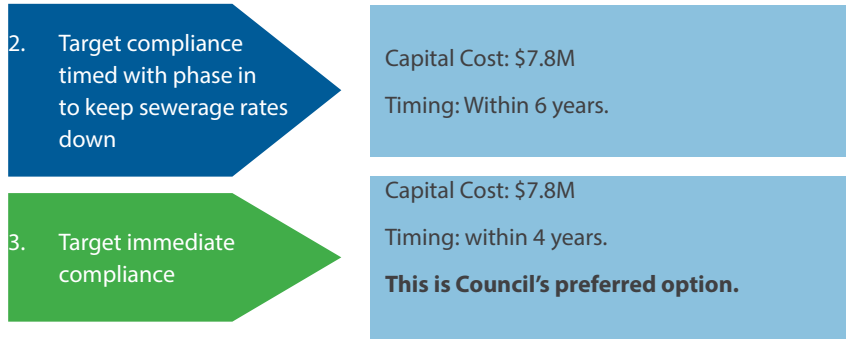
Council is required to have various resource consents in place for its treated wastewater discharges.

Several existing treatment plants do not comply with their existing resource consents and require immediate remediation. Many of these long-term consents require renewal over the next ten years. Wastewater treatment standards are also influenced by regional and national standards and will be part of the 3 Waters reform programme.

IMPROVING DISCHARGE TO THE ENVIRONMENT

Achieving high standards amidst a small rating basis requires innovation and good engineering. Several of Council's existing treatment plants were designed to work within these constraints, however, have not performed as expected. Approximately \$7.8M is needed to 1) bring existing plants up to meeting consent conditions, and 2) aim for consent for those that are currently going through the renewal process. The principal options below consider the timing of the compliance.

In many places around New Zealand treatment of stormwater is also required before it is discharged to streams and rivers. During a rain event, some removal of solids is achieved in street sumps. With the higher standards in place, further treatment of stormwater will be required in the future.



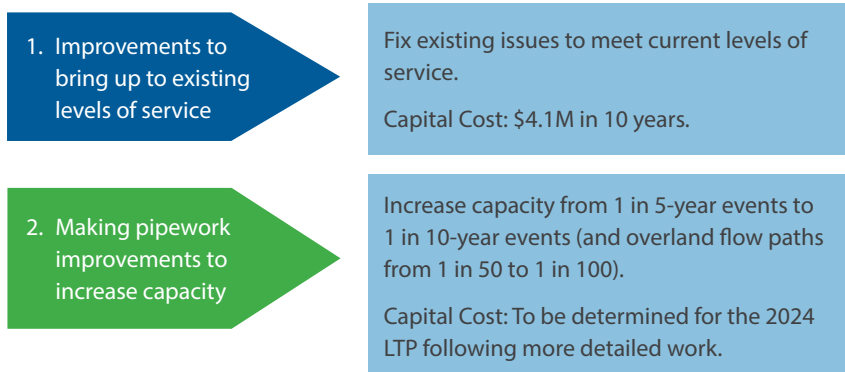
LOCALISED FLOODING RISKS

How we collect and dispose of stormwater run-off affects all our urban communities, so stormwater networks are key strategic assets that protect public health and property. Council aims to provide stormwater infrastructure that can manage a 1 in 5 through to 1 in 10 rainfall event in terms of our pipes. For overland flows this is between a 1 in 25-year and 50-year rainfall event. Several flooding risks exist in some of our smaller communities and a programme of upgrades is underway over the next 10 years.

The projects are in Milton, Owaka, Lawrence, Tapanui, Heriot, Clinton, Waiholo and Pounaweia. The proposed projects will mean a higher level of protection for communities during heavy rainfall events.

IMPROVING STORMWATER CAPACITY

The district's stormwater systems are coming under increasing pressure with more frequent flooding events. Levels of protection provided by the systems is under the microscope.



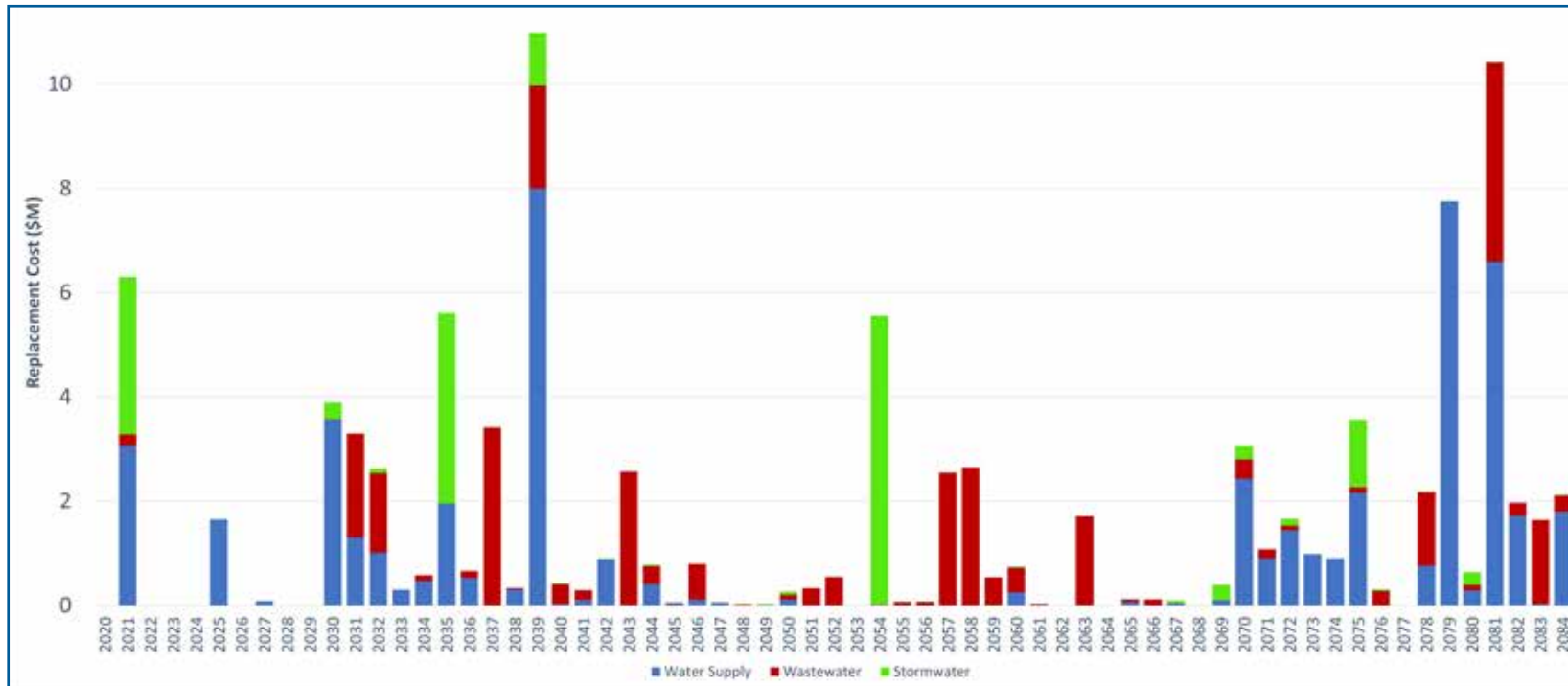
RENEWAL OF WATER, SEWERAGE AND STORMWATER INFRASTRUCTURE

The goal of a renewals programme is to correctly time replacements against their risk of failure and to maximise the savings from avoidance of ongoing repairs. Not completing renewals on time increases the risk of unexpected pipe rupture and a prolonged loss of service, as well as being more expensive to fix.

From a strategic standpoint, 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. The total replacement cost of the 3-waters reticulation network is approximately \$250M and the average age of the network is 54%. The level of collective risk of failure is increasing by the year.

The timing and rate of pipe replacements must also be considered within the context of the following factors:

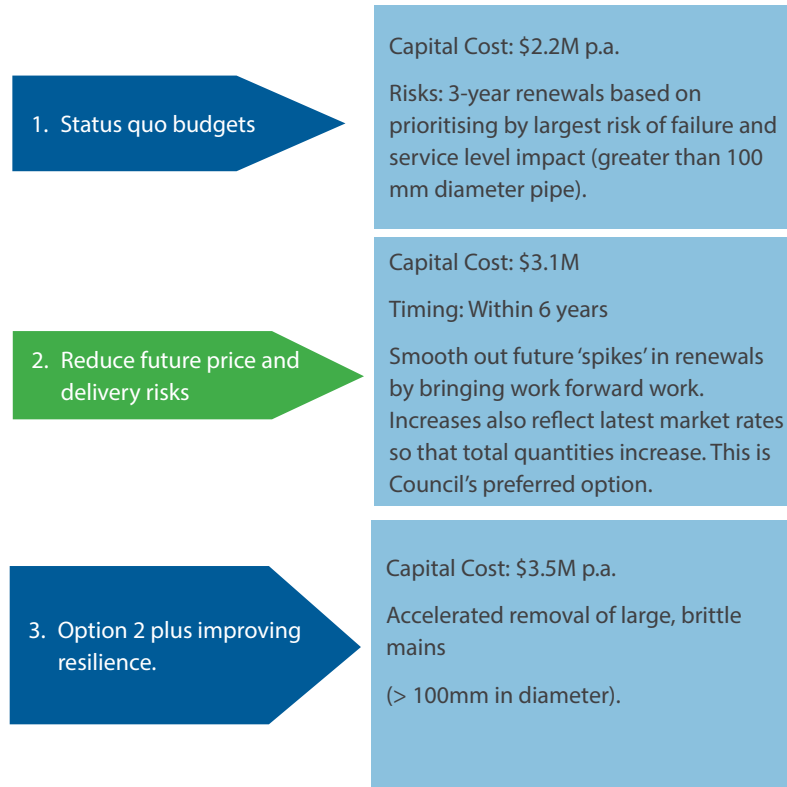
- **Network Stability** - We are entering the first of two distinct 'waves' with noticeable spikes (2039). If not managed, the frequency of failures will increase.
- **Pipe Replacement Costs** – The most recent 3W valuation shows replacement cost of pipes has increased by 20% since 2018.
- **Physical Works Delivery** – Historically, sporadic renewals and a competitive marketplace. Providing certainty and consistency of forward works is needed to generate efficiencies in procurement.
- **Resilience to earthquakes** – Corroded cast iron pipes can cause taste complaints while earthenware and asbestos cement perform more poorly than plastic during earthquakes. Proactive replacement of these materials should take place where possible. The principal options considered are focused on balancing affordability with the risk of unplanned of pipe failures and of earthquake response.



Graph: Forecast 3-Waters Renewals Profile (\$M)

RENEWAL OF RETICULATION ASSETS

Clutha District is entering a long-term cycle of asset renewal, the timing of which will echo the installation era of the 50s through to the 80s. 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.



SOLID WASTE

Council currently has responsibility for kerbside collection of waste and owns the districts only sanitary landfill at Mt Cooee, Balclutha. As well as duties under the Public Health Act, we also have legislative responsibility under the Waste Minimisation Act (WMA). The WMA encourages a reduction in the amount of waste we generate and dispose of through a levy per tonne of all waste disposed to municipal landfills. We are also responsible for all methane emission obligations from the Mt Cooee Landfill under the Emissions Trading Scheme.

Council's objectives for waste management and minimisation are:

- To reduce the harmful effects to the environment and public health from the generation and disposal of waste, and
- To increase economic benefit by encouraging efficient resource use.

WASTE MINIMISATION AND EFFICIENT RESOURCE USE

Currently Clutha we have comparatively low waste charges. However, regulatory costs to dispose waste to landfill are projected to increase. There is no longer a reliable market for the 3 to 7 recyclable plastics to be purchased, meaning it eventually ends up in landfill. Currently, we divert approximately 9% of all waste from landfill and the aim is to increase this with the introduction of a waste recovery park combined with an overall focus on longer term reductions. Strategically, our focus will be to invest in both supply side and demand side initiatives to manage the environmental and economic impacts of waste.

MT COOEE LANDFILL

The current resource consents will expire in 2023. Waste minimisation and recycling efforts have helped to slow the rate of landfill to 11,000 m³ of waste per year. We are on track to be able to accept waste until the expiry of its resource consent. Investigations into the renewal of this consent have taken place since the 2018. With investment, we will be able to secure access to a long-term, consented landfill site with at least 30 years of capacity on current demand. Combined with an increased investment in waste minimisation initiatives means residents and businesses are better enabled to continue with waste minimisation efforts while managing the cost impacts.

THE FUTURE OF MT COOEE

The current resource consents will expire in 2023. Current fill rate of 11,000 m³ suggests the 30 year consent will accommodate future demand.

1. Secure Long Term Consent (30-35 years)

Work was undertaken 2 years ago for the long-term consent renewal for the Mt Cooee Landfill with new lined landfill cells within current designated site. A resource recovery park and transfer station will also be built. Preliminary estimates for this is \$3.4M.

This is Council's preferred option.

2. Short Term Consent (approx 7 years)

Recent discussions with our current operator have raised the possibility of a short-term consent without a liner. At the end of the period, Mt Cooee would either be closed, or a new lined landfill consented.

COMMUNITY SERVICES

Future Proofing the District's Network of Halls

Halls provide a physical space for people to connect. They are an important part of our social wellbeing – supporting vibrant towns and communities in Clutha.

Council provides financial assistance for 11 rural committees that operate community centres on Council's behalf. It also assists other halls and centres that are owned and operated by their communities. Council will divest this infrastructure to the community as part of the Council's overall approach to halls.

For now, Council are providing a caretaker role and implementing a maintenance program for halls that ensures the structural integrity and protects public safety.

At the same time, communities are being encouraged to collaborate with Council to consider the spaces where they connect.

EARTHQUAKE STRENGTHENING

The approach for identifying and managing potentially earthquake-prone buildings is governed by the provisions of the Building (Earthquake-prone Buildings) Amendment Act 2016.

The system, which came into effect on 1 July 2017 focuses on the most vulnerable buildings in terms of people's safety. It categorises New Zealand into three seismic risk areas and sets time frames for identifying and taking action to strengthen or remove earthquake-prone buildings.

The Council's footprint is entirely located within the medium seismic risk area. This means we must identify potentially earthquake-prone buildings (EPBs) within 10 years and building owners must strengthen or demolish earthquake-prone buildings within 25 years.

COMMUNITY HOUSING

A key consideration in Council's 'Living and Working' strategy is looking at opportunities for keeping people in the district. Council's community housing units provide an affordable housing option for elderly and other vulnerable persons.

There are 98 residential units in the 11 community housing blocks, spread across 8 towns in the Clutha District. Demand for these units has increased in recent years and is expected to increase further with an aging population.

Council aims to provide community housing that is safe, secure, and healthy, and to maintain it in accordance with current legislative requirements. A programme of upgrades and additional housing is scheduled over the next 10 years and Council has confirmed that this activity will continue to be fully funded by rentals, with no rates subsidy.

PARKS, RESERVES, PLAYGROUNDS & SPORTS GROUNDS

Community spaces are also a component of our infrastructure that our communities care about. Future projects and plans continue to evolve, the most significant being the community-led redevelopment of Balclutha's Naish Park area.

SUMMARY OF KEY PROJECTS

TRANSPORTATION

Table 1 Major Roading Capital Expenditure

Period	Item	Value \$	Category
2021/23	Milton Main Street Upgrade	5.0M	Level of Service
2021/51	Sealed Road Resurfacing	117.5M	Renewal
2021/51	Unsealed Road Metalling	90.0M	Renewal
2021/51	Sealed Road Pavement Rehabilitation	67.0M	Renewal
2021/51	Bridge Renewals	21.5M	Renewal
2021/51	Low Cost Low Risk Improvements	37.8M	Renewal
2035/36	Papatowai Bridge	5.9M	Renewal
2036/37	Maclennan Bridge	3.2M	Renewal
2038/39	Clydevale Bridge	10.4M	Renewal
2043/44	Tuapeka Flat Bridge (462)	2.1M	Renewal
2048/49	Akatore Creek Bridge	3.4M	Renewal

WATER

Table 2 Major Water Capital Expenditure

Period	Item	Value \$	Category
RURAL WATER			
2022/25	Greenfield Water Supply	\$14.5M	Level of service
2023/40	Moa Flat AC Main and Reservoir Renewals	\$5.6M	Renewal
2022/40	Glenkenich AC Main Renewals	\$2.9M	Renewal
URBAN WATER			
2021/22	Kaitangata Treatment Plant Intake Renewal	\$1.0M	Renewal
2021/23	New Milburn Water Treatment Plant	\$9.0M	Growth
2021/23	Milton to Waihola Water Pipeline	\$4.6M	Growth
2022/27	Balcutha Cast Iron Pipe Renewals	\$4.2M	Renewal
2023/27	Kaitangata Water Supply Pipeline Renewals	\$1.8M	Renewal
2024/30	Balclutha and Milton Township Water Metering	\$3.9M	Level of service
2033/36	Milton Reticulation Network Renewals	\$3.7M	Renewal

WASTEWATER

Table 3 Major Wastewater Capital Expenditure

Period	Item	Value \$	Category
2022/30	Balclutha Sewer Network Renewals	2.5M	Renewal
2024/28	New Treatment Plant for Milburn industry	26.5M	Growth
2026/28	Waiholo Consent Renewal and Upgrade	4.5M	Level of service
2021/23	Balclutha Sewerage Treatment Plant Upgrade	4.5M	Level of service
2021/51	Districtwide Sewer Network Pipeline Renewals	2.1M	Renewal
2031/33	Balclutha Consent Renewal and Upgrade	4.5M	Level of service
2042/44	Milton Consent Renewal and Upgrade	2.1M	Level of service
2044/46	Kaitangata Consent Renewal and Upgrade	4.5M	Level of service
2044/46	Tapanui Consent Renewal and Upgrade	2.1M	Level of service
2044/46	Owaka Consent Renewal and Upgrade	4.5M	Level of service
2044/46	Lawrence Consent Renewal and Upgrade	2.1M	Level of service
2044/46	Kaka Point Consent Renewal and Upgrade	4.5M	Level of service
2033/40	Heriot Consent Renewal and Upgrade	2.1M	Level of service

STORMWATER

Table 4 Major Stormwater Capital Expenditure

Period	Item	Value \$	Category
2021/26	Milton Main Street Stormwater Renewals	\$3.1M	Renewal
2021/51	Districtwide Network Renewals	\$9.7M	Renewal

SERVICES WE PROVIDE

The Infrastructure Strategy assumes that the current activities, and their level of service will be maintained across the next 30 years.

TRANSPORTATION

The transportation network is a fundamental core service for Council. We have the third largest local network in the country, and roading accounts for over 40% of expenditure. It enables our farmers and other businesses to connect, conduct their business and generate substantial wealth for the district and the country. It also enables access for residents to meet their social, economic, and cultural needs. Our level of service commitment is:

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide an effective and sustainable local roading network	Average quality of ride on the sealed road network (as per smooth travel exposure)	96%	≥96%	≥96%	≥96%	≥96%
	Percentage of the sealed local network that is resurfaced	6.2%	≥6.3%	≥6.7%	≥6.4%	≥6.5%
	% of customer service requests for roads and footpaths responded to within time frames	86%	≥95%	≥95%	≥95%	≥95%
Monitor safety and invest in improving the local roading network	Number of fatalities and serious injury crashes	9	≤10	≤10	≤10	≤10
FOOTPATHS						
Provide an effective and sustainable network of footpaths throughout the district	% footpaths that are in good, very good or new/near new condition*	92.9%	≥95.4%	≥96.6%	≥97.9%	100%
BRIDGES						
Provide a safe and economic network of bridges throughout the district	% of bridges on key routes that meet heavy vehicle (50 Max) safety requirements	90.3%	≥91.9%	≥92.2%	≥92.8%	≥94.7%

* Refers to sealed footpath condition standard ratings, where 1 is new or near new, 2 is very good, 3 is good, 4 is below average and 5 is poor.

3-WATERS

For a community to prosper, it needs to be safe and healthy. Safe drinking water, public sanitation and clean waterways is a critical enabler of a thriving community. Our level of service commitment are as follows:

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Water from Council urban supplies is safe to drink	Compliance with the NZDW Standards for bacteriological compliance	72%	100%	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance	16%	≥95%	≥98%	100%	100%	
Urban supplies provide a continuous and reliable source of water to consumers	Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	8	≤17	≤17	≤17	≤17
		Taste	1	≤3	≤3	≤3	≤3
		Odour	1	≤2	≤2	≤2	≤2
		Pressure	6	≤5	≤5	≤5	≤5
		Continuity	20	≤30	≤30	≤30	≤30
		Council's response to any of these issues	25	≤14	≤14	≤14	≤13
	Average consumption of drinking water per resident per day (litres per day)	535	≤650	≤650	≤650	≤650	
Urban water schemes are managed efficiently and effectively	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site	Urgent	4 hours	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Non-urgent	24 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution	Urgent	21 hours	≤12 hours	≤12 hours	≤12 hours	≤12 hours
		Non-urgent	62 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours
Percentage of real water loss from Council's reticulation system (%)		36%	≤29%	≤29%	≤28%	≤27%	

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: VIBRANT RURAL TOWNS AND COMMUNITIES

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) HEALTHY SAFE COMMUNITIES

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Water from Council rural schemes is safe to drink	Compliance with the NZDW Standards for bacteriological compliance	36%	80%	94%	94%	100%	
	Compliance with the NZDW Standards protozoal compliance	0%	≥18%	≥66%	≥75%	100%	
Rural schemes provide a continuous and reliable source of water to consumers	Number of drinking water complaints (requests for service) per 1,000 connections about:	Clarity	19	≤12	≤12	≤12	≤12
		Taste	1	≤5	≤5	≤5	≤5
		Odour	7	≤3	≤3	≤3	≤3
		Pressure	87	≤200	≤200	≤200	≤200
		Continuity	573	≤200	≤200	≤200	≤200
		Council's response to any of these issues	22	≤14	≤14	≤14	≤14
Rural schemes are managed efficiently and effectively	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site:	Urgent	19 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	24 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution:	Urgent	43 hours	≤12	≤12	≤12	≤12
		Non-urgent	48 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) AN IMPROVED ENVIRONMENTAL FOOTPRINT

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Provide sewerage services that effectively collect and dispose of sewage	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0	≤6	≤6	≤6	≤6	
Sewerage schemes are managed efficient and effectively	Median response time (in hours) from when Council receives notification about a sewerage block or other fault, to the time service personnel:	Reach the site (response)	3	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Confirm resolution of the blockage or other fault (resolution)	7	≤8 hours	≤8 hours	≤8 hours	≤8 hours
	Number of complaints per 1,000 connections about any of the following:	Sewage odour	2	≤3	≤3	≤3	≤3
		Sewerage system faults	11	≤10	≤10	≤10	≤10
		Sewerage system blockages	8	≤5	≤5	≤5	≤5
		Council's response to any of these issues	3	≤5	≤5	≤5	≤5
	Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement notices	0	0	0	0	0
		Infringement notices	0	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0

In December 2020 CDC was fined by the Environment Court arising from failures of maintenance at the Bio-Filtro plants of Stirling, Kaka Point, Tapanui, Lawrence and Owaka over the period July – December 2019. When the deficiencies were identified in December 2019 a significant programme of works was carried out over 2020 to bring the plants up to operational standards and eventually achieve full-compliance. Full compliance will require capital improvement works which is programmed over time.

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) REDUCING OUR ENVIRONMENTAL FOOTPRINT

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide stormwater drainage that protects against the effects of flooding	Flooding events to habitable floors due to overflows from a Council stormwater system (per 1,000 properties)	0	0	0	0	0
	Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	11	<23	<23	<23	<23
	Number of complaints about the performance of Council's stormwater systems (per 1,000 connected properties)	2	≤10	≤10	≤10	≤10
	Median response time (in hours) from when Council receives notification about a flooding event to the time service personal reach the site	387 ¹	<4 hours	<4 hours	<4 hours	<4 hours
Compliance with Council's resource consents for discharge from stormwater systems, measured by the number of:	Abatement Notices	0	0	0	0	0
	Infringement notices	0	0	0	0	0
	Enforcement orders	0	0	0	0	0
	Successful prosecutions received	0	0	0	0	0

¹ Issues associated with the transition to a new contractor, and the impacts of COVID-19 on contractor resources, has impacted on the achievement of these performance measures.

FINANCIAL STRATEGY



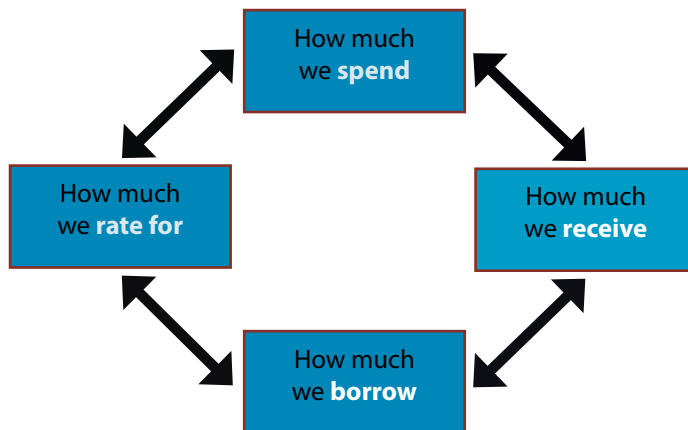
MANAGING OUR FINANCES

We're continuing our focus on promoting growth and opportunities in the Clutha District.

This financial strategy outlines the financial mix we're proposing to support the Clutha District as a great place to live, work and play, now and into the future.

Overall, our district is in good shape, poised to make the most of our circumstances and opportunities. In recent years we've supported initiatives to promote growth in the District and it's great to see progress on this. Our district has begun growing and our overall outlook is positive despite the unprecedented challenges that have come our way in recent times. A variety of factors put us in a good position to move forward, continuing the momentum in recent years, with our focus on continuing towards making Clutha a great place to live, work and play. We're also open for business in terms of visiting and investing here. Council is intending to use what it has available to fully support our residents and ratepayers now, and into the future.

WHAT'S IN THE FINANCIAL MIX?



From a financial point of view there are four key parts in the 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. Find out more about these key parts, and the mix we're proposing, in this strategy.

OUR FINANCIAL STRATEGY AIMS TO ENSURE:

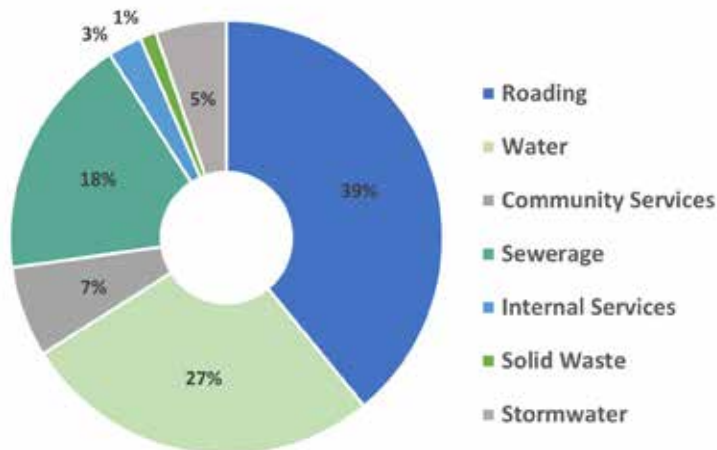
- We plan for and be adaptive to growth and enable infrastructure investment where it will get the best outcomes for our community's well-being.
- We have the funds needed to replace the infrastructure we have when it wears out (renew assets at the end of their economic life).
- We prioritise investment in infrastructure that balances cost, risk, and service levels.
- We work with our funding partners for the best outcomes for our district.
- Everyday costs for services are met from everyday revenues.
- We aim for rates to be affordable, fair and equitable, with increases set to provide certainty to ratepayers.
- Future ratepayers using services created today pay their share, with the appropriate (prudent) use of debt.
- We manage our investment funds and other investments by taking a prudent approach to risk and return.
- We maintain financial resilience by having funds, debt capacity and insurances to cover our assessed maximum probability losses.

WHAT WE'RE PROPOSING TO SPEND

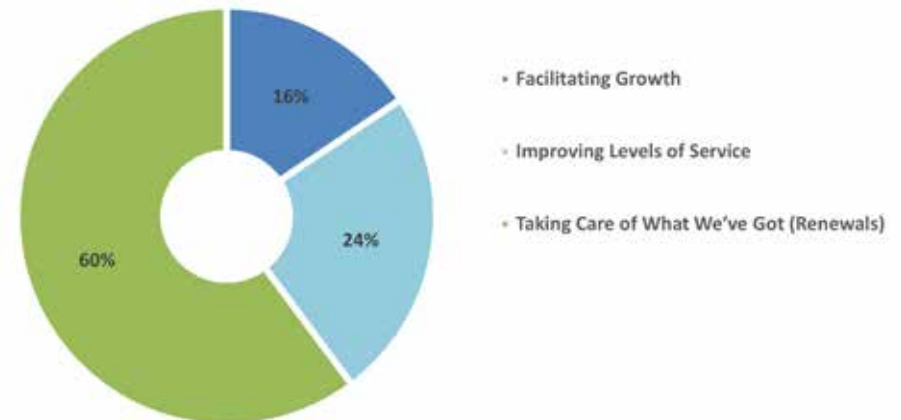
TABLE: OVERALL ASSET BUILD PROGRAMME 2021/31 (\$M)

ACTIVITY AREA	FACILITATING GROWTH	IMPROVING LEVELS OF SERVICE	RENEWALS	TOTALS
Transportation	0	8	98	106
Water	16	32	28	76
Community Services	0	4	15	19
Wastewater	28	15	8	51
Internal Services	0	4	3	7
Solid Waste	0	1	3	4
Stormwater	0	4	11	15
TOTALS	44	68	166	278

GRAPH: OUR PROPOSED MIX OF CAPITAL EXPENDITURE BY ACTIVITY 2021/31 (\$M)



GRAPH: OUR PROPOSED MIX OF CAPITAL EXPENDITURE BY TYPE 2021/31 (\$M)



PRIORITIES TO FACILITATE GROWTH

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

Key priorities include:

- Enabling growth in the Milton-Milburn-Waiholā Corridor.
- Managing demand in our rural and urban water schemes, and where viable, supplying more capacity.
- We're also prioritising a number of sewerage and water projects in other areas to help them expand. This includes in Balclutha, Kaitangata, Kaka Point and Tapanui.

PRIORITIES FOR IMPROVING LEVELS OF SERVICE

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

Key proposals include:

- Upgrading rural and urban water schemes to comply with NZ Drinking Water Standards.
- Upgrading wastewater infrastructure to improve the quality of discharges to the environment.
- Increasing the capacity of stormwater infrastructure to reduce the risk of localised flooding.
- Investing in the Milton main street improvements.
- Strengthening our bridges to carry high productive motor vehicles.

TAKING CARE OF WHAT WE'VE GOT (RENEWALS)

Our Approach: We're aiming to have the funds needed to replace infrastructure when it wears out (renew assets at the end of their economic life).

Key priorities include:

- Minimising the costs and impacts of our ageing infrastructure.
- Efficient road maintenance.
- Continuing with our 'fast-tracked' bridge replacement programme.
- Securing the future for Mt Cooeē Landfill.



HOW MUCH WE'RE PROPOSING TO BORROW

OUR APPROACH: FUTURE RATEPAYERS USING SERVICES CREATED TODAY PAY THEIR SHARE, WITH THE APPROPRIATE (PRUDENT) USE OF DEBT.

Until recently we have not had any debt¹, and used our various reserve funds built up over time when we have needed funding for infrastructure projects. We refer to this as internal borrowing, and like when you borrow from a bank, we apply market interest rates to this lending to different areas of Council.

In recent times we have moved towards using our reserves to build our investment portfolio and put them to better use earning more for us in investment returns. Part of the returns we receive are used to keep rates down (see the Rates section for more information).

Going forward we're proposing to continue to keep our investment portfolio intact and borrow more to fund our proposed extensive asset build programme.

We feel this is the best use of our investments and the approach is fairer, as:

1. It means that future ratepayers also pay their share for assets and services created today (known as intergenerational equity), and
2. Our asset build programme should cost us less in the longer term.

The alternative approach would be breaking the investment portfolio and earning less in returns, internally borrowing from ourselves (at higher interest rates as we must use market value for these) and paying more in rates (both in the shorter and longer term).

But it is important to get the balance right and we need to have clear limits. We are expecting to stay well within a debt limit we have set ourselves, where what we borrow will not exceed more than 175% of how much we're expecting to receive.

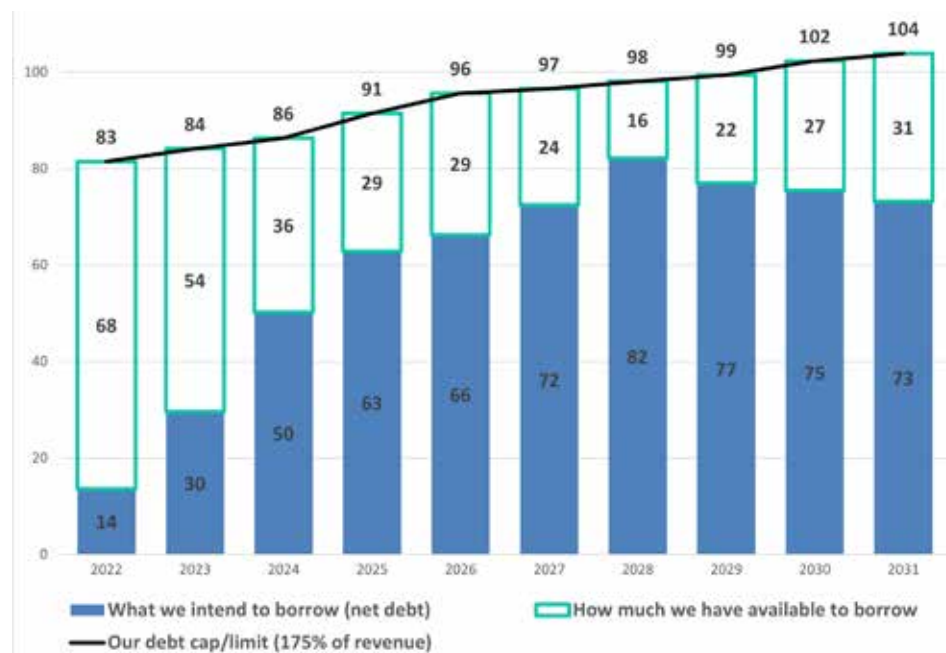
Even though we're borrowing more than we ever have in the past, we will still have substantial 'headroom' if something unexpected happens.

¹Debt refers to net debt which equals borrowings less investment and cash in the bank.

Limit on Debt

We have set ourselves a limit that net debt will not exceed more than 175% of annual revenue.

GRAPH: OUR STRATEGY FOR BORROWING 2021/31 (\$M)



HOW MUCH WE ARE EXPECTING TO RECEIVE

OUR APPROACH: TO MANAGE OUR INVESTMENT FUNDS AND OTHER INVESTMENTS BY TAKING A PRUDENT APPROACH TO RISK AND RETURN.

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. This includes what we call our emergency fund, and also our self-insurance fund (refer to the Financial Resilience section for more information).
4. Invest amounts held in restricted and Council created reserve funds, including amounts held for future expenditure (depreciation reserves).

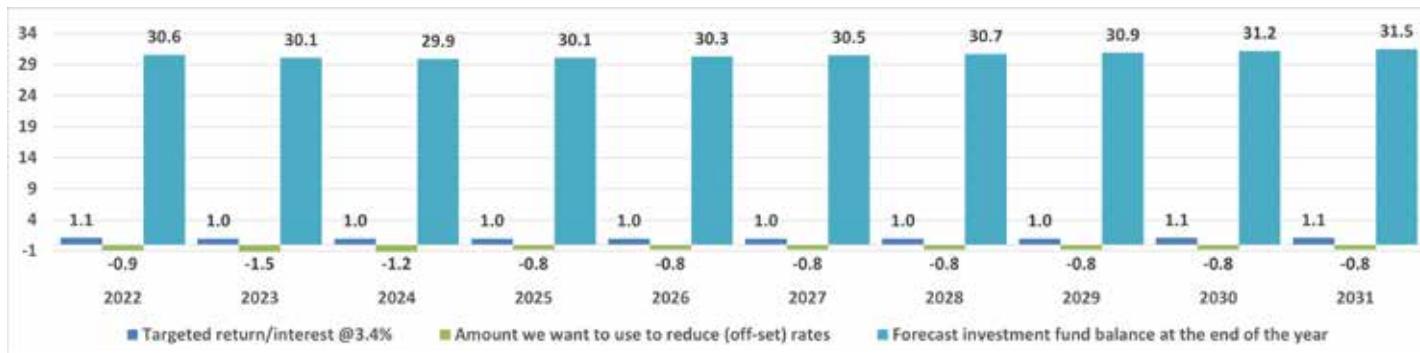
Targets on Investments

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 (\$9.2M) to reduce rates. We're forecasting the value of the fund will grow by from \$30.6 M 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. These main reasons are outlined (left).

Types of Investments

For our size, we have a large investment portfolio. To ensure we get the best return we can, Council has outsourced the management of its investment portfolio, with an instruction to split the portfolio 50% in growth assets and 50% in income assets. Within these broader categories certain investment allocation ranges have been agreed to manage risk and returns. Council has a minor shareholding in Civic Assurance equity shares and borrower notes in the Local Government Funding Agency which increase as debt increases.

GRAPH: OUR STRATEGY FOR INVESTMENTS 2021/31 (\$M)



HOW MUCH WE'RE PROPOSING TO RATE

OUR APPROACH: WE'RE AIMING FOR RATES TO BE AFFORDABLE, FAIR AND EQUITABLE, WITH INCREASES SET TO PROVIDE CERTAINTY TO RATEPAYERS.

Rates are one of the most important sources Council uses to fund the cost of its services. We expect 57% of Council's overall costs will be funded by rates during the 2021/31 period. We have unavoidable cost drivers particularly for water, sewerage and stormwater, that will affect ratepayers who receive these services. But we're proposing to keep our overall rates down in a number of different ways.

Our proposed mix for keeping rates down

This strategy is planning to:

1. Use debt and borrowing to our advantage to spread the costs across generations for our asset build programme.
2. Subsidise rates using income from investment returns.

Note:

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 for ratepayers who receive these services.

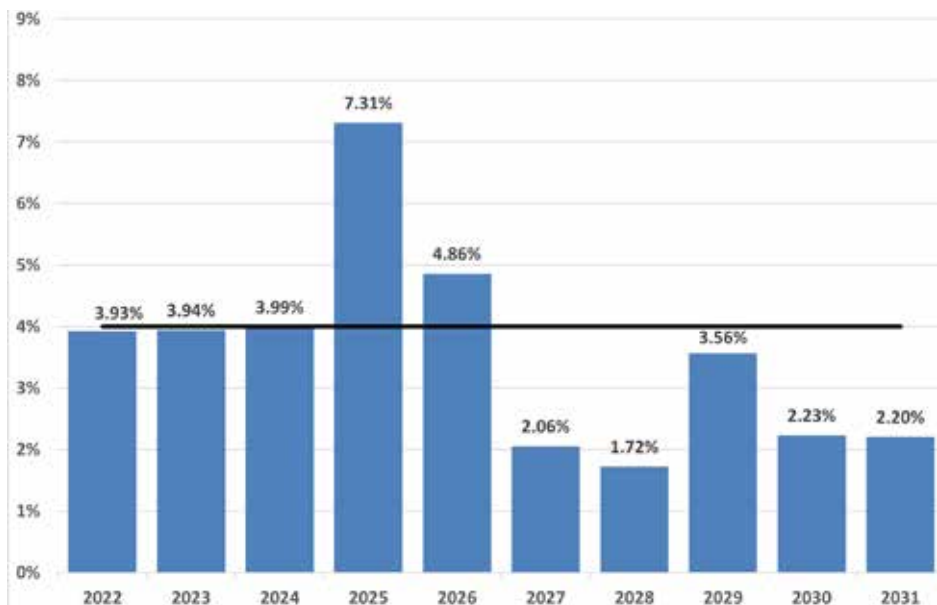
Smoothing rates

Council applies 'smoothing' of its funding profile and year on year rates changes. This has been achieved by changing the timing of rates funding of primarily bridge depreciation and adjusting transfers from depreciation reserves. This means that the overall amount of funding of depreciation remains the same during the period of this plan, but there is less variability from year to year for overall rates.

Limits on rates increases

We expect our overall rates to increase around 3.58% on average during the next 10 years. We have self-imposed limit not to increase overall rates by more than 4% per annum. Our forecast at the moment is that this limit may be in jeopardy in some years of this strategy. 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 update our financials on an annual basis and look at our mix to ensure we keep our overall rates increase below 4%.

GRAPH: OVERALL RATES 2021/31 (ANNUAL % CHANGE)



FINANCIAL RESILIENCE

OUR APPROACH: TO MAINTAIN FINANCIAL RESILIENCE BY HAVING FUNDS, DEBT CAPACITY AND INSURANCE SUFFICIENT TO FUND OUR ASSESSED MAXIMUM PROBABILITY LOSSES.

Our Resilience for Unplanned Events and the Unknown

This strategy provides for the everyday maintenance of assets and the renewal of assets at the end of their economic life. Unplanned events would require earlier than planned investment. These events, if they occur, could result in significant unplanned operating and capital costs.

The risk is reduced in the Clutha District because of its size and the number of widespread communities, reducing the likelihood of extensive damage throughout all critical infrastructure at the same time.

But any major event would impact on Council through the need for immediate funding, and depending on the scale, duration and location of the event, there could be unforeseen costs in terms of damage to Council assets.

To make sure we are prepared for unplanned or unexpected events, we have the following mix we can call on:

1. Insurance cover for above ground assets, a self-insurance fund for underground assets, and an emergency fund to draw against should it be needed.
2. The debt capacity our strong balance sheet provides us.

Our Approach to the Impacts of Covid-19

In mid 2020 Council put in place a number of measures including a \$100,000 fund to assist ratepayers in financial hardship, primarily through the remission and postponement of rates. Introducing trade waste charges were also deferred until 1 July 2021, and other business support actions were explored. This fund and the measures haven't been called upon significantly. Council's own finances have not been significantly impacted.

Although investment returns initially dropped (and have recovered), countering this are the lowest interest rates in a generation. Currently we are seeing high investment returns and low cost of finance but over the term of the plan we're predicting our mix of investments and borrowing effectively cancel each other out and reduce our financial risk if there are substantial movements in them.

Our district has a high proportion of employment in agriculture, and an economy that has low reliance on the industries hardest hit by the 2020 Covid response, such as tourism and retail.

Mitigating and Adapting to the Impacts of Climate Change

Council is committed to better understanding and preparing for changes to our local climate.

Investigative research we commissioned during 2020 revealed that overall the district is expected to get warmer and wetter, with more water likely flowing through the Clutha River.

These changes may bring opportunities, such as overall warmer weather conditions and improved winter pasture growth. But they are also expected to bring challenges, such as heavier and more frequent flooding. Sea level rises are also expected to affect some of our coastal settlements in the longer (80-100 year) term.

The modelling done specifically for our region gives us the opportunity to plan changes to our infrastructure over time.

Several adaptation efforts are already underway, such as the Milton Sewer Treatment Plant that has already been raised to accommodate flood events. The Greenfield combined rural water scheme proposal takes into account flood and water quality issues on the Waitahuna and Tuapeka rivers with the view to source water and place water treatment plant infrastructure on the Clutha River.

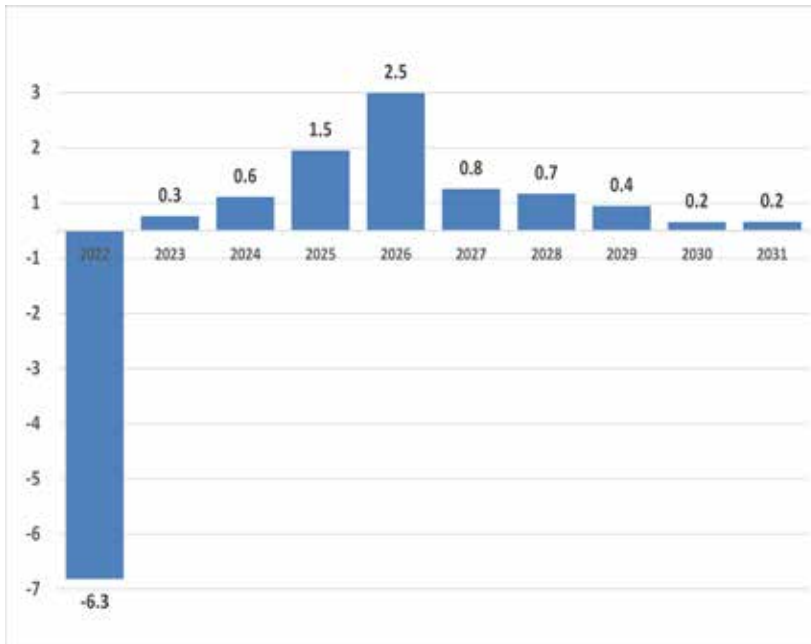
More work is underway to establish our biggest infrastructural risks and what we will do in response to these.

BALANCING THE BOOKS

OUR APPROACH: EVERYDAY COSTS FOR SERVICES ARE MET BY EVERYDAY REVENUES

Council intends to have a balanced budget, where we ensure our everyday costs (operating expenditure) cover our everyday revenues (operating revenue). To be as transparent as possible our measure excludes capital items and extraordinary operating items that would not be considered by ratepayers as appropriate everyday costs or revenues of running the district.

GRAPH: EVERYDAY COSTS & REVENUE 2021/31 (\$M)



Council has an exception to a balanced budget in the first year of the strategy. This relates to grant funding that has been committed for the Clutha Community Hub project for the redevelopment of the Balclutha Memorial Hall. The ownership of the hall will transfer from Council to Clutha Community Hub Trust Inc in 2021/22 and normally this would be an asset addition instead of an expense. The grant will be funded through rates in a similar way to intergenerational projects for assets directly owned by Council.

TABLE: OVERALL FORECAST SPENDING & FUNDING 2021/31 (\$M)

	Operating Spend 2021/31	Capital Spend 2021/31	Funding of capital and operating spend
Rooding	\$103m	\$107m	Rates 39% Other 61%
Water	\$71m	\$76m	Rates 57% Other 43%
Community Services	\$74m	\$19m	Rates 60% Other 40%
Sewerage	\$22m	\$51m	Rates 57% Other 43%
Economic & Community Development	\$14m	\$0m	Rates 94% Other 6%
Community Leadership	\$15m	\$0m	Rates 99% Other 1%
Regulatory	\$29m	\$0m	Rates 41% Other 59%
Solid Waste	\$25m	\$4m	Rates 41% Other 59%
Stormwater	\$6m	\$15m	Rates 48% Other 52%

LOOKING FORWARD TEN YEARS TO 2031

WE BELIEVE THIS FINANCIAL STRATEGY WILL ENSURE THE FOLLOWING ON BEHALF OF THE DISTRICT:

- **Provide funding to meet the costs of taking care of what we have, improve what we've got, and facilitate growth where there are opportunities for this to happen.**
- **Everyday costs for services are met from everyday revenues.**
- **Provide certainty to ratepayers about rates and how we are planning to keep rates down.**
- **Use borrowing and debt to our advantage.**
- **Make sure we have the financial resilience and means available to manage the unexpected.**

Giving of security on borrowings

Council from time to time borrows externally to meet short to medium term funding shortfalls. This includes a committed bank facility (Multi Option Credit Line or bank overdraft facility) and borrowing from the LGFA by way of a Debenture Trust Deed. Council has entered into a "negative pledge" including future general rates as security for these lending facilities. A negative pledge essentially is borrowing without security that involves a promise by Council that it will not grant security over any assets to any other lender or creditor. A negative pledge is granted on the basis that Council's unsecured promise to pay should of itself be adequate comfort to the lender and that none of Councils other lenders/creditors would be put in a preferred position in the event of a default.

LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS

Long Term Plan disclosure statement for the period commencing 1 July 2021

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some terms used in this statement.

RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if:

- its planned rates is equal to or is less than each quantified limit on rates.
- Its planned rates increases equal or are less than each quantified limit on rates increase.

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is 4% of budgeted rates for the previous year.

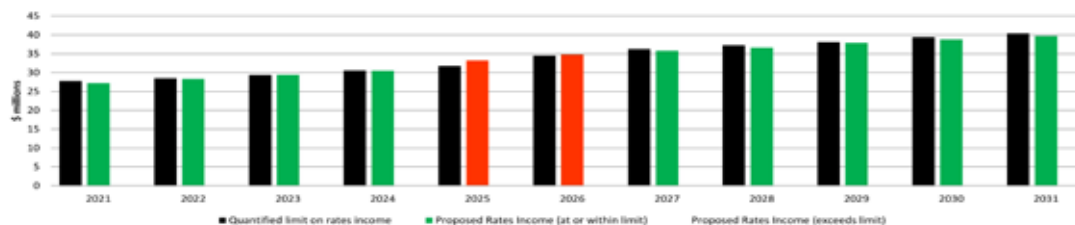
Rates (Increases) Affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is 4% of budgeted rates for the previous year.

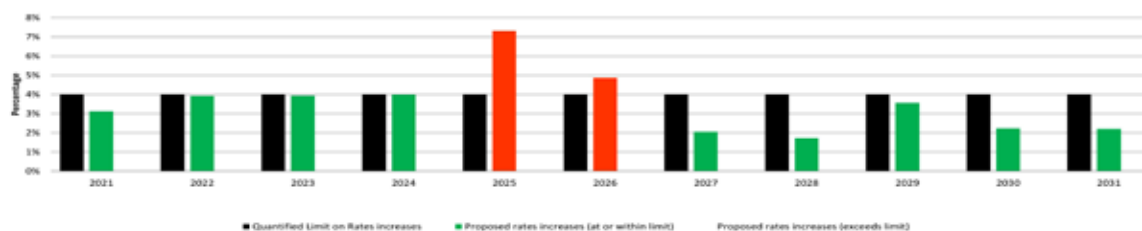
Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph would compare the councils' planned debt with a quantified limit on borrowing stated in the financial strategy included in this long term plan.

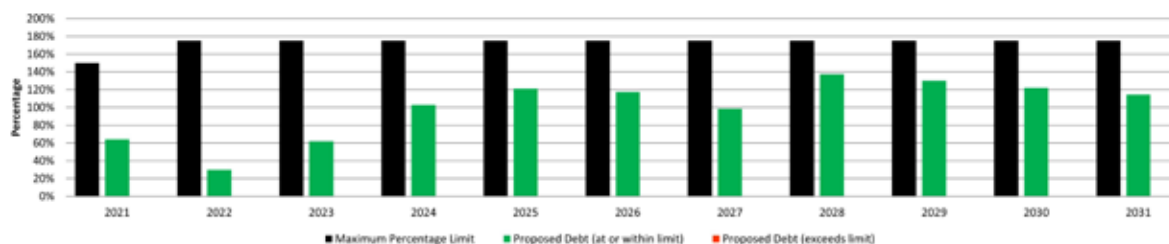
Rates Affordability Benchmark 2021/31 - \$M



Rates (Increases) Affordability Benchmark 2021/31 - %



Debt Affordability Benchmark 2021/31 - %

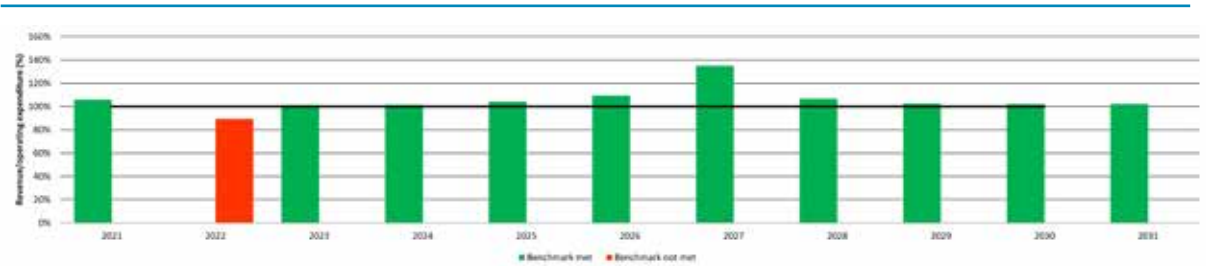


Balanced Budget Benchmark 2021/31

This graph displays the Councils' planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

Council does not expect to meet this benchmark in Year 1 (2022) of the 10 reported years, as its revenue is budgeted to be greater than its expenses.

Balanced Budget Benchmark 2021/31 -%

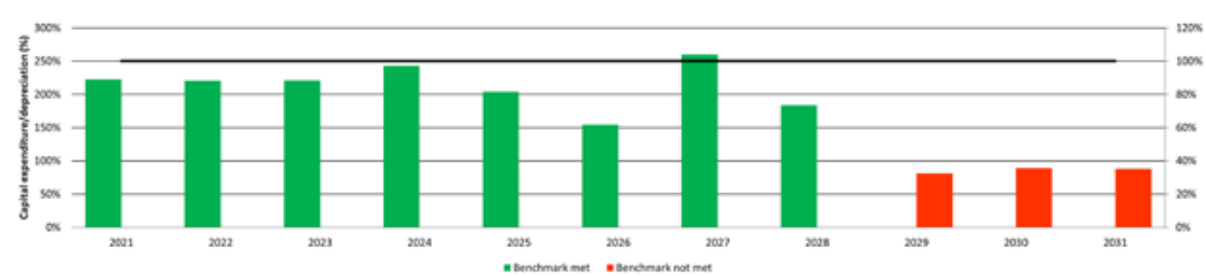


Essential Services Benchmark

This graphic displays the Council's planned capital expenditure on network services as a proportion of depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Network services means infrastructure related to water services and roading.

Council has not met this benchmark in all 10 years of the Long Term Plan 2021/31 due to budgeted capital expenditure not being as great as our budgeted depreciation expense.

Essential Services Benchmark 2021/31 -%

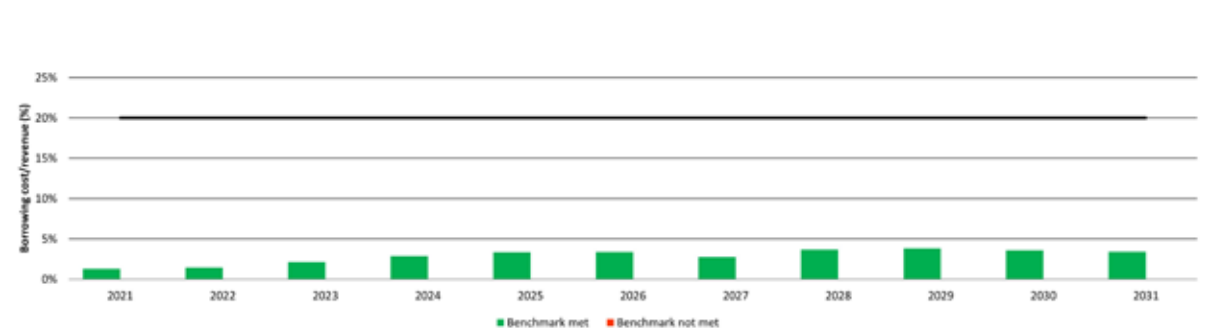


Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations or property, plant or equipment). Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Council expects to meet this benchmark in all of the 10 reported years.

Debt Servicing Benchmark 2021/31 -%



KEY ASSUMPTIONS

These assumptions provide underlying information for the Draft Financial Strategy 2021/31 and Draft Infrastructure Strategy 2021/51. They include the significant assumptions and the risks associated with those assumptions which have been made by the Council

in its forecasting for the 10 and 30 year period. The assumptions are based on the information available to Council in January 2021. While every effort has been made to ensure the forecasts are the Council's best estimate for the future, the actual results for the

reporting period are likely to vary from the information presented, and the variations may be material. Our approach will be to be flexible and adaptive to changes that will impact on the Clutha District and the Council.

WHAT WE HAVE ASSUMED

Residents

Usually resident population

2021	2031	2051
18,391	18,959	18,926

Clutha's population is forecast to remain relatively static during the life of this plan increasing from a forecast of 18,391 in 2021 to 18,959 in 2031. The longer term outlook is for 18,926 by 2051. The annual average growth rate of 0.3% is forecast during 2021 to 2031. The longer term growth rate from 2021 to 2051 is 0.1%. Impacts of Covid-19 on Clutha has been taken into account for these projections.

Age Demographics

The average age of the population of the district will continue to increase over the long-term and expected to impact on the way Council delivers its services. In 2021 people aged 65 and over is expected to make up around 19% of the District's population. This is expected to increase to 32% in 2051. A major increase in older people is likely to change the type of services and ability to pay for those services. This is unlikely to result in new activities, rather types of services and how they are delivered. The specifications of services such as footpaths and library services may need to be adapted but overall it is unlikely to result in significantly higher costs.

LEVEL OF UNCERTAINTY (RISK)



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Most of Council's current infrastructure and facilities have an element of available capacity which means they are able to handle increases in demand. Significant increases in population might place greater demands on services such as water, sewerage, solid waste and regulatory functions. If demand changes unexpectedly due to societal or demographic changes then capital and operating expenditure forecasts could be insufficient and Council would need to reassess budgets subject to urgency. Council's strategic approach to promote growth in the rating base and promote living and working in Clutha has been incorporated into this plan and is expected to facilitate growth in key areas e.g. in the Milton-Waihola area.

The range of services utilised by older people is different from younger people. While the need for active team sports may decline there will still be demand for parks, reserves, pools, halls etc. There is expected to be increased demand for community facilities and activities such as walking and cycling. Meeting the needs of our residents is being updated through the Living & Working Strategy implementation through the Our Place Community Plans. Future demand and services are being explored and planned for as part of these updates. These include updates to services and facilities. Focus on rates and affordability is an ongoing focus for Council and this is included in the Financial Strategy.

SIGNIFICANT FORECASTING ASSUMPTIONS

WHAT WE HAVE ASSUMED

Visitor growth

District visitor numbers	2021	2031	2051
Total visitors (average day)	1,799	4,063	5,278
Total visitors (peak day)	6,291	10,225	

Visitor population on both the average and peak day is projected to increase annually by 1.7% during the term of this strategy.

LEVEL OF UNCERTAINTY (RISK)



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Visitor numbers may increase demand on infrastructure and services such as water supply, sewerage, solid waste, parking, public toilets and roading. The Clutha Destination Strategy is focusing on growth in visitor revenue rather than specifically on visitor numbers. The majority of Clutha's visitor market is domestic and growth is anticipated to continue.

Housing growth

Total houses	2021	2031	2051
	8,794	9,355	10,034

This plan assumes that the number of dwellings will increase at an annual average growth rate of 0.6%. The Benhar, Bruce, Waiholo and Taieri Mouth are expected to experience the higher growth subject to the availability of residential development and services such as proposed water service improvements.



Economic conditions and the changing nature of the housing market could cause variations from year to year. Projections for townships are more sensitive to variation where individual developments can influence overall forecasts, as has been shown in recent times with Council-facilitated developments e.g. in Balclutha, and Kaitangata, as part of Council's Living and Working Strategy.

Rating base

Total Rating Units	2021	2031	2051
Rating Unit	11,266	11,914	12,711

Council's rating units are expected to increase incrementally on an average of 0.6% in the ten years to 2031, and 0.4% in the 30 years to 2051.

Note: Historic rating base numbers actually reduced as a result of rural amalgamations but not in a physical sense.



Increases or decreases to the rating base may affect the distribution and amount of rates to be paid. Council's strategic approach to promote growth in the rating base and promote living and working in Clutha aims to facilitate growth in the rating base over and above the 0.4% in the medium to longer term. The impacts are too difficult to forecast in detail at this point. Note that changes to the rating base are re-forecast on an annual basis through annual plan updates.

SIGNIFICANT FORECASTING ASSUMPTIONS

WHAT WE HAVE ASSUMED

Land use change

No major shifts in land use are expected for the Clutha District. We are anticipating growth in some areas of the district and are facilitating this through the District Plan. Recent District Plan changes for in Balclutha, Stirling, and Milton means areas of land in and around these towns can be rezoned to Urban, Transitional or Industrial Resource Areas. Most of this can be serviced by extending the existing infrastructure network, which is normally done at the developer's cost. This opens up more residential choices whilst sustainably managing the rural environment

LEVEL OF UNCERTAINTY



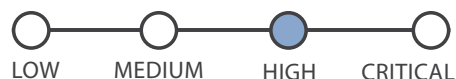
REASON FOR UNCERTAINTY, IMPACT OF RISK:

A low risk due to the planning and lead in time managed via the District Plan process.

Resource consents

It is assumed that Council will meet consent conditions and that conditions of resource consents currently held will not be significantly altered. It is assumed that updates to attain consent renewals will progress as programmed and that they can be achieved within allocated budgets.

It is anticipated that there will be heightened level of controls on stormwater discharges relating to national standards and regional plan changes. No additional capital budgets have been included at this stage until more is known, so that Council is in a position to assess potential financial impact in the 2024/34 Long Term Plan.



When there is information about what will be required, Council has indicated it will then be in a position to assess the financial impact. If requirements increase and additional work is required for consent conditions Council will need to provide rate funding to meet the requirements or request a change of consent conditions. As external agencies' plans are developed, we expect to be in a position to provide further information. Council aims to work with other agencies to understand and stay up to date with changing standards

GENERAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Climate change

Our changing climate is an area of focus for both our communities and the Council. Council has an important role to play, particularly as the provider of critical infrastructure that underpins the daily lives of our communities.

Council commissioned investigative research during 2020 to understand the likely impacts for our district, which indicates our district will become warmer and wetter with more water flowing in the Clutha River. This brings opportunities for improved winter pasture growth and possible challenges with the potential for increase flood frequency and severity.

Modelling done specifically for our region gives us the opportunity to make changes to our infrastructure over time. Council has begun working on its response to climate change, a key project is the Greenfield water scheme which was consulted on in the lead up to this plan.

Our infrastructure strategy assumes the effects of climate change will be felt gradually, allowing Council time to plan and prepare its response and options around services and infrastructure.

LEVEL OF UNCERTAINTY



REASON FOR UNCERTAINTY, IMPACT OF RISK:

If the impacts of climate change are felt sooner than expected there may be demands on Council's budgets.

Council's ability to deliver the same level of service to the community may be impacted if climate change occurs faster than expected or to a greater extent. If this occurs it may require unbudgeted emergency work to be carried out and/ or create additional costs to mitigate impacts, such as improving protection of critical infrastructure or increasing maintenance.

In addition, Council's low level of debt allows us greater flexibility to respond to any unexpected climate movements through borrowing for emergency works if required. In addition, Council self-insures for underground assets to help provide for emergency work if required.

In the short term, Council will ensure that future assets are of sufficient standard to cater for predicted climate change, including rainfall and sea level rise.

Council is currently undertaking more detailed modelling of climate change risks and will continue to monitor climate change science and the response of central government and adapt its response where required.

As part of the ongoing body of work relating to climate change, Council will also review and bring back more information in the 2024/34 Long Term Plan on our approach towards Zero Emissions and related requirements.

GENERAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Natural disasters

The plan assumes that Council and the community will be prepared to respond to any natural hazards including floods, storm and earthquakes that might occur during the life of this plan.

It is assumed that there will be no natural disasters requiring emergency work that cannot be funded from existing budgets, reserves, Council's insurance policies or via central government assistance.

LEVEL OF UNCERTAINTY



REASON FOR UNCERTAINTY, IMPACT OF RISK:

The timing and scope of natural disasters are unpredictable. There have been an increasing number of disasters including earthquakes and floods in New Zealand during the past decade.

A major event would impact on Council through the need for immediate funding, and depending on the scale, duration and location of the event, there could be unforeseen costs in terms of damage to Council assets. Depending upon the severity or timing of disasters, Council may not have enough staff to rapidly manage recovery and response. The lives of residents and continuity for businesses could also be affected as key services such as water, sewerage and roads could be disrupted for considerable periods.

The risk is reduced in Clutha because of its size and the number of widespread rural townships, reducing the likelihood of extensive damage throughout all critical infrastructure at the same time.

Any major disaster that results in significant repair costs is likely to be funded largely by insurance and/or central government assistance. Council also has set aside an emergency fund to provide its share towards costs. It is assumed that this would be sufficient to cover Council's share of one major event. A big event will trigger the need for additional insurance cover for the next big event.

GENERAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Legislative Changes including Three Waters Reform

In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally. Its premise is that councils have the funding and support to get the balance right.

Council has signed a memorandum of understanding and is taking part in the exploration of future service delivery options for water, sewerage and stormwater. These are crucial services whether or not councils directly deliver them, and this has been at the forefront during the development of our key strategies and long term plan.

The Government expects to make substantive decisions later in 2021. Council will be asked to participate in the new service delivery system in late 2021, in the form of an 'opt-out' approach. This means affected councils would be included in one of the new water service delivery entities by default, but can decide not to participate (in consultation with the their communities). We expect to consult with the community separately to this Long Term Plan on the opt-out decision in late 2021. For councils that participate in the reforms, the transfer of responsibilities and assets is likely to occur 2023/2024 onwards.

LEVEL OF UNCERTAINTY (RISK)



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Our community needs three waters services regardless of whether Council delivers or not. On this basis we have included three waters in our financial and infrastructure strategies, including the Greenfield proposal, to present the community with as a complete and accurate a set of financial information for the medium-term and long-term financial impost.

GENERAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Levels of service

This plan assumes that aside from where level of service changes have been specifically outlined and included for consultation to inform the final plan, demand for council services and customer expectations will not significantly change. It is assumed beyond those service levels raised, there will be no significant effect on asset requirements or operating expenditure.

LEVEL OF UNCERTAINTY



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Council has defined levels of service for its planned activities that have been reviewed as part of the LTP process. Resident satisfaction surveys generally support this key assumption and there are currently no areas of the Council's service that require significant modification. If higher levels of service are to be considered during the life of this plan, levels of expenditure and capital works would need to be reassessed, as would impact on rates.

Useful lives of significant assets

The useful lives of all assets will be in accordance with the depreciation rates set out in the accounting policies of Council. It is assumed remaining life forecasts for significant assets are correct and renewal forecasts are accurate.



Useful lives are used to calculate depreciation. Where useful lives are incorrect the depreciation funded may be funded at the wrong level. If remaining lives vary from those predicted, renewals and replacement may have to be undertaken more or less frequently, impacting on capital budgets. There is no certainty that asset components will last exactly for their design lives. Capital projects could be brought forward in the event of early deterioration of assets. This may be partially off-set by other assets lasting longer than estimated.

Revaluation of non-current assets

The roading network and utility assets (water, sewerage, stormwater) are to be revalued in 2022/23, 2026/27 and 2029/30.

Infrastructure revaluations impact on the depreciation calculation. Where price levels change the depreciation funded may be at the wrong level. Revaluations are expected to be positive and not to have a material impact if the assumption is incorrect.



If price level changes are significantly higher or lower, depreciation and the funding of depreciation could be over or under stated. Depending on circumstances the revaluation period maybe shorter or longer.

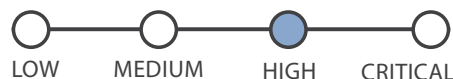
FINANCIAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Contracts

This plan assumes there will be no significant variations in the price of re-tendering operating and maintenance contracts. Major contracts due for renewal during the term of this plan include Water Services and Solid Waste.

LEVEL OF UNCERTAINTY (RISK)



REASON FOR UNCERTAINTY, IMPACT OF RISK:

If contract prices were to increase significantly, Council would review the work programme and levels of service.

It may also look to reduce risk with an extension of the Solid Waste contract to coincide with possible changes related to resource consent renewal for Mt Cooe in 2023.

Overall exposure is slightly lower as roading maintenance contracts do not come up for renewal during the term of this plan.

Capital project costs

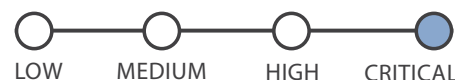
On average, capital project costs will not vary significantly from estimates included in this plan.



Council has a higher level of confidence regarding capital project costs in the short term (1-2 years) of this plan but less certainty in the longer term due to possible fluctuations in the economy, consent conditions etc. Any increase in costs may result in higher loan funding requirements and rates. To mitigate this, Council has processes in place that if projects are outside a financial parameter they are reassessed.

Capital project completion

That Council will complete capital projects as budgeted.



Based on historical completion rates there is a risk that the capital works programme will not be completed fully in any given year of this plan. Council is expecting to increase completion rates due to a number of improvements including increased resourcing for project management and procurement improvements. Several significant contracts have also been confirmed to enable delivery. Council acknowledges this is a critical risk, that it will negatively impact on timing for delivery of levels of service, and positively impact on levels of borrowing and debt and rates.

FINANCIAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Price level changes

Price level changes have been calculated using projections prepared by Business & Economic Research Ltd (BERL). The appended Price Level Changes table depicts the annual price level changes as indicated by BERL which are based upon 2020 values, with the exception of roading where the 2019 values were the latest available at the time of preparing budgets to be submitted to Waka Kotahi. A zero (baseline) budget has been used for the 2021/22 financial year. This has required budget managers and staff to consider all costs included during the budgeting process and apply these accordingly. Inflation percentages applied can be found at the end of this section.

LEVEL OF UNCERTAINTY (RISK)



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Inflation is affected by external economic factors. The result of any variations up or down will result in higher or lower rates requirements, which may also impact on the levels of service, in particular for roading, water, sewerage and stormwater.

Service levels

Council is proposing several service level changes including:

- Upgrading urban and rural water schemes to meet national standards
- Upgrading wastewater infrastructure to improve the quality of discharges
- Increasing stormwater capacity to reduce risks of localised flooding
- Milton main street improvements
- Outside of these it is assumed service levels are expected to remain unchanged.



If Council has not adequately engaged and consulted on changes to service levels or service levels are perceived to be unaffordable, levels including funding would need to be reassessed.

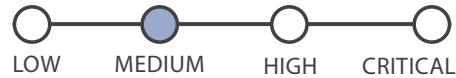
FINANCIAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

Forecasted return on investments

A return of 3.4% is budgeted for returns on investments.

LEVEL OF UNCERTAINTY



REASON FOR UNCERTAINTY, IMPACT OF RISK:

Investments are an important part of our financial mix, so any changes in returns could have a major impact. Any significant drop of interest rate will mean lower returns than anticipated and impact on the amount we can use to off-set rates or put into projects that promote living and working in Clutha. There is a level of certainty in years 1-2 with increasing uncertainty after that. The risk is partly mitigated by re-forecasting on an annual basis through annual plan updates.

Sensitivity Analysis on Forecasted Return on Investments

	LTP (1.0%) \$M	LTP \$M	LTP 1.0% \$M
Rate of Return	2.4%	3.4%	4.4%
Closing Value in 2031	31.3	35.0	39.0
Total Interest Earned Over 10 years	7.6	11.3	15.3

FINANCIAL ASSUMPTIONS

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

REASON FOR UNCERTAINTY, IMPACT OF RISK:

Expected interest rates on borrowing

Interest on existing and new internal borrowing is allowed for at 1.52% over the term of the borrowing.



Minimal impact as impact of internal borrowing is offset by income. There is a level of certainty in years 1-2 with increasing uncertainty after that. The risk is partly mitigated by re-forecasting on an annual basis through annual plan updates.

Expected level of external borrowing

As a result of an updated focus on maximising investment returns, Council's level of liquidity is expected to change, and external borrowing is forecast during this LTP. Council is part of the Local Government Funding Agency (LGFA) as a guaranteeing borrower. A forecast rate of 2.0% has been used as the average cost of borrowing based on advice received from the LGFA.



The risk is partly mitigated by re-forecasting on an annual basis through annual plan updates. A change in interest means the rating requirement for the cost of financing as well as the loan repayment would change as illustrated to the right.

Sensitivity Analysis on Forecasted Rate on External Borrowings

	LTP (1.0%) \$M	LTP \$M	LTP 1.0% \$M
Rate of Borrowing	1.0%	2.0%	3.0%
Total Interest Paid Over 10 years	8.6	17.3	25.9

FINANCIAL ASSUMPTIONS

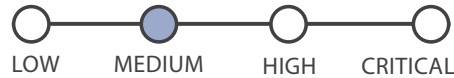
WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY (RISK)

REASON FOR UNCERTAINTY, IMPACT OF RISK:

Renewability or otherwise of external funding

Cash flow deficits managed through Westpac multi-option credit facility can also be used if needed to meet medium-term lending requirements.



Higher cost of short term borrowing and inability to meet liquidity shortfalls.

Waka Kotahi NZ Transport Agency Financial Assistance Rate

Based on representation and advice from Waka Kotahi, Council will receive a financial assistance rate of 65% for each year of the 2021 Long Term Plan.

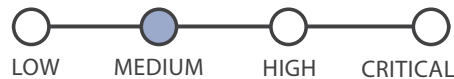


If there are changes or reductions, Council will have to reconsider the level of delivery for the financially-assisted programme..

The overall dollar value of the programme approved by Waka Kotahi is subject to update and review on a three-yearly cycle, with final confirmation taking place post adoption of the LTP and its budgets. Refer to the assumptions in the Council Activities - Transportation section for further information.

Depreciation rates on planned asset acquisitions

If depreciation costs are significantly higher than budgeted, rates would increase to balance the budget.



If depreciation costs are significantly higher than budgeted, rates would increase to balance the budget.

PRICE LEVEL CHANGES

ACCOUNTING RULES REQUIRE COUNCIL TO ADJUST ITS FORECAST FINANCIAL INFORMATION TO TAKE INTO ACCOUNT THE IMPACT INFLATION. THESE PRICE LEVEL ADJUSTMENTS HAVE BEEN APPLIED TO ALL BUDGETS AND PROJECTS AT THE RATES OUTLINED BELOW. THEY ARE BASED ON THE LOCAL GOVERNMENT COST INDEX (LGCI).

PRICE LEVEL ADJUSTERS APPLIED TO 2021/31 LONG TERM PLAN FORECASTS

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Administration	Base year	2.9%	2.9%	2.9%	2.9%	2.7%	2.8%	2.8%	2.8%	2.7%
Salaries	Base year	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Three Waters	Base year	3.4%	3.4%	3.5%	3.5%	3.0%	3.4%	3.4%	3.4%	3.0%
Roading	Base year	2.4%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%	2.7%	2.7%
Information Technology	Base year	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
All Other Assets	Base year	2.8%	2.8%	2.8%	2.8%	2.6%	2.8%	2.8%	2.8%	2.6%

RATING UNIT CHANGES

Based on historical data and changes to the district’s rating base, Council is projecting that the number of rating units in the district will continue to grow at a rate of a average of 0.6% per annum during 2021 to 2031.

FORECAST CHANGES IN RATING UNITS 2021/31

YEAR BEGINNING	RATING UNITS	ANNUAL CHANGE IN RATING UNITS
1/07/2021	11,266	Base year
1/07/2022	11,331	65
1/07/2023	11,396	65
1/07/2024	11,461	65
1/07/2025	11,526	65
1/07/2026	11,591	65
1/07/2027	11,656	65
1/07/2028	11,721	65
1/07/2029	11,786	65
1/07/2030	11,851	65
1/07/2031	11,916	65

COUNCIL ACTIVITIES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2021/31



GUIDE TO ACTIVITIES

The services Council provides have been categorised into nine activity groups. This section sets out each of the activity groups, how they contribute to the district, and how Council will maintain, measure and fund each activity.

ACTIVITY GROUP	COMMUNITY OUTCOME	KEY PRIORITY AREA CONTRIBUTOR	ACTIVITY
1. COMMUNITY LEADERSHIP	Connected & Collaborative	<ul style="list-style-type: none"> All areas 	<ul style="list-style-type: none"> Governance
2. ECONOMIC & COMMUNITY DEVELOPMENT	Vibrant Rural Towns & Communities	<ul style="list-style-type: none"> Quality Housing Jobs Are Filled Support Culture & Heritage 	<ul style="list-style-type: none"> Economic Development Community Development
3. ROADING	Connected & Collaborative	<ul style="list-style-type: none"> Invest in Infrastructure 	<ul style="list-style-type: none"> Roading
4. WATER		<ul style="list-style-type: none"> Invest in Infrastructure Healthy Safe Communities Reducing Our Environmental Footprint Adapting to Climate Change 	<ul style="list-style-type: none"> Urban Water Rural Water
5. SEWERAGE	Healthy Sustainable Environment	<ul style="list-style-type: none"> Invest in Infrastructure Healthy Safe Communities Reducing Our Environmental Footprint Adapting to Climate Change 	<ul style="list-style-type: none"> Sewerage
6. STORMWATER		<ul style="list-style-type: none"> Invest in Infrastructure Healthy Safe Communities Reducing Our Environmental Footprint Adapting to Climate Change 	<ul style="list-style-type: none"> Stormwater

Continues on next page

ACTIVITY GROUP	COMMUNITY OUTCOME		ACTIVITY
7. COMMUNITY SERVICES	Vibrant Rural Towns & Communities Connected & Collaborative	<ul style="list-style-type: none"> • Invest in Infrastructure • Support Culture & Heritage • Healthy Safe Communities 	<ul style="list-style-type: none"> • Library/Service Centre/Information Services • Swimming Pools • Parks, Reserves, Sports grounds & Playgrounds • Public Conveniences • Cemeteries • Halls & Community Centres • Community Housing & Property
8. SOLID WASTE MANAGEMENT	Healthy Sustainable Environment	<ul style="list-style-type: none"> • Reducing Our Environmental Footprint • Healthy Safe Communities 	<ul style="list-style-type: none"> • Solid Waste Management
9. REGULATORY & EMERGENCY SERVICES	Vibrant Rural Towns & Communities Healthy Sustainable Environment	<ul style="list-style-type: none"> • Healthy Safe Communities • Reducing Our Environmental Footprint • Adapting to Climate Change 	<ul style="list-style-type: none"> • Resource Management • Animal Control • Environmental Health • Building Control • Alcohol Licensing • Compliance • Civil Defence • Rural Fire
10. INTERNAL SERVICES			<ul style="list-style-type: none"> • Internal Services

Each of the activity groups have been set out using the headings as follows:

WHAT WE DO

Under this heading you will find a description about what Council does within this group of activities. It includes information about the levels of service Council provides, and in some instances there is an outline of the assets involved.

WHY WE DO IT

This part includes the rationale for why Council is involved with this group of activities and how the activity contributes to Council's community outcomes. Each of the services Council provides contributes to one or more of the community outcomes which are explained in greater detail in Section 2: Council's Community Outcomes.

SIGNIFICANT EFFECTS

PROVIDES INFORMATION ABOUT POTENTIAL NEGATIVE EFFECTS OF THE ACTIVITY ON COMMUNITY WELLBEING, ALONG WITH WHAT COUNCIL WILL DO IN RESPONSE.

MAINTAINING CURRENT LEVELS OF SERVICE

This section describes how Council plans to continue providing the current level of service. For activities with major assets it outlines the maintenance and renewal/replacement programmes for these assets.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

As the heading suggests this part sets out what capital projects are planned in order to create improvements. Any proposals for new or enhanced assets are included here as well as any projects which are to be carried out to expand asset capacity. This is where any decreases in level of service are also flagged. Information about how these projects will be funded is also included.

WHAT'S NOT INCLUDED IN THE PLAN

This section includes information about issues that Council is aware of, but for which there is no budget. Examples include work required to bring some of Council's buildings 'up to standard' in relation to required earthquake strengthening.

WHAT WE'RE AIMING FOR

These tables outline the level of service provided for each activity in that group and the key measurements that Council uses to evaluate how well these service levels are being met. Performance targets for the coming years are also presented, and these will be reported against in future Annual Reports. Where they apply, information about the Otago Regional Performance Improvement Framework benchmarking measures and mandatory Department of Internal Affairs measures have been included.

HOW THE ACTIVITY GROUP IS FUNDED & WHAT IT WILL COST

Funding Impact Statements provide financial information about each group of activities and how they will be funded for each of the next ten years.

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

Significant forecasting assumptions are defined as something taken to be true for the purposes of future action. This section outlines these assumptions together with the level of uncertainty and some comments on what might happen if the assumption is wrong.

COMMUNITY LEADERSHIP

Our elected members represent the Clutha District and its communities, undertaking an important oath to make decisions in the best interests of the Clutha District.

WHAT WE DO

Clutha District Council comprises 14 Councillors and a Mayor.

The 14 Councillors represent eight wards - Balclutha, Bruce, Catlins, Clinton, Clutha Valley, Kaitangata-Matau, Lawrence-Tuapeka and West Otago. Together the Councillors and Mayor provide leadership for the district by setting an overall direction, determining priorities, and making decisions about the scope and the levels of service Council will provide. Decision making is an important part of their role, including what Council will do, and how to pay for activities.

The Mayor and Councillors set the performance standards and oversee the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources. Much of this work takes place in Council and Committee meetings.

The Mayor proposes and the Council approves the Council and Committee structure. This structure enables Council's decision-making processes to be implemented in an effective and efficient manner, and also allows for the delegation of certain powers.

An important part of elected members role also includes representing their community, including communicating with residents, informing them of the reasons for Council decisions and advocating on their behalf.

This activity also includes the conduct of elections, by-elections and review of representation arrangements.

WHY WE DO IT

Council is involved in this activity to help our district and its communities develop and move forward. Decisions are made in the interests of the whole of the district, with current and future generations in mind.

This activity contributes to all of Council's outcomes, with a particular association with the outcome of "a well-informed community where people have their say in decisions that affect them".

SIGNIFICANT EFFECTS

There are no significant negative effects identified for this group of activities.

MAINTAINING LEVELS OF SERVICE

RENEWALS AND REPLACEMENTS

This activity does not include any significant assets and therefore there are no asset management, maintenance, renewal and replacement issues.

TRIENNIAL ELECTIONS

Local elections are held once every three years with the next election taking place in October 2022. Clutha District Council is also mandated with the responsibility to hold elections for Lawrence/Tuapeka and West Otago community boards, and to act as the electoral officer for the Clutha Licensing Trust and Clutha Health First.

Public confidence in the local electoral processes is fundamental to a healthy local democracy. There are political and public risks of getting things wrong and this could potentially undermine the electoral process. Council reduces potential risk by outsourcing the role of electoral officer in its entirety to an independent contractor.



MAYOR

Bryan Cadogan

FACILITATING GROWTH

Like other rural areas throughout New Zealand, the Clutha District had experienced a period of population decline. The two previous Long Term Plans set the platform for a change in direction to promote growth, and the latest Census 2018 indicated a reversal with a slight population increase.

This direction was refreshed for consultation in this Long Term Plan and overwhelmingly supported through submissions. Arising from this work Council revised the Economic Development Strategy and Living and Working in Clutha Strategy and combined them into one Living and Working in Clutha Strategy.

Council has continued to give effect to these strategies, in order to encourage further growth. This included innovative approaches to Council-led development, the continuation of developing community plans for our communities (and their implementation), continuing support to our Economic Development Agency (and Regional Tourism Office) to support our businesses, and Plan Changes in Milton and Balclutha to make more land available. In addition Council has taken opportunities to apply for and receive Government Stimulus funding to support communities and activities as a result of Covid-19.

Council also supports the Kaitangata House and Land Package with continued fee remission availability, constructing turn-key houses, and land-banking sections for future builds in collaboration with other funding organisations.

RATES AFFORDABILITY

Making decisions about rates including who pays and how much is a consideration that heavily influences Council's decision-making. Council carefully considers how to make rates as affordable as possible given our challenges of a small population, large land area, and correspondingly large amount of infrastructure.

Council will continue to look for effectiveness and efficiency in controlling costs, maximizing returns to our ratepayers from our investments, setting rates limits that are deemed appropriate, promoting the rates rebate scheme for low income households in our district, and continuing to review our rating systems. Council has instituted a more equitable way of paying for our three waters infrastructure by amalgamating individual schemes and updating how the Community Facilities Rate is applied.

The approach of encouraging growth in the parts of the district that have potential is also expected to impact and contribute to rates affordability. Council will continue to carefully consider levels of service in other areas that are no longer a sustainable use of rates e.g. divesting community facilities.

RISK AND ASSURANCE

Council has appointed an independent chair for the Risk and Assurance Committee, in accordance with Office of the Auditor General best practice guidelines. Council has a formal risk management framework which is scheduled to be externally reviewed in 2021/22.

IMPROVEMENTS OR CHANGES WE'RE PLANNING

FACILITATING GROWTH

Proposals and actions which will maximise opportunities to grow the rating base are recognised throughout this plan and across the majority of Council's activities. They are linked to the Living and Working in Clutha Strategy which underpins this plan. The Infrastructure Strategy has been developed on an assumption of growth and Council is committed to continuing to sustainably manage and maintain key infrastructure throughout the District. The Financial Strategy identifies that returns from investment income are used in part to support Living and Working in Clutha projects. Actions to facilitate growth include completing the Rosebank Industrial Park (and accepting that it will be developed at a small loss), facilitating and if necessary initiating additional residential development throughout the District, completing the Milton to Waihola water pipeline, and continuing to complete and implement Community Plans and associated projects. Work is also being carried out to implement Council's decision to upgrade and increase the stock of Council elderly and social housing.

WHAT'S NOT IN THE PLAN

Council recognises that promoting growth must be done in a sustainable way. This plan and its budgets have been developed on the basis that Council supports initiatives to growth, subject generally to any initiative being at worst rates neutral. When specific rates funding is required for any initiative or action that is not rates neutral, Council will take a business case approach to assessing it and make any budgets changes through the annual planning or similar consultative process.

WHAT WE ARE PLANNING FOR COMMUNITY LEADERSHIP

WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Leadership of Council’s growth focus
- Ongoing work around rates affordability
- Reviewing governance and committee structures and undertaking elections

WHAT WE’RE AIMING FOR

COMMUNITY OUTCOME: WE’RE CONNECTED AND COLLABORATIVE

KEY PRIORITY AREA: ALL AREAS

WHAT WE’RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE’RE PERFORMING NOW	WHAT WE’RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide effective leadership, representation and service to residents and ratepayers	Satisfaction with decision-making, leadership and planning of elected members (Council)	80%	≥80%	≥80%	≥80%	≥80%
Monitor rates affordability and provide prudent, effective and efficient financial management	To stay within rates limits (\$ amount and year on year increase ≤4%)	\$26.5M 2.71%	28.3 3.93%	29.4 3.94%	30.5 3.99%	35.9* 3.42%*

* Average for 2024/25-2030/31

WHAT IT WILL COST & HOW WE WILL FUND COMMUNITY LEADERSHIP

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	1,045	1,108	1,127	1,171	1,210	1,263	1,273	1,292	1,322	1,373	1,330
Targeted rates	241	252	254	262	265	272	279	280	286	294	358
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	60	60	60	60	60	60	60	60	60	60
Internal charges and overheads recovered	0	205	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	1,286	1,625	1,441	1,493	1,535	1,595	1,612	1,632	1,668	1,727	1,748
Applications of operating funding											
Payments to staff and suppliers	(699)	(1,047)	(778)	(761)	(800)	(837)	(821)	(844)	(865)	(887)	(909)
Finance costs	(26)	(19)	(18)	(19)	(18)	(17)	(16)	(15)	(14)	(12)	(11)
Internal charges and overheads applied	(512)	(553)	(552)	(586)	(585)	(607)	(638)	(635)	(648)	(684)	(681)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(1,237)	(1,619)	(1,348)	(1,366)	(1,403)	(1,461)	(1,475)	(1,494)	(1,527)	(1,583)	(1,601)
SURPLUS (DEFICIT) OF OPERATING FUNDING	55	6	93	127	132	134	137	138	141	144	147
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(65)	85	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(79)	(80)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(65)	85	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(79)	(80)

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WHAT IT WILL COST & HOW WE WILL FUND COMMUNITY LEADERSHIP

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	(360)	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	8	31	42	8	5	5	6	6	6	6	6
(Increase) decrease of investments	2	238	(64)	(63)	(64)	(65)	(68)	(68)	(70)	(71)	(73)
TOTAL APPLICATIONS OF CAPITAL FUNDING	10	(91)	(22)	(55)	(59)	(60)	(62)	(62)	(64)	(65)	(67)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(55)	(6)	(93)	(127)	(132)	(134)	(137)	(138)	(141)	(144)	(147)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR COMMUNITY LEADERSHIP AND OUR DISTRICT OVERALL

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Amalgamation/Boundary Changes

Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan.



Should amalgamation with neighbouring authorities or significant boundary changes take place, this would significantly impact on all of this plan in its entirety.

Representation arrangements

Council assumes that the current structure of representation will not change significantly.



In general, any changes to representation arrangements will not have significant budgetary implications. However, there would be changes to rates based on electoral ward.

*Universal financial assumptions that also affect Community Leadership are included in the financial strategy section of this document.

LIVING AND WORKING IN CLUTHA

Our vision is that Clutha District is a great place to live, work, and play. Our Living & Working in Clutha Strategy outlines our priorities as we look to work towards this vision on behalf of the Clutha District.

The Clutha District Council sees promoting growth as a priority and believes there are opportunities out there to promote the district's potential as an attractive place to live, work, visit and invest. Overall, our district is in good shape, poised to make the most of our circumstances and opportunities. The Clutha District is growing, and our overall outlook is positive despite the unprecedented challenges that have come our way in recent times. We're very much open for business in terms of visiting and investing here, and there are great opportunities to live and work in Clutha. Council is intending to use what it has available to fully support our residents and ratepayers now, and into the future.

This Living and Working Strategy has been prepared by the Council to guide decision-making and our overall progress towards three key outcomes:

- Clutha has vibrant rural towns and communities
- Clutha is connected and collaborative, and
- Clutha has a healthy and sustainable environment.

These outcomes are tailored to achieve our goal to promote the economic, environmental, social and cultural well-being of our communities. We have identified seven priority work areas where Council has an important role to play. These relate to housing, business and workplace development, the environment, climate change, infrastructure, healthy safe communities, and culture and heritage. We have outlined the strategic elements associated with each of these priority areas.

The Living and Working Strategy has been created to describe, at the highest level, where we want the district to head, and how Council intends to work towards these objectives. Where there is existing strategic direction, this is also referenced below (for example, the Clutha District Infrastructure Strategy). Council also produces comprehensive plans to guide the implementation of these strategies (for example, Activity Management Plans are prepared every three years).

Although this strategy is intended to guide us over the next ten years, we will review it every three years as part of the Long Term Plan process. This will allow it to be updated to reflect the changing conditions and challenges we will undoubtedly face.



Graph: Clutha District Strategic Framework

PRIORITY AREA: INVESTMENT IN INFRASTRUCTURE

Council prepares infrastructure and financial strategies every three years, to outline our approach to infrastructure, and how we will pay for it. It includes information about how we are going to manage infrastructure, the main challenges we face, and based on current information, how we propose to address those challenges.

We're focused on maintaining our key infrastructure for residents and future generations, and enabling investment where benefits are clear. We will also look to facilitate growth where there is potential for this, to help achieve our goal of growing the population and the rating base. Council is focused on maintaining the affordability of its infrastructure.

Clutha District Draft Infrastructure Strategy, 2021/51

Where we are now	Council maintains an extensive network of infrastructure in the Clutha District, particularly roading and water supply (a substantial portion of which exists to support our crucial primary sector). Urban water, sewerage and stormwater infrastructure supports our townships. Much of our infrastructure was constructed in the 1970s and 1980s (e.g., rural water schemes and many of our sewerage schemes), and many of these assets may need to be replaced or upgraded within the time frame of this strategy.
Where we want to be	Council's intent is to continue building on our existing asset base, whilst managing and maintaining key infrastructure for residents and future generations. In some instances, we will 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 to help achieve our goal of growing the population and the rating base.
How we are intending to get there	<p>The 2021/51 Infrastructure Strategy identifies a set of principles, intended to achieve our overall infrastructure objectives:</p> <ol style="list-style-type: none"> 1. Plan for and be adaptive to growth and enable private infrastructure investment where 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. Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level. 4. Use our solid financial position and existing infrastructure as a platform to enable growth.
How we will monitor progress	<p>Improve the quality of information we have about our assets, so that we have an accurate estimate of their remaining lifespan. This relates to core infrastructure, as well as community assets such as halls and pools.</p> <p>We will measure compliance against appropriate standards (e.g., drinking water, roading).</p>
Key documents	Infrastructure Strategy, Financial Strategy, Activity Management Plans, Clutha Destination Strategy
Long Term Plan levels of service	<p>Our key investment priorities for new and existing infrastructure include:</p> <ul style="list-style-type: none"> • Facilitating growth – we will plan for and be adaptive to growth and enable private infrastructure investment where it will benefit our community's well-being. • Improving levels of service – we will prioritise investment in infrastructure that balances cost, risk and service levels. • Taking care of what we've got – we aim to have the funds needed to replace assets at the end of their economic life.

PRIORITY AREA: MORE QUALITY HOUSING

Council’s Strategic Direction for Housing was adopted in July 2020. It outlines why housing is of vital importance to the Clutha District. Quality, affordable housing underpins other Council priority areas such as business and workforce development, healthy safe communities, and climate change adaptation.

Quality housing is a key aspect of liveability in the Clutha District. Having the security of a home that is safe, warm, dry and affordable is a key foundation to the wellbeing of people. This in turn means that they can contribute to wider community outcomes helping the district to achieve its potential socially and economically

Strategic Direction for Housing in the Clutha District, July 2020

<p>Where we are now</p>	<p>The Clutha District’s housing is under pressure, with availability for both rental and ownership an issue. Demand for social housing is also growing. Migration patterns, an ageing population, and the increasing trend of one and two-person households also have implications for the types of housing that are and will be needed in the district. Leadership, coordination between agencies, and meeting relevant housing regulations are other issues facing the district.</p>
<p>Where we want to be</p>	<p>The Vision of Council’s Strategic Direction document is for “Good quality affordable housing that meets the needs of all Clutha District residents”. Its strategic outcomes include:</p> <ul style="list-style-type: none"> • A well-functioning, dynamic housing system with housing stakeholders working in coordination and/or partnership to grow our choice and availability of housing. • Homes are of good quality and resilient, where they are warm, dry and energy efficient. • Homes meet the needs of Clutha District residents. The needs of all segments of the population need to be understood, so that appropriate responses can be implemented. • A housing system that supports sustainable, resilient and connected communities.
<p>How we are intending to get there</p>	<p>The Strategic Direction for Housing identifies actions for each of the strategic outcomes listed above. This includes actions which relate directly to Council activities, such as its stock of community housing, or the District Plan review. It also includes actions which relate to Council’s role as a catalyst and facilitator within the community, and as an advocate at the regional and national level.</p>
<p>How we will monitor progress</p>	<p>Improve the quality of information we have about our assets, so that we have an accurate estimate of their remaining lifespan. This relates to core infrastructure, as well as community assets such as halls and pools. We will measure compliance against appropriate standards (e.g., drinking water, roading).</p>
<p>Key Documents</p>	<p>District Plan, Financial Contributions Policy, Proposed Development Contributions Policy (from 2022), Clutha District Housing Strategy, Strategic Direction for Housing in the Clutha District: Actions for Outcomes, Community Housing Activity Management Plan, Policy on Community Housing.</p>
<p>Long Term Plan levels of service</p>	<p>Council reviews the District Plan and rezones with a focus on facilitating infill and new housing developments. Provide warm and safe community housing.</p>

PRIORITY AREA: FILLING OUR JOBS

Actions that help to enhance economic growth are critical to the ongoing sustainability and liveability of the Clutha District. Key focus areas are to retain existing businesses, grow our workforce, and attract additional investment.

Future growth and sustainability for our district means putting economic and community development at the forefront of our actions and decisions

2021/31 Long Term Plan

<p>Where we are now</p>	<p>The Clutha District has a low unemployment rate compared to the New Zealand average, and primary production (food, fibre and forestry) accounts for nearly half of all economic activity in the district. Employers have historically found it difficult to attract permanent staff, despite the number and range of jobs available. As a result, our international workforce is important for some industries, and staff commuting to work in Clutha from outside the district is common. Clutha District Council has made some strategic investments to help stimulate additional economic activity – for example the Rosebank Industrial Estate.</p>
<p>Where we want to be</p>	<p>Council’s intent is to continue building on our existing asset base, whilst managing and maintaining key infrastructure for residents and future generations. In some instances, we will 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 to help achieve our goal of growing the population and the rating base.</p>
<p>How we are intending to get there</p>	<p>Council will support businesses and employers through a ‘business-friendly’ regulatory process. We will also form strong partnerships and collaborate with industry, Otago Regional Economic Development (ORED), Economic Development Agencies (EDA’s), and central government. A key role of Council is to provide supporting infrastructure which enables businesses to flourish.</p> <p>Specific programs related to this priority area include Clutha Jobs, Job Seeker Support, Jobbortunities, and Destination Marketing.</p>
<p>How we will monitor progress</p>	<p>GDP growth, GDP per capita, employment and labour productivity trends, business size growth, business confidence surveys, number of businesses exporting, visitor nights.</p>
<p>Key documents</p>	<p>Clutha Destination Strategy, 2021/31 Long Term Plan</p>
<p>Long Term Plan levels of service</p>	<p>Council funds and contracts out programmes to support business and workforce development, in line with the Living and Working in Clutha Strategy and other Council strategies.</p>

PRIORITY AREA: REDUCING OUR ENVIRONMENTAL FOOTPRINT

The physical environment influences nearly every aspect of life in the Clutha District. Many residents relate strongly to our rural environment, with its outdoor lifestyle and focus on agricultural production. Our farming heritage is an important part of our identity, and for many people, life is shaped around action and interaction with the environment. Reducing our environmental footprint underpins community well-being and is a priority towards making Clutha a great place to live, work, and play.

The District's land resource has formed the basis for primary production since the mid 19-th Century... [it] also contains outstanding natural features and landscapes, and areas of significant indigenous vegetation and significant habitats of indigenous fauna. Along with the rivers, lakes and spectacular coastline, these features comprise a valuable resource in terms of recreation and the growing tourism industry.

Clutha District Plan

Where we are now	<p>Although environmental stewardship is recognised as being vital to our wellbeing, this does not always come across strongly in our regulations and strategic direction. Council plays a key role to play through its:</p> <ul style="list-style-type: none"> • Regulatory functions (e.g. District Plan, Bylaws, Building Control), • Strategic direction (e.g. Our Place Plans), • Service delivery (e.g. solid waste management, wastewater treatment, management of pest species), and • Internal activities (e.g. environmental impact of operating vehicles and Council-owned assets).
Where we want to be	<p>We want to help create a district that plans for and cares about the future and works to enhance its natural and built environment. Through this Strategy, Clutha District Council has signaled its commitment to environmental sustainability, enhancement, and protection, and it will continue to take a leadership role to ensure that this commitment is met.</p>
How we are intending to get there	<p>Council's core activities include effective planning of infrastructure and efficient delivery of services, and these will be managed in a way that ensures the protection and enhancement of our environment. Focus areas include waste management, waste reduction, water conservation, enhancing and protecting habitats of local significance, and discharges to waterways. Council will also work closely with other stakeholders to improve environmental stewardship of the Clutha District. Local iwi, DOC, ORC, and community organisations will have their own activities they wish to progress, and where possible, Council will look to support these. Council will look to establish a partnership agreement with kā rūnaka ki Ōtāgo, and to give effect to the concept of Te Mana o te Wai which places the health and wellbeing of water bodies at the centre of water management practices.</p> <p>Other relevant Council-led initiatives include:</p> <ul style="list-style-type: none"> • The District Plan review – e.g., identifying and protecting habitats and landscapes of significance. • Support for the EnviroSchools program and community groups involved in biodiversity activities – e.g., planting programs (urban & rural). • Supporting infrastructure for electric vehicles and active transport. • Improved procurement processes, reducing the environmental impact of Council's fleet and other assets (esp. reducing greenhouse gas emissions).
How we will monitor progress	<p>Monitoring discharges from Council's wastewater treatment plants, the number and extent of significant habitats which are protected by the District Plan, and the energy efficiency of Council assets and infrastructure.</p>
Key documents	<p>Infrastructure Strategy, Three Waters Activity Management Plan, Solid Waste Activity Management Plan and Waste Minimisation Plan, Clutha Destination Strategy.</p>
Long Term Plan levels of service	<ul style="list-style-type: none"> • Council reviews the District Plan and focuses on the protection of habitats and landscapes of significance. • Council works proactively with iwi and community groups. • Council provides a kerbside solid waste and recycling collection service.

PRIORITY AREA: ADAPTING TO CLIMATE CHANGE

The objective of Council's Climate Change Leadership and Response Plan is to characterise the risks (particularly for Council infrastructure and functions) that are associated with climate change projections in the Clutha district, and identify how those risks will be managed. This work is critical to the delivery of all Council's priority work areas, and to community well-being.

Adaptation to climate change is an absolutely necessary and ongoing process for decisions relating to infrastructure and urban development LGNZ, 2018

The impacts of climate change will have significant implications for the functions of local government in New Zealand Lawrence et.al, 2018.

Where we are now	<p>Adaption: The Climate Change Leadership and Response Plan was adopted in 2019. The first stage was completed in June 2020, with publication of 'The impacts and implications of climate change for the Clutha District' report. Subsequent stages are to:</p> <ul style="list-style-type: none"> Quantify the risks to Council infrastructure and other community assets from the effects of climate change (June 2021). Determine how Council will treat the risks associated with climate change. The outcomes will guide decisions on appropriate responses and plans (early 2022). <p>Mitigation: Council has participated in a regional level assessment, but more investigations are required to better understand current emissions, and potential methods to reduce them.</p>
Where we want to be	<ul style="list-style-type: none"> A common understanding amongst Council staff, Councillors, and the community on the likely impacts and risks associated with climate change. The ability to plan for changing land use opportunities and limitations, for both rural and residential activities. Improved ability to manage risk, and to communicate with stakeholders about priorities. A reduction in Council's use of fossil fuels, and information to assist/encourage the community to do the same.
How we are intending to get there	<p>Once completed, the Climate Change Leadership and Response Plan will provide a solid platform (including a common understanding of likely risks) upon which future strategic decisions will be based. However, this work will not necessarily specify how any changes should be made, or the time frame for making them. Ongoing work will be required across all Council activity areas, to incorporate new information on impacts and risk into work programs and decision-making. Examples include:</p> <ol style="list-style-type: none"> How will Council manage changing risks and potential loss of service levels (e.g. the loss of a coastal road)? How can community expectations about levels of service be managed? How should we deal with uncertainty? How can Council work with communities to manage change?
How we will monitor progress	<p>Monitoring is likely to be qualitative, including observations of actions by Council and the wider community to reduce risk, or to take advantage of changing environmental conditions (e.g. changes in farming practices).</p>
Key documents	<p>District Plan, and reports completed as part of the Climate Change Leadership and Response Plan</p>
Long Term Plan levels of service	<ul style="list-style-type: none"> Council reviews the District Plan with a focus on reducing existing risk and avoiding new risk. Council implements a communication plan to disseminate new information, and to guide community engagement.

PRIORITY AREA: IMPROVING OUR COMMUNITIES HEALTH, SAFETY & WELL-BEING

Ensuring our communities are healthy and safe is a priority area for Council. Many of the activities and services provided by Council help to achieve this objective, and this priority area is closely linked to the other six priority areas, particularly quality affordable housing and investment in infrastructure.

Council provides community spaces and facilities throughout the district [to] provide for the health and well-being of our communities.

2021/31 Long Term Plan

<p>Where we are now</p>	<p>Clutha communities are known as caring and supportive, with a practical no nonsense approach to addressing any issues. We also have an excellent range of community facilities which have been built up over many decades. As a result, our communities are great places to live, work and play. However, a small population, together with increasing costs and modern-day expectations means that maintaining this way of life can be a challenge. Volunteers are increasingly stretched, and our population is aging. Drugs and alcohol can also cause issues, and we lack public transport options.</p> <p>Relevant activities include community facilities such as pools, social housing, halls, and recreational areas (either directly owned by Council or supported through grants). Council provides regulatory oversight in areas such as dog control, food standards, building standards, gambling, and noise control. Roads and other key infrastructure also help to keep our communities safe and connected.</p>
<p>Where we want to be</p>	<p>We want the Clutha District to be a place that supports and uses the talents and advantages of the whole community to achieve success and ensure wellbeing. We want to have a reputation as a safe place in which to live, work, play and visit. We believe that connectivity and access to health services should be a focus.</p>
<p>How we are intending to get there</p>	<p>Council will continue to engage with local communities, to determine the best way to deliver community facilities, services and infrastructure. We will do this through the 'Our Place' program, as well as other more regular consultation processes. Key questions include what are the priorities for each community? how should they be funded? and what is the desired level of service?</p> <p>We will look to achieve compliance with relevant legislation, bylaws, and policies through the provision of information, education, and enforcement.</p>
<p>How we will monitor progress</p>	<p>Compliance against relevant standards (e.g. drinking water, food premises, healthy homes standard). Policy and bylaw provisions are reviewed and are up to date.</p>
<p>Key documents</p>	<p>Activity Management Plans, District Plan, Dog Control Policy & Bylaw, Reserve Management Plans, Smokefree Policy, Community Funding Policy.</p>
<p>Long Term Plan levels of service</p>	<p>Council will:</p> <ul style="list-style-type: none"> • Provide, or support accessible and well-maintained facilities to increase levels of participation in active and passive recreation. • Fund, and work in partnership with external organisations to increase levels of participation in sport and recreation. • Work with Emergency Management Otago to build resilience and disaster preparedness for emergency situations. • Enforce bylaws and legislation to ensure dog owners and residents are aware of safety, protection, and etiquette around dogs. • Ensure that food premises comply with relevant legislation.

PRIORITY AREA: SUPPORTING CULTURE & HERITAGE

The preservation and celebration of cultural and heritage values is an important factor in terms of creating a great place to live, work and play. Local government can play an important role in ensuring that our communities are able to retain, interpret and express their own culture and heritage.

...heritage includes natural features and landscapes, indigenous vegetation and habitats of indigenous fauna... historic buildings, structures, precincts and streetscapes...the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga, and sites of archaeological significance.

Clutha District Plan

Where we are now	Council supports a range of initiatives across the district, including community-led museums through annual operating grants, its own library network, providing community grants for various projects, and administering the Creative Communities Scheme. At the local level, community-led groups undertake valuable work to protect and ensure access to our culture and heritage.
Where we want to be	Our cultural and heritage values are visible, accessible, and celebrated widely. In particular: <ul style="list-style-type: none"> • Community stories, objects, and records from all cultures within our communities are accessible. • Modern innovative methods are used to showcase our culture and heritage to the district and beyond. • There is an increase in the number and diversity of initiatives to make our culture and heritage more visible across the district.
How we are intending to get there	We will work proactively with owners of heritage buildings and sites to preserve the District's heritage. Examples include: <ul style="list-style-type: none"> • A priority project identified in the Our Place Lawrence-Tuapeka Community Plan, for Council to take a range of measures to help protect and enhance historical buildings and other heritage items. • Council investment which encourages property owners to revitalise and re-purpose heritage buildings, through rates relief, street improvements and heritage grants. • Support to help property owners navigate council regulations, and to find new uses for old buildings. We will incorporate local history and culture into renewal work on community facilities such as halls and public toilets. With local communities, we will develop a digital repository to share our heritage and culture, to better tell the stories of our past and present. We will review heritage provisions, processes, and schedules during the District Plan review (including the register of buildings, trees, and sites). We will work with stakeholders such as kā rūnaka ki Ōtāgo and the Historic Places Trust to better understand and protect heritage values.
How we will monitor progress	<ul style="list-style-type: none"> • Monitoring of consents issued relating to renovation of historical buildings, and earthquake strengthening. • Amount of funding allocated to cultural and heritage groups through community grants. • Library visitor numbers, the use of physical and digital library collections, and the amount of material available through the digital repository.
Key documents	District Plan, Long Term Plan, Annual Plan.
Long Term Plan levels of service	Council will: <ul style="list-style-type: none"> • Provide a library service network. • Support programmes which enable access to information, lifelong learning, cultural expression, and celebration of heritage. • Where possible and appropriate, support the protection of heritage values. • Provide cemeteries throughout the district which meet community needs (including our growing cultural diversity). • Review and update the heritage components of the District Plan.

ECONOMIC & COMMUNITY DEVELOPMENT

Future growth and sustainability for our district means putting economic and community development at the forefront of our actions and decisions.

WHAT WE DO

Part of Council's leadership involves supporting the economy and communities through economic and community development functions.

The following functions and services are included in this activity group:

- Economic Development: leading and delivering activities that will support, sustain and grow the economy, including via the economic development agency – Clutha Development Incorporated and in implementing Council's Living and Working in Clutha Strategy.
- Destination marketing for the district, including being a Regional Tourism Organisation (RTO), provided via Clutha Development Inc.
- Community Development which involves providing support and facilitation for community-driven initiatives throughout the district, including implementing Council's Living and Working in Clutha Strategy via Community Plans.
- Youth development which involves part-funding the Clutha District Youth Development Programme, and providing coordination and support for the Clutha District Youth Council.
- Providing financial assistance through a range of community grants and funding schemes.

WHY WE DO IT

The Clutha District faces some significant challenges. We need be aware of the risks to our local economy, businesses and communities, and the opportunities that our challenges will bring. Council sees promoting growth as a priority and believes there are untapped opportunities to promote the district's potential as an attractive place to live, work and invest. Economic and community development are services that enable growth and positively impact on rates affordability.

Economic and Community Development primarily contributes to the outcomes: "Vibrant towns and communities" and "Connected and Collaborative."

SIGNIFICANT EFFECTS

There are no identified significant negative effects for this activity group.

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

Council will continue to deliver economic development and destination marketing through contracted service providers. We will also continue to part-fund youth development services through contracted services and continue to support a Youth Council. Community development services will continue to remain 'in-house'.

IMPLEMENTATION OF THE LIVING AND WORKING IN CLUTHA STRATEGY

Council will continue to implement the Economic Development Strategy which includes regular reporting by Clutha Development Inc. of progress against the Strategy. In implementing the Economic Development Strategy there are consequential links to the Living and Working in Clutha Strategy, although the primary deliverer of that Strategy is Council. Council has required Clutha Development Inc. to have a particular focus on business and job support over the previous three years, in respect to Council funding through the Economic Development Strategy. This will also continue throughout the term of this Long Term Plan. Primary sector support will in the main continue to be supported through third party funding.

Destination Marketing will continue to be resourced through Clutha Development Inc. at approximately 1 Full-time Equivalent staff level.

Community Plans for Balclutha, Lawrence Milton, Waiholo and the Catlins will continue to be implemented. Kaitangata will be completed and implemented, and the following schedule of Community Plans will be completed and implemented during the term of this Long Term Plan:

- 2021/22: West Otago
- 2022/23: Clinton, Clutha Valley
- 2023/24: Coastal Communities.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

ECONOMIC DEVELOPMENT

Council has required its contractor Clutha Development Inc. to have a particular focus on business and job support in the past, and the Living and Working in Clutha Strategy includes a particular focus now on jobs and housing. Council funding for economic development will prioritise these elements in addition to business support. Support for the food, fibre, and forestry sector will be provided via business support, and in particular one-on-one support.

There is another \$400,000 contribution for 2021/2022 Destination Management from MBIE-STAPP funding, with Council providing funding of \$180,000. Over 2021/2022 Clutha Development will report back on the economic benefit of the Destination Management investment and Council will determine in subsequent Annual Plans if it will continue to invest. Destination Management is also intrinsically linked to the focus on jobs and housing, and marketing of the District will be a package, based on being attractive to visitors and prospective residents, with plentiful jobs and affordable, available housing.

COMMUNITY DEVELOPMENT

Council has confirmed funding for Youth Council initiative's of \$10,000 to continue the Methamphetamine Awareness campaign and \$7,000 to support Billboards and a "Not Even Once" campaign. In addition the Youth Council will be partnering with the Cancer Society on a Clutha District Fresh Air project.

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: WE'RE CONNECTED AND COLLABORATIVE

KEY PRIORITY AREA: ALL AREAS

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Support the District's communities and economy through community planning facilitation and support	Percentage of programmed Our Place community plans completed	33%	100% ¹	100% ²	100% ³	100%

¹ Includes West Otago ² Includes Clinton & Clutha Valley ³ Includes Coastal Communities.

WHAT'S NOT IN THIS PLAN

Council recognises that promoting growth must be done in a sustainable way. The Living and Working in Clutha Strategy have been developed on the basis that Council supports initiatives to encourage investment in our district, subject generally to any initiative being at worst rates neutral.

When specific rates funding is required for any initiative or action that is not rates neutral, Council will determine additional funding depending on the business case presented through the annual planning process.

BE FOCUSING ON IN THIS PLAN:

- Implementing the Living & Working in Clutha Strategy.
- Completing and implementing Our Place Community plans.

BUDGETED ECONOMIC & COMMUNITY DEVELOPMENT FUNDING

ORGANISATION	DESCRIPTION	2021/22
Balclutha Golf Club	Reimbursement towards course water charges	\$2,000
Catlins Coast Inc	Funding towards the Catlins promotional material	\$6,500
Catlins Historical Society	For providing contracted information services in Owaka	\$22,471
Clutha Development	For contracted economic development services including \$180,000 for destination management	\$703,200
Clutha District Combined Museums	Funding towards operating costs for the 6 Clutha District Museums managed under the umbrella of Clutha District Combined Museums	\$60,840
Clutha District Emergency Services Trust	Funding towards the running costs of the Emergency Portacom Caravan	\$1,500
Clutha District Youth Council	Funding for Methamphetamine Awareness Campaign	\$17,000
Clutha Foundation	Funding towards operating costs	\$10,000
Clutha Gold Trail Maintenance Fund	Funding set aside for future maintenance requirements on the Clutha Gold Trail	\$27,221
Clutha Super Masters Games	Funding to support the annual Balclutha Masters Games	\$600
Community Swimming Pool Funding	Grants towards operating costs for various pools throughout the district	\$50,828
Fees Reimbursement Scheme	Scheme which provides for reimbursement of Council-related fees and charges to community groups and volunteers	\$30,890
Gore Womens Refuge	Funding to Gore Womens Refuge which provides support services in the Clutha District	\$8,807
Heartland Life Education	Sponsorship towards the charitable trust providing life education services to Clutha District Youth	\$5,236
Kaka Point Surf Life Saving Club	Funding for retaining lifeguard patrol services at Kaka Point	\$25,000
Lawrence Tuapeka Community Company	For providing contracted information services in Lawrence	\$55,800
Malcam Charitable Trust	For contracted youth development services	\$38,580
Mayors Taskforce for Youth	Support of youth and leadership in the Clutha District	\$11,293
Otago Museum	Funding levy for Otago Museum	\$124,440

BUDGETED ECONOMIC & COMMUNITY DEVELOPMENT FUNDING

ORGANISATION	DESCRIPTION	2021/22
Owaka Swimming Baths	Funding towards swimming pool refurbishments	\$195,000
Project Bruce	Funding towards the operating costs of Project Bruce	\$60,000
Property Rent Assistance	Scheme which reimburses community groups who lease Council land and buildings	\$8,622
SPARC Rural Travel Fund	Sport New Zealand Rural Travel Fund	\$9,500
Sport Clutha	Council portion of funding Sport Clutha coordination services	\$47,348
Tokomairiro Historical Society	For providing contracted information services in Milton	\$11,627
Tuapeka Community Health Inc	Reimbursement of fees and charges for Lawrence retirement housing project	\$20,518

WHAT IT WILL COST & HOW WE WILL FUND ECONOMIC AND COMMUNITY DEVELOPMENT

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	1,306	1,323	1,345	1,354	1,335	1,359	1,368	1,380	1,353	1,363	1,364
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	408	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	1,306	1,731	1,345	1,354	1,335	1,359	1,368	1,380	1,353	1,363	1,364
Applications of operating funding											
Payments to staff and suppliers	(1,466)	(1,891)	(1,194)	(1,196)	(1,166)	(1,168)	(1,171)	(1,183)	(1,154)	(1,156)	(1,159)
Finance costs	(24)	(15)	(19)	(18)	(18)	(17)	(16)	(15)	(15)	(14)	(13)
Internal charges and overheads applied	(103)	(124)	(112)	(120)	(119)	(124)	(130)	(130)	(132)	(140)	(139)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(1,593)	(2,030)	(1,325)	(1,334)	(1,303)	(1,309)	(1,317)	(1,328)	(1,301)	(1,310)	(1,311)
SURPLUS (DEFICIT) OF OPERATING FUNDING	(287)	(299)	20	20	32	50	51	52	52	53	53
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	261	273	(47)	(48)	(49)	(50)	(50)	(51)	(52)	(53)	(53)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	261	273	(47)	(48)	(49)	(50)	(50)	(51)	(52)	(53)	(53)

WHAT IT WILL COST & HOW WE WILL FUND ECONOMIC AND COMMUNITY DEVELOPMENT

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	26	26	27	28	17	0	0	0	0	0	0
(Increase) decrease of investments	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	26	26	27	28	17	0	(1)	(1)	0	0	0
SURPLUS (DEFICIT) OF CAPITAL FUNDING	287	299	(20)	(20)	(32)	(50)	(51)	(52)	(52)	(53)	(53)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR ECONOMIC AND COMMUNITY DEVELOPMENT

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Current delivery of services

These budgets assume that the current method of delivery of services will continue, i.e. youth, economic and tourism development are contracted services. It is assumed that community development will continue to be carried out in-house.



If this changes levels of funding and/or levels of service might be affected.

Funding for youth services

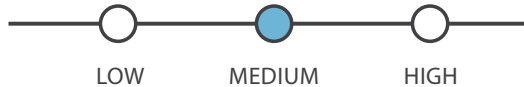
Council has assumed it will continue to partner with other funders and part-fund contracted services for youth development in current levels.



If availability of funding from other funders changes Council would need to review levels of funding and/or levels of service.

Funding for community grants

These budgets allow for grants and community contract services funding to continue at current levels.



Grants and community-contract services funding will be reviewed on a triennial basis as part of the development of the Long Term Plan. Continuation of funding will be considered on a case-by-case basis.

*Universal financial assumptions that also affect economic and community development are included in the financial strategy section of this document.

TRANSPORTATION

Transportation is a fundamental core service for Council. We have the third largest local roading network in the country.

WHAT WE DO

Within the Clutha District, roads are managed by two separate roading authorities. The Waka Kotahi New Zealand Transport Agency (Highway Network Operations) takes care of State Highways, while Clutha District Council maintains all other roads, known as local roads.

The Clutha District Council has the third largest local roading network in New Zealand, comprising 2,908km of local roads. Of this, 846km is sealed and 2,062km is unsealed. The roading network supports a resident population of around 17,250 people. Rural roads make up 95% of our network and form an important part of the export supply chain with the main land uses in the District being dairy, pastoral farming, forestry and horticulture. There are also key tourist routes through the District.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights and other assets that are associated with transportation. The total depreciated replacement cost for Council's roading assets is \$923.6 million. The table (right) illustrates the main features of the roading network:

Transportation Asset Information

ASSET COMPONENT	QUANTITY	ASSET VALUE (\$MILLION)
Formation	24,004,019 m ²	581.3
Sealed Pavement Surface	846 km	5.8
Sealed Pavement Structure	846 km	147.4
Unsealed Pavement Structure	2,062 km	79.7
Drainage		23.5
Surface Water Channels	170,949 m	14.4
Footpaths (sealed + unsealed)	144 km	18.1
Signs/RRPM's/Markings/Railings		3.8
Edge Marker Posts	15,089 units	0.2
Street Lights	1,367 units	1.2
Minor Structures, Retaining Walls	4,082 m	2.5
Bridges and Major Culverts	360 units	45.9
TOTAL		\$923.6

SIGNIFICANT EFFECTS

Although the road network provides many important benefits to the community and is vital to enable trade, commerce and personal travel, there are a number of negative effects arising from both the construction and maintenance activities within the road corridor and its use by motor vehicles.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Road and environment factors can contribute to crashes, particularly those that involve loss of control.	●	●	●	●	Continue to undertake improvement projects and target road safety safety promotion education.
Speed restrictions imposed at inappropriate locations causing speed limits to be ignored.	●	●	●	●	Set speed limits in accordance with Setting of Speed Limit Rules and regularly review.
Stock movement may result in traffic hazards and public nuisance, particularly if the Roding Bylaw – Stock Movement is not adhered to.	●	○	●	●	Monitor Roding Bylaw – Stock Movement to ensure appropriate movement of stock.
Economically, the cost of desired infrastructure may exceed the community's ability to pay.	○	●	●	○	Reassess roading programmes and expenditure and consult on Levels of Service through the LTP process. Utilise an Economic Network Plan to help target investment.
The impact of surface run off from roads that discharges into adjacent coastal or other waters or onto land.	●	●	●	●	Compliance with resource consents and Council's engineering standards and guidelines.
Dust nuisance from unsealed roads that don't have the traffic volumes to meet funding requirements for sealing.	●	●	●	●	Continue to allow semi-permanent and permanent sealing to be used as dust suppressants. This includes canvassing Waka Kotahi for funding assistance for seal extensions.
Potential impacts on customer satisfaction due to service failure/delays/responsiveness.	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily.

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

The operation and maintenance of our roading assets follows a systematic and cyclical process, as shown in the graphic (right), and is delivered through a combination of in-house staff, and external consultants and contractors.

All of the regularly maintained roading assets in the district are in relatively good condition and routine maintenance is at a level that preserves this condition. The maintenance activity is relatively uniform throughout the year although winter may bring an increase in work.

RENEWALS AND REPLACEMENTS

Ongoing maintenance to unsealed roads:

Ongoing grading and maintenance metalling is planned for unsealed roads at current levels – i.e. maintain the status quo from previous years.

Reducing spending by reducing pavement rehabilitation and resealing work:

While sealed roads make up just over a quarter of the roading network, they are the most expensive part of it. In 2015 Council decided to reassess its approach to managing and investing in the roading network. This plan sees a continuation of this strategy for our sealed road network to 'sweat the asset'. This approach has been adopted by many road controlling authorities in New Zealand in response to reduced levels of funding. It promotes a lower level of renewals, which comes with the risk of long-term network deterioration and the need for a potential increase in reactive maintenance.

PROCESS FOR OPERATION & MAINTENANCE OF ROADING ASSETS



Council feels that its previous work program has reduced the likelihood of pavement failures to a manageable level, and that this risk is therefore something that it is willing to accept.

As a result, pavement rehabilitation work will continue at a lower level, along with a slight increase in maintenance levels, for a lower overall cost. The strategy to manage the risk of road failure includes ensuring Council has the ability to fund the local share required to reconstruct/strengthen up to 10 kilometres of road, should there be a sudden increase in localised traffic/loading or a failure that would require urgent pavement rehabilitation.

Maintaining a waterproof surface is essential to getting the most out of our roads. However, with stronger roads it is anticipated that average seal life will increase. We expect the average reseal life will extend from 14 years to 15 years. Given the current quality of our sealed roads Council is in

a good position to reduce the level of roading investment, especially roads with low traffic volumes. This approach will provide significant savings, especially for rural ratepayers. The trade-off will be that sealed roads won't be as smooth as they are now, and may look patchier, but will still be fit for purpose and safe to travel on.

However, Council recognises that this approach needs to be carefully considered and monitored. This approach assumes that the average lives of many of our roads will be substantially higher than national guidelines. More work will be needed over the short to medium term to confirm if this approach is sustainable in the longer term.

This approach has also assisted Council in transitioning to the required One Network Road Classification (ONRC) and the associated Customer Levels of Service (refer to the improvements and changes section for more information).

BRIDGES

Maintaining Council's bridge stock to a safe and appropriate standard has previously been identified by Council as one of its top 3 priority items within the roading area. Currently a large number of our 360 bridges are not capable of carrying 50 tonne (50max) vehicles. One of the Government's Policy Statement (GPS) objectives is improving freight connections to promote economic growth and productivity. As such Council's focus is for more of the network to be accessible to High Productivity Motor Vehicles (HPMV) particularly 50 MAX vehicles. Our 10-year bridge upgrade programme includes the replacement of 50 MAX vehicle restricted bridges and this will support both the GPS objectives, and Council's own strategic priority to promote economic growth in the district. It is also a key aspect towards making the network safer. The proviso for this approach is that the cost of accelerating the bridge upgrades will be co-funded by Waka Kotahi, with Council's share to be met from bridge depreciation reserves, so there would be no direct rates impact. Smaller bridge replacement works across the network will be assessed on a case by case basis, including consideration of the economic importance of the route, and access for the top end HPMV vehicles. For larger expensive items such as renewing major components of a bridge and total bridge replacements, Council's share is normally funded from its depreciation reserves.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

CENTRAL GOVERNMENT INVESTMENT PRIORITIES

The Government Policy Statement (GPS) on Land Transport 2021 builds on the direction set in GPS 2018, continuing the Government's commitment to safety within the transport system.

The GPS also priorities better travel options in towns and cities and supports investments for improving freight connectivity. By including Climate Change as a strategic priority, the GPS highlights the Government's commitment to reducing greenhouse gas emissions in the transport system.

Whilst a strong signal has been sent with the allocation of funding bands within the GPS i.e. expectations are that requests stay within the lower limit, Council has prepared a realistic "Business As Usual" budget, based on receiving a 65% financial assistance rate from Waka Kotahi during the ten years of this plan.

ALIGNING TO A NATIONALLY CONSISTENT LEVEL OF SERVICE

The One Network Road Classification (ONRC) is a joint initiative of Local Government New Zealand and the NZTA's Roading Efficiency Group (REG) to provide a nationally consistent framework to inform activity management planning, including choices about investments, maintenance and operations. The REG is a collaborative initiative by the road controlling

authorities of New Zealand, and was nominated by the government to carry out the recommendations of the broader Road Maintenance Task Force, which was established by the government in 2011, to identify opportunities to increase the effectiveness of road maintenance.

The ONRC initiative aims to standardise the road user experience nationally and to support consistent asset management across the country. It also aims to facilitate collaboration and prioritisation between organisations responsible for planning and service delivery for the national road network.

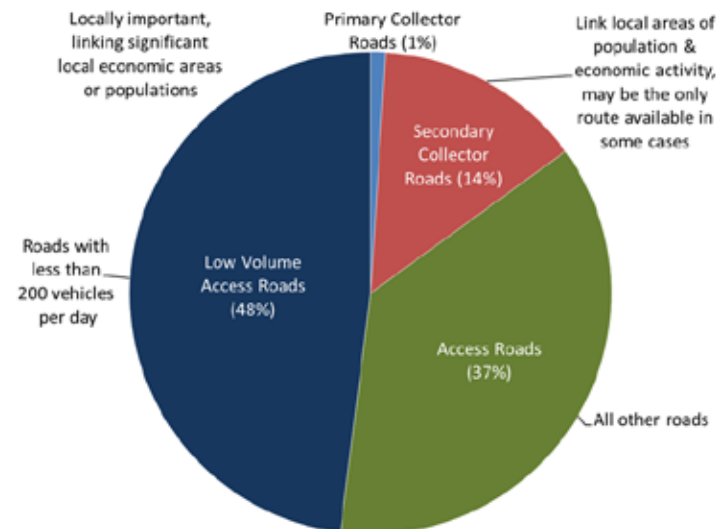
The classification promotes a customer focus, and investment decisions are based on whether the roads are fit for purpose and meeting the

needs of users. It is based around the principle that roads are fit for purpose in terms of where the road sits in the overall network of roads in New Zealand and how much traffic it carries.

The national adoption of the ONRC has allowed Council to work towards the standardisation of different levels of services for different assets on its network, depending on the demands placed on them. The distribution and characteristics of roads in the District according to the ONRC is shown in the graph below.

During 2021/24 Road Controlling Authorities are to align their respective ONRC road classifications with the newly development One Network Framework (ONF), with the 2024/27 Land Transport Programmes to be developed in this context.

Graph: Clutha District Roading Hierarchy - One Network Framework



ONGOING COMMITMENT TO IMPROVING THE SAFETY OF OUR NETWORK

Safety on the network is of paramount importance to our road users, and Council is well aware that the majority of crashes within the Clutha District occur on rural roads. Council will continue to actively target safety improvement opportunities to be incorporated within renewal and maintenance activities. This includes Council's Low Cost Low Risk projects programme which includes work such as intersection improvements, traction seals, visibility improvements, and qualifying stock underpasses.

An opportunity to improve the road environment along tourist routes has also been highlighted as an area of focus which will have benefits, both for safety and visitor experiences. Work will also continue to improve crossings and safety for pedestrians and cyclists in our towns. As the proportion of older residents within the District grows in coming years, this will become increasingly important. This also links with proposed improvements to Milton's main street.

Budgets to continue Road Safety Promotion education programmes in the district have also been included. We will continue to employ a local road safety coordinator to support a focus on road safety and support our

communities. All these road safety initiatives support the aims of the Waka Kotahi Road to Zero Road Safety Strategy.

MILTON MAIN STREET

Public feedback through the 'Our Place Milton Community Plan' and the Long Term Plan processes provided a strong message that Council should undertake work to improve the look of Milton's main street (Union Street). Another theme identified through the feedback was 'do it once and do it right'.

As such, Council has included \$5M for this project, with improvements intended to start from 2022 and continue through until 2024. Potential improvements include:

- Improvements to the Stewart Reserve
- Footpath resurfacing
- Improving the 3 main pedestrian crossings
- Improving the southern entrance
- Undergrounding of overhead power lines.

OTHER WORK

Other major items of work planned by Council over the duration of this plan to maintain its transportation assets, and to ensure the safety of its users is summarised in the table below:

Table: Other Major Items of Work Programmed 2021/31

Focus Area	Action	Time frame
Erosion Protection	• Address high risk sites where river erosion is threatening existing roads.	Ongoing
Unsealed Roads	• Provision of traction seals where existing problems are known.	Ongoing
	• Waka Kotahi Qualifying Urban & Rural Seal Extensions.	2022-2025
	• Continuation of 'ten year' programme of targeted semi-permanent seals for dust suppression.	Ongoing
Low Volume and Access Roads	• Investigate common factors associated with crashes on these roads and develop a programme of work to address them.	2021- 2024
	• Implement identified safety solutions.	2021- 2024
Townships	• Investigation into appropriate speeds and adequate pedestrian crossing facilities, particularly near schools.	2021- 2024
	• Implement speed and crossing solutions.	2021- 2024
Streetlights	• Infill LED luminaries following original retrofit.	2021- 2024
Signage	• Investigate locations for improved signage on low volume and low volume access roads. • Implement a programme of improvements.	2021- 2024
Footpaths	• Renewal of footpaths will continue to be undertaken in line with existing strategy, focusing on those in the worst condition.	Ongoing
Townships	• Consultation regarding improvements to Balclutha Bridge entrances.	Immediate
	• Seal extensions in areas that have experienced growth in terms of visitors, residential development or heavy traffic.	2021- 2024

BRIDGE IMPROVEMENTS

Maintaining Council's bridge stock to a safe and appropriate standard has previously been identified by Council as one of its top 3 priority items within the roading area. Currently a large number of our 360 bridges are not capable of carrying 50 tonne (50max) vehicles. One of the Government's Policy Statement (GPS) objectives to promote economic growth and productivity is to open

the entire network for greater use by High Productivity Motor Vehicles (HPMV).

Our 10-year bridge upgrade programme includes the replacement of 50MAX vehicle restricted bridges and this will support both the GPS objectives, and Council's own strategic priority to promote economic growth in the district. It is also a key aspect towards making the network safer.

The cost of accelerating the bridge

upgrades will be co-funded by the Waka Kotahi, with Council's share to be met from bridge depreciation reserves, so there would be no direct rates impact. However, if there are reductions in the amount of co-funding available from Waka Kotahi, Council may need to delay some bridge improvements.

SEAL EXTENSIONS

Council originally allocated just under \$2 million for sealing approximately 5.7 kilometres of gravel road, spread across 10 urban areas. This work will be funded through a fixed charge across all urban local roading rating areas. This is a change of position by Council, as since 2009 we have only sealed roads which qualified for funding assistance from the Waka Kotahi. This work is intended to address the negative impacts and environmental effects of traffic on some unsealed roads.

WHAT WE ARE PLANNING FOR TRANSPORTATION*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
310001 Balclutha Streetscape Stage 2		602								
310002 Milton Main Street Project		1,850	3,000							
300009 211 Unsealed Road Metalling	2,004	2,052	2,103	2,156	2,212	2,269	2,328	2,391	2,456	2,522
300010 212 Sealed Road Resurfacing	1,930	1,847	2,262	2,923	2,726	3,092	2,999	3,135	3,106	3,416
300011 213 Drainage Renewals	474	485	497	510	523	536	550	565	580	596
300012 214 Sealed Road Pavement Rehab	494	432	703	522	526	538	574	659	655	413
300013 215 Structures Replacements	666	682	699	716	735	754	774	795	816	838
300014 222 Traffic Services Renewals	277	284	291	298	306	314	322	331	340	349
300016 341 Improvements Projects	721	838	832	870	2,270	926	942	903	941	955
300025 212 SPR Sealed Road Resurfacing	271	271	271		242		69	24		32
300037 225 Footpath Upgrades/Renewals	441	452	463	474	487	499	512	526	541	555
300063 216 Bridge Renewals LR	2,320	961	773	1,162	1,150	1,606	1,532		679	
300061 Urban Seal Extensions		570	584	598						
300062 Rural Seal Extensions		360	369	378						

* Equal to or greater than \$50K

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: WE'RE CONNECTED AND COLLABORATIVE

KEY PRIORITY AREA: INVESTMENT IN INFRASTRUCTURE

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide an effective and sustainable local roading network	Average quality of ride on the sealed road network (as per smooth travel exposure)	96%	≥96%	≥96%	≥96%	≥96%
	Percentage of the sealed local network that is resurfaced	6.2%	≥6.3%	≥6.7%	≥6.4%	≥6.5%
	% of customer service requests for roads and footpaths responded to within time frames	86%	≥95%	≥95%	≥95%	≥95%
Monitor safety and invest in improving the local roading network	Number of fatalities and serious injury crashes	9	≤10	≤10	≤10	≤10
FOOTPATHS						
Provide an effective and sustainable network of footpaths throughout the district	% footpaths that are in good, very good or new/near new condition [†]	92.9%	≥95.4%	≥96.6%	≥97.9%	100%
BRIDGES						
Provide a safe and economic network of bridges throughout the district	% of bridges on key routes that meet heavy vehicle (50 Max) safety requirements	90.3%	≥91.9%	≥92.2%	≥92.8%	≥94.7%

[†] Refers to sealed footpath condition standard ratings, where 1 is new or near new, 2 is very good, 3 is good, 4 is below average and 5 is poor.

WHAT IT WILL COST & HOW WE WILL FUND TRANSPORTATION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	42	62	64	84	107	109	110	110	112	113	115
Targeted rates	8,231	7,622	7,756	7,335	8,345	9,047	8,834	8,944	9,153	9,211	9,331
Subsidies and grants for operating purposes	4,089	4,176	4,471	4,531	5,073	4,630	4,704	4,796	4,909	5,018	5,153
Fees, charges and targeted rates for water supply	832	841	865	890	916	942	968	978	1,005	1,033	1,061
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	13,194	12,701	13,156	12,840	14,441	14,728	14,616	14,828	15,179	15,375	15,660
Applications of operating funding											
Payments to staff and suppliers	(5,862)	(6,824)	(6,345)	(6,424)	(7,246)	(7,532)	(7,661)	(7,829)	(8,014)	(8,194)	(8,414)
Finance costs	(149)	(98)	(92)	(128)	(171)	(166)	(157)	(146)	(136)	(126)	(118)
Internal charges and overheads applied	(2,324)	(2,417)	(2,437)	(2,555)	(2,574)	(2,657)	(2,768)	(2,770)	(2,831)	(2,958)	(2,975)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(8,335)	(9,339)	(8,874)	(9,107)	(9,991)	(10,355)	(10,586)	(10,745)	(10,981)	(11,278)	(11,507)
SURPLUS (DEFICIT) OF OPERATING FUNDING	4,859	3,362	4,282	3,733	4,450	4,373	4,030	4,083	4,198	4,097	4,153
Sources of capital funding											
Subsidies and grants for capital expenditure	6,388	6,363	5,448	5,831	6,267	7,308	6,858	6,908	6,074	6,581	6,301
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(296)	(414)	2,358	2,820	(290)	(652)	(662)	(672)	(683)	(531)	(493)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	6,092	5,949	7,806	8,651	5,977	6,656	6,196	6,236	5,391	6,050	5,808

Continues on next page

WHAT IT WILL COST FOR TRANSPORTATION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(592)	0	(3,382)	(3,953)	(976)	0	0	0	0	0	0
Capital expenditure to replace existing assets	(11,509)	(9,738)	(8,346)	(8,936)	(9,652)	(11,214)	(10,562)	(10,628)	(9,352)	(10,137)	(9,701)
(Increase) decrease in reserves	1,320	731	251	182	315	307	464	441	(98)	136	(104)
(Increase) decrease of investments	(170)	(304)	(611)	323	(115)	(122)	(128)	(132)	(139)	(146)	(156)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(10,951)	(9,311)	(12,088)	(12,834)	(10,428)	(11,029)	(10,226)	(10,319)	(9,589)	(10,147)	(9,961)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(4,859)	(3,362)	(4,282)	(3,733)	(4,451)	(4,373)	(4,030)	(4,083)	(4,198)	(4,097)	(4,153)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR TRANSPORTATION*

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Roading maintenance contract renewal

Roading budgets assume the price for the Maintenance and Operations 5-year contract will not exceed current expectations.



Operating and maintenance expenditure forecasts for 2022/23 onwards would be lower than required and work would have to be reprioritised or additional funding sought.

Waka Kotahi NZ Transport Agency Co-Funding

Based on representation and advice from Waka Kotahi, Council will receive a financial assistance rate of 65% for the 2021/24 period and this has been assumed for the ten year life of this plan.



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.

Work programmes, levels of service and rates for roading will continually reviewed through annual plan and long term plan updates.

This plan assumes that Waka Kotahi's availability of funding will resume (increase) in years 4 to 10 of this plan.

One Road Network Classification

The levels of service currently provided will continue to be measured against those of the ONRC and it is predicted that for the foreseeable future, changes may be required. There is some uncertainty around how this will affect funding levels outside year 4 (from 2024/27 onwards), particularly as the ONF develops. It is anticipated that further assessments against the ONRC and forthcoming ONF through 2021/24 will reduce this uncertainty.



If the expected levels of service significantly increase or are above those supported by the ONRC/ONF Waka Kotahi, then such higher levels of service may have to be 100% funded by Council, which has not been budgeted for.

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

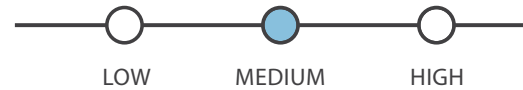
KEY PLANNING ASSUMPTIONS FOR TRANSPORTATION*

WHAT WE HAVE ASSUMED

Useful lives of roading assets

The remaining life details in the Roothing Asset Management System (RAMM) and Clutha's deterioration modelling system (dTIMS) databases are accurate. These include built in assumptions that the number, weight and configuration of future HCVs will not change markedly from what is currently being seen and that HPMVs will be limited in where they can travel. It is assumed that budgets at the revised requested levels to Waka Kotahi will mean that the remaining lives of assets (design life for top surface is currently 15 years, design life for rehabs is currently 80 years) will be exceeded. This includes the decision to try to extend the lives of sealed roads through a reduction in annual renewals and a stronger focus on maintenance such as improved drainage.

LEVEL OF UNCERTAINTY

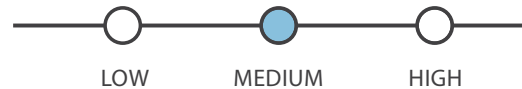


WHAT WOULD HAPPEN IF THIS CHANGED

If remaining lives are shorter than predicted then renewals would have to be undertaken more frequently, impacting on capital renewals budgets. If budgets are not available, focus will be on keeping top surface water resistant, with money concentrated on reseals rather than rehabs. If additional funding is required but not available for rehabilitations this will either result in increased maintenance or providing a lower level of service.

Impacts of climate change on roading

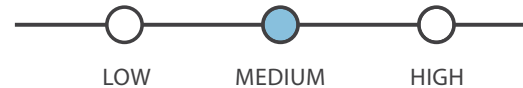
Climate change is expected to cause sea-level rise and increased frequency of storm events. Sea level changes are not expected to have an impact on roading assets during the life of this plan. However increased storm events and associated flooding are expected to increase the risk of road closures and failure at culverts and bridges.



If repairs of the roading network as a result of extreme weather events exceed the available budgets, this may affect priorities for other roading projects.

Impact of natural disasters

In terms of costs of natural disasters, it is assumed that Council's Emergency Fund would cover Council's share for the repair/ replacement of roading assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair. If roads are disrupted for a period of time this can have significant flow on effects for users.

Volatility of oil based supplies

Recent history suggests that oil prices will remain volatile for the foreseeable future, but are likely to be lower than the last six years.



Historically, work programmes have been adjusted accordingly to account for price variability in oil based supplies. This approach is assumed to be sustainable over the next ten years.

*Universal financial assumptions that also affect Roothing are included in the financial strategy section of this document.

WATER SUPPLY

There are 22 water schemes that deliver water to 15 towns and more than 2,000 rural properties throughout the district, providing water for household consumption and stock water.

WHAT WE DO

Council supplies water via a number of urban and rural water supply schemes, with approximately a third of the water produced being for domestic consumption and the balance being largely used for stock water.

Council's water supplies include:

Six urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui. With the exception of Owaka (which is a restricted supply), they provide an on-demand supply of potable water for domestic, commercial and industrial use within each scheme area.

Eleven rural water schemes which primarily provide drinking water for stock. These are Balmoral 1,

Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa. All schemes other than Waipahi also provide water for domestic consumption. Five smaller communities and townships are provided water in bulk from rural water schemes. These townships are Clinton (Clydevale-Pomahaka), Kaka Point (Richardson), Waihola (North Bruce), Benhar (South Bruce/Stirling Treatment Plant), and Stirling (South Bruce/Stirling Treatment Plant). Most of these communities have restricted supplies to consumers, except for Benhar and Stirling which are both on-demand schemes and Stirling is also universally metered.

WHY WE DO IT

Water is one of our most important assets - our residents, industry, businesses and farms depend on it. The supply of safe and affordable water provides for public health as well as enabling high levels of productivity and providing security for our District's agriculture-based economy. Water is considered a core service for local government.

Water supply primarily contributes to the outcomes of "Vibrant rural towns and communities and "Healthy safe environment". It supports our priorities for investing in infrastructure, improved environmental footprint, healthy safe communities, adapting to climate change and quality housing.

Our approach will be to (a) invest to a level to meet regulatory requirements as a minimum standard, and (b) provide a level of infrastructure to meet present and future needs, that will allow the ability to be responsive to growth opportunities.

Water Asset Information

ASSET COMPONENT	ASSET VALUE*	POPULATION SERVED [±]	PROPERTIES SERVICED
Schemes: 22	\$72.9 million	15,515 (84% of the district's population).	7,735
Reticulation: 2,476km			
Pump Stations: 35			
Reservoirs: 60			
Treatment Plants: 16			

*Depreciated replacement value (2020).

[±]Includes full and half rated properties

CHANGES AHEAD FOR THREE WATERS

Water is the lifeblood for our way of life, for our people, environment and economy. Wastewater and stormwater also play crucial parts. Combined these key services are referred to as Three-Waters.

Just under two-thirds (12,000) of Clutha District's residents drink water from one of the 22 schemes currently taken care of by CDC.

Half of these schemes service our towns in Balclutha, Clinton, Milton, Benhar, Kaitangata, Lawrence, Stirling, Tapanui, Clinton, Owaka and Waihola.

The rest are rural schemes that cover just about every other part of the district. They supply drinking water to people in these areas, and water to their businesses. Importantly, they are the backbone of our agricultural sector.

The combined extent of what we have here is also a point of difference and we have one of the longest networks of pipelines in NZ.

A 2016 campylobacter outbreak in Havelock North made over 5,000 people ill and was linked to three deaths. The inquiry into the outbreak concluded New Zealand's drinking water regulatory system was failing to provide necessary assurances that drinking water across the country is safe and reliable.

In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally. Its premise is that councils have the funding and support to get the balance right.

Council has signed a memorandum of understanding with Central Government and is taking part in the exploration of future service delivery options for water, sewerage and stormwater. The Government expects to make substantive decisions later in 2021.

Councils will be asked to consult with their communities in late 2021 as to whether they should join one of the new

service delivery entities. We expect to consult with the community separately to this Long Term Plan in late 2021 once Central Government has made a decision and more facts are available.

For councils that participate in the reforms, the transfer of responsibilities and assets is likely to occur 2023/2024 onwards.

Our community needs three waters services regardless of whether Council delivers or not. On this basis we have included three waters in our financial and infrastructure strategies, including the Greenfield proposal, to present the community with a complete and accurate set of financial information for the medium-term and long-term financial impost. This has been considered as critical in our key assumptions.

For more information on the Government reforms visit www.dia.govt.nz/three-waters-reforms-programme.

DELIVERING OUR CAPITAL PROGRAMME

We're proposing an increase in capital expenditure, particularly in our Three Waters activity area. We will need to do things differently and increase our capacity to be successful.

Council has been gearing up towards delivering on our programme by:

- Engaging contractors early and securing multi-year contracts. This gives us a head start on future years. We intend to 'work ahead' and continue to secure contracts in advance of the work where possible.
- Increasing our internal project management resources to deliver our proposed projects.
- Looking at alternative contract arrangements to secure contractor resource such as design build and negotiated contracts.
- Securing new wastewater discharge consents for Balclutha, Waihola and Clinton during 2021 will mean these projects can commence for these upgrades over the next 3 years.

- Attracting contractors from outside the district for several multi-million dollar projects over the next three years. This will increase the resources available to us for the large projects and will mean that a higher proportion of the value of our capital programme can be delivered by the same number of staff.
- Increasing the use of external consultants where specialist advice is needed. We already do this for roading project delivery and have begun this for the design and delivery of key wastewater and water projects.

From a financial perspective Council will only borrow for a project once there is certainty it can be delivered, so finance costs will only apply once the debt is incurred and the rates impacts of these projects is linked to depreciation on the new assets over future years upon completion.

If we are unable to meet our planned timeframes, either due to an inability to obtain contractors or obtain contracts at prices that we have budgeted for, the likely outcome is that outages and failures will occur more regularly in the three waters network impacting on the levels of service and likely increase repairs and maintenance costs needed to keep aging equipment operational and emergency costs for failure events. The Council and community will also be faced with increased legal risk from potential resource consent breaches and failure to meet the new compulsory drinking water standards.

SIGNIFICANT EFFECTS

As for any natural resource use, there are a range of effects which can be associated with the abstraction of water from rivers and streams for the purpose of water supply, and Council endeavours to mitigate these effects through the adoption of appropriate strategies.

At the same time, the health and economy of the district depends on adequate supplies of safe water being available for stock, commercial, industrial and domestic consumption – any negative effects of water abstraction need to be kept in perspective with the positive benefits that they provide.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT					OUR RESPONSE
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Potential contamination of raw water supply	●	●	●	●	Emergency response plans, operation procedures and monitoring of raw water supply. Ensuring Water Safety Plans are in place and implemented.
Drinking water not meeting NZ Drinking Water Standards 2005(2018)	○	●	●	○	Implement Water Safety Plans and continue to improve water treatment (as per capital improvements programme).
Discharges of backwash water from treatment plants	●	●	●	●	Compliance with resource consents.
Effects on river ecology caused by extraction during low flows	●	○	○	●	Ensure compliance with resource consents, including minimum flows.
Inadequate pressure and flow in urban reticulated areas to fight fires	●	●	●	●	Make improvements as required, to ensure compliance with resource consent conditions.
Insufficient water supplies during times of low rainfall	○	●	●	●	Ensure security of supply and ensure there is sufficient reservoir/back up storage capacity.
Insufficient water supply to allow for potential growth	○	●	●	○	Enabling growth in areas where it can be economically and feasibly supported and managing demand where water supply is insufficient.
Health and safety risks associated with the operation, maintenance, or construction of water infrastructure	○	●	●	○	Ensure compliance with legislation and health & safety management plans.
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily.

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

All of Council's water supplies are operated under the Water Services Operations and Maintenance contract. The contractor is responsible for the day-to-day management and operations of the network. There is some provision for smaller contractors to be engaged where required, for example the construction and operation of sewage treatment plant upgrades. Professional services are engaged on a case-by case basis.

RENEWALS AND REPLACEMENTS

Water Safety Plans for each of our water supplies help identify forward works projects, helping to use a risk-based approach to addressing public health-related issues associated with our water supply. A number of health and continuity of service-related renewals are planned.

Generally, most of the water supply assets are in good condition. A schedule of renewals is programmed for all schemes. The more significant renewals required over the next ten years include:

PRIORITY PIPELINE RENEWALS (RURAL AND URBAN)

With the majority of 3 waters reticulation assets being located underground, it is difficult and expensive to identify the exact timing for renewal. We rely on age data and theoretical useful lives of pipe for renewals programming as these are simple and accessible parameters. Replacement of assets (referred to as renewals) is necessary to maintain a reliable, consistent level of service to the community. The goal of a renewals programme is to correctly time replacement of assets to minimise their risk of failure and to maximise cost avoidance from

increasing repairs. Maintenance history of breaks for over 15 years has been captured and along with the criticality of the asset is used as a main driver for renewals. A programme of renewals has been set based on these factors for various pipelines.

BALCLUTHA TREATMENT PLANT INTAKE UPGRADE

The current intake for the Balclutha water treatment plant requires significant upgrades to improve access to maintenance and reduce risks to the structure due to flooding. This project will provide a safer more resilient structure to address these issues.

MILTON CONCRETE PIPELINE RENEWALS

Milton concrete pipeline renewals
Concrete pipelines have been identified as a major cause of water loss in the Milton Urban water supply scheme. The concrete pipelines have rubber ring joints every 1.8 metres that have been failing, causing leaks. Milton currently has one of the highest water loss rates in the district and this replacement programme scheduled for the next three years will address this issue.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

GREENFIELD/CLUTHA RIVER WATER SCHEME

Compliance with the NZ Drinking Water Standards is 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. A larger and safer water source from a Clutha river borefield at Greenfield with a single treatment plant is proposed. This would provide water to three rural water schemes and Lawrence.

WATER LOSS MANAGEMENT

Council has completed a water balance assessment across all water supply schemes. This work has also confirmed that additional metering is needed to be able to manage our networks more sustainably. This will help identify areas with greater losses for leak detection work and where accelerated capital upgrades would mean we can better manage and reduce leakages.

RESERVOIR RENEWALS

Several treated water reservoirs have been identified as needing replacement due to their condition. As part of this process an investigation was undertaken to look at increasing the storage of these reservoirs. An increase in capacity to provide a minimum of 24 hours storage will be implemented to decrease downtime following network or treatment plant outages and increase network resilience.

MILTON WAIHOLA PIPELINE

Water is a core service provided by Council and the current set-up is limiting growth in the Waihola/Milburn area, which has strong residential and industrial development potential. North Bruce is one of our key rural water schemes and also supplies water for this area, including the Waihola township. However, the scheme is fully subscribed meaning there's no capacity to support growth in this area. Council has allocated \$3.5 million to construct a 15.5km pipeline and to upgrade pumps, which would allow about a third of current customers to shift off the rural scheme (freeing up space) and connect to the Milton urban water supply instead. The new pipeline will also support Council's vision to encourage growth in the district. Milton's water treatment plant is the most modern in the district and is able to support more customer connections. This project is expected to commence in 2021.

WHAT WE ARE PLANNING FOR URBAN WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Growth										
350019 Milton to Waihola pipeline	500	2,505	1,634							
351049 Balclutha Reservoir Storage Upgrade						361				
351055 Kaitangata Network Installation Prawl Street			109							
351061 Milton Treatment Plant Upgrade			109	1,854						
351062 New Treatment Plant for Milburn Industry					238	2,452	4,485	540	854	440
Levels of Service Improvements										
350008 Milton Water Treatment Plant Improvements	260									
350009 Tapanui Backwash Upgrade	180									
351028 Clinton Township Pipeline Renewals			142							
351046 Linking Balclutha North and Stirling Reticulation			817							
351047 Balclutha Residential Water Metering				343	355	365	378	391	404	416
351050 Balclutha Treatment Plant Upgrade	150		708							
351051 Balclutha Treatment Plant Pump Upgrade			131							
351054 Clinton Reservoir Upgrade				282						
351057 Kaitangata Treatment Plant Upgrade		421								
351058 Milton Residential Water Metering				157	163	168	173	179	185	191
351063 Milton Treatment Plant Improvements	50									
351064 Milton Manganese Reduction				366						
351066 Owaka Reservoir Upgrade			142							
351067 Tapanui Residential Water Metering			499							
351070 Lawrence Residential Water Metering				57	59	61	63	65	67	69
351074 Benhar township residential water metering	56									

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR URBAN WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Level of Service Improvements continued										
351078 Water Loss Reduction Programme	71	41		89						
351079 Investigation/Inspection of Backflow Devices	51									
361100 Kaitangata township residential water metering				57	60	61	63	66	68	70
351044 Small town water metering	60	63								
360065 Stirling Township Reservoir Storage Upgrade	300									
Renewals										
351000 Balclutha Cast Iron Renewal Programme		484		1,443	840	1,394				
351003 Balclutha Pipeline Renewals Programme		168								
351007 Lawrence Pipeline Renewals Programme			54							
351008 Milton Pipeline Renewals Programme	373									
351010 Tapanui Pipeline Renewals Programme		147								
351012 Balclutha Treatment Plant Renewals Programme						60				
351016 Lawrence Treatment Plant Renewals Programme		79								
351022 Waihola Reservoir Renewals Programme	110	316	279							
351023 Kaka Point Reservoir Renewals Programme			272							
351045 Reconfigure Water Meter Takes	84									
351048 Balclutha Pipe Renewals				541			514	691	589	

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR URBAN WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Renewals continued										
351052 Balclutha Treatment Plant Replacements									33	
351053 Clinton Pipeline Renewals									186	
351056 Kaitangata Water Supply Pipeline Renewals			191		537		522			507
351059 Milton Concrete Pipeline Renewals	600	632	664							
351060 Milton AC Pipeline Renewals				541	1,564					
351065 Membrane Replacement								450		
351068 Tapanui AC pipeline Renewals		384		316		379	634			
351071 Lawrence AC Pipeline Renewals			403							
351072 Lawrence Cast Iron Pipeline Renewal										164
351073 Lawrence Irvine St/Waipori Rd Extension			294							

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR RURAL WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Level of Service Improvements										
360055 North Bruce Water Treatment Plant Upgrade	866									
361045 Moa Flat Water Treatment Plant Upgrade	766									
361090 Pomahaka Main Reservoir Upgrade			327							
361092 Clydevale Bore Security Improvements		158								
361094 Water Loss Reduction Programme - Glenkenich				154						
361097 Glenkenich Main Reservoir Upgrade										411
361105 Water Loss Reduction Programme - Moa Flat					78					
361111 Water Loss Reduction Programme - North Bruce			108							
361113 North Bruce Reservoir Upgrade		527								
361118 Water Loss Reduction Programme - Richardson Sth					127					
361119 Water Loss Reduction Programme - Richardson Nth					168					
361121 Puerua Main Reservoir Upgrade		527								
361124 Puerua Treatment Plant Improvements - Taste			272							
361125 Puerua Treatment Plant Improvements - Filter	150									
361128 Water Loss Reduction Programme - South Bruce	88									
361129 South Bruce Main Reservoir Upgrade	300									
361134 Water Loss Reduction Programme - Tuapeka East					146					
361135 Water Loss Reduction Programme - Tuapeka West					145					
361139 Mt Stuart Reservoir Upgrade		137								
361140 Tuapeka West Heathcote Reservoir Upgrade				147						
361141 Tuapeka West Glenayr Reservoir Upgrade				113						
361142 Tuapeka West Cockleshell Reservoir Upgrade		263								
361143 Tuapeka East Breakneck Reservoir Upgrade		316								

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR RURAL WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Level of Service Improvements Continued										
361146 Wangaloa Reservoir Upgrade			142							
361147 Water Loss Reduction Programme Balmoral 1					78					
361148 Water Loss Reduction Programme Balmoral 2					160					
361151 Water Loss Reduction Programme Waipahi					66					
361152 Waipahi Reservoir Upgrade		263								
361156 New Greenfield Water Supply		1,053	6,534	6,954						
361157 Districtwide SCADA Improvements	300									
361085 Water Loss Reduction Programme Clydevale	140									
Renewals										
360002 Balmoral 1 Cairn Road Reservoir Tank Renewal	250									
360004 Kaitangata Treatment Plant Renewals Programme			93							
360012 Kaitangata Pipeline Renewals Programme	211									
360015 Kaitangata Treatment Plant Intake Renewal		981								
360021 Clydevale Pomahaka Water Network Renewals	73									
360053 North Bruce Booster Pump Station Renewal	76									
360062 Richardson Treatment Plant Renewals	44									

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR RURAL WATER*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Renewals Continued										
361010 Balmoral Priority Pipeline Renewals		137					398			363
361020 Clydevale Pomahaka Network Renewals		111								
361024 Glenkenich Pipeline Renewals	316		237							
361038 Moa Flat Pipeline Renewals			316	293						
361040 Moa Flat Pipeline Renewals			316		303					
361049 Moa Flat Treatment Plant Reservoir Renewals	300									
361063 Richardson Reservoir Assessment & Renewals			142							
361064 Richardson Moffat Road Reservoir Renewals			142							
361069 South Bruce Rural Water Network Renewals	160									
361075 Tuapeka West Pipeline Renewals						337		231		
361078 Glenkenich WTP Renewal	1,929									
361088 Clydevale Pomahaka Pipeline Renewals	90						298		319	
361136 Tuapeka East Network Renewals								308		

* Equal to or greater than \$50K

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: VIBRANT RURAL TOWNS AND COMMUNITIES

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) HEALTHY SAFE COMMUNITIES

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Water from Council urban supplies is safe to drink	Compliance with the NZDW Standards for bacteriological compliance	79%	100%	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance	16%	≥95%	≥98%	100%	100%	
Urban supplies provide a continuous and reliable source of water to consumers	Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	8	≤17	≤17	≤17	≤17
		Taste	1	≤3	≤3	≤3	≤3
		Odour	1	≤2	≤2	≤2	≤2
		Pressure	6	≤5	≤5	≤5	≤5
		Continuity	20	≤30	≤30	≤30	≤30
		Council's response to any of these issues	25	≤14	≤14	≤14	≤13
		Average consumption of drinking water per resident per day (litres per day)	535	≤650	≤650	≤650	≤650
Urban water schemes are managed efficiently and effectively	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site	Urgent	4 hours	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Non-urgent	24 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution	Urgent	21 hours	≤12 hours	≤12 hours	≤12 hours	≤12 hours
		Non-urgent	62 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours
Percentage of real water loss from Council's reticulation system (%)		36%	≤29%	≤29%	≤28%	≤27%	

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: VIBRANT RURAL TOWNS AND COMMUNITIES

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) HEALTHY SAFE COMMUNITIES

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Water from Council rural schemes is safe to drink	Compliance with the NZDW Standards for bacteriological compliance	36%	80%	94%	94%	100%	
	Compliance with the NZDW Standards protozoal compliance	0%	≥18%	≥66%	≥75%	100%	
Rural schemes provide a continuous and reliable source of water to consumers	Number of drinking water complaints (requests for service) per 1,000 connections about:	Clarity	19	≤12	≤12	≤12	≤12
		Taste	1	≤5	≤5	≤5	≤5
		Odour	7	≤3	≤3	≤3	≤3
		Pressure	87	≤200	≤200	≤200	≤200
		Continuity	573	≤200	≤200	≤200	≤200
		Council's response to any of these issues	22	≤14	≤14	≤14	≤14
Rural schemes are managed efficiently and effectively	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site:	Urgent	19 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	24 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution:	Urgent	43 hours	≤12	≤12	≤12	≤12
		Non-urgent	48 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours

WHAT IT WILL COST & HOW WE WILL FUND WATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,672	7,874	8,519	9,095	9,339	9,717	10,129	10,473	10,930	11,275	11,663
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	563	925	1,606	1,371	923	954	988	1,014	1,037	1,059	1,080
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	8,235	8,799	10,125	10,466	10,262	10,671	11,117	11,487	11,967	12,334	12,743
Applications of operating funding											
Payments to staff and suppliers	(4,535)	(4,706)	(4,937)	(5,087)	(5,230)	(5,378)	(5,522)	(5,597)	(5,751)	(5,910)	(6,068)
Finance costs	(205)	(188)	(280)	(385)	(554)	(698)	(725)	(747)	(796)	(793)	(785)
Internal charges and overheads applied	(1,205)	(1,018)	(1,030)	(1,075)	(1,087)	(1,121)	(1,165)	(1,168)	(1,194)	(1,244)	(1,255)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(5,945)	(5,912)	(6,247)	(6,547)	(6,871)	(7,197)	(7,412)	(7,512)	(7,741)	(7,947)	(8,108)
SURPLUS (DEFICIT) OF OPERATING FUNDING	2,290	2,887	3,878	3,919	3,391	3,474	3,705	3,975	4,226	4,387	4,635
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,820	6,083	6,871	11,137	9,470	1,758	1,434	3,228	(173)	(541)	(162)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	3,820	6,083	6,871	11,137	9,470	1,758	1,434	3,228	(173)	(541)	(162)

Continues on next page

WHAT IT WILL COST & HOW WE WILL FUND WATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	(400)	(500)	(2,505)	(1,851)	(1,854)	(238)	(2,813)	(4,485)	(540)	(854)	(440)
Capital expenditure to improve the level of service	(2,011)	(3,901)	(3,768)	(9,896)	(8,753)	(1,633)	(655)	(677)	(700)	(724)	(1,157)
Capital expenditure to replace existing assets	(4,967)	(5,002)	(3,667)	(3,562)	(3,441)	(3,329)	(2,242)	(1,896)	(1,528)	(1,228)	(1,650)
(Increase) decrease in reserves	1,403	1,257	(343)	(125)	246	(565)	(315)	(1,302)	(1,620)	(1,457)	(1,635)
(Increase) decrease of investments	(135)	(824)	(466)	378	941	533	886	1,157	335	417	409
TOTAL APPLICATIONS OF CAPITAL FUNDING	(6,110)	(8,970)	(10,749)	(15,056)	(12,861)	(5,232)	(5,139)	(7,203)	(4,053)	(3,846)	(4,473)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,290)	(2,887)	(3,878)	(3,919)	(3,391)	(3,474)	(3,705)	(3,975)	(4,226)	(4,387)	(4,635)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR WATER*

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Meeting drinking water standards

Balclutha, Kaitangata, Milton and Lawrence treatment plants have recently been upgraded to be capable of producing water that is compliant with Drinking Water Standards NZ: 2005 (revised 2008). Compliance with the standards will require significant capital investment to rural treatment plants and Council has committed to a programme of upgrades. It is assumed budgets in this plan will meet the costs of these upgrades.



If more than the \$4 million budgeted is needed for the upgrades, Council's strategy towards meeting the standards would need to be reassessed.

Increasing demand for water

Increased demand for rural water is expected due to continued conversion from pastoral to dairy farming and increasing herd sizes (although at slower rates than experienced in recent times). During the life of this plan Council will aim to supply additional water units where this is feasible and economically viable.



If additional demand or new water infrastructure is required, this would need to be assessed including budgetary/financial impacts.

Council's approach to servicing any new major industries is to consider any proposal on a case-by-case basis. Provision of adequate water would be a fundamental issue for resolution by negotiation during project feasibility investigations.

Increasing the supply of water in the Waihola-Milburn area will continue to be investigated during the life of this plan, with provision programmed in 2021/22.

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR WATER*

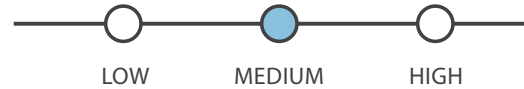
WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Implications of natural disaster for water

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of water assets.

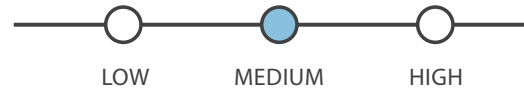


Depending upon the scale and cost of the emergency some assets either won't be replaced/repared or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for its users.

Impacts of climate change on water

Main risks include (1) changes in climate could result in reduced stream flows and groundwater levels, which could limit some traditional water sources (although the Clutha River is unlikely to be affected); (2) warmer temperatures could increase overall demand for water; (3) an increase in the frequency and intensity of heavy rainfall and flood events could result in a risk to water infrastructure; (4) ongoing sea-level rise may impact on water infrastructure in low-lying coastal communities.



If the impacts of climate change take place at a faster rate than modelling has forecast, decisions and capital projects would need to be considered sooner, with flow on impacts for budgets and funding.

Modelling done specifically for our region gives us the opportunity to make changes to our infrastructure over time. Council has begun working on its response to climate change. A key project is the Greenfield water scheme.

We're assuming the effects of climate change will be felt gradually, allowing Council time to plan and prepare its response and options around service and infrastructure.

*Universal financial assumptions that also affect Water are included in the financial strategy section of this document..

SEWERAGE

Council protects environmental and public health by collecting, treating and disposing of treated effluent from 14 townships in the district, via 11 sewerage schemes.

WHAT WE DO

Council collects, treats and disposes of domestic sewage and non-domestic liquid (trade waste) discharges via 11 public sewerage schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoititi respectively. There is also a piped collection system for Pounaweia, connected to the Owaka treatment plant that will service properties, if they wish to connect. For new properties in Pounaweia, or significant changes to existing properties compulsory connection to this system is required under the Building Act.

WHY WE DO IT

The safe disposal of sewerage ensures public and environmental health. It also reduces the effects of discharges into the district's environment. This activity is a core function for local government.

Sewerage primarily contributes to the outcome: "Healthy safe environment", and supports our priorities for investing in infrastructure, improved environmental footprint, healthy safe communities, adapting to climate change and quality housing.

Under local government law, we must provide these services into perpetuity, with all costs and benefits distributed fairly across current and future communities.

Our guiding strategic principles for infrastructure investment are:

- Maintain what we have already.
- Full compliance with drinking water and wastewater standards.
- Prioritise investment in infrastructure balancing cost, risk, and service level.
- Enable private infrastructure investment where beneficial.
- Keep rates affordable but realistic.
- Be adaptive for future growth.

Sewerage Asset Information

ASSET COMPONENT	ASSET VALUE	POPULATION SERVED	PROPERTIES SERVICED
Schemes: 11 Reticulation: 216km Pump Stations: 28	\$51.2 million	10,800 (59% of the district's population)	5,486

SIGNIFICANT EFFECTS

Council is aware of the potential issues associated with the collection, treatment and disposal of sewage from the communities within the district and endeavours to mitigate any negative effects through the adoption of appropriate strategies. At the same time, the health of the communities within the district depends on the provision of reticulated sewerage systems so that the negative effects of these services need to be kept in perspective with the positive benefits that they provide.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Discharges to land and waterways not complying with resource consents	●	●	●	●	Continue to monitor discharges and improve processes if required (including capital works)
Smell and noise from treatment plants	●	●	●	●	Manage potential negative effects through meeting conditions of discharge consents
Sewage overflows due to blockages or during period of heavy rainfall	●	●	●	●	Investigate and take remedial measures including measures to reduce the infiltration of stormwater
Health and safety risks associated with the operation, maintenance, or construction of sewerage infrastructure	○	●	●	○	Ensure compliance with legislation and health & safety management plans
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

All of Council's water supplies, sewerage schemes and stormwater systems are operated under the Water Services Operations and Maintenance contract. The contractor is responsible for the day-to-day management and operations of the network. There is some provision for smaller contractors to be engaged where required, for example the construction and operation of sewage treatment plant upgrades. Professional services are engaged on a case-by case basis.

There has been an increased focus on unauthorised discharges and Council needs to carefully manage and improve systems to avoid regulatory action

RENEWALS AND REPLACEMENTS

Generally, most of Council's sewerage assets are in good condition. However, with the majority of sewer reticulation assets being located underground, it is difficult to identify the exact timing for renewal. We rely on age data and theoretical useful lives of pipe for renewals programming as these are simple and accessible parameters. However poor condition is often identified after these assets have failed or not performed as expected. CCTV is also used to give more accurate information about pipes which allows for improved accuracy of the renewals programme. Replacement of assets (referred to as renewals) is necessary to maintain a reliable, consistent level of service to the community. The goal of a renewals programme is to correctly time replacement of assets to minimise their risk of failure and to maximise cost avoidance from increasing repairs. A schedule of renewals has been programmed for sewer networks based on these factors.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

DISCHARGE CONSENTS

Council is required to have various resource consents in place for its treated wastewater discharges. Several existing treatment plants do not comply with their existing resource consents and require immediate remediation. Many of these long-term consents require renewal over the next ten years. Wastewater treatment standards are also influenced by regional and national standards and will be part of the 3 Waters reform programme.

Achieving high standards amidst a small rating basis requires innovation and good engineering. Several of Council's existing treatment plants were designed to work within these constraints, however, have not performed as expected.

The initial \$1m earmarked for compliance is not sufficient. Approximately \$5m is needed to remediate all non-compliant treatment plants and mitigate the key causes. Further investigation and upgrades will be undertaken to address these compliance issues.

Significant capital upgrades will be carried out to the Balclutha, Clinton and Waihola Wastewater Treatment Plants to meet the requirements of new discharge consents.

WASTEWATER INFLOW AND INFILTRATION (I&I)

Broken wastewater pipes and cross-connections to the stormwater system leading to increased flows into the wastewater network, especially during rain events. The capacity of our wastewater system

is designed to have some I&I. It can handle two to three times dry weather flows during a rainfall event. In most of our schemes however, our network can experience over 5 times normal flows during a rainfall event. The excessive flows can result in flooding of raw wastewater and reduces the performance of treatment plants against legal standards. Inflow and infiltration has a significant effect on our wastewater network and, as mentioned above, has led to multiple consent breaches for wastewater discharge volumes. This is the main driver of capacity issues for our wastewater network. A staged I&I reduction programme to further investigate and repair inflow and infiltration into the wastewater network has been developed and implemented.

WHAT'S NOT IN THIS PLAN

There are no plans to extend sewerage services into other areas at this stage as there has been no demonstrated need, e.g. Taieri Mouth, Papatowai. Increasing numbers of permanent residents in these areas mean that sanitary services assessments for these areas and any other smaller communities will be reviewed.

WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Treatment upgrades and consent renewals for Balclutha and Clinton.
- Pipeline condition assessments and renewals
- Inflow and infiltration reduction programme

WHAT WE ARE PLANNING FOR SEWERAGE*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Growth										
400020 Sewer Network Extensions for Growth		211		225		240				
400056 Kaitangata Extension			76							
400057 Kaka Point Network Upgrade	130									
400060 New Treatment Plant for Milburn Industry				248	2,314	21,183	2,738			
400065 Tapanui Network Extension	60									
400067 Waiholo Network Upgrade	150									
Levels of Service										
400027 Balclutha Treatment Plant Upgrade	889	1,214								
400028 Clinton Treatment Plant Upgrade	518	455								
400029 Waiholo Treatment Plant Upgrade	363	1,125								
400052 Biofiltro and Oxidation Pond Upgrades	660									
400055 Clinton Consent Renewal & Treatment Upgrade						162	1,511			
400059 Kaka Point Treatment Plant Compliance Upgrades	250									
400061 Milton Treatment Plant Compliance Improvements	100	105								
400063 Owaka Treatment Plant Compliance Upgrades			817							
400064 Connecting Stirling to Balclutha Sewer Network			545							
400066 Tapanui Treatment Plant Compliance Upgrades			817							
400068 Waiholo Consent Renewal & Treatment Upgrade						438	4,078			
400069 Lawrence Treatment Plant Compliance Upgrades		527								
400079 CCTV Security Cameras	100									
400080 Hub Pump Station	350									

* Equal to or greater than \$50K

WHAT WE ARE PLANNING FOR SEWERAGE*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Renewals										
400016 Sewer Network Condition Assessment & Modelling	40	42	44	45	47	48	50	51	53	55
400017 Sewer Treatment Plant Assessment and Future Renewals	75	79	82	85	88	90	93			
400019 Oxidation Pond Desludging	600									
400026 Sewer Network Pipeline Renewals	200	211	218	225	233	240	249	257	266	274
400030 Balclutha Pump Station Renewals				152			68			
400036 Kaitangata Pump Station Renewals	100				537		522			507
400039 Stirling Pump Station Renewals	60									
400042 Kaka Point Pump Station Renewals	60									
400053 Balclutha Sewer Network Renewals		548	523		607		572		345	
400058 Kaka Point Sewer Network Renewal					93					
400062 Owaka Sewer Network Renewal	150									
400071 Benhar Condition Improvements	50									
400076 Biofiltro Plants Renewal of UV Treatment Process (Tapanui, Owaka, Kaka Point, Lawrence and Stirling)	250									

* Equal to or greater than \$50K

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) AN IMPROVED ENVIRONMENTAL FOOTPRINT

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31	
Provide sewerage services that effectively collect and dispose of sewage	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0	≤6	≤6	≤6	≤6	
Sewerage schemes are managed efficient and effectively	Median response time (in hours) from when Council receives notification about a sewerage block or other fault, to the time service personnel:	Reach the site (response)	3	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Confirm resolution of the blockage or other fault (resolution)	7	≤8 hours	≤8 hours	≤8 hours	≤8 hours
	Number of complaints per 1,000 connections about any of the following:	Sewage odour	2	≤3	≤3	≤3	≤3
		Sewerage system faults	11	≤10	≤10	≤10	≤10
		Sewerage system blockages	8	≤5	≤5	≤5	≤5
		Council's response to any of these issues	3	≤5	≤5	≤5	≤5
	Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement notices	0	0	0	0	0
		Infringement notices	0	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0

In December 2020 CDC was fined by the Environment Court arising from failures of maintenance at the Bio-Filtro plants of Stirling, Kaka Point, Tapanui, Lawrence and Owaka over the period July – December 2019. When the deficiencies were identified in December 2019 a significant programme of works was carried out over 2020 to bring the plants into operation and eventually achieve full-compliance. Full compliance will require capital improvement works which is programmed over time.

WHAT IT WILL COST & HOW WE WILL FUND SEWERAGE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,535	2,964	3,183	3,420	3,617	3,722	3,847	3,908	4,224	4,330	4,418
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	192	228	234	241	248	255	262	265	272	280	287
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	2,727	3,192	3,417	3,661	3,865	3,977	4,109	4,173	4,496	4,610	4,705
Applications of operating funding											
Payments to staff and suppliers	(1,040)	(1,411)	(1,452)	(1,494)	(1,537)	(1,582)	(1,624)	(1,641)	(1,687)	(1,734)	(1,781)
Finance costs	(51)	(37)	(42)	(53)	(81)	(78)	(75)	(79)	(143)	(136)	(130)
Internal charges and overheads applied	(556)	(471)	(476)	(497)	(503)	(518)	(538)	(539)	(551)	(574)	(579)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(1,647)	(1,919)	(1,970)	(2,044)	(2,121)	(2,178)	(2,237)	(2,259)	(2,381)	(2,444)	(2,490)
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,080	1,273	1,447	1,617	1,744	1,799	1,872	1,914	2,115	2,166	2,215
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	220	1,983	17,623	2,203	0	0	0
Increase (decrease) in debt	(105)	294	717	1,890	(246)	(170)	244	4,220	(430)	(437)	(428)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(105)	294	717	1,890	(26)	1,813	17,867	6,423	(430)	(437)	(428)

Continues on next page

WHAT IT WILL COST & HOW WE WILL FUND SEWERAGE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	(340)	(211)	(76)	(474)	(2,314)	(21,424)	(2,738)	0	0	0
Capital expenditure to improve the level of service	0	(3,229)	(3,425)	(2,178)	0	0	(600)	(5,589)	0	0	0
Capital expenditure to replace existing assets	(1,778)	(1,762)	(840)	(810)	(450)	(1,390)	(315)	(1,265)	(240)	(500)	(610)
(Increase) decrease in reserves	840	3,943	2,301	(430)	(624)	31	(796)	(57)	(1,041)	(816)	(742)
(Increase) decrease of investments	(37)	(179)	11	(13)	(170)	61	3,396	1,312	(404)	(413)	(435)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(975)	(1,567)	(2,164)	(3,507)	(1,718)	(3,612)	(19,739)	(8,337)	(1,685)	(1,729)	(1,787)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,080)	(1,273)	(1,447)	(1,617)	(1,744)	(1,799)	(1,872)	(1,914)	(2,115)	(2,166)	(2,215)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR SEWERAGE

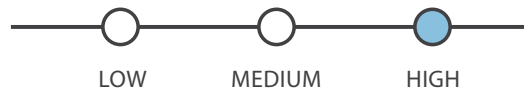
WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Resource consents

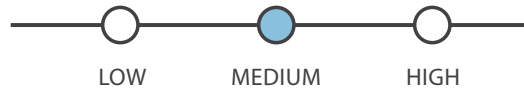
It is assumed that Council will meet consent conditions and that conditions of resource consents currently held will not be significantly altered. It is assumed that updates to attain consent renewals will progress as programmed and that they can be achieved within allocated budgets.



If requirements increase and additional work is required for consent conditions, Council will need to provide rate funding to meet the requirements or request a change of consent conditions.

Levels of service/demand for sewerage services

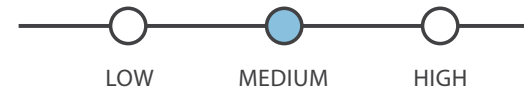
In recent years, the provision of sewerage services has been extended to Benhar, Tokoiti and Pounaweia. This plan assumes that there are no other known residential or industrial developments that would change levels of service and network demand.



Council's approach to servicing new industries is to consider any proposal on a case-by-case basis. Provision of sewerage would be considered in conjunction with relevant parties during the project feasibility investigations. This would determine if there are any flow on budget implications that need to be planned for.

Implications of natural disasters for sewerage

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of sewerage assets.



Depending upon the scale and cost of the emergency, some assets either won't be replaced/ repaired or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for its users.

CALLS WE HAVE MADE CONTINUED

KEY PLANNING ASSUMPTIONS FOR SEWERAGE*

WHAT WE HAVE ASSUMED

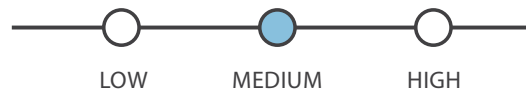
Impacts of climate change on sewerage

The key points to signal to the community and to underpin climate change assumptions are:

- More temperature extremes and dry days up to 20 more hot days (days >30°C), and up to 50 fewer frost days (days <0°C), may be expected by 2090. The highest increases in temperature are predicted for West Otago. By the end of the century, The Catlins may experience up to four additional dry days per year, while the Clutha Valley, Milton and Waihola areas are likely to experience fewer dry days and overall wetter conditions.
- More Intense Rainfall and Localised Flooding (where >25 mm of rain falls) are expected to increase (by 0 to 5 days), with the largest increases in The Catlins and over the Old Man Range by 2090. Rainfall totals during high intensity events are predicted to increase across the district, potentially leading to more frequent localised flooding.
- The Clutha River is expected to experience an overall increase in river flow, especially during the winter and spring months, due to more precipitation in the upper catchment.
- Coastal Risks from Rising Sea Levels: Low-lying coastal settlements and the infrastructure that supports them will, over time, become increasingly susceptible to inundation. This includes low-lying parts of the Taieri Mouth, Toko Mouth, Kaitangata, Kaka Point, Pounaweia and Jacks Bay settlements. Rural areas such as Molyneux Bay may also be affected.

This modelling, done specifically for our region, gives us the opportunity to make changes to our infrastructure over time that will help us continue to thrive.

LEVEL OF UNCERTAINTY



WHAT WOULD HAPPEN IF THIS CHANGED

These factors are taken into account as part of resource consent renewals.

Further investigative work may determine further capital works are needed to address the impacts of climate change on sewerage infrastructure, with flow on impacts for budgets.

*Universal financial assumptions that also affect sewerage are included in the financial strategy section of this document.

STORMWATER

Council's stormwater drainage networks protects people and properties across many of the district's urban communities from the effects of flooding.

WHAT WE DO

There is a diverse range of towns and smaller settlements spread across the Clutha District, and they all bring their own specific demands and challenges, including how to collect and dispose of stormwater run-off.

Council currently provides for the drainage of stormwater via 8 community stormwater drainage schemes; in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. These systems manage the disposal of surface water and ground water flows to protect property and public health. Generally, piped systems are designed to cope with stormwater flows resulting from a heavy rainfall such as a 1 in 5 year or 1 in 10 year event (20% or 10% probability of happening annually). However, when assessing and designing new systems, consideration is given to how flows from much larger events can be handled within the catchment i.e. overland flow paths, flood channels, diversions.

A few smaller communities also have limited stormwater infrastructure, such as basic pipe systems, open ditches or drains. These include Heriot, Pounaweia, Taieri Mouth, Stirling and Waihola. These are communities that have previously been included in a general rural stormwater area, however they have only paid a very small amount towards this in their rates. In all these areas, stormwater

improvements are needed and systems are in place that have ongoing operational costs. Their inclusion as part of a district wide urban stormwater funding mechanism allows for stormwater issues in urban areas to be dealt with in a coordinated and consistent way.

All other rural stormwater issues are generally associated with roading and as such are funded as a roading activity.

WHY WE DO IT

Stormwater infrastructure and drainage is an essential means of protecting people and property from flooding during heavy rainfall events. Stormwater drainage is considered to be a core service for local government. Stormwater primarily contributes to the outcome: "Healthy sustainable environment", and supports our

priorities of investing in infrastructure and reducing our environmental footprint.

Our guiding strategic principles for infrastructure investment are:

- Maintain what we have already.
- Full compliance with drinking water and wastewater standards.
- Prioritise investment in infrastructure balancing cost, risk, and service level.
- Enable private infrastructure investment where beneficial.
- Keep rates affordable but realistic.
- Be adaptive for future growth.

Under local government law, we must provide these services into perpetuity, with all costs and benefits distributed fairly across current and future communities.

Stormwater Asset Information

ASSET COMPONENT	ASSET VALUE	POPULATION SERVED [‡]	PROPERTIES SERVICED [‡]
Schemes: 13 Reticulation: 53km Pump Stations: 5	\$10.8 million	10,824 (59% of the district's population)	5,662

*Depreciated replacement value (2017).
[‡]2013 Census information.
[‡] Full and half rated properties

SIGNIFICANT EFFECTS

Council recognises that there are potential negative impacts associated with the discharge of stormwater from the district’s communities to rivers and streams. At the same time we recognise that the health and economy of the district depends on adequate stormwater drainage services being available. Accordingly, the demand for stormwater drainage and the negative impacts of this activity need to be kept in balance.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Discharge of contaminants to waterways and streams impacting upon public health and the environment	●	●	●	●	Ensure systems are in good working order and that the potential for pollutants to enter the drainage system is minimised
Discharges with land and waterways not complying with resource consent conditions	●	○	●	●	Monitor changes to requirements for discharges and make improvements
Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure	○	●	●	○	Ensure compliance with legislation and health & safety management plans
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

All of Council’s water supplies, sewerage schemes and stormwater systems are operated under the Water Services Operations and Maintenance contract. There is some provision for smaller contractors to be engaged where required, for example the construction and operation of stormwater system upgrades. Professional services are engaged on a case-by case basis. The cost of the contract is split across all schemes based on the time and resources the contractor spends on each scheme.

RENEWALS AND REPLACEMENTS

Generally, most stormwater assets are in good operational condition. This is because most systems are relatively young at 30-40 years. The exceptions to this are older systems in some of the larger towns, primarily Balclutha, Milton and Tapanui.

A schedule of renewals is programmed for all schemes (renewals are different from improvements or upgrades which are discussed in the following section). However, the condition of underground assets is relatively unknown, as we cannot directly

assess these assets. Poor condition is generally identified after these assets have failed or have not performed as expected. To gain more detailed information about underground assets, Council has commenced a programme of stormwater pipeline assessment work using CCTV. This will give more detailed information about pipes, allowing Council to more accurately determine what is needed to support its renewals programme in the future.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

MILTON STORMWATER IMPROVEMENTS

Major works are proposed for the Ajax and pipe are renewed in the main street areas in conjunction with the Milton main street upgrade. This is planned for completion during the 2022/23 year.

BALCLUTHA STORMWATER

Council will undertake work to improve the stormwater system in the Balclutha flat area, predominantly in areas where there aren't pumping systems at present and where ponding during wet weather has been an issue in the past. Catchment analysis for a number of townships to further refine future upgrades will help inform the 2024 LTP.

TAPANUI'S PATERSON CREEK ADOPTION AS A PUBLIC DRAIN AND UPGRADE

For many years, this creek has been confirmed as a private drain, which has meant that maintaining and renewing the ditch or piped section was the responsibility of private landowners, with Council responsibility where it crossed public roads. This has led to the pipelines and ditches making up the creek having a highly variable capacity and state of repair as landowners treat each section differently. Council

has accepted that this drain become a public drain and that it is renewed and upgraded by Council in the future. This obviously comes at a cost but is considered fairer to the landowners involved and would be consistent with the other drains in the area that are maintained by Council.

LAWRENCE HOSPITAL CREEK IMPROVEMENTS

Council has allocated approximately \$50,000 to improve and address outstanding structure and capability issues in this area. This is likely to require resource consents.

WORK WE WILL ALSO BE FOCUSING ON IN THIS PLAN:

- Condition assessment and renewal programme
- Tapanui Paterson Creek upgrade
- Balclutha drainage and discharge upgrade

WHAT WE ARE PLANNING FOR STORMWATER*

PROJECT (\$000)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Increased Levels of Service										
450042 Lawrence Hospital Creek Improvements			54	211	272					
450004 Balclutha Baxter Street Pump Station Installation					54	225				
450005 Milton New Ajax Street Pump Station					117	240	1,038			
450016 Tapanui Paterson's Creek Catchment Improvements		632								
450018 Waihola Chatham Street Catchment Upgrade	120									
450019 Clinton North Street Catchment Upgrade	85									
450023 Balclutha Ryrie/Frances Street Intersection Upgrade	70									
450028 Waihola George and Sandown Street Upgrades	80									
450030 Kaka Point Hill Street Upgrade		311								
450031 Kaka Point Tarata Street Upgrade	80									
Renewals										
450029 Network Renewals		211	109	113	292	301	311	321	332	342
450033 Balclutha Network Renewal				530		481			279	123
450034 Clinton Network Renewal					373					27
450035 Kaitangata Network Renewal				158					584	82
450036 Milton Network Renewal			120	1,871	794					301
450038 Tapanui Network Renewal						120				
450039 Tapanui York St/ Forest St Pipeline Capacity Upgrade			327							
450040 Tapanui Network Upgrade (Sussex/Suffolk St)			534							
450041 Waihola Network Renewal				124						
450043 Lawrence Network Renewal					128					
450045 Milton Main Street Stormwater Renewals	1,860									

* Equal to or greater than \$20K

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREA: (1) INVESTMENT IN INFRASTRUCTURE (2) REDUCING OUR ENVIRONMENTAL FOOTPRINT

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide stormwater drainage that protects against the effects of flooding	Flooding events to habitable floors due to overflows from a Council stormwater system (per 1,000 properties)	0	0	0	0	0
	Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	11	<23	<23	<23	<23
	Number of complaints about the performance of Council's stormwater systems (per 1,000 connected properties)	2	≤10	≤10	≤10	≤10
	Median response time (in hours) from when Council receives notification about a flooding event to the time service personal reach the site	387 ¹	<4 hours	<4 hours	<4 hours	<4 hours
Compliance with Council's resource consents for discharge from stormwater systems, measured by the number of:	Abatement Notices	0	0	0	0	0
	Infringement notices	0	0	0	0	0
	Enforcement orders	0	0	0	0	0
	Successful prosecutions received	0	0	0	0	0

¹Issues associated with the transition to a new contractor, and the impacts of COVID-19 on contractor resources, has impacted on the achievement of these performance measures.

WHAT IT WILL COST & HOW WE WILL FUND STORMWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	794	896	1,003	1,060	1,139	1,293	1,374	1,416	1,488	1,504	1,558
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	794	896	1,003	1,060	1,139	1,293	1,374	1,416	1,488	1,504	1,558
Applications of operating funding											
Payments to staff and suppliers	(83)	(147)	(151)	(156)	(160)	(165)	(169)	(171)	(181)	(186)	(191)
Finance costs	(6)	(17)	(31)	(32)	(49)	(86)	(101)	(108)	(116)	(111)	(116)
Internal charges and overheads applied	(354)	(300)	(304)	(317)	(320)	(330)	(343)	(344)	(351)	(366)	(369)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(443)	(464)	(486)	(505)	(529)	(581)	(613)	(623)	(648)	(663)	(676)
SURPLUS (DEFICIT) OF OPERATING FUNDING	351	432	517	555	610	712	761	793	840	841	882
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	782	916	116	1,098	2,436	978	432	540	(327)	336	50
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	782	916	116	1,098	2,436	978	432	540	(327)	336	50

Continues on next page

WHAT IT WILL COST & HOW WE WILL FUND STORMWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(875)	(520)	(1,153)	(327)	(225)	(117)	(240)	(1,038)	0	0	0
Capital expenditure to replace existing assets	(310)	(1,860)	(221)	(1,089)	(2,795)	(1,587)	(902)	(311)	(321)	(1,195)	(876)
(Increase) decrease in reserves	76	1,198	745	(277)	(287)	(149)	(159)	(164)	(175)	(187)	(198)
(Increase) decrease of investments	(24)	(166)	(4)	40	261	163	108	180	(17)	205	142
TOTAL APPLICATIONS OF CAPITAL FUNDING	(1,133)	(1,348)	(633)	(1,653)	(3,046)	(1,690)	(1,193)	(1,333)	(513)	(1,177)	(932)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(351)	(432)	(517)	(555)	(610)	(712)	(761)	(793)	(840)	(841)	(882)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR STORMWATER*

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Increasing environmental standards

In accordance with proposed Otago Regional Plan changes, it is expected there will be stricter requirements around the quality of 3-Waters discharges. In addition, the community's capacity to fund any required upgrades to ensure compliance with ORC Plan Changes will need to be considered and included in the implementation timeframe.



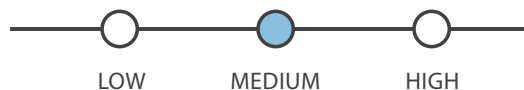
Increasing environmental standards may have significant bearing on stormwater costs. If they become mandatory prior to 2024, Council will need to reassess and reprioritise budgets in order to meet the increased standards.

Impacts of climate change on stormwater

The frequency and intensity of heavy rainfall events is predicted to increase as a result of a warmer climate. Any such increase is likely to impact on stormwater flows and put more pressure on Council's stormwater systems.

Ongoing sea-level rise may impact on stormwater infrastructure at Kaitangata, Kaka Point, Milton, Pounaweia, and Waihola.

Current budgets don't include provision for specific works resulting from climate change; however anticipated peak flows are adjusted during design work to take into account the latest available information.



Further investigate work may determine that further capital works are needed to address the impacts of climate change on stormwater infrastructure, with flow on impacts for budgets.

Implications of natural disasters

for stormwater

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of stormwater assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair. If schemes are disrupted for a period of time this can have significant flow on effects for its users.

*Universal financial assumptions that also affect Stormwater are included in the financial strategy section of this document.

SOLID WASTE

Management of solid waste is a key contributor to one of Council's key outcomes for a 'healthy sustainable environment'.

WHAT WE DO

Council oversees the management and minimisation of solid waste within the district. These activities include:

- Operating a sanitary landfill and recycling drop-off depot for the district at Mt Cooe on the outskirts of Balclutha.
- Providing a kerbside collection service on alternative weeks for rubbish and recyclables to towns in the district. The service is also available to individual rural households along service routes.
- Providing transfer stations/skip services which are collected on a weekly basis in Clinton, Clydevale, Lawrence, Milton, Owaka, Maclennan and Tapanui.
- Providing a skip service for waste at Beaumont and a recycling drop off at Taieri Mouth that is collected on an as-needed basis.
- Monitoring and maintaining 19 closed tip sites throughout the district.
- **Providing waste information and education services, including facilitating the EnviroSchools programme at schools throughout the district.**

WHY WE DO IT

Council is committed to achieving our goal of being a resource efficient and less wasteful district.

Council provides waste management activities to ensure the safe and hygienic disposal of household waste and to ensure that wastes are sustainably managed. Council's Solid Waste Management activities primarily contribute towards the outcome; "A healthy sustainable environment". It's a key contributor towards the priority areas of "Reducing our environmental footprint", and "Investing in infrastructure."

SIGNIFICANT EFFECTS

Council recognises that there may be negative impacts associated with the collection and disposal of solid waste. It is important to minimise these effects, while still meeting the communities need to dispose of its waste in an efficient, effective and sustainable manner.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Effects of landfilling including the occupation of land, non-biodegradable matter, methane and leachate generation.	●	●	●	●	Additional work to meet resource consent conditions for Mt Cooee and closed landfills, including capital works where required.
Ease of disposal and relatively low cost encourages increased quantities of material to be sent to landfill by customers.	●	●	●	●	Ensuring there is provision of education and infrastructure to help reduce waste volumes and appropriate pricing signals e.g. green waste discount, full cost recovery charges.
Potential for littering and dumping elsewhere due to landfill charges.	●	●	●	●	Continued education, availability of services and enforcement as a last resort. Provision of low cost diversion alternatives where possible.

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREA: (1) REDUCING OUR ENVIRONMENTAL FOOTPRINT (2) INVESTMENT IN INFRASTRUCTURE

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Provide refuse & kerbside recycling collection that meets customer expectations	Resident satisfaction with the refuse/recycling service.	New measure	≤80%	≤80%	≤80%	≤80%
Minimise the amount of waste to landfill	Amount of waste:	51	≥51	≥53	≥56	≥59*
	a) Diverted from landfill per resident (kg), and b) Maximum (kg) per property disposed of to landfill.	651	≤607kg	≤577kg	≤548kg	≤521kg

*We are aiming for less waste to landfill due to waste minimisation education and initiatives, in particular the proposed Mt Cooee Resource Recovery Park (increase in level of service).

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

Council contracts out maintenance and operation of the kerbside collection, Mt Cooee Landfill and transfer stations. Solid waste management, waste minimisation, Enviroschools and Zero Waste education is resourced in-house. Both these methods of delivery are expected to continue during the term of this plan.

Mount Cooee Landfill plays an important role in the management of solid waste for the Clutha District. However, the current resource consent for the landfill expires in 2023. Council plans to work towards renewing the resource consent for Mt Cooee. To this end we have budgeted for a number of improvements at Mt Cooee. Refer to the improvements section for more information.

RENEWALS AND REPLACEMENTS

The major Council-owned assets for this activity are Mt Cooee Landfill and 12,000 wheelie bins. Replacement of wheelie bins is managed through the solid waste contract. Bins are replaced on an as-required basis due to wear and tear, damage and theft; while new bins are added as required for new customers. The rate of replacement is about 2% (260 bins/year), while new customers add less than 1% each year (about an extra 100 bins). The level of increase is forecast to continue for the life of this plan, and this is consistent with the increase in rating units forecast for the district.

Council has renewed its Waste Management and Minimisation Plan (WMMP). This involved completing a solid waste analysis protocol (SWAP) of the waste disposed at Mt Cooee in May 2017, it is due to be reviewed by 2024. A Waste Assessment including a SWAP will need to be completed in 2022/23.

IMPROVEMENTS OR CHANGES WE'RE PLANNING

MT COOEE STORMWATER REALIGNMENT

The current stormwater pipeline under the Mount Cooee Landfill has caused issues for many years. This has been budgeted as a project previously and works to seal the manholes and other improvements have been attempted. These have seen some reduction improvement in test results but a long term solution is needed leading into the possible renewal of the Mount Cooee Landfill consent.

This project looks to undertake works to realign the stormwater around the landfill and initial discussions with KiwiRail have been positive. This will resolve this issue once and for all and will significantly improve the compliance for Mount Cooee Landfill.

MT COOEE OPERATIONAL CONSENT EXTENSION

Council has determined that it will proceed with the renewal process of the resource consents for Mt Cooee to 2053. The first stage of this process is to determine what work will likely be required in order to obtain a new resource consent from the Otago Regional Council, for all activities at Mt Cooee. This will involve engaging a consultant to manage the process for Council. Potential work may include obtaining a better understanding of leachate contamination to groundwater and, if necessary, some remediation works to mitigate that contamination.

GLASS RECYCLING

Council accepts separated glass free of charge at Mt Cooee Landfill and at Lawrence, Milton, Owaka, Clinton and Tapanui transfer stations. Any glass collected at

the transfer stations is currently mixed with waste and landfilled. The glass collected at Mt Cooee is stockpiled, crushed and used for roading and drainage at the Landfill. Other methods to divert more glass from the landfill, and glass recycling options will continue to be investigated by Council, including trying options to divert glass from the transfer stations for use at Mt Cooee.

GREEN WASTE

Council has agreed to continue investigating and implementing ways to reduce the level of green waste going to landfill, and options for its re-use (such as composting, shredding, or other community-based initiatives).

WHAT'S PLANNED FOR SOLID WASTE MANAGEMENT

Major aspects in this plan include:

1. Development of the Mt Cooee resource recovery centre.
2. Securing the future of the Mt Cooee Landfill site for the next 30 years.

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
500002 Resource Recovery Park		726								
500005 Mt Cooee Operational Consent Extension	100	53								
500008 Mt Cooee Existing Cell Closure	100	256	263							
500007 New Mt Cooee Landfill		677							1,071	

WHAT'S NOT INCLUDED IN THIS PLAN

CONSTRUCTION & DEMOLITION

PROJECT WASTE

With the number of construction and demolition projects planned across the district the amount of this waste stream will increase. There is currently no budget and scope to increase the infrastructure to divert this waste type however data will be collected where possible to inform the Waste Assessment due in 2022/23.

WHAT IT WILL COST & HOW WE WILL FUND SOLID WASTE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	71	72	74	76	78	80	82	83	85	88	90
Targeted rates	725	858	962	1,066	1,097	1,129	1,160	1,171	1,204	1,238	1,271
Subsidies and grants for operating purposes	73	74	416	78	80	83	85	86	88	90	93
Fees and charges	683	808	988	1,088	1,120	1,152	1,183	1,195	1,228	1,263	1,297
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	1,552	1,812	2,440	2,308	2,375	2,444	2,510	2,535	2,605	2,679	2,751
Applications of operating funding											
Payments to staff and suppliers	(1,241)	(1,657)	(1,931)	(2,147)	(2,209)	(2,273)	(2,334)	(2,358)	(2,424)	(2,492)	(2,559)
Finance costs	0	0	0	(10)	(9)	(9)	(9)	(8)	(8)	(8)	(20)
Internal charges and overheads applied	(176)	(188)	(190)	(199)	(201)	(207)	(216)	(216)	(221)	(231)	(232)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(1,417)	(1,845)	(2,121)	(2,356)	(2,419)	(2,489)	(2,559)	(2,582)	(2,653)	(2,731)	(2,811)
SURPLUS (DEFICIT) OF OPERATING FUNDING	135	(33)	319	(48)	(44)	(45)	(49)	(47)	(48)	(52)	(60)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	634	(21)	(21)	(22)	(22)	(22)	(23)	807	(51)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	0	0	634	(21)	(21)	(22)	(22)	(22)	(23)	807	(51)

Continues on next page

WHAT IT WILL COST & HOW WE WILL FUND SOLID WASTE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(1,285)	0	(726)	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	(95)	(340)	(986)	(263)	0	0	0	0	0	(1,072)	0
(Increase) decrease in reserves	1,298	257	638	161	(105)	(108)	(111)	(113)	(116)	123	(122)
(Increase) decrease of investments	(53)	116	121	171	170	175	182	182	187	194	233
TOTAL APPLICATIONS OF CAPITAL FUNDING	(135)	33	(953)	69	65	67	71	69	71	(755)	111
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(135)	33	(319)	48	44	45	49	47	48	52	60
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR SOLID WASTE

WHAT WE HAVE ASSUMED

LEVEL OF UNCERTAINTY

WHAT WOULD HAPPEN IF THIS CHANGED

Meeting resource consents

Council is assuming that Mt Cooee will continue to meet resource consent conditions to continue operating as a landfill, and that there will be no changes to the regulatory environment or resource consent requirements prior to the expiry of the current consent in 2023.

Council is also assuming it will continue to meet resource consent conditions for closed landfills and post closure costs will continue as budgeted.



If resource consent conditions can't be met additional expenditure outside what is currently included in budgets might be required.

Alternatively a change to the regulatory environment/resource consent conditions may result in increased/unbudgeted costs and possible premature closure of Mt Cooee.

Renewing Mt Cooee's resource consent in 2023

consent in 2023

Council is also assuming we will successfully renew the resource consent to continue to operate Mt Cooee from 2023 onwards.



If renewal is unsuccessful there will be significant costs involved in closing Mt Cooee landfill, setting up a resource recovery park and transporting the waste to a landfill outside of the district.

If the anticipated volumes of waste to landfill are incorrect this would alter the amount Council pays for its Waste Levy and ETS liability.

Amount of waste to landfill

Currently this is 9,300 tonnes or 575 kg per person per annum. Council is forecasting a slight decrease due to increased user charges and recycling initiatives. It is assuming that there won't be fluctuations including any increases in waste.

There is a risk that operating the landfill at the current levels of service may become uneconomic. At this stage Council assumes it will continue with the current level of service and opening hours for Mt Cooee.



If the amount of waste going to landfill decreases significantly this will impact on revenue collected and the affect could be an increase to user charges.

If there is a significant decrease in waste this may affect the economic viability of Mt Cooee continuing to operate. It may be necessary to reduce opening hours/access to Mt Cooee in order to reduce operating costs. If waste volumes are drastically reduced then this may force the early closure of the site. Alternatively, if major changes arise (e.g. a new industry develops in the Clutha District), then waste volumes to Mt Cooee may increase, reducing the lifespan of the landfill.

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR SOLID WASTE

WHAT WE HAVE ASSUMED

Increased user charges and fly-tipping

Mt Cooee charges are still some of the lowest in the South Island. Council is assuming that there won't be an increase in fly-tipping as a result of increased landfill charges.

LEVEL OF UNCERTAINTY



WHAT WOULD HAPPEN IF THIS CHANGED

In the past there has been anecdotal evidence of a direct relationship between increases in Mt Cooee charges and incidence of 'fly-tipping'. No additional budgets have been included in this plan for dealing with increased fly-tipping.

Levels of service

Council is assuming it will continue to provide waste management and collection service to residents.

A proposed Resource Recovery Centre and Transfer Station will see an improvement in the level of service provided, removing the need to take waste to the tip face and increasing the amount of waste diverted from MT Cooee.



Additional budgets may be required to introduce these increased levels of service.

Should council not proceed with a Resource Recovery Centre and Transfer Station there will be no change to the current level of service.

There are currently no plans to implement a kerbside collection of green waste or glass. There are no additional budgets for glass or organic waste collections.

Council will continue to evaluate options for these collections, or alternatives, as they become available.

Emissions Trading Scheme (ETS)

It is anticipated that carbon credit prices will continue rise over time, driven by legislative changes (including removal of a previous carbon cap of \$35 per tonne). Budgets have assumed forecast pricing of \$35 tonne increasing to \$50 per tonne during the 2021/24 period.



Additional costs for ETS liability will result in increased user charges.

Liabilities associated with the ETS may be less if greenwaste shredding/processing is viable for Mount Cooee.

ETS Costs may increase if the cost of buying carbon credits is greater than assumed.

*Universal financial assumptions that also affect Solid Waste are included in the financial strategy section of this document.

COMMUNITY SERVICES

Council provides and supports a variety of community spaces and facilities throughout the district.

WHAT WE DO

Council provides various community facilities and services throughout the district. Financial and non-financial assistance is also provided to external organisations that provide community services.

LIBRARIES AND INFORMATION CENTRES

THIS INVOLVES:

- A district library network consisting of a central library in Balclutha and four community libraries that also deliver Council customer services in Lawrence, Milton, Owaka and Tapanui. Owaka also provides a comprehensive visitor information service.
- Information Centre in Balclutha, which handles nationwide bookings for tourists and locals.
- Supporting Lawrence/Tuapeka Information Centre/Museum, Milton Information Centre/Museum, the Catlins Historical Society through annual grants.

SWIMMING POOLS

This involves:

- Owning and operating year round, a pool in Balclutha and seasonal (summer) pool in Milton.
- Making grants available to various school- and community-based pools located throughout the district.

PARKS, RESERVES, PLAYGROUNDS & SPORTSGROUNDS

This involves:

- Providing and maintaining 86 hectares of parks and reserves throughout the district, including 18 playgrounds and four sports grounds.
- Providing financial assistance for a further 19 hectares of reserves and sports grounds that are managed by local committees and sports groups.

HALLS & COMMUNITY CENTRES

THIS INVOLVES:

- Providing management oversight and financial assistance for 11 committees which operate community centres throughout

the district on Council's behalf. These are at Clutha Valley, Hillend, Kaka Point, Lovells Flat, Moneymore, Owaka, Paretai, Waihola, Waipahi, Waitahuna and Waiwera.

- Providing financial assistance to various other halls and centres, which are owned and operated by their communities. These are at Beaumont, Clinton, Crookston, Dunrobin, Heriot, Hina Hina, Milton, Lawrence, Paretai, Romahapa, Tahakopa, Taieri Mouth, Tuapeka Mouth, Tuapeka West, Waikoikoi and Tapanui.
- Balclutha and Milton grandstands.

PUBLIC CONVENIENCES

THIS INVOLVES:

- Providing and maintaining 24 public toilets throughout the district.
- Providing and maintaining 6 public motor caravan dump stations in Balclutha, Clinton, Lawrence, Milton, Owaka and Tapanui.

CEMETERIES

THIS INVOLVES:

- Directly operating and maintaining 6 urban cemeteries - Balclutha (2), Fairfax (Milton), Kaitangata, Lawrence and Tapanui, and 8 rural cemeteries - Port Molyneux, Romahapa, Taieri Beach, Waihola, Waikoikoi, Waipahi, Waipori, and Waitahuna.
- Providing financial assistance to a further four cemeteries that are managed by trustees (Clinton, Crookston, Owaka, Tuapeka).
- Providing financial assistance towards the maintenance of war memorials throughout the district.

COMMUNITY HOUSING & OTHER PROPERTY

THIS INVOLVES:

- Owning and maintaining 98 1-bedroom housing units located in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui and Waihola.
- Other property is owned and maintained by Council for storage of materials and equipment.
- Property which is retained for renting and leasing at market rates with the income offsetting rates.

CROSS RECREATION CENTRE

THIS INVOLVES:

- Funding of a \$2.5 million loan towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha and providing an annual operating grant.

CLUTHA COMMUNITY HUB

THIS INVOLVES:

- Funding of a \$7.5 million loan towards the cost of constructing the Clutha Community Hub Te Pou o Mata-Au in Balclutha and providing an annual operating grant.

WHY WE DO IT

The activities in this group ensure that all members of the community have opportunities to access a range of public spaces and facilities that provide for social and cultural wellbeing particularly through physical activities, leisure opportunities and recreation. They also ensure that the district has the facilities and services required to attract and retain residents.

This activity group makes a primary contribution to the community outcome: "Vibrant rural towns and communities."

Libraries/service and information centres provide key linkages and support towards priorities and outcomes in Council's Living and Working in Clutha Strategy. These include:

- **Culture:** Celebrating culture through welcoming and inclusive spaces, the preservation and curation of physical and digital heritage material; and actively engaging with community groups and residents to capture and celebrate Clutha's district wide heritage.
- **Connectivity:** Supporting a connected community through the provision of welcoming and inclusive spaces, digital services; and actively working in collaboration/partnership

with community groups and organisations.

- **Lifelong Learning:** Spaces, resources across a range of formats and programmes, support access to knowledge and lifelong learning opportunities.
- **Place:** Support developing the Clutha District as a destination through welcoming spaces, consistent messaging and promotion of visitor opportunities and experiences.

Through their spaces, digital and physical resources, Clutha's Libraries network plays a key role in supporting community wellbeing through the provision of literacy (language, numeracy, digital), creative and socially inclusive programmes that foster opportunities for lifelong learning and community connectivity.

With Culture, Connectivity and Lifelong Learning providing a fundamental basis for the Libraries/ Service Centre facilities and service provision, they provide a "shop front" for community access to all Council services and play a significant role in supporting Council's Living and Working in Clutha Strategy.

With one of Council's priorities being to attract visitors to stay and explore the beautiful Clutha District, we utilise a range of models to support this.

Information centre services are primarily focused on providing an excellent visitor experience for travellers, in support of the Destination Strategy; the visitor information centres also clearly align with the Living and Working in Clutha Strategy, as they are also often the first point of call for people considering relocating to the district.

MAINTAINING CURRENT LEVELS OF SERVICE

Maintenance for community services is carried out in a variety of ways. The maintenance of parks, reserves, sports grounds and playgrounds is contracted out. There is a variety of arrangements for halls and community centres, where in some instances they are Council-owned and community maintained through committees. Libraries and information centres are run directly by Council. Community housing is managed by Council.

COMMUNITY LIBRARIES AND INFORMATION CENTRES

Each of the facilities provide local welcoming spaces, resources, and technologies to meet community needs by providing free access to information, programmes and services in a way that allows people to celebrate culture, be connected to each other and the world around them; and to have a range of opportunities for lifelong learning.

The Balclutha Library also plays the role of the “Central” library within the district network, providing overall management of library content and circulation processes.

The libraries also provide an online presence through the Clutha District Libraries website. This enables borrowers to have access to a wide range digital information, learning and recreational resources 24 hours a day, seven days a week.

Community well-being is at the heart of the Library offering, with customer excellence being a goal for the development and delivery of all programmes and services.

VISITOR INFORMATION CENTRES

The Clutha i-SITE (NZ Tourism Visitor Information Network (VIN)) also incorporates Service Centre activities. The Clutha i-SITE directly supports the Destination Strategy to provide professional and consistent messaging, impartial information and advice to locals and tourists on attractions, events, accommodation, and transport, including bookings services for 363 days a year.

As a VIN member, the Clutha i-SITE is committed to:

- Promoting tourism in the Clutha District
- Promoting tourism throughout New Zealand
- Providing professional information and booking services for residents and tourists.

The Catlins Information Centre is an integrated service of the Owaka Community Library and is operated from within the Owaka Museum facility. It plays a large role in providing professional, impartial information/advice and bookings for locals and tourists on attractions, events, accommodation, and transport for the Catlins area.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

CATLINS COMMUNITY LIBRARY AND INFORMATION CENTRE/

This use of this facility by visitors has grown immensely in recent years, with visitor numbers now exceeding the Balclutha i-SITE's. Council has been staffing this service Monday to Friday through the year, with local volunteer support coordinated by the Catlins Historical Society during weekends, public holidays and during the Christmas / New Year Council closure. With many visitors using multiple services during their visits, the lack of access to

professional level information and the full range of the facility's technology and resources during the weekends, an increase in staffing has been agreed, to provide consistent services levels across 7 days.

CLUTHA HERITAGE DIGITAL REPOSITORY

Clutha Libraries in collaboration with South Otago communities are working to develop a central digital repository to share community collections which tell the stories of our past and present. Many community organisations, groups and individuals hold treasures which operate as windows into our heritage. The digital repository is a central way of sharing with others the stories that these treasures hold. Clutha District has a large amount of undiscovered heritage. The digital repository is a way of unveiling these stories, to develop our shared narratives and to promote the history of our place; and directly align with the Living and Working and Destination Strategies.

SEISMIC STRENGTHENING

Balclutha Library requires significant earthquake strengthening and renewal work, both of which will likely attract higher levels of building compliance and associated costs than currently planned.

The Tapanui and Lawrence Community Libraries require some internal alteration/reconfiguration to improve the delivery of services and customer experience.

The current Milton Library also requires internal modifications; however, it is expected that these will be addressed through the development of the new multi-purpose facility currently planned for the area.

The i-SITE is presently housed in a leased central business site, but is expected to move into the new Balclutha Community Hub.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

FUTURE PROOFING COUNCIL'S COMMUNITY HOUSING

Council currently has 98 community housing units throughout the district. They are typically smaller single units that are available to those over 25 years of age that meet Council's criteria. A key priority in Council's 'Living and Working' strategy is for quality housing in the district. Considering and planning for the infrastructure to support an aging population is important, and suitable housing is a crucial part of this.

In the lead up to this LTP a review of community housing took place to help Council determine how to best meet the needs of current and future community housing tenants, as well as the wider community.

It considered the age and condition of the existing units, current regulations set by the Healthy Homes Standard, Council's desire for a revenue neutral service, and the likely demand for this type of housing.

The main findings of the review included:

- Aside from the Council-owned complexes, there is a shortage of affordable, rental housing specifically targeted at the elderly in the Clutha District.
- There is currently a high demand for Council-owned community housing, and demand is highest in the larger towns of Balclutha and

Milton.

- There was a modest population growth across most of the district between 2013 and 2018, and this is expected to continue.
- The proportion, and total number of people aged 65+ is predicted to increase significantly over the next 25 years. Demand is therefore expected to increase in the future.
- The liveability of the current community housing blocks is reasonably high, although most do not meet the requirements of Healthy Homes Standards (HHS).
- Issues identified include the inability to heat the units adequately due to a lack of insulation, as well as condensation problems in winter. None of the units have mechanical ventilation.
- The value of the community housing blocks (as at April 2019) ranged from \$0.25M (Clinton) to \$1.65M (Toshvale). The total value was assessed as \$7.11M.
- A comprehensive renewals program is required over the next 10 years, mainly due to the age and condition of the existing units, and an extensive list of deferred maintenance work. In most cases, the current rental return would be insufficient to cover the cost of this work. Additional work would be required to meet the HHS.
- The amount that Council is currently able to put aside for depreciation is not adequate to fund a full replacement of community housing stock when they eventually reach the end of their lifespan.

In planning for the future Council agreed the following community housing options in this LTP:

- Provide additional new build units (at sites in Milton, Balclutha and Waihola).
- Refurbishment of existing units to meet Healthy Homes Standards.

In including these provisions Council has done so on the basis that:

- Specific investment decisions for each community housing block are to be considered on a case-by-case basis by Council.
- Community housing blocks will continue to be maintained with the aim of maintaining the existing services levels as a minimum.
- All maintenance and investment decisions will be made on the basis of providing a community housing service on a cost-neutral basis to rate payers.

Council has confirmed that this activity will continue to be fully funded by rentals, with no rates subsidy.

This approach aims to bring all units up to the HHS, as well as building additional new units to accommodate future demand. The construction of the additional units was recommended as the priority as this would free up the existing units for renewal/upgrade.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

CLUTHA COMMUNITY HUB

The rejuvenation of the Balclutha War Memorial Hall is underway through the creation of a multi-purpose community and visitor hub project managed and owned by the Clutha Community Hub Trust Inc. The project was based on community consultation through the Our Place Balclutha community plan and subsequent annual plan processes, providing fit-for-purpose sustainable community facilities that also facilitate business growth and innovation.

COMMUNITY HALLS & GRANDSTANDS

With 34 halls and two ageing grandstands spread across the district, and a relatively low population, the financial sustainability of facilities will always be a key issue. Given that the primary benefit of most of these facilities is to the community within which it is located, local communities generally fund much of the cost of these facilities .

There are 11 community halls within the Clutha District currently owned by Council. An additional 23 halls across the district are not owned by Council, and some of these receive operating grants from Council.

Under the current funding model for Council-owned halls, an annual budget is set for each hall. Community representatives are then able to apply for to spend on maintenance and operational costs as they best see fit. The financial sustainability of this model continues to weaken, due to the age of these

assets, associated costs to maintain and repair them, as well as the cost of seismic strengthening work required in some cases.

Council believe that, in general, it is better to transfer control and/or ownership to a community-based organisation, as they will be in a better position to determine the appropriate level of service for their hall, and to find cost-effective ways to ensure its sustainability.

Where a facility has been divested to a community organisation, Council will allocate annual grants from general rates in recognition of the public benefit component of the facilities.

There are several options to consider for the 11 Council-owned halls and 2 grandstands, i.e.

- CDC retains both ownership and control of the hall.
- Ownership and control is transferred to a community organisation.
- Control is transferred to a community organisation, with CDC retaining ownership.
- The facility is sold into private ownership.

The table (right) outlines the proposed programme for discussion with committees and communities about the future options for these facilities.

Table: Community Facilities Discussion Programme

Time frame	Facilities
2021-2024	Clutha Valley Community Centre Hillend Hall Kaka Point Hall Balclutha Grandstand
2024-2027	Lovells Flat Hall Owaka Community Centre Moneymore Community Centre Waiwera South Hall Milton Grandstand
2028-2031	Paretai Hall Waihola Hall Waipahi Hall Waitahuna Hall

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

MILTON COMMUNITY POOL/ COMMUNITY LIBRARY FACILITY

After consultation through the Our Place Milton community plan process, the preferred option was to develop a new pool complex. Milton currently has an aging facility that has structural issues. A new facility as part of a combined community library and swimming pool complex will provide a vibrant, contemporary facility which fosters an appreciation for a healthy, balanced and enriched lifestyles. It will provide a welcoming and inclusive place where visitors and the people of Tokomairiro and the Bruce District can relax, learn, play, engage and connect through the provision of aquatic facilities that provide opportunities for safe active recreation, learning and leisure.

BALCLUTHA'S NAISH PARK

The Our Place Community consultation process identifies projects the community feels are important for the enhancement of the services and facilities that Council provide. 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. The Clutha Parks Trust development group is an example of how this structure can lead to significant improvement in levels of service without significant rates impacts.

The Clutha Parks Trust development group (working across Naish Park and Centennial Grounds) is developing the existing Naish Park area and the adjoining Centennial Park which will provide connection for Centennial Pool users to the wider

park through a junior bike park and dog park. Next stages are a senior pump bike track, basketball area and joining pathways across the grounds and onto the adjoining Blair Athol trail.

Council is working to refine the Council/Community Group partnership process to enable efficient delivery of future our Place Community Plan projects.

DESTINATION TOILETS

Upgrades to the Milton public toilets are planned during the 2021/22 year, to make them modern, safe and easily accessible. This work would involve demolition of the current toilet block and the installation of new modern public toilets, as well as removal of the existing surface surrounding the toilets and the installation of new paving in the surrounding area known as Stewart Reserve.

New public toilets are planned at a site in Clyde Street in Balclutha during the (2022/23) year. During public consultation in 2018 destination toilets were identified as a project to encourage visitors to the township of Balclutha and encourage them to spend time in the central retail area.

WHAT'S NOT INCLUDED IN THE PLAN

EARTHQUAKE STRENGTHENING FOR COUNCIL BUILDINGS

Changes to the Building Act 2004 as a consequence to the Canterbury earthquakes means there are now requirements to strengthen buildings to at least 33% of the Building Code, or to demolish them. To enable Council to plan for the future, detailed seismic assessments have been undertaken for key Council buildings and this has identified that many of these

require earthquake strengthening work.

The 'What We Are Planning For Community Services' table over the page shows that some seismic strengthening work currently committed to (and budgeted for) in the 2021/31 Long Term Plan.

However, during the time frame of this plan, Council expects it will need to take a flexible approach in regard to future capital works and funding for a number of Council-owned or funded buildings.

Decisions will be made in conjunction with local communities, as community hall divestment discussions are conducted with the hall committees and communities, and future hall ownership structure to be established.

WALKING & CYCLING NETWORKS

Walkways and cycle trails have been growing in popularity throughout New Zealand and Otago. Previous feedback to Council is that further development of walking and cycling links within, and between the various communities in the Clutha District is a priority. Options for improving these networks are being considered as part of the 'Our Place' Community Plan development program, and some direction has already been set for improvements in Balclutha and Milton.

This will initially focus on ways to make progress within existing budgets, through some 'easy wins' such as improved signage and maps. Longer term, Council will also investigate ways to make more substantial improvements, in partnership with existing groups and organisations.

WHAT WE'RE AIMING FOR

COMMUNITY OUTCOME: CONNECTED & COLLABORATIVE

KEY PRIORITY AREA: (1) SUPPORT CULTURE & HERITAGE (2) IMPROVING HEALTH, SAFETY & WELL-BEING

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
Operate a network of community facilities throughout the district including community libraries, information centres, pools, halls, playgrounds, sports grounds, parks and reserves.	Resident satisfaction with community facilities	90%	≥90%	≥90%	≥90%	≥90%
Provide quality community housing throughout the district	Proportion of community housing units that meet healthy homes standards*	0%	≥0%	≥9%	≥20%	100%

* Healthy Home Standards set minimum requirements to ensure that rental homes are warmer and drier.

WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Seismic strengthening Council buildings.
- Investigating and implementing projects identified within the 'Our Place' Community Plans.

WHAT WE ARE PLANNING FOR COMMUNITY SERVICES*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SERVICE CENTRES & LIBRARIES										
560005 Lawrence Library Seismic Work		83								
560006 Balclutha Library Seismic Work				185						
560008 Tapanui Library Seismic Work						472				
500021 Heritage Digihub Hardware Replacement						40				
560001 Lawrence Library Renewals				27		56		16		22
560003 Balclutha Library Renewals		25	124			62				732
560009 Tapanui Library Renewals				184				39		
560012 Library Book Renewals	103	115	124	134	145	156	168	182	196	211
560019 Milton Library Pool Community Facility (Library component))			959							
SWIMMING POOLS										
570005 Balclutha Pool Renewals	23	12	107	95	43	13	13			
570007 Milton Library Pool Community Facility (Pool component)			1,571							
PARKS, RESERVES, PLAYGROUNDS & SPORTS GROUNDS										
590001 Balclutha Grandstand Renewals	26					69				20
59005 Milton Grandstand Renewals & Earthquake Strengthening	28				20				23	40
580021 Kaitangata Parks Tree Maintenance and Removal	35									
580001 Balclutha Parks & Reserves Projects	264	48	49	51	38					
580010 Waihola Parks & Reserves Projects	20									
580011 Milton Parks & Reserves Projects	101		45	21						
580019 Naish Park Centennial Park Project	180									
580022 Lawrence Whitehaven Street Playground			44							
580023 Pounaweia Playground		21								
580024 Tarata Street Playground (Kaka Point)			22							
580025 Esplanade Playground (Kaka Point)		53								
580026 Papatowai Picnic Area Reserve	20									

* Equal to or greater than \$10K

WHAT WE ARE PLANNING FOR COMMUNITY SERVICES*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PARKS, RESERVES, PLAYGROUNDS & SPORTS GROUNDS CONTINUED										
200005 Gabriels Gully Entrance Car Park Reserve	10									
580027 Clutha Valley Reserve Management Plan	20									
580028 Kaitangata War Memorial Reserve	50									
580030 Kaitangata Reserve Management Plan	20									
580031 West Otago Reserve Management Plan	20									
580032 Clinton Reserve Management Plan	20									
HALLS & COMMUNITY CENTRES										
610006 Waihola Community Centre Renewals	10	11	11	11	12	12	12	13	13	13
610016 Kaka Point Community Centre Renewals				11	12	12	12	13	13	13
610017 Owaka Community Centre Renewals				11	12	12	12	13	13	13
610007 Clutha Valley Community Centre Renewals	20	21	22	23	23	24	24	25	26	27
COMMUNITY HOUSING										
640035 Community Housing Naish Court New Build	50	448								
640036 Spenser St New Builds		448								
640037 Waihola New Builds			691							
640003 Balclutha Argyle Street Healthy Homes	14		26	155		36	11		34	57
640006 Balclutha Toshvale Healthy Homes Work	99	144					1,062		162	
640009 Balclutha Naish Courts Healthy Homes Work	61		37		1,154				128	
640012 Clinton Healthy Homes Work		22	24		209	16		50	168	
640015 Kaitangata Healthy Homes Work		15				44	12			107
640018 Lawrence Healthy Homes Work		40	101			86	56		738	
640021 Milton Elderlee St Healthy Homes Work		40	44		14	95				482
640024 Milton Spencer St Healthy Homes Work		18	20			43			247	
640027 Owaka Healthy Homes Work	20	23				452		16		
640030 Tapanui Healthy Homes Work	48			27	84			29		575
640033 Waihola Healthy Homes Work	17	19		281		53	29			

* Equal to or greater than \$10K

WHAT WE ARE PLANNING FOR COMMUNITY SERVICES* CONTINUED

PROJECT (\$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PUBLIC TOILETS										
200004 Gabriel's Gully Entrance Hub and Destination Toilet Investigation	50									
620015 Kaka Point Foreshore Public Toilets & Change Rooms		21								
620016 Kaitangata Additional Public Toilet		53								
620004 Milton Renewals			22							
620009 Owaka Renewals							24			
620010 Tapanui Renewals				23						
CAMPING GROUNDS										
670005 Kaka Point Renewals	10		32			13				

* Equal to or greater than \$10K

WHAT IT WILL COST & HOW WE WILL FUND COMMUNITY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	3,253	3,622	3,860	4,014	4,160	4,261	4,388	4,415	4,511	4,641	4,719
Targeted rates	1,680	1,775	1,962	2,045	2,103	2,143	2,200	2,203	2,243	2,296	2,330
Subsidies and grants for operating purposes	0	162	0	0	0	0	0	0	0	0	0
Fees and charges	1,667	1,250	1,282	1,320	1,358	1,397	1,435	1,449	1,490	1,532	1,573
Internal charges and overheads recovered	0	517	90	60	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	6,600	7,326	7,194	7,439	7,621	7,801	8,023	8,067	8,244	8,469	8,622
Applications of operating funding											
Payments to staff and suppliers	(3,934)	(10,674)	(5,662)	(4,393)	(4,496)	(4,612)	(4,727)	(4,774)	(4,896)	(5,022)	(5,147)
Finance costs	(168)	(165)	(262)	(291)	(331)	(326)	(334)	(338)	(339)	(325)	(328)
Internal charges and overheads applied	(1,412)	(1,505)	(1,515)	(1,592)	(1,601)	(1,654)	(1,726)	(1,726)	(1,763)	(1,846)	(1,853)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(5,514)	(12,344)	(7,439)	(6,276)	(6,428)	(6,592)	(6,787)	(6,838)	(6,998)	(7,193)	(7,328)
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,086	(5,018)	(245)	1,163	1,193	1,209	1,236	1,229	1,246	1,276	1,294
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,415	6,609	1,975	2,655	(320)	477	275	64	(889)	166	432
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	2,415	6,609	1,975	2,655	(320)	477	275	64	(889)	166	432

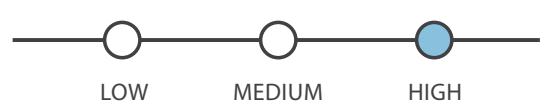
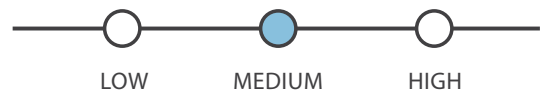
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WHAT IT WILL COST & HOW WE WILL FUND COMMUNITY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(1,495)	(1,026)	(1,188)	(862)	(333)	(74)	(509)	(38)	(38)	(39)	(40)
Capital expenditure to replace existing assets	(2,282)	(612)	(577)	(3,282)	(1,017)	(1,796)	(1,375)	(1,492)	(442)	(1,825)	(2,391)
(Increase) decrease in reserves	89	(275)	(218)	(319)	20	(364)	(236)	(369)	(347)	(389)	(349)
(Increase) decrease of investments	187	322	253	645	457	548	609	606	470	811	1,054
TOTAL APPLICATIONS OF CAPITAL FUNDING	(3,501)	(1,591)	(1,730)	(3,818)	(873)	(1,686)	(1,511)	(1,293)	(357)	(1,442)	(1,726)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,086)	5,018	245	(1,163)	(1,193)	(1,209)	(1,236)	(1,229)	(1,246)	(1,276)	(1,294)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

KEY PLANNING ASSUMPTIONS FOR COMMUNITY SERVICES

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY	WHAT WOULD HAPPEN IF THIS CHANGED
<p>Community housing programme</p> <p>We have assumed that:</p> <ul style="list-style-type: none"> • There is sufficient capacity in construction industry, and that identified land is suitable for building additional new housing units; and reserve status of proposed Balclutha site can be revoked. • The availability of proposed vacant new build units takes place and will be key to relocate existing tenants while renewal work is carried out on existing units. 		<p>Construction of new units would be delayed and/or purchase of additional land would be required. This would impact the delivery of the existing unit renewals programme. If proposed new vacant units are not available alternative funding arrangements may be required for accommodation of current tenants, or the renewal programme will not be achieved.</p>
<p>Community halls divestment programme</p> <p>We have assumed budgets for community halls includes provision for basic levels of maintenance to include maintaining halls to a weather tight and safe condition during the 2021/31 period. Budgets do not include costs for additional maintenance or seismic strengthening work. These will be addressed through community consultation and divestment for halls on a case-by-case basis.</p>		<p>If additional funding is required this could impact on rates, and would be assess on a case-by-case basis.</p>

Continues on next page

REGULATORY AND EMERGENCY SERVICES

WHAT WE DO

PROPERTY FILE RECORDS MANAGEMENT

THIS INVOLVES:

- Providing Land Information Memoranda.
- Keeping property files up to date and available for public inquiries.

RESOURCE MANAGEMENT

THIS INVOLVES:

- Providing advice on planning matters.
- Promoting the sustainable management of natural and physical resources.
- Processing resource consent applications for land use and subdivision.
- Carrying out monitoring, enforcement and prosecution when necessary.

BUILDING CONTROL

THIS INVOLVES:

- Providing advice and administering the Building Act 2004.
- Processing applications for Project Information Memoranda (PIMS) and Building Consents.
- Issuing building warrants of fitness and compliance schedules.
- Investigating complaints related to unauthorised building work.

ENVIRONMENTAL HEALTH

THIS INVOLVES:

- Registering and inspecting/auditing premises that prepare or sell food in accordance with the Food Act 2014 including the development and monitoring of food control plans.
- Registering and inspecting other controlled premises e.g. camping grounds.

- Promoting safe health practices through seminars and newsletters.

- Responding to noise complaints. Approximately 80 noise complaints are responded to annually.

ANIMAL CONTROL

THIS INVOLVES:

- Maintaining a register of the dogs in the district.
- Responding to complaints of wandering stock and dogs as well as barking and nuisance complaints.
- Providing impounding facilities, which are located in Balclutha.
- Providing education and advice to dog owners.
- Undertaking enforcement for non-compliance with dog control legislation and bylaws.

ALCOHOL LICENSING

THIS INVOLVES:

- Controlling the sale and supply of alcohol.
- Processing applications for on, off, club and special licenses, processing manager's certificates and renewals, and monitoring licensed premises for compliance.
- Promoting the principle of alcohol harm reduction.
- Reviewing Council's liquor ban bylaw to allow appropriate enforcement.

CIVIL DEFENCE EMERGENCY MANAGEMENT

THIS INVOLVES:

- Work with other authorities to plan for hazards and maintain Emergency Management and Operational plans.
- Maintaining systems, communications and resources that can be used during an emergency.
- Providing training for a network of volunteers throughout the district.
- Promoting awareness and personal preparedness.
- Monitoring known hazards, for example, the Clutha and Pomahaka rivers.
- Responding when actual or potential emergencies arise.
- Assisting with recovery after an event.

WHY WE DO IT

The activities in this group are provided to ensure public health and safety, and to ensure that economic activity and development occur in a way that does not place people or the environment at risk.

This activity group makes a primary contribution to the community outcome "healthy safe communities" and is a key contributor to 'Living and Working in Clutha' priorities of facilitating quality housing, reducing our environmental footprint and adapting to climate change.

MAINTAINING CURRENT LEVELS OF SERVICE

MAINTENANCE AND OPERATIONS

Regulatory and Emergency Services will continue to be carried out in-house, with the exception of after-hours noise and animal control. After-hours noise and animal control is contracted out and reviewed annually. Rural Fire is now the responsibility of Fire and Emergency New Zealand. The other main tasks involved with the ongoing maintenance and operation in this activity group include retaining building consent authority accreditation, maintaining the Civil Defence and District Plans, and retaining civil defence volunteers and maintaining their training levels.

RENEWALS AND REPLACEMENTS

Regulatory and Emergency Services do not involve any significant assets. The only asset funded as a capital item is the dog pound. This is funded for depreciation in accordance with Council's standard

practice for buildings. This facility is in good condition and we do not anticipate new capital requirements beyond ongoing maintenance. The only other significant capital items are vehicles, which are purchased through Council's Treasury function, and funded through an internal lease.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

BUILDING CONSENT

AUTHORITY (BCA) ACCREDITATION

Council will continue to ensure that it meets necessary requirements to retain its BCA accreditation. Council will also continue its involvement in the various regional shared services groups. Of particular relevance here is the continued collaboration between Clutha District Council and the three building control authorities within the Southland region.

Council will continue to implement a programme to assess potentially earthquake prone buildings in line with national Dangerous and Insanitary Building provisions. It is anticipated that our involvement will be as a conduit between building owners and structural assessors, with no Council funding allocated to assist private building owners meet their obligations.

ENVIRONMENTAL MANAGEMENT & PLANNING

With Central Government's announcement to overhaul the Resource Management Act 1991, Council has moved its focus in the environmental management and planning activity. A key outcome of the overhaul is to do away with separate district plans and establish combined regional plans.

There will be one combined plan per region, it will be outcomes based and will enable simplified evaluation requirements for consenting. The key focus for Council will be influencing, where appropriate, the outcome of the overhaul of the Resource Management Act, and clearly identifying both the district-wide issues and the more specific matters relating to zoning for growth and constraints to development that will need to be included in the one regional plan and how they are articulated and given effect to.

WHAT'S NOT INCLUDED IN THIS PLAN

DISTRICT PLAN REVIEW

The Government has announced an overhaul of the Resource Management Act 1991 to be completed by the end of 2022. A key outcome will be a proposal to do away with separate district plans and to establish combined regional plans. There will be one regional plan for the Otago Region.

Council's current operative District Plan is overdue for review. The review was programmed to commence sometime in 2018/21. However, District Plan reviews are costly and often take a long time to complete. A full review of the Clutha District Plan would have been unlikely to be completed before the Government's overhaul of the Resource Management Act 1991 was scheduled to be completed and new legislation enacted. Council has decided not to proceed with a full review of its District Plan while it awaits the final outcome of the overhaul and the new legislation is enacted.

SIGNIFICANT NATURAL AREAS

The Government is consulting on a draft National Policy Statement for Indigenous Biodiversity (NPS-IB). The purpose of the NPS-IB is to set out objectives and policies in relation to maintaining indigenous biodiversity and to specify what local authorities must do to achieve those objective.

The NPS-IB proposes establishing an obligation on local authorities carry out a district wide assessment to determine if an area has significant indigenous vegetation and/or is a significant habitat of indigenous fauna, and if so, classify it as either High or Medium based on specified criteria. These areas will be called Significant Natural Areas (SNAs). Once identified and mapped, local authorities will be required to notify a plan change necessary to include maps of SNAs in district plans (or equivalent under Government's proposed changes to Resource Management Act 1991).

While work to identify SNAs is potentially a key focus for Council over the next few years, Council has not yet set up a project to carry out the work in part because it is yet to be determined whether or not there will be any significant change to the NPS-IB when it is finally released by Government.

SIGNIFICANT EFFECTS

THE SIGNIFICANT EFFECTS COUNCIL'S REGULATORY AND EMERGENCY SERVICES HAVE ON OUR DISTRICT'S WELLBEING ARE OUTLINED BELOW.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
If legislative responsibilities are not well managed, there is the risk that social, economic, environmental and cultural benefits will not be realised.	●	●	●	●	Council has a responsibility to ensure that all processes and legislative requirements are properly followed.
When Council undertakes its regulatory activities it takes time to process applications and there is a cost to applicants. This is an unavoidable negative effect in order to make sure that legal requirements are met and that, more importantly, public safety and the environment are protected.	○	○	●	○	Council has a responsibility to ensure that costs and processing times are kept to a minimum.
There is a risk of injury to animal control officers from dog owners, dogs and livestock.	●	○	○	●	Ongoing training provided to ensure that necessary precautions are taken to protect against attack.
The dog control activity is predominantly funded by dog registrations. In many cases, those dogs that cause problems are not registered. To a certain extent 'problem' dogs and their owners are funded by responsible dog owners.	○	●	●	○	Cost recovery options can be implemented where possible.
Legislation is requiring more stringent Council input in the building consent process, which is increasing costs.	○	○	●	○	Apart from advocating on behalf of the community (via submissions to Central Government, for example), legislation is beyond the control of local authorities. There are limited options for councils to keep costs down when these costs come from sources outside their control.
Processing times for the various stages associated with building projects is considered a delay in construction.	○	○	●	○	Council has to ensure that it balances its responsibilities in relation to public safety with the needs of builders in relation to responsiveness.

WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE WILL MEASURE PROGRESS (performance measure)	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
To provide an application processing service where consents are processed within statutory time frames in an efficient manner	Applications lodged are processed within statutory time frames ¹	70% ²	100%	100%	100%	100%
Complaints are prioritised and responded to in an efficient manner	Customer service requests are responded to within target time frames	92%	≥95%	≥95%	≥95%	≥95%

¹ Includes resource consent, building consent, land information memorandum and alcohol licencing applications.

² This result is expected to be improved through increased resourcing and process improvement.

WHAT WE ARE PLANNING FOR REGULATORY AND EMERGENCY SERVICES*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Dog Pound Upgrade	60									

* Equal to or greater than \$20K

WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Facilitating Council's focus on growing the rating base by:
 - o Enabling the consenting process
 - o Supporting and enabling the utilization of land for development
 - o Research where our gaps are in housing, commercial property, industrial land and town aesthetics
- Maintaining BCA accreditation

WHAT IT WILL COST & HOW WE WILL FUND REGULATORY & EMERGENCY SERVICES

(All in \$'000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	356	355	362	376	382	394	408	410	420	436	442
Targeted rates	769	836	835	841	857	852	908	884	923	932	949
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,347	1,616	1,663	1,711	1,761	1,812	1,861	1,879	1,932	1,986	2,040
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	2,472	2,807	2,860	2,928	3,000	3,058	3,177	3,173	3,275	3,354	3,431
Applications of operating funding											
Payments to staff and suppliers	(1,208)	(1,505)	(1,464)	(1,477)	(1,541)	(1,556)	(1,621)	(1,612)	(1,678)	(1,697)	(1,765)
Finance costs	(7)	(5)	(6)	(5)	(5)	(4)	(4)	(4)	(4)	(3)	(3)
Internal charges and overheads applied	(1,224)	(1,215)	(1,225)	(1,279)	(1,288)	(1,327)	(1,378)	(1,380)	(1,408)	(1,467)	(1,475)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(2,439)	(2,725)	(2,695)	(2,761)	(2,834)	(2,887)	(3,003)	(2,996)	(3,090)	(3,167)	(3,243)
SURPLUS (DEFICIT) OF OPERATING FUNDING	33	82	165	167	166	171	174	177	185	187	188
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	44	33	(30)	(30)	(20)	(20)	(21)	(21)	(21)	(21)	(12)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	44	33	(30)	(30)	(20)	(20)	(21)	(21)	(21)	(21)	(12)

WHAT IT WILL COST & HOW WE WILL FUND REGULATORY & EMERGENCY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	(70)	(60)	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	5	(11)	(88)	(90)	(93)	(96)	(98)	(99)	(102)	(105)	(108)
(Increase) decrease of investments	(12)	(44)	(47)	(47)	(53)	(55)	(55)	(57)	(62)	(61)	(68)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(77)	(115)	(135)	(137)	(146)	(151)	(153)	(156)	(164)	(166)	(176)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(33)	(82)	(165)	(167)	(166)	(171)	(174)	(177)	(185)	(187)	(188)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

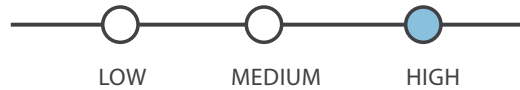
KEY PLANNING ASSUMPTIONS FOR REGULATORY AND EMERGENCY SERVICES

WHAT WE HAVE ASSUMED

Environmental Management & Planning Changes

Council assumes that, in light of the government-initiated review of the Resource Management Act, and National Policy Statement on Indigenous Biodiversity there will be changes to Council's role and responsibilities under new environmental management and planning legislation. The nature, scale and significance of those changes are not yet apparent..

LEVEL OF UNCERTAINTY



WHAT WOULD HAPPEN IF THIS CHANGED

That Council's responsibilities regarding environmental management and planning could significantly change which could have flow on resourcing and budgetary implications.

*Universal financial assumptions that also affect Regulatory & Emergency Services are included in the financial strategy section of this document.

INTERNAL SERVICES

Internal services play an important role in enabling Council to function.

WHAT WE DO

Several internal services support our significant activities in delivering services to our communities. These include corporate management, human resources, health and safety, policy and communications, district assets operations, regulatory operations, treasury, information services, geographic information systems (GIS) and the running and maintenance of our main the Rosebank office in Balclutha.

WHY WE DO IT

Internal services play an integral role in enabling Council to function.

MAINTAINING CURRENT LEVELS OF SERVICE

Ongoing renewal work is planned for Council's Rosebank Terrace head office, including for the interior of the building, and for regular information technology renewals including GIS software and aerial photography updates.

Council's internal services will continue to support

Council's activities using in-house staff and when required specialist consultant expertise.

Significant investment has occurred in Council's technology across all aspects, including our Enterprise Resource Planning (ERP) system, our Document Management System (M-Files), our web, mobile and online solutions, and our network and telecommunications. This enabled us to get on par with the rest of the country. We have achieved that goal and we will be looking to build on the platform and maximise our investments.

Council has a continuous review of Council property with a view to holding property for specific purposes only. Council will continue to always work towards ensuring the best return to the ratepayer.

Council will continue to ensure Health & Safety is a priority and that our staff and contractors remain safe.

IMPROVEMENTS OR CHANGES WE'RE PROPOSING

We will continue to implement and improve Council's E-business platform. A major aspect of this is scanning our paper records and working in a fully digital environment internally, and externally.

Our focus areas will be on improving our customer's engagement (CRM and online projects), higher quality of service through better efficiencies and automations (ERP upgrades and asset system integrations) and better decision making based on quality and accessible data (Digitisation and Reporting analysis).

There is a need for an improved Cybersecurity solution due to external risks. This will focus on securing our digital investments and assets and be a responsible steward for our community's private information.

With Covid-19 council has experienced the gains remote communications and interactions provide. We will be looking to expand on our audio and visual capabilities to further take advantage of these solutions.

WHAT WE ARE PLANNING FOR INTERNAL SERVICES*

PROJECT (All in \$000s)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Levels of service improvements										
900018 Hardware Asset Purchases	42	47	50	52	53	55	56			
900019 Digitisation of Property Files	800									
900037 Computer Network & Security	60	64	66	68	70	71	73			
900050 Datascape Upgrade	300	43								
900051 Datascape Upgrade		96	22							
900052 Datascape Upgrade	100	48								
900053 Rosebank Office upgrade Audio and Visual equipment and installation	50	21								
900054 Audio and Visual Equipment and Installation				79	17					
900056 M-Files Automation and Integrations	50	32	22							
900057 Phone System Upgrades	75	16								
900058 Systems Integrations	40	21								
900059 Digitisation of Records				338						
900060 Digitisation of Records					319					
900061 Digitisation of Records						202				
900065 Security Compliance Programme Set Up	20									
Renewals										
900004 Vehicle renewals	240	256	263	270	278	285	293	301	310	318
900015 Rosebank Office Foyer & Renewals	59	27	21		39		70			

* Equal to or greater than \$20K

WHAT IT WILL COST & HOW WE WILL FUND INTERNAL SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	129	0	0	0	0	0	0	0	0	0
Fees and charges	139	165	170	175	180	185	190	192	198	203	209
Internal charges and overheads recovered	8,010	7,807	7,867	8,246	8,306	8,571	8,929	8,934	9,125	9,536	9,585
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING FUNDING	8,149	8,101	8,037	8,421	8,486	8,756	9,119	9,126	9,323	9,739	9,794
Applications of operating funding											
Payments to staff and suppliers	(7,688)	(8,117)	(8,051)	(8,380)	(8,447)	(8,701)	(9,056)	(9,051)	(9,253)	(9,682)	(9,747)
Finance costs	(3)	(39)	(62)	(66)	(66)	(71)	(75)	(76)	(74)	(71)	(67)
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(7,691)	(8,156)	(8,113)	(8,446)	(8,513)	(8,772)	(9,131)	(9,127)	(9,327)	(9,753)	(9,814)
SURPLUS (DEFICIT) OF OPERATING FUNDING	458	(55)	(76)	(25)	(27)	(16)	(12)	(1)	(4)	(14)	(20)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	2,348	1,490	230	(1)	371	221	84	(99)	(228)	(231)	(228)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	2,348	1,490	230	(1)	371	221	84	(99)	(228)	(231)	(228)

Continues on next page

WHAT IT WILL COST & HOW WE WILL FUND INTERNAL SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Applications of capital funding											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(2,631)	(1,654)	(414)	(178)	(678)	(478)	(347)	(222)	0	0	(80)
Capital expenditure to replace existing assets	(883)	(299)	(283)	(284)	(277)	(317)	(304)	(363)	(301)	(310)	(318)
(Increase) decrease in reserves	654	(139)	(182)	(261)	(229)	(277)	(310)	(213)	(347)	(363)	(320)
(Increase) decrease of investments	54	657	725	749	840	867	889	898	880	918	966
TOTAL APPLICATIONS OF CAPITAL FUNDING	(2,806)	(1,435)	(154)	26	(344)	(205)	(72)	100	232	245	248
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(458)	55	76	25	27	16	12	1	4	14	20
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)		HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2019/20	2021/22	2022/23	2023/24	2024/25 - 2030/31
We handle customer requests for service efficiently and effectively	Percentage of service requests resolved within time frames	53%	95%	95%	95%	95%
We deliver on our work programmes	Percentage of capital projects completed*	39%	75%	80%	82%	90%

* Based on an average that takes into account: 1) number of projects completed and 2) approved budget spent.

RATES INFORMATION

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2021/31



FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGC's, rates penalties	5,095	5,184	4,899	5,422	6,015	6,195	6,346	6,402	6,501	6,698	6,791
Targeted rates	22,635	23,295	24,700	25,356	27,002	28,421	28,984	29,533	30,713	31,348	32,095
Subsidies and grants for operating purposes	4,020	4,535	4,881	4,603	5,147	4,706	4,782	4,875	4,990	5,101	5,238
Fees and charges	3,180	6,119	7,101	7,095	6,810	7,011	7,206	7,295	7,492	7,693	7,891
Interest and dividends from investments	1,286	0	0	0	0	0	0	0	0	0	0
Fuel tax, infringement fees and other receipts	1,776	200	206	212	218	224	230	232	239	246	252
TOTAL SOURCES OF OPERATING FUNDING	37,992	39,333	41,787	42,688	45,192	46,557	47,548	48,337	49,935	51,086	52,267
Applications of Operating Funding											
Payments to staff and suppliers	27,480	38,180	32,159	31,716	33,036	34,013	34,921	35,278	36,127	37,185	37,973
Finance costs	697	689	1,057	1,416	1,747	1,912	2,015	2,178	2,228	2,168	2,138
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	28,177	38,871	33,217	33,131	34,783	35,926	36,936	37,457	38,354	39,353	40,112
SURPLUS (DEFICIT) OF OPERATING FUNDING	9,815	462	8,570	9,557	10,409	10,631	10,612	10,880	11,581	11,733	12,155

FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Capital Funding											
Subsidies and grants for capital expenditure	5,452	6,363	5,448	5,831	6,267	7,308	6,858	6,908	6,074	6,581	6,301
Development and financial contributions	0	0	0	0	220	1,983	17,623	2,203	0	0	0
Increase (decrease) in debt	7,500	21,500	15,300	20,600	12,500	4,000	6,300	10,000	0	0	0
(Debt repayments)	(720)	0	0	0	0	0	0	0	(5,000)	(1,000)	(2,000)
Gross proceeds from sale of development property	0	900	700	500	400	100	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	12,232	29,420	22,105	27,393	19,388	13,391	30,782	19,111	1,074	5,581	4,301
Applications of Capital Funding											
Capital expenditure to meet additional demand	75	840	2,715	1,928	2,328	2,552	24,236	7,223	540	854	440
Capital expenditure to improve the level of service	6,716	10,390	14,057	17,393	10,967	2,301	2,352	7,564	738	762	1,276
Capital expenditure to replace existing assets	15,074	19,676	14,920	18,226	17,632	19,632	15,698	15,954	12,184	16,266	15,546
(Increase) decrease in reserves	(264)	433	(175)	150	(329)	339	(93)	51	(6)	231	(4)
(Increase) decrease of investments	446	(2,112)	(1,500)	(1,210)	(800)	(800)	(800)	(800)	(800)	(800)	(800)
TOTAL APPLICATIONS OF CAPITAL FUNDING	12,232	28,763	21,448	26,931	19,388	13,391	30,782	19,111	1,074	5,581	4,301
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(9,815)	(464)	(8,570)	(9,555)	(10,409)	(10,633)	(10,612)	(10,882)	(11,581)	(11,732)	(12,157)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

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DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council sets the following rates for the year commencing 1 July 2021 and ending 30 June 2022 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

All monetary values disclosed are inclusive of GST.

DEFINITIONS

UAGC - A 'Uniform Annual General Charge' is a rate set at a fixed amount across the district and which every rateable SUIP pays.

SUIP - A 'separately used or inhabited part of a rating unit' includes any part or parts of a rating unit that can be separately used or inhabited in addition to the principal habitation or use.

'On demand' water supply - A supply which is available on demand directly from the point of supply subject to the agreed level of service.

'Restricted' water supply - A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

The Council is not inviting lump sum contributions in respect of any targeted rates.

COMMUNITY LEADERSHIP

Community Board Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	70.40	87,500
Lawrence/Tuapeka Community Board	121.60	109,300
TOTAL		196,800

COMMUNITY BOARDS

Council has set 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (as per attached maps). The rates are set as a fixed charge per rateable separately used or inhabited part

of a rating unit (SUIP) within each community board area as per the table above:

WEST OTAGO HEALTH TRUST

Council has set a targeted rate per rateable separately used or inhabited part of a rating unit (SUIP) for those within the

West Otago Health Trust service catchment area, which mirrors the West Otago Community Board boundaries. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed charge of \$71.60 per SUIP. The total amount to be collected is \$ 89,800.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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Activity	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
Council	119.30	1,275,100
Economic development	79.40	848,900
Community support	39.50	421,800
Culture and heritage	23.50	250,700
District wide main street	6.70	71,800
Parks, reserves, sportsgrounds and playgrounds	56.10	598,900
Halls & community centres	17.90	190,800
Swimming pools	72.70	776,400
Service Centres & Libraries	164.90	265,300
Information Centres	24.80	1,762,200
Cross Recreation Centre	9.40	100,400
Animal Control	8.30	88,400
Emergency Services	16.60	177,500
Cemeteries	16.60	177,000
Public conveniences	28.70	306,300
Environmental health	12.80	136,600
Rural fire	0.60	6,300
Waste Minimisation	7.70	82,200
SUB TOTAL	705.50	7,536,600
Income		
Property	1.10	11,800
General - Petrol Tax and Investment Income	122.90	1,310,800
Other income	23.60	252,700
SUB TOTAL	147.60	1,575,300
TOTAL	557.90	5,961,300

Council has set a 'UAGC' of \$557.90 on each rateable separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$5,961,300.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined to the left.

DISTRICT ROADING

Council has set a 'District Roading' rate on every rateable rating unit in the district. The rate is 0.036043 cents per \$1 of capital value and funds approximately 37% of Councils share of the cost of providing operating and managing the local roading network, including roads, bridges, streetscapes and footpaths.

The amount to be collected is \$3,118,100.

LOCAL ROADING

Council has set 'Local Roading' Rates on every rateable rating unit in the district. This rate funds approximately 63% of Council's share of roading costs, including construction and maintenance of roads and footpaths within a locality/rating area.

The rates include a fixed charge and land value based component. The fixed charge component will be charged per SUIP and will be differentiated based on location and level of service, with the urban fixed charge being higher due to additional sealing in urban areas. The land value component will be differentiated based on location.

Council has defined areas of rateable land for the local roading rate. For rural land that falls within township boundaries, Council has applied a mechanism whereby areas equal to or greater than 1.2 hectares are split for rating purposes into an "a" and "b" assessment. The "a" assessment is calculated using the township rate (house and/or section) whilst the "b" assessment (remainder of the land) is calculated using the rural local roading rate.

The amount to be collected is \$5,309,100.

NEW FOOTPATHS

Council has set 'New Footpath Rates' to fund repayment of loans taken out to provide new footpaths. The total to be collected is \$229,000.

The rates are set as a fixed charge per separately used or inhabited part of a rating unit (SUIP) in each local roading rating area as per the table to the right:

Local Roading Targeted Rate

	TARGETED FIXED CHARGE (\$) PER SUIP	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	60.49	0.11206	392,400
Clinton	60.49	0.57377	37,700
Heriot	60.49	0.11649	6,700
Kaitangata	60.49	0.30703	107,400
Kaka Point	60.49	0.05261	43,700
Lawrence	60.49	0.13574	67,600
Milton	60.49	0.06716	153,000
Owaka	60.49	0.26147	39,400
Papatowai	60.49	0.05541	12,700
Pounawea	60.49	0.06191	13,100
Stirling	60.49	0.12958	28,600
Taieri Mouth	60.49	0.04131	39,300
Tapanui	60.49	0.17447	58,700
Waihola	60.49	0.02406	29,000
Rural	57.50	0.08176	4,279,800
TOTAL			5,309,100

New Footpaths Targeted Rate

	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	48.10	106,700
Clinton	15.20	2,800
Kaitangata	17.90	8,100
Kaka Point	28.30	8,200
Lawrence	13.60	5,100
Milton	71.90	80,300
Owaka	42.40	8,700
Stirling	24.70	3,700
Tapanui	11.40	5,400
TOTAL		229,000

URBAN WATER SUPPLY

This rate funds the provision of reticulated potable water supplies to urban areas.

Council has set a targeted rate for customers who receive potable water from an 'on demand' supply and a targeted rate for customers who receive potable water from a 'restricted' supply.

These rates will be set up as a fixed charge per SUIP. These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected

i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The final determination of these rates will also include operating and capital costs for the water supply activity.

On demand water rates will be charged for each serviced or serviceable SUIP to an unrestricted water supply.

Restricted water rates will be charged to a serviced or serviceable SUIP where a small flow is supplied through a flow control device, and storage is

provided by the customer to cater for the customer's demand fluctuations.

The restricted rate will be set at 85% of the on demand rate.

The total amount to be collected is \$ 3,697,500.

The rate for each scheme is shown in the table below:

Urban Water Supply Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER SERVICEABLE SUIP	SCHEME TYPE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	650.70	325.35	On-demand	1,475,400
Benhar	650.70	0.00	On-demand	33,800
Clinton	553.10	276.55	Restricted	100,100
Kaitangata	650.70	325.35	On-demand	287,600
Kaka Point	553.10	276.55	Restricted	144,400
Lawrence	650.70	325.35	On-demand	248,600
Milton	650.70	325.35	On-demand	692,700
Owaka	553.10	276.55	Restricted	135,800
Stirling	650.70	325.35	On-demand	103,100
Tapanui	650.70	325.35	On-demand	334,100
Waihola	553.10	276.55	Restricted	141,900
TOTAL				3,697,500

RURAL WATER SCHEMES

Council has set 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes areas that are primarily for stock but also for domestic consumption (as per attached maps). The total amount to be collected is \$5,356,900. The rates are set as a fixed charge for each unit (one m³ of water per day) of water supplied, as per the table to the right:

SEWERAGE UPGRADE SUPPORT

Council has set a 'District Sewerage Upgrade Support' rate on every rateable rating unit in the district. This will be used to fund 10% of capital costs of treatment upgrades, investigations into establishing new sewerage schemes and reticulation extensions and improving sewage disposal from existing systems. The rate is 0.001599 cents per \$1 of capital value. The amount to be collected is \$138,300.

SEWERAGE

This rate funds the provision of sewage reticulation and treatment facilities.

Council has set a targeted uniform sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available.

These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The total amount to be collected is \$3,220,300.

The rate for each scheme is shown in the table to the right:

Rural Water Scheme Targeted Rate

	FIXED CHARGE (\$) PER UNIT SUPPLIED	TOTAL AMOUNT TO BE COLLECTED (\$)
Balmoral 1	380.40	273,100
Balmoral 2	333.80	525,800
Clydevale/Pomahaka	377.20	903,400
Glenkenich	331.70	354,600
Moa Flat	221.70	521,700
North Bruce	300.30	578,900
Richardson	314.10	789,700
South Bruce	203.10	311,800
Tuapeka	427.50	690,300
Waipahi	254.50	212,800
Wangaloa	463.80	194,800
TOTAL		5,356,900

Sewerage Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER SERVICEABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	563.40	281.70	1,280,400
Clinton	563.40	281.70	102,800
Heriot	563.40	0.00	42,800
Kaitangata	563.40	281.70	225,700
Kaka Point	563.40	281.70	151,000
Lawrence	563.40	281.70	194,400
Milton (including Tokoiti)	563.40	281.70	611,900
Owaka (including Pounaweia)	563.40	281.70	132,100
Stirling	563.40	281.70	82,800
Tapanui	563.40	281.70	260,900
Waihola	563.40	281.70	135,500
TOTAL			3,220,300

SEWERAGE LOAN RATES

Council has set 'Sewerage Loan' rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rates are set as an amount for each separately used or inhabited part of a rating unit (SUIP) that is "serviceable", i.e. either connected to one of the following schemes, or for which a connection is available, that did not elect to make a lump sum contribution.

The total amount to be collected is \$48,200. The rate for each scheme is shown in the table to the right:

Sewerage Capital Targeted Loan Rate

	AREA A FIXED CHARGE (\$) PER SERVICED SUIP	AREA B FIXED CHARGE (\$) PER SERVICED SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Benhar	894.00	814.10	32,900
Tokoiti	745.10	588.80	15,300
TOTAL			48,200

STORMWATER

This rate is for the provision of stormwater reticulation and minor stormwater works.

Council has set targeted stormwater rates for each separately used or inhabited part of a rating unit (SUIP) that is either provided with a full stormwater service, or for which a limited service is available (50% of full service charge).

The total amount to be collected is \$1,030,100. The rate for each scheme is shown in the table to the right:

Stormwater Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER LIMITED SERVICE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	177.70	88.85	386,100
Clinton	177.70	88.85	32,300
Kaitangata	177.70	88.85	12,500
Kaka Point	177.70	88.85	73,800
Lawrence	177.70	88.85	46,600
Milton	177.70	88.85	60,500
Owaka	177.70	88.85	174,300
Tapanui	177.70	88.85	36,200
Heriot	177.70	88.85	16,900
Pounawea	177.70	88.85	25,700
Stirling	177.70	88.85	41,500
Taieri Mouth	177.70	88.85	80,200
Waihola	177.70	88.85	43,500
TOTAL			1,030,100

COMMUNITY FACILITIES

Council has set a 'Community Facilities' targeted rate on all rateable rating units in the district. This rate is used to fund approximately 50% of swimming pools, halls, community centres, parks, reserves, sportsgrounds, playgrounds, Cross Recreation Centre, and approximately 80% the local share of main street improvements.

The amount to be collected is \$1,777,400.

The rates are set as a fixed charge per SUIP and based on location and the facilities within each Community rating area areas (as per attached maps). The charges are per the table to the right:

SOLID WASTE MANAGEMENT

A 'Waste Management' rate has been set to fund waste collection and disposal services. This rate is set as a fixed charge of \$158.10 per pair of wheelie bins provided to each SUIP.

The amount to be collected is \$ 987,600.

DISTRICT-WIDE FACILITIES

Council has set a 'District-wide Facilities' rate on every rateable rating unit in the district. This will fund approximately 50% of the costs of public toilets.

The rate is 0.003821 cents per \$1 of capital value.

The amount to be collected is \$306,300.

Community Facilities Targeted Rate

	FIXED CHARGE PER SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Bruce	162.20	431,000
Catlins	51.90	48,400
Clinton	71.10	41,800
Lawrence Tuapeka	123.40	111,300
Lower Clutha	242.80	1,088,200
West Otago	47.40	56,700
TOTAL		1,777,400

COMMUNITY PROJECTS

Council has set a 'Community Projects' targeted rate on all rateable rating units in the Bruce community rating area. This rate is used to fund the costs of Project Bruce.

The rate is set as a fixed charge per SUIP in the Bruce community rating area (as per attached Map: Community Rating Areas).

The rates are set as a fixed charge per SUIP of \$26.00.

The amount to be collected is \$69,000.

PLANNING/REGULATORY

Council has set a 'Planning/Regulatory' rate on every rateable rating unit in the district. This will part-fund resource management, building control, compliance and liquor licensing. The rate is 0.011109 cents per \$1 of capital value.

The amount to be collected is \$961,100.

VOLUNTARY TARGETED RATE

Council sets targeted rates for rating units in the Clutha District who are part of a Voluntary Targeted Rating Scheme. These scheme provide a way for ratepayers in the Clutha District to pay for the cost of additional services provided specifically to them. These voluntary targeted rates are subject to an agreement between the ratepayer and Council, and the application of a specified interest rate (currently 1.52%), over a specified timeframe (currently between 3 & 5 years). The rate is set as a targeted rate for each rating unit in the Clutha District Voluntary Targeted Rate Scheme. Use of this rate is currently suspended pending legal review.

As at 1 July 2021 specific schemes and amounts to be collected are:

VOLUNTARY TARGETED RATE	TOTAL AMOUNT TO BE COLLECTED (\$)
Dust Suppression	0
Warm Air Clean Homes	0
Cosy Homes	0
Sewerage Connection	0
Total	0

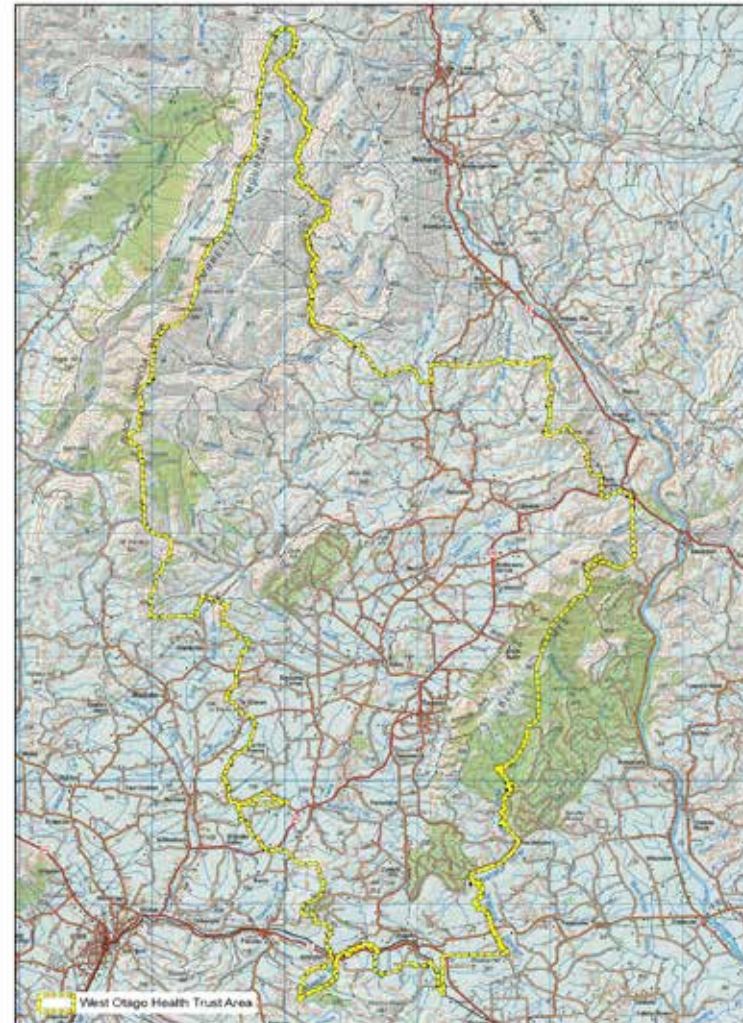
The following maps of rating areas are attached:

1. Lawrence/Tuapeka Community Board Rating Area
2. West Otago Community Board Rating Area (West Otago Health Trust)
3. Local Roding Rating Area – Balclutha
4. Local Roding Rating Area – Clinton
5. Local Roding Rating Area – Heriot
6. Local Roding Rating Area – Kaitangata
7. Local Roding Rating Area – Kaka Point
8. Local Roding Rating Area – Lawrence
9. Local Roding Rating Area – Milton
10. Local Roding Rating Area – Owaka
11. Local Roding Rating Area – Papatowai
12. Local Roding Rating Area – Pounaweia
13. Local Roding Rating Area – Stirling
14. Local Roding Rating Area – Taieri Mouth
15. Local Roding Rating Area – Tapanui
16. Local Roding Rating Area – Waihola
17. Local Roding Rating Area – Rural
18. New Footpaths Rating Area – Balclutha
19. New Footpaths Rating Area – Clinton
20. New Footpaths Rating Area – Kaitangata
21. New Footpaths Rating Area – Kaka Point
22. New Footpaths Rating Area – Lawrence
23. New Footpaths Rating Area – Milton
24. New Footpaths Rating Area – Owaka
25. New Footpaths Rating Area – Stirling
26. New Footpaths Rating Area – Tapanui
27. New Footpaths Rating Area – Waihola
28. Sewerage Loan Rate Area – Benhar Area A
29. Sewerage Loan Rate Area – Benhar Area B
30. Sewerage Loan Rate Area – Tokoitia Area A
31. Sewerage Loan Rate Area – Tokoitia Area B
32. Community Rating Area – Bruce (Community Facilities & Community Projects (Project Bruce))
33. Community Rating Area – Catlins
34. Community Rating Area – Clinton
35. Community Rating Area – Lawrence Tuapeka
36. Community Rating Area – Lower Clutha
37. Community Rating Area – West Otago
38. Rural Water Schemes Rating Areas

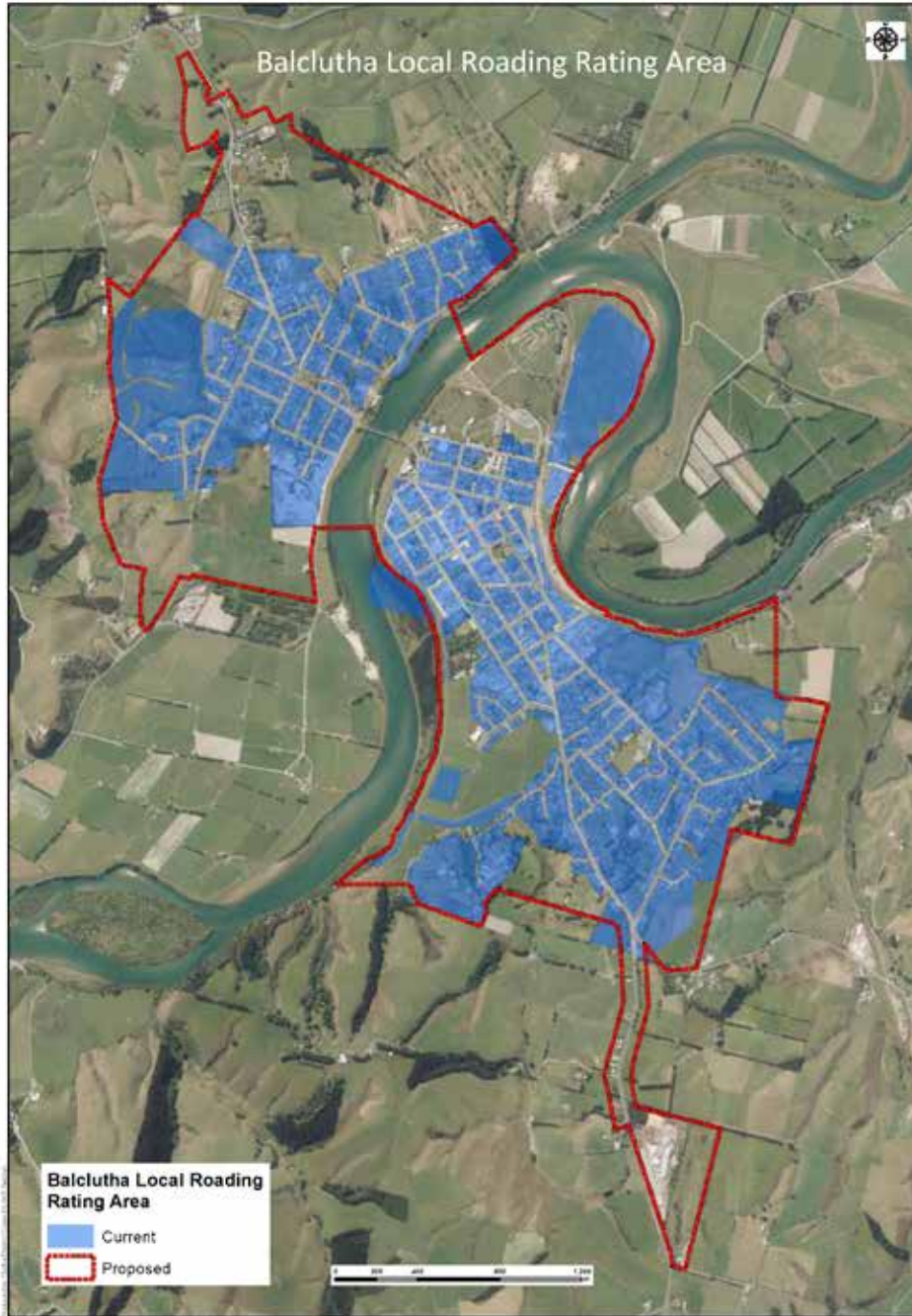
Map: Lawrence Tuapeka Community Board Rating Area



Map: West Otago Community Board/West Otago Health Trust Rating Area



Map: Balclutha Local Roading Rating Area



Map: Clinton Local Roading Rating Area



Map: Heriot Local Roding Rating Area



Map: Kaitangata Local Roding Rating Area



Map: Kaka Point Local Roding Rating Area



Map: Lawrence Local Roding Rating Area



Map: Milton Local Roding Rating Area



Map: Owaka Local Roding Rating Area



Map: Papatowai Local Roding Rating Area



Map: Pounaweā Local Roding Rating Area



Map: Stirling Local Roding Rating Area



Map: Taieri Mouth Local Roding Rating Area



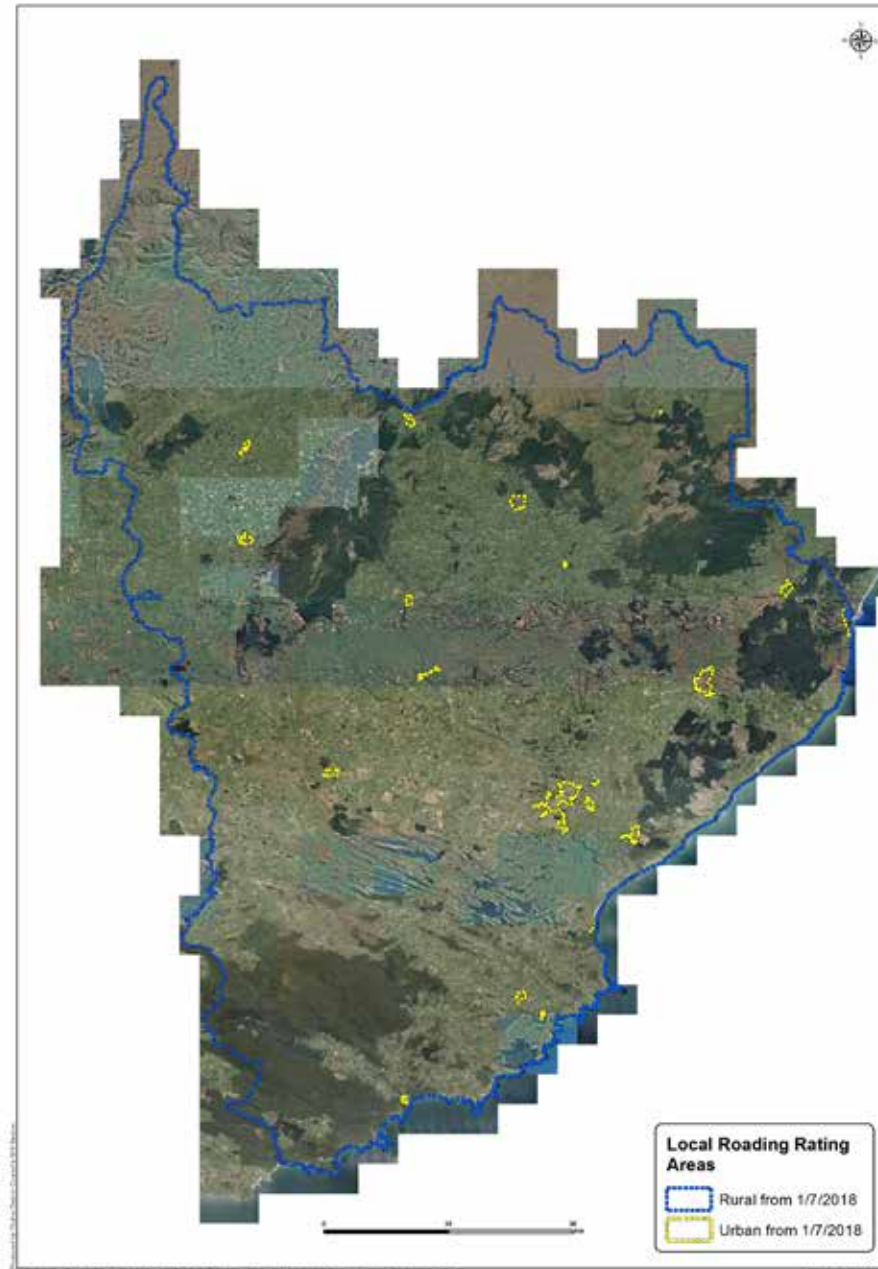
Map: Tapanui Local Roding Rating Area



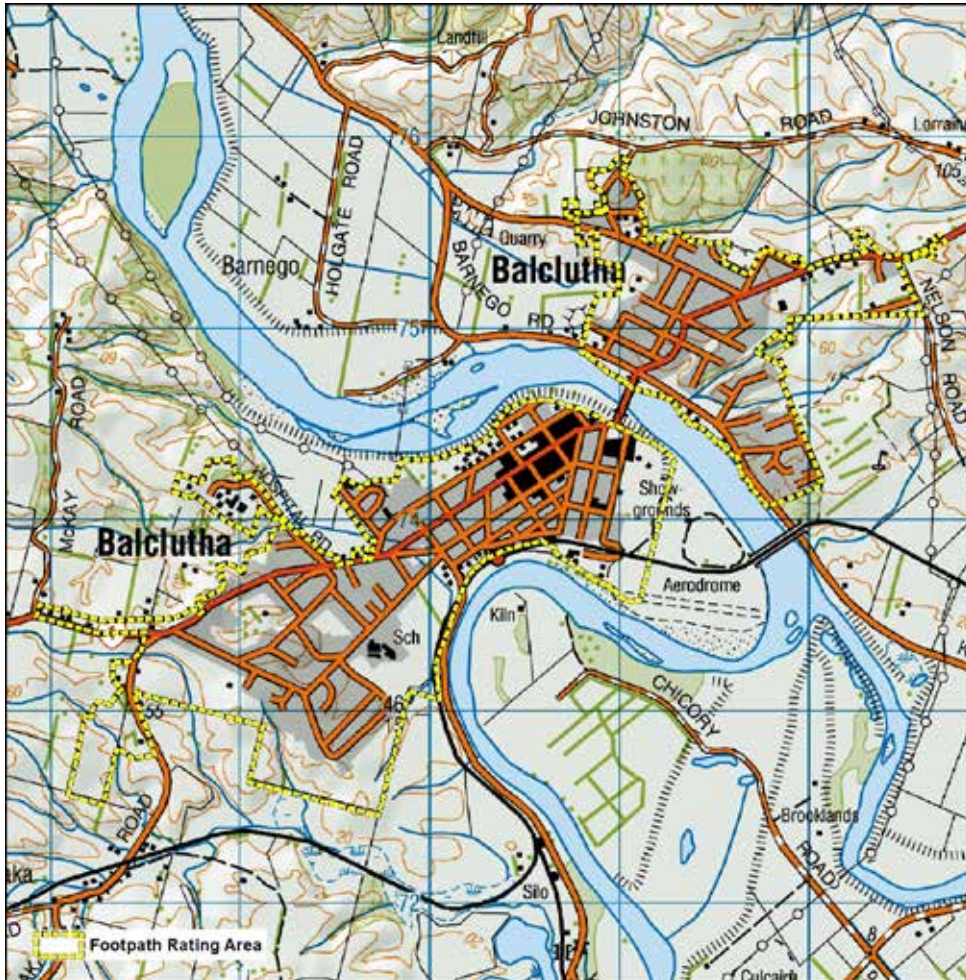
Map: Waihola Local Roding Rating Area



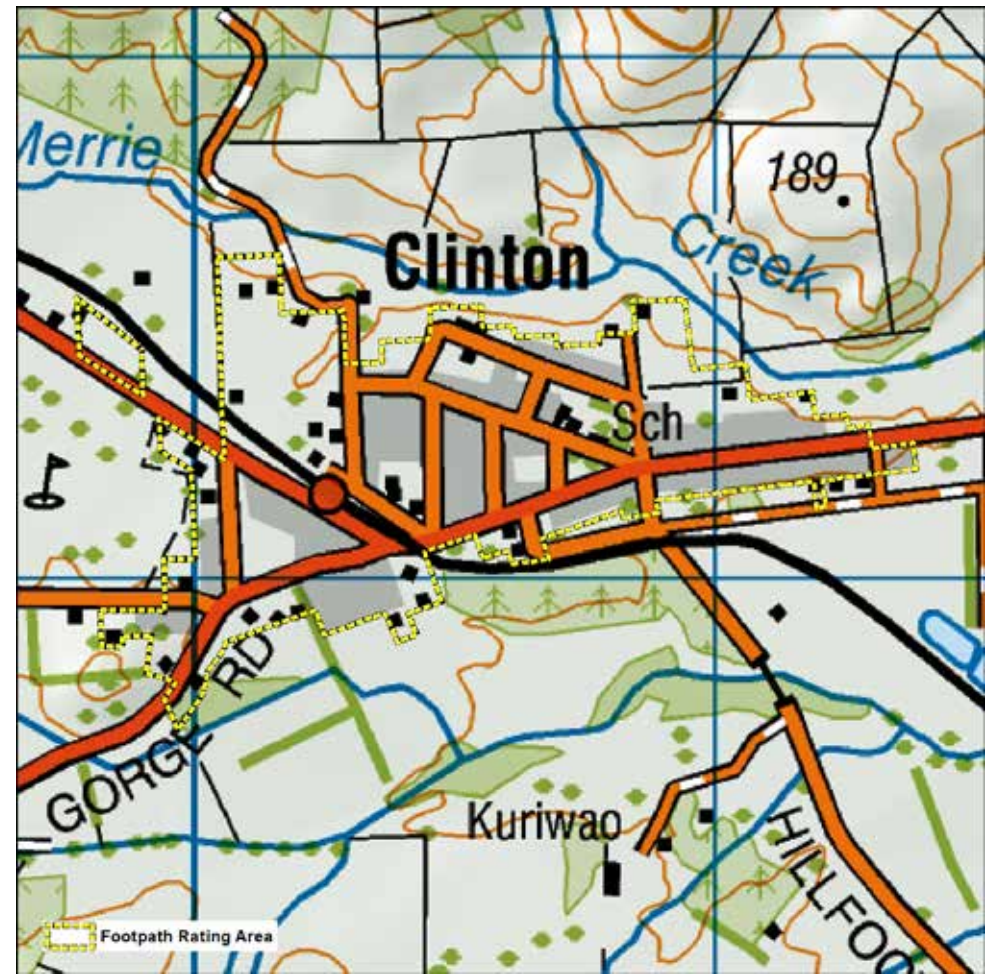
Map: Rural Local Roding Rating Area



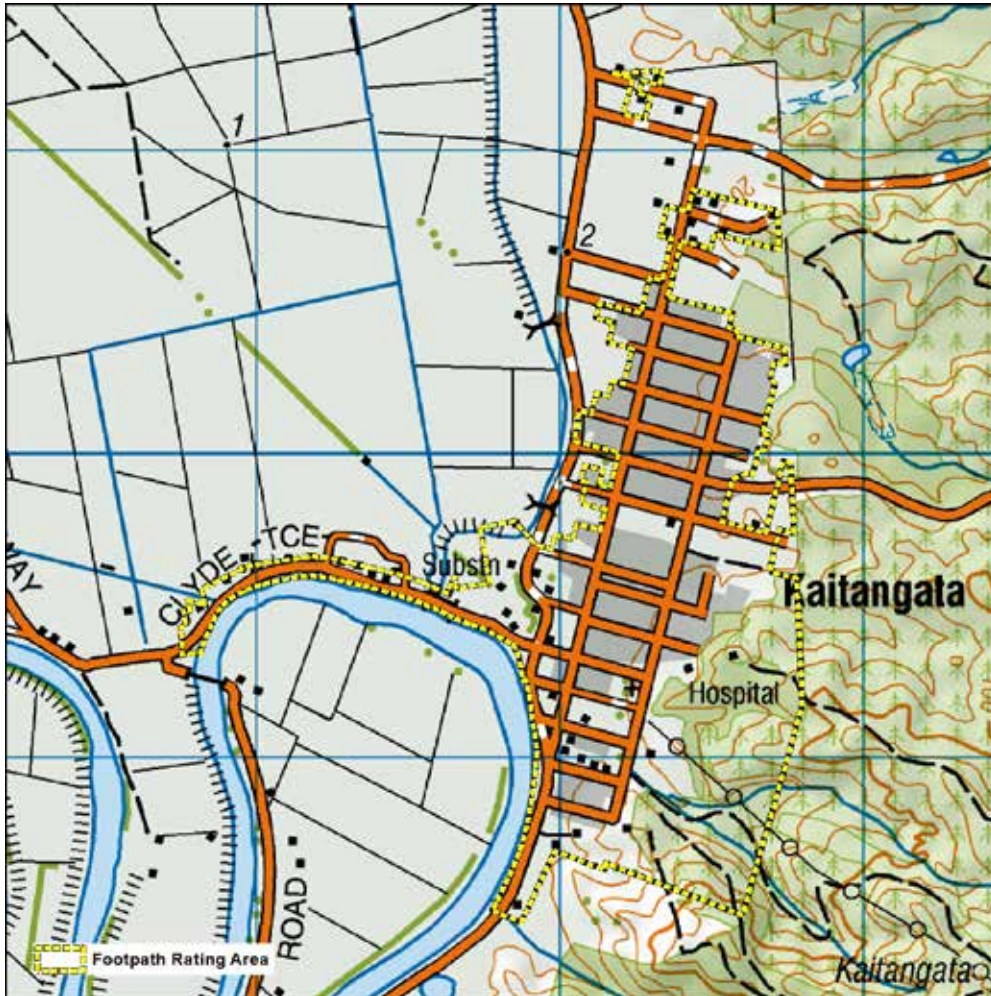
Map: Balclutha Footpath Rating Area



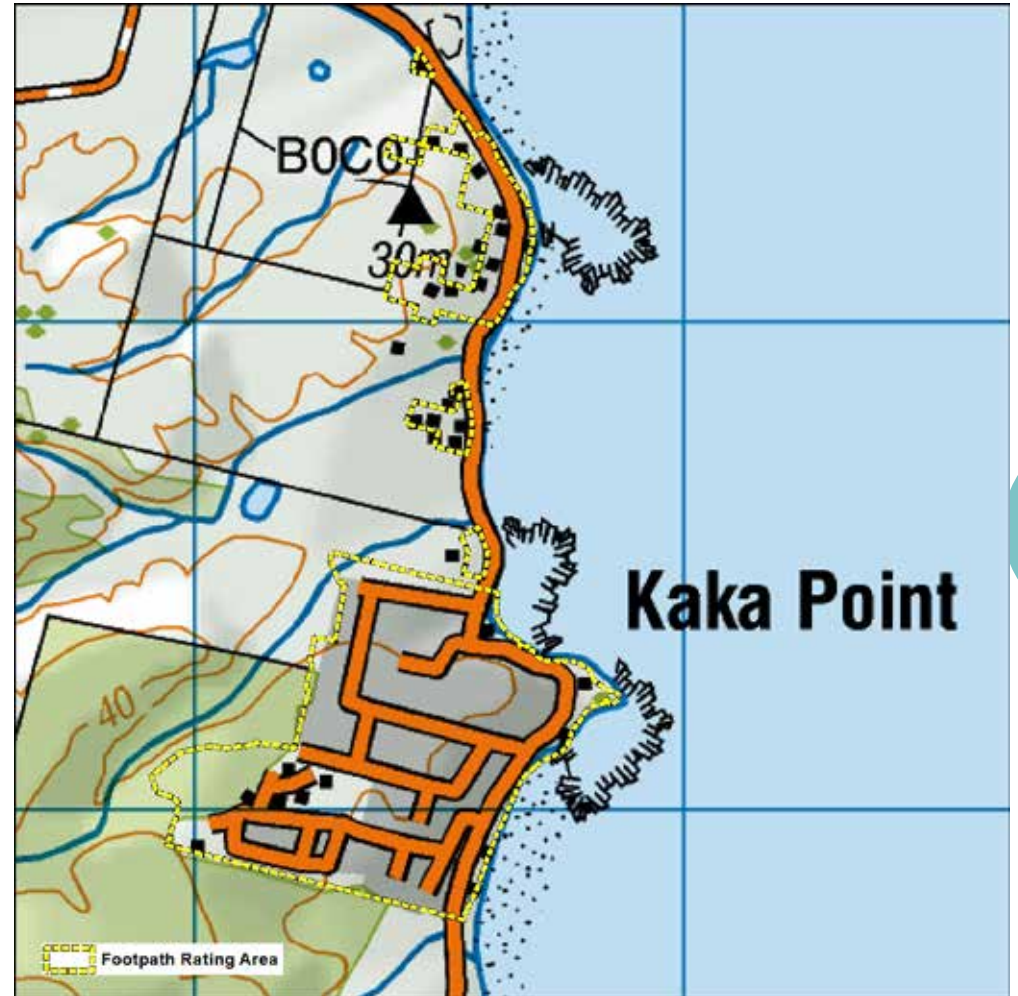
Map: Clinton Footpath Rating Area



Map: Kaitangata Footpath Rating Area



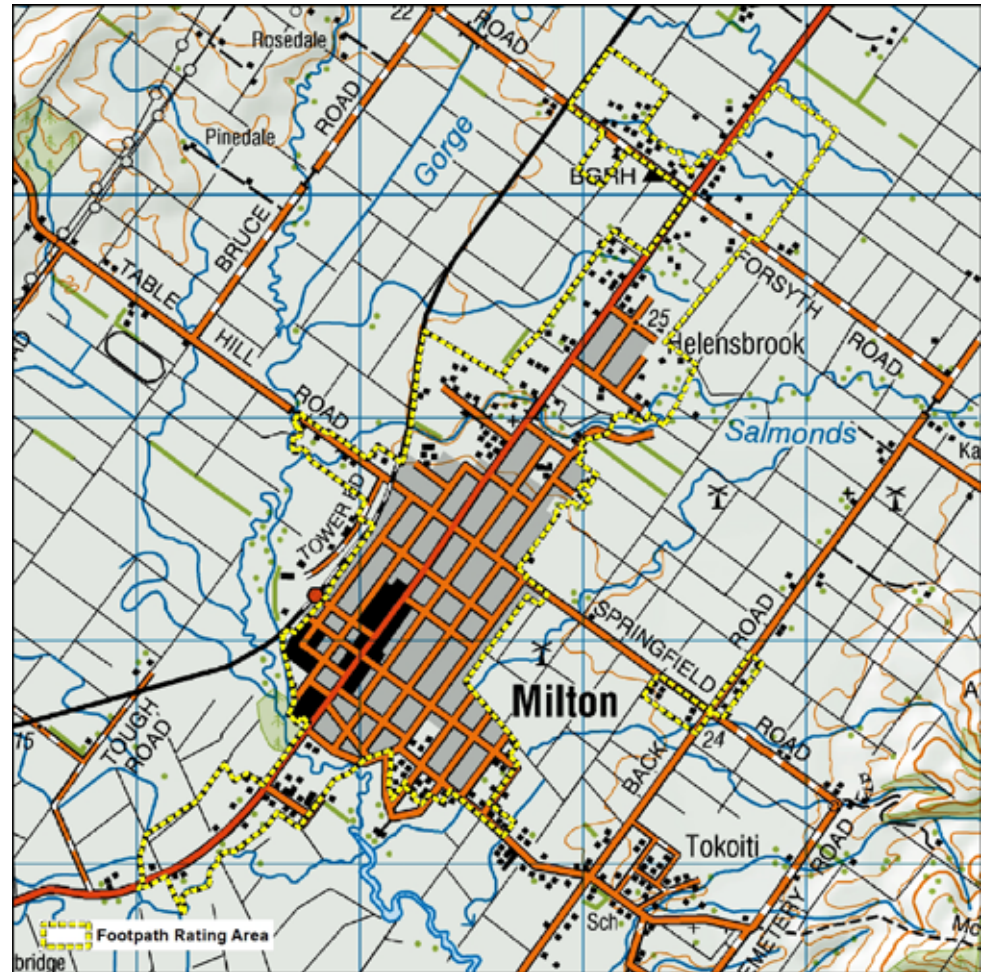
Map: Kaka Point Footpath Rating Area



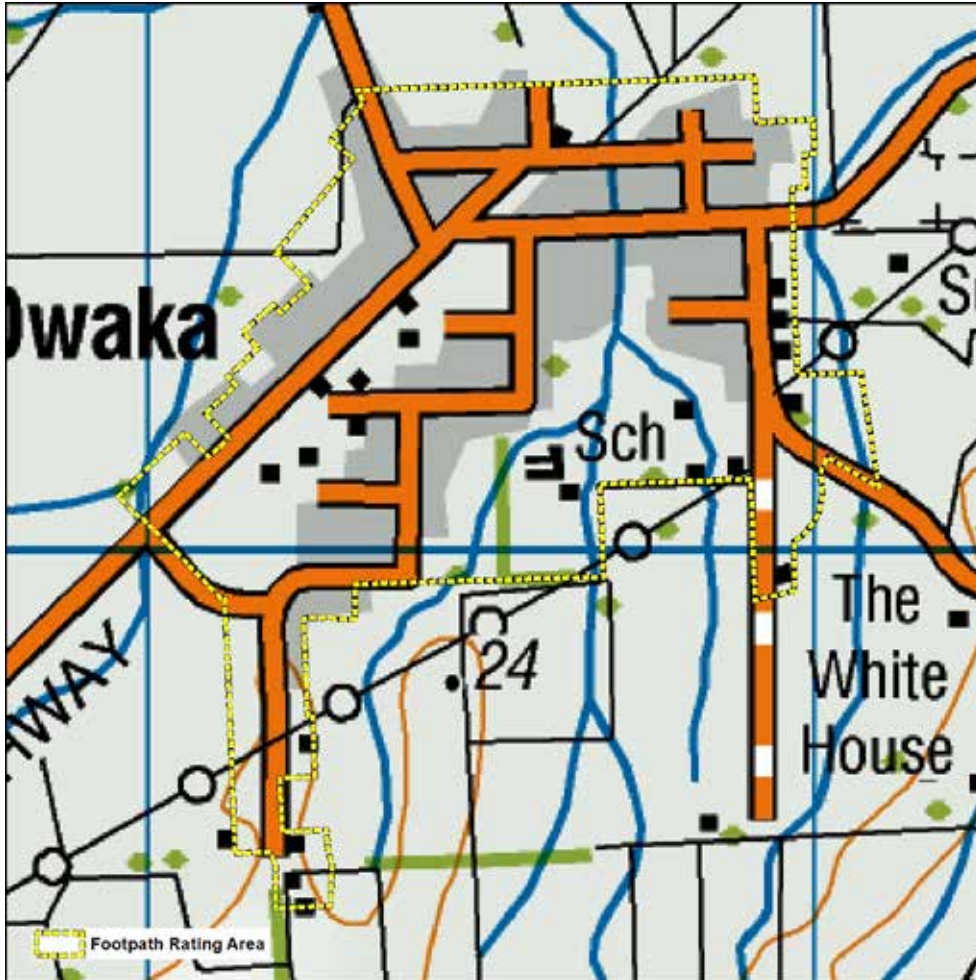
Map: Lawrence Footpath Rating Area



Map: Milton Footpath Rating Area



Map: Owaka Footpath Rating Area



Map: Stirling Footpath Rating Area



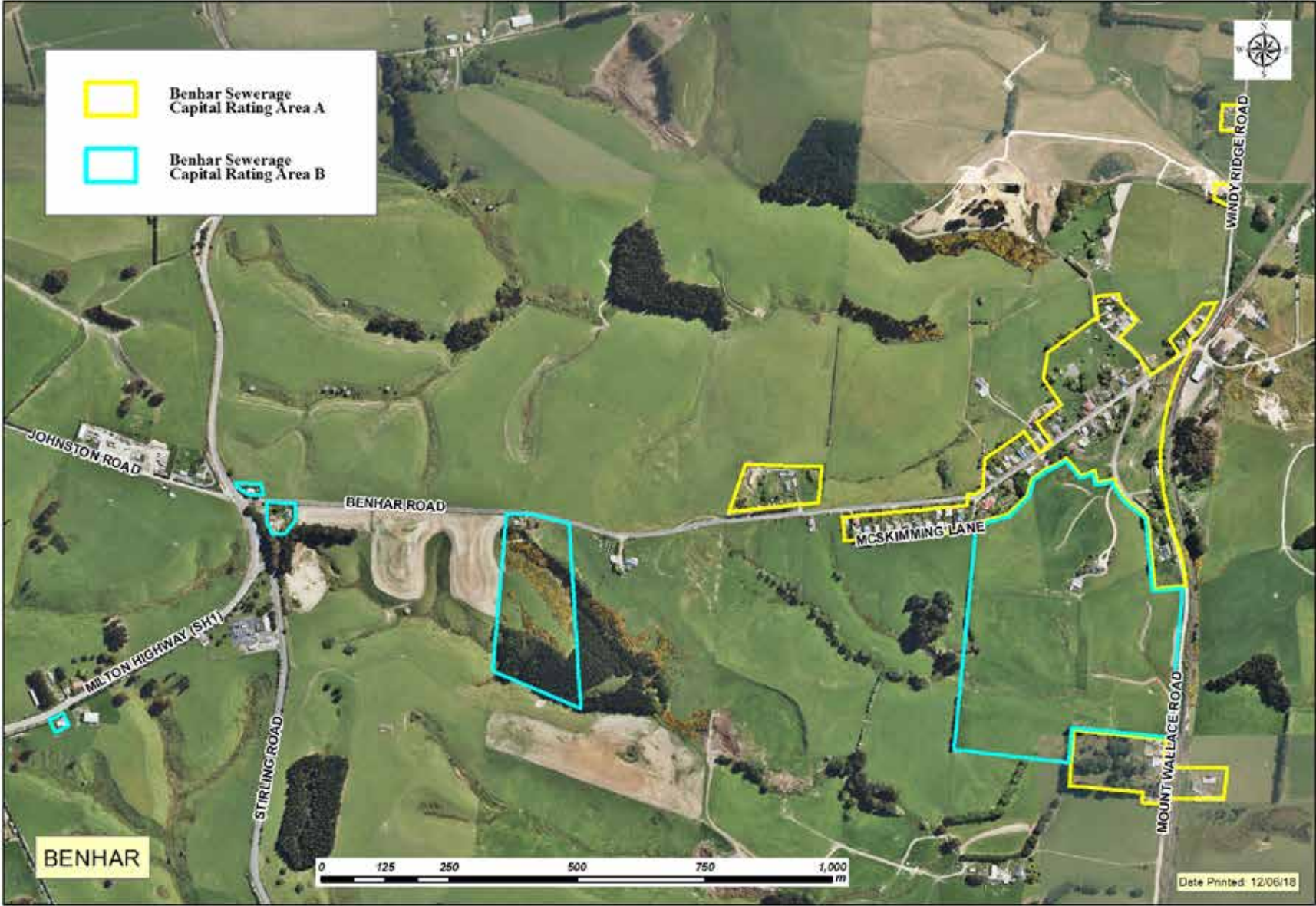
Map: Tapanui Footpath Rating Area



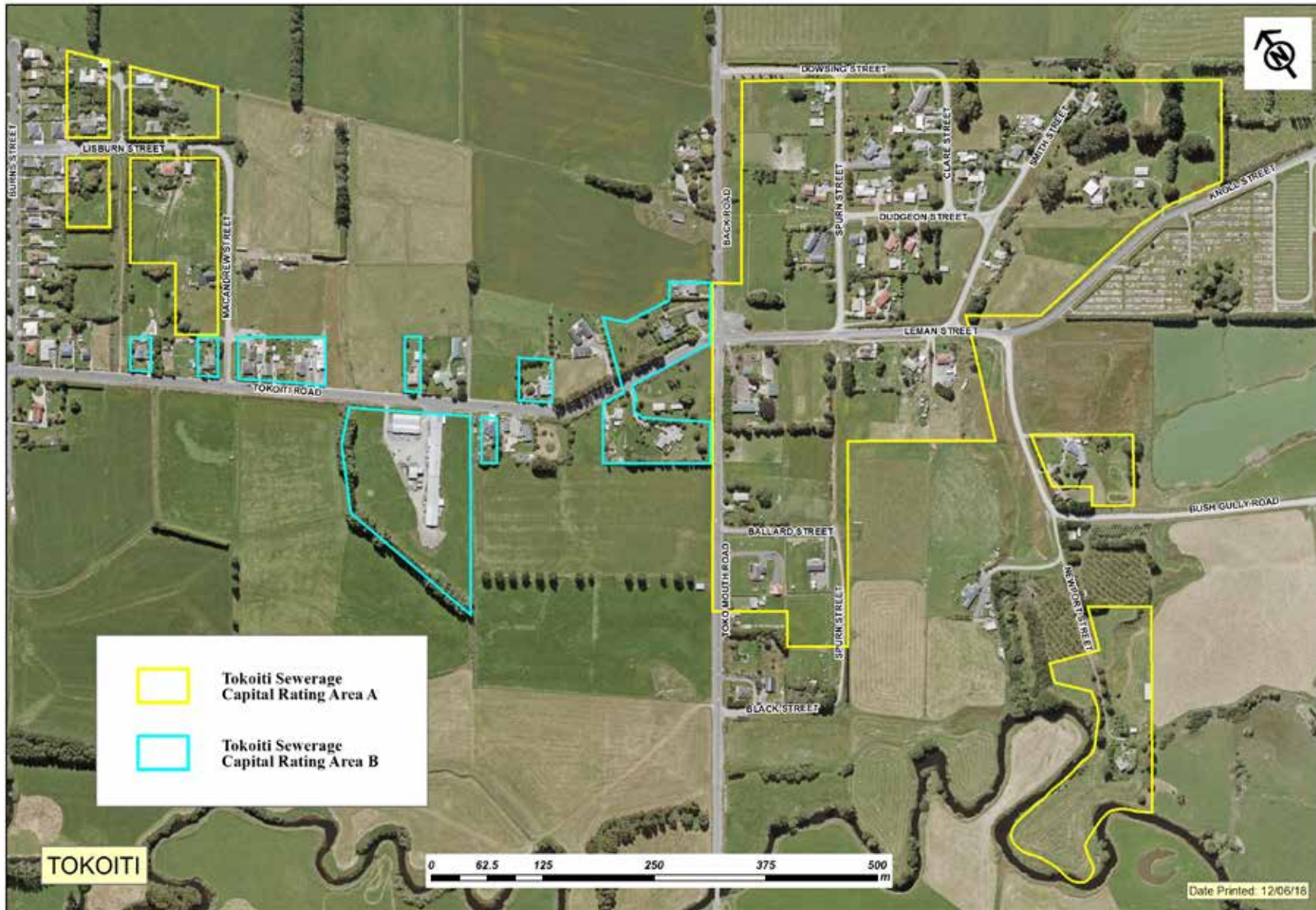
Map: Waihola Footpath Rating Area



Map: Benhar Sewerage Capital Rating Areas A & B



Map: Tokoiti Sewerage Capital Rating Areas A & B



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Map: Community Rating Areas



Map: Rural Water Scheme Rating Areas



CDC RURAL WATER SCHEMES

RATES EXAMPLES

Residential - Balclutha

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 96,000				
Capital Value 350,000				
GENERAL (UAGC)	492	558	527	581
ROADING	326	342	349	330
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	39	58	58	59
TOTAL	2,538	2,751	2,928	3,116

Residential - Clinton

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 15,000				
Capital Value 115,000				
GENERAL (UAGC)	492	558	527	581
ROADING	197	203	207	196
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	65	71	93	95
SOLID WASTE	135	158	177	196
OTHER	15	19	19	19
TOTAL	2,092	2,303	2,441	2,609

Information about these rates examples

Council splits the district into different areas for some rates depending on the range and cost of services in each of these areas.

These examples provide an indication of how rates are expected to change based on actual properties within the rating areas.

It is also important to keep in mind that the values of all properties in the Clutha District are reviewed every three years. The latest values were dated October 2020 and will come into effect for rating purposes from July 2021.

The exact rates percentage change for a property will depend on which of the 11 rating areas the property is in, and whether an individual property's value has changed more or less than the average increase/decrease in the district and in that rating area.

Residential - Kaitangata

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 56,000				
Capital Value 180,000				
GENERAL (UAGC)	492	558	527	581
ROADING	283	315	321	301
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	16	30	30	30
TOTAL	2,473	2,696	2,872	3,058

RATES EXAMPLES

Residential - Kaka Point

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 205,000				
Capital Value 425,000				
GENERAL (UAGC)	492	558	527	581
ROADING	343	350	357	333
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	52	70	71	72
TOTAL	2,471	2,673	2,840	3,016

Residential - Owaka

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 39,000				
Capital Value 175,000				
GENERAL (UAGC)	492	558	527	581
ROADING	260	268	273	260
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	42	52	68	70
SOLID WASTE	135	158	177	196
OTHER	17	29	29	30
TOTAL	2,134	2,359	2,493	2,658

Residential - Lawrence

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 81,000				
Capital Value 230,000				
GENERAL (UAGC)	492	558	527	581
ROADING	272	267	272	255
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	87	123	159	162
SOLID WASTE	135	158	177	196
OTHER	149	160	160	164
TOTAL	2,421	2,658	2,822	2,997

Residential - Milton

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 120,000				
Capital Value 340,000				
GENERAL (UAGC)	492	558	527	581
ROADING	272	336	342	326
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	135	158	177	196
OTHER	32	82	83	83
TOTAL	2,339	2,688	2,826	3,023

RATES EXAMPLES

Residential - Stirling	2020/21	2021/22	2022/23	2023/24
Land Value 93,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 365,000				
GENERAL (UAGC)	492	558	527	581
ROADING	328	337	343	322
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	42	60	61	62
TOTAL	2,544	2,748	2,925	3,111

Residential - Taieri Mouth	2020/21	2021/22	2022/23	2023/24
Land Value 250,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 620,000				
GENERAL (UAGC)	492	558	527	581
ROADING	342	387	394	366
WATER, SEWERAGE & STORMWATER	159	178	199	210
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	0	0	0	0
OTHER	68	128	129	131
TOTAL	1,185	1,413	1,420	1,485

Residential - Tapanui	2020/21	2021/22	2022/23	2023/24
Land Value 26,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 245,000				
GENERAL (UAGC)	492	558	527	581
ROADING	202	206	209	197
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	35	47	67	69
SOLID WASTE	135	158	177	196
OTHER	169	183	185	191
TOTAL	2,318	2,543	2,693	2,873

Residential - Waihola	2020/21	2021/22	2022/23	2023/24
Land Value 150,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 370,000				
GENERAL (UAGC)	492	558	527	581
ROADING	206	230	234	218
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	135	158	177	196
OTHER	36	87	88	89
TOTAL	2,182	2,489	2,614	2,804

RATES EXAMPLES

Lifestyle	2020/21	2021/22	2022/23	2023/24
Land Value 330,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 660,000				
GENERAL (UAGC)	492	558	527	581
ROADING	556	512	520	488
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	94	96	97	98
TOTAL	1,539	1,567	1,611	1,674

Commercial	2020/21	2021/22	2022/23	2023/24
Land Value 485,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 690,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,214	853	872	788
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	117	114	115	117
TOTAL	3,369	3,159	3,330	3,435

Industrial - Rural	2020/21	2021/22	2022/23	2023/24
Land Value 241,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 2,626,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,288	1,276	1,298	1,220
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	400	434	437	444
TOTAL	3,727	3,902	4,079	4,194

Industrial - Urban	2020/21	2021/22	2022/23	2023/24
Land Value 405,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 1,380,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,355	1,060	1,082	994
WATER, SEWERAGE & STORMWATER	1,765	1,955	2,133	2,292
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	207	228	230	233
TOTAL	4,216	4,202	4,439	4,607

RATES EXAMPLES

Rural - Dairy 1	2020/21	2021/22	2022/23	2023/24
Land Value 2,850,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 3,410,000				
GENERAL (UAGC)	984	1,116	1,055	1,162
ROADING	4,420	3,674	3,739	3,476
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	615	564	568	577
TOTAL	6,280	5,596	5,651	5,525

Rural - Sheep & Beef 2	2020/21	2021/22	2022/23	2023/24
Land Value 6,034,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 7,039,000				
GENERAL (UAGC)	1,968	2,231	2,109	2,323
ROADING	10,486	7,700	7,837	7,283
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	1,416	1,164	1,172	1,190
TOTAL	14,132	11,338	11,408	11,108

Rural - Sheep & Beef 1	2020/21	2021/22	2022/23	2023/24
Land Value 2,820,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 3,310,000				
GENERAL (UAGC)	492	558	527	581
ROADING	4,100	3,556	3,620	3,359
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	567	547	551	560
TOTAL	5,420	4,904	4,988	4,811

Rural - Dairy 2	2020/21	2021/22	2022/23	2023/24
Land Value 5,800,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 7,590,000				
GENERAL (UAGC)	984	1,116	1,055	1,162
ROADING	9,172	7,593	7,729	7,173
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	1,368	1,255	1,264	1,284
TOTAL	11,785	10,206	10,338	9,929

REVENUE AND FINANCING POLICY 2021

PURPOSE

The Revenue and Financing Policy outlines the funding mechanisms that Council has available to fund its operating and capital expenditure and how it intends to utilise each of them. The policy is a requirement of Section 102 of the Local Government Act 2002 (LGA).

The policy also identifies how Council intends to fund each of its activities, and outlines the considerations and rationale for the funding sources chosen (as required by Section 103).

Council has developed this policy in two steps. The first was to consider how Council funds each individual activity. The second was to look at the overall impact of the liability of these allocations on our community.

FUNDING OF OPERATING EXPENDITURE

Council is required to ensure that each year's projected operating revenues are sufficient to meet the year's projected operating expenses. It may only vary this when it is financially prudent to do so,

having regard to the requirements in section 100(2) of the LGA.

Operating expenditure is primarily funded through general and targeted rates, fees and charges.

External funding assistance is provided for roading and waste minimisation. Council will generate cash from operating revenue that can be used for capital renewal expenditure or debt repayment.

FUNDING OF CAPITAL EXPENDITURE

In terms of capital expenditure, assets generally provide benefit for a longer period of time than when the actual expenditure on the asset is spent. In this case they are funded over a period of time as opposed to in the year they are acquired. The exception to this is in the roading activity area where, apart from bridges, the annual capital expenditure generally matches the annual depreciation.

Capital expenditure is funded via depreciation reserves or special funds, or a combination of depreciation reserves, special funds and borrowing (depending upon the scale of the project). In some

instances, e.g. a new water or sewerage scheme, a lump sum contribution is made by the consumers receiving the new service.

Depending on the activity Financial Contributions are also used to fund capital expenditure.

Government funding, e.g. stimulus and tourism infrastructure is also utilised for capital projects.

DEPRECIATION RESERVES

Depreciation is a measure of the decline in service level of an asset or group of assets. Any depreciation funded for Council assets is placed in an interest-earning depreciation reserve. The reserves are then used to fund the future costs of renewing the infrastructural assets as per Council's activity management plans.

SPECIAL FUNDS

Special funds are also used for funding new capital or renewals. These funds have been contributed to from a number of sources, for example, historical funds, proceeds from the sale of endowment land, sale of assets and power shares.

BORROWING

Where depreciation reserves or special funds are not sufficient to meet all the costs of a project, capital expenditure is generally funded by borrowing. This provides the immediate funding required for an asset, with the debt then being repaid over time through rates. The time period of the loan repayment is generally set over a period where the benefit of the asset will be realised, although this may be shorter for long-life assets, i.e. the loan is repaid before the end of the asset's useful life. Unless specifically stated in the 'details of funding for Council activities' section, debt repayment becomes part of the operating costs and thus is funded from the same sources, in the same ratio, as for operating expenditure, over the life of the loan.

OVERVIEW OF FUNDING MECHANISMS USED BY COUNCIL

The mechanisms that Council can use to fund its capital and operating costs are set out by section 103(2) of the LGA. Council intends to use these mechanisms in the following ways:

UNIFORM ANNUAL GENERAL CHARGE

A uniform annual general charge (UAGC) is used to fund all or part of activities that provide a relatively equal benefit to the whole district. The UAGC is a fixed amount which is set on each separately used or inhabited part (SUIP) of a rating unit in the district.

TARGETED RATES

Some targeted rates are set on all rateable properties in the district to part fund some activities that have an element of district-wide benefit, including roading, public toilets, sewerage treatment upgrades, resource management and building control activities. These rates are set either as a rate per dollar of land or capital value, which best reflects the contribution towards the need for the activities, and the benefit received from the activities.

Other targeted rates are used to fund all or part of activities that provide benefit to an identifiable community or group of ratepayers. These rates are targeted at those who benefit from the activity or who demand the level of service (identified by location or availability of service). They are either based on land value, capital value or are a uniform charge.

VOLUNTARY TARGETED RATES

From time to time Council may offer to fund a specific activity on behalf of individual ratepayers because the activity meets Council objectives as well as being beneficial to the ratepayer. If such funds are made available they will be recovered over a specified time frame, at a specified interest rate, by way of a targeted rate. The scheme itself is self-funding, ratepayers who take up the offer repay the financial assistance (plus interest) through a targeted rate.

LAND HOLDING GREATER THAN 1.2 HECTARES WITHIN TOWNSHIP BOUNDARIES

Council has defined areas of rateable land for the local roading rate. For rural land that falls within township boundaries, Council has applied a mechanism whereby areas equal to or greater than 1.2

hectares are split for rating purposes into an "a" and "b" assessment. The "a" assessment is calculated using the township rate (house and/or section) whilst the "b" assessment (remainder of the land) is calculated using the rural local roading rate.

FEES AND CHARGES

Fees and charges are utilised where practical if there is an identifiable private benefit from an activity, or where the actions of an individual create the need for the activity. Examples of fees include swimming pool charges, landfill fees, building consent fees and dog registration fees. When setting fees and charges, Council takes into account the effect the fees and charges would have on the use of the facilities and services.

LUMP SUM CONTRIBUTIONS

Lump sum contributions are utilised for some larger projects where new capital projects are loan funded. Ratepayers are given a choice of paying their share of the capital cost upfront in a voluntary lump sum, or paying through rates over the life of the loan. The decision whether to offer a voluntary lump sum option is determined on a project-by-project basis.

INTEREST AND DIVIDENDS FROM INVESTMENTS

Council receives interest on its reserve funds. Interest income from Council's reserves is used to:

- Offset the uniform annual general charge and thus reduce the rates that would otherwise be levied to fund Council's activities.
- Increase the value of depreciation reserves and special funds.
- Increase the value of investment reserves noting that the investment reserve (a treasury function) carries the risk attached with interest rate volatility.

BORROWING

Council utilises external borrowing to fund various infrastructural asset renewals and upgrades. Borrowing is also undertaken from time to time in other circumstances, e.g. the West Otago Health grant and Clutha Community Hub.

PROCEEDS FROM ASSET SALES

Proceeds from asset sales are allocated to special funds, and are generally used for the acquisition of new assets.

DEVELOPMENT CONTRIBUTIONS

Under the LGA, Council is entitled to apply development contributions to new development. Previously Council has chosen not have a development contribution policy, in favour of financial contributions under the Resource Management Act 1991. However Council will look to introduce Development Contributions by 18 April 2022 as required by the Resource Legislation Amendment Act 2017, unless this requirement changes as a result of RMA reform.

GRANTS AND SUBSIDIES (EXTERNAL FUNDING ASSISTANCE)

Council receives external funding assistance for a number of activities or projects, largely from Central Government. The main source of government funding comes from the Waka Kotahi (NZTA) for roading. A baseline level of funding is received for the maintenance of the existing roading system, while funding for new projects may be received depending upon the costs and benefits of each project.

Council also receives a proportion of waste minimisation levies to assist with waste minimisation activities throughout the district.

External funding is sought in other areas where possible. For example, funding from the Ministry of Health has been provided in the past for fluoridation and water treatment upgrades. Council will continue seeking external funding for tourism-related infrastructure.

RESERVE FUNDS (SPECIAL AND DEPRECIATION)

Council has a number of reserve funds. These funds generally assist future capital expenditure. As outlined previously depreciation funds are used towards funding capital renewal works. Special funds are also generally used for funding capital renewals and new capital.

DETAILS OF FUNDING FOR COUNCIL ACTIVITIES

This section outlines Council's policies for funding each of its activities.

Council considered the matters listed in section 101(3) of the LGA when determining the most appropriate funding mechanisms for each of its activities. These matters are listed and explained under the following headings:

ACTIVITY DESCRIPTION

A brief description of the activity. For further information about each of Council's activities see the 'Council Activities' section of the Long Term Plan.

COMMUNITY OUTCOMES

The community outcome the activity primarily contributes to.

Our vision: Clutha is a great place to live, work & play.

Our outcomes:

Vibrant rural towns and communities
Respected and sustainable environment
Connected and collaborative

WHO BENEFITS?

Who receives the benefit from the activity, either the community as a whole, an identifiable part of the community or individuals.

TIMEFRAME OF BENEFITS

The time period over which the benefits of expenditure on the activity will be recognised.

CONTRIBUTION TO THE NEED FOR THE ACTIVITY

The extent to which an action or inaction of particular individuals or group contribute to the need for Council to carry out the activity.

COSTS AND BENEFITS OF DISTINCT FUNDING

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The funding mechanisms shown below are for Council's share of the cost of the activities only (i.e. after any external funding is taken into account).

DEFINITIONS

UAGC – A 'Uniform Annual General Charge' is a rate set at a fixed amount and which every SUIP pays.

SUIP – A 'separately used or inhabited part of a rating unit' includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

'On demand' water supply – A supply which is available on demand directly from the point of supply subject to the agreed level of service.

'Restricted' water supply – A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

COMMUNITY LEADERSHIP

CIVIC

Activity Description

Governance of Council and Community Boards, including elected members, operation of formal meeting processes, elections and newsletters.

Community Outcome

Connected and collaborative.

Who benefits?

All residents and ratepayers in the communities represented.

Timeframe of benefits

Governance is an ongoing cost with benefits

apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding for Council.

Funding methods

Council: 100% UAGC.

Liability Funding: 100% UAGC. A 2017 legal determination concluded Council had to pay a liability in relation to significant contractual works undertaken some years ago. The non-asset related portion has been funded from a combination of reserves with the remainder allocated as a Governance cost.

Community Boards: 100% targeted uniform rate per SUIP.

Rationale

Governance is provided for the benefit of the community as a whole, and therefore is funded by the whole district. Community boards provide benefit to the communities within their areas, and so are funded by those communities.

WEST OTAGO HEALTH

Activity Description

Provision of a one-off grant to help fund construction of a health centre in Tapanui.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Everyone in the West Otago health service area would benefit. Users of the facility will directly benefit.

Timeframe of benefits

Long term.

Contribution to need

Stakeholders in the West Otago Health service area contribute to the need for this activity.

Costs and benefits of distinct funding

Distinct funding ensures that only those in the area of benefit contribute, and that the contribution can clearly be identified on rates invoices.

Funding methods

100% uniform targeted rate per SUIP.

Rationale

A uniform contribution from ratepayers in the area of benefit is deemed to be the fairest way to fund the grant.

ECONOMIC & COMMUNITY DEVELOPMENT

ECONOMIC DEVELOPMENT

Activity Description

Fostering economic development within the district.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Primarily a district-wide benefit from the district retaining and attracting businesses, which provide employment and contribute towards rates. Some private benefit to businesses.

Timeframe of benefits

Currently an ongoing cost, with the majority of benefits being apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on

rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

COMMUNITY DEVELOPMENT

Activity Description

Fostering social well-being of the community through activities such as youth development and provision of grants to community groups.

Community Outcome

Connected and collaborative.

Who benefits?

Community-wide benefit.

Timeframe of benefits

The majority of benefits are apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

COMMUNITY PROJECTS

Activity Description

Financial support for projects and initiatives that

support community well-being in the following areas that make up our district: Bruce, Catlins, Clinton, Lawrence-Tuapeka, Lower Clutha, and West Otago.

Community Outcome

Connected and collaborative

Who benefits?

Community-by-community benefits.

Timeframe of benefits

The majority of benefits are apparent in the year of expenditure.

Contribution to need

Residents and ratepayers in that community.

Costs and benefits of distinct funding

Benefit from distinct funding by community.

Funding methods

Project Bruce: 100% Bruce Community Rating Area uniform charge.

Rationale

Largely a community-by-community benefit, therefore it is funded over the community of interest.

ECONOMIC DEVELOPMENT PROPERTY

Activity Description

Property for contributing to economic growth through industrial, commercial or residential development.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Primarily a district-wide benefit, stimulating or reducing barriers to economic growth, supporting housing for our workforce, and adding new ratepayers.

Timeframe of benefits

Medium to long term.

Contribution to need

All residents, businesses and ratepayers.

Costs and benefits of distinct funding

Distinct funding ensures an additional source of funding that does not impact on ratepayers.

Funding methods

100% Other – Funded by sale of surplus property, loans, and/or sale of development property. A cost recovery or 'rates neutral' approach is taken to funding.

Rationale

Funding from other sources ensures that the ratepayer is not paying for economic development property.

ROADING

Activity Description

The provision, operation and management of the local roading network, including roads, bridges, streetscapes and footpaths.

Community Outcome

Connected and collaborative.

Who benefits?

The roading network provides national, regional and local benefits.

Timeframe of benefits

Long term.

Contribution to need

All residents and ratepayers contribute to varying degrees. At this stage differentials depending on industry are not applied, e.g. for higher impact users such as forestry and dairying.

Costs and benefits of distinct funding

Distinct funding enables a split between district and local funding. Due to the size of the roading rates

requirement it is desirable to have roading rates highlighted separately.

Funding methods

Roads and bridges: A substantial amount is funded by financial assistance from Waka Kotahi, with the balance being split between district and local roading rates based on the district/local benefit of each road.

For the balance funded by Council there is a district-wide roading rate, based on capital value, which funds approximately 37% of Council's costs. This includes 90% of arterial roads, 50% of collector roads and 10% of local roads.

The remaining approximately 63% of the rates requirement is funded by a targeted rate differentiated on location made up of a minimum charge per SUIP based on level of service, with the remainder based on land value. Each area funds a share of the local roading rate based on the value and depreciation rates of the roading assets within that area and the proportion of district-wide vs. local benefit.

District-wide main street: 20% UAGC and 80% of Balclutha, Lawrence & Milton costs on a uniform community-based rate.

New footpaths: A uniform rate per SUIP on those in the rating area benefiting from new footpaths.

Rationale

The combination of funding mechanisms reflects the access to, and benefit gained from the roading network.

WATER

URBAN WATER

Activity Description

Provision of reticulated potable water supplies to urban areas.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Private benefit for those who obtain and use water. Some benefit to those whose properties have the ability to connect to a scheme. General public benefit for public health and fire-fighting purposes.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

All urban residents and ratepayers.

Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive potable water supply to be recognised.

Funding methods

Council will have a uniform targeted rate for customers who receive potable water from an 'on demand' supply and a uniform targeted rate for customers who receive potable water from a 'restricted' supply.

Rationale

User pays district-wide across all urban users facilitates efficient use of resources.

RURAL WATER

Activity Description

Rural water schemes which provide water primarily for stock but also for domestic consumption.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Private benefit for those who obtain and use water.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Property owners who require water to enable intensive use of their land.

Costs and benefits of distinct funding

Each scheme is operated as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

Funding methods

100% targeted rate per unit of water supplied differentiated by scheme.

Rationale

User pays ensures efficient use of resources, with consumers only demanding what is affordable and sustainable.

SEWERAGE

Activity Description

Provision of sewage reticulation and treatment facilities throughout the district.

Community Outcome

Respected and sustainable environment.

Who benefits?

Private benefit for those whose sewage is removed, treated and disposed of. There is also wider public health and environmental benefits from safe and appropriate sewage disposal.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Those without suitable private sewage disposal systems.

Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive sewerage services to be recognised.

Funding methods

Council will have a uniform targeted sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available. The final determination of rates will also include operating and capital costs.

Capital costs of treatment upgrades: 10% district-wide assistance (based on CV) with remainder funded as per operating costs.

Capital costs of reticulation extensions for Benhar Tokoiti and Pounaweia: 10% district-wide assistance (based on CV), 40% uniform targeted rate on all sewerage ratepayers and 50% uniform targeted rate on all connections to the new reticulation.

Rationale

Benefit is largely private so the activity is predominantly user pays. The wider benefit of safe sewage disposal is reflected by wider contribution to treatment upgrades and reticulation extensions for Benhar, Tokoiti and Pounaweia.

STORMWATER

Activity Description

Stormwater reticulation minor stormwater works throughout the district.

Community Outcome

Respected and sustainable environment.

Who benefits?

Those whose properties are protected by stormwater drainage.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Property owners whose properties contribute to stormwater run-off where there is a demonstrated need for a public stormwater system.

Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive stormwater protection to be recognised.

Funding methods

Council will have a uniform targeted stormwater rate for each separately used or inhabited part of a rating unit (SUIP).

Rationale

Those who benefit from the provision and development of stormwater schemes in their areas pay for those costs.

COMMUNITY SERVICES

LIBRARIES

Activity Description

Provision of library services through the Central Balclutha library and four branch libraries.

Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Primarily a public benefit. All members of the community have access to the facilities and the whole community benefits from having such facilities provided.

Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

5-10% Fees and charges; 90-95% UAGC.

Rationale

The cost of the service does not change significantly as use increases or decreases, but increasing fees can reduce access for some community members. To allow full accessibility there are no fees for core services. Funding the core services through the UAGC recognises the public benefit.

SERVICE AND INFORMATION CENTRES

Activity Description

Visitor information centres for visitors and residents and service centres for ratepayers.

Community Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Private benefit to those who use information centres, as well as tourist-reliant businesses whose information is provided to customers. The community in general also benefits from the success of the tourism industry and the availability of Council service points.

Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

Residents, ratepayers and visitors.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

5-10% Fees and charges; 90-95% UAGC.

Rationale

While there is private benefit from using information centres, such services are generally not charged for within New Zealand. The district as a whole benefits from the tourism industry and the information centres facilitate this. The Council service centre functions also provide a district-wide benefit.

PUBLIC TOILETS

Activity Description

Provision of public toilets and camper van dump stations throughout the district.

Community Outcome

Respected and sustainable environment.

Who benefits?

Private benefit to users of the facilities, public benefit from providing such facilities to for locals and visitors and from having a hygienic environment.

Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

Residents and visitors.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

Approximately 50% UAGC and approximately 50% district-wide CV based rate.

Rationale

A district-wide charge is the fairest option since fees and charges are not realistic or would be unlikely to be economic to apply.

CEMETERIES

Activity Description

Provision, maintenance and operation of cemeteries and maintenance of the district's monuments.

Community Outcome

Connected and collaborative.

Who benefits?

Private benefit to the families of deceased. Public benefit in providing respectful treatment of the deceased who form part of the community's heritage. Public health benefits from ensuring properly managed and controlled burials and cemetery sites.

Timeframe of benefits

Majority of expenditure is on operating costs, with the benefit being realised in the year of expenditure. There are also longer term benefits from capital expenditure.

Contribution to need

All ratepayers and residents.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

Approximately 55% Fees and Charges and approximately 45% UAGC.

Rationale

The funding split recognises direct private benefits along with wider public benefits. Ability to pay is partly recognised by keeping burial fees at an affordable level.

COMMUNITY HOUSING AND OTHER PROPERTY

Activity Description

Provision and maintenance of community housing units throughout the district. This area also includes lease-hold land, endowment land and other property (excluding economic development property).

Community Outcome

Connected and collaborative.

Who benefits?

Mostly a private benefit to tenants. There is also public benefit from having appropriate housing available to people who may not easily be able to access private sector housing.

Timeframe of benefits

Long term.

Contribution to need

Residents who have difficulty finding appropriate housing in the market.

Costs and benefits of distinct funding

This activity is self-funding there is no requirement for rates funding.

Funding methods

100% fees and charges (rentals).

Rationale

Due to a significant private benefit, the community housing units are fully self-funded through user charges. User charges (rentals) are set at market rates to cover the cost of maintaining and upgrading the facilities.

COMMUNITY FACILITIES

Activity Description

Includes the following:

- Funding of halls and community centres throughout the district.
- Provision of swimming pools in Balclutha and Milton.
- Provision of green spaces including parks, reserves, playgrounds and sportsgrounds.

- Grant towards construction and operation of the Clutha Community Hub.
- Grant towards construction and operation of the multi-purpose Cross Recreation Centre.
- Grant towards the construction of an extension to the Clutha Gold Trail from Lawrence to Waihola.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Public benefit from having the facilities available and for those who have the facilities in their community.

Timeframe of benefits

An ongoing activity with benefits largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

Balcutha and Milton Pools: 10-15% fees and charges; 40-45% UAGC; 40-45% targeted uniform rate (Bruce and Lower Clutha areas).

Halls and community centres: 12-18% fees and charges; 41-44% UAGC; 41-44% targeted uniform rate.

Parks, Reserves and Playground

Approximately 50% UAGC and approximately 50% targeted.

Sportsgrounds: 2-8% fees and charges, 46-49% UAGC, 46-49% uniform targeted rate.

Cross Recreation Centre: Approximately 50% UAGC and approximately 50% uniform targeted rate (Lower Clutha area).

Clutha Community Hub: Approximately 50% UAGC and approximately 50% uniform targeted rate (Lower Clutha area).

Clutha Gold Trail Extension: Approximately 50% UAGC, and approximately 50% uniform targeted rate (Lawrence-Tuapeka and Bruce areas).

Rationale

District-wide funding recognises the wide public benefit gained from parks, reserves and playgrounds. The majority of the cost is funded by the local community ensuring that communities only demand the level of service they can afford. Some fees and charges for sports groups to recognise that they have exclusive use of the sportsgrounds during their booking period.

SOLID WASTE MANAGEMENT

WASTE COLLECTION AND DISPOSAL

Activity Description

Solid Waste collection and disposal services, including the operation of a kerbside collection service, waste transfer stations and Mt Cooe landfill.

Community Outcome

Respected and sustainable environment.

Who benefits?

Private benefit to those whose recyclables and residual waste is disposed of. Also a public benefit from ensuring that waste is dealt with safely without damaging the environment or public health.

Timeframe of benefits

Short term, with some longer term benefits from the provision of the landfill.

Contribution to need

All of those who use the waste disposal services or facilities.

Costs and benefits of distinct funding

Distinct funding enables the private benefit of the kerbside collection to be recognised. Efficiencies are also gained from this being provided across the district by a single kerbside provider.

Funding methods

Approximately 30% targeted uniform rate per SUIP (based on availability of kerbside collection service); and approximately 70% Fees and charges (use of landfill and transfer stations).

Rationale

User pays ensures that the cost of waste disposal is attributed to those who create the waste and provides an incentive to reduce waste created.

WASTE MINIMISATION

Activity Description

Waste minimisation activities, including education programmes and drop-off facilities for recyclables.

Community Outcome

Respected and sustainable environment.

Who benefits?

Primarily a public benefit from reduced waste to landfill. Some private benefit to those who use free recyclable drop-off facilities to dispose of recyclable waste.

Timeframe of benefits

Currently an ongoing activity with benefits apparent in year of expenditure. Benefits will also be realised in the long term from behaviour changes as a result of education programmes.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Rating across the district ensures that recyclables drop-off facilities are free, encouraging their use.

REGULATORY AND EMERGENCY SERVICES

RESOURCE MANAGEMENT

Activity Description

Administration and monitoring of the Clutha District Plan to ensure that development and resource use maintains environmental and community standards.

Community Outcome

Respected and sustainable environment.

Who benefits?

Largely a public benefit from the sustainable management of the districts natural and physical resources. A private benefit to those who are granted a resource consent, enabling them to sustainably use their land.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure. Longer term benefit from expenditure on the District Plan.

Contribution to need

Individuals or organisations whose actions or proposed developments require resource consent.

Costs and benefits of distinct funding

No particular benefit from distinct funding.

Funding methods

60-70% Fees and charges; 30-40% district-wide CV based rate.

Rationale

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good.

ANIMAL CONTROL

Activity Description

Registration of dogs and responding to animal-related complaints.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Private benefit to animal owners who have their animals returned. Public benefit from the capture of wandering animals and from having Council oversee animal welfare. There is also a public benefit from having less fouling of public space.

Timeframe of benefits

An ongoing activity with largely a short term benefit. Longer term benefit of the pound.

Contribution to need

Animal owners who do not adequately control their animals.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

Approximately 90-95% Fees and charges; and approximately 5-10% UAGC.

Rationale

User pays ensures those who contribute to the need for the activity fund the vast majority of the costs. Responsible dog owners receive a discount, recognising that they contribute less to the activity than others. The district-wide contribution recognises the public benefit.

ENVIRONMENTAL HEALTH

Activity Description

Protection of public health and safety through licensing of food premises and other venues that have potential public health risks.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Community benefit from knowing that public health standards are being met. There is also private benefit to businesses whose operations have public health implications.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

The public who demand safe and hygienic eateries and hairdressers. Businesses who operate in the food or hairdressing industries.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

10-15% Fees and charges; 85-90% UAGC.

Rationale

The combination of funding mechanisms reflects the individual and wider community benefits, whilst making services affordable for businesses.

BUILDING CONTROL

Activity Description

Administering the Building Act 2004, including ensuring that buildings comply with the New Zealand Building Code.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Private benefit to building owners from having certification that their buildings are structurally sound and comply with safe building practices. There are also public safety benefits from structurally sound public buildings.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

The community demands safe buildings, however, people who build new buildings or alter existing buildings contribute to Council's workload.

Costs and benefits of distinct funding

No particular benefit from distinct funding.

Funding methods

80-90% Fees and charges; 10-20% district-wide CV based rate.

Rationale

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good. Capital value is used as a basis to reflect the level of likely demand for building control services and ability to pay.

ALCOHOL LICENSING

Activity Description

Licensing and monitoring of premises from which alcohol is sold.

Community Outcome

Vibrant rural towns and communities..

Who benefits?

Private benefit to businesses who gain licences enabling them to trade. Public benefit from having alcohol available in licenced premises which meet licensing standards.

Timeframe of benefits

An ongoing activity with the benefit being realised

in the year of expenditure.

Contribution to need

Those who sell or apply to sell alcohol.

Costs and benefits of distinct funding

The UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% fees and charges.

Rationale

Fees are set by statute. Any shortfall is recovered by UAGC on the basis that this activity also has an element of public good.

COMPLIANCE

Activity Description

Protection of public health and safety through livestock control, litter enforcement, abandoned vehicles, parking enforcement, noise control and related administrative support.

Community Outcome

Respected and sustainable environment.

Who benefits?

All of community benefits from compliance activities.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

The public who want to ensure a safe, safety and protection from nuisance outlined in the above description.

Costs and benefits of distinct funding

No benefit from distinct funding.

Funding methods

100% district-wide CV based rate.

Rationale

The funding mechanisms reflects the individual and wider community benefits

The funding mechanism proposed is 100% district-wide CV based rate.

EMERGENCY SERVICES

Activity Description

Includes:

Emergency management (civil defence) including 'reduction, readiness, response and recovery' actions. Funding for tanker replacements prior to 1 July 2017 fire services amalgamation.

Community Outcome

Connected and collaborative.

Who benefits?

The whole community benefits from this public service activity.

Timeframe of benefits

An ongoing activity with the benefit being largely realised in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding.

Funding methods

100% UAGC.

Rationale

Funding through the UAGC reflects the 'people focus' of Emergency Services.

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE UNIFORM CHARGE	LAND VALUE (LV)
Community Leadership	Governance	Council		100%			
		Contract Liability Funding			100%		
		Community Boards			100%		
	West Otago Health			100%			
Economic & Community Development	Economic Development			100%			
	Community Development			100%			
	Community Projects			100%			
	Economic Development Property	100%					
Roading	Roading (balance after Waka Kotahi subsidy)			37% ¹		63% ²	
	New footpaths				100%		
	District-Wide Main Street	Balclutha, Milton & Lawrence		20%	80%		
Water Supply	Urban Water Supply				100%		
	Rural Water Scheme				100%		
Sewerage	Sewerage				100%		
	District Sewerage Upgrade Support			10%	90%		
	Benhar, Tokoiti & Pounaweia Capital			10%	90%		

¹ District roading component ² Local roading component

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES			
				DISTRICT-WIDE RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE	LAND VALUE (LV)
						UNIFORM CHARGE	
Stormwater	Urban Stormwater					100%	
	Libraries		5-10%	90-95%			
	Service & Information Centres		5-10%	90-95%			
	Cemeteries		55%	45%			
	Public Toilets			50%	50%		
	Community Housing and Other Property		100%				
	<i>Community Facilities</i>						
Community Services	Swimming Pools		10-15%	40-45%		40-45%	
	Parks, Playgrounds & Reserves			50%		50%	
	Sportsgrounds		2-8%	46-49%			46-49%
	Halls & Community Centres		12-18%	41-44%		41-44%	
	Clutha Gold Trail			50%		50%	
	Clutha Community Hub			50%		50%	
	Cross Recreation Centre			50%		50%	

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Solid Waste Management	Waste Collection & Disposal		70%			30%	
	Waste Minimisation			100%			
	Resource Management		60-70%		30-40%		
Regulatory & Emergency Services	Animal Control		90-95%	5-10%			
	Environmental Health		10-15%	85-90%			
	Building Control		80-90%		10-20%		
	Compliance				100%		
	Alcohol Licensing		100%				
	Emergency Services*				100%		

* Civil Defence and Rural Fire

OVERALL FUNDING CONSIDERATION

We are required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows us, as a final measure, to modify the overall mix of funding in response to these considerations.

1. We are required to adjust the total amount collected from the 'uniform annual general charge' portion of the general rate to be within the 30% rule. If the sum of the activities to be funded from the uniform annual general charge is more than the 30% cap, we will adjust the rate down to the cap and the balance will be funded from the general rate.
2. We may use accounting provisions to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

POLICY ON RATES REMISSION

PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

Relevant Legislation

Local Government (Rating) Act 2002, section 85
Local Government Act 2002, section 109.

POLICY

REMISSION OF RATES FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objective

To assist where practicable, community clubs and organisations in recognition of the valuable 'public good' contribution made by such organisations to the character and well-being of the district.

Conditions and criteria

Council may remit rates for any organisation (for land the organisation owns or uses), for the purpose of any of the following:

- Recreation
- Health
- Enjoyment/leisure
- Instruction

- Sport/physical activity
- Any form of culture

Consideration for remission includes land owned or leased to an organisation where, under the rent or lease agreement, there is an obligation to pay the rates assessed on the land.

The policy will not apply to organisations that are operated for private pecuniary profit.

Procedures

All applications for remission must be in writing and addressed to the Chief Executive. Applications must include (where applicable):

- Statements of objectives of the organisation e.g. constitution.
- Financial statements e.g. recent audited accounts.
- Lease agreement (if applicable).

Any remission of rates will exclude rates in respect to water supply, sewage disposal or waste collection.

A remission of 100% will be applied under delegated authority. Where the applicant's financial information suggests that 100% may not apply the application will be referred to the Corporate Services Committee. For example, the applicant's information demonstrates they have sufficient cash reserves for current and future needs.

A granted remission will apply from the beginning of the rating year in which the remission is granted and continue until such time that an organisation or club no longer meets the criteria.

REMISSION OF RATES FOR LAND SUBJECT TO SPECIAL PRESERVATION CONDITIONS

Objective

To preserve and encourage the protection of land and improvements which are the subject of special preservation conditions.

Conditions and criteria

Rate remission under this provision of the policy relates to land that is owned or used by and subject to one of the following:

- A heritage covenant under the Historic Places Act.
- A heritage order under the Resource Management Act.
- An open space covenant under the Queen Elizabeth the Second National Trust Act.
- A protected private land agreement or conservation covenant under the Reserves Act.
- Any other covenant or agreement entered into by the owner of the land with the public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant

or agreement are registered against the title to the land and are binding on subsequent owners of land.

Procedures

An application for remission will be considered by the Corporate & Property Committee and must be made in writing and accompanied with supporting documentary evidence of the special preservation conditions.

The application for rates remission must be made prior to commencement of the rating year, i.e. 1 July. Applications received and approved during the rating year will become applicable from the commencement of the following rating year.

The maximum available remission is up to 100% of rates but excludes rates in respect to water supply, sewage disposal or waste collection.

REMISSION OF RATES FOR NATURAL DISASTERS AND EMERGENCIES

Objective

To provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more residential rating units capacity to be inhabited, used or otherwise occupied for the period of a rating year, or more.

Conditions and criteria

The Council may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

Applications for rates remission under this policy will be considered by a full meeting of Council.

Procedures

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied.

Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

Objective

To provide for relief from Uniform General Charges when:

- Two or more rating units are owned by the same person or persons, and,
- Are part of a subdivision plan which has been deposited for separate lots, or separate legal titles exists but the rating units may not necessarily be used jointly as a single unit, and,
- Each rating unit does not benefit separately from the services related to the Uniform Annual General Charge.

Conditions and criteria

Remission of Uniform Annual General charges applies in the following situation:

As a result of the High Court decision of the 20 November 2000 "Neil Construction and others vs. North Shore City Council and others", in respect to

unsold subdivided land, each separate lot or title is treated as a separate Rating Unit and such land is implied not to be used as a single unit.

Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.

Procedures

Ratepayers who consider themselves eligible for remission under this part of the policy may make application in writing to the Corporate Services Manager and will be considered by the Corporate Services Committee. All applications will be considered and where eligible remission will be backdated to the beginning of the rating year in which the application has been received.

REMISSION OF PENALTIES

Objective

The objective of this part of the policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control; or in order to ensure the settlement of outstanding rates, provided that the ratepayer has made an arrangement to pay over an extended period. It is also to enable the reduction or waiver of penalties on rates for ratepayers in temporary financial difficulty or hardship due to reduced income.

Conditions and criteria

Automatic remission of the penalties will apply to those ratepayers that have an agreed and sufficient (to cover current rates and arrears) automatic payment or direct debit plan in place.

Remission of one penalty will be considered in any one year when payment has been late due to significant family disruption. This will apply in the case of death, illness or accident of a family member at about the time rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment and claims the invoice was not received or is able to provide evidence that the payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

The Council may remit small balances due to cash rounding.

Other conditions for remission may exist and will be considered on their own merit.

Each application for remission will be considered on its own merits and remission will be granted when it is just and equitable to do so.

When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

If an arrangement to pay rates and/or clear outstanding rates is not adhered to, the Council can apply penalties from when the arrangement is breached (noting that remissions cannot be reversed).

To support the ratepayer's hardship claim the application must include evidence from their bank, accountant or registered budget advisor demonstrating reduced revenue from commercial/ industrial properties, or reduced income from residential properties.

Ratepayer's consent to contact their bank, accountant or registered budget advisor is also required as part of the application. Penalties will be waived if the Council is satisfied that the ratepayer was in financial hardship and the ratepayer can immediately pay all outstanding rates, or agree to a payment plan for outstanding rates and those due within the next six months via direct debit.

Decisions on remission of penalties will be delegated to officers, as set out in the Council's Delegations Manual.

Review of Remissions

All remissions granted will be reviewed every three years, or if new information is provided, whichever is earlier. This is to ensure that the circumstances under which the remissions were granted continue to exist.

POLICY ON RATES POSTPONEMENT

PURPOSE

Sections 102(3) (b) and 110 of the Local Government Act 2002 state that local authorities may adopt a rates postponement policy. This policy confirms the Clutha District Council's stance on rates postponement.

The objective of this policy is to provide Benhar and Tokoiti sewerage capital ratepayers, who, in the opinion of Council, are experiencing severe financial hardship, with the option of postponing payment of their sewerage capital rates. Any postponement will be subject to the full cost being met by the ratepayer and Council being satisfied that the risk in any case is minimal.

CONDITIONS AND CRITERIA

1. Clutha District Council does not provide rates postponement, except for the postponement of Benhar or Tokoiti Sewerage Capital rates for ratepayers who would experience severe financial hardship if the rate was not postponed.
2. Ratepayers can apply to Council for postponement of only the annual Benhar or Tokoiti capital sewerage rate, either in entirety or part. The ratepayer will still be required to pay the remaining portion of their rates assessment including the sewerage scheme operating rate.
3. The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
4. The ratepayer must be the owner of the property subject to the application as at 1 July, and must not own any other rating units or investment properties or other substantial realisable assets.
5. Before making a written application, the ratepayer must have received budget advice (for example, from the Budget Advisory Service) and must make the budget advisor's findings available to Council.
6. Council must be satisfied that the ratepayer is likely to be in a position of severe financial hardship if their sewerage capital rate is not postponed.
7. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors:
 - a) age, physical or mental disability, injury, illness and family circumstances;
 - b) number of dependents;
 - c) access to other sources of financial assistance (including central government's rates rebate scheme);
8. Council must be satisfied, on reasonable assumptions, that the risk of not recovering postponed rates and fees, when due as per clause 13, is negligible. Where a rates postponement arrangement has been entered into Council may refuse to postpone any further rates if it considers that the risk is not negligible.
9. The amount of any rates postponed including fees will be secured by a notice of charge on the Certificate of Title of the rating unit. Any costs of registering and subsequently dealing with the charge are to be met by the ratepayer by being added to the amount postponed.
10. A postponement fee will be added to the amount postponed at the start of every financial year when there are outstanding postponed rates against a property. This fee will cover the administrative and financial costs of the postponement. Financial costs will include interest as calculated annually by Council.
11. Whilst there are postponed rates outstanding against a property the ratepayer must provide annual proof that their house is insured and
 - d) the likely period before the ratepayer's financial position could be expected to improve;
 - e) a verified budget.

make an annual declaration that they continue to use the property as their primary residence.

12. The annual sewerage capital rate will continue to be postponed for a maximum of five years, provided that on an annual basis the ratepayer completes a written declaration that their circumstances still meet the requirements of this policy. After 5 years, ratepayers would be able to re-apply for postponement.

13. All postponed rates will become payable on the earliest of the following dates;

- a) when the ratepayer(s) ceases to be the owner or occupier of the rating unit
- b) when the ratepayer(s) ceases to use the property as their primary residence
- c) upon the death of the ratepayer(s)

14. The postponed rates and fees or any part thereof may be paid off at any time without penalty. Such voluntary repayments will be credited against the ratepayers postponed rates at the beginning of the financial year following that of when they were received by Council, but prior to the calculation of interest. When postponed rates are paid off in full, the ratepayer will be liable for any costs of removing the statutory land charge from the certificate of title.

15. Decisions on postponement are delegated to the Manager Corporate Services. If an applicant is declined postponement they may appeal to the Clutha District Council.

16. The Group Manager Corporate Services, will report annually to the Corporate & Property Committee on the total number and value of rates postponed during that year and the total number and value of outstanding postponed

rates.

PROCEDURES

At the start of any rating year, where a ratepayer has any postponed rates, the Council will send an annual statement outlining:

- the total amount of postponed rates outstanding
- the postponement fees applied
- the ratepayers responsibilities under clause 11
- the declarations required for future sewerage capital rates to be postponed (as per clause 12).

DEFINITIONS

Postponement Fee: A fee under section 88 of the LGRA, to cover the administrative and financial costs (including interest) of providing rates postponement.

RELEVANT LEGISLATION

Sections 102(3) (b), 110 Local Government Act
Sections 80 - 90 Local Government (Rating) Act 2002

LEGAL COMPLIANCE

This policy must be reviewed at least once every 6 years through the special consultative procedure (s 110(2A)).

RELATED POLICY AND DOCUMENTS

Revenue and Financing Policy

KEY WORDS

Benhar, Tokoiti, Sewerage Rate, Rates
Postponement, Financial Hardship

POLICY ON REMISSION & POSTPONEMENT OF RATES FOR MAORI FREEHOLD LAND

PURPOSE

This policy has been formulated for the purpose of ensuring the fair and equitable collection of rates from all sectors by recognising that certain Maori owned lands have particular features, ownership structures or other circumstances that make it appropriate to provide rates relief.

This policy provides the framework for granting remissions and postponements for the payment of rates and penalties on Maori freehold land, and is adopted under Section 102(4) and Section 108 of the Local Government Act 2002 (LGA).

POLICY

REMISSION OF RATES

The Clutha District Council carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 (LGRA) and the LGA.

All Maori freehold land in the Clutha District Council area is liable for rates in the same manner as if it were general land (as per section 91 LGRA).

Maori freehold land is defined in the LGRA as land

whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

Schedule 11 of the LGA identifies the matters which must be taken into account by Council when considering rates relief on Maori freehold land.

When considering the objectives listed below Council must take into account:

- the desirability and importance of the objectives to the district.
- whether remitting the rates would assist attainment of those objectives.

Objectives

- a) supporting the use of the land by the owners for traditional purposes
- b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands
- c) avoiding further alienation of Maori freehold land
- d) facilitating any wish of the owners to develop

the land for economic use

- e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes
- f) recognising and taking account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- g) recognising and taking account of the importance of the land for community goals relating to
 - a. the preservation of the natural character of the coastal environment
 - b. the protection of outstanding natural features
 - c. the protection of significant indigenous vegetation and significant habitats of indigenous fauna
- h) recognising the level of community services provided to the land and its occupiers
- i) recognising matters related to the physical accessibility of the land.

Conditions and Criteria

Applications for remission of rates on Maori freehold land must be made in writing, and should include:

- a description of the size, position and current use

of the land

- an indication of the ownership and documentation that shows the land which is subject to the application for rates remission is Maori freehold land
- outline future plans for the land (if any)
- sources and level of income generated by the land (if any)
- financial accounts if requested
- outline the reason for the request
- describe how the application meets any one or more of the objectives listed above.

Council may grant a remission of up to 100% of all rates except targeted rates for water supply, sewage disposal, storm water or refuse collection.

POSTPONEMENT OF RATES

Council does not allow for rates postponement on Maori freehold land.

PROCEDURES

REMISSION OF RATES

An application for remission of rates must be considered by the Corporate & Property Committee.

All rates on Maori freehold land whose owners name or names (or the name of the lessee) appears on the valuation roll (under section 92 of the LGRA) will be collected in the usual manner of rate collection and follow up.

All arrears and penalties on Maori freehold land vested in trustees will be collected from income derived from that land and held by the trustees for the beneficial owners, but limited to the extent of the money derived from the land and held by the trustees on behalf of the beneficial owner or owners (as per section 93 LGRA).

For Maori freehold land in multiple ownership, any person who actually uses the land whether for residing, farming, storage or any other use, whether they have a lease or not, is liable to pay the rates (as per section 96 LGRA). The rates invoice will be delivered to that person and the rates will be collected in the usual manner. Section 97 LGRA provides for the person to be treated as having used the whole of the land for the whole financial year, unless they can establish otherwise.

Rates arrears on Maori freehold land in multiple ownership shall be reviewed annually and amounts determined by council as uncollectible shall be written off (for accounting purposes) on such land.

REMISSION OF PENALTIES

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Where significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Staff Delegations Manual.

DEFINITIONS

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

Maori freehold land in multiple ownership means

Maori freehold land owned by more than two persons.

RELEVANT LEGISLATION

Sections 102 and 108 of the Local Government Act 2002.

Sections 91 to 97 of the Local Government (Rating) Act 2002.

LEGAL COMPLIANCE

Not applicable.

RELATED POLICY AND DOCUMENTS

- Long Term Plan.
- Delegations Manual.

KEY WORDS

Maori freehold land, rate remission, section 102, section 108, Long Term Plan.

FINANCIAL CONTRIBUTIONS POLICY

PURPOSE

To provide predictability and certainty about the sources and levels of funding to meet increased demand for reserves and infrastructure resulting from growth by enabling Council to recover contributions from those persons undertaking development as a condition of a resource consent or permitted activity or where that development or activity may have an adverse effect.

STATUTORY CONTEXT

2.1 Section 106 of the Local Government Act 2002 requires a local authority to adopt a development contributions or financial contributions policy.

2.2 “Financial contributions” has the meaning given to it by section 108(9) of the Resource Management Act 1991 (RMA), i.e. financial contribution means a combination of:-

- (a) Money; or
- (b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless that Act provides otherwise;

or
(c) A combination of money and land”.

2.3 Development contributions may take the same form as above, but they are only available to fund additional infrastructure costs that occur as a direct result of growth. They are a tool to allocate the cost of growth to those who cause the need for the additional infrastructure.

DEVELOPMENT CONTRIBUTIONS

Clutha District Council’s policy in relation to development contributions is to not assess development contributions under the Local Government Act 2002 but to take financial contributions, pursuant to Section 109 of the RMA.

FINANCIAL CONTRIBUTIONS

4.1 The objective of this policy is to require financial contributions, in appropriate circumstances, for the purpose of meeting the costs of increased demand for reserves and infrastructure resulting from growth.

4.2 Council may require that a financial contribution

be made to Council as a condition of resource consent or permitted activity where that activity or development requires additional capacity from any of the following:

The recreational resources and facilities of the District; and
Sewerage, water and roading networks.

POLICY DETAILS

Council has considered all matters it is required to consider under the Act when making a policy on financial contributions. The Council has also considered the requirements in Section 106 of the Act relating to the content of such a policy. Policy resulting from these considerations is set out in this section.

5.1 Appropriate sources of funding

5.1.1 Council incurs capital works expenditure in order to:

- (a) provide additional capacity in assets to cater for new development;
- (b) improve the level of service to existing households and businesses;
- (c) meet environmental and other legislative requirements; and
- (d) Renew assets to extend their service life.

5.1.2 Section 101(3)(a) of the Act states that

the funding needs to meet these expenditure requirements must be met from sources that Council determines to be appropriate, following a consideration, in relation to each activity, of a number of matters. Council's consideration of these matters as it relates to the funding of capital expenditure is outlined in the Revenue and Financing Policy. The analysis contained in the Revenue and Financing Policy is also applicable to this policy.

5.1.3 Council has had regard to and made the following determinations under each activity in relation to the matters set out under section 101(3)(a)(i) to (v) of the Act:

that financial contributions are an appropriate source of funding for water supply, sewerage, roading and reserves.

5.1.4 Section 106 of the Act requires Council to:

- (a) summarise and explain the total cost of capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth; and
- (b) state the proportion of that total cost of capital expenditure that will be funded by—

- (i) development contributions;
- (ii) financial contributions; and
- (iii) other sources of funding.

5.1.5 These requirements are met in Schedule 1 of this policy.

5.1.6 Section 106(2)(d) of the Act requires the Council to identify separately each activity or group of activities for which a financial contribution will be required and in relation to each activity or group of activities the total amount of funding sought by

financial contributions.

This requirement is met by Schedule 2 of this policy.

5.1.7 The Resource Management Act 1991 authorises local authorities to impose financial contributions to address effects associated with subdivision, land use or development. Council may require a financial contribution, as a condition of consent, in accordance with any relevant rule in the Clutha District Plan.

5.1.8 Provisions regarding financial contributions towards water supply, sewerage, roading and reserves are detailed in Section 3.8 of the Clutha District Plan and should be referred to when reading this policy.

5.1.9 Section 106(2)(f) of the Act states that if financial contributions are required this policy must summarise the provisions that relate to financial contributions.

This summary is set out in Schedule 3.

POLICY REVIEW

This policy shall be reviewed by December 2023.

SCHEDULES

SCHEDULE 1 – Capital Expenditure to meet increased demand resulting from growth and sources of funding

The growth assumption for the Long Term Plan is sufficiently low that Council has not budgeted for any capital expenditure in regard to growth for the 2021/31 Long Term Plan. Consequently there are no financial contributions in the Long Term Plan relating

to the increased demand resulting from growth.

SCHEDULE 2 – Financial Contributions by Activity

As explained under schedule 1, there are no financial contributions included in the Long Term Plan relating to the increased demand resulting from growth.

SCHEDULE 3 – Summary of Financial Contribution Provisions

Section 106(2)(f):- because the Council may require financial contributions this policy must summarise the provisions that relate to financial contributions in the District Plan. Section 3.8 of the Clutha District Plan requires the following contributions:

Roading

The financial contribution required for upgrading roads that serve subdivision and developments shall be a reasonable and equitable charge having regard to the following matters:

- (a) the current status and standard of the road both leading to and fronting the site, and the adequacy of that road for its current use
- (b) the standard and classification of the road required as a result of the subdivision/development the expenditure required to meet this standard
- (c) the use or likely future use of the road by other parties and the contributions (if any) to be made or already made by such parties
- (d) the contributions made by Government or outside organisations towards the development of the road, and any contributions (if any) already made by the subdivider or developer provided that after having considered these

factors the maximum contribution required may be determined 100% of the actual cost.

Reserves

A financial contribution for the purpose of acquiring, improving and/or developing reserves and recreational facilities throughout the district may be imposed in the following circumstances:

- (a) as a condition of a permitted activity
- (b) as a condition of a resource consent for any subdivision or development for residential or commercial or industrial purposes

Sewerage

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public sewerage system.

The financial contribution shall be calculated in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing sewerage system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.

Water

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public water system.

The financial contribution shall be calculated

in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside of the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing public water system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.

FINANCIAL STATEMENTS

OUR PLACE CLUTHA DISTRICT COUNCIL LONG TERM PLAN 2021/31



STATEMENT OF COMPLIANCE

THE PROSPECTIVE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE ON 24 JUNE 2021 BY THE COUNCIL OF THE CLUTHA DISTRICT COUNCIL.

THE COUNCIL IS RESPONSIBLE FOR THE PROSPECTIVE FINANCIAL STATEMENTS PRESENTED, INCLUDING THE APPROPRIATENESS OF THE ASSUMPTIONS UNDERLYING THE PROSPECTIVE FINANCIAL STATEMENTS AND ALL OTHER REQUIRED DISCLOSURES.

THE FINANCIAL INFORMATION CONTAINED IN THIS PLAN IS PROSPECTIVE FINANCIAL INFORMATION IN TERMS OF PBE FRS 42 'PROSPECTIVE FINANCIAL STATEMENTS', THE PURPOSE FOR WHICH IS TO ENABLE RATEPAYERS, RESIDENTS AND ALL INTERESTED PARTIES TO OBTAIN INFORMATION ABOUT THE EXPECTED FUTURE FINANCIAL PERFORMANCE, POSITION AND CASHFLOW OF COUNCIL.

NO ACTUAL FINANCIAL RESULTS ARE INCORPORATED IN THE PROSPECTIVE FINANCIAL STATEMENTS.

IT IS NOT INTENDED TO UPDATE THE PROSPECTIVE FINANCIAL STATEMENTS SUBSEQUENT TO PRESENTATION.

THE ACTUAL RESULTS ACHIEVED FOR ANY GIVEN FINANCIAL YEAR ARE LIKELY TO VARY FROM THE INFORMATION PRESENTED AND MAY VARY MATERIALLY DEPENDING UPON THE CIRCUMSTANCES THAT ARISE DURING THE PERIOD. THE PROSPECTIVE FINANCIAL INFORMATION IS PREPARED IN ACCORDANCE WITH SECTION 93 OF THE LOCAL GOVERNMENT ACT 2002. THE INFORMATION MAY NOT BE SUITABLE FOR USE IN ANY OTHER CAPACITY.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Revenue											
Rates	27,374	28,479	29,599	30,778	33,017	34,616	35,329	35,935	37,214	38,046	38,886
Grants, Subsidies and Donations	10,175	11,098	10,534	10,646	11,632	12,238	11,870	12,016	11,303	11,928	11,792
Fees and User Charges	863	1,099	1,707	1,464	1,030	1,059	1,088	1,099	1,130	1,161	1,193
Permits and Licences	756	936	963	991	1,019	1,049	1,077	1,088	1,118	1,150	1,181
Other Fees	1,213	1,325	1,446	1,574	1,611	1,667	1,723	1,757	1,804	1,851	1,897
Rental Revenue	948	1,031	1,060	1,089	1,118	1,149	1,179	1,190	1,222	1,255	1,287
Interest Revenue	778	1,073	1,037	1,021	1,015	1,022	1,030	1,038	1,046	1,054	1,063
Other Revenue	429	73	141	142	362	2,125	17,766	2,347	144	144	145
Other Gains	1,219	1,435	1,558	1,604	1,650	1,698	1,744	1,761	1,811	1,861	1,912
TOTAL REVENUE	43,755	46,549	48,045	49,309	52,454	56,623	72,806	58,231	56,792	58,450	59,356

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

Continues from previous page

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Expenditure											
Grants, Contributions and Sponsorship	1,380	8,872	2,857	1,478	1,435	1,436	1,436	1,451	1,420	1,420	1,420
Other Operating Expenditure	12,538	14,179	14,699	15,390	15,712	16,197	16,754	16,790	17,301	17,946	18,272
Roading Repairs and Maintenance	5,952	6,817	6,337	6,416	7,237	7,523	7,652	7,820	8,005	8,184	8,405
Employee Benefits	7,648	8,098	8,048	8,208	8,425	8,626	8,843	8,977	9,156	9,386	9,621
Depreciation and Amortisation	13,213	14,210	14,785	15,793	16,226	16,451	17,731	18,144	18,235	19,189	19,339
Finance Costs - External Loan	568	689	1,057	1,416	1,747	1,912	2,015	2,178	2,228	2,168	2,138
TOTAL EXPENDITURE	41,299	52,865	47,783	48,701	50,782	52,145	54,431	55,360	56,345	58,293	59,195
SURPLUS (DEFICIT) FOR THE YEAR	2,456	(6,316)	262	608	1,672	4,478	18,375	2,871	447	157	161
Other Comprehensive Revenue and Expense											
Property, plant and equipment Revaluations	0	0	85,315	0	0	117,843	0	0	130,040	0	0
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	2,456	(6,316)	85,577	608	1,672	122,321	18,375	2,871	130,487	157	161

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PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)										Continues on next page
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
ACCUMULATED FUNDS												
Opening Balance	224,150	235,295	234,168	235,740	233,357	232,381	233,640	248,344	247,120	241,300	235,552	
Add Total Comprehensive Revenue and Expense for the Year	2,456	(6,319)	85,576	606	1,673	122,324	18,377	2,872	130,491	157	160	
Transfers to Asset Revaluation Reserve	0	0	(85,315)	0	0	(117,843)	0	0	(130,040)	0	0	
Transfer to Reserves	5,069	5,192	1,309	(2,989)	(2,649)	(3,222)	(3,673)	(4,095)	(6,272)	(5,907)	(6,386)	
Closing Balance	231,675	234,168	235,738	233,357	232,381	233,640	248,344	247,121	241,299	235,550	229,326	
RESERVES												
Opening Balance	52,276	54,216	49,013	47,690	50,665	53,300	56,507	60,162	64,243	70,496	76,387	
Transfers from Accumulated Funds	(5,071)	(5,203)	(1,322)	2,975	2,635	3,206	3,656	4,080	6,253	5,891	6,370	
Closing Balance	47,205	49,013	47,691	50,665	53,300	56,506	60,163	64,242	70,496	76,387	82,757	
ASSET REVALUATION RESERVE												
Opening Balance	827,930	837,869	837,869	923,184	923,184	923,184	1,041,027	1,041,027	1,041,027	1,171,067	1,171,067	
Add Transfer from Accumulated Funds	0	0	85,315	0	0	117,844	0	0	130,040	0	0	
Closing Balance	827,930	837,869	923,184	923,184	923,184	1,041,028	1,041,027	1,041,027	1,171,067	1,171,067	1,171,067	

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Continues from previous page

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OTHER											
Opening Balance	382	364	377	391	405	420	435	450	466	482	499
Add Movement for the Year	13	13	14	14	15	15	15	16	16	17	17
Closing Balance	395	377	391	405	420	435	450	466	482	499	517
EQUITY AT THE END OF THE YEAR	1,107,254	1,121,427	1,207,004	1,207,611	1,209,283	1,331,609	1,349,982	1,352,858	1,483,345	1,483,503	1,483,666

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets											
Cash and cash equivalents	746	829	654	804	475	813	720	772	765	996	992
Receivables and prepayments	3,475	5,451	5,564	5,681	5,799	5,919	6,042	6,168	6,296	6,426	6,559
Other financial assets	25,857	30,507	30,044	29,855	30,070	30,292	30,522	30,760	31,006	31,260	31,523
Development property	1,300	2,050	1,350	850	450	350	350	350	350	350	350
TOTAL CURRENT ASSETS	31,378	38,837	37,612	37,190	36,794	37,374	37,634	38,050	38,417	39,032	39,424
Non Current Assets											
Property, plant & equipment	1,109,690	1,134,021	1,236,241	1,257,996	1,272,694	1,398,575	1,423,132	1,435,727	1,560,993	1,559,688	1,557,611
Intangible assets	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other financial assets	152	252	252	252	252	252	252	252	252	252	252
TOTAL NON CURRENT ASSETS	1,111,042	1,135,473	1,237,693	1,259,448	1,274,146	1,400,027	1,424,584	1,437,179	1,562,445	1,561,140	1,559,063
TOTAL ASSETS	1,142,420	1,174,310	1,275,305	1,296,638	1,310,940	1,437,401	1,462,218	1,475,229	1,600,862	1,600,172	1,598,487

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PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Continues from previous page

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Liabilities											
Payables and Accruals	5,723	6,101	6,219	6,345	6,476	6,611	6,755	6,890	7,036	7,187	7,338
Employee entitlements	635	756	756	756	756	756	756	756	756	756	756
Borrowings	1,160	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	9,000	10,000
TOTAL CURRENT LIABILITIES	7,518	10,857	10,975	11,102	11,232	11,368	11,510	11,646	11,792	16,944	18,094
Non Current Liabilities											
Other Liabilities	60	55	55	55	55	55	55	55	55	55	55
Borrowings	26,857	41,180	56,480	77,080	89,580	93,580	99,880	109,880	104,880	98,880	95,880
Provisions	780	790	790	790	790	790	790	790	790	790	790
TOTAL NON CURRENT LIABILITIES	27,697	42,025	57,325	77,925	90,425	94,425	100,725	110,725	105,725	99,725	96,725
TOTAL LIABILITIES	35,215	52,882	68,300	89,026	101,657	105,792	112,236	122,371	117,517	116,668	114,819
Equity											
Accumulated funds	231,675	234,168	235,740	233,357	232,381	233,640	248,344	247,120	241,300	235,552	229,325
Reserves	875,530	887,259	971,265	974,255	976,902	1,097,970	1,101,638	1,105,738	1,242,045	1,247,952	1,254,343
TOTAL EQUITY	1,107,205	1,121,427	1,207,005	1,207,611	1,209,283	1,331,609	1,349,983	1,352,858	1,483,345	1,483,503	1,483,668
NET CURRENT ASSET POSITION	23,860	27,980	26,637	26,088	25,562	26,006	26,124	26,404	26,625	22,088	21,330

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PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASHFLOW FROM OPERATING ACTIVITIES											
Receipts from customers, rates, grants and other services	42,976	45,696	47,234	48,518	51,680	55,848	72,029	57,449	56,009	57,667	58,568
Interest received	778	0	0	0	0	0	0	0	0	0	0
Payments to suppliers and employees	(27,091)	(38,180)	(32,157)	(31,711)	(33,033)	(34,010)	(34,918)	(35,275)	(36,124)	(37,181)	(37,969)
Interest Expense	(568)	(689)	(1,057)	(1,416)	(1,747)	(1,912)	(2,015)	(2,178)	(2,228)	(2,168)	(2,138)
NET CASHFLOW FROM OPERATING ACTIVITIES	16,095	6,827	14,020	15,391	16,900	19,926	35,096	19,996	17,657	18,318	18,461
CASHFLOW FROM INVESTING ACTIVITIES											
Purchase of PP&E	(35,912)	(30,907)	(31,695)	(37,552)	(30,930)	(24,489)	(42,290)	(30,745)	(13,465)	(17,887)	(17,266)
(Acquisition) / sale of other financial assets	840	2,112	1,500	1,210	800	800	800	800	800	800	800
(Acquisition) / sale of development property	900	900	700	500	400	100	0	0	0	0	0
NET CASH FROM INVESTING ACTIVITIES	(34,172)	(27,895)	(29,495)	(35,842)	(29,730)	(23,589)	(41,490)	(29,945)	(12,665)	(17,087)	(16,466)

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PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASHFLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	20,000	21,500	15,300	20,600	12,500	4,000	6,300	10,000	0	0	0
Repayment of borrowings	(1,552)	0	0	0	0	0	0	0	(5,000)	(1,000)	(2,000)
TOTAL CASHFLOW FROM FINANCING ACTIVITIES	18,448	21,500	15,300	20,600	12,500	4,000	6,300	10,000	(5,000)	(1,000)	(2,000)
Net increase (decrease) in cash and cash equivalents	371	432	(175)	149	(330)	337	(94)	51	(8)	231	(5)
Cash and cash equivalents at beginning of the year	375	396	828	653	802	472	809	715	766	758	989
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	746	828	653	802	472	809	715	766	758	989	984

RECONCILIATION OF NON-EXCHANGE & EXCHANGE REVENUE

(All in \$'000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Revenue from non-exchange transactions											
General rates	2,528	3,121	2,602	2,301	3,713	3,848	3,937	3,963	3,997	4,037	4,023
Targeted rates	24,664	25,138	26,771	28,244	29,065	30,522	31,139	31,716	32,954	33,739	34,586
Rates penalties	182	220	226	233	239	246	253	256	263	270	277
Internal rates	0	0	0	0	0	0	0	0	0	0	0
TOTAL NON - EXCHANGE REVENUE	27,374	28,479	29,599	30,778	33,017	34,616	35,329	35,935	37,214	38,046	38,886
Revenue from exchange transactions											
Grants, subsidies and donations	948	1,031	1,060	1,089	1,118	1,149	1,179	1,190	1,222	1,255	1,287
Fees and user charges	10,175	11,099	10,534	10,646	11,631	12,238	11,870	12,016	11,303	11,927	11,793
Permits and licences	2,432	2,759	3,004	3,178	3,262	3,365	3,467	3,518	3,615	3,713	3,808
Other fees	863	1,099	1,707	1,464	1,030	1,059	1,088	1,099	1,130	1,161	1,193
Rental revenue	756	936	963	991	1,019	1,049	1,077	1,088	1,118	1,150	1,181
Interest revenue	778	1,073	1,037	1,021	1,015	1,022	1,030	1,038	1,046	1,054	1,063
Other revenue	429	73	141	142	362	2,125	17,766	2,347	144	144	145
TOTAL EXCHANGE REVENUE	16,381	18,070	18,446	18,531	19,437	22,007	37,477	22,296	19,578	20,404	20,470
TOTAL REVENUE	43,755	46,549	48,045	49,309	52,454	56,623	72,806	58,231	56,792	58,450	59,356

RECONCILIATION OF CASHFLOW TO COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	2,456	(6,316)	85,577	608	1,672	122,321	18,375	2,871	130,487	157	161
Add non-cash items											
Revaluation of property, plant and equipment	0	0	(85,315)	0	0	(117,843)	0	0	(130,040)	0	0
Working Capital Inflation	426	6	10	11	17	19	20	19	21	26	24
Depreciation and Amortisation	13,213	14,210	14,785	15,793	16,226	16,451	17,731	18,144	18,235	19,189	19,339
Fair Value Gains Nikko Investment	0	(1,073)	(1,037)	(1,021)	(1,015)	(1,022)	(1,030)	(1,038)	(1,046)	(1,054)	(1,063)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	16,095	6,827	14,020	15,391	16,900	19,926	35,096	19,996	17,657	18,318	18,461

RECONCILIATION OF COUNCIL FIS TO ACTIVITY FIS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Community Leadership	61	6	93	127	132	134	137	138	141	144	147
Economic & Community Development	(287)	(299)	20	20	32	50	51	52	52	53	53
Roading	4,859	3,362	4,282	3,733	4,450	4,373	4,030	4,083	4,198	4,097	4,153
Water Supply	2,290	2,887	3,878	3,919	3,391	3,474	3,705	3,975	4,226	4,387	4,635
Sewerage	1,080	1,273	1,447	1,617	1,744	1,799	1,872	1,914	2,115	2,166	2,215
Stormwater	351	432	517	555	610	712	761	793	840	841	882
Solid Waste Management	135	(33)	319	(48)	(44)	(45)	(49)	(47)	(48)	(52)	(60)
Community Services	1,086	(5,018)	(245)	1,163	1,193	1,209	1,236	1,229	1,246	1,276	1,294
Regulatory & Emergency Services	33	82	165	167	166	171	174	177	185	187	188
Internal Services	207	(2,229)	(1,906)	(1,698)	(1,265)	(1,244)	(1,305)	(1,433)	(1,374)	(1,367)	(1,350)
SURPLUS/(DEFICIT) OF OPERATING FUNDING PER ACTIVITIES FIS	9,815	464	8,570	9,555	10,409	10,633	10,612	10,882	11,581	11,732	12,157
OVERALL FIS	9,815	464	8,570	9,555	10,409	10,633	10,612	10,882	11,581	11,732	12,157

DEPRECIATION & AMORTISATION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Buildings	495	461	495	576	601	636	672	701	708	742	787
Furniture and Equipment	296	421	462	480	548	596	630	652	652	652	660
Plant and Motor Vehicles	600	598	795	847	874	902	931	960	990	1,128	1,160
Library Books	106	117	134	151	168	187	207	228	249	272	296
Roads	8,594	8,814	8,848	9,264	9,273	9,273	9,751	9,751	9,751	10,266	10,266
Stormwater	301	377	399	419	423	426	463	483	483	522	522
Sewerage	966	1,276	1,346	1,398	1,407	1,451	1,892	2,051	2,051	2,079	2,079
Water	1,855	2,146	2,306	2,658	2,930	2,978	3,185	3,318	3,350	3,528	3,569
Computer Software*	0	0	0	0	0	0	0	0	0	0	0
PROSPECTIVE DEPRECIATION AND AMORTISATION	13,213	14,210	14,78	15,793	16,226	16,451	17,731	18,144	18,235	19,189	19,339

* Note amortisation for computer software has been included in Plant and Motor Vehicles

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Clutha District Council ("the Council or CDC") is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council's principle address is 1 Rosebank Terrace, Balclutha, New Zealand. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with and comply with Tier 1 PBE standards. The financial statements are fully compliant with the requirements of PBE FRS 42.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

GOODS AND SERVICES TAX

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

REVENUE ACCOUNTING POLICY

Revenue is measured at fair value. Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities. In order to fairly reflect the total external operations for Council in the statement of comprehensive revenue and expenditure, these transactions are eliminated. Council receives its revenue from exchange or non-exchange transactions.

Exchange transaction revenue arises when Council provides goods or services to a third party and directly receives approximately equal value in return.

Non-exchange transaction revenue arises when Council receives value from another party without giving approximately equal value directly in exchange for the value received. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants and subsidies and fees and user charges derived from activities that are partially funded by rates.

The specific accounting policies for significant revenue items are explained to the right:

Type	Recognition and measurement
Rates revenue	<p>The following policies for rates have been applied:</p> <ul style="list-style-type: none"> General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue. Rates arising from late payment penalties are recognised as revenue when rates become overdue. Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis. Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
Grants	<p>Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied</p>
Financial contributions	<p>Financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.</p>
Waka Kotahi Transport Agency roading subsidies	<p>Council receives funding assistance from Waka Kotahi NZ Transport Agency which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.</p>
Vested or donated physical assets	<p>For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.</p>
Infringement fees and fines	<p>For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.</p> <p>When the infringement notice is issued.</p>

Interest revenue	Interest revenue is recognised using the effective interest method.
Dividend revenue	Dividends are recognised when the right to receive payment has been established.
Water and wastewater user charges	When invoiced or accrued in the case of unbilled services at fair value of cash received or receivable.
Sale of goods	Revenue from the sale of goods is recognised when a product is sold to the customer.
Sale of services	On a percentage of completion basis over the period of the service supplied.
Building and resource consent revenue	Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date. Partially refundable after administration and inspection fees if application is cancelled.
Licence and permit fees	On receipt of application as these are non-refundable.
Entrance fees	Entrance fees are fees charged to users of Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.
Landfill fees	Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.
Development Property	On earliest of either settlement, or unconditional sale and purchase agreement

OPERATING EXPENDITURE ACCOUNTING POLICIES

GRANTS AND SUBSIDIES

Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have indefinite useful life are tested annually for impairment. Property, plant and equipment and intangible assets subsequently measured at cost that have finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, the Council estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is recognised in surplus or deficit in the statement of comprehensive revenue and expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of

expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost (DRC).

Property, plant and equipment that is measured at fair value, is not required to be separately tested for impairment.

GROUP OF ACTIVITIES

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the period.

EMPLOYEE BENEFITS ACCOUNTING POLICY

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

DEPRECIATION AND AMORTISATION ACCOUNTING POLICY

Depreciation is provided on all property, plant and equipment except for land, land under forests, road

formation and land under roads. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight line basis over their useful economic lives.

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

FINANCE COSTS ACCOUNTING POLICY

Finance costs include interest expenditure, the unwinding of discounts on provisions and financial assets; and net realised losses on the early close-out of derivatives. Interest expenditure is recognised using the effective interest rate method. Interest expenditure includes the amortisation of borrowing costs recognised over the borrowing term. Borrowing costs are recognised as an expense in the financial year in which they are incurred.

NET GAINS AND LOSSES ACCOUNTING POLICY

Net other gains and losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that Council will receive the consideration due.

INCOME TAX ACCOUNTING POLICY

Council is exempt from income tax under the Income Tax Act 2007.

PROPERTY, PLANT AND EQUIPMENT ACCOUNTING POLICY

Property, plant and equipment consist of:

Operational Assets :

Land, buildings, furniture and equipment, plant and motor vehicles, land under forests and library books.

Infrastructural Assets:

Infrastructural assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function:

- Roads, bridges and lighting.
- Land under roads.
- Stormwater.
- Wastewater.
- Water.

Land (operational and restricted), buildings (operational and restricted), and library books are measured at cost less accumulated depreciation, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Restricted Assets:

Restricted assets are mainly parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

REVALUATION

Infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenditure and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenditure but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

DISPOSALS

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the carrying value of the assets to their estimated residual values over their useful lives. The useful lives and associated. Depreciation rates of major classes of assets have been estimated as per table on the previous page.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

THE FOLLOWING ESTIMATED USEFUL LIVES ARE USED IN THE CALCULATION OF DEPRECIATION:

	YEARS	DEPRECIATION RATE
Operational Assets		
Land	n/a	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and Equipment	3-10	10% - 33.3%
Plant and Motor Vehicles	3-10	10% - 33.3%
Land Under Forest	n/a	Not depreciated
Library Books	7	14.3%
Infrastructural Assets		
Roads - Formation	n/a	Not depreciated
Roads - Pavement (Sealed)	2-100	1%-50%
Roads - Pavement (Unsealed)	35-100	1%-2.86%
Roads - Other Roading Assets	20-150	0.6%-5%
Roads - Other	10-50	2%-10%
Roads - Bridges	50-150	0.6%-2%
Land Under Roads	n/a	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%
Restricted Assets		
Reserves	Not applicable	Not applicable
Endowments	Not applicable	Not applicable
Other	Not applicable	Not applicable

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

From the 30 June 2017 year onwards, Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. Council can therefore impair a revalued asset without having to revalue the entire class of-asset to which the asset belongs.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expenditure and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

VALUE IN USE FOR NON-CASH-GENERATING ASSETS

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

VALUE IN USE FOR CASH-GENERATING ASSETS

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

INTANGIBLE ASSETS ACCOUNTING POLICY

SOFTWARE ACQUISITION AND DEVELOPMENT

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are

recognised as an expense when incurred.

Costs associated with development and maintenance of Council's website are recognised as an expense when incurred.

AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 to 5 years	20% to 33.3%
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IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

BORROWINGS ACCOUNTING POLICY

Borrowings are initially recognised at face value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

FINANCIAL INSTRUMENTS ACCOUNTING POLICY

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when Council becomes a party to contractual provisions of the instrument. Council

is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, trade and other receivables, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

FINANCIAL ASSETS

Financial assets are classified into the following specified categories:

- Financial assets 'at fair value through surplus or deficit',
- 'Available-for-sale' financial assets, and
- 'Loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest revenue over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

Has been acquired principally for the purpose of selling in the near future;

Is a part of an identified portfolio of financial instruments that Council manages together and has a recent actual pattern of short term profit-taking; or

Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through surplus or deficit

are stated at fair value, with any resultant gain or loss recognised in the Statement of comprehensive revenue and expenditure. The net gain or loss is recognised in the Statement of comprehensive revenue and expenditure and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

Council has classified its managed funds, held with Nikko Asset Management, as financial assets at fair value through surplus or deficit. This fund includes bonds and tradable securities.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are those that are designated as fair value through other statement of comprehensive revenue or expenditure or are not classified in any of the other categories. This category encompasses investments that Council intends to hold long-term but which may be realised before maturity and equity securities held for strategic purposes.

Equity securities have been classified as being available-for-sale and are stated at fair value.

Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve; with the exception interest calculated using the effective interest method and impairment losses which are recognised directly in the Statement of comprehensive revenue and expenditure. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of comprehensive revenue and expenditure for the period.

Dividends on available-for-sale equity securities are recognised in the Statement of comprehensive revenue and expenditure when Council's right to receive payments is established.

LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Statement of comprehensive revenue and expenditure.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of comprehensive revenue and expenditure as a grant.

Money Market Deposits are included within this classification.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial

recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is noncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of comprehensive revenue and expenditure.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of comprehensive revenue and expenditure to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES

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

BORROWINGS

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of comprehensive revenue and expenditure over the period of the borrowing using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

From time to time Council enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Council does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Derivative instruments entered into by Council do not qualify for hedge accounting. The resulting gain or loss is recognised in the Statement of comprehensive revenue and expenditure immediately.

There were no derivative financial instruments held by Council.

- **Fair Value Estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used for financial assets held by Council is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

- **Assets Held For Sale**

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets (including those that are part of a disposal) are not depreciated or amortised while they are classified as held for sale.

OTHER FINANCIAL ASSETS ACCOUNTING POLICY

Other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Other financial assets include unit trusts, loans to related parties, credit support annex, bonds, borrower notes, community loans and listed and unlisted shares.

FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS ACCOUNTING POLICY

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of the investment based on the LGFA's net asset backing at 30 June.

The carrying amount of financial assets and financial liabilities are recorded at amortised cost in the financial statements which approximates their fair values.

Fair value measurements recognised in the Statement of comprehensive revenue and expenditure. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, reconciled into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data unobservable inputs).

FAIR VALUE HIERARCHY ACCOUNTING POLICY

For the purpose of measurement financial assets and liabilities are classified into categories. The classification

depends on the purpose for which the financial assets and liabilities are held.

Management determines the classification of financial assets and liabilities and recognised these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:

Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Loans and receivables	Amortised cost less provision for impairment	Surplus or deficit
Available for sale financial assets	Fair value	Other comprehensive revenue and expenditure
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit
Held to maturity financial assets	Amortised cost less provision for impairment	Surplus or deficit

Council does not have financial assets for purposes of trading. Council has listed shares and unit trusts that are designated on initial recognition at fair value through surplus or deficit. This is because the performances of these groups of assets are managed, and performance evaluated, on a fair value basis, in accordance with Council's investment management policy. Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenditures arising as a result of financial

instrument earnings or fair value adjustments are recognised as a net result for like items.

CASH AND CASH EQUIVALENTS ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

RECEIVABLES AND PREPAYMENTS ACCOUNTING POLICY

Short-term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

FAIR VALUE

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

PROVISION FOR IMPAIRMENT OF RECEIVABLES ACCOUNTING POLICY

ASSESSMENT FOR UNCOLLECTABILITY

Council does not normally provide for any uncollectability on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material. Council provides for impairment on rates receivables only for abandoned land and properties at rating sales with little chance of recovery.

All receivables more than 30 days in age are considered to be past due.

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt write offs.

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

Other than Waka Kotahi, the Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers. Council believes no further credit provision is required in excess of the allowance for doubtful debts.

PAYABLE & ACCRUALS ACCOUNTING POLICY

Current payables and accruals are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore the carrying value approximates fair value. Non-current payables and accruals are measured at the present value of the estimated future cash outflows.

EMPLOYEE ENTITLEMENTS ACCOUNTING POLICY

Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported at the present value of estimated future cash outflows.

PROVISIONS ACCOUNTING POLICY

Provisions are recognised in the statement of financial position only where Council has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit.

EQUITY ACCOUNTING POLICY

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expenditure reserve.

RESTRICTED RESERVES

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

Reserves may be legally restricted or created by Council.

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

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

PROPERTY REVALUATION RESERVE

This reserve relates to the revaluation of property, plant, and equipment to fair value.

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expenditure.

CAPITAL MANAGEMENT

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by Council.

Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council-created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can generally be approved only by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable, and deductions are made where funds have been used for the purpose they were donated.

NON-CURRENT ASSETS HELD FOR SALE ACCOUNTING POLICY

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

DEVELOPMENT PROPERTY ACCOUNTING POLICY

Development Properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for the development properties less all estimated costs to make the sale.

CONTINGENCIES, COMMITMENTS AND SUBSEQUENT EVENTS ACCOUNTING POLICY

Contingent liabilities and contingent assets are not recognised in the financial statements due to their uncertainty or the fact that they cannot be reliably measured. Disclosures are provided for as follows:

- Contingent liabilities are disclosed unless the possibility that these will crystallise is remote.
- Contingent assets are only disclosed when the possibility that these will crystallise is probable.

LEASE COMMITMENTS ACCOUNTING POLICY

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

SIGNIFICANT JUDGEMENTS & ESTIMATES

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next ten years are:

- Estimating the fair value and useful lives of land, buildings, and infrastructural assets.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of property

Council owns properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them. These properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted as property, plant and equipment, rather than investment property.

Estimating the fair value of infrastructure

The most recent valuation of infrastructural assets effective 30 June 2020 was performed by:

- Stormwater, wastewater and water infrastructural assets were valued at depreciated replacement cost as at 30 June 2020 by Council staff and reviewed by Rationale Limited.

- The roading infrastructural assets (excluding land under roads) were revalued at depreciated replacement cost at 30 June 2017 by MWH Limited (Stantec).

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand’s Capital Goods Price Index (based on the March 2017 quarter index) for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over- or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expenditure. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

ITEM	VALUATION INPUT
Interest rate swaps	Forward interest rate yield

Landfill aftercare provision

The management of the Mt Cooe landfill will influence the timing of recognition of some future liabilities. However, it is likely that the main restriction on the future use of the current site will be the statutory and regulatory limitations rather than the capacity of the site. At the current rates of usage there will be significant volumetric capacity remaining in 2023.

The cash outflows for closed landfills are expected to occur until 2026. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 6%.

Other assumptions made in the calculation of the provision are:

- No major capital projects will be required at existing closed landfill sites and
- There will be consent renewal for Mt Cooe Landfill to allow it to continue to operate post 2023.

STANDARDS AND AMENDMENTS, ISSUED BUT NOT YET EFFECTIVE THAT HAVE NOT BEEN EARLY ADOPTED; AND WHICH ARE RELEVANT TO THE COUNCIL:

FINANCIAL INSTRUMENTS

PBE IPSAS 41 Financial Instruments (PBE IPSAS 41) will become effective for the year ending 30 June 2023, or the second year of the 2021-31 LTP, or could be early adopted from 1 July 2021.

Paragraph 41 of PBE FRS 42 Prospective Financial Statements will require prospective financial statements to be prepared in accordance with the accounting policies expected to be used in the future for reporting historical financial statements.

PBE IPSAS 41 will:

- Introduce a new classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held. This could result in some instruments moving from amortised cost accounting to fair value accounting, or vice versa.
- Apply a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing.
- Introduce a hedge accounting model that broadens the hedging arrangements in scope of the guidance.

Council is not anticipating any material difference to prior disclosures and treatments and will adopt PBE IPSAS 41 to apply from the second year of the 2021-31 LTP.

EMPLOYEE BENEFITS

PBE IPSAS 39 Employee Benefits replaces the current standard on employee benefits, PBE IPSAS 25. PBE IPAS 39 is effective for annual period beginning on or after 1 January 2019, with early application permitted. The changes mainly focus on defined benefit plans where the new standards:

- Removes the option to defer the recognition of certain actuarial gains and losses arising from defined benefit plans.
- Eliminates some of the presentation options for actuarial gains and losses arising from defined benefit plans.
- Introduces the net interest approach, which is to be used when determining the defined benefit cost for defined benefit plans.
- Structures the disclosures for defined benefit plans according to explicit disclosure objectives for defined benefit plans.

Council does not have defined benefit plans and therefore, Council does not expect this standard to have significant impact on the financial statements.

OTHER CHANGES IN ACCOUNTING POLICES

There have been no other changes in accounting policies.

SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2031
Internal Services						
Information Technology	Depn	(891)	2,225	29	260	1,103
Rosebank Terrace Main Office/Service Centres	Depn	398	848	107	789	564
Underground Insurance	Spec	434	640	260	-	1,335
Human Resources	Spec	20	-	7	-	27
Cars	Spec	485	2,851	228	2,400	1,163
Gratuities	Spec	79	-	27	-	106
District Assets Infrastructure	Spec	2	-	1	-	2
Policy and Communications	Spec	126	1	20	73	75
Community Leadership						
Election Fund	Spec	49	-	-1	60	(13)
Lawrence Tuapeka Community Board	Spec	31	-	-2	60	(31)
West Otago Community Board	Spec	78	-	27	-	105
Tuapeka Bursary	Spec	32	-	11	-	43
Clutha Gold Trail	Spec	94	-	4	98	0
Opportunities Fund	Spec	76	-	26	-	102
Signage	Spec	8	-	3	-	11
Welcome to Signage	Spec	4	-	2	-	6

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SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2021
Community Services						
Library	Depn	119	1,541	73	1,380	354
Balclutha Pool	Depn	39	596	117	-	752
Kaitangata Pool	Depn	218	-	75	-	292
Kaitangata Pool	Spec	87	-	30	-	116
Lawrence Pool	Depn	142	-	49	-	191
Lawrence Pool	Spec	49	-	17	-	66
Milton Pool	Depn	54	284	68	-	405
Reserve Contributions	Spec	88	91	46	-	225
Parks and Reserves	Depn	105	173	21	236	63
Sportsgrounds	Depn	271	195	127	-	593
Grandstand 2000	Depn	159	-	55	-	214
Cemetery	Depn	116	-	37	8	145
Cemeteries	Spec	537	-	185	-	722
Kaitangata Cemetery	Spec	15	-	5	-	20
Lawrence Cemetery	Spec	31	-	11	-	41
Public Conveniences	Depn	122	571	115	99	708
Balclutha Town Hall	Depn	111	-	38	-	150
Balclutha Town Hall	Spec	185	-	63	-	248
Milton Civic Centre	Depn	15	-	5	-	21
Kaitangata Hall	Depn	29	-	10	-	39
Clutha Valley Hall	Depn	44	38	22	-	105
Hillend Hall	Depn	37	37	19	-	93
Kaka Point Hall	Depn	11	79	8	70	28
Lovells Flat Hall	Depn	15	3	6	-	24

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SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2021
Community Services						
Moneymore Hall	Depn	12	4	5	-	20
Owaka Hall	Depn	57	38	19	56	57
Waiholā Hall	Depn	6	3	3	-	12
Waipahi Hall	Depn	14	7	6	-	28
Waitahuna Hall	Depn	221	46	75	70	273
Waiwera Hall	Depn	20	4	8	-	32
Various Halls	Depn	162	-	56	-	217
Clinton Hall	Depn	0	-	0	-	0
Naish Park Camping Ground	Depn	90	188	57	39	296
Kaka Point Camping Ground	Depn	74	124	34	51	181
Taylor Park Camping Ground	Depn	63	14	24	-	102
Pounawea Camping Ground	Depn	22	84	16	37	86
Waiholā Camping Ground	Depn	8	3	3	-	15
Community Housing	Depn	768	1,244	480	-	2,492
Endowment Land	Spec	628	-	216	-	844
Depots	Depn	373	-	128	-	501
Other Property	Depn	133	-	46	-	178
Dunrobin Recreation Reserve Board	Spec	74	-	26	-	100
Parkhill Rec Reserve Board	Spec	5	-	2	-	7
Waikoikoi Domain Board	Spec	18	-	6	-	24

SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2031
Funds Not Specifically Allocated to an Activity Group						
Emergency Fund	Spec	4,459	-	1,534	-	5,993
General Reserve	Spec	6,592	4,662	-	31	11,223
Serdel - Externally Invested	Spec	4,773	-	-	-	4,773
Forestry Fund - Externally Invested	Spec	6,208	-	1,360	-	7,568
Investment Fund Balance by difference - Externally Invested	Spec	3,030	-	-	-	3,030
Rates Disbursement Reserve	Spec	3,078	-	4,900	35	7,943
Treasury Return to Balance Reserve	Spec	1,540	-	2,272	-	3,812
Lawrence Heritage	Spec	30	-	10	-	40
Regulatory & Emergency Services						
Animal Control	Depn	20	26	12	-	58
Regulatory Reserve	Depn	55	-	19	-	73
Roading						
Roading - Bridge Lights	Spec	45	-	15	-	60
Roading	Depn	4,747	3,605	1,008	6,180	3,179
Balclutha Main Street	Spec	61	-	21	-	82
Deferred Roothing	Depn	1,575	3,018	542	3,018	2,116
Waste Management						
Solid Waste	Depn	1,097	801	141	1,210	829

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SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2021
Trust Funds (Restricted Reserves)						
Tapanui Domain Trust	Trust	16	-	6	-	22
Butler Trust	Trust	0	-	0	-	1
Milton Brass Band	Trust	1	-	0	-	1
O'Hara Sports Trust	Trust	2	-	1	-	2
J D Swan Estate	Trust	10	-	3	-	13
George Melville Estate	Trust	166	-	57	-	223
Kate Leslie Trust	Trust	122	-	42	-	164
Elderly Citizens Trust (Lawrence)	Trust	32	-	11	-	43
Clinton Endowment Land	Trust	95	-	33	-	128

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SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2031
Water						
Urban Water	Depn	(413)	9,524	186	5,605	3,692
Urban Water	Spec	418	-	137	42	513
Balmoral No 1	Depn	325	266	30	476	146
Balmoral No 2	Depn	134	608	145	22	864
Balmoral No.2 Plant Renewal	Spec	92	-	15	76	31
Clydevale / Pomahaka	Depn	101	1,514	-19	1,794	-197
Glenkenich	Depn	277	1,477	17	1,433	338
Glenkenich Rural Water Scheme Renewal	Spec	1	-	0	-	2
Moa Flat	Depn	25	1,455	31	1,062	448
Moa Flat Rural Water Scheme Pump Renewal	Spec	3	-	1	-	3
North Bruce	Depn	513	1,272	63	1,393	456
Richardson	Depn	(530)	1,539	-24	516	469
Richardson Rural Water Scheme Renewal	Spec	536	-	184	-	720
South Bruce	Depn	38	241	12	229	62
Tuapeka Rural Water Scheme	Depn	223	946	106	787	488
Tuapeka Rural Water Scheme Renewal	Spec	0	-	0	-	0
Waipahi	Depn	79	322	13	369	45
Waitahuna	Depn	99	573	55	449	278
Wangaloa	Depn	158	160	19	255	81
Stirling Treatment Plant	Depn	(22)	518	77	50	524
Kaitangata Treatment Plant	Depn	188	526	87	222	579
Wangaloa Plant Renewal	Spec	17	-	6	-	22
Wangaloa	Depn	117	148	44	164	145

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SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2021	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2031
Water						
Sewerage	Spec	944	-	325	-	1,257
Urban Sewerage	Depn	4,894	12,757	180	14,526	3,306
Milton Stormwater	Spec	24	-	8	-	33
Urban Stormwater	Depn	1,787	3,965	223	4,315	1,660
Telemetry	Depn	444	-	49	300	193
Telemetry	Spec	180	-	62	-	241
TOTAL RESERVE FUNDS		54,660	61,710	17,166	50,182	83,353

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GENERAL POLICIES

OUR PLACE CLUTHA DISTRICT COUNCIL LONG TERM PLAN 2021/31



SUMMARY OF SIGNIFICANCE AND ENGAGEMENT POLICY

PURPOSE

The Significance and Engagement Policy (SEP) explains when and how people can take part in and contribute to Council decisions.

It explains how Council:

- assesses the significance of an issue,
- when and how communities and stakeholders can be involved in Council decisions, and
- provides information to Councillors and Council staff about levels and methods of engagement before a decision is made.

DETERMINING SIGNIFICANCE

Our general approach to determining the significance of proposals or decisions is to have regard to a range of criteria prior to decisions being made. While not an exclusive list, Council will be guided by the following:

- The potential level of financial consequence, in particular rates impact.
- The degree of impact on or change to levels of service, positive or negative.
- How many residents and ratepayers might be affected by the proposal or decision.
- The likely degree of community interest in the proposal or decision.
- The extent to which the consequences of the decision might be controversial.
- The degree to which the decision or proposal deviates from community outcomes or Long Term Plan, Annual Plan or policy.
- The potential impact on current and future well-being of the community.
- Whether there is a legal requirement to engage with the community.
- The degree of impact on a strategic asset, particularly if it involves transferring ownership or control¹.

A matter will be considered significant when one or more of the above criteria are considered high, or are met.

ENGAGEMENT

The method and degree of community engagement is related to how significant a decision, proposal or other matter is. Council will approve methods of engagement for significant issues. Generally, Council staff will determine engagement methods for all other issues.

Council recognises its legislative obligations to provide opportunities for Māori to contribute to decision-making. Council's response is provided in the Long Term Plan and Annual Report. Council will continue to seek to develop relationships and consult in appropriate ways with Māori, taking into account the nature and significance of the decision to Māori.

A full copy of the SEP is available at the main Council office, Council service centres or online at www.cluthadc.govt.nz

¹ Strategic assets are essential to the continued delivery of outcomes considered essential to community well-being. Examples include the roading network, water supply schemes, sewerage and stormwater networks, solid waste services – wheelie bins and Mt Cooe Landfill – and various community services such as libraries, swimming pools, parks and reserves, community halls and community housing.

DEVELOPING MĀORI PARTICIPATION AND CAPACITY IN COUNCIL DECISION-MAKING

Clutha District Council acknowledges its obligations under the Local Government Act 2002, Resource Management Act 1991 and Ngāi Tahu Claims Settlement Act 1998, and has been working with all Māori associated with the district to foster and further develop positive relationships, improve communication and consultation processes, and to develop a greater understanding of issues. Relationships have been developed with Te Rūnanga o Ōtākou and Hokonui Rūnanga; with tangata whenua whānau rūpū groups Waikoau Ngāi Tahu Rūnaka and Moturata Taieri Whānau; Māori land owners/trustees; and with ngā matawaka (Nga Whānau O Tokomairiro).

Council currently has the following arrangements in place to facilitate Māori participation in decision making:

- A formal protocol for consultation on resource consents agreed with Aukaha, an environmental consultancy that represents the Kāi Tahu Papatipu Rūnanga within the Clutha District.
- An informal arrangement for consultation on resource consents with Te Ao Marama

Inc, an Iwi liaison entity that represents the Southland Kāi Tahu Rūnanga that have shared interests within Clutha District.

- Consideration is given to the *Aukaha Natural Resource Management Plan* and the *Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan* in Council's resource consent and planning processes.
- Council commissioned Aukaha to undertake background research as part of the review of the Clutha District Plan, and is consulting with Kāi Tahu¹ as well as other Māori groups and individuals as the Plan review proceeds.
- Council as a matter of practice consults Kāi Tahu, through Aukaha and Te Ao Marama Inc, on matters that may affect the interests or values of tangata whenua² specifically and Māori generally.
- Where issues are being considered by a Council committee that may be of significant interest to tangata whenua or Māori generally Council has invited the nomination of

members representing the interests of the appropriate hapū or whānau to the committee. This is exemplified by the appointment of Hokonui and Ōtākou Rūnanga representatives as members with voting rights to Council's Wastewater and Solid Waste working parties.

- Direct communication with representatives of the Waikoau Ngāi Tahu Rūnaka (South Otago) and the Trustees of SILNA lands on a case by case basis.

Council continues to develop and strengthen its relationships with Māori. This includes strengthening existing relationships with the Kāi Tahu Papatipu Rūnanga of Otago through the Otago Mayoral Forum and Te Rōpū Taiao, and with Ngāi Tahu ki Murihiku through the Charter of Understanding – He Huarahi mō Ngā Uri Whakatupu and the associated Te Rōpū Taiao advisory group for Southland.

¹ In the south of the South Island, the local Māori dialect uses a 'k' interchangeably with 'ng'. The preference is to use a 'k' so southern Māori are known as Kāi Tahu, rather than Ngāi Tahu.

² Tangata whenua in relation to a particular area, means the iwi, or hapū, that holds mana whenua over that area.

In addition, and within a wider regional context, the Clutha District Council has agreed to the following in relation to the principles of the Treaty of Waitangi and building the capacity of Māori to contribute to local government decision-making processes:

- **Local authority decision-making** – where a significant decision relates to land or a body of water, Clutha District Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
- **Contributions to and involvement in decision-making processes** – Clutha District Council will provide opportunities for the engagement of Māori in decision-making.
- **Consultation with Māori** – Clutha District Council has processes in place for consulting with Māori in accordance with the principles of the Local Government Act. Effective consultation is required to improve existing relationships with Māori, and to ensure that processes and protocols relating to local government and resource management issues take into account Māori needs, expectations and aspirations.
- **Iwi Management Plans** – supporting implementation, use and understanding of the *Aukaha Natural Resource Management Plan* and *Te Tangi a Tauri – The Cry of the People – the Ngāi Tahu ki Murihiku Resource and Environmental Management Plan*.
- **Resource Management - Supporting projects initiated by Māori that involve direct management of the region's natural resources.**

TANGATA WHENUA & CLUTHA DISTRICT COUNCIL RELATIONSHIP

While the Local Government Act sets out provisions relating to all Māori it is recognised that within the Clutha District Kāi Tahu are tangata whenua. They have a special status in terms of Clutha District Council resource management activities and are not just another interest group. The relationship between Clutha District Council and tangata whenua is constructive.

Clutha District Council is an active participant and signatory to Te Rōpū Taiao, the Otago Takiwā-wide collective forum, and to the Southland Charter of Understanding – He Huarahi mō Ngā Uri Whakatupu. Te Rōpū Taiao and the Charter establish the basis for Council's engagement with the Kāi Tahu rūnanga in the context of the Local Government Act 2002 and Resource Management Act 1991.

Te Rōpū Taiao and the Charter provide the basis for an ongoing relationship between Council and Kāi Tahu and assist in developing the capacity of tangata whenua to contribute to the decision-making processes of Council. These fora are a foundation for consultation on a wide range of local government issues including Long-term and Annual Plans and assists Council through Aukaha and Te Ao Mārama Inc to consult with tangata whenua who have a shared interest in the Clutha District.

In addition to the Local Government Act obligations set out above under Māori relationships, the Resource Management Act 1991 and the Ngāi Tahu

Claims Settlement Act 1998 set local authorities specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. To give effect to the obligations under the Local Government Act, and the related obligations under the Resource Management Act and the Ngāi Tahu Claims Settlement Act, Clutha District Council will continue to develop its relationships with the relevant Rūnanga in Otago and Southland through Aukaha and Te Ao Marama, and with Te Rūnanga o Ngāi Tahu, the iwi authority. This is essential for achieving the sustainable management of natural resources and landscapes within the Clutha District.

The Ngāi Tahu Claims Settlement Act 1998 included as cultural redress a number of mechanisms to recognise and give practical effect to Ngāi Tahu mana over tāonga resources and landscapes. These mechanisms include statutory acknowledgment of Ngāi Tahu's cultural, spiritual, historic, and traditional association with:

- Mata-au (Clutha River)
- Kuramea (Lake Catlins)
- Tokatā (The Nuggets)
- Te Tai O Arai Te Uru (Otago Coastal Marine Area)

The objective of statutory acknowledgments is to ensure that Ngāi Tahu is engaged in decision-making when activities impact on these statutory areas. Council forwards resource consent applications that impact directly on these statutory areas to Te Rūnanga o Ngāi Tahu for consideration.