

# 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 2025/26. 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

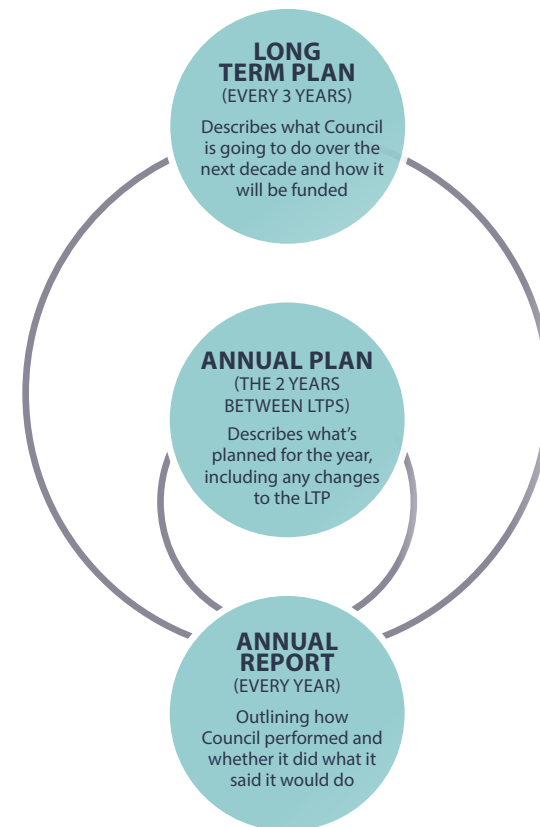
Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities.

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.



# CONTENTS

<b>SECTION 01</b> <b>INTRODUCTION</b> 04-09	Your Council	p 05		
	Message From The Mayor	p 06		
	Independent Auditor's Report	p 08		
<b>SECTION 02</b> <b>KEY DECISIONS</b> 10-24	Living & Working in Clutha	p 11	Community Facilities	p 19
	Managing Rating Impacts and Rates Rebates	p 13	Projects Supporting Living & Working	p 20
	Investing in Infrastructure	p 15	Our Place Community Plan Requests	p 22
	Sustainable Futures	p 18	Community Funding Requests	p 23
<b>SECTION 03</b> <b>INFRASTRUCTURE STRATEGY</b> 25-61	Infrastructure Strategy 2024-54	p 26		
	Services We Provide	p 54		
<b>SECTION 04</b> <b>FINANCIAL STRATEGY</b> 62-88	Managing Our Finances	p 63		
	Local Government (Financial Reporting and Prudence) Regulations	p 72		
	Key Assumptions	p 74		
<b>SECTION 05</b> <b>COUNCIL ACTIVITIES</b> 89-195	Guide to Activities	p 90	Stormwater	p 156
	Community Leadership	p 93	Waste Management & Minimisation	p 164
	Economic & Community Development	p 107	Community Services	p 172
	Transportation	p 115	Regulatory & Emergency Services	p 184
	Water Supply	p 128	Internal Services	p 192
	Wastewater	p 145		

Continues on next page

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SECTION 06

**RATES**

196-254

Funding Impact Statement	p 197	Policy on Rates Postponement	p 249
Rate Funding Mechanisms	p 199	Policy on Remission & Postponement of Rates for Maori Freehold Land	p 250
Rates Examples	p 226	Financial Contribution Policy	p 252
Revenue & Financing Policy 2024	p 231		
Policy on Rates Remission	p 246		

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SECTION 07

**FINANCIAL  
STATEMENTS**

255-286

Statement of Compliance	p 256	Depreciation & Amortisation	p 266
Comprehensive Revenue & Expense	p 257	Accounting Policies	p 267
Changes in Equity	p 259	Schedule of Reserve Funds	p 279
Financial Position	p 261		
Cashflow	p 264		

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SECTION 08

**GENERAL POLICIES**

287-290

Summary of Significance & Engagement Policy	p 288
Developing Maori Participation and Capacity in Council Decision Making	p 289

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# INTRODUCTION

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2024/34



# YOUR COUNCIL



Bryan Cadogan  
**MAYOR**



Ken Payne  
**DEPUTY MAYOR**  
**BALCLUTHA WARD**



Alison Ludemann  
**CORPORATE & POLICY CHAIR**  
**BALCLUTHA WARD**



Kevin Barron  
**BALCLUTHA WARD**



Wayne Felts  
**BALCLUTHA WARD**



Bruce Vollweiler  
**BRUCE WARD**



Dean McCrostie  
**BRUCE WARD**



Gaynor Finch  
**REGULATORY & COMMUNITY CHAIR**  
**BRUCE WARD**



Dane Catherwood  
**CATLINS WARD**



Brent Mackie  
**CLINTON WARD**



Simon McAtamney  
**CLUTHA VALLEY WARD**



Bruce Graham  
**INFRASTRUCTURE STRATEGY & OPERATIONS CHAIR**  
**KAITANGATA-MATAU WARD**



Jock Martin  
**LAWRENCE/ TUAPEKA WARD**



Michele Kennedy  
**WEST OTAGO WARD**



John Herbert  
**WEST OTAGO WARD**

# MESSAGE FROM THE MAYOR



**MAYOR**  
Bryan Cadogan

Thank you everyone that contributed to the formal process that enabled us to complete the 2024/34 Long Term Plan (LTP).

This has been the most arduous and challenging process our Council has ever been through and will be remembered for the lack of control our Council had to genuinely influence proceedings, with an obscene amount of our autonomy being wrestled from us by Wellington.

I want to acknowledge the angst created due to the unsustainable high predicted increases in rates and I can assure you that the burden of responsibility felt by councillors and the organisation was huge.

The same ethos that has guided Council for over a decade to maintain a 4% rates cap and systematically reduce Clutha's average rates to one of the lowest in the country still remains today.

We have not changed in our determination to fight for the best interests of our District. It has shaken us to the core, to at times seem like a bystander, as the inevitable outcomes of the Three Waters debacle manifest themselves.

The original salvo in proceedings as always for an LTP was to establish the rates cap as required in legislation, and it was frustrating that a small sector of society manipulated this situation to promote their own agenda.

So much of our formal process was spent correcting the misinformation and ancillary issues, and ultimately it reduced Council's ability to be as effective as it could have been.

This was a time where the facts created enough of a challenge without being stained by the fiction, and I want to thank my councillors for maintaining an appropriate focus on the formal process and the public for, by and large, seeing the predicament and contributing in a constructive manner.

The result of a 14.36% average rate rise is not sustainable but reflects the present situation all councils are presently facing.

There are some key components that I want to make sure everyone is aware of. Firstly, the figure of 14.36% is manipulated by the use of debt, to buffer the full potential of rate rises and follows the directive we received from the majority of consultation submitters.

A word of warning, council's only have debt and rate increase as the two levers at their disposal, along with prioritising the timing of major projects.

Clutha has been forced, primarily through the unrealistic financial burden of three waters infrastructural projects to fully utilise all options, but there is a limit, and our 10 year forecasts, shows a clear picture of how the present situation will ravage our district.

It has the potential of destroying people's lives with unprecedented financial hardship.

While Councils are doing their very best to stem the flow, we are shackled to comply with the laws of the land, and with one wastewater or water plant for every 577 consumers the reality is daunting.

Council remains committed to exploring every avenue available in search of efficiencies and savings.

It will only be through a combination of collaboration with other councils, and Government recognition that they have left councils with insufficient tools to endure the present regulatory regime, that our nation will avoid the looming catastrophe.



One bright note in this year's process was our investment returns of 14.36%.

Without this injection of \$4,131,924 we would not have been able to support the majority of requests that came from our communities.

We are confident that supporting our communities' aspirations has a positive influence on population growth and vibrancy.

Consequently we would always aspire to maintain this support but, it is dependent on the fickle nature of investment returns.

While the underlying sentiment of this year's LTP shows a far from positive outlook, I want to once again thank everyone that contributed

to the formal process and reiterate our determination to prevail and act in your best interests.

These are the most challenging of times but for Clutha to flourish we must still be willing to look onwards and upwards.

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

Bryan  
Cadogan  
Mayor

# INDEPENDENT AUDITOR'S REPORT

## ON CLUTHA DISTRICT COUNCIL'S 2024/34 LONG-TERM PLAN



### *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 26 July 2024.

### *Qualified opinion*

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report:

- 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 72 to 73 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.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also 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.

### *Basis for qualified opinion*

As outlined on page 48, the Council has assumed that upgrading its wastewater treatment plants will cost \$101 million over the next 10 years. The Council does not have adequate evidence to support the scope,

timing and cost because a detailed scope of work has not been prepared for each upgrade, nor were recent quotes or pricing available for each upgrade. The assumed scope, cost and/or timing of the upgrades could therefore be significantly different.

In addition, the Council has reduced its capital expenditure forecasts for planned urban three waters projects by 15%, which includes upgrading wastewater treatment plants. The reduction was made because the Council does not expect all of these projects to be completed during the 10 years of the plan (see page 130). We consider the reduction unreasonable because the Council did not make corresponding adjustments to the timing of individual projects and will therefore not be able to deliver on the projects as planned.

This could result in reduced levels of service for urban three waters assets or their failure. The Council may also not be able to meet resource consent requirements and environmental standards related to wastewater treatment plants, nor comply with regulations and standards related to drinking water.

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 auditor

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. We do not express an opinion on the merits of the plan's policy content.

#### ***Independence and quality management***

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and

Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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



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

# 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.**

Following a month-long consultation process that resulted in 665 submissions and three days of verbal hearings, Council made a wide range of decisions about the 10-year plan.

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.



# LIVING & WORKING IN CLUTHA UPDATE

Our Living & Working in Clutha Strategy is one of our key guiding documents. It explains how we're intending to promote the well-being of the Clutha District's communities. It focuses on priorities we think have a crucial part to play.

We asked if we still have our priorities right and should we continue our focus on promoting growth and opportunities in the Clutha District and to look forward to maintaining the momentum of past years, focussing on making Clutha a great place to live, work and play.

## Investing in Infrastructure

We are 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. For more details refer to the Infrastructure Strategy 2024/54.

## Facilitating More Quality Housing

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 our people.

However, Clutha District's housing market continues to be under pressure, with challenges to the availability of quality housing for both ownership and rental. Demand for social housing is also growing. We intend to play an active

leadership role to enable housing solutions by continuing to build on partnerships with communities and central government. We will continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and infill development in our towns.

## Filling Our Jobs

Actions that help to enhance economic growth are critical to the ongoing sustainability and liveability of the Clutha District. For this to be achieved we need to ensure job opportunities are filled and we have a vibrant and diverse workforce with the skills to meet the changing needs of the district. This will continue to be crucial to our success both now and into the future.

For the Clutha District this means continuing to:

- Provide recruitment support for our businesses.
- Provide supporting infrastructure which enables businesses to flourish.
- Being open for business in terms of visiting and investing here.
- Use what it has available to fully support our residents.
- Attract investment and ensure economic and community development underpins our actions and decisions.

## 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 is presenting challenges and opportunities to the district. Council's Clutha District Climate Change Strategy provides an understanding of the climate change impacts in the Clutha District and how to help deliver resilient infrastructure services, and guide decision making.

### Healthy and Safe Communities

Clutha is a caring and supporting community, yet there are many challenges to health, safety and wellbeing. This includes a relatively small and aging population, social issues such as drugs and excess alcohol use, and public transport options are limited making connectivity and access to health services vital. Council is committed to supporting the community in this area through its community programs and other activities.

### Supporting Culture & Heritage

The preservation and celebration of cultural and heritage values is part of what makes Clutha a great place to live, work and play. We are looking to showcase our rich culture and heritage to better share and celebrate who we are. This includes sharing community stories, making historical objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

# 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 consultation document asked respondents to rate the importance of each of the seven priority areas, which include: Quality Housing, Healthy and Safe Communities, Culture and Heritage, Climate Change, Infrastructure and Investment, Environmental Footprint, and Filling Jobs.

There were 464 Submissions received using the voting buttons and 164 who chose to leave a written response. The choices were from 1 (negative) to 5 (positive).

Infrastructure received the most positive response with 42% believing we have our priorities right, and this is of very high importance, 41% of respondents believe our Healthy and Safe Communities priorities are right. The average score overall was 3.13 over all sections showing that they all hold importance to the community.

There were some contrasts this time often between the voting and the written comments especially with Climate Change, where there were often stark contrasts between either being a very negative response to others who believe it is one of the highest priorities. Hence receiving a lower score of 2.63. (153 out of 434 respondents rated this lowly).

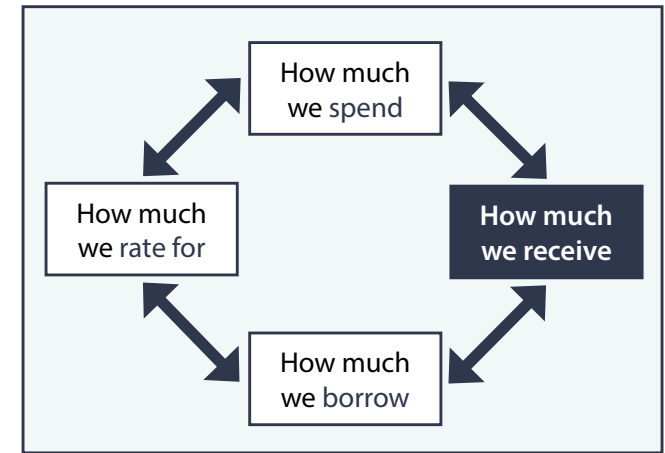
## COUNCIL'S DECISION:

**THAT COUNCIL CONFIRM THAT THE LIVING & WORKING IN CLUTHA STRATEGY IN GENERAL HAS THE RIGHT PRIORITY AREAS FOR THE CLUTHA DISTRICT.**

**We consulted on:**

# MANAGING RATING IMPACTS AND RATES REBATES

## Our Financial Mix



### We outlined our rates reality and asked for feedback on how to manage the rates increases and rates rebates initiatives

The reality of cost increases, impacts of inflation, our previous decisions and investment in infrastructure means some dramatic increases for the future.

Rates are one of the most important sources Council uses to fund the cost of its services. We are continually being asked to cut costs but keep delivering the same or better services, and we have unavoidable cost drivers. We are dealing with high inflation, high interest rates coupled with rising compliance and insurances costs.

Once we included all our costs in our budgets, we looked at the rates increase. Of the approximate \$15M in required increases, \$12M is attributable to three waters expenditure. The pure rates increase, once we had incorporated the required water expenditure, was 45% which is unaffordable. Council considered this unsustainable and looked at possible solutions to mitigate this huge increase.

The only option we had available to us was to borrow in years 1 & 2 and repay this money in later years of the Long Term Plan, meaning we have an unbalanced budget in the first two years of the long term plan. This resulted in

average rate increases of around 14% for the first three years.

#### The challenges we face

Three waters is back - We are unsure of the future of three waters at this stage, but regardless our communities need the provision of three waters services.

Costs of providing three waters/ever increasing central government standards - We decided to bring three waters operations in-house from the 1st July 2023. The transition costs associated with this move including increasing the size of the workforce, in conjunction with new drinking water standards introduced in January 2023, have resulted in higher costs of operating and providing three waters services, and greater investment in three waters infrastructure. In addition, there has been two years of deficits caused by higher costs of operation and transition that have to be funded by the three waters activity.

Debt capacity - while Council can borrow to pay for our infrastructure renewals, increases in levels of service and growth, we also need to

be mindful of our debt capacity. Council has applied, and received a AA-credit rating which allows us to increase our debt capacity. This is a prudent action when combined with the proposed significant rates increase.

Getting used to higher rates increases - although Council has historically been successful in holding rates at low levels, the funding system we were using was not working and the need for investment is huge. As cost pressures increased, the unsustainable nature of funding three waters infrastructure became apparent. However, we can say that staff and Elected Members will lobby central government for greater support and align what communities want and need to the resources we have available to deliver them.

Investment in infrastructure - many of our assets are getting near the end of their lifespan, meaning we require major investment to bring the assets up to standard or replace them.

Cost escalations - even before COVID-19 tipped the world on its head, we were facing big increases in the cost of providing our services, and that hasn't changed. Like many other Councils, we are facing escalations in the cost

of investing in our infrastructure and providing our services well in excess of what was expected in our previous planning cycles.

Quantum of investment required - even if we closed every park, library and sportsground, and cancelled all our economic and social development activities, the savings from these alone would still not offset the investment required

Initiatives to reduce the impact Council continues to subsidise rates for everybody from investment returns to a limited extent (\$800K in 2023). With rates forecasted to increase beyond previous years 4% cap, the impact on discretionary income on low-income ratepayers is disproportionate to those ratepayers with more income. The Rates Rebate Scheme paid by the NZ Government has a maximum rebate of \$750 which does not increase any further as rates increase.

We considered an option for an additional rebate of \$250 to lessen financial hardship for those more vulnerable ratepayers as part of our consultation.

### Investment returns

Overall, we want to maximise investment returns while preserving ratepayer funds. In 2024 we received a 14.36% return on our investment portfolio.

We were able to retain just over \$1 million of the \$2.4 million in investments that were returned this year, to buffer against future years' increases.

### Funding decision

Historically, Council has not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year.

In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. Out of this process a total of \$26 million was removed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

This decision results in an average reduction in 3 waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 3.89% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces three waters capital funding by an average of \$2.6 million per annum or about 6% of the total capital budget.

# KEY ISSUE: KEEPING RATES DOWN

## SUMMARY OF FEEDBACK

The first question asked to the community was: Which of the following two options do you prefer to manage rating impacts?

1. A high rating increase in year 1 (2024-2025) followed by lesser increases in subsequent years.
2. Any rating increase to be spread over the first 3 years of the Long Term Plan (Council's preferred option).

There were 357 respondents in this area with 91.04% (325) of respondents voting for option 2, and 8.96% (32) voting for option 1, showing overwhelming support for spreading the cost over a longer period of time. The written submissions were varied and signalled how difficult

it is financially for some parts of our community.

The second question asked was: Should the Council provide an additional rebate of \$250 for those receiving the maximum government rebate, to lessen financial hardship for vulnerable ratepayers, paid for from the budgeted investment returns?

431 respondents used the voting buttons with 223 (51.74%) voting no and 208 (48.26%) voting yes. Once again there were many varied responses indicating difficult financial times.

## COUNCIL'S DECISION:

Council approved an overall average rates increase of 14.36%. Council also confirmed the option of using borrowing to keep rates under the limit set in Council's Financial Strategy. Council notes the overall rates for the 2024/34 LTP meets the 30% cap in accordance with section 21 of the Local Government Rating Act. Council also decided not to provide an additional rebate.



**We  
consulted  
on:**



# INVESTING IN INFRASTRUCTURE

We are a widespread district of over 6,000 km<sup>2</sup> including various towns and smaller settlements that all have their own infrastructure needs. Council has a key role in maintaining and providing infrastructure and is responsible for managing around one billion dollars worth of infrastructure, including the third largest local roading network in the country.

## What we're planning

In recent years there has been a substantial investment in infrastructure, and our communities are experiencing the benefits of these works. Our roading network is generally in good condition when compared to other similar networks and this has reduced capital works for sealed roads, compared to 10 to 15 years ago.

However, the challenges of changes in government policy on three waters services means the district has to take on substantial commitments over coming years to ensure quality drinking water, wastewater treatment and stormwater infrastructure renewals.

We have also considered community facilities on a case-by-case basis and adapted. In some instances, we have adopted divestment strategies for facilities, which is the most sustainable long-term option.

## Our challenges

Council faces the challenges of balancing the known with the unknown. Increasingly, we face added pressure financially, geographically, and politically.

These include:

**Restructuring reforms** – Between 2018 and 2023 the regulatory framework we operate under was significantly reformed. Following a change in government in late 2023, some of these reforms are subject to significant change.

**High inflation** – Since 2020 New Zealand has experienced significant inflation, impacting Council's purchasing power.

**Our changing community** – Some are growing, some are declining and as a society we are getting older.

**Climate change** – These challenges are expected to impact our district with an increased risk to infrastructure from flooding, coastal inundation and heavy rainfall events.

**Natural disaster resilience.**

**Balancing affordability with service levels** – How to manage rates when the assumption is that the District is "going it alone" for three waters services.

## Our proposed investment

Many of these proposed projects are expected to see us through for many decades. We're operating in a constantly changing environment with a lot of uncertainty. The 'doability' of what we're proposing will be a significant challenge and risk. Funding is also a huge consideration. We know we will need to use debt to fund these over time, to make it fairer so the current generation doesn't foot the whole bill.

There are challenges and calls to make for adapting to the impacts of climate change as our district gets wetter, windier and warmer. We're also mindful of how we can prepare ourselves for natural disasters or other unknowns that might come our way.

Council's mandate has been to forge ahead to ensure compulsory work is done, especially towards improving wastewater discharges and ensuring safer drinking water. Our approach is to be flexible and adaptive, as we know there will undoubtedly be changes, challenges and opportunities to navigate.

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

Following our previous successes in capital project deliverables, along with the Central Government Three Waters Reform repeal, we are once again proposing to increase our capital expenditure. However, Council went line by line to reduce what was originally consulted on, to make cost savings. Out of this process a total of \$26 million was removed.

Achieving this capital works programme is based on the assumption we will receive the appropriate rates and borrowing. And in roading projects that we receive the appropriate New Zealand Transport Agency (NZTA) funding.

## Timing adjustment for transportation spending

The bulk of Council's transportation funding is approved by the NZTA in 3 yearly blocks. This is a partnership between NZTA (on behalf of the Government) and Council. NZTA supports the programme with 67% of the funding and Council rates for the other 33%. Unfortunately, we will not have final confirmation of the approved level of funding for the next three-year period until September 2024. In the past, not all of the requested funds had been approved and for the last two funding cycles Council spending has been less than planned in year one with this balanced out in years two and three.

To avoid over-rating in year 1 (if we don't get the funding we have requested), Council has decided to defer 15% of the rates funded transportation programme to year 3 of the Long Term Plan. This will enable us to confirm the level of funding in year one and then adjust the second- and third-year programmes to match the approved funding. If we do need to do more work in year 1 and this is approved by NZTA, then we have a deferred maintenance fund that will allow us to fund our share even though we haven't rated for it in year 1.

## MANY OF THESE PROPOSED PROJECTS ARE EXPECTED TO SEE US THROUGH FOR MANY DECADES

We outlined key projects and programmes in the coming ten years.

### Safer drinking water (\$16.3M)

Compliance with the NZ Drinking Water Standards is a legal requirement. The level of treatment necessary is dependent on the quality of the water source. Work for all our rural treatment plants continues to take place.

### Greenfield Water Scheme (\$8.0M)

Additional funding of \$5.435 million was approved to complete the project. This includes construction of 49.8km of pipeline, three booster pump stations, a water treatment plant and three bore drillings, expected to be completed by the end of the year. The new scheme will provide a better and more reliable water source for consumers on the Balmoral 1 and 2, Tuapeka East and West rural water schemes, and the Waitahuna and Lawrence townships. Given the project was over 80% complete, Council felt there was no other option but to finish the project. We do acknowledge that the cost of a water rate for those consumers after year four of the LTP is significant, and Council will lobby Central Government for support. The need for additional funding was due to increased costs of materials, labour, treatment plant equipment, inflation, and overall cost increases.

### Increasing standards for discharges to the environment (\$107M)

New rules and regulations have influenced levels of treatment for wastewater. Several of our wastewater treatment plants are currently working through resource consent and compliance renewals. Consequentially, of the \$107M planned expenditure over the next ten years, \$87.5M is associated with consent/compliance requirements.

### Improving stormwater protection (\$12.5M)

How we collect and dispose of stormwater run-off affects residents, their properties 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 a 1-in-5 and a 1-in-10 year event. 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, Waiholo 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 we're investing in stormwater systems with more capacity.

### Community housing improvements (Estimated cost: \$6.5M)

To assist members of our community who are in the lower income brackets and to keep up with demand, we are planning a programme of new builds, which would increase our residential housing units from 98 to 108 residential units across the Clutha District. This programme has been deferred for three years.

During the past three years all of our units have been brought up to Healthy Home Standards, making them warmer and drier.

### Securing the future for Mt Cooe Landfill (\$16.2M)

The current resource consent at Mt Cooe Landfill expired in 2023. Council has submitted an application for the renewal of this consent, allowing operations to continue until it is approved. The request for renewed consent encompasses not only the current landfill area, but also proposed extensions and upgrades, which are designed to support the landfill's



operation for an additional 35 years. These enhancements are coupled with ongoing investment in waste minimisation and recycling initiatives, which have successfully reduced the annual influx of waste, extending the landfill's lifespan and minimising cost impacts for both residents and businesses.

### Efficient sealed road renewals (\$46.3M)

Post COVID-19 has seen significant increases in roading costs and as such we are aligning our budget expenditure to meet these increases.

We continue with our strategy on maintenance and renewals of our local road network, where we are focusing on roads that have the biggest economic benefit to the district with the aim of giving ratepayers the best 'bang for their buck'.

We actively monitor the performance of our sealed roads to signal when we need to program specific sites into our planned program of works.

### Strengthening our bridges (\$8.2M)

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 delivery partner for roads, NZTA (Waka Kotahi) is looking to actively support us to open up more of the local network to HPMV vehicles.

### Critical bridges (to commence 2034-54) (\$22.3M)

There are four large and economically critical bridges that may require replacement within the next 30 years: Clydevale Bridge, Papatowai Bridge, McLennan Bridge and Bridge 462 (Tuapeka Flat Road).

### Milton Main Street improvements (\$3.9M)

Milton Main Street upgrades will continue but the scope of work has been pared back. In the previous LTP (2021-31) a budget of \$5 million was approved for main street upgrades and work completed to date includes the replacement of stormwater and wastewater pipes. There was a budget of \$2.05 million left and Council has decided to increase this to \$2.25 million and there is also \$1.6 million carried forward from the previous year. This budget will allow for stage two to be completed, including the undergrounding of power lines, installation of streetlights, reinstatement of footpaths, and kerbs at the pedestrian crossings, and completion of the Gray Street Plaza (inclusive of the carpark at the destination toilets) but not the original landscaping and street enhancement plans. Further investment to complete the original upgrade would require Council to go back and consult with the community. We feel it is important to finish the work, albeit at a reduced scope and budget, rather than be set back by further delays due to consultation.

### Balclutha Streetscape stages 2 and 3 (\$537K)

Council approved a revised budget of \$394,000 towards sealing the public carpark beside Countdown and the Te Pou Ō Mata-Au Clutha District War Memorial and Community Centre (TPŌMA) carpark. Sealing the gravel area near the old War Memorial Hall has been a priority since the streetscape project began about 15 years ago. However, it was deferred until the future of the hall and any upgrades in that area were confirmed. A chip seal option will be used (like the Cross Recreation Centre) rather than a full asphalt seal. There is also a contribution of \$200,000 from a nearby development towards the sealing of the carpark.

A budget of \$143,000 has been allocated to concrete the Balclutha Destination Toilet area with some seating, above-ground planters and signage. \$740,000 was required to complete the Rough & Milne Landscape Architects ferry theme concept that Council had previously approved, but we feel it is more appropriate to reduce the scope of work and consider further landscaping in the future.

### Footpath renewals (\$8.1M)

Council is committed to bringing all of our existing footpaths up to an acceptable standard. This programme is expected to take approximately 15 years with expenditure of over \$8 million in the next 10 years.

### Milton Community Library and Swimming Pool Complex (\$19.4M)

The revised cost for the pool and library in Milton has come in at around \$19.4 million. Given that it is considerably more than the current approved budget of \$17.6 million and due to the level of significance, Council has no choice but to go back and consult again with the community as a Special Consultative Process as per its Significance and Engagement Policy. However, Council has also decided to keep the existing \$17.6 million budget in the 2024-34 LTP, until a decision is made from the consultation.

The new Milton community library and pool complex is being designed as an effective solution to replace the current facilities, both of which have a range of issues.

### Balclutha Library renewals (\$80K)

The Balclutha Community Library is extremely well used with approximately 1,000 visits per week but has a number of structural and spatial issues. Most urgent of these is the need to address the ongoing watertightness and ventilation issues, to ensure the continued safe operation of the library (\$80K).

A number of submitters to the LTP suggested the Balclutha Community Library could be transferred to the Te Pou Ō Mata-Au Clutha District War Memorial and Community Centre (TPŌMA). Given the age and state of the current building, Council will set up a steering group to investigate all future options for the Balclutha library, including working with the owners of TPŌMA, to see whether it was feasible to operate the library in TPŌMA.

The long-term future of the library can then be properly assessed. Funding of \$4.9M for a replacement library in the 10 year period was removed.

### West Otago Community Centre & Tapanui Library

Council has brought forward \$60,000 to investigate the option of working with the West Otago Community Centre (WOCC) committee to consider the option to move the Tapanui Community Library into the WOCC building.

WOCC is currently undergoing stage 3 of its upgrade project which focuses on the replacement of the 730m<sup>2</sup> roof structure, internal refurbishments and installation of a type 4 fire detection and alarm service.

This is to ensure it is fully waterproof, strengthened, compliant and in a good condition to serve the West Otago community well into the future.

However, the Tapanui library building will require significant remedial work in the next 10 years including a roof replacement and work to ensure it is fully accessible, as currently the building lacks adequate space and there are issues around earthquake readiness.

Council removed funding of \$696K from the 10 year period pending the results of the investigation.

## KEY ISSUE:

# INVESTING IN INFRASTRUCTURE

## SUMMARY OF FEEDBACK

We asked submitters to rate the importance of each of the seven priority areas, on a scale between 1 (Not important) and 5 (Very important). The twelve major topics had varying votes between 428 and 470 each.

**Safe Drinking Water:** 390 of 470 votes (83%) say we have our priorities right by voting 4's and 5's. 16 comments support the importance of fixing it.

**Increasing Standards for Discharges to the Environment:** 357 of 442 submissions told us that we are doing medium to well in this area, with most votes (81%) being between 3 and 5.

**Improving our Stormwater:** 372 of 442 submissions told us our priorities are in a strong position, with 84% voting between 3 and 5.

**Community Housing Improvements:** 171 written responses and 443 voting responses were received. 57% of votes were between 3 and 4. Means testing of future inhabitants was strongly supported.

**Securing the Future of Mt Cooee Landfill:** 81% of 435 respondents voted between 3 and 5, showing overall support for our direction.

**Efficient Sealed Road Renewals:** There was strong support for our direction to deliver sealed roads. 87% of 447 votes were between 3 and 5, with 62 written submissions. Many pointed out the need to seal more roads and continue on the upkeep.

## COUNCIL'S DECISION:

**COUNCIL CONFIRMED THE INFRASTRUCTURE STRATEGY 2024/54 HAS THE PRIORITIES RIGHT FOR INFRASTRUCTURE IN THE CLUTHA DISTRICT.**

We  
consulted  
on...



## SUSTAINABLE FUTURES

### CLIMATE CHANGE

Managing risk and providing for community resilience in relation to climate change was acknowledged as a key responsibility for Council.

This includes addressing coastal and flood defences, emissions monitoring (landfills), land use and built environment, and infrastructure.

### SUMMARY OF FEEDBACK

Of the 3 questions asked, the overall score of support (out of 5) was very similar (2.61 for the draft Climate Change Strategy, 2.62 for the principles of the draft Climate Change Strategy, and 2.54 for the Action Plan and its priorities).

Out of all submitters to the LTP, 395 submitters (63%) responded to the Climate Change section. The majority of

these submitters selected at least a “3” for each of the questions on the scale of supporting the draft Climate Strategy. Overall, the balance of submitters are more supportive (compared to less supportive) of the draft Climate Change Strategy).

It is important to note that the analysis does not include those LTP submitters that did not respond to the Climate Change section in the LTP, nor any people who did not submit on the LTP.

The “Anything Else” matrix showed that almost half of the comments (47%) presented a negative sentiment, with only 5% being positive and 48% being either mixed or neutral.

Out of all submitters to the LTP, 148 submitters (23%) responded with comments to the “anything else?”

question. In analysing submissions, two common themes emerged:

- “Climate Change is a myth/hoax/propaganda/not real”.
- “There are more pressing concerns than climate change”.

Submissions also included general comments regarding supporting the Climate Change Strategy/not supporting the Climate Change Strategy.

**COUNCIL'S DECISION:** Council chose to include an additional budget of \$40,000 for each year of the LTP for climate change projects.

### WASTE MANAGEMENT AND MINIMISATION

As part of the LTP consultation, Council reviewed and sought feedback on an updated Waste Management and Minimisation Plan that will come into effect from 1 July 2024, as part of its mandatory obligations under the Waste Management Act 2008.

### SUMMARY OF FEEDBACK

Council received 356 responses to the consultation questions on Council's Draft 2024 Waste Management and Minimisation Plan. Of these responses, 124 provided additional comment and 16 residents spoke to their submissions. 2 written submissions were also received.

The consultation document asked respondents on a scale of 1 to 5 if they agreed with the Waste Management and Minimisation Plan's goals and objectives, outlined targets and action plan.

Feedback received during the consultation strongly favoured exploring options for diverting waste through reuse and recycling over landfill. The most frequently mentioned materials were green waste and glass. A consistent theme emerged against the development of Mt Cooe Landfill, with a preference for considering alternative waste disposal options and focusing on resource recovery. Additionally, at least one-third of the comments addressed kerbside collection, with a similar number of respondents both for and against changes to the service.

While the feedback varied from strong disagreement to strong support, the message was clear that better communication and engagement with the community was needed, and, that the key actions identified in the plan will help address these issues and opportunities.

### IN SUMMARY

The key actions in the 2024 Waste Management and Minimisation Plan are:

- Promote upstream waste hierarchy, minimisation, and local circular economy principles through collaboration.
- Divert more from kerbside collection services.

- Improve access to appropriate waste services for townships and the rural communities they support.
- Using Council facilities to divert more from the overall waste stream: Ensure regulations and collaboration enables Clutha District's objectives, targets, and resilience.
- Investigate and provide effective environmental and economic disposal solutions.

**COUNCIL'S DECISION:** Council adopted the Draft 2024 Waste Management and Minimisation Plan.

### TRANSFER STATION USE

Transfer stations provide additional services around our district. We asked for feedback about how important transfer stations are, as we will be reviewing these with our new waste services in the next few years.

#### SUMMARY OF FEEDBACK

Council received 366 responses to the question "If you do not live in Balclutha, how important is it to have a transfer station in your local town for the following materials: waste, recycling (plastics, steel and aluminium cans, paper, cardboard and glass) and greenwaste?". Of these responses 149 provided additional comments. 16 residents spoke to their submissions.

During the consultation period, a total of 24 comments were received concerning glass management at transfer stations, and 28 comments focused on green waste. A recurring theme in these comments was the suggestion to crush glass and compost green waste locally or on-site at the transfer stations. However, there was also considerable support for maintaining these sites as collection points only.

Additionally, 33 comments were made regarding changes to the kerbside collection services. The feedback was mixed, with some supporting a change in the system and others favouring the current service.

**COUNCIL'S DECISION:** Council will review the Transfer Stations and consider the impacts of the potential extension of kerbside collections services and the operations of Mt Cooe, including further consultation with the public.

# COMMUNITY FACILITIES

## COMMUNITY HOUSING

Council's community housing units provide an affordable housing option for elderly and other vulnerable persons.

The LTP consultation included a review of Council's community housing asking whether we take a Community Housing approach, rental subsidisation through rates, and means testing of rentals.

#### SUMMARY OF FEEDBACK

Primarily the issue of community housing fits within vibrant rural towns and communities. There is also a strong element of community housing within the healthy and sustainable environments.

There were 3 LTP questions focusing on community housing. The summary of these 3 questions and the responses were:

1. How community housing approaches were funded: 72% of feedback supported rates neutral approach to community housing.
2. Subsidisations of tenancies through rates: 81% of feedback indicated no rates subsidisation of community rentals.
3. The introduction of means testing: 80% of feedback indicated that CDC should introduce means testing.

**COUNCIL'S DECISION:** Council confirms the housing be self-funded (rates neutral) with no subsidies, but that the vulnerable should be considered first.

Means testing will be investigated further.


## COMMUNITY POOLS AND MUSUEMS

During the LTP Council received a number of varied requests for funding support from a number of community groups running the pools and libraries throughout the Clutha District.

Whilst some funding was granted it was identified that a full review is required to analyse how they are funded, and address the future development and financial needs of each facility to ensure there is fairness across the district.

Such a review will be carried out for next year's annual plan.

We  
consulted  
on...



# PROJECTS SUPPORTING LIVING & WORKING

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

## KĀKĀ POINT TOILETS

During consultation, Council sought public feedback on options from maintaining the existing toilets and changing facilities through to providing funding towards incorporating new toilets and changing rooms within the Kākā Point Surf Lifesaving new clubroom facility, which is planned for construction in 2025.

### SUMMARY OF FEEDBACK

There were 501 respondents who indicated a preference for one of the options in the LTP consultation document. The most popular was option 4, combining with the new club facility (188 votes, 38%), followed by option 1, maintaining the current facility.

There were also 192 comments provided by respondents in LTP submissions.

The most common category (with 98 comments) combines feedback that new community facilities should be a lower priority, that the proposed options are too expensive, or that the existing facilities are fine as they are.

The importance of community assets was noted by 30 respondents, and 7 people noted that some form of upgrade is required urgently.

Of those who expressed a clear opinion, 34 preferred a combined facility (option 4), while 15 said that separate facilities (option 3) would be better.

There were nine comments that new toilets should be funded and/or led by the

community.

There were eight comments that toilets should be located elsewhere. Suggestions included Willsher Bay, beside the Kākā Point playground, or at a higher elevation to avoid sea level rise and coastal erosion.

**COUNCIL'S DECISION:** Council chose to keep the facilities separate. Council approved a budget of \$440,000 (funded from rates) and will work with the Kākā Point Community Group to replace the current public toilet and develop a new toilet and changing room facility on the existing site. Secondly Council approved funding of \$310,000 towards the new clubrooms this time coming from investment funds surplus.

## WEST OTAGO VINTAGE MUSEUM

The West Otago Vintage Museum was seeking financial support towards a new \$870,000 purpose-built storage facility to house its vast collection of vintage farm machinery, including some of the rarest tractors in the world in working condition. The club believes this will support West Otago as a tourism destination and demonstrate the important history of agriculture and forestry's evolution in the area.

### SUMMARY OF FEEDBACK

There were 425 respondents who indicated a preference for one of the three options listed in the consultation document. Of these:

- 60% preferred option 1 (does not support funding for the West Otago Vintage Museum).
- 23% preferred option 3 (Council funding of up to \$200k for the West Otago Vintage Museum from Investment Surplus).
- 17% preferred option 2 (Council funding of up to \$200k for the West Otago Vintage Museum at a rating cost of \$1.52 including GST per annum for every UAGC in the district for 25 years).

**COUNCIL'S DECISION:** Council approved funding of \$200,000 funded from investment fund surplus.

## 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 Kākā Point and Gabriel's Gully near Lawrence.

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

## SUMMARY OF FEEDBACK

Submitters were asked to rate the importance of growing tourism on a scale of 1 to 5, with 1 being not important and 5 being very important.

There were 456 respondents to this question. 27% of respondents felt tourism was not important, while 23% felt it was very important. Overall, there was an average score of 2.95 and this demonstrates support for funding initiatives to grow tourism.

196 submitters provided 335 comments specifically on the question asked directly to the question “how important is it to fund initiatives to grow tourism?”

The most common themes include:

There should be investment in tourism by growing and developing more local tourism activities and increasing the length of stay – visitor nights (60 comments).

This was followed by tourists using public facilities and investment should be in these such as public toilets (41 comments).

A strong theme was funding tourism is unaffordable and is not a priority (37 comments). This followed with tourism is not core business of Council and the focus should be on core infrastructure investment (21 comments).

Positive experiences and impacts of projects with tourism benefits that had investment and recent development such as the Clutha Goldfields cycle trails (24 comments).

Another strong theme was that the district’s location with state highway 1 and natural features means the district sells itself. (26 comments).

A few people noted the return of investment tourism has in the economy (16 comments). Other commentators suggested alternative ways to gather tourism revenue to fund destination management (15 comments).

Another strong theme was the role of Clutha Development and information centres/site in tourism and destination management (33 comments). Some submitters had no clarity of what they do, while others strongly backed the work they do in this space.

**COUNCIL’S DECISION:** \$195,000 from Council’s investment funds surplus has been allocated to Clutha Development for Destination Management Tourism activities.

# 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.

Since 2016 the Clutha District Council has developed plans for Balclutha, Waihola, Milton, The Catlins, Lawrence-Tuapeka, Kaitangata, West Otago,

Clutha Valley, Clinton and Taieri Mouth.

The ideas centre on what Council can do with key facilities and how to work with the community to make things happen.

Once a Community Plan is approved by Council the real work begins and it is not always smooth sailing. Bringing the aspirations of these Community Plans to fruition takes work, and also time.

The next page provides a list of Council’s funding requests granted for Our Place community plan projects.

# OUR PLACE COMMUNITY PLAN REQUESTS

## Taieri Mouth

The Our Place Taieri Mouth Community Plan was formally signed off on 20 June 2024. As with all the previous community plans developed throughout the district, a budget of funding is set aside to support the projects identified in the plan should the community wish to proceed with them. A budget of \$65,000 from the investment funds surplus has been allocated to improve the maintenance of existing community facilities and reserve, enhance existing community facilities and reserves, new recreational facilities and walking and cycling opportunities around Taieri Mouth.

## Balclutha

Centennial Park Carpark – Council will carry forward existing funding of \$24,000 for carpark construction at the South Otago Athletics Club to the 2024-25 year.

Centennial Park Playground Stage 2 – \$300,000 has been allocated from investment surplus funds towards the second stage of the destination playground. The group intends to apply for external funding applications and fundraise, as the projected cost is around \$1 million.

## Catlins

Kākā Point Esplanade Playground – Previous budgets of \$50,000 and \$42,400 have been carried forward for this project. The Kākā Point Community Group has also raised about \$38,000 for this project and the group intends to commence construction in the 2024-25 year. Work may be undertaken in stages.

Kākā Point Tarata Street Playground - \$20,000 has been carried forward for improvements.

Pounawea Playground - \$20,000 has been carried forward for improvements.

Papatowai Picnic Area - \$20,000 has been carried forward and the community is developing plans for this area.

Owaka to Pounawea Cycle Trail - \$15,000 has been allocated for the first three years of the 2024-34 LTP to support Owaka Going Forward's project to complete the track from the Hina Hina Bridge and Pounawea and to progress stage 2 from the bridge towards Owaka.

## Milton

Parks and Reserves - \$176,000 has been carried forward. Other projects are progressing from improving drainage at Moore Park and additional Taylor Park fence repairs.

Dog Park – Council approved funding of \$30,000, previously allocated to improve Milton reserves, for the development of a dog park at Taylor Park.

## Lawrence

Entrance to Gabriel's Gully – \$50,000 has been carried forward for design plans and improvements at the entrance including improvements to reserve, carpark and/or toilet.

Mountain Bike Trail Network – Council approved \$40,000 of funding towards the development of the Lawrence trail network. The Lawrence Bike Club have made good

progress on this project over the last two years with the club raising over \$100,000 and has a goal to raise another \$105,000. The club would like to use the Council funding to enable them to complete a trail from Wetherstons Creek Reserve through to Gabriel's Gully.

## West Otago

Community Plan Projects – \$189,054 has been carried forward for community plan projects. In the 2022/23 Annual Plan \$220,000 was allocated and of that \$29,096 has been allocated for upgrades to the Bushyhill Street Playground, the Heriot Tennis Court and improvements and to Whiskey Gully.

## Clinton

Residential Development - \$14,087 has been carried forward for residential development projects.

Community Facilities – Council approved \$20,000 from its investment fund surplus and carried forward \$9,329 for improvements to the Triangle Reserve Playground, Tennis Court Reserve and Truck Park. These are being led by the Clinton Community Group and Clinton Lions. The community will contribute almost \$90,000 toward these three projects.

Walking and Cycling - \$10,000 has been carried forward for investigations into trail options.

## Clutha Valley

Community Facilities and Reserve Improvements - \$50,000 has been carried

forward to develop a scope of work and implementation plan for the Tuapeka Mouth Domain, including the relocation of a Council-owned toilet block.

Tuapeka Mouth Punt - \$10,000 has been carried forward for work to develop the punt.

Promote Heritage - \$10,000 has been carried forward for work to protect and enhance heritage values in the Clutha Valley.

Walking and Cycling - \$10,000 has been carried forward for work to develop the bike trails.





# COMMUNITY FUNDING REQUESTS

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

### Groups and individuals

New toilet at the Henley Boat Ramp - \$30,000

Lawrence Chinese Charitable Trust restoration project – building consent fees waived via Council's Fees Reimbursement Scheme.

Southern Youth Development bike refurbishment programme - \$11,100

Simpson Park Sporting Complex replacement of bench seating - \$2,088.50

Catlins Historical Society for information services - \$22,030 (2024/25, 2025/26 & 2026/27)

Catlins Coast Inc – development of Care Code and tear off map - \$1,650 & \$3,300 (2024/25, 2025/26 & 2026/27)

Clutha Community Hub Charitable Trust operation grant - \$80,000

Clutha District Combined Museums operation grant - \$58,994 (2024/25, 2025/26 & 2026/27)

Clutha District Emergency Services Trust – \$2,500 (2024/25, 2025/26 & 2026/27)

Clutha Foundation - \$10,000 (2024/25, 2025/26 & 2026/27)

Clutha Super Masters Games - \$700 (2024/25, 2025/26 & 2026/27)

Clutha Recreation Centre Inc - \$54,944 (2024/25 and then inflation adjusted for 2025/26 & 2026/27)

Gore and Clutha Whanau Refuge Police Safety Order house - \$35,000

Life Education Trust - \$6,000 (2024/25, 2025/26 & 2026/27)

Milton Information Centre for information services - \$13,108.84 (2024/25, 2025/26 & 2026/27)

Southern Youth Development youth programme - \$38,580 (2024/25, 2025/26 & 2026/27)

Sport Otago operation grant - \$49,247 (2024/25 and then inflation adjusted for 2025/26 & 2026/27)

Surf Life Saving New Zealand lifeguard services - \$30,000

South Otago Historical Society Museum curator funding - \$35,000

Tuapeka Goldfields Museum Society Inc for information services - \$65,000 (2024/25, 2025/26 & 2026/27) & \$19,000 curator salary (one year)

Waikoikoi Hall Board grant increase due to costs - \$2,000 (2024/25, 2025/26 & 2026/27)

Owaka Swimming Baths Inc operation grant - \$12,530

Tuapeka Aquatic Centre operation grant - \$16,250

Sport New Zealand Rural Travel Fund subsidise top up travel for young people - \$15,000 (2024/25, 2025/26 & 2026/27)

Youth Development Fund - \$4,000 (2024/25, 2025/26 & 2026/27)

### Community boards and promotion groups

#### Lawrence Tuapeka Community Board

Council will investigate the formation of a rate and its impact for a Lawrence Developments organisation and how it could be funded, to help manage major new developments in the area like Gabriel's Gully Destination Plan.

Further footpath and kerb and channel work in Colonsay Street area is planned once the stormwater work is complete.

A budget of \$25,000 has been approved from cemetery reserves to enable the Chinese Remembrance Memorial and maintenance works.

Council will review the isite funding as part of the next review of the Revenue and Financing Policy.

Council has approved \$60,000 to support improvements to the Zig Zag track and visual enhancement.

#### Kaitangata and District Promotions Inc.

Council will trial an "Otta seal technique" in two sections of Water Street in Kaitangata to address dust concerns.

#### Clinton Community Committee

Council will engage with the committee and further refine work programmes regarding kerb and channelling, better footpath access, identified roading issues, green waste disposal

and security cameras (including funding options for consideration) for the next annual plan.

#### Milton Area Promotions

Provision for a dog park is included in the Greater Taylor Park Reserve Management Plan and Council would welcome the opportunity to work with the group to continue to develop this project with local support.





# INFRASTRUCTURE STRATEGY

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2024/34



# INFRASTRUCTURE STRATEGY 2024/54

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

Early settlers were attracted to the Clutha District by its abundance of natural resources. For Māori that included plentiful kai moana (seafood) and hunting. Later, Europeans came in search of whales. In time they found coal, then gold; next came logging and sawmills. Today, the land and river still sustain us through farming and tourism.

Life in the district without our infrastructure is almost unimaginable.

Our modern standard of living is made possible through the accumulation of infrastructure investment over many generations. One of Council's primary roles is managing this infrastructure on behalf of the current and future community.

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

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

Council has applied and received a AA- credit rating. Further detail on this is discussed in the Financial Strategy.

## OBJECTIVE OF THIS STRATEGY

The objective of this strategy is to provide confidence about our future to the community, the government, and potential investors. It outlines the significant issues we are likely to encounter and how we propose to manage them. 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, and
- producing a clear plan of action

## SCOPE OF THIS STRATEGY

This Infrastructure Strategy outlines Council's approach to maintaining and improving our infrastructure over the next 30 years (2024-54).

We do that by identifying the significant infrastructure issues, outlining the main options for resolving them and what the preferred way forward will cost.

The Infrastructure Strategy is reviewed and updated every three years to make sure things are still on track and to incorporate new information.

The activities and infrastructure assets included in this

strategy are:

- Transportation (including Roads, Bridges, Footpaths etc.)
- 3-Waters (Water Supply, Wastewater, Stormwater)
- Waste Management & Minimisation
- Community Housing
- Community Halls

The activities and infrastructure not included in this strategy are:

- Community Facilities (community libraries, pools, and administration buildings)
- Parks and Reserves
- Public Toilets

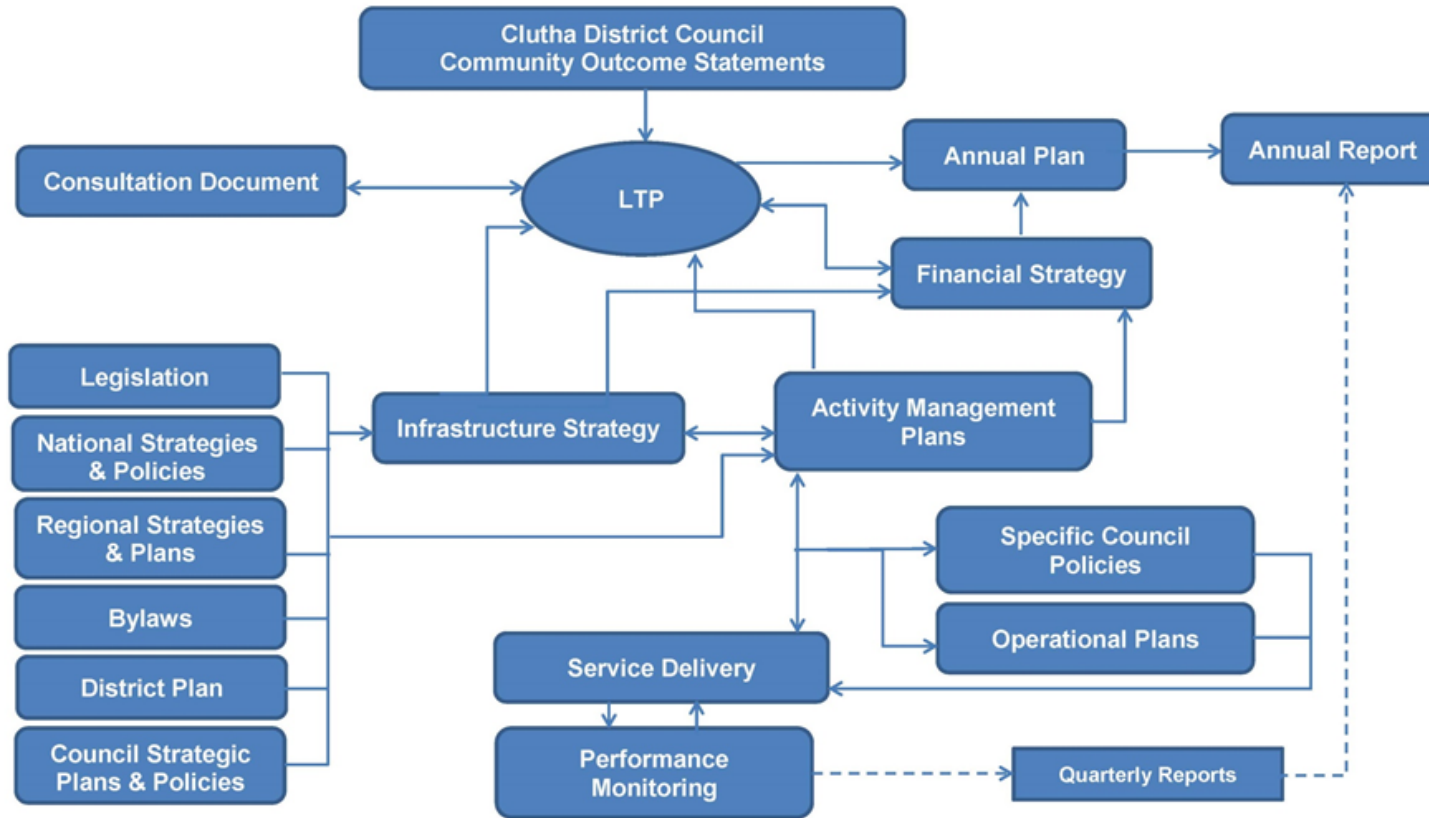
## OUR FOCUS FOR INFRASTRUCTURE

We are 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, and this is providing a challenge with increasing pricing & standards that must be met.

# 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 Māori settled near fertile fishing and hunting grounds such as Kaitangata and the mouth of the Mata-Au.

1868

1878



1935

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 Clutha Bridge

GREAT FLOOD

Second Clutha 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 2054, 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 during these challenging financial times.

A key area of uncertainty in this plan is the timing and level of infrastructure investment required for compliant wastewater treatment. This will be a key work area over the next three years through engagement with our communities, the regulator (Otago Regional Council) and our Iwi partners. There is also uncertainty at a national level regarding the regulatory framework which we expect will be clarified in the next two years.



Graph: Clutha District Strategic Framework

# ENABLING DELIVERY

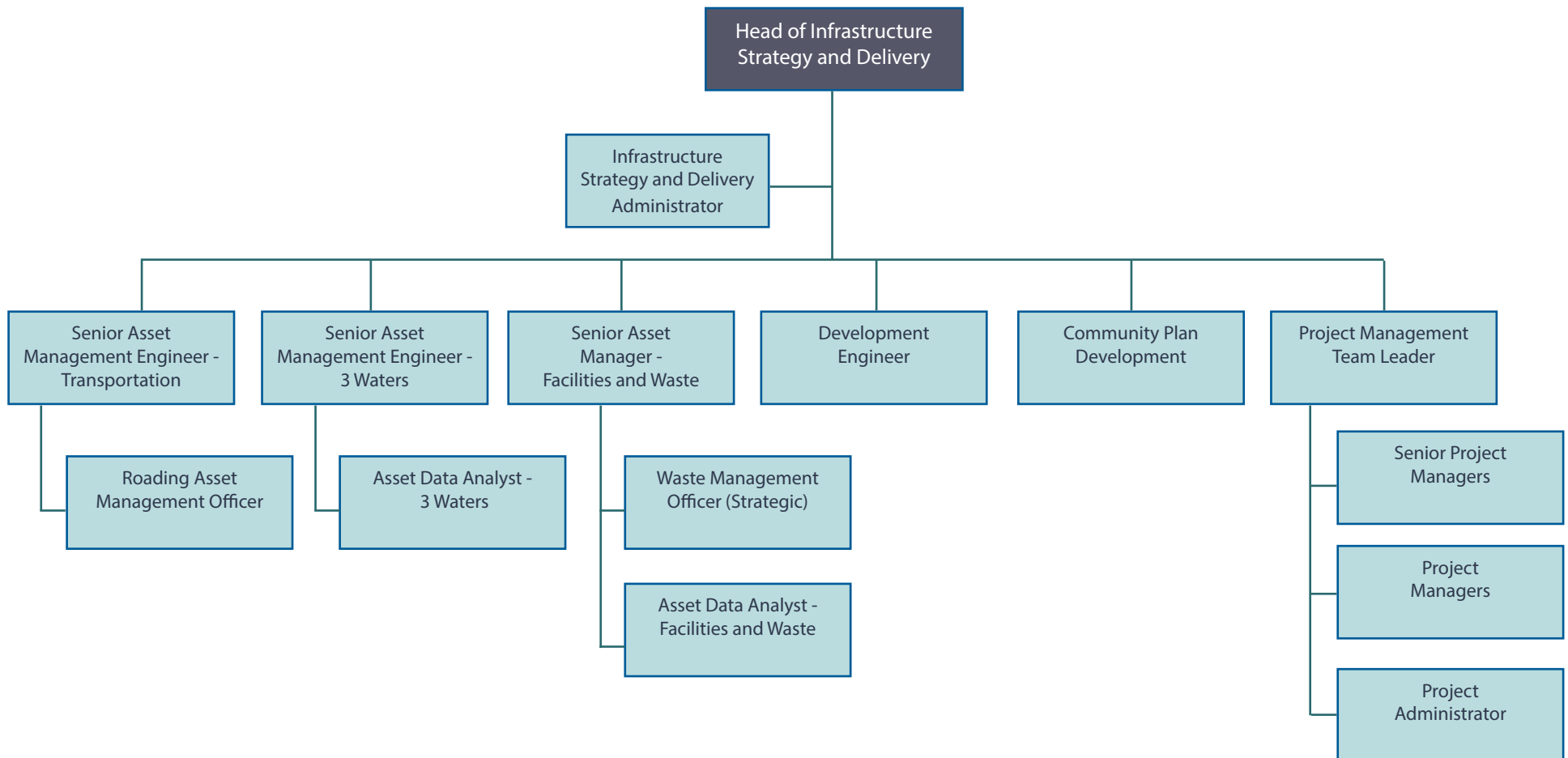
## Asset Management

We consistently strive for business improvements and acknowledge that there have been opportunities for improvement within our Asset Management systems and processes to ensure that our activity groups continue to meet our level of service expectations and to ensure that future capital project business cases, budget planning and deliverables are met.

We have taken a good look at our internal Infrastructure Strategy (Asset Management) and Capital Delivery (Projects) team structure. A new team structure has been implemented to enable more autonomous teams, which will deliver more projects, in-depth data and information.

We have also awarded a panel of 5 professional services providers to align with this strategy. This is expected to lift delivery and capability within Council.

### Teams Roles and Responsibilities





# DELIVERING OUR CAPITAL PROGRAMME

Following our past years success in capital project deliverables, along with the Central Government 3 Waters Reform repeal, we are once again proposing to increase our capital expenditure over the next ten years (2024-34) to \$366.9M of capital works. Council is actively working with our Regional Partners in anticipation of the Local Water Done Well Programme, but there still is significant uncertainty regarding future arrangement under this programme.

## Why are we doing this?

One of the major factors has been the 3 Waters Reform Repeal from Central Government – ultimately all the needed 3 Waters future projects now will remain with Council, and therefore to ensure that our infrastructure delivers our required level of service to the community this work must be done.

## How do we plan on delivering this?

We have successfully been working collaboratively with contractors, professional service providers, and our community to ensure smooth progression of project work.

By holding Contractor evenings before the new financial year our contractors can now see what our planned program of work is for the coming year/s, and in turn they can plan their teams' resources.

We have reviewed our systems and processes and have implemented changes to allow a more streamlined, process driven environment.

We have changed our internal structure to ensure that the true project lifecycle can be delivered successfully.

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 impact of these projects is linked to depreciation on the new assets over future years upon completion.

## Reduction in funding for Urban Three Waters Work

Historically, Council have not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year.

In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

**This decision results in an average reduction in 3 waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 4% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces 3 waters capital funding by a total of 26 million which is an average of \$2.6 million per annum or about 6% of the total capital budget. This may impact our levels of service.**

All of this work enhances our infrastructure to ensure that Clutha continues to be a great place to live, work, and play!

## THE INFRASTRUCTURE WE TAKE CARE OF

Core Infrastructure	Vital Statistics	Value (\$M)	Remaining life
Roads and footpaths	860km sealed roads 2,048km unsealed roads 144km footpaths 171km surface water channels 361 bridges and bridge culverts 1379 Streetlights	1,155	62%*
Water supply (urban and rural)	22 schemes 2,476km of reticulation 16 treatment plants 35 pump stations	122	58%
Wastewater	11 schemes 196km of reticulation 2 complex treatment plants 10 oxidation ponds (5 with Biofiltro and 2 with membranes) 3 wetlands 28 pump stations	75	56%
Stormwater	13 systems 81km of pipes 6 pumping stations	22	45%
Waste Management	13,000 Wheelie Bins 8 Transfer Stations 19 Closed Landfills (monitored) 1 Class 1 Landfill at Mt Cooee	15	10%
Community Housing	98 one-bedroom housing units, across 11 sites	\$7.1 (2019 valuation)**	NA
Community Halls	12 Council owned halls	NA	NA

\*Remaining life is the current value of the assets divided by the replacement cost (excluding non-depreciable assets like road forming). This is an estimate of the remaining life our assets have.

\*\* Most likely increased significantly due to recent inflation.

# 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 between annually and 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. All data is recorded in a dedicated 3-Waters asset register that is maintained daily.

As our infrastructure ages, so does the likelihood of the asset’s 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 Rooding 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
Transportation	Reliable	This is based on continual input of data into Transportation the system and recording of maintenance activities and other data such as cost activities and service requests
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 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.
Solid Waste – Mt Cooee	Reliable	This is based on data collected as part of the planned upgrade required for resource consent.
Community Housing	Reliable	Ongoing visual inspections are undertaken every 6 months.
Community Halls	Reliable	Visual inspections have been undertaken in the past 12 months.

# PRINCIPLES OF INFRASTRUCTURE INVESTMENT

Our principles for investing in infrastructure remain unchanged since 2021, with a heavy focus on pragmatic expenditure and fiscal responsibility as we progress through uncertain times.

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 at the forefront of our actions and decisions.
4. Use our existing infrastructure as a platform to enable growth and invest where there is demand for services.

## Linkages with the Financial Strategy

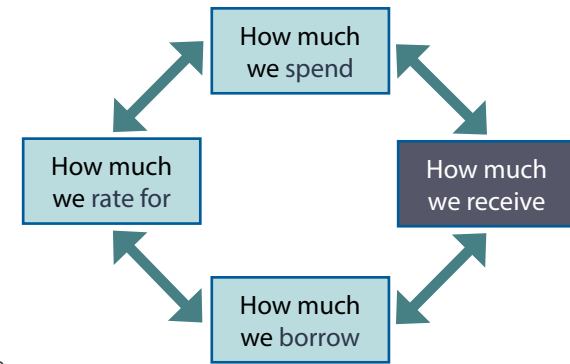
A 30-year strategy for infrastructure investment must be grounded in financial reality. The financial strategy (that directly follows this document) can be considered as the counterbalance by presenting financial consequences of the vision. It provides transparency and the overall direction through a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

A well-balanced infrastructure and financial strategy ensure 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.

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



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.
- Providing effective transport access to the entire community
- To reduce our waste to landfill and carbon emissions

## Priorities to Improve Levels of Service

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

### Key proposals include:

- Strengthening our bridges to carry high productivity motor vehicles.
- Safe Drinking Water – Compliance with national standards
- Enhancing wastewater discharges to current and higher environmental standards
- Improving stormwater capacity to reduce flood risks.
- Resource recovery infrastructure improvements to reduce waste to landfill.

## Priorities to Take Care of What We've Got (Maintenance and 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:

- Lifting funding to preserve our roading network.
- Continuing with our 'fast tracked' bridge replacement programme.
- 3-Waters network renewals programme to reduce unplanned maintenance
- Securing the future for Mt Cooe Landfill Consent & assessing the future financial viability.

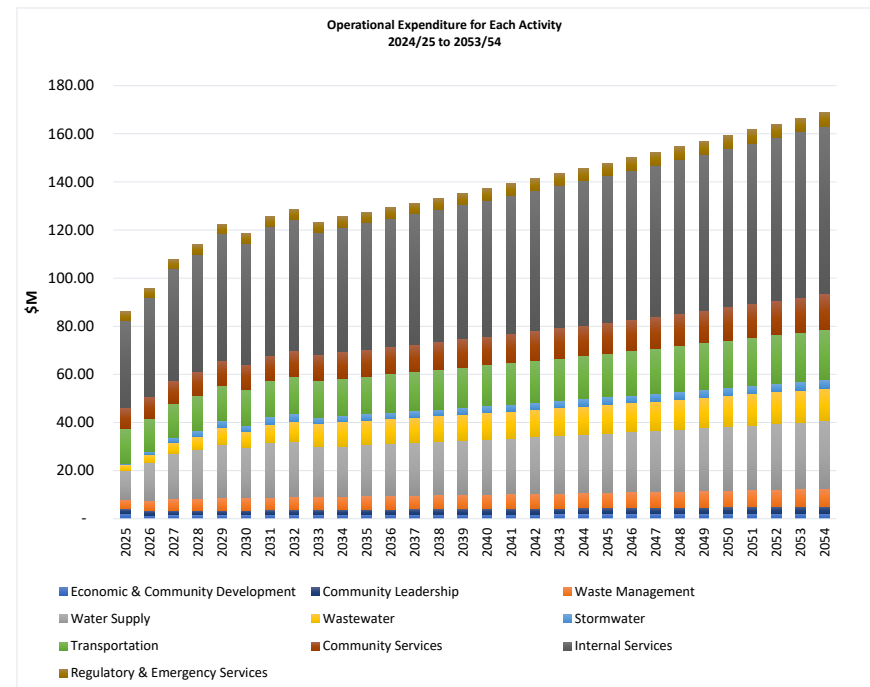
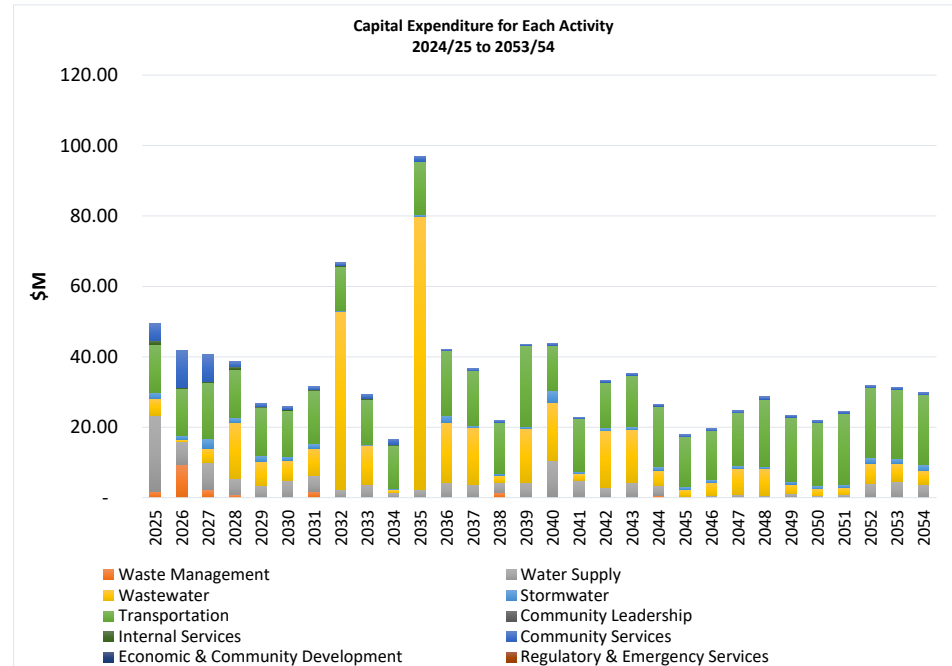
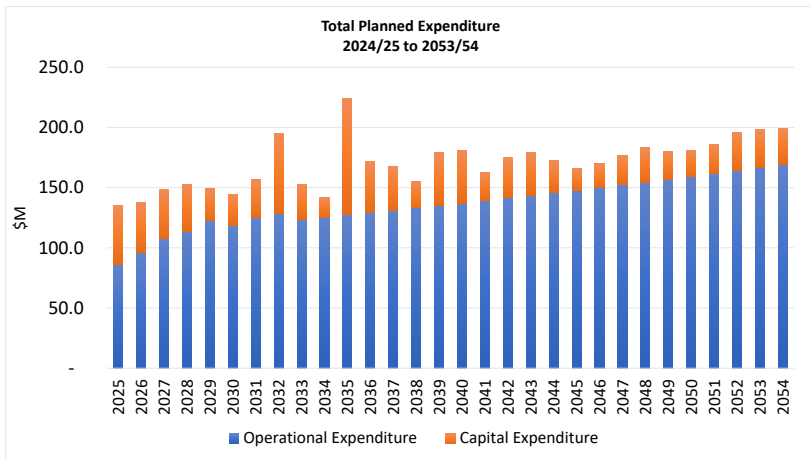
# OUR INVESTMENT HORIZON

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.

Over the next five years, the forecasted annual capital expenditure is \$197.0M.

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 2024-2054.

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.



# CHALLENGES TO MANAGE

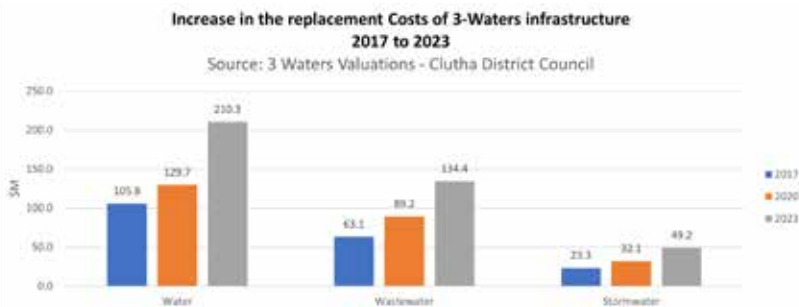
## REGULATORY REFORMS

Between 2018 and 2023, the regulatory frameworks that guided local government infrastructure investment, were significantly reformed. This affected 3-Waters, Waste Management, and to a lesser degree, Transportation. Following a shift in government in late 2023, it has been signalled that many of these reforms will be subject to significant change or repeal, and some of this is already underway.

Navigating a rapidly changing regulatory landscape presents a considerable challenge for Council. Committing to the timelines and expectations set forth in the Infrastructure Strategy will require flexibility. The Council is equipped to update and adjust plans in response to any possible legislative changes affecting 3-Waters and the Resource Management Act. Simultaneously, there is a dedication to ensure that these modifications align with the core principles of Clutha District, aiming to meet the community's infrastructure needs.

## HIGH INFLATION

Since 2020, New Zealand, and much of the world has experienced significantly high inflation of almost all goods and services. The cost of building and maintaining infrastructure has increased between 30% to 50% since the 2021 Long Term Plan. Anecdotally, this is more than the previous 10 years of inflation combined. This has a significant impact on Council's purchasing power, meaning it costs significantly more to maintain the current levels of service.



## OUR CHANGING COMMUNITY

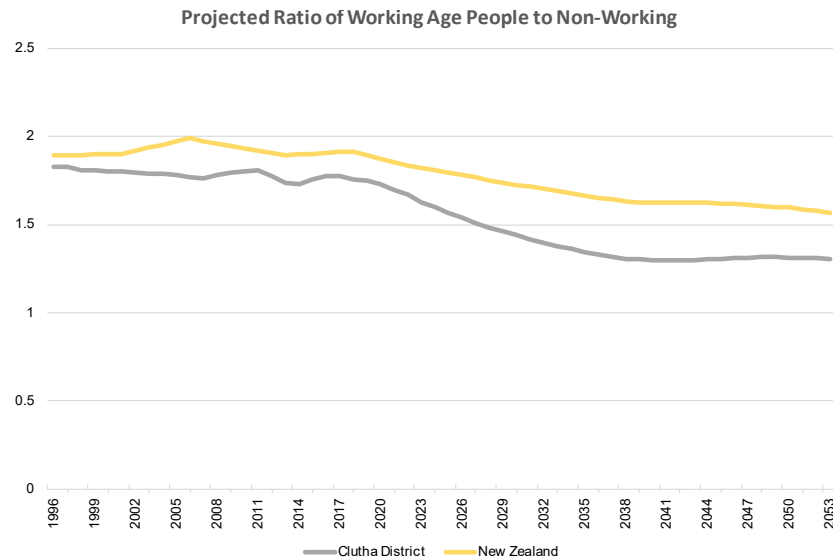
Like other rural Councils in New Zealand, we have a comparatively small, and aging population. The average age of the population will continue to increase over the long-term, as is the case throughout New Zealand. In 2013 people aged 65 and over made up around 16% of the population. This is expected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

## OUR POPULATION IS AGING

The proportion of working aged people (between 15 and 64 years) to non-working age, also known as the dependency ratio, is projected to decline from 1.6 to 1.2 by 2054. This is much lower than the New Zealand average of 1.4.

The district is facing a demographic challenge. 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.

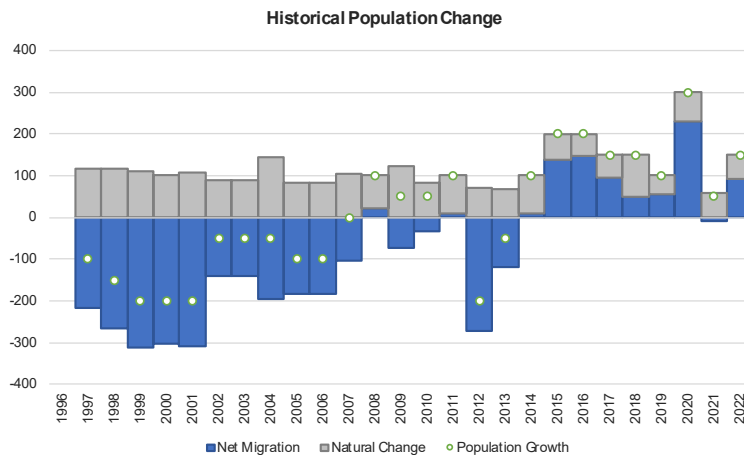
It is also anticipated that demand for community facilities and activities such as walking and cycling will increase, as identified through the development of community plans for the district's main towns.



## WE HAVE MORE PEOPLE MOVING HERE

Between 1997 and 2013, the Clutha District was experiencing a declining population as more people migrated out of the district than in. Despite the uncertainties created by Covid 19, the population decline has reversed in recent years. There are now more people coming to live in the district.

In addition to positive levels of migration over the past nine years, there has also been around 490 new houses built, an average of 55 houses per year.



## THE IMPACTS OF CLIMATE CHANGE

*The Clutha District's future climate will be warmer and wetter, potentially improving winter pastures but also increasing the risk of floods and intensifying existing natural hazards like droughts and coastal erosion. This change presents both new challenges and opportunities for the region.*

Council undertook work in 2020 to better understand the impacts of climate change in Clutha, with the key findings summarised in the next column.



Council developed a draft Climate Change Strategy in 2021 to ensure that information about the likely impacts and risks associated with climate change are incorporated into appropriate planning, decision-making, and responses. Its objectives are to demonstrate leadership on climate change, initiate community conversations about climate change impacts and risks, integrate climate change considerations across Council functions, and establish a baseline dataset for informed planning and decision-making.

Previous Council work identifies the highest infrastructure risks in the Clutha District as flooding, coastal inundation, and heavy rainfall events, impacting potable water treatment plants, road networks, homes, buildings, and flood or coastal defence mechanisms, with other concerns including community facilities and contamination from closed landfills due to these climate change-induced events.

The priority actions identified in the Clutha District Climate Change Strategy to be delivered from Year 1 of the Long-Term Plan address: emissions; coastal and flood defences; leadership, government, and education; land use and the built environment; infrastructure.



## RESILIENCE TOWARDS 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.

## BALANCING AFFORDABILITY WITH SERVICE LEVELS

Balancing affordability while maintaining existing service levels now poses a significant challenge. The mean household incomes for Clutha residents are at least 22% lower than the rest of New Zealand. We are aware that rates make up a significant proportion of the cost of living for many people. The period of investment we are embarking on is the largest in our history, with much of the investment required to meet statutory or regulatory obligations. We are assuming that the district is "going it alone" for the 10-year plan period. To navigate these substantial financial commitments, the Council will engage with the community on significant investment decisions, ensuring transparency and consideration of various options.

We also have limits on the amount of debt we utilize to fund infrastructure investment. Our Financial Strategy details how we ensure prudent financial management by Council.



# OPPORTUNITIES

## LAND USE CHANGES

District Plan changes over the last 5 years for Balclutha, Stirling, and Milton means areas of land in and around these towns are 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 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 (Our Economy) 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. 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

The district has a vast network of waters schemes and 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 a rail freight corridor and four state highways capable of carrying higher volumes of traffic throughout Otago / Southland region and onto marine ports.

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 work with 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

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 Rūnanga to facilitate more inclusion of endorsed Māori heritage stories in site interpretation and tour/activity commentaries and seek to engage the Ngāi Tahu Takiwā 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 Roxburgh, Lawrence, and Lake Waiholā, with long term intentions to connect all the way to Dunedin and to Queenstown.

## IMPROVED OUTCOMES THROUGH PROCUREMENT

The 2024-34 Long Term Plan is projecting a spend of \$367m. Such a large investment has an influence on the capacity and capability of the marketplace. There is a clear opportunity for Council to promote broader outcomes into its procurement practices.

In 2021, our co-investor NZTA Waka Kotahi released their Broader Outcomes Procurement Strategy, emphasising four key areas: Environment and Sustainability, Māori Business and Tangata Whenua, Economic and Employment, and Community and Culture.

The Clutha District Council is adapting its procurement processes to align with this strategy, procuring suppliers who contribute to our vision of making Clutha a great place to live, work, and play. Council has adapted to these initiatives and has included these broader outcome requirements within current/future procurement processes.

Throughout all procurement processes, the Council ensures transparency and integrity while prioritising funding and procurement that supports community outcomes and aligns with our strategic goals and values, as well as providing flexibility in procurement where approved by Council.

## COLLABORATION ON THREE-WATERS

With three-waters legislation repealed there is a need to include three-waters as a service within this long-term plan period. There are opportunities for collaboration with other Territorial Authorities and Clutha is engaged in these groups currently. The Financial Strategy highlights the unsustainable nature of keeping three-waters services in a "go it alone" mode, and it is essential that some form of collaboration is explored and implemented.

## WHAT'S CHANGED IN THE PAST THREE YEARS?

*This strategy picks up from where we got to in the 2021 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:

- **Three Waters Reform** – 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. Recent government announcements have confirmed the current government's intention to repeal the 3-Water reforms. This means the ownership and operation of 3-waters will remain with Council. The assumption is that Clutha District will "go it alone" for the term of this long-term plan.
- **Three Waters Contract** – Clutha District has changed the method of delivering three-waters activity and has brought in-house (and resourced accordingly) plant operations.
- **Price Inflation** – Since 2020, New Zealand, and much of the world has experienced significantly high inflation of almost all goods and services. The cost of building and maintaining infrastructure has increased by at least 30% to 50% since 2021. To maintain purchasing power, and the current levels of service, Council must increase funding or find cost-efficiencies.
- **Clutha District is growing** – Although small, our district continues to reverse its historic decline in population. Migration remains the primary driver of population growth and is projected to continue.
- **End of Covid Restrictions** – Covid 19 was a dominant factor in the 2021 infrastructure strategy. The restrictions on travel and isolation expectations have now been removed and the world continues to return to comparative normality.



# TRANSPORTATION

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.

*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 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 compared 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 NZ Transport Agency (NZTA) Waka Kotahi. A baseline level of funding (67%) 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 NZTA, Waka Kotahi to deliver these national priorities. These are set every 3 years through the Government Policy Statement on Land Transport.

## SAFER TRANSPORTATION

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 and 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 (HPMVs) 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, NZTA Waka Kotahi shares this priority.

## INCREASING RESILIENCE

Our resilience to significant natural events depends on our ability to reduce their impacts through early intervention and to improve our response time when they do occur. Our priority areas of influence are through improvements to drainage maintenance and renewals.

## REDUCING EMISSIONS

Clutha District currently has five public EV charging points (Balclutha, Lawrence Milton, Owaka and Tapanui) and intends to continue facilitating 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.

## 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 NZTA Waka Kotahi have recognised this risk and will continue our current rate of footpath renewals over the next 10 years.

## REDUCING POTENTIAL HARM FROM DUSTY ROADS

We have over 2,000km of unsealed roads, designed and maintained as the most cost-effective means of vehicle access into rural areas. Unsealed roads are a key source of community dissatisfaction. Residents are unhappy with the maintenance of the gravel roads and have a desire to have sealed rather than unsealed roads.

Both the dust, and traditional 'oiling' of unsealed roads can create negative environmental and potential health impacts. Council and NZTA Waka Kotahi proposes to co-fund seal extensions to enhance quality of life and optimise maintenance practices when economic. Dust suppression is the main priority in built up areas with high comparative levels of traffic.

## TIMING ADJUSTMENT FOR TRANSPORTATION SPENDING

The bulk of Council's transportation funding is approved by the New Zealand Transport Agency (NZTA) in 3 yearly blocks. This is a partnership between NZTA (on behalf of the Government) and Council. NZTA supports the programme with 67% of the funding and Council rates for the other 33%. Unfortunately, we will not have final confirmation of the approved level of funding for the next three-year period until September 2024. In the past, not all the requested funds were approved and for the last two funding cycles Council spending has been less than planned in year one with this balanced out in years two and three.



To avoid over-rating in year one (if we don't get the funding we have requested), Council has decided to defer 15% of the rates funded transportation programme to year 3 of the Long-Term Plan. This will enable us to confirm the level of funding in year one and then adjust the second- and third-year programs to match the approved funding. If we do need to do more work in year 1 and this is approved by NZTA, then we have a deferred maintenance fund that will allow us to fund our share even though we haven't rated for it in year 1. This may impact our levels of service.

## TRANSPORTATION ISSUES OF SIGNIFICANCE

### OUR BRIDGE REPLACEMENT PROGRAMME

Since 2018, Council have committed to a long-term bridge replacement programme including upgrading bridges where possible to carry heavier vehicles. The affordability of this programme is now at risk due to the high levels of price inflation in recent years.

### THE CLUTHA BRIDGE

The road bridge at Balclutha is so vital, it has been built three times at great expense. It's a perfect example of how investment in a major infrastructure asset can affect a community for generations.

It was first built in 1868 but was washed away ten years later in a huge flood. By that time transportation and ease of crossing the river had become the lifeblood of the community, so it was quickly rebuilt and opened in 1881. This replacement was only fit for horse and cart though (since motor cars weren't invented until 1885), and by the 1920s was creaking and shaking under the weight of motorised vehicles.

The bridge that now stands was opened in 1935. It was designed to be flood and earthquake resistant, and to carry high volumes of traffic including heavy vehicles. By then, lessons had been learned about future proofing for natural disasters and future populations.



Bridge construction costs have increased between 30% to 50%, meaning our available depreciation reserves to help fund these replacements is reducing at an alarming rate. Continuing the current replacement programme will require either an increase in funding or a re-prioritisation of the programme. Of greater significance, is being able to afford the reconstruction of four of our major bridges within the next 30 years, with current estimate cost of \$23.5M. These bridges are:

- Clydevale Bridge
- Papatowai Bridge
- McLennan Bridge
- Bridge 462 (Tuapeka Flat Road)

## STRENGTHENING OUR BRIDGES

As we improve how freight moves around New Zealand, trucks are becoming 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 (HPMV's). Council's delivery partner for roads, NZTA Waka Kotahi is looking to actively support us to open up more of the local network to HPMV Vehicles, and with the co-investment from NZTA Funding Assistance Rate (FAR) of 67% we are planning on delivering \$8.2M of this work over the next ten years.

## APPROPRIATE LEVEL OF SERVICE ON OUR ROADS

The majority of our annual expenditure is on the maintenance and renewal of our existing transportation network. Council receives a large amount of co-investment from NZTA Waka Kotahi, 67% to fund this maintenance. This is based on the 3-year programme that Council submits to NZTA Waka Kotahi as part of the National Land Transport Programme.

Price escalations of at least 30% have been realised through our maintenance contract and physical works over the past 3 years. Price inflation and funding pressures are also impacting other Council's throughout New Zealand, placing pressure on NZTA Waka Kotahi also.

Council have submitted a 3-year land transport programme to NZTA Waka Kotahi aimed at preserving an appropriate level of service (maintenance and renewal quantities), based on best information available, and reflecting the most recent prices in the marketplace. This represents an increase of over 30% in annual maintenance and renewals expenditure. If approved, Council must match this amount with their local share component. There is a high degree of uncertainty over this funding and the timing of any decision will be after Clutha District Council's decision on the long-term plan.



We continue with our strategy on maintenance and renewals of our local road network, where we are focusing on roads that have the biggest economic benefit to the district; that is why we are planning on spending \$46.3M for sealed road renewals over the next ten years.

Without this additional funding, the level of maintenance and renewal quantities will need to reduce. This may manifest in an increase in sealed surface issues, such as potholes, which ultimately reduces the life of the underlying road pavements. Although the impact of road pavement failures may not be seen for 5 to 10 years, they are very expensive and disruptive to the network.

## 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.

To ensure continued prosperity and the well-being of our district, we must recognise the need for ongoing investment in our 3 Waters networks.

We are embarking on our largest ever capital programme of investment over the next 10 years, over \$181m. Council is conscious of the lack of affordability of this programme and will continue the process of reviewing and updating project estimates over the next 12 to 24 months.

### DEPRECIATION FUNDING

Council has generally been funding a reduced proportion of depreciation for the last two years to ensure that reserves weren't built up in advance of the Three Waters Reforms.

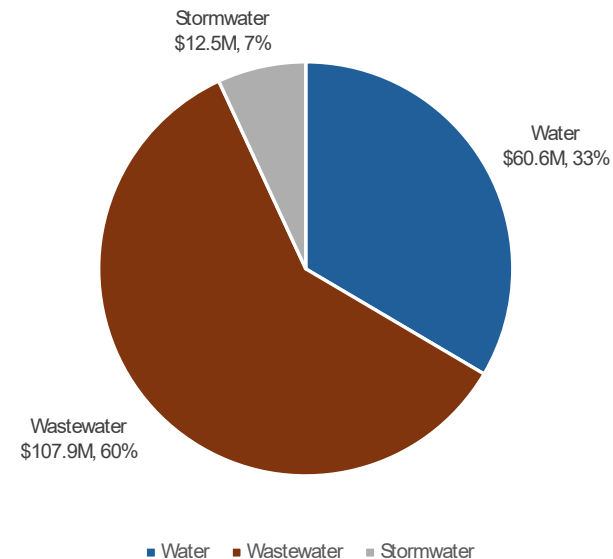
With the signalled repeal of this legislation Council has considered depreciation funding as part of this plan. Increases in replacement costs of 50% or more over the last three years have seen three waters depreciation requirements increase significantly. Along with additional increases in Three Waters operational costs Council has decided to phase back in the funding of depreciation.

The current LTP includes funding 25% of the calculated depreciation cost in years 1 to 5 and 50% of the depreciation costs in years 6 to 10. This also includes funding depreciation of any growth or level of service capital works, so in dollar terms this sees a significant increase in depreciation funding over the 10-year period of the plan. The plan also generally includes loan funding of all three waters capital works.

Most of this planned investment is delivering the following priorities:

- Safer Drinking Water
- Enhanced Environmental Performance of Wastewater Infrastructure
- Reducing Localised Flooding Risks
- Replacement of Reticulation

3 WATERS- CAPITAL EXPENDITURE BY CATEGORY





## SAFER DRINKING WATER

Compliance with the NZ Drinking Water Standards and Drinking Water Quality Assurance Rules is now a legal requirement and is enforced by a regulator, Taumata Arowai. The level of water treatment necessary depends on the quality of the water source.

A comprehensive programme of treatment upgrades and renewal has been approved by Council.

Approximately \$22.4 will be invested over the next 10 years to lift the performance of existing treatment plants.

### Significant Projects Planned

Period	Item	Value \$	Category
2026/28	Puerua Water Treatment Plant Renewal (Richardson Scheme)	\$6.0M	Renewal
2024/27	Milton Water Treatment Plant Upgrade	\$2.0M	Level of service
2033/34	Balclutha Water Treatment Plant Capacity Upgrade	\$1.6M	Level of service
2024/25	Milton Manganese Reduction	\$1.5M	Level of service
2024/26	Improved Treatment Systems for Milton, Tapanui and Kaitangata	\$1.9M	Level of service
2028/30	Additional UV Systems for Tapanui, Stirling, Balclutha, Kaitangata and Owaka.	\$1.9M	Level of service
2028/30	Membrane Replacements for Glenkenich, Milton and Richardson Schemes	\$1.4M	Renewal
2024/32	Tuapeka Tasman Steel Tanks Upgrades	\$1.1M	Level of service
2024/34	Balclutha AC Pipeline	\$3.9M	Renewal
2024/30	Balclutha Reservoir Storage Upgrade	\$1.1M	Level of service

## IMPROVING THE ENVIRONMENTAL PERFORMANCE OF OUR WASTEWATER INFRASTRUCTURE

Our wastewater networks play a crucial role in maintaining public sanitation by safely transporting waste away from our communities. While our infrastructure effectively fulfils this function, there is room for improvement in the environmental impact of treated wastewater. It is a legal obligation for the Council to adhere to resource consent conditions when discharging treated wastewater into the environment.

To ensure compliance, ongoing efforts are being made to address non-compliance issues and remediate existing treatment plants. Additionally, several plants will require treatment upgrades and renewal within the next decade. As expectations regarding freshwater management evolve, prioritising land disposal rather than freshwater disposal of treated wastewater is gaining preference.

Overall, the aim is to enhance the environmental performance of our wastewater treatment processes, safeguarding both public health and the well-being of our natural surroundings.

## TREATMENT PLANT UPGRADES

Achieving high standards amidst a small rating base requires innovation and good engineering. Several of Council’s existing treatment plants were designed to work within these constraints and are making progress towards full compliance.

Our assumption is that existing environmental standards are driving the requirements for the upgrades, particularly discharges to land. The new government has signalled changes are likely to occur but for the purposes of this strategy and long-term plan we have to assume that existing standards apply.

Approximately \$101M will be invested over the next 10 years in order to lift the environmental and discharge application of existing treatment plants:

### Significant Projects Planned

Period	Item	Value \$	Category
2030/32	Balclutha Wastewater Treatment Plant - Consent Renewal / Treatment process upgrade – Discharge to Land	\$50.3M	Level of service
2030/34	Owaka Wastewater Treatment Plant - Consent Renewal / Treatment process upgrade – Discharge to Land	\$16.2M	Level of service
2025/28	Clinton Wastewater Treatment Plan Consent Renewal / Treatment process upgrade – Discharge to Land	\$7.0M	Level of service
2028/30	Lawrence Consent Renewal / Treatment process upgrade – Discharge to Land	\$10.1M	Level of service
2026/28	Waihola Consent Renewal / Treatment process upgrade – Discharge to Land	\$9.8M	Level of service
2030/34	Kaka Point Consent Renewal / Treatment process upgrade – Discharge to Land	\$7.6M	Level of service

There is some uncertainty around the completion of these projects as 15% is not being funded.



Kaka Point Biofiltro Wastewater Treatment Plant

## REDUCING LOCALISED FLOODING RISKS

Dealing with stormwater runoff is vital for our urban communities. Our dedicated stormwater networks are key strategic assets that safeguard public health and protect properties. To meet this goal, the Council is committed to ensuring our stormwater infrastructure can effectively manage rainfall events — from those occurring once every 5 to 10 years for our underground pipes, and up to those happening every 25 to 50 years for overland flows.

Certain smaller communities within our district face specific flooding risks, and as part of our ongoing efforts, a comprehensive program of upgrades is already underway.

These upgrades are focused on key areas such as Milton, Owaka, Lawrence, Tapanui, Heriot, Clinton, Waihola, and Pounaweia. By implementing these proposed projects, we aim to significantly enhance the level of protection for these communities, particularly during periods of heavy rainfall.

### Significant Projects Planned

Period	Item	Value \$	Category
2024/27	Network Extensions	\$200k	Level of service
2025/26	Tapanui and Clinton Capacity upgrades	\$700k	Level of service

## RENEWAL OF THREE WATERS INFRASTRUCTURE

Achieving high standards amidst a small rating base requires innovation. Renewals are the timely replacement of infrastructure assets to maintain existing services. Timely completion of renewals is crucial to mitigate the risk of unforeseen pipe ruptures, prolonged service disruptions, and higher repair costs. Most of the 3-Waters infrastructure requiring ongoing renewals is underground pipes.

From a strategic standpoint, Clutha District is within a long-term cycle of asset renewal. With infrastructure assets typically lasting 60 to 80 years, this cycle is an 'echo' of the large era of installation, during the 1950s to the 1980s.

Given the large investment in renewals, the timing and annual amount of renewals must be considered within the context of the following factors:

- **Network Stability** – Ensuring adequate yearly renewals is core to our strategy, as underinvestment leads to an aged network with greater likelihoods of unexpected breakdowns. Such issues don't just disrupt services but also lead to escalated repair costs and higher maintenance demands. By proactively focusing on timely renewals, we are committed to the cost-effective management of our network, ensuring its sustained performance.
- **Pipe Replacement Costs** – The cost of pipe replacement has significantly increased in the past six years (>30%), placing constraints on our budget. This means fewer replacements can be achieved under the current budget, potentially impacting network stability.
- **Physical Works Delivery** – Our focus on providing a predictable and consistent forward works schedule enables efficient procurement and promotes cost savings through improved investment in productivity. Often, maintaining a steady work programme for contractors can make early asset renewal more cost-effective.
- **Taste and Colour Issues** – Furthermore, we are aware of taste and colour issues related to corroding old cast iron pipes. While they don't pose a health hazard and retain plenty of life, their performance issues may warrant early replacement.
- **Resilience to earthquakes** – Our seismic readiness is also a priority. Earthenware and asbestos cement pipes, known to perform worse in earthquakes compared to plastic pipes, stand high in our replacement priority list, especially the critical mains, to bolster our resilience against seismic events.

### Significant Projects Planned

Period	Item	Value \$	Category
2030/31	Balclutha Bridge Water Main	\$0.8M	Renewals
2024/34	Pipeline Renewals – Urban Schemes	\$11.7M	Renewals
2024/34	Pipeline Renewals – Rural Schemes	\$5.6M	Renewals
2025/27	Kaitangata Water Supply Intake Renewal	\$2.6M	Renewals

# COMMUNITY HALLS

## HALLS DIVESTMENT

Council currently 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.

As these facilities age, and utilisation declines, the sustainability of this level of service has come under increasing pressure. In response, Council's *Policy on Future Ownership of Community Centres and Town Halls* states that "...where possible, control and/or ownership of community centres and halls should be transferred to independent community organisations." Council is now setting a 3-year timeline to implement the divestment programme.

Under the current funding model for Council owned halls, Community representatives can apply for funds to spend on maintenance and operational costs as they best see fit. This model will continue over the next 3 years.

Consultation with the Hall Committees on divestment took place in early 2023 and will continue over the next 3 years to deliver to this deadline. Communities are being encouraged to collaborate with Council to consider the spaces where they connect.



Kaitangata is a great example of a community investing in its future success. After eight years of planning and over \$1M raised by locals, the new Kaitangata Community Centre opened in June 2019. It replaces the now demolished war memorial hall, which was declared earthquake prone and unsafe for use.

# COMMUNITY HOUSING

## COMMUNITY HOUSING REVIEW

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. Council aims to provide community housing that is safe, secure, and healthy, and to maintain it in accordance with current legislative requirements. A key expectation is that units are typically offered at below market rental to remain affordable, and that all costs are covered by rental income.

Demand for these units has increased in recent years and is expected to continue as the population ages. Demand for an additional 25 to 40 units is likely to be necessary over the next 10 years based on a projection of current age demographic.

More frequent maintenance is also expected as our existing housing units age. Deferring maintenance eventually impacts on the standard of living for our residents.

The need for significant investment in our housing units places pressure on the current financial operating model of all rents covering all costs as well as keeping rents at affordable levels for residents.

Council has confirmed that Community Housing costs need to be funded from rental income and this was overwhelmingly supported by the community.

We are planning a program of new builds, which would increase our current portfolio of 98 residential housing units up to a total of 108 residential units spread across the 8 towns in the Clutha District. The total budget estimate for this work is \$1.5M, and a further \$4.7M is budgeted for renewals of existing housing units.

Council will exercise care and confirm these on a case-by-case basis as rent increases would be needed to help fund the costs of these builds/improvements.

## AGEING ASSETS

All of our housing units are over 50 years old. Recent improvements to heating and ventilation have helped to improve building performance. However, maintenance and/or replacement of critical components is becoming necessary in most units. For instance, roofing, ceilings, electrical circuits, floorings, and insulation. Without doing so creates a risk to tenants' well-being and long-term costs of maintenance.

## INCREASING DEMAND

Our population is ageing and, people are living longer. Demand for community housing units is likely to increase 25% to 50% over the next 10 years based on a projection of this demographic. Currently, all 98 units are occupied and there is a waiting list of at least 14 people. New units were scheduled to be built in the previous LTP where practicable. Due to high-cost inflation however, these were deferred on affordability grounds. Council's decision was to defer new builds for 3 years.

## MAINTAINING AFFORDABILITY OF RATES

As well as being below market rent, Council's preference is for rents to cover all costs of housing units. Council considered but rejected rates subsidisation. Further work has been commissioned to investigate the application of means testing and the application selection criteria.

# WASTE MANAGEMENT & MINIMISATION

Council currently provides a kerbside collection and transfer for residential waste and recycling, and owns and operates a class 1 landfill at Mt Cooee in Balclutha.

The significant negative impacts of solid waste disposal over many centuries have necessitated a fundamental shift in how it is managed. Although public sanitation remains the primary driver of the activity, the strategic direction is largely shaped by stringent legislative requirements and has a primary focus on waste management and minimisation over disposal.

As well as duties under the Public Health Act, we also have legislative responsibility under the Waste Minimisation Act (WMA), the Climate Change Response Act (CCR) and the Resource Management Act (RMA).

The legislation essentially creates an incentive regime to reduce the amount of waste we generate and dispose of to landfill. It does this by levying all waste disposed and emissions generated by municipal landfills and allocating these funds to waste reduction programmes. Waste levies have increased from \$20 per tonne to \$60 per tonne to landfill over the past 4 years.

## WASTE MINIMISATION AND DIVERSION FROM LANDFILL

Approximately 61% of the waste at Mt Cooee landfill and 70% of waste from kerbside collection has the potential to be diverted from Landfill. Diverting this high amount is not immediately realistic so our aim is to increase the amount of diversion over time.

Council's Waste Management and Minimisation Plan is a guiding document which identifies Council's vision, goals, objectives, targets, and methods for achieving effective and efficient waste management and minimisation. The WMMP has been developed in the context of the New Zealand Waste Strategy 2023 and adopts the long-term waste minimisation targets of:

- Reduce waste generation by 10% per person by 2030.
- Reduce waste disposal by 30% per person by 2030.
- Reduce biogenic methane emissions from waste by at least 30% by 2030.

This will require investment in the kerbside collection service and resource recovery infrastructure.

## MT COOEE LANDFILL CONSENTS

The current resource consent at Mt Cooee Landfill expired in 2023. Council has applied for the renewal of this consent, allowing operations to continue until it is approved. The request for renewed consent encompasses operation of the landfill for an additional 30 years and an investment in resource recovery infrastructure.

Until the new Resource Consent is issued for Mt Cooee the Council will not be able to confirm that this site is the most appropriate end result for material to go to landfill.

A financial analysis of the future of Mount Cooee and the impact of waste minimisation initiatives will be completed before a decision to build the new cell at Mt Cooee proceeds. Whether the new landfill proceeds or not will leave the Council with ongoing responsibility for the management of this site post closure. In total we are planning on investing \$16.2M over the next 10 years.

### Significant Projects Planned

Period	Item	Value \$	Category
2024/25	Mt Cooee Wastewater Pump Station	\$1.5M	Renewals
2024/27	Mt Cooee - Cap Existing Cell	\$1.5M	Renewals
2024/27	Upgrades at Mt Cooee	\$7.3M	Renewals
2024/26	Mt Cooee - Construct Cell 1	\$3.0M	Renewals
2029/31	Mt Cooee - Construct Cell 2	\$1.8M	Renewals
2026/28	Mt Cooee - Gas Capture	\$0.9M	LOS

Levels of service may be impacted if consent is not received. Council has sourced an alternative disposal option however this may impact costs.

## LONG TERM PLAN CONSULTATION

As part of the Long-Term Plan 2024-34 Consultation Council consulted on the Draft Waste Management and Minimisation Plan and also sought to understand community preferences for those living outside Balclutha to have transfer stations in their local town for household waste, recycling (plastics, steel and aluminium cans, paper, cardboard, and glass), and greenwaste.

Feedback received during the consultation strongly favoured exploring options for diverting waste through reuse and recycling over landfill. The most frequently mentioned materials were green waste and glass. A consistent theme emerged against the development of Mt Cooee Landfill, with a preference for considering alternative waste disposal options and focusing on resource recovery. Additionally, at least one-third of the comments addressed kerbside collection, with a similar number of respondents both for and against changes to the service.

As such a recommendation has been to conduct a comprehensive cost-benefit analysis of all waste services and to conduct further community consultation. This analysis will encompass the extension of kerbside collection services, the operation of Mt Cooee Landfill, Council's Transfer Stations, as well as other resource recovery and education initiatives. A comprehensive review will ensure that changes to one service are evaluated in the context of the others. Further community consultation will allow Council to gather more insights, address their concerns effectively, and identify opportunities to collaborate with the local communities.

## INTRODUCTION OF 4-BIN KERBSIDE COLLECTION

The need to consult on Kerbside Collection requirements was considered under Council's Significance and Engagement Policy 2024 with regard to:

1. Commence glass recycling from 1 January 2027
2. Commence organics recycling from 1 January 2030
3. Meeting progressively increasing recycling targets from 2026

Key considerations included price of delivery (which was impacted by economies of scale), achieving recycling targets from 2026, and operational roll out.

On balance Council were of the view that Option 4 – good practice, all areas, was the only option that could meet recycling targets and price. As a consequence of the legislative waste reduction target requirements Council was of the view there were not alternative options, and that the matter did not meet the significance test for a consultation question. However, feedback received from the questions posed on the Waste Management and Minimisation Plan and the Transfer Stations showed it is evident that there is a need for improved communication regarding Council's waste services, including their availability and funding mechanisms.

The current Government has also indicated that they will be reviewing these regulations.



# SERVICES WE PROVIDE

## TRANSPORTATION

### WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: ROADING INFRASTRUCTURE THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

KEY PRIORITY AREAS: (1) 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2033/34
<b>Provide an effective and sustainable local roading network</b>	Average quality of ride on the sealed road network (as per smooth travel exposure)	<b>96%</b>	≥96%	≥96%	≥96%	≥96%
	Percentage of the sealed local network that is resurfaced	<b>3%</b>	≥6%	≥6%	≥7%	≥6%
	% of customer service requests for roads and footpaths responded to within 5 working days.	<b>89%</b>	≥95%	≥95%	≥95%	≥95%
<b>Monitor safety and invest in improving the local roading network</b>	Number of fatalities and serious injury crashes	<b>17</b>	≤10	≤10	≤10	≤10
<b>FOOTPATHS</b>						
<b>Provide an effective and sustainable network of footpaths throughout the district</b>	% footpaths that are in good, very good or new/near new condition <sup>+</sup>	<b>92%</b>	≥93%	≥94%	≥95%	99%
<b>BRIDGES</b>						
<b>Provide a safe and economic network of bridges throughout the district</b>	% of bridges on key routes that meet heavy vehicle (50 Max) safety requirements	<b>92%</b>	≥93%	≥94%	≥95%	≥95%

<sup>+</sup> 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 as per the Transport Asset Management Plan.



# URBAN WATER

## WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

KEY PRIORITY AREAS: (1) 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35	
<b>Water from Council urban supplies is safe to drink</b>	Compliance with the NZDW Standards for bacteriological compliance	0%	100%	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance	0%	100%	100%	100%	100%	
<b>Urban supplies provide a continuous and reliable source of water to consumers</b>	Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	8.69	≤17	≤17	≤17	≤17
		Taste	0.38	≤3	≤3	≤3	≤3
		Odour	0	≤2	≤2	≤2	≤2
		Pressure	4.54	≤5	≤5	≤5	≤5
		Continuity	27.97	≤30	≤30	≤30	≤30
		Council's response to any of these issues	0	≤14	≤14	≤14	≤14
	Average consumption of drinking water per resident per day (litres per day)	530	≤650	≤650	≤650	≤650	
<b>Urban water schemes are managed efficiently and effectively</b>	Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site.	Urgent	4.15 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	18.75 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from notification about a fault or unplanned interruption to the time personnel confirm resolution.	Urgent	24.84 hours	≤12 hours	≤12 hours	≤12 hours	≤12 hours
		Non-urgent	76.62 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours
Percentage of real water loss from Council's reticulation system*		28.3%	≤29%	≤29%	≤28%	≤29%	

\* Refers to Department of Internal Affairs guidelines on how to measure water losses.

# RURAL WATER

## WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

KEY PRIORITY AREAS: (1) 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35	
<b>Water from Council rural schemes is safe to drink</b>	Compliance with the NZDW Standards for bacteriological compliance	0%	100%	100%	100%	100%	
	Compliance with the NZDW Standards for protozoal compliance	0%	100%	100%	100%	100%	
<b>Rural schemes provide a continuous and reliable source of water to consumers</b>	Number of drinking water complaints (requests for service) per 1,000 connections about:	Clarity	6.52	≤12	≤12	≤12	≤12
		Taste	1.78	≤5	≤5	≤5	≤5
		Odour	0.59	≤3	≤3	≤3	≤3
		Pressure	144.45	≤200	≤200	≤200	≤200
		Continuity	237.56	≤250	≤230	≤200	≤200
		Council's response to any of these issues	0	≤14	≤14	≤14	≤14
<b>Rural schemes are managed efficiently and effectively</b>	Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site.	Urgent	9.22 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	23.08 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
	Median response time (in hours) from notification about a fault or unplanned interruption to the time personnel confirm resolution.	Urgent	45.34 hours	≤24 hours	≤24 hours	≤24 hours	≤24 hours
		Non-urgent	55.26 hours	≤48 hours	≤48 hours	≤48 hours	≤48 hours

# WASTEWATER

## WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

KEY PRIORITY AREAS: (1) 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35	
<b>Provide wastewater services that effectively collect and dispose of wastewater</b>	The number of dry weather wastewater overflows from Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system	<b>4.19</b>	≤6	≤6	≤6	≤6	
<b>Wastewater schemes are managed efficiently and effectively</b>	Median response time (in hours) from when Council receives notification about a wastewater block or other fault, to the time service personnel:	Reach the site (response)	<b>1.56</b>	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Confirm resolution of the blockage or other fault (resolution)	<b>12.8</b>	≤8 hours	≤8 hours	≤8 hours	≤8 hours
	Number of complaints per 1,000 connections about any of the following:	Wastewater odour	<b>2.48</b>	≤3	≤3	≤3	≤3
		Wastewater system faults	<b>2.09</b>	≤10	≤10	≤10	≤10
		Wastewater system block-ages	<b>7.81</b>	≤8	≤7	≤7	≤6
		Council's response to any of these issues	<b>0</b>	≤5	≤5	≤5	≤5
	Compliance with Council's resource consents for wastewater discharge, measured as number of:	Abatement notices	<b>7</b>	0	0	0	0
		Infringement notices	<b>5</b>	0	0	0	0
		Enforcement orders	<b>0</b>	0	0	0	0
		Convictions	<b>0</b>	0	0	0	0

# STORMWATER

WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

KEY PRIORITY AREAS: (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			
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35
<b>Provide stormwater drainage that protects against the effects of flooding</b>	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)	6	<23	<23	<23	<23
	Number of complaints about the performance of Council's stormwater systems (per 1,000 connected properties)	0	≤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	21.7	≤12	≤12	≤12	≤12
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

# WASTE MANAGEMENT & MINIMISATION

WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREAS: (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			
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35
<b>Provide refuse and kerb-side recycling collection that meets customer expectations</b>	Resident satisfaction with refuse/recycling service	<b>90%</b>	≥80%	≥80%	≥80%	≥80%
<b>Minimise the amount of waste to landfill</b>	Amount of waste: a) Diverted from landfill per resident(kg), and b) Maximum (kg) per resident disposed of to landfill.	<b>64 474</b>	≥59 ≤462kg	≥59 ≤462kg	≥59 ≤462kg	≥149* ≤349kg

\*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).

1 Calculated by converting total tonnes to kilograms and dividing by the population.

2 Includes outgoing weights for scrap metal, tyres and glass and incoming greenwaste.

# COMMUNITY HOUSING

WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREAS: (1) 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35
<b>Provide quality housing</b>	Proportion of community housing units that meet healthy homes standards	<b>100%</b>	100%	100%	100%	100%

# COMMUNITY HALLS

WHAT WE ARE AIMING FOR

COMMUNITY OUTCOME: HEALTHY SUSTAINABLE ENVIRONMENT

KEY PRIORITY AREAS: (1) 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 – 2034/35
<b>Operate a network of community facilities throughout the district including pools, halls, sportsgrounds, parks and reserves</b>	Resident satisfaction with community facilities (weighted average)	<b>87%</b>	>90%	>90%	>90%	>90%



# FINANCIAL STRATEGY

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2024/34





# MANAGING OUR FINANCES

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 facing some challenges, things are really tough and the world has shifted since our last long term plan.

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.

Moving forward, we are continuing the momentum of 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.

We have worked in previous years to keep rates at an affordable level and annual rates increases to a minimum in response to the cost of living; this has created a funding gap that we now need to close.

Funding demands on local government are exceeding what it is capable of achieving and we are not exempt. Council's funding model is complex and not comparable to a household or business. We rely mostly on ratepayers to finance us and this has put Council and its communities under prolonged financial strain.

The need for the continued provision of Three Waters services to our communities following the recent repeal of three waters legislation is having a significant financial impact.

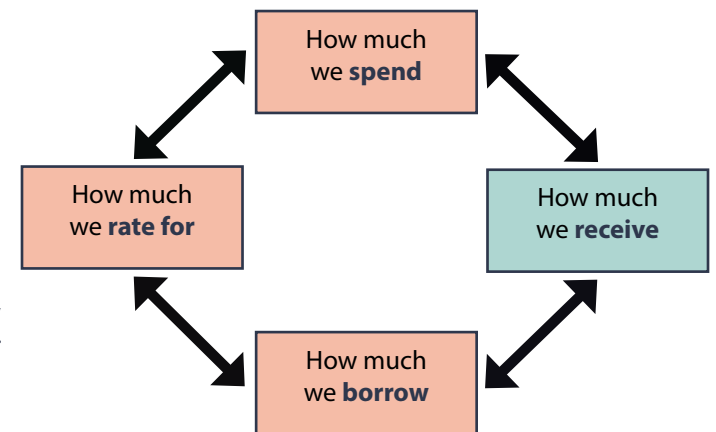
Council is intending to use what it has available to fully support our residents and ratepayers now, and into the future.

## OUR FINANCIAL STRATEGY AIMS TO ENSURE:

- We prioritise investment in infrastructure that balances cost, risk, and service levels.
- Everyday costs for services are generally 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.

## 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.



# What we're PROPOSING TO SPEND

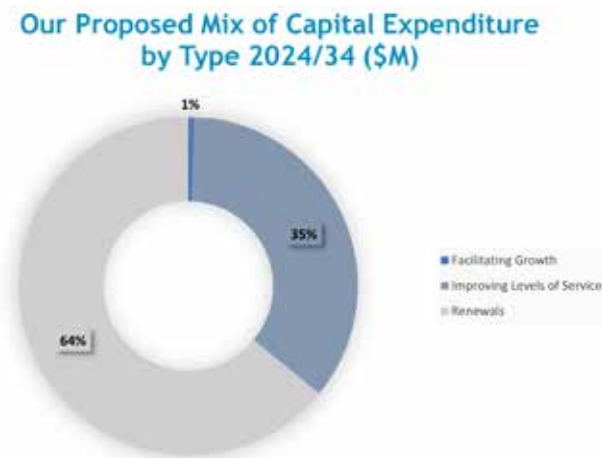
**TABLE: OVERALL ASSET BUILD PROGRAMME 2024/34 (\$M)**

ACTIVITY AREA	FACILITATING GROWTH	IMPROVING LEVELS OF SERVICE	RENEWALS	TOTALS
Transportation	0	1	134	135
Water	0	26	35	61
Community Services	2	2	26	30
Wastewater	0	89	18	107
Internal Services	0	2	3	5
Solid Waste	0	6	10	16
Stormwater	0	4	9	13
<b>TOTALS</b>	<b>2</b>	<b>130</b>	<b>235</b>	<b>367</b>

GRAPH: OUR PROPOSED MIX OF CAPITAL EXPENDITURE BY ACTIVITY 2024/34 (\$M)



GRAPH: OUR PROPOSED MIX OF CAPITAL EXPENDITURE BY TYPE 2024/34 (\$M)



# FACILITATE RE-GENERATION & RESPOND TO DEVELOPMENT PRESSURE

## OUR APPROACH:

WE PLAN FOR AND ARE ADAPTIVE TO REGENERATION AND ENABLE PRIVATE INVESTMENT WHERE IT WILL BENEFIT OUR COMMUNITY'S WELLBEING.

What we will focus on:

- Setting direction for where and what type of development should occur for infrastructure, suburban development and economic growth.
- 3 Waters (Drinking Water; Waste Water; Stormwater) network extensions into current Transitional Zones.
- Managing demand in our rural and urban water schemes, and where viable, supplying more capacity.
- New Community Housing Builds proposed.
- Use all Council's procurement tools to achieve greater gains for our local economy, tourism, workforce and environment.

# IMPROVE LEVELS OF SERVICE

## OUR APPROACH:

WE PRIORITISE INVESTMENT IN INFRASTRUCTURE THAT BALANCES COST, RISK, AND SERVICE LEVELS.

What we will focus on:

- 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 Mainstreet and the Balclutha Streetscape including completion of Te Pou Ō Mata-Au facility carpark.
- Strengthening our bridges to carry High Productivity Motor Vehicles.



# TAKE 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).

What we will focus on:

- Renewals of our rural and urban water schemes to increase capacity and comply with NZ Drinking Water Standards.
- Additional Water Reservoir Tanks to our rural and urban water schemes to increase water capacity
- Efficient road maintenance.
- Continuing with our 'fast-tracked' bridge replacement programme.
- Securing the future for Mt Cooe Landfill.
- Improved Pump Stations across the District for wastewater management.
- Milton Pool/Library Renewal.
- Renewals of Balclutha and Lawrence Library Buildings.
- Upgrades of the Balclutha Swimming Pool Filters.
- Upgrades to public conveniences across the district.

# 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.

## Limit on Debt

We have set ourselves a limit that net debt will not exceed more than 280% of annual revenue.

Until recently we have not had significant debt<sup>1</sup>, and have used our various reserve funds built up over time when we have needed funding for infrastructure projects, we refer to this as internal borrowing. In recent times we have moved towards using external debt.

We feel this is the best use of our investments and the approach is fairer, as it means that future ratepayers also pay their share for long life assets and services created today (known as intergenerational equity).

Going forward we're proposing to continue to keep our investment portfolio intact and borrow more.

We need to borrow more because:

- The cost of providing Three Waters services and building Three Waters infrastructure has significantly increased,
- The Three Waters activity also had to fund deficits for the unbudgeted higher costs of operations and the cost of transitioning to providing the services in-house for 2023 and 2024.
- Our capital works program has significantly increased, and we have achieved much higher percentages of project completion with consequential higher demands on cash flow,
- Significant escalations in cost of investing in our infrastructure and providing our services,

- The consequences of decisions taken to keep rates within Council's historical 4% rates cap (reducing depreciation, paying interest only on loans, using Council's reserves, and of all of the above reasons, meant Year 1 of the Long Term Plan had an unsustainable rates increase, so much so Council has decided to borrow more to spread the impact of the rates rises over a number of years.

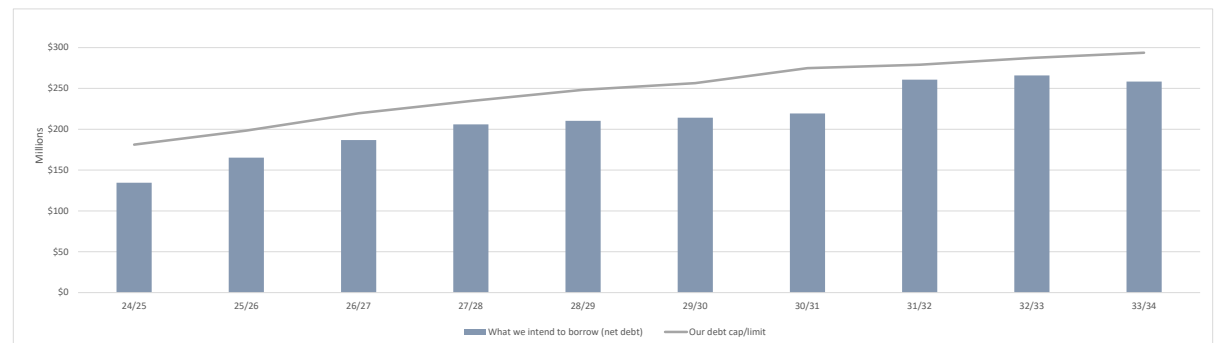
But it is important to get the balance right and we need to have clear limits. We received a credit rating that will allow us to borrow up to 280% of how much we're expecting to receive.

The repayment period for borrowing on infrastructure is 25 years.

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

The gross debt of Council is shown in the prospective statement of financial position.

GRAPH: OUR STRATEGY FOR BORROWING 2024/34 (\$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:

- Use some of the income to help reduce rates.
- 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.
- 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).
- Invest amounts held in restricted and Council created reserve funds, including amounts held for future expenditure (depreciation reserves).

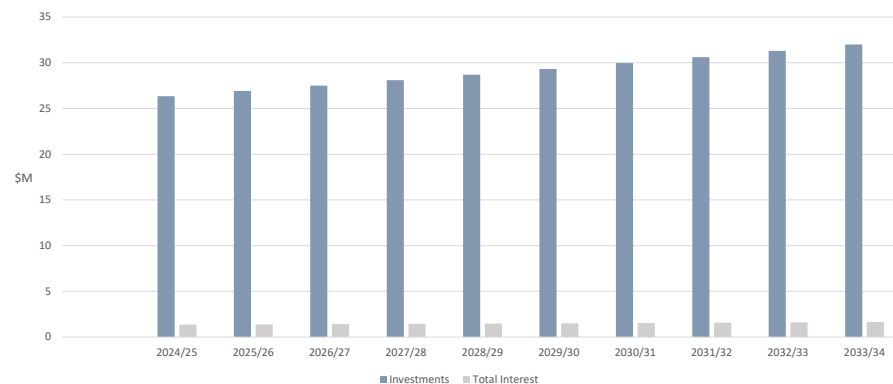
**Targets on Investments**

Overall, we want to maximise investment returns while preserving ratepayer funds. We're targeting to earn an average of 5.25% for returns on our investment portfolio during the next ten years through to 2034. We're proposing to use some of it (\$9.5M) to reduce rates. We're forecasting the value of the fund will grow by from \$25.8 M to \$32.0M. 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 2024/34 (\$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 have unavoidable cost drivers particularly for water, wastewater, and stormwater, that will affect ratepayers who receive these services. Our historic approach is no longer sustainable with the recent changes in three waters reform and our assumption for the purposes of this Long-Term Plan is that this Council is now going it alone. The proposed significant increases reflect this, 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:

- Use debt and borrowing to spread the costs across generations for our asset build programme.
- Use debt and borrowing to spread the impact of the unsustainable rates increase in the first three years.
- Subsidise rates using income from investment returns.

### Note:

This would mean higher overall rates in years one to three than we have historically had, dropping in years four to ten. This primarily affects three waters and the ratepayers who receive these services.

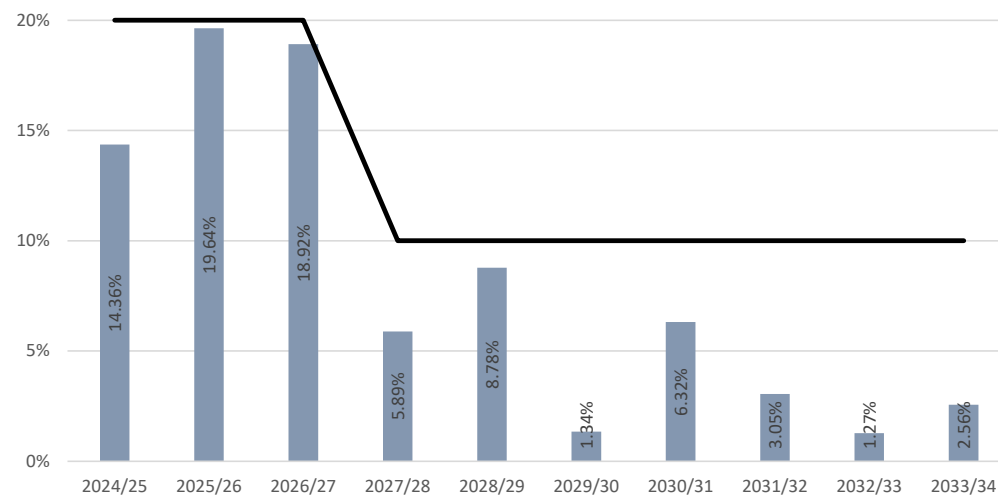
## Smoothing rates

Council applies 'smoothing' of its funding profile and year on year rates changes. This has been achieved by borrowing for additional water operational costs in years one and two and repaying this in later years, resulting in an unbalanced budget.

### Limits on rates increases

We expect our overall rates to increase substantially in the first three years of the Long Term Plan as we include costs associated with the ongoing provision of the three waters services, then to reduce for the remaining years. We have a self-imposed limit not to increase overall rates by more than 20% per annum for the first three years of the Long Term Plan, dropping to no more than 10% for the remainder of the ten years. 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.

GRAPH: OVERALL RATES 2024/34 (ANNUAL % CHANGE)



The year on year rate increases are a result of the smoothing of rates (refer left) and the timing of the capital work programme.

# 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:

- Insurance cover for above ground assets and a self-insurance fund for underground assets.
- An emergency fund to draw against should it be needed.

## Three Waters Reforms

Under the previous government, work was underway to remove the Three Waters from Council's core business and place it in a new entity with its own funding structure. The government's recent decision to scrap the Three Waters Reform Program has put responsibility back on councils. The return of Three Waters has meant we are:

- Considering the impacts of additional debt and the requirements of maintaining a credit rating into the future.
- Smoothing unsustainable rates increase to make it less onerous in the first three years of the Long Term Plan using borrowing and repaying over the remaining years.

## 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 include the Milton Sewer Treatment Plant that has already been raised to accommodate flood events. The Greenfield combined rural water scheme 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.

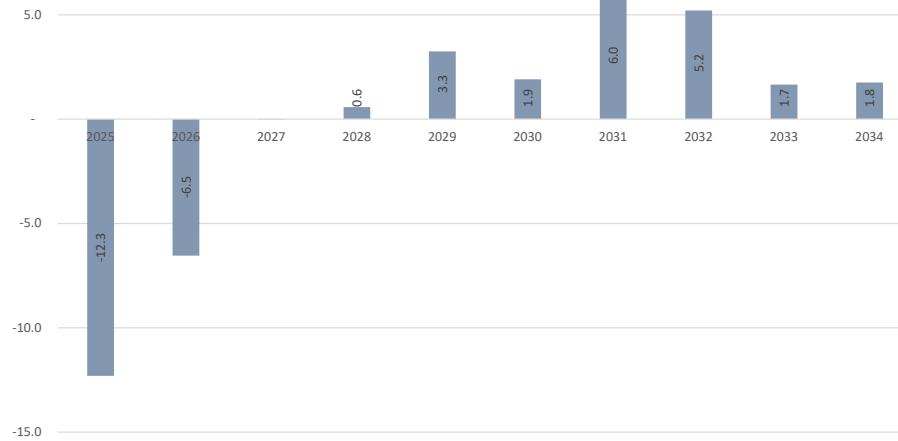
Council's draft Climate Change Strategy provides a common framework through which climate change work can be coordinated within Council and between other agencies. It will apply to all of Council's activities and operations and will be considered at all levels of decision making. The Strategy prioritises five key areas covering: emissions, coastal and flood defenses, leadership, governance and education, land use and built environment and infrastructure.

# BALANCING THE BOOKS

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

Council aims to have a balanced budget, where we ensure our everyday costs (operating expenditure) are covered by our everyday revenues (operating revenue). This is not the case in the first two years of the Long Term Plan as we smooth the rates increases arising from the costs associated with the continued provision of three waters.

GRAPH: EVERYDAY COSTS & REVENUE 2024/34(\$M)



Council has an exception to a balanced budget in the first two years of the strategy. This relates to Councils' decision to loan fund increased costs relating to continued provision of three waters to our communities in the first two years of the Long Term Plan and repaying these over the next four years. It is considered to be the only sustainable and affordable way of achieving the required revenue increases over time.

TABLE: OVERALL FORECAST SPENDING & FUNDING 2024/34(\$M)

	Operating Spend 2024-34	Capital Spend 2024-34	Funding of capital and operating spend
Transport	\$147m	\$135m	Rates 33% Other 67%
Water	\$197m	\$61m	Rates 71% Other 29%
Community Services	\$101m	\$30m	Rates 74% Other 26%
Wastewater	\$64m	\$108m	Rates 44% Other 56%
Economic & Community Development	\$17m	\$0m	Rates 100% Other 0%
Community Leadership	\$20m	\$0m	Rates 100% Other 0%
Regulatory & Community Services	\$40m	\$0m	Rates 50% Other 50%
Waste Management & Minimisation	\$50m	\$16m	Rates 46% Other 54%
Stormwater	\$25m	\$13m	Rates 78% Other 22%



# LOOKING FORWARD TEN YEARS TO 2034

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 encourage growth where there are opportunities to do so.**
- **Mostly everyday costs for services are met from everyday revenues.**
- **Provide certainty to ratepayers about rates increases.**
- **Inform the community of the challenges we are facing, especially around the provision of three waters.**
- **Address the increased costs of providing three waters including previous deficits**
- **Enable the use of borrowing where required.**
- **Make sure we have the financial resilience and means available to manage the unexpected.**

## 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 Council's other lenders/creditors would be put in a preferred position in the event of a default.

## Council Funding Decisions

### REDUCTION IN FUNDING FOR URBAN THREE WATERS WORK

Historically, Council have not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year.

In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

This decision results in an average reduction in 3 waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 4% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces three waters capital funding by an average of \$2.6 million per annum or about 6% of the total capital budget.

## TIMING ADJUSTMENT FOR TRANSPORTATION SPENDING

The bulk of Council's transportation funding is approved by the New Zealand Transport Agency (NZTA) in 3 yearly blocks. This is a partnership between NZTA (on behalf of the Government) and Council and the NZTA support the programme with 67% of the funding and Council rates customers for the other 33%. Unfortunately, we will not have final confirmation of the approved level of funding for the next three-year period until September 2024. In the past, not all of the requested funds had been approved and for the last two funding cycles Council spending has been less than planned in year one with this balanced out in years two and three.

To avoid over-rating in year one (if we don't get the funding we have requested), Council has decided to defer 15% of the rates funded transportation programme to year 3 of the Long-Term Plan. This will enable us to confirm the level of funding in year one and then adjust the second- and third-year programmes to match the approved funding. If we do need to do more work in year 1 and this is approved by NZTA, then we have a deferred maintenance fund that will allow us to fund our share even though we haven't rated for it in year 1.

# LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS 2014

## Long Term Plan disclosure statement for the period commencing 1 July 2024

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.

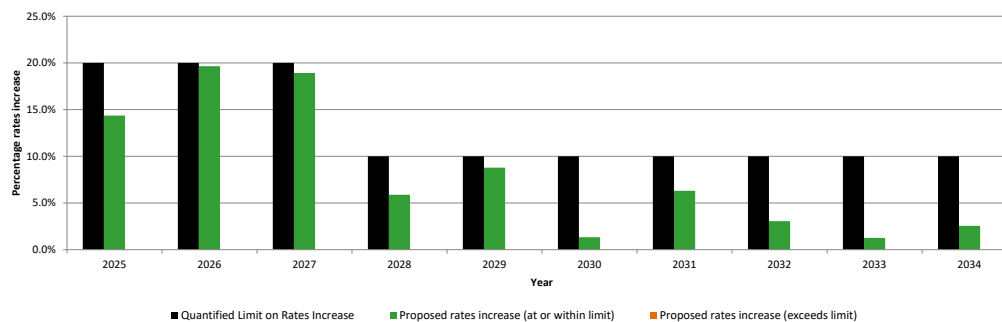
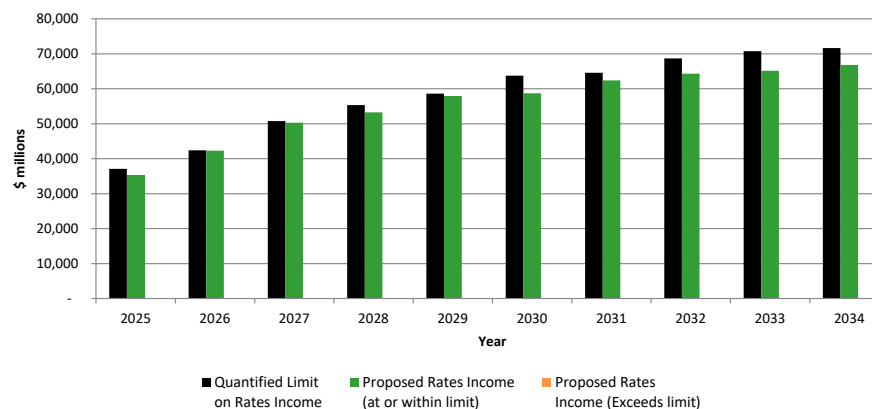
### Rates affordability benchmark

#### Rates (income) affordability

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 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 20% of budgeted rates for the previous year for the first three years of the plan and 10% for the remainder.

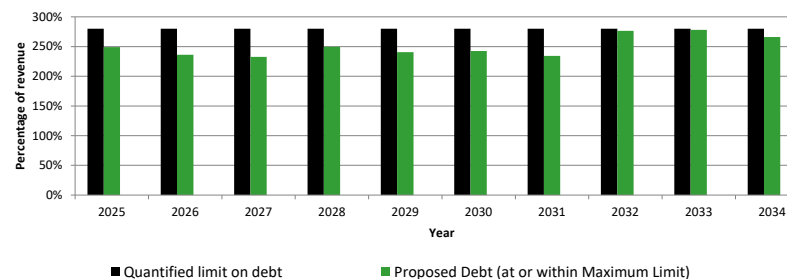


#### Rates (increases) affordability

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is 20% of budgeted rates for the previous year for the first three years of the plan and 10% for the remainder.

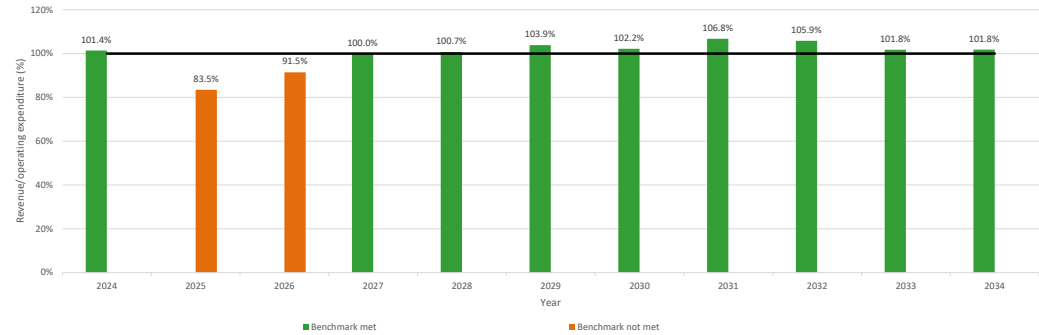
### Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the councils' planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long Term Plan. The quantified limit is 280% of Council's planned revenue.



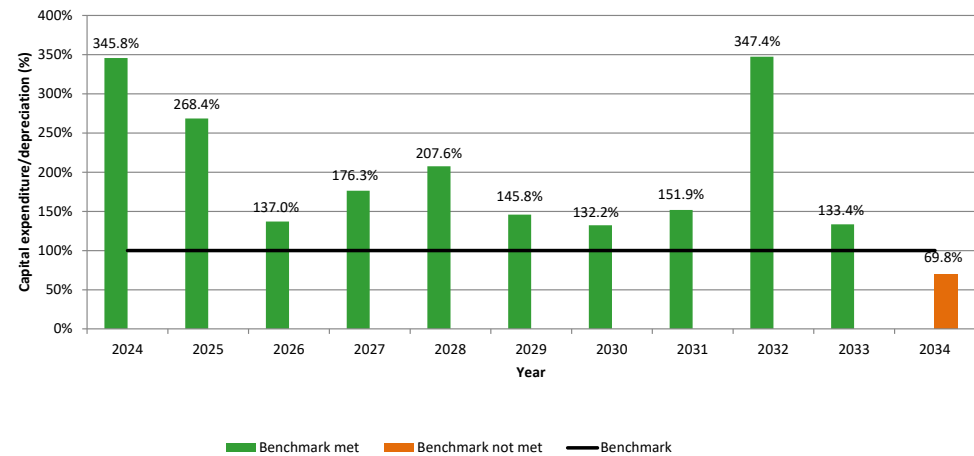
## Balanced budget benchmark

This graph displays the Council's 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 plans not to meet the balanced budget benchmark in year 1 and 2 of the Long Term Plan as its revenue is budgeted to be less than its expenditure. This relates to Council's decision to use debt to fund increased operating costs in the first two years of the Long Term Plan and repay these over the next four years. Council considers this the only sustainable and affordable way to achieve required revenue increases over time.



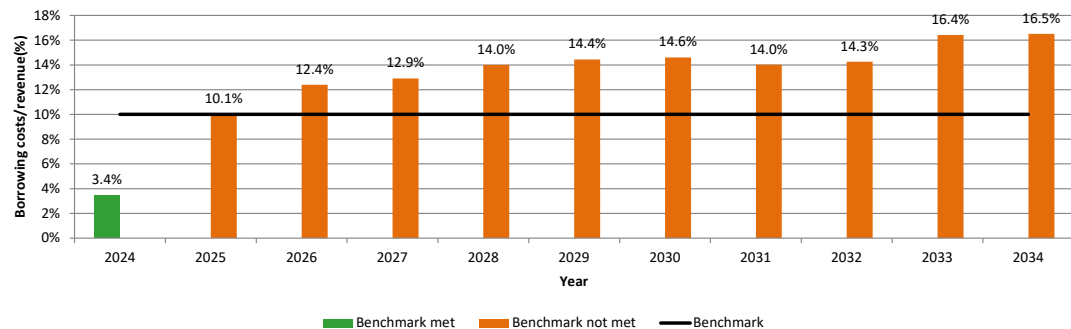
## Essential services benchmark

This graph displays the Council's planned capital expenditure on network services as a proportion of expected 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. Council does not plan to meet this benchmark in year 10 of the Long Term Plan due to budgeted capital expenditure being less than the budgeted depreciation expense.



## Debt servicing benchmark

This 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 of property, plant or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue. Council does not plan to meet this benchmark in any year of the Long Term Plan as our budgeted borrowing costs are greater than 10% of our revenue in all 10 years.



# Key assumptions

These assumptions provide underlying information for the Draft Financial Strategy 2024/34 and Draft Infrastructure Strategy 2024/54. 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.

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

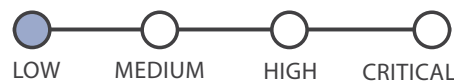
#### Usually resident population

2024    2034    2054

19,019   20,331   22,089

Clutha's population is expected to have a stronger resident population growth, increasing to nearly 22,100 people by 2054. This is substantially higher than the 2020 projections, with a 0.5% annual change over 30 years.

## LEVEL OF UNCERTAINTY (RISK)



## REASON FOR UNCERTAINTY, IMPACT OF RISK:

Significant increases in population are not anticipated. However should that occur it might place greater demands on services such as water, wastewater, 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. Forestry growth has the potential to impact on population growth however planning framework amendments to allow Councils to have more control of forestry development mean this risk can be expected to be managed for should Council decide to do so.

### Age demographics

The age structure is projected to change quite significantly, with a higher proportion of residents aged 65 years and over. The proportion of children (14 years and under) and younger adults (15 to 39 years) is projected to decline. 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.



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.

## WHAT WE HAVE ASSUMED

### Visitor growth

#### District visitor numbers

2024	2034	2054
------	------	------

Total visitors (average day)		
------------------------------	--	--

9,573	10,683	13,019
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Total visitors (peak day)		
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3,633	4,243	5,459
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Visitor population on both the average and peak day is projected to increase annually by 1.0% 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, wastewater, 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 has been domestic and growth is anticipated to continue.

### Housing growth

#### Total houses

2024	2034	2054
------	------	------

8,984	9,576	10,404
-------	-------	--------

This plan assumes that the number of dwellings will increase at an annual average growth rate of 0.6%. 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

2024	2034	2054
------	------	------

12,902	13,613	14,600
--------	--------	--------

Council's rating units are expected to increase incrementally on an average of 0.5% in the ten years to 2034, and 0.4% in the 30 years to 2054.

**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.

**WHAT WE HAVE ASSUMED**

**Council resource consents**

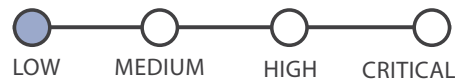
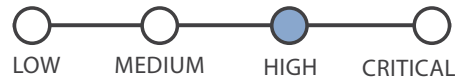
It is assumed that Council will meet consent conditions and that conditions of resource consents currently held will not be significantly altered. It is assumed that updates to attain consent renewals will progress as programmed and that they can be achieved within allocated budgets.

**Land use change**

District Plan changes over the last 5 years for Balclutha, Stirling, and Milton means areas of land in and around these towns are 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 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 (Our Economy) without compromising the amenity values of our urban areas (Our People, Our Environment).

**LEVEL OF UNCERTAINTY**



**REASON FOR UNCERTAINTY, IMPACT OF RISK:**

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. Resource consent renewals may be subject to the proposed Otago Regional Council Land and Water Plan currently under development, and also subject to Government policy and legislative changes. Assessment of the implication of these matters will be undertaken once known.

Changes to the Resource Management Act and water delivery arrangements may reduce the cost of consent compliance and reduce debt and rates.

Whilst there is a low risk due to the planning and lead in time managed via the District Plan process, forestry growth has the potential to impact on land use however planning framework amendments to allow Councils to have more control of forestry development mean this risk can be expected to be managed for should Council decided to do so.

The National Policy Statement on Highly Productive Land has the potential to restrict development outside of current town boundaries, but this is not expected to have significant impacts during the LTP period.

# General assumptions

## WHAT WE HAVE ASSUMED

### Climate change

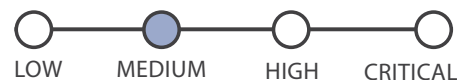
Our changing climate is an area of focus for both our communities and the Council. Council has an important role to play, particularly as the provider of critical infrastructure that underpins the daily lives of our communities.

Council's draft Clutha District Climate Change Strategy provides an understanding of 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 increased 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.

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.

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's draft Climate Change Strategy provides a common framework through which climate change can be coordinated within Council and between other agencies.

# general assumptions

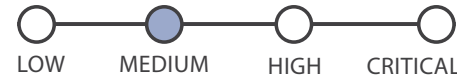
## WHAT WE HAVE ASSUMED

### Natural disasters

The plan assumes that Council and the community will be prepared to respond to any natural hazards including floods, storms 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, wastewater 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 and regulatory reforms including Three Waters reform

The Clutha District has experienced a transformative period in managing its Three Waters services since 2021, with further changes anticipated.

In addressing past operational challenges, including legal action related to wastewater treatment non-compliance, the Council has undertaken a commitment to meet stricter Resource Consent assessments and adhere to the elevated standards set by Taumata Arowai under the new Water Services (Drinking Water Standards for New Zealand) Regulations 2022. This includes engagement with Iwi and increased compliance costs to achieve expected consent conditions.

To align with these enhanced requirements, the Council has bolstered its resources and engaged in new maintenance contracts for service delivery. The transition to a new asset ownership and management model under 3 Waters reform has been repealed. Consequently, this document presents an alternative path, albeit with less preparatory input typically afforded for an Activity Management Plan (AMP). Thus, not all data reflected herein is current due to historical gaps in information accuracy over the last three years, which affects some foundational data reliability.

Recent developments and the high bar set by drinking water and freshwater standards have led to vastly increased capital and ongoing maintenance costs for 3 Waters. Furthermore, resource limitations and the scarcity of specialised three waters personnel have compounded these financial pressures.

While changes to the scope of asset upgrade and maintenance work are likely to remain consistent with this AMP, consultation for the 2024–2027 Long Term Plan regarding three waters will be constrained due to these potential shifts. Significant matters will be brought to community discussion as more definitive information emerges.

## 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 a complete and accurate set of financial information for the medium-term and long-term financial impact.

Legislative change that is underway and proposed by the current Government may reduce costs to ratepayers. This would be through the new Local Water Done Well arrangements or changes to the Resource Management Act. There is considerable uncertainty about the impacts of these changes and arrangements at this time.

# general assumptions

## WHAT WE HAVE ASSUMED

### Levels of service - Three Waters

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.

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

### Useful lives of significant assets

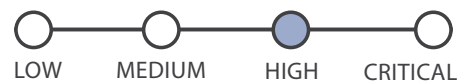
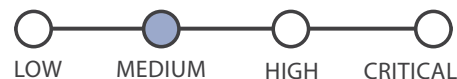
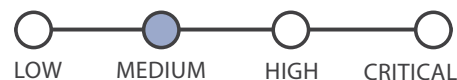
The useful lives of all assets will be in accordance with the depreciation rates set out in the accounting policies of Council. It is assumed remaining life forecasts for significant assets are correct and renewal forecasts are accurate.

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

### Revaluation of non-current assets

The roading network and utility assets (water, wastewater, stormwater) are to be revalued in 2025/26, 2028/29 and 2031/32. Revaluations may occur more frequently if there is significant cost escalation. 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.

## 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. Council is aiming for increased compliance with drinking water standards and resource consents. 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, and would impact on rates.

Useful lives are used to calculate annual depreciation. Where useful lives are incorrect the depreciation funded may be funded at the wrong level or depreciation may not have been funded for the entire life of the asset. 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 offset by other assets lasting longer than estimated.

If price level changes are significantly higher or lower, depreciation and the funding of depreciation could be over or under stated. Increases in the valuation lead to increased rates value and depreciation is cash funded.

Depending on circumstances the revaluation period maybe shorter or longer. It is noted that the budgeted amounts include the effects of 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.

# Financial assumptions

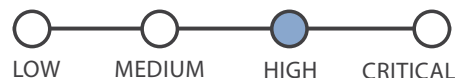
## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY (RISK)

## REASON FOR UNCERTAINTY, IMPACT OF RISK:

### Contracts

This plan assumes there will be no significant variations in the price of re-tendering operating and maintenance contracts during this plan other than forecast escalation.



If contract prices were to increase significantly, Council would review the work programme and levels of service. Council is in negotiation for an extension of the waste management contract to coincide with possible changes related to resource consent renewal for Mt Cooee and these are expected to result in increased costs. Overall exposure is slightly lower as the roading maintenance contract does not come up for renewal during the term of this plan. Increased costs will be evaluated at the time of tendering but may result in increased rated requirements or reduced costs.

### 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 would negatively impact on timing for delivery of levels of service, and positively impact on levels of borrowing and debt and rates.

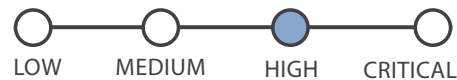
# Financial assumptions

## 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 2023 values.

## 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, wastewater and stormwater.

### Service levels - Three Waters

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

Outside of these it is assumed service levels are expected to remain unchanged.



If Council has not adequately engaged with the community on statutory requirements on changes to service levels or service levels are perceived to be unaffordable and not accepted by the community.

# FINANCIAL assumptions

## WHAT WE HAVE ASSUMED

### Forecasted return on investments

A return of 5.25% 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	4.25%	5.25%	6.25%
Closing Value in 2034	29.1	32.0	34.8
Total Interest Earned Over 10 years	12.1	14.9	17.8

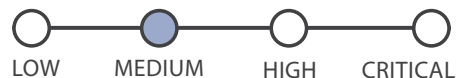
# FINANCIAL assumptions

## WHAT WE HAVE ASSUMED

### Expected interest rates on borrowing

Interest on existing and new internal borrowing is allowed for at 5.25% over the term of the borrowing.

## LEVEL OF UNCERTAINTY



## REASON FOR UNCERTAINTY, IMPACT OF RISK:

Minimal impact. 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 5.25% has been used as the average cost of borrowing.



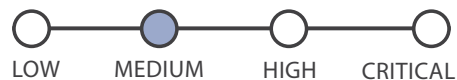
The risk is partly mitigated by re-forecasting on an annual basis through annual plan updates. A change in interest means the rating requirement for the cost of financing as well as the loan repayment would change as illustrated in the sensitivity analysis below.

### Sensitivity Analysis on Forecasted Rate on External Borrowings

	LTP (1.0%) \$M	LTP \$M	LTP 1.0% \$M
Rate of Borrowing	4.25%	5.25%	6.25%
Total Interest Paid Over 10 years	106.1	131.1	156.1

### 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.

# FINANCIAL assumptions

## WHAT WE HAVE ASSUMED

### Credit rating

Council will maintain a credit rating from Fitch Ratings of AA- for the ten years of the plan. There will be a significant amount of work required to maintain the credit rating, but it will provide an additional level of comfort.

## LEVEL OF UNCERTAINTY (RISK)



## REASON FOR UNCERTAINTY, IMPACT OF RISK:

An AA- Fitch credit rating was issued in June 2024.

### NZ Transport Agency Waka Kotahi Financial Assistance Rate

A major source of funding for our transportation network comes from NZ Transport Agency (NZTA) Waka Kotahi. A baseline level of funding (67%) has been confirmed by NZTA for Years 1 to 3 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 NZTA Waka Kotahi to deliver these national priorities. These are set every 3 years through the Government Policy Statement on Land Transport.

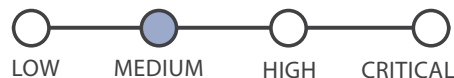


If there are changes or reductions, Council will have to reconsider the level of delivery for the financially-assisted programme.

This is considered high risk in view of the Government's potential reviews of transport funding but at this stage no change in Financial Assistance Rate (FAR) has been signaled for the first three years of the Long Term Plan. Any reduction in the FAR will result in an increase in rates of and a reduction in levels of service.

### Depreciation rates on planned asset acquisitions

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



Depreciation funding is intended to reflect the 'decline in service potential' of an asset and to ensure that the current customers are paying their fair share. It is also used to fund renewal or other capital works. The risk associated with phasing in depreciation funding is considered low as Council is intending to fully loan fund the proposed capital works programme and also pay interest and principal payments during this period.

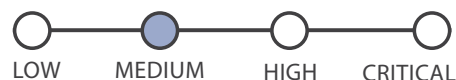
# FINANCIAL assumptions

## WHAT WE HAVE ASSUMED

### Depreciation Funding

The current LTP includes funding 25% of the calculated depreciation cost in years 1 to 5 and 50% of the depreciation costs in years 6 to 10. The plan also includes funding depreciation of any growth or level of service capital works so in dollar terms this sees a significant increase in depreciation funding over the 10 year period of the plan.

## LEVEL OF UNCERTAINTY (RISK)



## REASON FOR UNCERTAINTY, IMPACT OF RISK:

Depreciation funding is intended to reflect the 'decline in service potential' of an asset and to ensure that the current customers are paying their fair share. It is also used to fund renewal or other capital works. The risk associated with phasing in depreciation funding is considered low as Council is intending to fully loan fund the proposed capital works programme and also pay interest and principal payments during this period.

# Price level changes

Accounting RULES REQUIRE COUNCIL TO ADJUST ITS FORECAST FINANCIAL INFORMATION TO TAKE INTO ACCOUNT THE IMPACT OF INFLATION. THESE PRICE LEVEL ADJUSTMENTS HAVE BEEN APPLIED TO ALL BUDGETS AND PROJECTS AT THE RATES OUTLINED BELOW. THEY ARE BASED ON BERL.

## PRICE LEVEL ADJUSTERS APPLIED TO 2024/34 LONG TERM PLAN FORECASTS

		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Administration</b>	Base year	2.7%	2.0%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.9%
<b>Salaries</b>	Base year	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Three Waters</b>	Base year	2.2%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%
<b>Transportation</b>	Base year	2.6%	2.1%	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%
<b>Information Technology</b>	Base year	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>All Other Assets</b>	Base year	2.7%	2.0%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.9%



# 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 an average of 0.5% per annum during 2024 to 2034.

## FORECAST CHANGES IN RATING UNITS

YEAR BEGINNING	RATING UNITS	ANNUAL CHANGE IN RATING UNITS
1/07/2024	12,902	Base year
1/07/2025	12,973	71
1/07/2026	13,044	71
1/07/2027	13,115	71
1/07/2028	13,186	71
1/07/2029	13,258	71
1/07/2030	13,329	71
1/07/2031	13,400	71
1/07/2032	13,471	71
1/07/2033	13,542	71
1/07/2034	13,613	71



# COUNCIL ACTIVITIES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2024/34



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

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

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.



**MAYOR**  
Bryan Cadogan

## 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.

At the beginning of each triennium 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 listening to 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.

## 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 2025. 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. In preparation for the Triennial Elections in 2025 we are conducting a representation review.

## FACILITATING GROWTH

Like other rural areas throughout New Zealand, the Clutha District had experienced a period of population decline. That is now mainly in the past. The two previous Long-Term Plans set the platform for a change in direction to promote growth, and the latest Census 2023 indicated a modest population increase. That growth trend continues into 2024 and is projected to continue.

Council established its Living and Working in Clutha Strategy in 2021 which has been reviewed and updated in 2024. The strategy addresses key Council priorities covering: Investing in Infrastructure; More quality housing; Filling our jobs, Improving our Environmental Footprint; Adapting to Climate Change; Improving our Communities Health; Safety and Wellbeing; and Supporting our Cultural Heritage.

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 .

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. This is intended to be extended to other communities within the Clutha District. The overall measure of progress or success in this area is the latest Census 2023 results which highlights population growth.

## RATES AFFORDABILITY

Despite the consideration given to the affordability of rates, this 10-year plan reflects a high degree of unaffordability in later years, predominantly caused by an investment in Three Waters infrastructure.

## 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 has been externally reviewed.

## 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 Milton to Waiholo water pipeline, continuing to complete and implement Community Plans and associated projects, and continuing to support housing through residential development and house and land packages.

Work is also being carried out to implement Council's decision to upgrade and increase the stock of Council elderly and social housing. Proactive investigation of

alternative models for community housing development will also be explored to stimulate housing solutions.

Council recognises the importance of accessibility for the community, in particular in relation to street accessibility audits, community housing and disabled peoples travel. New and renewal Council transportation projects comply with the latest disability standards. Council is also ensuring access audits are included as part of its future housing project planning.

## ADVOCACY

Given the high degree of unaffordability in the later years of this Long Term Plan, and the uncertainty of the overall Local Water Done Well programme, advocacy is a critical aspect of the early years of this 10-year plan. Solutions and affordability will come from collaboration, cooperation and advocacy. We imagine that going it alone is not an option.

## 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 approach to assess and make any budget changes through the annual planning or similar consultative process.

Council consulted on an option to use investment fund surpluses to provide an additional rates rebate to those eligible for rates rebates. This was not supported by a majority of submitters and was not approved by the elected members.



**WORK WE WILL BE FOCUSING ON IN THIS PLAN:**

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

## WHAT we are planning for Community Leadership

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
200004 Gabriels Gully Entrance - Community Hub and Destination Toilet Investigation	50	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

## 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
<b>Provide effective leadership, representation and service to residents and ratepayers</b>	Satisfaction with decision making, leadership and planning of elected members (Council)	<b>62%</b>	≥80%	≥80%	≥80%	≥80%
<b>Monitor rates affordability and provide prudent, effective and efficient financial management</b>	To stay within rates limits (\$ amount and year on year increase ≤20%)	<b>\$29.2M</b> <b>3.96%</b>	\$36.3M 14.36%	\$43.4M 19.64%	\$51.5M 18.92%	\$62.6M* 4.19%*

\* Average for 2027/28 - 2033/34

\*\* Residents Survey 2023, p36

# What it will cost & HOW WE WILL FUND community leadership

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	1,216	1,505	1,563	1,589	1,636	1,678	1,701	1,740	1,780	1,804	1,845
Targeted rates	277	326	335	338	346	352	354	360	366	368	374
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	60	50	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	60	61	62	64	65	66	67	68	70	71
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,553</b>	<b>1,941</b>	<b>1,959</b>	<b>1,989</b>	<b>2,046</b>	<b>2,094</b>	<b>2,121</b>	<b>2,167</b>	<b>2,214</b>	<b>2,242</b>	<b>2,290</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	786	932	954	976	999	1,021	1,043	1,065	1,087	1,108	1,130
Finance costs	48	63	61	58	55	52	48	45	41	37	33
Internal charges and overheads applied	565	784	829	835	868	893	897	920	944	949	974
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,399</b>	<b>1,779</b>	<b>1,844</b>	<b>1,870</b>	<b>1,922</b>	<b>1,966</b>	<b>1,988</b>	<b>2,029</b>	<b>2,072</b>	<b>2,095</b>	<b>2,137</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>154</b>	<b>162</b>	<b>116</b>	<b>120</b>	<b>124</b>	<b>128</b>	<b>133</b>	<b>138</b>	<b>142</b>	<b>147</b>	<b>153</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(53)	(52)	(54)	(57)	(60)	(63)	(67)	(70)	(74)	(78)	(82)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(53)</b>	<b>(52)</b>	<b>(54)</b>	<b>(57)</b>	<b>(60)</b>	<b>(63)</b>	<b>(67)</b>	<b>(70)</b>	<b>(74)</b>	<b>(78)</b>	<b>(82)</b>

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# What it will cost & HOW WE WILL FUND community leadership

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	50	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(8)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	109	60	61	62	64	65	66	67	68	70	71
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>101</b>	<b>110</b>	<b>61</b>	<b>62</b>	<b>64</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>70</b>	<b>71</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(154)</b>	<b>(162)</b>	<b>(116)</b>	<b>(120)</b>	<b>(124)</b>	<b>(128)</b>	<b>(133)</b>	<b>(138)</b>	<b>(142)</b>	<b>(147)</b>	<b>(153)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Calls we have made in putting budgets for this plan together

## KEY PLANNING ASSUMPTIONS FOR COMMUNITY LEADERSHIP AND OUR DISTRICT OVERALL

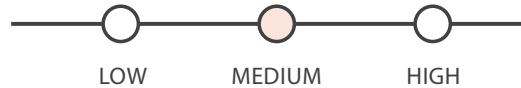
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED

#### Amalgamation/Boundary Changes

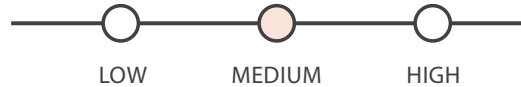
Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan.



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, collaborative and resilient.
- Clutha has a healthy and sustainable environment.

These outcomes are tailored to achieve our goal to promote the economic, environmental, social and cultural wellbeing of our communities. We have identified seven

priority work areas where Council has an important role to play. These relate to housing, business and work-place 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 are 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 2024/54

<p><b>Where we are now</b></p>	<p>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, wastewater 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.</p>
<p><b>Where we want to be</b></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 wastewater 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><b>How we intend to get there</b></p>	<p>The 2024/54 Infrastructure Strategy identifies a set of principles, intended to achieve our overall infrastructure objectives:</p> <ol style="list-style-type: none"> <li>1. Transition through reforms for the 2027 Long Term Plan.</li> <li>2. Plan for and be adaptive to growth and enable private infrastructure investment where beneficial to the community.</li> <li>3. Continue to focus on maintaining the infrastructure we have already invested in, and prioritise investment in infrastructure that balances cost, risk, and service levels.</li> <li>4. Keep rates affordability at the forefront of our actions and decisions.</li> <li>5. Use our solid financial position and existing infrastructure as a platform to enable growth.</li> </ol>
<p><b>How we will monitor progress</b></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.</p> <p>We will measure compliance against appropriate standards (e.g., drinking water, roading).</p>
<p><b>Key documents</b></p>	<p>Infrastructure Strategy, Financial Strategy, Activity Management Plans, Clutha Destination Strategy</p>
<p><b>Long Term Plan levels of service</b></p>	<p>Our key investment priorities for new and existing infrastructure include:</p> <ul style="list-style-type: none"> <li>• Facilitating growth – we will plan for and be adaptive to growth and enable private infrastructure investment where it will benefit our community's wellbeing.</li> <li>• Improving levels of service – we will prioritise investment in infrastructure that balances cost, risk and service levels.</li> <li>• Taking care of what we have got – we aim to have the funds needed to replace assets at the end of their economic life.</li> </ul>

# 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><b>Where we are now</b></p>	<p>There are more than 7,000 occupied dwellings in the Clutha District. Of these, approximately 70% are owner occupied/held in a family trust, while 22% are rented. Nearly 20% of dwellings were identified in the 2018 Census as being ‘sometimes damp’. There have been, on average, 64 new dwelling consents issued by Council each year over the last ten years. Council provides 98 community housing units, spread across eight towns.</p> <p>Demand for housing (including rental, owner occupied and social housing) remains strong across the district. 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.</p>
<p><b>Where we want to be</b></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"> <li>• A well-functioning, dynamic housing system with housing stakeholders working in coordination and/or partnership to grow our choice and availability of housing.</li> <li>• Homes are of good quality and resilient, where they are warm, dry and energy efficient.</li> <li>• 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.</li> <li>• A housing system that supports sustainable, resilient and connected communities.</li> </ul>
<p><b>How we intend to get there</b></p>	<p>Council has a key role to play in helping to achieve the outcomes for Housing. In particular, we will</p> <ul style="list-style-type: none"> <li>• Continue to provide a community housing service and look to improve this service where possible.</li> <li>• Ensure that the necessary infrastructure is in place to support existing and additional housing.</li> <li>• Support or enable private and public housing initiatives.</li> <li>• Support housing-related projects identified as priorities in Our Place community plans.</li> </ul> <p>It is important to note that a collective approach, involving a wide range of stakeholders will be required to address current housing issues in the Clutha District (including availability and quality).</p>
<p><b>How we will monitor progress</b></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.</p> <p>We will measure compliance against appropriate standards (e.g., drinking water, roading).</p>
<p><b>Key documents</b></p>	<p>District Plan, Infrastructure Strategy 2024-54 and associated Activity Management Plans.</p>
<p><b>Long Term Plan levels of service</b></p>	<p>Council District Plan related obligations are met, including rezoning with a focus on facilitating infill and new housing developments.</p> <p>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><b>Where we are now</b></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, enabling residential development and subdivisions.</p>
<p><b>Where we want to be</b></p>	<ul style="list-style-type: none"> <li>• We want to attract and sustain a vibrant and diverse workforce with the skills to meet the changing needs of the district.</li> <li>• We want to have a diverse range of business and work opportunities available (e.g., agriculture, tourism, digital technology), that suit people’s capability and capacity to work (i.e., their cultural background, ethnicity, age, skills, and life experience).</li> <li>• We want to have a strong diversified economy in the Clutha District.</li> <li>• We would like to see collaboration between employers and employees, including better transition between seasonal jobs.</li> <li>• A district that focuses on quality and value over quantity and balances environmental considerations with economic gain.</li> <li>• We sustain, retain and grow our existing businesses.</li> <li>• A business and workplace environment that provides compelling reasons to live and work in the Clutha District.</li> </ul>
<p><b>How we intend to get there</b></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) such as Clutha Development, 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 through Jobbortunities, and Destination Marketing.</p>
<p><b>How we will monitor progress</b></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><b>Key documents</b></p>	<p>Clutha Destination Strategy, 2024/34 Long Term Plan, Economic Development Strategy 2015</p>
<p><b>Long Term Plan levels of service</b></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: IMPROVING 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 wellbeing and is a priority towards making Clutha a great place to live, work, and play.

*With amazing scenery, brilliant and growing cycle trails, stunning beaches and opportunities for whitebaiting, fishing and surfing, the physical environment readily supports well-being through physical activity and moments of wonder and reflection.*

Clutha District Community Needs and Strengths Assessment, August 2023

<p><b>Where we are now</b></p>	<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 through its:</p> <ul style="list-style-type: none"> <li>• Regulatory functions (e.g. District Plan, Bylaws, Building Control),</li> <li>• Strategic direction (e.g. Our Place Plans),</li> <li>• Service delivery (e.g. waste management and minimisation, wastewater treatment, management of pest species), and</li> <li>• Internal activities (e.g. environmental impact of operating vehicles and Council-owned assets).</li> </ul> <p>Examples of Council’s ongoing work to reduce the impact of human behaviour on our natural environment include bylaws for freedom camping (2021) and vehicles on beaches (2022), and improvements to our wastewater treatment facilities.</p>
<p><b>Where we want to be</b></p>	<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>
<p><b>How we intend to get there</b></p>	<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. Mana whenua, 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 Murihiku, 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. Other relevant Council-led initiatives include:</p> <ul style="list-style-type: none"> <li>• The District Plan review of related documents – e.g., identifying and protecting indigenous biodiversity and landscapes of significance.</li> <li>• Support for the EnviroSchools program and community groups involved in biodiversity activities – e.g., planting programs (urban &amp; rural).</li> <li>• Supporting infrastructure for electric vehicles and active transport.</li> <li>• Improved procurement processes, reducing the environmental impact of Council’s fleet and other assets (esp. reducing greenhouse gas emissions).</li> </ul>
<p><b>How we will monitor progress</b></p>	<p>Monitoring discharges from Council’s wastewater treatment plants, the number and extent of significant indigenous biodiversity which are protected by the District Plan, and the energy efficiency of Council assets and infrastructure.</p>
<p><b>Key documents</b></p>	<p>Infrastructure Strategy, Three Waters and Solid Waste Activity Management Plans, Waste Management &amp; Minimisation Plan, Clutha Destination Strategy, Climate Change Strategy.</p>
<p><b>Long Term Plan levels of service</b></p>	<ul style="list-style-type: none"> <li>• Council District Plan obligations are met including the protection of indigenous biodiversity and landscapes of significance.</li> <li>• Council works proactively with iwi and community groups.</li> <li>• Council provides kerbside solid waste and recycling collection services in accordance with its waste minimisation plan.</li> </ul>

# 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 wellbeing.

*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.

<p><b>Where we are now</b></p>	<p><b>Adaption:</b> The Climate Change Leadership and Response Plan was adopted in 2019. The first stage was completed in June 2020, with a report describing the impacts of climate change for the Clutha District. A second report, quantifying the risks to Council infrastructure and community assets was completed in June 2021. Council has developed a draft Climate Change Strategy, and this will be finalised using feedback provided through 2024/34 Long Term Plan consultation.</p> <p><b>Mitigation:</b> 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>
<p><b>Where we want to be</b></p>	<ul style="list-style-type: none"> <li>• A common understanding amongst Council staff, Councillors, and the community on the likely impacts and risks associated with climate change.</li> <li>• The ability to plan for changing land use opportunities and limitations, for both rural and residential activities.</li> <li>• Improved ability to manage risk, and to communicate with stakeholders about priorities.</li> <li>• A reduction in Council’s use of fossil fuels, and information to assist/encourage the community to do the same.</li> </ul>
<p><b>How we intend to get there</b></p>	<p>Once completed, the Climate Change Strategy will provide a solid platform (including a common understanding of likely risks) upon which future strategic decisions will be based. 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"> <li>1. Managing changing risks and potential loss of service levels (e.g., the loss of a coastal road).</li> <li>2. Managing community expectations about levels of service.</li> <li>3. Dealing with uncertainty.</li> <li>4. Finding the best way for Council to work with communities to manage change.</li> </ol>
<p><b>How we will monitor progress</b></p>	<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>
<p><b>Key documents</b></p>	<p>District Plan. The Climate Change Strategy and other reports completed as part of the Climate Change Leadership and Response Plan.</p>
<p><b>Long Term Plan levels of service</b></p>	<ul style="list-style-type: none"> <li>• Council ensures District Plan obligations are met with a focus on reducing existing risk and avoiding new risk.</li> <li>• Council implements a communication plan to disseminate new information, and to guide community engagement.</li> </ul>

# PRIORITY AREA: IMPROVING OUR COMMUNITIES HEALTH, SAFETY & WELLBEING

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.

*The Clutha community is a strong one – it is a resilient community with a can-do attitude.*

Clutha District Community Needs and Strengths Assessment, August 2023

<p><b>Where we are now</b></p>	<p>Clutha communities are known as caring and supportive, with a practical no nonsense approach to addressing any issues. We have built up some excellent community facilities over many decades, with more in the planning stages. New facilities include the Te Pou ō Mata-Au Clutha District War Memorial &amp; Community Centre, the Lawrence Destination Playground, and the Clutha Gold Trail. Our communities are great places to live, work and play. However, our small population, together with increasing costs means that maintaining existing, and creating additional facilities can be a challenge. Volunteers are increasingly stretched, and our population is aging. The district also faces a range of social challenges, including drugs and alcohol, the high cost of living, loss of key services and low digital connectivity in some areas.</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><b>Where we want to be</b></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><b>How we intend to get there</b></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. We also consider the best way to deliver these community ambitions, whether it be through core Council services, joint projects with the community, or supporting community-led initiatives.</p>
<p><b>How we will monitor progress</b></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. Progress on priority projects identified in Our Place community plans.</p>
<p><b>Key documents</b></p>	<p>Activity Management Plans, District Plan, Dog Control Policy &amp; Bylaw, Our Place Community Plans, Reserve Management Plans, Smokefree Policy, Community Funding Policy.</p>
<p><b>Long Term Plan levels of service</b></p>	<p>Council will:</p> <ul style="list-style-type: none"> <li>• Provide, or support accessible and well-maintained facilities to increase levels of participation in active and passive recreation.</li> <li>• Fund, and work in partnership with external organisations to increase levels of participation in sport and recreation.</li> <li>• Work with Emergency Management Otago to build resilience and disaster preparedness for emergency situations.</li> <li>• Enforce bylaws and legislation to ensure dog owners and residents are aware of safety, protection, and etiquette around dogs.</li> <li>• Ensure that food premises comply with relevant legislation.</li> </ul>

# 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 Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga, and sites of archaeological significance.*

Clutha District Plan

<b>Where we are now</b>	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.
<b>Where we want to be</b>	Our cultural and heritage values are visible, accessible, and celebrated widely. In particular: <ul style="list-style-type: none"> <li>• The social wellbeing of the Clutha District is enhanced and supported by a vibrant, diverse community.</li> <li>• There is an economic benefit to the Clutha District through the alignment of business development, tourism, cultural and heritage resources.</li> <li>• Clutha is a district that understands and celebrates its past, and promotes its unique sense of place today, and in the future.</li> </ul>
<b>How we intend to get there</b>	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"> <li>• Promote and support heritage and cultural resources and events - for example through websites, our library network, and increased use of Te Pou ō Mata-Au Clutha District War Memorial &amp; Community Centre.</li> <li>• Encourage collaboration between agencies- for example, shared marketing or coordinating exhibitions and events</li> <li>• Council investment which encourages property owners to revitalise and re-purpose heritage buildings, through rates relief, street improvements and heritage grants.</li> <li>• Support the heritage-related projects in the Our Place Lawrence-Tuapeka and Our Place Clutha Valley community plans.</li> <li>• Continue to make our heritage and cultural resources more accessible.</li> <li>• Incorporate local history and culture into renewal work on community facilities.</li> <li>• Continue to develop and promote the Clutha Heritage digital repository, to tell the stories of our past and present.</li> <li>• Continue to work with stakeholders such as kā rūnaka ki Ōtāgo and Murihiku and the Historic Places Trust to better understand and protect heritage values.</li> </ul>
<b>How we will monitor progress</b>	<ul style="list-style-type: none"> <li>• Monitoring of consents issued relating to renovation of historical buildings, and earthquake strengthening.</li> <li>• Amount of funding allocated to cultural and heritage groups through community grants.</li> <li>• Library visitor numbers, the use of physical and digital library collections, and the amount of material available through the digital repository.</li> </ul>
<b>Key documents</b>	District Plan, Long Term Plan, Annual Plan, Our Place Community Plans.
<b>Long Term Plan levels of service</b>	Council will: <ul style="list-style-type: none"> <li>• Provide a library service network.</li> <li>• Support programmes which enable access to information, lifelong learning, cultural expression, and celebration of heritage.</li> <li>• Where possible and appropriate, support the protection of heritage values.</li> <li>• Provide cemeteries throughout the district which meet community needs (including our growing cultural diversity).</li> <li>• Review and update the heritage components of the District Plan.</li> </ul>

# 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 and management for the district, provided via Clutha Development Inc as the Regional Tourism Organisation (RTO).
- 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 to 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 management 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 agenda through its Living and Working in Clutha Strategy for which it has primary responsibility. This also includes contracted support provided by Clutha Development Inc. to progress key strategy activities under a service level agreement. 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. This will also continue throughout the term of this Long Term Plan. Primary sector support will continue to be supported through third party funding.

All the Community Plans that Council has developed with each community since 2016 are now completed. Community Plans have been completed for Balclutha, Waihola, Milton, The Catlins, Lawrence-Tuapeka, Kaitangata, West Otago, Clutha Valley, Clinton and Taieri Mouth. The focus is now on implementation of the key projects within each plan. Some plans will be updated to reflect the current priorities of the community. Council has budgeted towards the implementation of these projects in this Long Term Plan.

## 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.

Council approved \$195,000 of funding in 2024/25 towards Destination Management. The previous funding from MBIE – STAPP is no longer available. Destination Management is a strategic approach to the growth of the tourism sector in the district. It is 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

Through the submissions process and specifically the community funding submissions process to the Long Term Plan, Council confirmed ongoing funding or provided an increase in funding for organisations and community projects. Additionally, Council has confirmed new funding for projects under the Community Plans that are underway across all communities in the district.

# 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
<b>Support the District's communities and economy through community planning facilitation and support</b>	Percentage of projects and activities identified in Our Place Community Plans completed*	<b>NEW MEASURE</b>	40%	44%	48%	63%

\*Calculated as a proportion of actions completed by the Project Manager of Community Plan Implementation.

## 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 has 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.

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

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

# Budgeted ECONOMIC & Community DEVELOPMENT Funding

ORGANISATION	DESCRIPTION	2024/25
Clutha Development Trust	For contracted economic development services	\$477,000
Clutha District ES Trust	Funding towards the running costs of the Emergency Portacom Caravan	\$2,500
Clutha Gold Trail	Funding set aside for future maintenance requirements on the Clutha Gold Trail	\$29,115
Clutha Sport Masters Games	Funding to support the annual Balclutha Masters Games	\$700
Community Committees Support	Grant to support external community committees with administrations costs	\$1,538
Community Swimming Pool	Grants towards operating costs for various pools throughout the district	\$49,841
Destination Marketing - Clutha Development	To provide 'Destination Clutha' tourism funding	\$195,000
District Museums	Funding towards operating costs for the 6 Clutha District Museums managed under the umbrella of Clutha District Combined Museums	\$60,840
Event Support	Small budget to provide event support to groups	\$2,327
Fees Reimbursement Scheme	Scheme which provides for reimbursement of Council-related fees and charges to community groups and volunteers	\$15,000
Heartland Life Education	Sponsorship towards the charitable trust providing life education services to Clutha District Youth	\$6,000
Information Centres - Lawrence	Operational grant to deliver Information Centre services	\$65,000
Information Centres - Milton	Operational grant to deliver Information Centre services	\$11,627
Information Centres - Owaka	Operational grant to deliver Information Centre services	\$22,471
KP Surf Lifesaving Grant	Funding for retaining lifeguard patrol services at Kākā Point and a grant towards the redevelopment of combined facilities	\$340,000
Mayors Taskforce Youth	Support of youth and leadership in the Clutha District	\$11,293
Otago Museum	Funding levy for Otago Museum	\$148,500
Programmes for Youth	Funding for Clutha Youth Worker through Southern Youth Development	\$31,796
Property Rent Assistance	Scheme which reimburses community groups who lease Council land and buildings	\$8,453



# Budgeted ECONOMIC & Community DEVELOPMENT Funding

ORGANISATION	DESCRIPTION	2024/25
Signage - New	To update signage in the district "Welcome to"	\$2,000
Signage - Maintenance	To update signage in the district "Welcome to"	\$3,312
Simpson Park Bench Grant	Council grant to support the upgrade of the bench seating at Simpson Park Sports Ground	\$2,089
SO Historical Society - Curator	Funding for a curator salary	\$35,000
Southern Youth Bikes Refurbish Grant	Council grant to initiate programme to minimise bikes going into landfill by recycling parts	\$11,000
SPARC Additional Funding	Council funding support towards the Sport NZ Rural Travel Fund - for local schools and clubs to enable youth to play sport	\$15,000
Sport Clutha	Council portion of funding Sport Clutha coordination services	\$49,247
Telford Bursary	Council administered bursary for students studying at Telford (SIT)	\$3,000
Tuapeka Goldfields Museum Manager Grant	Funding for a curator salary	\$19,000
Walking & Cycling Owaka	Funding towards construction of a cycle trail from Owaka to Pounaweia	\$15,000
West Otago Vintage Club Grant	Grant to extend the museum facility	\$200,000
Womens Refuge	Funding to Gore/Clutha Whānau Refuge which provides support services in the Clutha District	\$35,000
Youth Council	Youth Council project budget	\$17,000

# What it will cost & HOW WE WILL FUND economic and community development

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	1,496	1,627	1,603	1,632	1,642	1,673	1,699	1,728	1,757	1,782	1,811
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes*	-	753	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING FUNDING (A)</b>	<b>1,496</b>	<b>2,380</b>	<b>1,603</b>	<b>1,632</b>	<b>1,642</b>	<b>1,673</b>	<b>1,699</b>	<b>1,728</b>	<b>1,757</b>	<b>1,782</b>	<b>1,811</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,600	2,082	1,295	1,323	1,326	1,352	1,377	1,401	1,425	1,449	1,472
Finance costs	51	84	81	79	76	72	69	66	62	58	54
Internal charges and overheads applied	24	163	173	174	181	186	187	192	197	198	203
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>1,675</b>	<b>2,329</b>	<b>1,549</b>	<b>1,576</b>	<b>1,582</b>	<b>1,610</b>	<b>1,633</b>	<b>1,659</b>	<b>1,684</b>	<b>1,705</b>	<b>1,730</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>(179)</b>	<b>51</b>	<b>54</b>	<b>57</b>	<b>60</b>	<b>63</b>	<b>66</b>	<b>69</b>	<b>73</b>	<b>77</b>	<b>81</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	151	(51)	(54)	(57)	(60)	(63)	(66)	(69)	(73)	(77)	(81)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>151</b>	<b>(51)</b>	<b>(54)</b>	<b>(57)</b>	<b>(60)</b>	<b>(63)</b>	<b>(66)</b>	<b>(69)</b>	<b>(73)</b>	<b>(77)</b>	<b>(81)</b>

\* From time to time one off projects will be funded by a different funding source, eg investment fund surplus or grants.

# What it will cost & HOW WE WILL FUND economic and community development

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)										
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
<b>Applications of capital funding</b>												
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(28)	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>(28)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>179</b>	<b>(51)</b>	<b>(54)</b>	<b>(57)</b>	<b>(60)</b>	<b>(63)</b>	<b>(66)</b>	<b>(69)</b>	<b>(73)</b>	<b>(77)</b>	<b>(81)</b>	
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Calls we have made in putting budgets for this plan together

## KEY PLANNING ASSUMPTIONS FOR ECONOMIC AND COMMUNITY DEVELOPMENT

### WHAT WE HAVE ASSUMED

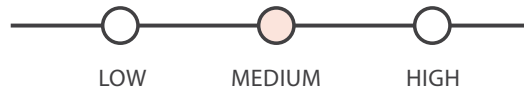
### LEVEL OF UNCERTAINTY

### 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

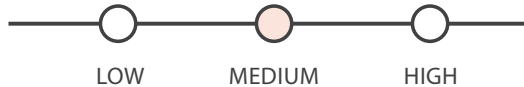
Council has assumed it will continue to partner with other funders and part-fund contracted services for youth development in current levels.



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 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 18,900 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 \$1,155.1 million. The table (right) illustrates the main features of the roading network.

### Transportation Asset Information\*

ASSET COMPONENT	QUANTITY	ASSET VALUE (\$MILLION)
<b>Formation</b>	24,134,016 m <sup>2</sup>	690.5
<b>Sealed Pavement Surface</b>	860 km	1.7
<b>Sealed Pavement Structure</b>	860 km	242.2
<b>Unsealed Pavement Structure</b>	2,048 km	93.2
<b>Drainage</b>		27.6
<b>Surface Water Channels</b>	173,980 m	12.9
<b>Footpaths (sealed + unsealed)</b>	144 km	26.9
<b>Signs/RRPM's/Markings/Railings</b>		4.0
<b>Edge Marker Posts</b>	15,114 units	0.2
<b>Street Lights</b>	1,379 units	1.3
<b>Minor Structures, Retaining Walls</b>	3,449 m	2.9
<b>Bridges and Major Culverts</b>	361 units	51.7
<b>TOTAL</b>		<b>\$1,155.1</b>

\*Valuation as at 30 June 2023

# 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 several negative effects arising from both the construction and maintenance activities within the road corridor and its use by motor vehicles.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT					OUR RESPONSE
	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	
Road and environmental factors can contribute to crashes, particularly those that involve loss of control.	●	●	●	●	Continue to undertake improvement projects and target road 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 Rooding Bylaw – Stock Movement is not adhered to.	●	○	●	●	Monitor Rooding Bylaw – Stock Movement to ensure appropriate movement of stock.
Economically, the cost of desired infrastructure may exceed the community's ability to pay.	○	●	●	○	Reassess rooding 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 NZTA for funding assistance for seal extentions.
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 inhouse 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.

## TIMING ADJUSTMENT FOR TRANSPORTATION SPENDING

The bulk of Council's transportation funding is approved by the New Zealand Transport Agency (NZTA) in 3 yearly blocks. This is a partnership between NZTA (on behalf of the Government) and Council. NZTA supports the programme with 67% of the funding and Council rates customers for the other 33%. Unfortunately, we will not have final confirmation of the approved level of funding for the next three-year period until September 2024. In the past, not all of the requested funds had been approved and

for the last two funding cycles Council spending has been less than planned in year one with this balanced out in years two and three.

To avoid over-rating in year one (if we don't get the funding we have requested), Council has decided to defer 15% of the rates funded transportation programme to year 3 of the Long Term Plan. This will enable us to confirm the level of funding in year one and then adjust the second- and third-year programs to match the approved funding. If we do need to do more work in year 1 and this is approved by NZTA, then we have a deferred maintenance fund that will allow us to fund our share even though we haven't rated for it in year 1.

## 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 levels of service as per the original levels of service of the current network maintenance contract.

### 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.

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

## PROCESS FOR OPERATION & MAINTENANCE OF ROADING ASSETS



to accept. The impact on level of service is minimal and primarily aesthetic with slightly rougher and patched roads with a considerable cost saving. This was consulted on as part of the 2015/25 Long Term Plan.

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 is also assisting Council in transitioning to the required One Network Framework (ONF) 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 361 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 100 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 NZTA, 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. Ongoing work will confirm the way forward for the depreciation



reserves which will form part of the 2027/37 LTP development.

## 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 prioritises better travel options in towns and cities and supports investments for improving freight connectivity. By including Climate Change as a strategic priority, the current GPS highlights commitment to 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.

This approach will need to be revisited on the release of GPS 2024 which is expected in August 2024 after the adoption of the LTP.

The One Network Framework (ONF) has replaced the One Network Road Classification (ONRC) initiative and takes into account place, transport mode and movement (both goods and people). It underlines the importance of integrated land and transport planning for creating greater

liveability and prosperity. This would aim 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.

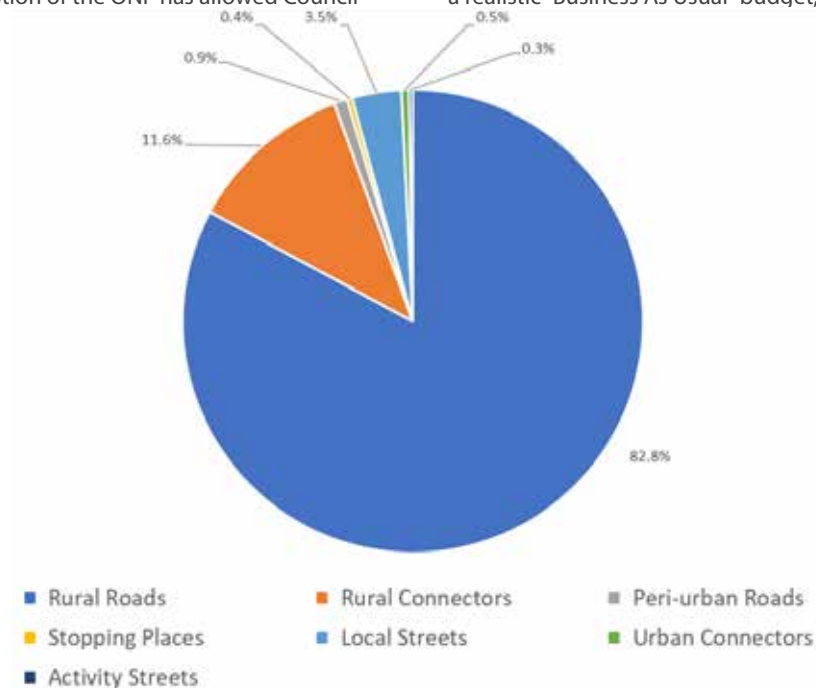
The classification ensures investment decisions are based on whether roads are fit for purpose and meeting the needs of users. It is based around the principle that roads are fit for purpose in terms of where the road sits in the overall network of roads in New Zealand and takes into account place, transport, mode and the movement (both goods and people).

The national adoption of the ONF 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 ONF is shown in the graph below.

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

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



GRAPH: CLUTHA DISTRICT ROADING HIERARCHY - ONE NETWORK FRAMEWORK

a 67% financial assistance rate from NZTA Waka Kotahi during the ten years of this plan.

### 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 NZTA 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).

As such, Council has included \$3.9M for this project, with improvements intended to start from 2024 and continue through until 2026. Council has confirmed that the scope of this project will be adjusted to keep within the remains of the budget.

### 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. Items of note under Low Cost Low Risk Improvements are:

- Balclutha to Finegand Cycle Path (\$1.6M 2024/28)

- Dual Laning of Kaitangata Highway underneath Balclutha Rail Bridge (\$1.1M 2024/26)
- LED retrofit (\$144K/annum)

### SEAL EXTENSIONS

Seal Extension work (dust suppression) will continue in 2024/25. This work is intended to address the negative impacts and environmental effects of traffic on some unsealed roads. The almost \$1M budget is split between urban and rural on a 60/40 basis, with qualifying projects funded 67% by NZTA Waka Kotahi. Council's 33% share is funded through a fixed charge across all urban local road-rating areas and rural roads are funded across rural. This is a continued change of position by Council, as since 2009 we have only sealed roads which qualified for funding assistance from the NZTA as major capital projects subjected to a Business Case.

**Table: Other Major Items of Work Programmed 2024/34**

<b>Focus Area</b>	<b>Action</b>	<b>Time frame</b>
Erosion Protection	<ul style="list-style-type: none"> <li>Address high risk sites where river erosion is threatening existing roads.</li> </ul>	Ongoing
Unsealed Roads	<ul style="list-style-type: none"> <li>Provision of traction seals where existing problems are known.</li> </ul>	Ongoing
	<ul style="list-style-type: none"> <li>NZTA Qualifying Urban &amp; Rural Seal Extensions.</li> </ul>	2024-2025
	<ul style="list-style-type: none"> <li>Continuation of 'ten year' programme of targeted semi-permanent seals for dust suppression.</li> </ul>	Ongoing
Low Volume and Access Roads	<ul style="list-style-type: none"> <li>Investigate common factors associated with crashes on these roads and develop a programme of work to address them.</li> </ul>	2024-2027
	<ul style="list-style-type: none"> <li>Implement identified safety solutions.</li> </ul>	2027-2030
Townships	<ul style="list-style-type: none"> <li>Investigation into appropriate speeds and adequate pedestrian crossing facilities, particularly near schools.</li> </ul>	2024-2027
	<ul style="list-style-type: none"> <li>Implement speed and crossing solutions.</li> </ul>	2024-2030
Streetlights	<ul style="list-style-type: none"> <li>Infill LED luminaries following original retrofit.</li> </ul>	2024-2027
Signage	<ul style="list-style-type: none"> <li>Investigate locations for improved signage on low volume and low volume access roads.</li> <li>Implement a programme of improvements.</li> </ul>	2024-2027
Footpaths	<ul style="list-style-type: none"> <li>Renewal of footpaths will continue to be undertaken in line within existing strategy, focusing on those in the worst condition.</li> </ul>	Ongoing
Townships	<ul style="list-style-type: none"> <li>Consultation regarding improvements to Balclutha Bridge entrances.</li> </ul>	Ongoing
	<ul style="list-style-type: none"> <li>Seal extensions in areas that have experienced growth in terms of visitors, residential development or heavy traffic.</li> </ul>	2024-2025

## What we are planning for TRANSPORTATION\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
300009 211 - Unsealed road metalling	2,423	2,501	2,571	2,630	2,680	2,723	2,758	2,786	2,808	2,830
300010 212 - Sealed road resurfacing	3,675	3,725	3,884	3,880	4,043	4,003	4,231	4,207	4,260	4,122
300011 213 - Drainage renewals	462	477	490	501	511	519	526	531	535	539
300012 214 - Sealed road pavement rehabilitation	399	774	713	728	141	877	859	532	438	834
300013 215 - Structures component replacements	741	765	786	804	819	832	843	851	858	865
300014 222 - Traffic services renewals	360	372	382	391	398	404	409	413	416	419
300016 341 - Low cost low risk roading improvements - projects	973	900	924	940	931	979	1,000	988	992	1,012
300037 225 - Footpath Renewals	735	759	780	798	813	826	837	845	852	859
300063 216 - Bridge renewals	2,124	2,831	2,461	3,143	3,111	1,881	3,505	1,369	1,747	585
300068 Land Transport Programme - Deferral 15%	-2,700	-	2,700	-	-	-	-	-	-	-
310002 Milton Main Street/Streetscape Project	3,860	-	-	-	-	-	-	-	-	-
310004 Balclutha Streetscape - Clutha Hub Car Park	300	-	98	-	-	-	-	-	-	-
310005 Balclutha Streetscape - Stage 3 Destination Landscaping Project	143	-	-	-	-	-	-	-	-	-

\* 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 -2033/34
<b>Provide an effective and sustainable local roading network</b>	Average quality of ride on the sealed road network (as per smooth travel exposure)	<b>96%</b>	≥96%	≥96%	≥96%	≥96%
	Percentage of the sealed local network that is resurfaced	<b>3%</b>	≥6%*	≥6%	≥7%	≥6%
	% of customer service requests for roads and foot-paths responded to within 5 working days	<b>89%</b>	≥95%	≥95%	≥95%	≥95%
<b>Monitor safety and invest in improving the local roading network</b>	Number of fatalities and serious injury crashes	<b>17</b>	≤10	≤10	≤10	≤10
	Average speed residents feel they can safely travel at on unsealed roads (km per hr)	<b>65</b>	60-70	60-70	60-70	60-70
<b>FOOTPATHS</b>						
<b>Provide an effective and sustainable network of footpaths throughout the district</b>	% footpaths that are in good, very good or new/near new condition <sup>+</sup>	<b>92%</b>	≥93%	≥94%	≥95%	99%
<b>BRIDGES</b>						
<b>Provide a safe and economic network of bridges throughout the district</b>	% of bridges on key routes that meet heavy vehicle (50 Max) safety requirements	<b>92%</b>	≥93%	≥94%	≥95%	≥95%

<sup>\*</sup>2022/23 was a particular low year as we did not receive any tenders for our resealing work – we are normally around 6 or 7 percent. We have now let a 3 year contract and expect to meet our targets under this longer term contract.

<sup>+</sup>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 as per the Transport Asset Management Plan..

# What it will cost & HOW WE WILL FUND TRANSPORTATION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	285	4,781	5,647	6,336	5,899	5,877	5,986	6,064	6,042	6,091	6,183
Targeted rates	7,717	2,850	3,173	3,579	3,317	3,304	3,368	3,414	3,401	3,429	3,484
Subsidies and grants for operating purposes	5,302	8,472	8,075	8,296	8,555	8,698	8,856	9,001	9,130	9,277	9,354
Fees and charges	1,669	934	934	934	934	934	934	934	934	934	934
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	148	137	118	103	80	57	47	20	13	3
<b>TOTAL OPERATING FUNDING (A)</b>	<b>14,973</b>	<b>17,186</b>	<b>17,966</b>	<b>19,263</b>	<b>18,808</b>	<b>18,894</b>	<b>19,202</b>	<b>19,460</b>	<b>19,526</b>	<b>19,744</b>	<b>19,957</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,596	10,542	9,833	10,092	10,386	10,518	10,686	10,825	10,933	11,080	11,107
Finance costs	339	350	555	529	507	478	447	425	404	382	359
Internal charges and overheads applied	2,354	3,251	3,388	3,440	3,548	3,641	3,687	3,774	3,865	3,914	4,006
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>11,289</b>	<b>14,143</b>	<b>13,776</b>	<b>14,061</b>	<b>14,441</b>	<b>14,637</b>	<b>14,821</b>	<b>15,025</b>	<b>15,202</b>	<b>15,375</b>	<b>15,472</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>3,684</b>	<b>3,043</b>	<b>4,190</b>	<b>5,202</b>	<b>4,366</b>	<b>4,257</b>	<b>4,381</b>	<b>4,436</b>	<b>4,324</b>	<b>4,369</b>	<b>4,485</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	7,460	6,159	8,780	10,513	9,256	9,009	8,739	10,029	8,390	8,647	8,084
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,533	3,915	(497)	(425)	(552)	(581)	(428)	(398)	(419)	(441)	(464)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>8,993</b>	<b>10,074</b>	<b>8,283</b>	<b>10,088</b>	<b>8,704</b>	<b>8,428</b>	<b>8,311</b>	<b>9,630</b>	<b>7,971</b>	<b>8,206</b>	<b>7,619</b>

Continues on next page

## What it will cost for transportation

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	1,240	443	-	98	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	10,651	13,054	13,106	15,693	13,817	13,449	13,046	14,970	12,524	12,908	12,067
Increase (decrease) in reserves	(571)	(380)	(633)	(501)	(747)	(763)	(354)	(904)	(229)	(334)	38
Increase (decrease) of investments	1,357	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>12,677</b>	<b>13,117</b>	<b>12,473</b>	<b>15,290</b>	<b>13,070</b>	<b>12,686</b>	<b>12,692</b>	<b>14,066</b>	<b>12,295</b>	<b>12,574</b>	<b>12,105</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(3,684)</b>	<b>(3,043)</b>	<b>(4,190)</b>	<b>(5,202)</b>	<b>(4,366)</b>	<b>(4,257)</b>	<b>(4,381)</b>	<b>(4,436)</b>	<b>(4,324)</b>	<b>(4,369)</b>	<b>(4,485)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Calls we have made in putting budgets for this plan together

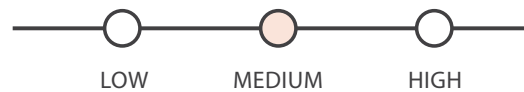
## KEY PLANNING ASSUMPTIONS FOR TRANSPORTATION\*

### WHAT WE HAVE ASSUMED

#### Roading maintenance contract renewal

The awarded new Maintenance and Operations 5-year contract price exceeded 2022/24 expectations. Funding request to NZTA for 2024/27 now reflects the original LoS and associated budget.

### LEVEL OF UNCERTAINTY

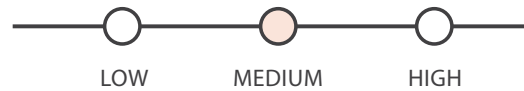


### WHAT WOULD HAPPEN IF THIS CHANGED

Operating and maintenance expenditure forecasts for 2024/25 onwards would be lower than required and work would have to be reprioritised or additional funding sought.

#### NZ Transport Agency Co-Funding

Based on representation and advice from NZTA Waka Kotahi, Council will receive a financial assistance rate of 67% for the 2024/27 period and this has been assumed for the ten year life of this plan.



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

NZTA funding will not be confirmed until after the adoption of this plan, with no preliminary funding level approval received at this point in time. This plan assumes that NZTA's availability of funding will resume (increase) in years 4 to 10 of this plan.

#### Levels of Service: One Road Network Classification

The levels of service currently provided will continue to be measured against those of the ONF 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 2027/28 onwards), particularly as the ONF is embedded and performance measures are developed. It is anticipated that further assessments against the ONF through 2024/27 will reduce this uncertainty.



If the expected levels of service significantly increase or are above those supported by the ONF and NZTA, 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 Roding 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 NZTA 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 government assistance together with insurance and Council's Emergency Fund would cover Council's share for the repair/replacement of roading assets.



Depending on 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 contract prices and the 30-year reseal / rehabilitation programme has accounted as far as possible for general construction prices as well as acknowledge oil prices will remain volatile for the foreseeable future. Budgets have made allowance for this, but whether at an appropriate level remains uncertain.



Historically, work programs 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. If prices increase, the budget may not allow for the full scope of work to be completed due to the cost of bitumen and the work programme will be adjusted accordingly.

\*Universal financial assumptions that also affect Roding 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. While a portion of the water produced is used for stock consumption, all council water schemes, except for Waipahi Rural Water scheme, are treated to meet drinking water standards and are suitable for human consumption.

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 environments". 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 <sup>±</sup>	PROPERTIES SERVICED
Schemes: 22	\$122.3 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 (2023).

<sup>±</sup>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 three 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 that New Zealand's drinking water regulatory system was failing to provide necessary assurances that drinking water across the country is safe and reliable.

Compliance with the NZ Drinking Water Standards and Drinking Water Quality Assurance Rules is now a legal requirement and is enforced by the regulator, Taumata Arowai. The level of water treatment necessary depends on the quality of the water source.

The regulator's premise is that councils have the funding and support to get the balance right.

The Government has now repealed the previous Three Water reforms. This means the ownership and operation of 3 Waters will remain with Council. Early indications of "Local Water Done Well", the Government's replacement for the

Three Waters reforms, is that there will be opportunities for collaboration with other Territorial Authorities. With limited information currently available, the assumption is that Clutha District will "go it alone" for the term of this Long Term Plan.

On this basis we have included three waters in our financial and infrastructure strategies, 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.

Clutha District has changed the method of delivering three-waters activity and has brought in-house (and resourced accordingly) plant operations. Delivery of some planned maintenance and reticulation repairs are being undertaken by local contractors.

# 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.**

## REDUCTION IN FUNDING FOR URBAN THREE WATERS WORK

Historically, Council have not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year.

In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

This decision results in an average reduction in three waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 4% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces three waters capital funding by an average of \$2.6 million per annum or about 6% of the total capital budget.

Council has changed our project delivery strategy and has geared 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 resources such as design build and negotiated contracts.
- Attracting contractors from outside the district for several multi-million-dollar projects over the next ten 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.

- A panel of five consultants has been set up to improve capacity to deliver 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 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 endeavors 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 2022	○	○	○	○	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 managed inhouse by Clutha District Council. Staff are responsible for the day- to-day management and operations of the network and treatment plants. Repairs to the reticulation network, and some planned maintenance activities, are undertaken by local contractors. There is some provision for smaller contractors to be engaged where required, for example the construction and operation of wastewater 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 three 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 the 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

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 and Council also has responsibility to deliver cost effective services. This scheme has increased significantly in cost and is expected to be completed in early 2025. Council is looking at a range of options to reduce the cost to consumers.

#### 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 and improve compliance.

#### 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. This project is nearing completion and will be completed in the first quarter of the 2024/25 year.

## What we are planning for urban water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Growth</b>										
352002 Network Extension to Transitional Zone	100	51	52	-	-	-	-	-	-	-
<b>Levels of Service Improvements</b>										
351044 Urban Water - Small town water metering for meeting consent requirement	100	-	-	-	-	-	-	-	-	-
351049 Balclutha Reservoir Storage upgrade - 1 x 1500 m3 Tasman Steel Tank	-	-	-	-	-	1,106	-	-	-	-
351050 Balclutha WTP - Intake upgrade and Installation of Johnson Screen + Air backwash	617	-	-	-	-	-	-	-	-	-
351054 Clinton Reservoir upgrade - 1 x 1000 m3 Tasman Steel Tank	-	-	-	320	-	-	-	-	-	-
351055 Kaitangata Water Supply Network Installation - Prawl Street	-	-	-	-	-	-	169	-	-	-
351061 Milton (Milburn) WTP upgrade to 5,000 m3/day	109	102	1,773	-	-	-	-	-	-	-
351064 Milton Manganese Reduction	1,500	-	-	-	-	-	-	-	-	-
351066 Owaka Reservoir upgrade - 1 x 500 m3 Tasman Steel Tank	477	-	-	-	-	-	-	-	-	-
351078 Districtwide Urban Water Loss reduction programme - Zone metering	82	-	-	-	-	-	-	-	-	-
351081 Installation of signboard at Water Takes - Districtwide	51	-	-	-	-	-	-	-	-	-
351085 Milton-Tokoiti Water Network Extension	789	727	-	-	-	-	-	-	-	-
351087 Milton Main Street Utilities - Milton Water	401	-	-	-	-	-	-	-	-	-
352000 Balclutha WTP Capacity upgrade to 4,200 m3/day.	-	-	-	-	-	-	-	-	1,595	-
352001 FAC monitoring stations + SCADA - District Wide + Waiholā Chlorine booster station	225	230	-	-	-	-	-	-	-	-
352003 Tapanui WTP - Redundancy Filter and UV	-	-	-	-	543	-	-	-	-	-
352005 Owaka WTP - Redundancy Filter and UV	-	-	-	-	-	221	-	-	-	-

\* Equal to or greater than \$50K

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## What we are planning for urban water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Renewals continued</b>										
351059 Milton Concrete Pipeline Renewals	100	511	637	639	-	-	-	-	-	-
351060 Milton AC Pipeline Renewals	100	527	897	897	-	-	-	-	-	-
351065 Milton Membrane Replacement (end of life of 10 years )	-	-	-	-	543	-	-	-	-	-
351068 Tapanui AC pipeline Renewals	359	239	-	-	-	706	736	-	-	-
351069 Tapanui WTP - Sand media replacement	-	-	-	-	81	-	-	-	-	30
351071 Lawrence AC Pipeline Renewals	474	-	-	-	-	-	-	-	-	-
351072 Lawrence Cast Iron Pipeline Renewal	-	-	-	-	-	-	173	-	-	-
352004 Balclutha WTP - Filter Replacement and UV	-	-	-	-	-	332	-	-	-	-
352010 Balclutha Bridge Water Main 300 Diameter Renewal	-	-	-	-	-	-	845	-	-	-
352012 Kaitangata Intake Renewal	-	1,278	1,305	-	-	-	-	-	-	-
352015 Urban Water - 15% Capital Reduction - Renewal	-499	-387	-430	-334	-284	-390	-465	-234	-82	-116

\* Equal to or greater than \$50Kww



## What we are planning for rural water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Level of Service Improvements</b>										
361090 Pomahaka Main Reservoir upgrade - 1x 1500 m3 Tasman Steel Tank	442	-	-	-	-	-	-	-	-	-
361092 Clydevale Bore Security Improvements	112	-	-	-	-	-	-	-	-	-
361094 Water Loss reduction programme - Zone metering - Glenkenich	176	-	-	-	-	-	-	-	-	-
361097 Glenkenich Main Reservoir upgrade - 1 x 1500 m3 Tasman Steel Tank	216	-	-	-	-	-	-	-	-	-
361105 Water Loss reduction programme - Zone metering - Moa flat	-	88	-	-	-	-	-	-	-	-
361118 Water Loss reduction programme - Zone metering - Richardson South	-	143	-	-	-	-	-	-	-	-
361119 Water Loss reduction programme - Zone metering - Richardson North	-	189	-	-	-	-	-	-	-	-
361121 Richardson Sth - Puerua Main Reservoir upgrade - 2 x 1000 m3 Tasman Steel Tank	391	-	-	-	-	-	-	-	-	-
361134 Water Loss reduction programme - Zone metering - Tuapeka East	-	164	-	-	-	-	-	-	-	-
361135 Water Loss reduction programme - Zone metering - Tuapeka West	-	163	-	-	-	-	-	-	-	-
361139 Mt Stuart Reservoir upgrade - 1 x 500 m3 Tasman Steel Tank	443	-	-	-	-	-	-	-	-	-
361140 Tuapeka West Heathcote Reservoir upgrade - 1 x 500 m3 Tasman Steel Tank	94	-	-	-	-	-	-	-	-	-
361142 Tuapeka West Main (Cockleshell) Reservoir upgrade - 1 x 1000 m3 Tasman Steel Tank	489	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

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next page

## What we are planning for rural water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Level of Service Improvements Continued</b>										
361143 Tuapeka East Breakneck Reservoir upgrade - 1 x 1500 m3 Tasman Steel Tank	544	-	-	-	-	-	-	-	-	-
361146 Wangaloa Reservoir upgrade - 1 x 500 m3 Tasman Steel Tank	440	-	-	-	-	-	-	-	-	-
361147 Water Loss reduction programme - Zone metering - Balmoral 1	-	88	-	-	-	-	-	-	-	-
361148 Water Loss reduction programme - Zone metering - Balmoral 2	-	179	-	-	-	-	-	-	-	-
361151 Water Loss reduction programme - Zone metering - Waipahi	-	74	-	-	-	-	-	-	-	-
361156 Greenfield Bore Project - Alternative water supply for Waitahuna and Evans Flat WTP	7,975	-	-	-	-	-	-	-	-	-
361161 Stirling Intake Improvements	-	204	-	-	-	-	-	-	-	-
362002 FAC monitoring stations + SCADA - Balmoral 2	-	82	-	-	-	-	-	-	-	-
362003 FAC monitoring stations + SCADA - Tuapeka East	-	82	-	-	-	-	-	-	-	-
362005 FAC monitoring stations + SCADA - Glenkenich	-	82	-	-	-	-	-	-	-	-
362006 FAC monitoring stations + SCADA - Moa Flat	-	82	-	-	-	-	-	-	-	-
362007 FAC monitoring stations + SCADA - North Bruce	-	82	-	-	-	-	-	-	-	-
362009 FAC monitoring stations + SCADA - Richardson South	82	-	-	-	-	-	-	-	-	-
362010 FAC monitoring stations + SCADA - Richardson North	82	-	-	-	-	-	-	-	-	-
362011 FAC monitoring stations + SCADA - Clydevale-Pomahaka	-	82	-	-	-	-	-	-	-	-
362015 Stirling WTP - Redundancy Filter and UV	-	-	-	-	543	-	-	-	-	-
362022 Glenkenich WTP Hydro Cyclone System	400	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

Continues on  
next page

## What we are planning for rural water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Level of Service Improvements Continued</b>										
362023 Moa Flat Backwash Tank System	150	-	-	-	-	-	-	-	-	-
362024 Moa Flat Clarifier	200	-	-	-	-	-	-	-	-	-
362027 Strainers at Whitelea Road	70	-	-	-	-	-	-	-	-	-
<b>Renewals</b>										
360000 Balmoral 1 Rural Water Network renewals	-	-	-	-	-	-	-	-	-	205
361010 Balmoral 2 - Priority pipeline renewals	-	144	-	-	-	453	383	-	418	-
361020 Clydevale Pomahaka Network renewals programme - Clydevale Section	-	-	-	-	147	-	-	-	-	-
361024 Glenkenich pipeline renewals	137	-	-	-	-	-	303	-	-	623
361038 Moa Flat AC pipeline renewals	-	-	-	-	-	-	383	-	-	-
361049 Moa Flat Treatment Plant reservoir renewals	207	-	-	-	-	-	-	-	-	-
361056 Richardson South pipeline renewals	-	-	-	-	-	-	-	-	478	-
361063 Richardson Oakleigh Road Reservoir assessment and renewals	552	-	-	-	-	-	-	-	-	-
361069 South Bruce Rural Water Network renewals	-	-	-	-	174	-	-	-	-	-
361075 Tuapeka West AC pipeline renewals	-	-	-	-	251	397	-	-	-	-
361088 Clydevale-Pomahaka AC pipeline renewals	-	-	-	-	-	340	347	661	-	-
361136 Tuapeka East Network renewals	-	-	-	-	-	341	-	220	-	-
361165 Richardson Upgrades/Renewals for pipelines	250	-	-	-	-	-	-	-	-	-

## What we are planning for rural water\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Level of Service Improvements Continued</b>										
362012 Stirling AC pipeline renewals	-	-	-	-	-	-	-	-	448	-
362014 Puerua WTP Plant renewal	-	-	3,500	2,550	-	-	-	-	-	-
362016 Mt Mistake Pump Station replacement	100	-	-	-	-	-	-	-	-	-
362017 Whitelea Rd Membrane replacement (10 years lifetime)	-	-	-	-	-	-	282	-	-	-
362018 Glenkenich Membrane replacement (10 years lifetime)	-	-	-	-	-	-	-	-	583	-
362019 North Bruce - Sand Media replacement	-	-	-	-	-	-	-	86	-	-
362020 Balmoral 2 AC Main renewals	150	-	-	-	-	-	-	-	-	-
362021 Clydevale Pomahaka Pipeline renewal Old Lake Road	300	-	-	-	-	-	-	-	-	-
362021 Clydevale Pomahaka Pipeline renewal Old Lake Road	300	-	-	-	-	-	-	-	-	-
362028 Clifton Road Main renewal	300	-	-	-	-	-	-	-	-	-

\* 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34	
<b>Water from Council urban supplies is safe to drink</b>	Compliance with the NZDW Standards for bacterial compliance	0%	100%*	100%	100%	100%	
	Compliance with the NZDW Standards for protozoal compliance	0%	100%*	100%	100%	100%	
<b>Urban supplies provide a continuous and reliable source of water to consumers</b>	Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	8.69	≤17	≤17	≤17	≤17
		Taste	0.38	≤3	≤3	≤3	≤3
		Odour	0	≤2	≤2	≤2	≤2
		Pressure	4.54	≤5	≤5	≤5	≤5
		Continuity	27.97	≤30	≤30	≤30	≤30
		Council's response to any of these issues	0	≤14	≤14	≤14	≤13
	Average consumption of drinking water per resident per day (litres per day)	530	≤650	≤650	≤650	≤650	
<b>Urban water schemes are managed efficiently and effectively</b>	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	4.15 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	18.75 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	24.84 hours	≤12 hours	≤12 hours	≤12 hours	≤12 hours
		Non-urgent	76.62 hours	≤48 hours	≤48 hours**	≤48 hours	≤48 hours
Percentage of real water loss from Council's reticulation system (%)***		28.3%	≤29%	≤29%	≤29%	≤29%	

\*Council has an ongoing capital and operational work plan to improve drinking water and this will take time to be implemented and achieve full compliance. We believe that we should be aiming for full compliance even as we upgrade and improve our systems.

\*\*Previous performance was due to contractor under performance. A new arrangement is in place and we expect to see improved performance in this area going forward once data systems are aligned.

\*\*\*Measurements achieved as per the Department of Internal Affairs Water Loss Guidelines

# 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34	
Water from Council rural schemes is safe to drink	Compliance with the NZDW Standards for bacteriological compliance	0%	100%*	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance	0%	100%*	100%	100%	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	6.52	≤12	≤12	≤12	≤12
		Taste	1.78	≤5	≤5	≤5	≤5
		Odour	0.59	≤3	≤3	≤3	≤3
		Pressure	144.45	≤200	≤200	≤200	≤200
		Continuity	237.56	≤250	≤230	≤200	≤200
		Council's response to any of these issues	0	≤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	9.22 hours	≤4 hours	≤4 hours	≤4 hours	≤4 hours
		Non-urgent	23.08 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	45.34 hours*	≤24 hours	≤24 hours	≤24 hours	≤24 hours
		Non-urgent	55.26 hours*	≤48 hours	≤48 hours	≤48 hours	≤48 hours

\*Council has an ongoing capital and operational work plan to improve drinking water and this will take time to be implemented and achieve full compliance. We believe that we should be aiming for full compliance even as we upgrade and improve our systems.

# What it will cost & HOW WE WILL FUND water

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	8,010	10,455	13,738	16,876	18,390	20,216	20,136	21,868	22,486	20,490	20,768
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,129	893	1,011	1,131	1,182	1,254	1,260	1,324	1,360	1,288	1,322
Internal charges and overheads recovered	-	2,345	3,131	3,393	3,508	3,669	3,761	3,885	3,921	3,749	3,797
Fuel tax, fines, infringement fees and other receipts	-	182	187	206	235	267	294	351	397	444	517
<b>TOTAL OPERATING FUNDING (A)</b>	<b>9,139</b>	<b>13,876</b>	<b>18,068</b>	<b>21,606</b>	<b>23,315</b>	<b>25,406</b>	<b>25,450</b>	<b>27,427</b>	<b>28,163</b>	<b>25,971</b>	<b>26,405</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,260	7,256	7,478	7,471	7,572	7,686	7,698	7,964	7,965	8,050	8,164
Finance costs	912	2,376	3,402	3,646	3,951	4,087	4,139	4,250	4,316	4,252	4,290
Internal charges and overheads applied	1,866	2,253	4,804	7,674	8,716	10,440	9,049	10,543	10,868	8,308	8,412
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>8,038</b>	<b>11,884</b>	<b>15,684</b>	<b>18,791</b>	<b>20,239</b>	<b>22,214</b>	<b>20,886</b>	<b>22,757</b>	<b>23,148</b>	<b>20,610</b>	<b>20,866</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>1,101</b>	<b>1,992</b>	<b>2,384</b>	<b>2,815</b>	<b>3,076</b>	<b>3,193</b>	<b>4,564</b>	<b>4,670</b>	<b>5,015</b>	<b>5,361</b>	<b>5,539</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	23,767	19,552	4,648	5,799	2,599	991	2,113	1,248	(1,211)	731	(1,861)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>23,767</b>	<b>19,552</b>	<b>4,648</b>	<b>5,799</b>	<b>2,599</b>	<b>991</b>	<b>2,113</b>	<b>1,248</b>	<b>(1,211)</b>	<b>731</b>	<b>(1,861)</b>

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## What it will cost & HOW WE WILL FUND water

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	1,933	85	43	44	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	17,931	16,436	4,108	1,550	272	1,189	1,128	144	-	1,356	-
Capital expenditure to replace existing assets	2,975	4,951	2,360	6,124	4,457	2,180	3,740	4,330	2,292	2,390	1,485
Increase (decrease) in reserves	(620)	72	520	896	947	814	1,809	1,444	1,512	2,346	2,193
Increase (decrease) of investments	2,649	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>24,868</b>	<b>21,544</b>	<b>7,032</b>	<b>8,614</b>	<b>5,676</b>	<b>4,184</b>	<b>6,677</b>	<b>5,918</b>	<b>3,804</b>	<b>6,092</b>	<b>3,678</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(1,101)</b>	<b>(1,992)</b>	<b>(2,384)</b>	<b>(2,815)</b>	<b>(3,076)</b>	<b>(3,193)</b>	<b>(4,564)</b>	<b>(4,670)</b>	<b>(5,015)</b>	<b>(5,361)</b>	<b>(5,539)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Calls we have made in putting budgets for this plan together

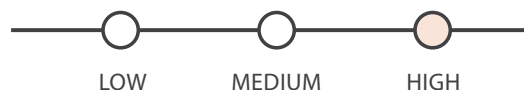
## KEY PLANNING ASSUMPTIONS FOR WATER\*

### WHAT WE HAVE ASSUMED

#### Meeting drinking water standards

Compliance with the Drinking Water Standards 2022 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.

### LEVEL OF UNCERTAINTY



### WHAT WOULD HAPPEN IF THIS CHANGED

If planned budgets are expected to exceed what is needed for the upgrades, Council's strategy towards meeting the standards would need to be reassessed. Protozoa compliance has traditionally been difficult to achieve and compliance is effectively mandatory for this now.

#### 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.

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 2026/2027.



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

# 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.

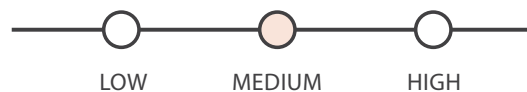


Depending upon the scale and cost of the emergency some assets either won't be replaced/repared or will take longer to replace/repair.

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..

# WASTEWATER

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

## What we do

Council collects, treats and disposes of domestic wastewater and non-domestic liquid (trade waste) discharges via 11 public wastewater schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waiholā. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoiti 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 wastewater 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.

Wastewater 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.

## Wastewater Asset Information

ASSET COMPONENT	ASSET VALUE	POPULATION SERVED	PROPERTIES SERVICED
Schemes: 11 Reticulation: 196km Pump Stations: 28	\$75.2 million	10,800 (59% of the district's population)	5,486

\*Depreciated replacement value (2023).

±Includes full and half rated properties

## REDUCTION IN FUNDING FOR URBAN THREE WATERS WORK

Historically, Council have not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year.

In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This

will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

This decision results in an average reduction in three waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 4% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces three waters capital funding by an average of \$2.6 million per annum or about 6% of the total capital budget.

## Significant effects

Council is aware of the potential issues associated with the collection, treatment and disposal of wastewater 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 wastewater 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
Wastewater 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 wastewater 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 wastewater supplies are managed inhouse by Clutha District Council. Staff are responsible for the day-to-day management and operations of the network and treatment plants. Repairs to the reticulation network, and some planned maintenance activities, are undertaken by local contractors. There is some provision for specialised contractors to be engaged where required, for example, CCTV operators or the construction and operation of wastewater 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 and ensure that consent conditions are met.

## RENEWALS AND REPLACEMENTS

Generally, most of Council's wastewater 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.

Though showing recent improvement overall several existing treatment plants do not comply with their existing resource consents and require immediate remediation. Many of these long-term consents may require renewal over the next ten years. Wastewater treatment standards are also influenced by regional and national standards.

Council has made significant improvement in wastewater compliance over the last two years and further funding is included in the current LTP to address outstanding compliance issues.

Overall, the aim is to enhance the environmental performance of our wastewater treatment processes, safeguarding both public health and the well-being of our natural surroundings.

## WASTEWATER INFLOW AND INFILTRATION (I&I)

Broken wastewater pipes and cross-connections to the stormwater system lead to increased flows into the wastewater network, especially during rain events. The capacity of our wastewater system is designed to have some inflow and infiltration (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.

I&I 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 wastewater 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, Waihola and Clinton
- Pipeline condition assessments and renewals
- Inflow and infiltration reduction programme

# What we are planning for WASTEWATER\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Growth</b>										
400020 Sewer Network Extension - Future Sewer Extensions for Growth	100	51	52	-	-	-	-	-	-	-
400056 Kaitangata Sewer Extension - Prawl St	-	92	-	-	-	-	-	-	-	-
402011 Network Extension to Transitional Zone	100	51	52	-	-	-	-	-	-	-
402020 Urban Wastewater - 15% Capital Reduction - Growth	-30	-29	-16	-	-	-	-	-	-	-
<b>Levels of Service</b>										
400027 Balclutha Sewerage Treatment Plant Upgrade	589	-	-	-	-	-	-	-	-	-
400028 Clinton Sewerage Treatment Plant Upgrade	263	-	-	-	-	-	-	-	-	-
400029 Waiholā Sewerage Treatment Plant Upgrade	107	-	-	-	-	-	-	-	-	-
400055 Clinton WWTP - Consent Renewal / Treatment process upgrade - Land Treatment	-	-	209	6,816	-	-	-	-	-	-
400059 Kaka Point WWTP Compliance upgrades	213	-	-	-	-	-	-	-	-	-
400061 Milton WWTP Compliance improvements	134	-	-	-	-	-	-	-	-	-
400063 Owaka WWTP Compliance upgrades	750	-	-	-	-	-	-	-	-	-
400064 Connecting Stirling to Balclutha Sewer Network	500	-	-	-	-	-	-	-	-	-
400066 Tapanui WWTP - Compliance upgrades	561	-	-	-	-	-	-	-	-	-
400068 Waiholā WWTP - Consent Renewal / Treatment process upgrade - Land Treatment	-	-	209	9,585	-	-	-	-	-	-
400069 Lawrence WWTP - Compliance upgrades	248	-	-	-	-	-	-	-	-	-
400079 CCTV Security cameras	-	-	-	-	109	-	-	-	-	-
400084 Milton Main Street Utilities - Milton Sewer	251	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

Continues on next page

## What we are planning for WASTEWATER\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Level of Service Improvements Continued</b>										
402001 Balclutha WWTP - Consent Renewal / Treatment process upgrade - Land Treatment	-	-	-	-	-	-	4,504	45,840	-	-
402002 Kaka Point - Consent Renewal / Treatment process upgrade - Land Treatment	-	-	-	-	-	-	225	3,896	3,495	-
402004 Lawrence WWTP - Consent Renewal / Treatment process upgrade - Land treatment	-	-	-	213	5,430	4,424	-	-	-	-
402005 Owaka WWTP - Consent Renewal / Treatment process upgrade - Land Treatment	-	-	-	-	-	-	225	8,022	7,922	-
402021 Urban Wastewater - 15% Capital Reduction - LOS	-543	-	-63	-2,492	-831	-664	-743	-8,664	-1,713	-
<b>Renewals</b>										
400016 Sewer Network Condition Assessment & Modelling	91	52	53	54	55	56	57	-	-	-
400021 Oxidation Pond Desludging - Balclutha	-	-	-	-	-	-	-	-	583	-
400023 Oxidation Pond Desludging - Kākā Point	-	-	-	-	-	-	225	-	-	-
400024 Oxidation Pond Desludging - Stirling	-	-	-	-	-	-	225	-	-	-
400025 Oxidation Pond Desludging - Tapanui	-	-	-	-	-	-	338	-	-	-
400026 Sewer Network Pipeline Renewals	100	102	2,140	799	815	830	845	860	874	888
400030 Balclutha Pump Station Renewals	148	17	-	64	-	-	-	-	-	-
400036 Kaitangata Pump Station Renewals	-	51	473	489	-	-	455	589	-	-
400053 Balclutha Sewer Network Renewals	-	-	-	628	724	1,418	375	-	-	-
400058 Kaka Point Sewer Network Renewal (outflow pipeline)	-	105	-	-	-	-	-	-	-	-
400062 Owaka Sewer Network Renewal	-	153	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

## What we are planning for WASTEWATER\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Renewals Continued</b>										
400076 Districtwide Biofiltro Plants - Renewal of UV Treatment Process (Tapanui, Owaka, Kākā Point, Lawrence and Stirling)	-	-	-	-	434	-	-	-	-	-
400082 Owaka Sewer Pump Station and rising main	1,361	-	-	-	-	-	-	-	-	-
400CF1 Oxidation Pond Desludging - Waihola	-	-	-	-	-	-	282	-	-	-
402009 Clinton Sewer Pump Station Upgragde	-	51	731	-	-	-	-	-	-	-
402010 Gormack Street Sewer Pump Station Upgrade	-	51	731	-	-	-	-	-	-	-
402013 Kaitangata Membrane Replacement (end of life 7 years)	-	-	-	-	-	-	-	229	-	-
402014 Heriot Membrane Replacement (end of life 7 years)	50	-	-	-	-	-	-	57	-	-
402015 Balclutha Bridge Sewer Main Renewal	-	-	-	-	-	-	845	-	-	-
402016 Oxidation Pond Desludging - Kaitangata	-	-	-	-	272	-	-	-	-	-
402017 Oxidation Pond Desludging - Owaka	-	-	-	-	-	-	338	-	-	-
402018 Oxidation Pond Desludging -Clinton	-	-	-	-	-	-	225	-	-	-
402019 Oxidaion Pond Desludging - Heriot	-	-	-	-	217	-	-	-	-	-
402022 Urban Wastewater - 15% Capital Reduction - Renewal	-262	-87	-619	-308	-378	-346	-589	-260	-218	-133

\* 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				
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34	
<b>Provide wastewater services that effectively collect and dispose of sewage</b>	The number of dry weather wastewater overflows from Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system	<b>4.19</b>	≤6	≤6	≤6	≤6	
<b>Wastewater schemes are managed efficiently and effectively</b>	Median response time (in hours) from when Council receives notification about a wastewater block or other fault, to the time service personnel:	Reach the site (response)	<b>1.56</b>	≤2 hours	≤2 hours	≤2 hours	≤2 hours
		Confirm resolution of the blockage or other fault (resolution)	<b>12.8</b>	≤12 hours	≤12 hours	≤12 hours	≤12 hours
	Number of complaints per 1,000 connections about any of the following:	Wastewater odour	<b>2.48</b>	≤3	≤3	≤3	≤3
		Wastewater system faults	<b>2.09*</b>	≤10*	≤10	≤10	≤10
		Wastewater system blockages	<b>7.81</b>	≤8	≤7	≤7	≤6
		Council's response to any of these issues	<b>0</b>	≤5	≤5	≤5	≤5
	Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement notices	<b>7</b>	0	0	0	0
		Infringement notices	<b>5</b>	0	0	0	0
		Enforcement orders	<b>0</b>	0	0	0	0
		Convictions	<b>0</b>	0	0	0	0

\*This measure can be variable and is also related to rainfall that can cause wastewater faults and as such the target needs to take into account this variability. We believe this is achievable.

# What it will cost & HOW WE WILL FUND WASTEWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)										
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
<b>Sources of operating funding</b>												
General rates, UAGCs, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,853	2,556	3,639	4,942	5,652	7,584	8,193	9,282	10,009	13,179	14,138	
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-	
Fees and charges	262	270	276	282	287	293	298	304	309	314	319	
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-	
Fuel tax, fines, infringement fees and other receipts	-	254	225	237	242	246	264	308	341	373	441	
<b>TOTAL OPERATING FUNDING (A)</b>	<b>3,115</b>	<b>3,079</b>	<b>4,140</b>	<b>5,460</b>	<b>6,181</b>	<b>8,123</b>	<b>8,755</b>	<b>9,894</b>	<b>10,659</b>	<b>13,867</b>	<b>14,898</b>	
<b>Applications of operating funding</b>												
Payments to staff and suppliers	1,835	2,089	2,167	2,213	2,258	2,302	2,345	2,387	2,506	2,547	2,589	
Finance costs	230	358	512	522	689	1,476	1,792	2,046	2,379	4,946	5,407	
Internal charges and overheads applied	1,010	(42)	760	1,946	2,367	3,078	2,404	3,026	3,158	2,072	2,098	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,075</b>	<b>2,404</b>	<b>3,439</b>	<b>4,681</b>	<b>5,315</b>	<b>6,856</b>	<b>6,541</b>	<b>7,460</b>	<b>8,042</b>	<b>9,565</b>	<b>10,093</b>	
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>40</b>	<b>675</b>	<b>701</b>	<b>779</b>	<b>867</b>	<b>1,267</b>	<b>2,214</b>	<b>2,434</b>	<b>2,617</b>	<b>4,301</b>	<b>4,805</b>	
<b>Sources of capital funding</b>												
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	6,417	2,949	186	3,185	14,979	6,026	4,832	6,346	48,894	8,779	(1,752)	
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>6,417</b>	<b>2,949</b>	<b>186</b>	<b>3,185</b>	<b>14,979</b>	<b>6,026</b>	<b>4,832</b>	<b>6,346</b>	<b>48,894</b>	<b>8,779</b>	<b>(1,752)</b>	

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## What it will cost & HOW WE WILL FUND WASTEWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	170	165	89	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	6,007	3,080	-	355	14,122	4,708	3,760	4,211	49,095	9,704	-
Capital expenditure to replace existing assets	428	1,487	495	3,508	1,744	2,139	1,958	3,620	1,475	1,238	755
Increase (decrease) in reserves	(591)	(1,113)	226	12	(20)	446	1,328	948	942	2,138	2,298
Increase (decrease) of investments	613	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>6,457</b>	<b>3,623</b>	<b>886</b>	<b>3,964</b>	<b>15,846</b>	<b>7,293</b>	<b>7,046</b>	<b>8,779</b>	<b>51,511</b>	<b>13,080</b>	<b>3,053</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(40)</b>	<b>(675)</b>	<b>(701)</b>	<b>(779)</b>	<b>(867)</b>	<b>(1,267)</b>	<b>(2,214)</b>	<b>(2,434)</b>	<b>(2,617)</b>	<b>(4,301)</b>	<b>(4,805)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Calls we have made in putting budgets for this plan together

## KEY PLANNING ASSUMPTIONS FOR WASTEWATER

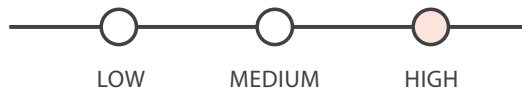
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED

#### Resource Consents

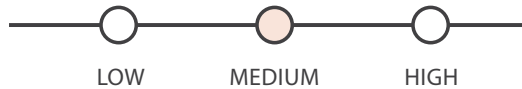
It is assumed that Council will meet consent conditions and that conditions of resource consents currently held will not be significantly altered. It is assumed that updates to attain consent renewals will progress as programmed and that they can be achieved within allocated budgets.



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. The signals from the current government may mean requirements are reduced and this could result in lower costs for compliance.

#### Levels of service/demand for wastewater services

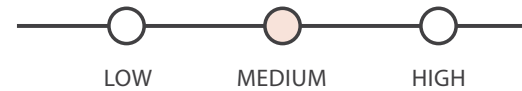
In recent years, the provision of wastewater services has been extended to Benhar, Tokoiti and Pounaweia. This plan assumes that there are no other known residential or industrial developments that would change levels of service and network demand.



Council's approach to servicing new industries is to consider any proposal on a case-by-case basis. Provision of wastewater 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 wastewater

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 wastewater 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 and the environment.

# Calls we have made continued

## KEY PLANNING ASSUMPTIONS FOR SEWERAGE\*

### WHAT WE HAVE ASSUMED

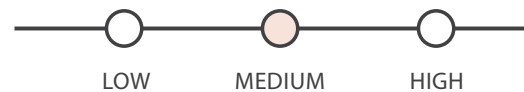
#### Impacts of climate change on wastewater

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 whether further capital works are needed to address the impacts of climate change on wastewater 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 protect 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 13 community stormwater drainage schemes: in Balclutha, Clinton, Kaitangata, Kākā Point, Lawrence, Milton, Ōwaka, Heriot, Pounaweia, Taieri Mouth, Stirling, Waiholā 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 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.

Rural stormwater issues are generally associated with roading and as such are funded as a roading activity.

### Stormwater Asset Information

ASSET COMPONENT	ASSET VALUE	POPULATION SERVED <sup>±</sup>	PROPERTIES SERVICED <sup>†</sup>
Schemes: 13 Reticulation: 81km Pump Stations: 6	\$22.2 million	10,824 (59% of the district’s population)	5,662

<sup>±</sup>Depreciated replacement value (2023).

<sup>±</sup>2013 Census information.

<sup>†</sup> Full and half rated properties

## 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.
- 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.

### REDUCTION IN FUNDING FOR URBAN THREE WATERS WORK

Historically, Council have not completed all of the budgeted three waters work for a variety of reasons such as project team and consultant capacity, resource consent requirements and increasing costs requiring project reviews. This has been improving in recent years and Council is on-track to complete nearly 80% of projects in the current year. In order to reflect this in reality, Council has decided to fund urban three waters projects as an overall capital project fund rather than funding individual projects – this is for urban water, wastewater and stormwater. These overall capital budgets will be funded at 85% for the entire 10-year period in the LTP to reflect that not all projects get completed. These activity areas are almost completely funded through urban targeted rates and loans are raised after work is completed so the actual cost of work will be funded as it is now. This will also provide some additional flexibility to adjust funding as required and this will be reported to Council on at least a quarterly basis.

This decision results in an average reduction in three waters capital funding over the first three years of the LTP of \$1.8 million per annum or about 4% of the total capital programme per annum. Over the full 10-year period of the LTP this decision reduces three waters capital funding by an average of \$2.6 million per annum or about 6% of the total capital budget.

# 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 and 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, wastewater schemes and stormwater systems are managed inhouse by Clutha District Council. 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 determine more accurately 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 Ajax Street pipe renewals in this Long Term Plan. Pipe renewals in the main street areas, in conjunction with the Milton main street upgrade. This will be completed in the 2024/25 year of this plan, and the Ajax Street Pump Station project is planned for years 3, 4 and 5 of this plan.

## 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 several townships to further refine future upgrades will help inform the 2027 Long Term Plan.

### 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 (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Growth</b>										
452000 Network Extention to Transitional Zone	100	51	52	-	-	-	-	-	-	-
<b>Increased Levels of Service</b>										
450004 Stormwater Plant Balclutha Baxter Street Pump Station Installation	-	-	-	-	815	-	-	-	-	-
450005 Stormwater Plant Milton new Ajax Street Pump Station	-	-	114	233	992	-	-	-	-	-
450019 Stormwater Clinton North Street Catchment Upgrade	-	87	-	-	-	-	-	-	-	-
450039 Tapanui York St/ Forest St Pipeline Capacity Upgrade	450	-	-	-	-	-	-	-	-	-

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## What we are planning for stormwater\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Increased Levels of Service Continued</b>										
450040 Tapanui Stormwater Network Upgrade(Sussex/ Suffolk St)	-	610	-	-	-	-	-	-	-	-
450042 Lawrence Hospital Creek improvements	250	-	-	-	-	-	-	-	-	-
450048 Balclutha Hospital Creek Embankment upgrade	299	-	-	-	-	-	-	-	-	-
452002 Stormwater Capacity Modelling	100	102	104	107	-	-	-	-	-	118
452005 Urban Stormwater - 15% Capital Reduction - LOS	-165	-120	-33	-51	-271	-	-	-	-	-18
<b>Renewals</b>										
450029 Stormwater Network Renewals	-	-	-	320	326	332	338	344	350	355
450033 Balclutha Stormwater Network Renewal	572	-	-	-	-	283	676	-	-	-
450034 Clinton Stormwater Network Renewal	-	398	-	-	-	-	27	-	-	-
450035 Kaitangata Stormwater Network Renewal	170	-	-	-	-	592	82	-	-	-
450036 Milton Stormwater Network Renewal	-	-	2,110	882	-	148	302	-	-	-
450038 Tapanui Stormwater Network Renewal	-	-	-	-	-	-	137	-	-	-
450041 Waihola Stormwater Network Renewal	-	134	-	-	-	-	-	-	-	-
450043 Lawrence Stormwater Network Renewal	137	-	-	-	-	-	-	-	-	-
452001 Hospital Creek Pump Station Upgrade	-	102	940	-	-	-	-	-	-	-
452003 View St PS Switchboard upgrade	100	-	-	-	-	-	-	-	-	-
452006 Urban Stormwater - 15% Capital Reduction - Renewal	-147	-97	-457	-180	-49	-203	-234	-52	-52	-53

\* Equal to or greater than \$50K

# 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
<b>Provide stormwater drainage that protects against the effects of flooding</b>	Flooding events to habitable floors due to overflows from a Council stormwater system (per 1,000 properties)	<b>0</b>	0	0	0	0
	Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	<b>6</b>	<23	<23	<23	<23
	Number of complaints about the performance of Council's stormwater systems (per 1,000 connected properties)	<b>0</b>	≤10	≤10	≤10	≤10
	Median response time (in hours) from when Council receives notification about a flooding event to the time service personnel reach the site	<b>21.7</b>	<12 hours	<12 hours	<12 hours	<12 hours
Compliance with Council's resource consents for discharge from stormwater systems, measured by the number of:	Abatement Notices	<b>0</b>	0	0	0	0
	Infringement notices	<b>0</b>	0	0	0	0
	Enforcement orders	<b>0</b>	0	0	0	0
	Successful prosecutions received	<b>0</b>	0	0	0	0

# What it will cost & HOW WE WILL FUND stormwater

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	897	1,058	1,695	2,551	3,035	3,594	3,465	3,955	4,130	3,489	3,535
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	(7)	(12)	(10)	(6)	(1)	3	14	24	30	42
<b>TOTAL OPERATING FUNDING (A)</b>	<b>897</b>	<b>1,051</b>	<b>1,683</b>	<b>2,541</b>	<b>3,030</b>	<b>3,593</b>	<b>3,468</b>	<b>3,969</b>	<b>4,154</b>	<b>3,518</b>	<b>3,577</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	231	463	474	484	494	503	513	522	706	540	549
Finance costs	100	324	397	449	585	639	716	758	806	798	789
Internal charges and overheads applied	577	(27)	485	1,240	1,509	1,962	1,532	1,929	2,013	1,321	1,337
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>908</b>	<b>760</b>	<b>1,355</b>	<b>2,173</b>	<b>2,588</b>	<b>3,104</b>	<b>2,761</b>	<b>3,208</b>	<b>3,525</b>	<b>2,659</b>	<b>2,675</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>(11)</b>	<b>291</b>	<b>328</b>	<b>368</b>	<b>442</b>	<b>489</b>	<b>708</b>	<b>760</b>	<b>629</b>	<b>859</b>	<b>902</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	4,266	1,393	986	2,599	1,018	1,478	788	922	(147)	(171)	(96)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>4,266</b>	<b>1,393</b>	<b>986</b>	<b>2,599</b>	<b>1,018</b>	<b>1,478</b>	<b>788</b>	<b>922</b>	<b>(147)</b>	<b>(171)</b>	<b>(96)</b>

Continues on next page

## What it will cost & HOW WE WILL FUND stormwater

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	85	43	44	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	4,124	934	679	185	289	1,535	-	-	-	-	101
Capital expenditure to replace existing assets	100	833	550	2,592	1,021	277	1,152	1,328	292	297	302
Increase (decrease) in reserves	91	(167)	42	145	150	155	344	354	190	391	403
Increase (decrease) of investments	(60)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>4,255</b>	<b>1,684</b>	<b>1,314</b>	<b>2,967</b>	<b>1,460</b>	<b>1,967</b>	<b>1,496</b>	<b>1,682</b>	<b>482</b>	<b>688</b>	<b>805</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>11</b>	<b>(291)</b>	<b>(328)</b>	<b>(368)</b>	<b>(442)</b>	<b>(489)</b>	<b>(708)</b>	<b>(760)</b>	<b>(629)</b>	<b>(859)</b>	<b>(902)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 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 Three 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 2027 Council will need to reassess and reprioritise budgets in order to meet the increased standards.

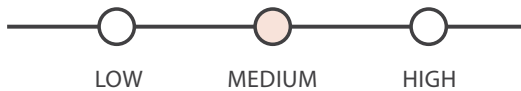
The signals from the current government may mean requirements are reduced and this could result in lower costs for compliance.

#### 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, Kākā Point, Milton, Pounaewa, Taieri Mouth 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.

# WASTE MANAGEMENT & MINIMISATION

164

Effective and efficient waste management and minimisation is a key contributor to one of Council's key outcomes for a 'healthy sustainable environment'

## What we do

Council delivers a range of waste management and minimisation services across the district. These activities include:

- Operation and management of a sanitary landfill and a proposed resource recovery hub at Mt Cooe Landfill in Balclutha.
- Residential kerbside wheelie bin collections for waste and recycling to most townships across the District. The service is also available to households along service routes.
- Transfer stations for residential waste and recycling

in Clinton, Lawrence, MacLennan, Milton, Owaka, and Tapanui.

- A key operated skip service for waste at Beaumont and a recycling drop off at Taieri Mouth.
- Monitoring and maintaining some closed landfills throughout the district.
- Promotion of waste minimisation through community education programs and waste diversion facilities.
- Facilitation of the Enviroschools programme at 10 schools across the district.
- Delivery of the Zero Waste Education programme to 10 schools across 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 may encourage 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 high 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			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
<b>Provide refuse &amp; kerbside recycling collection that meets customer expectations</b>	Resident satisfaction with the refuse/recycling service.	<b>90%</b>	≥80%	≥80%	≥80%	≥80%
<b>Minimise the amount of waste to landfill</b>	Amount of waste:					
	a) Diverted from landfill per resident (kg) <sup>1</sup> , and b) Maximum (kg) per resident disposed of to landfill <sup>2</sup> .	<b>64</b> <b>513</b>	≥59 ≤462kg	≥59 ≤462kg	≥59 ≤462kg	≥149* ≤349kg

\*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).

<sup>1</sup> Calculated by converting total tonnes to kilograms and dividing by the population.

<sup>2</sup> Includes outgoing weights for scrap metal, tyres and glass and incoming greenwaste calculated by converting tonnes to kilograms and dividing by the population.

# 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. These methods of delivery will be reviewed during the term of this plan as part of a comprehensive analysis of all waste services.

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 expired in 2023. Council is working towards renewing the resource consent for Mt Cooee, and we have budgeted for a number of improvements at the landfill. Refer to the Improvements section for more information. However, the decision to construct a new cell at Mt Cooee will be reviewed from a financial and risk perspective before a final decision is made over the future of Mt Cooee.

## 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.

# Improvements or changes we're planning

## MT COOEE PUMPSTATION

The pump station at Mt Cooee Landfill has reached the end of its life and the scheduled replacement will be completed in 2024/25. The replacement pump station is designed to manage leachate for the existing and for the expanded landfill. This pump station is required whether the landfill progresses as intended or is closed and only the new Resource Recovery Centre and Transfer Station are progressed.

## INTRODUCTION OF 4-BIN KERBSIDE COLLECTION

In 2023 the Government announced kerbside standardisation requirements:

- From 2024 households in urban areas with greater than 1,000 ratepayers would have a standardised recycling collection for glass bottles and jars, paper and cardboard, plastic bottles and containers from plastic types 1, 2, and 5, and aluminium and steel tins and cans. (Noting that Clutha District Council has an exemption until 1 January 2027 for glass collection.)
- From 2030 households in urban areas with greater than 1,000 ratepayers would have a household food scraps collection.

However, the current government has indicated that they will be reviewing these regulations.

Council's Waste Management and Minimisation Plan identified a number of potential new services including a four bin kerbside collection system, which will introduce glass and organics collections in 2026 to meet the January 2027 deadline for glass recycling. Council will be conducting a comprehensive cost-benefit analysis of all waste services and further community consultation before this is introduced.

## GREEN WASTE & GLASS

Council has agreed to continue investigating and implementing ways to reduce the level of green waste and glass going to landfill, and options for its recycle or re-use (such as composting, shredding, crushing or other community-based initiatives). This will be looked at alongside transfer station operation and kerbside collecting options. This is subject to any changes in direction from the Government.

## RESOURCE RECOVERY PARK AND TRANSFER STATION AT MT COOEE LANDFILL

As part of the expansion works of the Mt Cooee Landfill, Council also proposes to construct a Resource Recovery Centre with a shop and education hub within the existing site, which will reduce the volume of waste disposed of at the landfill due to the volume of waste materials being sold, recycled and reused.

It is anticipated that the combined effects of the Resource Recovery Centre and the education initiatives will enable the targets to be met.



## 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, subject to confirmation of financial sustainability.
3. Review of renewal of operational model & contracts in first 3 years of this LTP.

## 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, this will be assessed as part of the financial viability assessment and consent renewal process for Mt Cooee.

## what's planned for Mt Cooee

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
500008 Mt Cooee Consent Renewals	-	-	-	-	-	-	-	-	-	-
500009 Mt Cooee WW Pump Station	1,541	-	-	-	-	-	-	-	-	-
500021 Mt Cooee - Cap Existing Cell	10	82	1,466	-	-	-	-	-	-	-
500022 Upgrades at Mt Cooee	200	6,296	813	-	-	-	-	-	-	-
500023 Mt Cooee - Construct Cell 1	131	2,921	-	-	-	-	-	-	-	-
500024 Mt Cooee - Construct Cell 2	-	-	-	-	-	80	1,743	-	-	-
500029 Mt Cooee - Gas Capture	-	45	73	791	-	-	-	-	-	-

\* Equal to or greater than \$50K

# What it will cost & HOW WE WILL FUND solid waste

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,470	2,073	2,249	2,966	3,187	3,290	3,324	3,365	3,535	3,568	3,609
Subsidies and grants for operating purposes	80	82	83	85	87	89	90	92	94	95	97
Fees and charges	2,486	2,000	2,040	2,084	2,128	2,170	2,210	2,248	2,286	2,324	2,360
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	(1)	(3)	2	6	11	16	18	23	28	33
<b>TOTAL OPERATING FUNDING (A)</b>	<b>4,036</b>	<b>4,154</b>	<b>4,370</b>	<b>5,137</b>	<b>5,408</b>	<b>5,559</b>	<b>5,640</b>	<b>5,723</b>	<b>5,937</b>	<b>6,015</b>	<b>6,100</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,610	3,235	3,300	3,371	3,442	3,510	3,575	3,636	3,698	3,759	3,817
Finance costs	17	21	109	597	708	734	717	699	772	750	727
Internal charges and overheads applied	476	743	773	786	810	831	842	862	882	894	915
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,103</b>	<b>3,999</b>	<b>4,182</b>	<b>4,754</b>	<b>4,960</b>	<b>5,076</b>	<b>5,134</b>	<b>5,197</b>	<b>5,352</b>	<b>5,403</b>	<b>5,459</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>933</b>	<b>155</b>	<b>188</b>	<b>383</b>	<b>448</b>	<b>484</b>	<b>506</b>	<b>526</b>	<b>585</b>	<b>612</b>	<b>640</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	788	1,674	9,301	2,118	497	(325)	(342)	1,382	(414)	(436)	(459)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>788</b>	<b>1,674</b>	<b>9,301</b>	<b>2,118</b>	<b>497</b>	<b>(325)</b>	<b>(342)</b>	<b>1,382</b>	<b>(414)</b>	<b>(436)</b>	<b>(459)</b>

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## What it will cost & HOW WE WILL FUND SOLID WASTE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	131	2,966	73	791	-	80	1,743	-	-	-
Capital expenditure to replace existing assets	1,040	1,751	6,378	2,279	-	-	-	-	-	-	-
Increase (decrease) in reserves	(135)	(53)	145	149	154	159	83	166	171	176	181
Increase (decrease) of investments	816	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>1,721</b>	<b>1,829</b>	<b>9,488</b>	<b>2,501</b>	<b>945</b>	<b>159</b>	<b>163</b>	<b>1,908</b>	<b>171</b>	<b>176</b>	<b>181</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(933)</b>	<b>(155)</b>	<b>(188)</b>	<b>(383)</b>	<b>(448)</b>	<b>(484)</b>	<b>(506)</b>	<b>(526)</b>	<b>(585)</b>	<b>(612)</b>	<b>(640)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Calls we have made in putting budgets for this plan together

## KEY PLANNING ASSUMPTIONS FOR SOLID WASTE

### WHAT WE HAVE ASSUMED

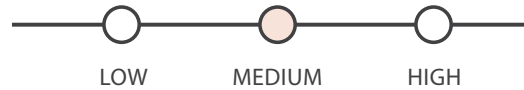
### LEVEL OF UNCERTAINTY

### 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 major changes to the regulatory environment or resource consent requirements with the new consent from 2024.

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

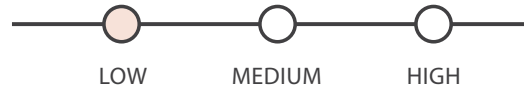


If resource consent conditions can't be met additional expenditure outside what is currently included in budgets might be required.

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

Council is also assuming we will successfully renew the resource consent to continue to operate Mt Cooee from 2024 onwards, subject to a financial sustainability assessment.

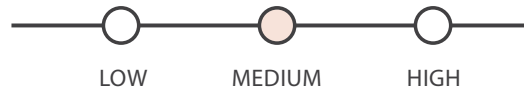


If renewal is unsuccessful there will be significant costs involved in closing Mt Cooee landfill, setting up a resource recovery park and transporting the waste to a landfill outside of the district.

#### Amount of waste to landfill

Currently this is 9,433 tonnes or 513 kg per person per annum, based on 18,391 residents. 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. This will be evaluated before the new landfill cell is constructed. At this stage Council assumes it will continue with the current level of service and opening hours for Mt Cooee.



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

If the amount of waste going to landfill decreases significantly this will impact on revenue collected and the effect 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 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.

Continues on next page

# 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

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 required to 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 would be no change to the current level of service as required by the New Zealand Waste Strategy and the WMMP.

There are currently plans to implement a kerbside collection of green waste or glass. There will be additional budgets required for glass and organic waste collections, and these have been included in the LTP.

#### Emissions Trading Scheme (ETS)

It is anticipated that carbon credit prices will continue to rise over time, driven by legislative changes (including removal of a previous carbon cap of \$35 per tonne). Budgets have assumed forecast pricing of \$80 tonne and assumed that future increases will be matched by a reduction in volume.



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

Liabilities associated with the ETS may be less if green waste 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 Waste Management & Minimisation 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 & INFORMATION CENTRES

#### LIBRARIES

THIS INVOLVES:

Clutha District Libraries is a network of five Community Libraries in Balclutha, Milton, Tapanui, Owaka and Lawrence. All provide an extensive range of resources, services and programmes that directly support council's strategic priorities as expressed through its Living and Working in Clutha Strategy.

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

The following key focus areas, which are directly aligned to these priorities, provide the fundamental foundation for all library activities:

- Welcoming and inclusive spaces.
- A customer centric approach.
- A wide range of content that provides sources of

inspiration, knowledge, and access to information.

- Programmes to support life-long learning through digital inclusion, social connectivity, creativity, and literacy.
- Collaborative community and customer engagement, partnerships, and the provision of access to a wide range of internal and external services.
- The collection, curation, and celebration of local heritage.

#### INFORMATION CENTRES

This involves:

- An 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.
- Owaka also provides a comprehensive visitor information service.

#### OPEN SPACES

The Open Spaces activity is one of Council's most high profile and visible services. If the district is a customer offering, the open spaces activity is its shop window. People tend to value and have pride in their well-maintained local park or reserve. These activities are:

- Parks and Reserves
- Sportsgrounds
- Public Conveniences
- Playgrounds
- Campgrounds
- Cemeteries

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.

#### PARKS, RESERVES & GROUNDS

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.

## 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.

## CAMPGROUNDS

This involves:

- Leasing Council-owned land to private campgrounds in a long-term arrangement at Waihola, Balclutha, Kākā Point, and Pounawea.
- Owning a Campground at Milton.

## 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, Ōwaka and Tapanui.

## OUR PLACE PLANS

This involves:

The identification of locally desirable community projects. The encouragement of community leadership and community participation and supported delivery of such projects into reality.

## SWIMMING POOLS

This involves:

- Clutha District Council promotes participation in swimming activities through two primary means.
- Council has two swimming pools that it operates and maintains directly. They are in Balclutha and Milton.

## COMMUNITY DEVELOPMENT

This involves:

- Running a public grants process to support community projects.
- Supporting community development with advice and support for community organisations.
- Delivering youth services and support across the region, specifically; mentoring, youth programming and enterprise.
- Running a Youth Council to engage with youth and reflect their aspiration for the region.
- Promoting and supporting local events.

## EDUCATION & SCHOOL DELIVERY

This involves:

- Delivery of Road safety education to increase youth safety, reduce speed, improve older drivers, reduce alcohol and drug impacts, encourage safety in children around roads, improve community engagement, reduce recidivist offences, and improve the use of car restraints.
- Delivery of school-based Enviro-schools education.
- Delivery of school based Zero Waste education.
- Delivery of public education to inform and reduce waste to landfill.

## COMMUNITY HOUSING & OTHER PROPERTY

This involves:

- Owning and maintaining 98 one-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.

## 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, Kākā Point, Lovells Flat, Moneymore, Ōwaka, Paretai,

Waihola, Waipahi, Waitahuna and Waiwera.

- 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 funds to spend on maintenance and operational costs as they best see fit.

## 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.

## TE POU Ō MATA-AU | CLUTHA DISTRICT WAR MEMORIAL & COMMUNITY CENTRE

This involves:

- Funding of a \$7.5 million loan towards the cost of constructing the Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre 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 contributions to all of the community outcomes.

Community libraries 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. Community 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 isite (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 isite 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.

### COMMUNITY HOUSING

Improvements are made to units where needed, to achieve Healthy Homes Standard (HHS). Every existing unit currently complies with the HHS.

Roof replacements have been completed for our units in Lawrence. Major renewals and upgrades in the programme from the 2021 LTP have been deferred, largely due to costs exceeding planned budgets from high inflation.

### COMMUNITY HALLS

Consultation with the Hall Committees on a divestment approach took place in early 2023. The intent of the consultation was to gauge hall committees’ interest and capacity in taking over ownership and management and

to clarify the financial, operational, and governance implications of divestment. The common themes were:

- Overall concern about sustaining volunteer involvement, especially among younger community members.
- Many committees expressed a need for more understanding of the financial and maintenance implications without Council funding.
- There was interest in the option of reverting back to Council ownership if community ownership fails.
- Interest in gathering community feedback before deciding.

Also, several halls received funding for critical maintenance from the Provincial Growth Fund. Kākā Point, Owaka, Waiwera South, and Waitahuna have had key maintenance undertaken and did not require additional funding this LTP.

### OPEN SPACES

#### Public Conveniences

- Destination toilets in Balclutha and Milton have been completed as part of street upgrades.
- Ongoing maintenance and renewals budgets.

#### Playgrounds

- Upgrades / destination playgrounds for Balclutha’s Naish and Centennial Park, Waiholā, Lawrence, Kākā Point, Pounawea.
- Ongoing maintenance and renewals budgets.

#### Parks and Reserves

- A new maintenance contract for open spaces is now in place and has been combined with the roading contract. This allows more proactive management of spaces to a specified level of service.

## IMPROVEMENTS OR

# CHANGES WE'RE PROPOSING

## COMMUNITY LIBRARIES

Balclutha, Tapanui, and Lawrence Libraries are not fit for purpose over the long term, with inadequate spaces, inadequate accessibility for people with disabilities and major roofing issues and possible subsidence in Balclutha.

Funding has been provided in Year 1 to set up a Steering Group to determine the feasibility of transferring the Balclutha Community Library into TPŌMA or any other site. Funding in later years for the replacement of this library has been removed pending the results of the feasibility work. Funding has also been provided to work with the West Otago Community Centre to determine the feasibility of incorporating the Tapanui Community Library into alterations to the Community Centre. Funding in later years for the replacement of the Tapanui Community Library has been removed pending the results of the feasibility work.

The Milton Community Library and Swimming Pool will take a final cost proposal to the community via a special consultative process.

## VISITOR & INFORMATION CENTRES

Internal resources are to be applied to a review of funding for Visitor and Information Centre services in Year 1 because of inconsistencies of grants from Council.

## COMMUNITY HOUSING

### AGEING ASSETS

All of our housing units are over 50 years old. Recent improvements to heating and ventilation have helped to improve building performance. However, maintenance and/or replacement of critical components is becoming necessary in most units. For instance, roofing, ceilings, electrical circuits, floorings, and insulation. Without doing so creates a risk to tenants' well-being and long-term costs of maintenance.

### INCREASING DEMAND

Our population is ageing and, people are living longer. Demand for community housing units is likely to increase 25% to 50% over the next 10 years based on a projection of this demographic. Currently, all 98 units are occupied and there is a waiting list of at least 14 people. New units were scheduled to be built in the previous LTP where practicable. Due to high-cost inflation however, these were deferred on affordability grounds. Council's decision was to defer new builds for 3 years.

### Maintaining affordability of rates

As well as being below market rent, Council's preference is for rents to cover all costs of housing units. Council considered but rejected rates subsidisation. Further work has been commissioned to investigate the application of means testing and the application selection criteria.

## SWIMMING POOLS

Council's in the process of undertaking a replacement of the main Balclutha Pool filter and also maintenance of the pool tiles in the 2024/25 year.

Internal resources are to be applied to a review of operating grants and models for Community Swimming Pools to ensure Council support of these pools is fair and equitable.

## OPEN SPACES

It was agreed to fund a new toilet (capital and operations) at the Henley Boat Ramp because of high use of the ramp over summer with no current facilities available.

A number of Our Place playground and reserve project funding was carried forward into Year 1 with the intention of completing these projects. Included in that was funding allocated as a contribution to a Dog Park in Milton.

Funding was also identified for committal to the Balclutha Centennial Park Playground Stage 2 in 2025/26 from Council's investment surplus.

# 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.

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 communi-

ties, 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.

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. An example being a minimal investment of \$15k per annum to enable a cycle trail from Owaka to Pounawea to be completed.

### 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're aiming for

COMMUNITY OUTCOME: CONNECTED & COLLABORATIVE

KEY PRIORITY AREA: (1) SUPPORT CULTURE & HERITAGE (2) IMPROVING HEALTH, SAFETY & WELLBEING

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			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
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 (weighted average)	<b>87%</b>	≥90%	≥90%	≥90%	≥90%

# What we are planning for Community Services\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>SERVICE CENTRES &amp; LIBRARIES</b>										
560001 Lawrence Service Centre & Library renewals	-	128	-	-	-	-	-	23	-	-
560003 Balclutha Library renewals	80	-	-	-	-	-	-	-	-	-
560012 Library Books	120	122	125	128	130	133	135	137	139	142
560019 Milton Service Centre Library Pool Community Facility - Service Centre/Library Component	500	2,007	1,493	-	-	-	-	-	-	-
560024 Community Services, Halls and Facilities Strategy	50	-	-	-	-	-	-	-	-	-
560025 West Otago Community Centre - Roof Renewal Investigative Work	60	-	-	-	-	-	-	-	-	-
<b>SWIMMING POOLS</b>										
570005 Balclutha swimming pool renewals	14	14	14	15	15	15	15	16	16	16
570007 Milton Service Centre Library Pool Community Facility - Pool Component	1,000	7,516	5,251	213	-	-	-	-	-	-
570010 Balclutha Boiler Replacement	-	-	-	-	-	-	-	-	-	118
570011 Balclutha Filter Replacement	500	-	-	-	-	-	-	-	-	-
570012 Balclutha Pool Safety and Amenity Enhancements	-	61	-	-	-	-	-	-	-	-
<b>PARKS, RESERVES, PLAYGROUNDS &amp; SPORTS GROUNDS</b>										
580011 Milton parks - RMP Additional Work	182	-	-	-	-	-	-	-	-	-
580023 Pounaweia Playground (Rural)	20	-	-	-	-	-	-	-	-	-
580024 Tarata Street Playground (Kākā Point)	20	-	-	-	-	-	-	-	-	-
580025 Esplanade Playground (Kākā Point)	42	-	-	-	-	-	-	-	-	-
580026 Papatowai Picnic Area Reserve (Rural)	20	-	-	-	-	-	-	-	-	-
580034 South Otago Athletics Club Car Park	24	-	-	-	-	-	-	-	-	-
580037 Our Place West Otago Projects	189	-	-	-	-	-	-	-	-	-
580041 Clydevale Boat Ramp Improvements	10	-	-	-	-	-	-	-	-	-
580042 Clutha Valley Community Facilities and Reserve Improvements	50	-	-	-	-	-	-	-	-	-
580047 Knarston Park rock wall repair	30	-	-	-	-	-	-	-	-	-
580048 Mt Stuart Reserve top up maintenance and fencing	10	10	10	-	-	-	-	-	-	-
580049 Balclutha Showgrounds Irrigation System	-	-	-	106	-	-	-	-	-	-

\* Equal to or greater than \$10K

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## What we are planning for Community Services\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>PARKS, RESERVES, PLAYGROUNDS &amp; SPORTS GROUNDS CONTINUED</b>										
580050 Waihola Domain Foreshore Wall Investigation and Consenting	60	-	-	-	-	-	-	-	-	-
580052 Lawrence Zigzag Track	110	-	-	-	-	-	-	-	-	-
580053 Taieri Mouth - Our Place Projects	65	-	-	-	-	-	-	-	-	-
580054 Balclutha - Centennial Park Playground Stage 2	300	-	-	-	-	-	-	-	-	-
<b>HALLS &amp; COMMUNITY CENTRES</b>										
610006 Waihola Community Centre LOS (legislative)	14	14	14	-	-	-	-	-	-	-
610007 Clutha Valley Community Centre Renewals	27	28	28	-	-	-	-	-	-	-
610022 Lovells Flat Community Centre renewals	10	10	11	-	-	-	-	-	-	-
610023 Moneymore Community Centre renewals	10	10	11	-	-	-	-	-	-	-
610025 Waipahi Community Centre renewals	10	10	11	-	-	-	-	-	-	-
<b>PUBLIC CONVENIENCES</b>										
620017 Mt Stewart Reserve Toilet Renewal	30	-	-	-	-	-	-	-	-	-
620018 Whiskey Gully Domain toilet	-	-	-	43	-	-	-	-	-	-
620019 Black Gully (Heriot)	-	-	-	128	-	-	-	-	-	-
620021 New - Public Conveniences Renewals	30	31	31	32	33	33	34	34	35	35
620022 Lawrence Public Toilets Relocation	150	-	-	-	-	-	-	-	-	-
620023 Kākā Point Toilets	440	-	-	-	-	-	-	-	-	-
620024 Henley Boat Ramp Toilet	30	-	-	-	-	-	-	-	-	-
<b>CEMETERIES</b>										
630006 Lawrence Cemetery Road Extension	-	41	-	-	-	-	-	-	-	-
630007 District-wide – Extension of Cemetery	45	-	-	-	-	-	-	-	-	-
630008 Chinese Remembrance Memorial Project	25	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$10K

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## What we are planning for Community Services\*

PROJECT (All in \$000s)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>COMMUNITY HOUSING</b>										
640039 Condition Assessment	25	-	-	27	-	-	28	-	-	30
640040 New Unit Build Programme - Design and Consent (15% of build costs)	-	-	63	-	-	66	-	-	70	-
640041 New Unit Build Programme - Construction	-	-	-	287	293	-	303	309	-	319
640042 Housing Unit Maintenance and Component Replacement Programme	400	408	417	426	434	442	225	229	813	944
<b>CAMP GROUNDS</b>										
670005 Kākā Point Campground renewals	-	-	15	-	-	15	-	-	-	17

\* 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)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	238	285	296	301	300	308	313	320	328	333	341
Targeted rates	6,691	7,562	8,032	8,862	9,502	9,681	9,798	9,935	10,075	10,191	10,328
Subsidies and grants for operating purposes	759	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,516	1,070	316	323	330	336	343	349	354	360	366
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	1,343	1,373	1,412	1,452	1,486	1,525	1,563	1,601	1,641	1,679
<b>TOTAL OPERATING FUNDING (A)</b>	<b>9,204</b>	<b>10,260</b>	<b>10,018</b>	<b>10,899</b>	<b>11,585</b>	<b>11,812</b>	<b>11,979</b>	<b>12,167</b>	<b>12,359</b>	<b>12,525</b>	<b>12,714</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,355	6,004	5,794	5,927	6,060	6,189	6,315	6,436	6,558	6,680	6,798
Finance costs	675	970	1,146	1,646	1,983	1,981	1,959	1,922	1,883	1,840	1,810
Internal charges and overheads applied	845	1,892	1,975	2,003	2,068	2,122	2,147	2,198	2,251	2,277	2,331
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>6,875</b>	<b>8,867</b>	<b>8,915</b>	<b>9,576</b>	<b>10,111</b>	<b>10,292</b>	<b>10,421</b>	<b>10,556</b>	<b>10,692</b>	<b>10,796</b>	<b>10,938</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>2,329</b>	<b>1,394</b>	<b>1,103</b>	<b>1,323</b>	<b>1,474</b>	<b>1,519</b>	<b>1,558</b>	<b>1,611</b>	<b>1,667</b>	<b>1,729</b>	<b>1,776</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,978	3,358	9,521	6,413	(34)	(416)	(709)	(740)	(833)	(570)	(285)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>2,978</b>	<b>3,358</b>	<b>9,521</b>	<b>6,413</b>	<b>(34)</b>	<b>(416)</b>	<b>(709)</b>	<b>(740)</b>	<b>(833)</b>	<b>(570)</b>	<b>(285)</b>

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## What it will cost & HOW WE WILL FUND COMMUNITY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	63	287	293	66	303	309	70	319
Capital expenditure to improve the level of service	853	1,870	75	14	106	-	-	-	-	-	-
Capital expenditure to replace existing assets	4,138	2,841	10,335	7,416	1,010	612	638	460	416	1,004	1,301
Increase (decrease) in reserves	(32)	165	368	423	251	469	470	470	515	534	384
Increase (decrease) of investments	348	(125)	(154)	(180)	(215)	(270)	(326)	(363)	(406)	(448)	(513)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>5,307</b>	<b>4,752</b>	<b>10,624</b>	<b>7,736</b>	<b>1,440</b>	<b>1,103</b>	<b>849</b>	<b>871</b>	<b>834</b>	<b>1,159</b>	<b>1,491</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(2,329)</b>	<b>(1,394)</b>	<b>(1,103)</b>	<b>(1,323)</b>	<b>(1,474)</b>	<b>(1,519)</b>	<b>(1,558)</b>	<b>(1,611)</b>	<b>(1,667)</b>	<b>(1,729)</b>	<b>(1,776)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 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><b>Community housing programme</b></p> <p>We have assumed that there is sufficient capacity in the construction industry, and that identified land is suitable for building additional new housing units.</p>		<p>Construction of new units has been deferred outside the first 3 years of this LTP.</p>
<p><b>Community halls divestment programme</b></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 2024/34 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 assessed on a case-by-case basis.</p>

# 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.

### ENVIRONMENTAL PLANNING & COMPLIANCE

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. campgrounds.
- 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 PLANNING & COMPLIANCE

The new coalition government has repealed two previously enacted pieces of legislation - the Natural and Built Environment Act and the Spatial Planning Act - which was part of the Resource Management reform. Consequently, the Resource Management Act 1991 remains the main piece of legislation guiding environmental management and planning.

Current planning instruments, such as District and Regional Plans, will remain until the new government replaces the Resource Management Act.

## WHAT'S NOT INCLUDED IN THIS PLAN

### DISTRICT PLAN REVIEW

While the coalition government repealed the previous government's reform of the Resource Management Act (which had resulted in the Natural and Built Environment Act and Spatial Planning Act), it has been indicated that the Resource Management Act 1991 will go through further reforms. A new overhaul is not likely until end of 2025 and at this stage there are no indications what direction the overhaul will take.

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. Council has undertaken reviews of parts of the District Plan over the past 15 years. This has reviewed certain sections and zoning of areas where development has been identified.

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.

As the Resource Management Reform legislation has been repealed by Central Government, Council will look

into options of reviewing the District Plan. A full review is unlikely at this stage.

### SIGNIFICANT NATURAL AREAS

At this stage, Council will not be undertaking work regarding Significant Natural Areas (SNAs) in the next few years, due to the coalition government intending on suspending the direction within the National Policy Statement for Indigenous Biodiversity (NPS-IB) that requires Councils to identify new SNAs in their district plans.

# 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			
		2022/23	2024/25	2025/26	2026/27	2027/27 - 2033/34
To provide an application processing service where consents are processed within statutory time frames in an efficient manner	Building and Regulatory Services Department applications lodged are processed within statutory time frames <sup>1</sup>	<b>NEW MEASURE<sup>5</sup></b>	100%	100%	100%	100%
	Planning team applications lodged are processed within statutory time frames <sup>2</sup>	<b>NEW MEASURE<sup>5</sup></b>	100%	100%	100%	100%
To retain registration as a Building Consent Authority.	Current registration.	<b>NEW MEASURE</b>	100%	100%	100%	100%
Complaints are prioritised and responded to in an efficient manner	Building and Regulatory Services Department Customer service requests are responded to within target time frames <sup>3</sup>	<b>NEW MEASURE<sup>6</sup></b>	≥95%	≥95%	≥95%	≥95%
	% of customer service requests for planning responded to within 5 working days <sup>4</sup>	<b>NEW MEASURE<sup>6</sup></b>	≥95%	≥95%	≥95%	≥95%

<sup>1</sup> Includes building consent, land information memorandum and alcohol licencing applications.

<sup>2</sup> Includes resource consents.

<sup>3</sup> Includes animals and building.

<sup>4</sup> Includes planning.

<sup>5</sup> These measures were previously combined with a result of 74%.

<sup>6</sup> These measures were previously combined with a result of 86%.

## WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Facilitating Council's focus on growing the rating base by:
  - Enabling the consenting process
  - Supporting and enabling the utilisation of land for development
  - 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)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	362	261	274	278	288	296	300	308	317	322	331
Targeted rates	1,064	1,516	1,585	1,611	1,665	1,711	1,736	1,771	1,818	1,845	1,894
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,803	1,829	1,865	1,905	1,946	1,984	2,021	2,055	2,090	2,125	2,158
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Fuel tax, fines, infringement fees and other receipts	-	6	7	7	7	7	7	8	8	8	9
<b>TOTAL OPERATING FUNDING (A)</b>	<b>3,229</b>	<b>3,612</b>	<b>3,731</b>	<b>3,801</b>	<b>3,905</b>	<b>3,999</b>	<b>4,065</b>	<b>4,142</b>	<b>4,234</b>	<b>4,300</b>	<b>4,392</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,900	1,835	1,877	1,921	1,965	2,008	2,050	2,092	2,134	2,176	2,217
Finance costs	10	14	13	12	11	10	9	8	8	8	7
Internal charges and overheads applied	1,105	1,742	1,818	1,844	1,904	1,955	1,978	2,025	2,075	2,099	2,150
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>3,015</b>	<b>3,590</b>	<b>3,708</b>	<b>3,777</b>	<b>3,880</b>	<b>3,973</b>	<b>4,038</b>	<b>4,126</b>	<b>4,217</b>	<b>4,282</b>	<b>4,373</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>214</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(26)	(14)	(15)	(16)	(16)	(17)	(18)	(8)	(8)	(9)	(9)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>(26)</b>	<b>(14)</b>	<b>(15)</b>	<b>(16)</b>	<b>(16)</b>	<b>(17)</b>	<b>(18)</b>	<b>(8)</b>	<b>(8)</b>	<b>(9)</b>	<b>(9)</b>

## What it will cost & HOW WE WILL FUND regulatory & emergency SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	117	7	8	8	8	8	9	9	9	9	10
Increase (decrease) of investments	71	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>188</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>10</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(214)</b>	<b>(22)</b>	<b>(22)</b>	<b>(23)</b>	<b>(25)</b>	<b>(26)</b>	<b>(27)</b>	<b>(17)</b>	<b>(17)</b>	<b>(18)</b>	<b>(19)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 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 the Government's most significant RMA and Water Services reforms and/or 'roll-back's have been either implemented or outlined/known and have now been taken into account to the extent possible (eg the most significant being three waters changes).

Two areas of uncertainty include Government's water CCO's and the Otago Regional Council's proposed Land and Water Plan. It is assumed these will be managed within existing frameworks and responsibilities.

### 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), ICT, and the running and maintenance of our main office, 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 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 if needed.

We have been able to create efficient, industry leading and winning solutions with our investments. We will continue to build and improve on the platform to deliver better e-services to our communities and to enhance internal efficiencies and insights on our key deliverables across the organisation.

We have improved our Cybersecurity posture and will continue to build and improve to keep information safe and to comply with audit frameworks that are required for all government entities

Council is continuously reviewing 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 improved Cybersecurity due to external risks. Focus will be on securing our digital investments and assets and being 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)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Levels of service improvements</b>										
900017 Software Customisation	26	16	17	17	-	-	-	-	-	-
900018 Hardware Asset Purchases	119	47	48	49	-	-	-	-	-	-
900023 Aerial Photography	60	-	-	64	-	-	67	-	-	71
900037 Computer Network and Security Support for Projects	96	61	63	64	-	-	-	-	-	-
900050 ERP upgrade - Datascape	191	-	-	-	-	-	-	-	-	-
900052 Datascape upgrade Project management and Business Process analysis	97	-	-	-	-	-	-	-	-	-
900054 Service Centre and Library Audio and Visual equipment and installation	-	-	-	74	16	-	-	-	-	-
900057 Phone system upgrades and integrations	68	-	-	-	-	-	-	-	-	-
900060 District paper records digitisation - Mezzanine Floor, Records	60	60	60	61	35	-	-	-	-	-
900061 District paper records digitisation - Service Centres and Garage (New Container)	-	60	60	54	-	-	-	-	-	-
<b>Renewals</b>										
900004 Vehicle renewals	240	245	250	255	260	265	270	274	279	283
900068 Resealing Rosebank office car park	50	-	-	-	-	-	-	-	-	-

\* Equal to or greater than \$50K

# What it will cost & HOW WE WILL FUND internal services

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of operating funding</b>											
General rates, UAGCs, rates penalties	(778)	(1,019)	(1,039)	(1,061)	(1,084)	(1,105)	(1,126)	(1,145)	(1,164)	(1,184)	(1,202)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes*	-	222	226	231	236	241	245	250	254	258	262
Fees and charges	178	178	181	185	189	193	196	200	203	206	210
Internal charges and overheads recovered	9,971	26,294	33,782	43,200	47,430	53,693	48,771	54,292	56,090	48,039	49,039
Fuel tax, fines, infringement fees and other receipts	157	1,290	1,430	1,487	1,519	1,561	1,567	1,502	1,476	1,481	1,375
<b>TOTAL OPERATING FUNDING (A)</b>	<b>9,528</b>	<b>26,965</b>	<b>34,580</b>	<b>44,042</b>	<b>48,291</b>	<b>54,583</b>	<b>49,654</b>	<b>55,098</b>	<b>56,859</b>	<b>48,801</b>	<b>49,683</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	10,046	16,651	17,003	16,954	16,917	17,304	17,497	17,864	18,247	18,429	18,795
Finance costs	143	1,681	2,403	2,829	2,994	3,091	2,994	2,907	2,773	2,631	2,547
Internal charges and overheads applied	-	17,880	21,909	26,651	28,967	32,254	29,809	32,708	33,758	29,756	30,411
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>10,189</b>	<b>36,213</b>	<b>41,314</b>	<b>46,434</b>	<b>48,878</b>	<b>52,648</b>	<b>50,300</b>	<b>53,479</b>	<b>54,778</b>	<b>50,816</b>	<b>51,752</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>(661)</b>	<b>(9,247)</b>	<b>(6,734)</b>	<b>(2,392)</b>	<b>(587)</b>	<b>1,934</b>	<b>(646)</b>	<b>1,620</b>	<b>2,081</b>	<b>(2,015)</b>	<b>(2,069)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,738	13,748	8,116	3,132	1,846	(1,846)	(1,656)	(2,548)	(2,704)	(1,607)	(1,962)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated sources of funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>1,738</b>	<b>13,748</b>	<b>8,116</b>	<b>3,132</b>	<b>1,846</b>	<b>(1,846)</b>	<b>(1,656)</b>	<b>(2,548)</b>	<b>(2,704)</b>	<b>(1,607)</b>	<b>(1,962)</b>

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## What it will cost & HOW WE WILL FUND internal services

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	1,647	861	245	248	382	52	-	67	-	-	71
Capital expenditure to replace existing assets	299	290	245	250	255	260	265	270	274	279	283
Increase (decrease) in reserves	667	289	438	447	850	895	896	828	894	917	869
Increase (decrease) of investments	(1,536)	3,060	454	(206)	(229)	(1,119)	(3,463)	(2,094)	(1,792)	(4,818)	(5,254)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>1,077</b>	<b>4,501</b>	<b>1,381</b>	<b>740</b>	<b>1,259</b>	<b>88</b>	<b>(2,302)</b>	<b>(928)</b>	<b>(623)</b>	<b>(3,622)</b>	<b>(4,031)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>661</b>	<b>9,247</b>	<b>6,734</b>	<b>2,392</b>	<b>587</b>	<b>(1,934)</b>	<b>646</b>	<b>(1,620)</b>	<b>(2,081)</b>	<b>2,015</b>	<b>2,069</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## what we're aiming for

WHAT WE'RE WORKING TOWARDS (level of service)		HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2022/23	2024/25	2025/26	2026/27	2027/28 - 2033/34
<b>We handle customer requests for service efficiently and effectively</b>	% of customer service requests responded to within 5 working days	<b>90%</b>	95%	95%	95%	95%
<b>We deliver on our work programmes</b>	Percentage of capital projects completed*	<b>74%</b>	85%	85%	85%	85%

\* 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 2024/34



# FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of Operating Funding</b>											
General rates, UAGC's, rates penalties	6,549	7,441	8,343	9,075	8,680	8,727	8,874	9,016	9,061	9,149	9,309
Targeted rates	24,597	28,396	34,447	41,725	45,094	49,733	50,374	53,949	55,820	56,560	58,130
Subsidies and grants for operating purposes	6,029	9,529	8,385	8,613	8,879	9,028	9,192	9,343	9,477	9,630	9,712
Fees and charges	9,524	7,223	6,624	6,844	6,996	7,165	7,262	7,414	7,537	7,552	7,669
Interest and dividends from investments	-	1,601	1,697	1,774	1,840	1,904	1,949	1,994	2,043	2,141	2,193
Fuel tax, infringement fees and other receipts	216	1,675	1,709	1,746	1,782	1,818	1,851	1,883	1,915	1,947	1,978
<b>TOTAL SOURCES OF OPERATING FUNDING (A)</b>	<b>46,914</b>	<b>55,865</b>	<b>61,204</b>	<b>69,778</b>	<b>73,271</b>	<b>78,374</b>	<b>79,502</b>	<b>83,599</b>	<b>85,853</b>	<b>86,979</b>	<b>88,990</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	37,581	51,089	50,174	50,733	51,418	52,395	53,099	54,193	55,258	55,818	56,637
Finance costs	1,906	6,240	8,680	10,367	11,559	12,620	12,892	13,125	13,444	15,702	16,023
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING (B)</b>	<b>39,487</b>	<b>57,329</b>	<b>58,854</b>	<b>61,101</b>	<b>62,976</b>	<b>65,015</b>	<b>65,991</b>	<b>67,318</b>	<b>68,701</b>	<b>71,520</b>	<b>72,660</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)</b>	<b>7,427</b>	<b>(1,464)</b>	<b>2,351</b>	<b>8,677</b>	<b>10,294</b>	<b>13,359</b>	<b>13,511</b>	<b>16,280</b>	<b>17,152</b>	<b>15,459</b>	<b>16,331</b>

# FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	7,460	6,159	8,780	10,513	9,256	9,009	8,739	10,029	8,390	8,647	8,084
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	36,500	46,473	32,137	22,691	20,216	5,184	4,446	6,064	43,010	6,121	(7,051)
Gross proceeds from sale of development property	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING (C)</b>	<b>43,960</b>	<b>52,631</b>	<b>40,917</b>	<b>33,204</b>	<b>29,472</b>	<b>14,193</b>	<b>13,186</b>	<b>16,092</b>	<b>51,400</b>	<b>14,768</b>	<b>1,032</b>
<b>Applications of Capital Funding</b>											
Capital expenditure to meet additional demand	1,933	340	252	240	287	293	66	303	309	70	319
Capital expenditure to improve the level of service	31,802	23,805	8,072	2,523	15,962	7,484	4,969	6,165	49,095	11,061	171
Capital expenditure to replace existing assets	19,632	25,207	33,468	37,862	22,304	18,918	20,800	24,978	17,272	18,116	16,193
Increase (decrease) in reserves	(1,181)	(1,180)	1,114	1,580	1,593	2,183	4,585	3,316	4,005	6,177	6,376
Increase (decrease) of investments	(800)	2,995	361	(323)	(380)	(1,325)	(3,723)	(2,389)	(2,129)	(5,196)	(5,696)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING (D)</b>	<b>51,386</b>	<b>51,167</b>	<b>43,267</b>	<b>41,881</b>	<b>39,767</b>	<b>27,553</b>	<b>26,697</b>	<b>32,373</b>	<b>68,551</b>	<b>30,226</b>	<b>17,363</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)</b>	<b>(7,427)</b>	<b>1,464</b>	<b>(2,351)</b>	<b>(8,677)</b>	<b>(10,294)</b>	<b>(13,359)</b>	<b>(13,511)</b>	<b>(16,280)</b>	<b>(17,152)</b>	<b>(15,459)</b>	<b>(16,331)</b>
<b>FUNDING BALANCE (A - B) + (C - D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council sets the following rates for the year commencing 1 July 2024 and ending 30 June 2025 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Council intends to use/apply the same source of funding and how the funds are applied across the term of the plan. However, should it subsequently decide to make a significant change, it would undertake the relevant consultation at the time.

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 portion separately inhabited or used by the owner, or any portion separately inhabited or used by person/s other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis to someone other than the owner.

Where the owner of a rating unit resides on the rating unit and operates a business (or other non-residential undertaking) from a separate part of the rating unit (which would otherwise meet the above definition), the following exceptions apply to the above definition:

- For the purposes of targeted rates for local roading, new footpaths, community boards, community facilities, community projects, West Otago Health Trust services and stormwater, the definition of separately used or inhabited part excludes those separately used parts that are used for non-residential purposes.

- For the purposes of the water and wastewater targeted rates, the definition of a separately used or inhabited part is limited to any separately used or inhabited part of a rating unit which has a separate bathroom and kitchen (being self-contained cooking facilities) or has an additional water or wastewater connection.

EXAMPLES OF SEPARATELY USED OR INHABITED PARTS INCLUDE:

- Each separate shop or business activity on a rating unit is considered a separately used or inhabited part.
- Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let for three months or more (in total) of the year to persons other than immediate family members is a separately inhabited part of a rating unit.
- Each separate residential or non-residential uses undertaken on a separate part of a rating unit and which is in addition to a rating unit's principal use will be considered an additional separately used or inhabited part.
- Individually tenanted flats, including retirement units, apartments, and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts.
- Each dwelling, flat, or additional rentable unit on a property is a separately inhabited part of a rating unit.
- For rural properties, each residential dwelling is considered a separately used or inhabited part and

each additional non-residential separately used part is considered an additional separately used or inhabited part.

**'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.

**Water Connected** - Any rating unit that is supplied by the water supply system.

**Water Serviceable** - Any rating unit that is not supplied but is capable of being supplied by the water supply system.

**Wastewater Connected** - Any rating unit that is connected to the public sewerage.

**Wastewater Serviceable** - Any rating unit that is not connected to a public sewer but is capable of being supplied by the water supply system.

## UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Continues from previous page

Activity	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
<b>Council</b>	<b>156.40</b>	<b>1,730,900</b>
Economic development	84.90	939,900
Community support	54.30	601,100
Culture and heritage	26.70	295,400
District wide main street	7.40	82,000
Parks, reserves, sportsgrounds and playgrounds	80.80	894,200
Halls & community centres	48.00	531,700
Swimming pools	77.60	858,600
Community libraries	227.10	2,513,500
Information centres	33.50	370,800
Cross Recreation Centre	11.80	131,000
Animal Control	9.40	104,500
Emergency Services	5.70	63,100
Cemeteries	24.50	270,900
Public conveniences	45.50	503,500
Environmental health	11.20	123,900
Rural fire	0.70	8,200
Waste Minimisation	26.40	291,900
<b>SUB TOTAL</b>	<b>931.90</b>	<b>10,315,100</b>
Income		
Property	3.40	37,800
General - Petrol Tax and Investment Income	131.20	1,452,300
Other income	25.40	280,800
<b>SUB TOTAL</b>	<b>160.00</b>	<b>1,770,900</b>
<b>TOTAL</b>	<b>771.90</b>	<b>8,544,200</b>

Council has set a 'UAGC' of \$771.90 on each rateable separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$8,544,200.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined to the left.

# COMMUNITY LEADERSHIP

## COMMUNITY BOARDS

Council sets '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 amount per rateable separately used or inhabited part of a rating unit (SUIP) within each community board area as per the table (right).

## 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 amount of \$90.50 per SUIP.

The total amount to be collected is \$117,300.

### Community Board Targeted Rates

	FIXED AMOUNT (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	83.60	107,200
Lawrence/Tuapeka Community Board	160.20	150,200
<b>TOTAL</b>		<b>257,400</b>

## DISTRICT ROADING

Council has set a 'District Roading' rate on every rateable rating unit in the district. The rate is 0.029377 cents per \$1 of capital value and funds approximately 37% of Council's 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 \$3,083,300.

## LOCAL ROADING

Council sets '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 amount and land value based component. The fixed charge component reflects that there is a baseline benefit to be connected to the roading network and will be charged per SUIP and differentiated based on location of the rating unit, with the urban fixed charge being higher due to additional sealing in urban areas. The land value component will be differentiated based on location as per the table on this page. Refer also to the maps on pages 209-216.

The amount to be collected is \$5,282,600.

## NEW FOOTPATHS

Council sets 'New Footpath Rates' to fund repayment of loans taken out to fund the cost of new footpaths within each area. The total to be collected is \$194,000.

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 on this page and differentiated based on the location of the rating unit (as per the maps on pages 217-221).

### Local Roading Targeted Rate

	AMOUNT (\$) PER SUIP	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	61.30	0.09054	397,000
Clinton	61.30	0.18019	38,100
Heriot	61.30	0.03442	6,900
Kaitangata	61.30	0.20700	108,100
Kaka Point	61.30	0.03881	44,400
Lawrence	61.30	0.08371	68,400
Milton	61.30	0.05243	155,500
Owaka	61.30	0.14855	39,800
Papatowai	61.30	0.03612	12,900
Pounawea	61.30	0.03580	13,300
Stirling	61.30	0.09901	29,000
Taieri Mouth	61.30	0.02337	40,000
Tapanui	61.30	0.07281	59,900
Waihola	61.30	0.01441	29,800
Rural	58.30	0.06876	4,239,500
<b>TOTAL</b>			<b>5,282,600</b>

### New Footpaths Targeted Rate

	AMOUNT (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	41.40	93,700
Kaitangata	14.60	6,800
Kaka Point	24.30	7,000
Lawrence	10.60	4,000
Milton	59.30	67,000
Owaka	11.50	2,400
Stirling	54.10	8,400
Tapanui	9.80	4,700
<b>TOTAL</b>		<b>194,000</b>

# URBAN WATER SUPPLY

This rate funds the provision of reticulated potable water supplies to urban areas.

Council sets 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.

The rate is set 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 \$3,437,500.

The rate for each scheme is shown in the table below.

Urban Water Supply Targeted Rate

	AMOUNT PER CONNECTED SUIP (\$)	AMOUNT PER SERVICEABLE SUIP (\$)	SCHEME TYPE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	593.40	296.70	On-demand	1,363,300
Benhar	593.40	0.00	On-demand	31,400
Clinton	504.40	252.20	Restricted	93,300
Kaitangata	593.40	296.70	On-demand	264,600
Kaka Point	504.40	252.20	Restricted	132,100
Lawrence	593.40	296.70	On-demand	237,400
Milton	593.40	296.70	On-demand	643,500
Owaka	504.40	252.20	Restricted	125,100
Stirling	593.40	296.70	On-demand	95,600
Tapanui	593.40	296.70	On-demand	314,800
Waihola	504.40	252.20	Restricted	136,400
<b>TOTAL</b>				<b>3,437,500</b>

## RURAL WATER SCHEMES

Council sets '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 \$8,492,300. The rates are set as a fixed amount per scheme for each unit (one m<sup>3</sup> of water per day) of water supplied and are calculated to generate the revenue required to operate each scheme, as per the table on this page. Refer also to the map on page 225.

## WASTEWATER UPGRADE SUPPORT

Council sets a 'District Wastewater 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 wastewater schemes and reticulation extensions and improving wastewater disposal from existing systems. The rate is 0.000853 cents per \$1 of capital value. The amount to be collected is \$89,600.

## WASTEWATER

This rate funds the provision of wastewater reticulation and treatment facilities.

Council has set a targeted uniform wastewater 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.

This rate 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 \$2,849,500.

The rate for each scheme is shown in the table on this page.

### Rural Water Scheme Targeted Rate

	AMOUNT PER UNIT SUPPLIED (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balmoral/Tuapeka	763.60	3,386,400
Clydevale/Pomahaka	472.20	1,191,500
Glenkenich	480.60	513,700
Moa Flat	317.30	764,400
North Bruce	444.80	857,200
Richardson	346.60	888,300
South Bruce	269.40	414,800
Waipahi	284.00	257,300
Wangaloa	517.90	218,700
<b>TOTAL</b>		<b>8,492,300</b>

### Wastewater Targeted Rate

	AMOUNT PER SERVICED SUIP (\$)	FIXED CHARGE (\$) PER SERVICEABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	488.70	244.35	1,125,000
Clinton	488.70	244.35	90,600
Heriot	488.70	0.00	37,100
Kaitangata	488.70	244.35	201,100
Kaka Point	488.70	244.35	132,500
Lawrence	488.70	244.35	175,700
Milton (including Tokoiti)	488.70	244.35	536,800
Owaka (including Pounawea)	488.70	244.35	119,300
Stirling	488.70	244.35	73,600
Tapanui	488.70	244.35	234,400
Waiholo	488.70	244.35	123,400
<b>TOTAL</b>			<b>2,849,500</b>

# WASTEWATER LOAN RATES

Council has set 'Wastewater Loan' rates to repay loans taken out to fund the capital cost of certain wastewater schemes. The rates are set on all rating units in the scheme areas set out in the table on this page, that did not elect to make a lump sum contribution, and are set as an amount per separately used or inhabited part of a rating unit (SUIP) that is based on the scheme location the rating unit is within (as per the maps on pages 222-223).

The total amount to be collected is \$48,200. The rate for each scheme is shown in the table on this page.

# 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 \$1,216,150. The rate for each scheme is shown in the table on this page.

## Wastewater Capital Targeted Loan Rates

	AREA A AMOUNT PER CONNECTED SUIP (\$)	AREA B AMOUNT PER SERVICEABLE SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
<b>Benhar</b>	894.00	814.10	32,900
<b>Tokoiti</b>	745.10	588.80	15,300
<b>TOTAL</b>			<b>48,200</b>

## Stormwater Targeted Rate

	AMOUNT PER SERVICED SUIP (\$)	AMOUNT PER LIMITED SERVICE (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
<b>Balclutha</b>	211.10	105.55	434,900
<b>Clinton</b>	211.10	105.55	39,300
<b>Kaitangata</b>	211.10	105.55	90,900
<b>Kaka Point</b>	211.10	105.55	55,700
<b>Lawrence</b>	211.10	105.55	73,500
<b>Milton</b>	211.10	105.55	210,200
<b>Owaka</b>	211.10	105.55	44,200
<b>Tapanui</b>	211.10	105.55	98,000
<b>Heriot</b>	211.10	105.55	15,800
<b>Pounawea</b>	211.10	105.55	20,700
<b>Stirling</b>	211.10	105.55	30,900
<b>Taieri Mouth</b>	211.10	105.55	49,300
<b>Waihola</b>	211.10	105.55	53,100
<b>TOTAL</b>			<b>1,216,500</b>

## COMMUNITY FACILITIES

Council sets 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 \$2,608,100.

The rates are set as a fixed charge per SUIP and differentiated based on location and the facilities within each Community rating area areas (as per attached maps). The charges are per the table on this page.

### Community Facilities Targeted Rate

	AMOUNT PER SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Bruce	193.20	531,000
Catlins	62.70	60,000
Clinton	85.30	52,200
Lawrence Tuapeka	170.60	159,200
Lower Clutha	379.10	1,739,100
West Otago	54.00	66,600
<b>TOTAL</b>		<b>2,608,100</b>

## WASTE MANAGEMENT

Council sets a 'Kerbside Collection' rate to fund waste collection and disposal services. This rate is set as a fixed amount per standard service provided to a rating unit (a standard service is one pair of bins per SUIP) charge of \$322.90 per pair of wheelie bins provided to each rating unit.

The amount to be collected is \$2,092,000.

## 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 0.006282 cents per \$1 of capital value.

The amount to be collected is \$503,500.

## COMMUNITY PROJECTS

Council can 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 rate is set as a fixed charge per SUIP.

There is currently no funding budgeted for Project Bruce, the amount to be collected is nil.

## PLANNING/REGULATORY

Council sets 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 0.016611 cents per \$1 of capital value. The amount to be collected is \$1,743,500.

## VOLUNTARY TARGETED RATE

Council sets targeted rates for rating units in the Clutha District who are part of a Voluntary Targeted Rating Scheme. These schemes provide a way for ratepayers in the Clutha District to pay for the cost of additional services provided specifically to them.

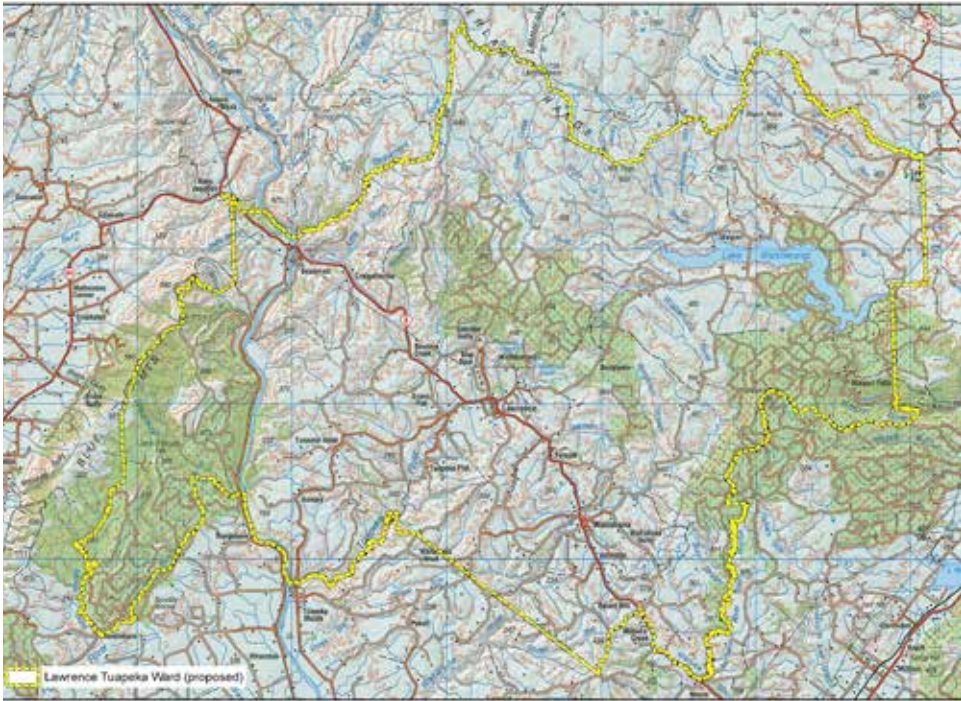
These voluntary targeted rates are subject to an agreement between the ratepayer and Council, and the application of a specified interest rate, over a specified timeframe (currently between 3 & 5 years). The rate is set as a targeted rate for each rating unit in the Clutha District Voluntary Targeted Rate Scheme. Use of this rate is currently suspended pending legal review.



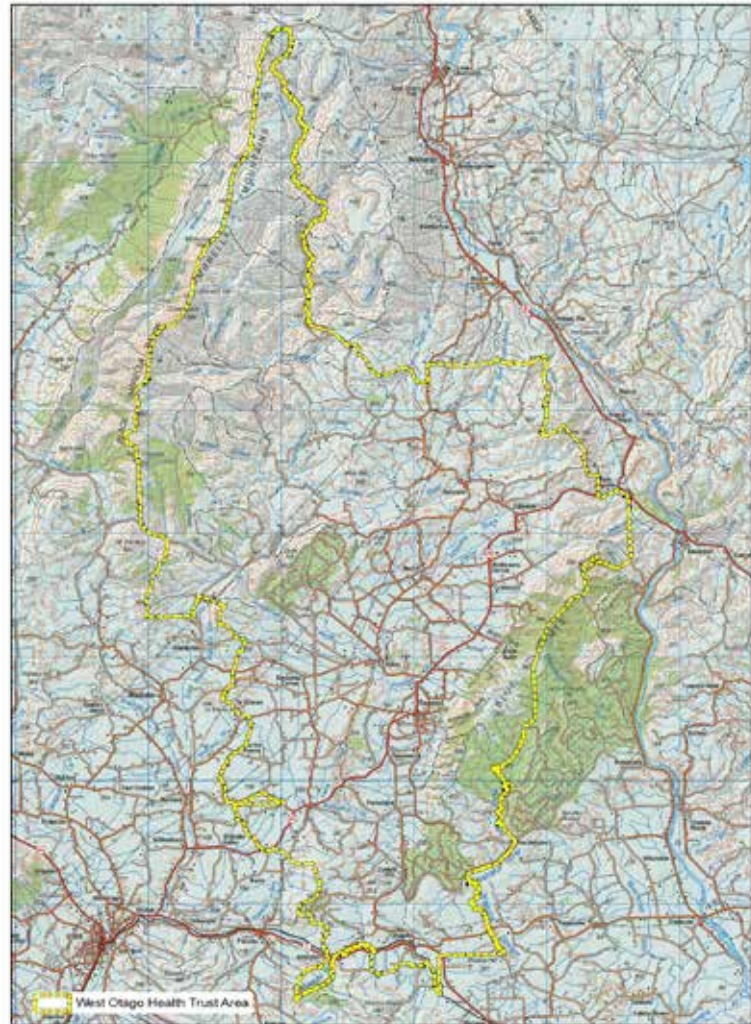
**The following maps of rating areas are attached:**

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. Wastewater Loan Rate Area – Benhar Area A
29. Wastewater Loan Rate Area – Benhar Area B
30. Wastewater Loan Rate Area – Tokoiti Area A
31. Wastewater Loan Rate Area – Tokoiti 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 Roading Rating Area



Map: Lawrence Local Roading Rating Area



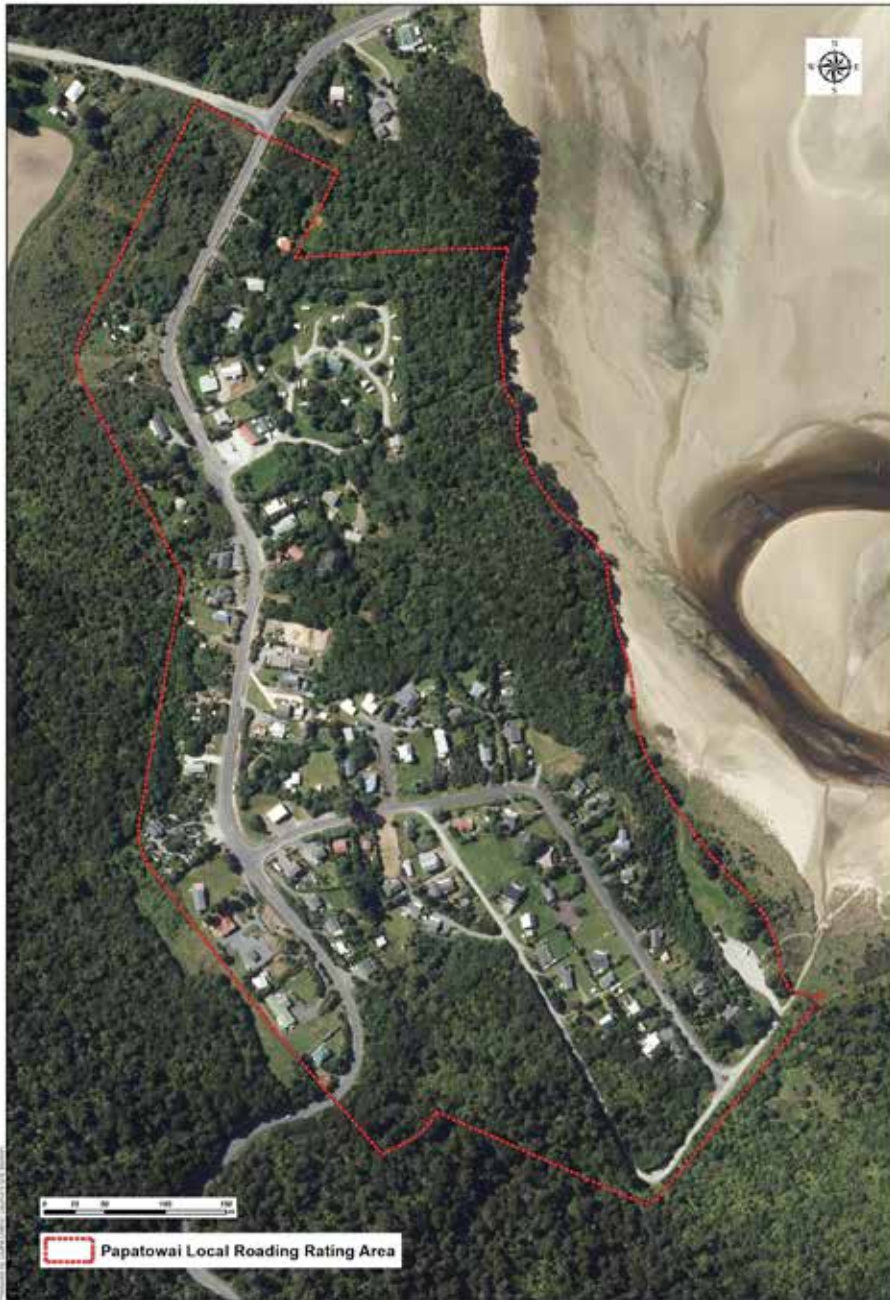
Map: Milton Local Roding Rating Area



Map: Owaka Local Roding Rating Area



Map: Papatowai Local Roding Rating Area



Map: Pounaweia Local Roding Rating Area



Map: Stirling Local Roading Rating Area



Map: Taieri Mouth Local Roading Rating Area





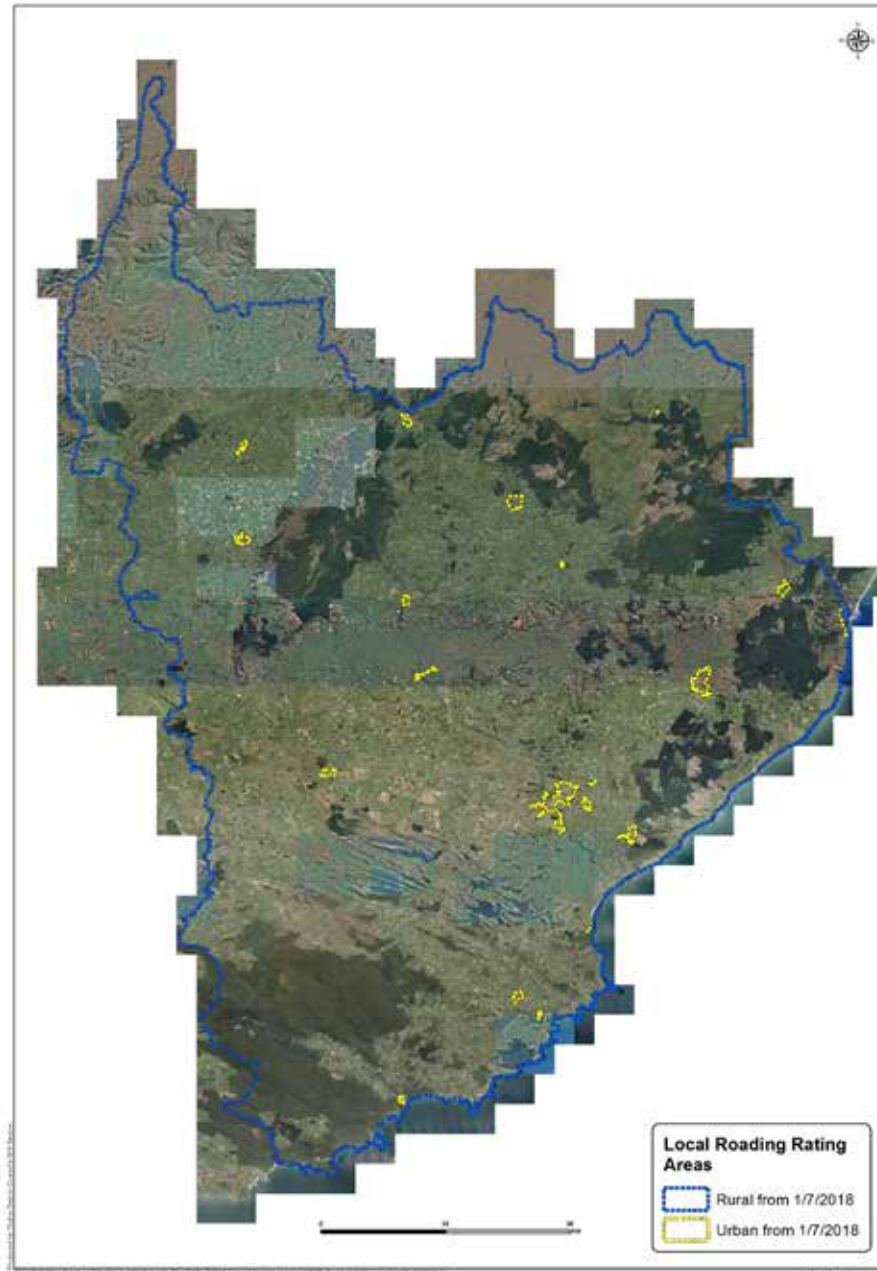
Map: Tapanui Local Roding Rating Area



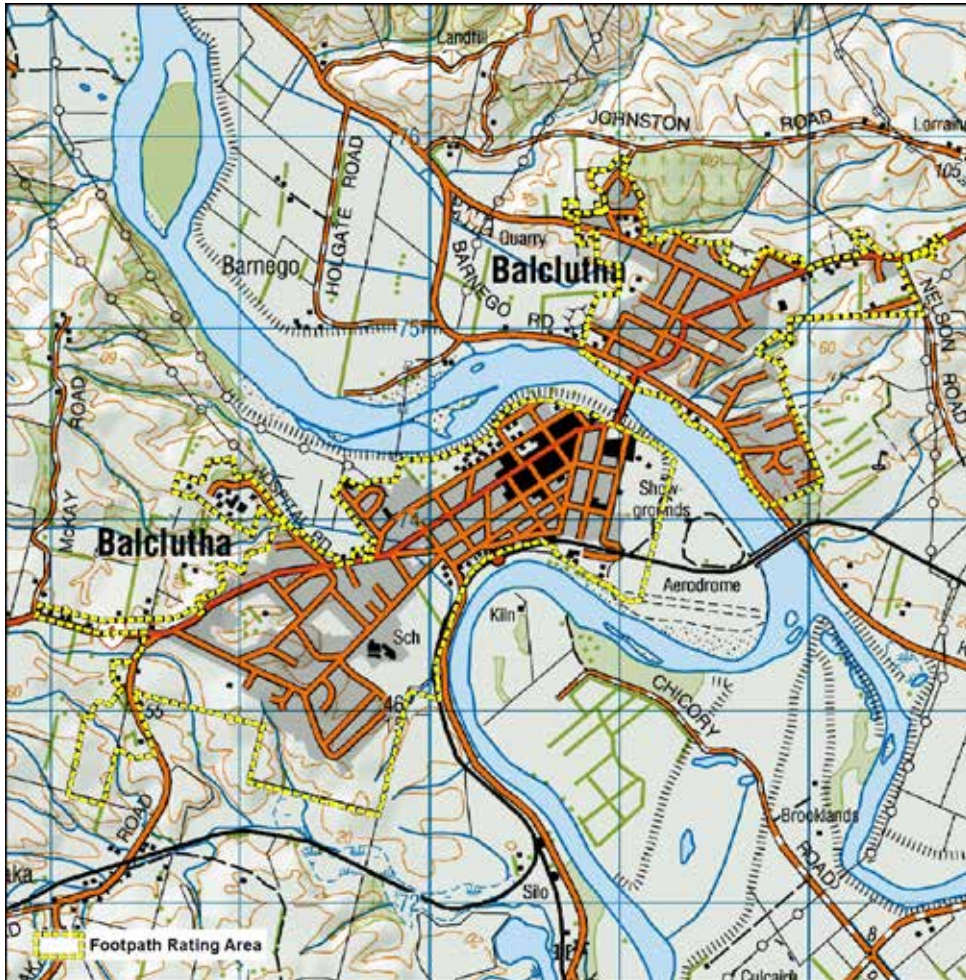
Map: Waihola Local Roding Rating Area



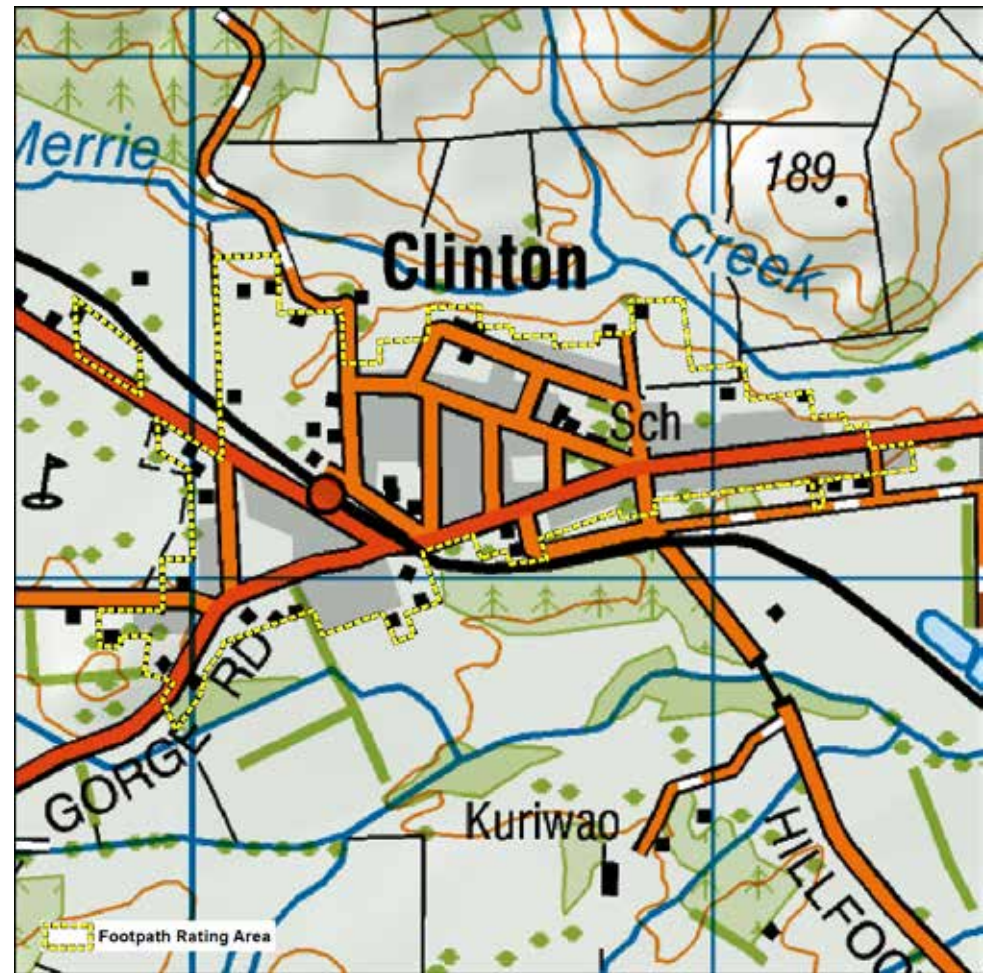
### Map: Rural Local Roding Rating Area



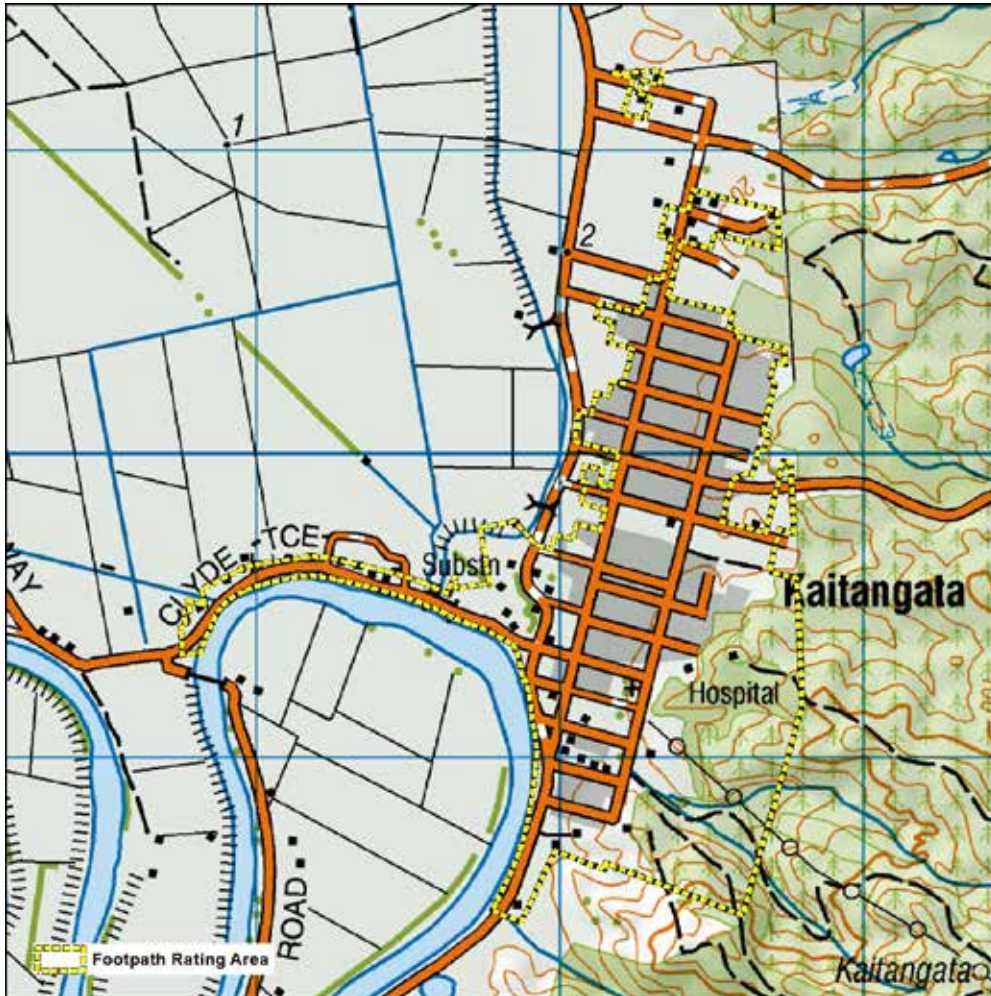
Map: Balclutha Footpath Rating Area



Map: Clinton Footpath Rating Area



Map: Kaitangata Footpath Rating Area



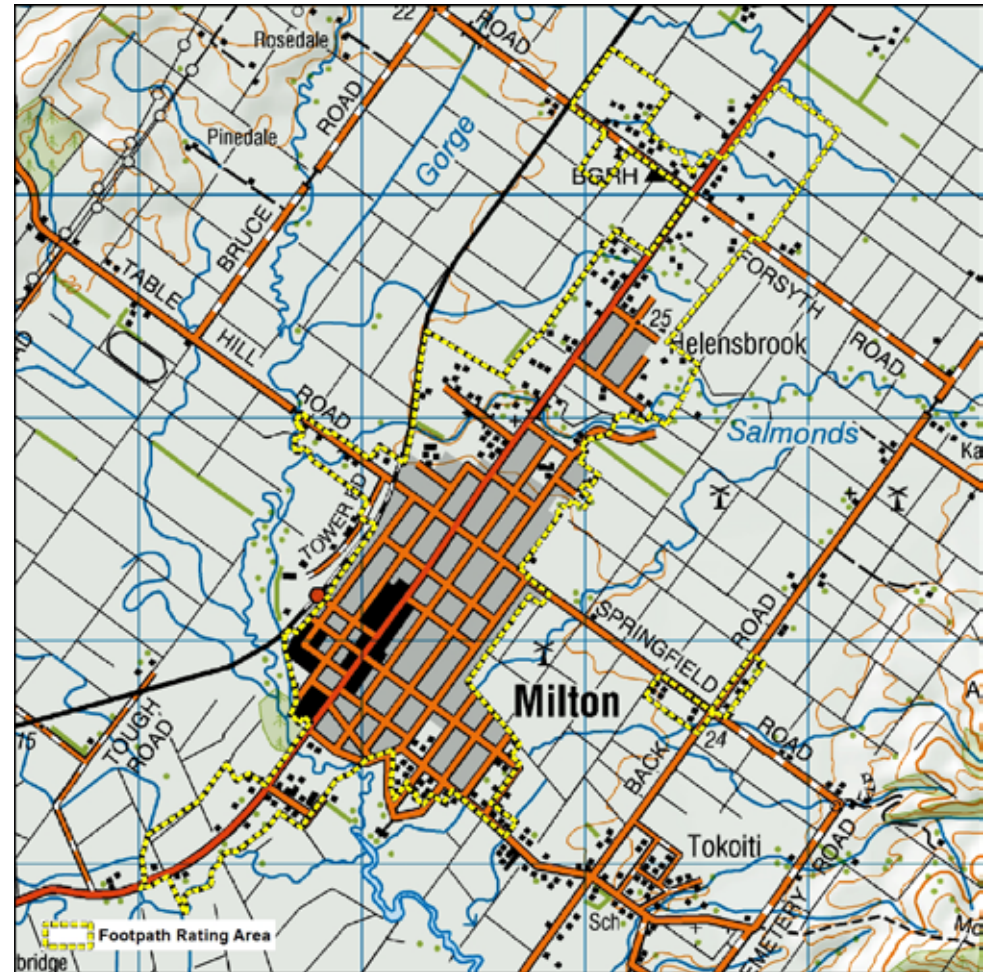
Map: Kaka Point Footpath Rating Area



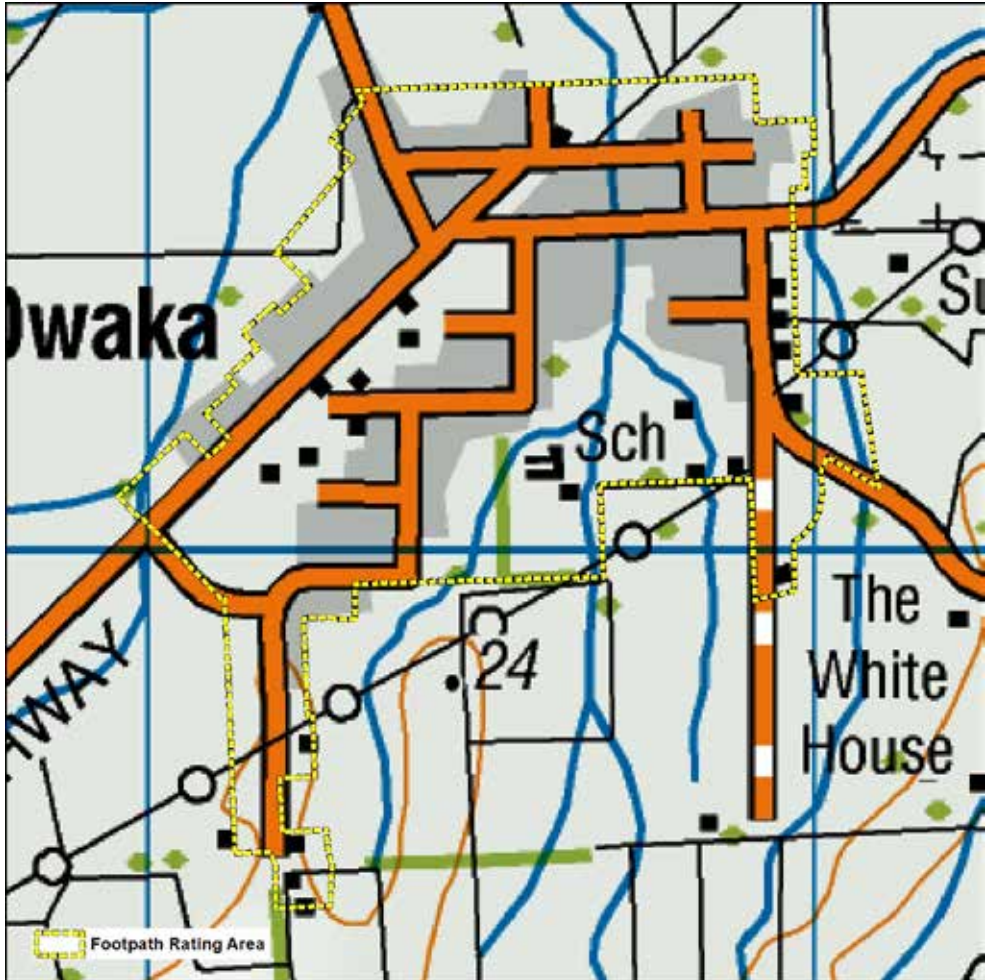
Map: Lawrence Footpath Rating Area



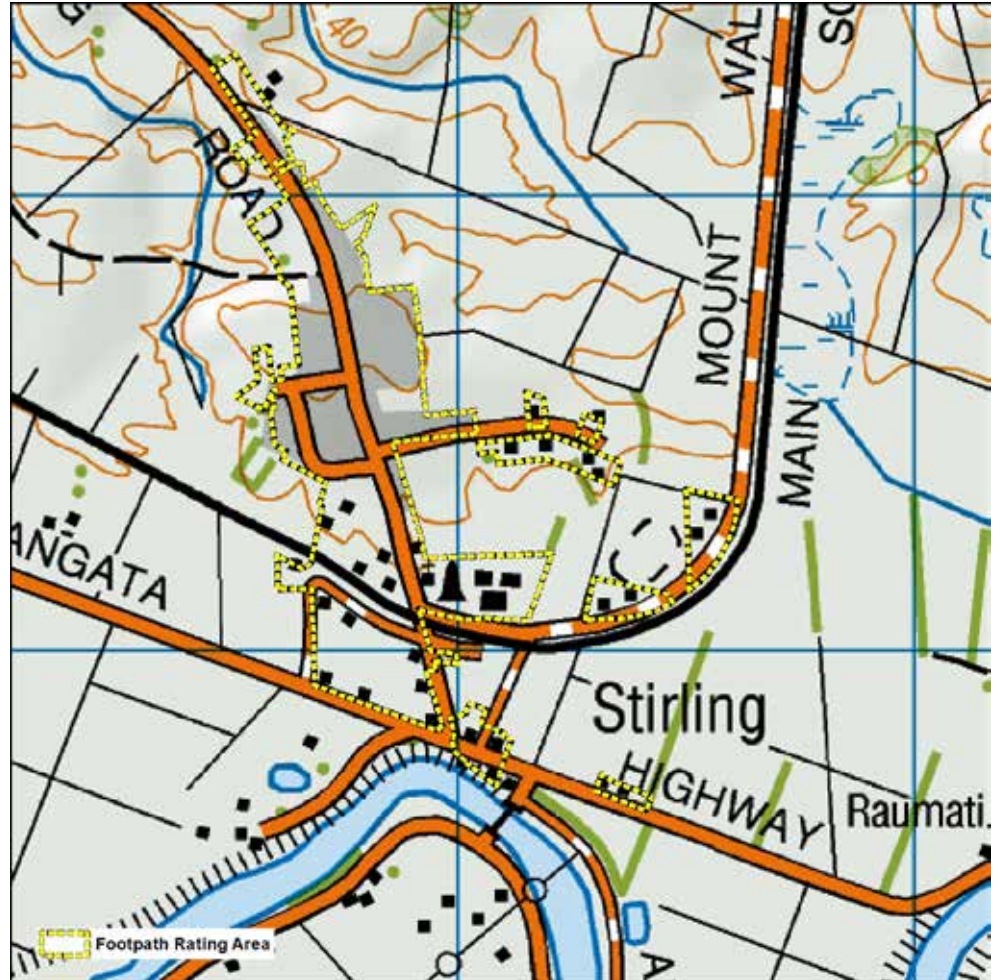
Map: Milton Footpath Rating Area



Map: Owaka Footpath Rating Area



Map: Stirling Footpath Rating Area



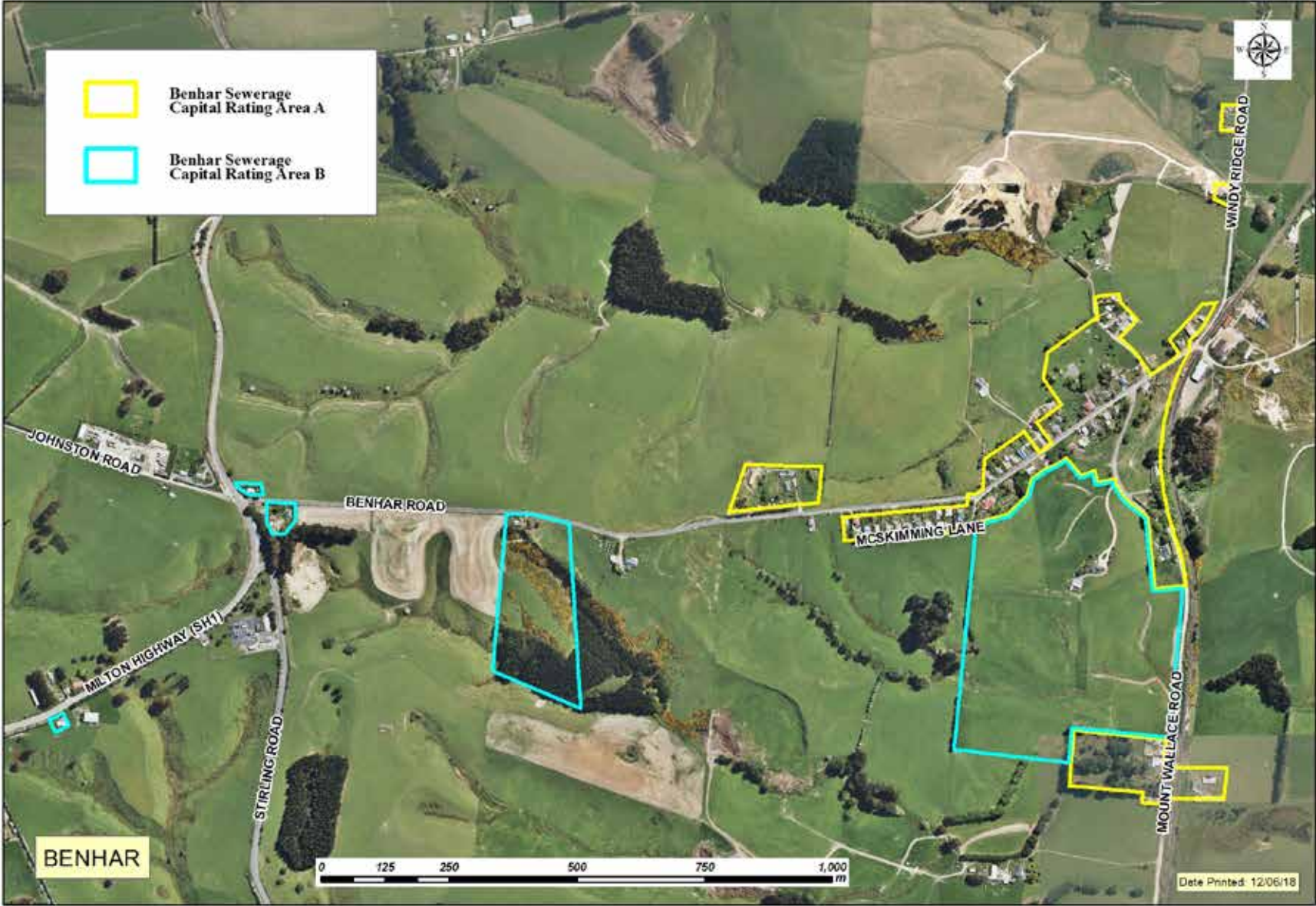
Map: Tapanui Footpath Rating Area



Map: Waihola Footpath Rating Area

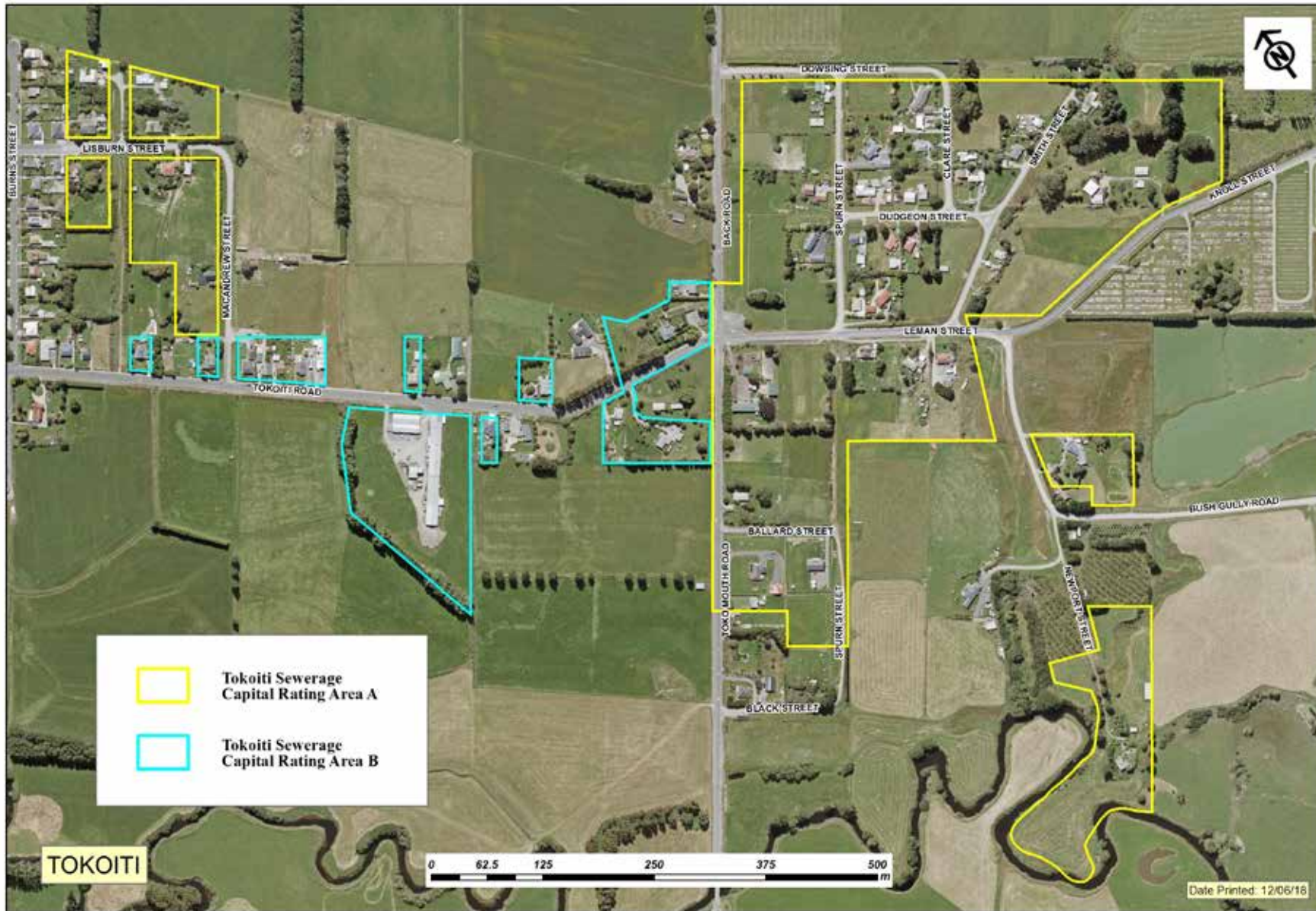


Map: Benhar Wastewater Capital Rating Areas A & B





# Map: Tokoiti Wastewater Capital Rating Areas A & B



## Map: Community Rating Areas



224

# Map: Rural Water Scheme Rating Areas



CDC RURAL WATER SCHEMES

# RATES EXAMPLES

## Residential - Balclutha

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 105,000				
Capital Value 370,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	356	307	337	376
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	70	88	97	102
<b>TOTAL</b>	<b>3,014</b>	<b>3,161</b>	<b>3,884</b>	<b>4,852</b>

## Residential - Clinton

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 50,000				
Capital Value 205,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	208	212	235	264
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,213	1,204	1,761	2,448
<b>COMMUNITY FACILITIES</b>	74	85	89	90
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	25	49	54	56
<b>TOTAL</b>	<b>2,462</b>	<b>2,644</b>	<b>3,303</b>	<b>4,208</b>

## 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 1 September 2023 and will come into effect for rating purposes from July 2024.

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

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 75,000				
Capital Value 220,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	316	296	329	370
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	39	52	57	61
<b>TOTAL</b>	<b>2,943</b>	<b>3,115</b>	<b>3,836</b>	<b>4,805</b>

# RATES EXAMPLES

<b>Residential - Kaka Point</b>	2023/24	2024/25	2025/26	2026/27
Land Value 275,000	(ACTUAL)	(FORECAST)	(FORECAST)	(FORECAST)
Capital Value 560,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	360	357	398	449
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,213	1,204	1,761	2,448
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	92	133	147	154
<b>TOTAL</b>	<b>2,951</b>	<b>3,168</b>	<b>3,865</b>	<b>4,799</b>

<b>Residential - Lawrence</b>	2023/24	2024/25	2025/26	2026/27
Land Value 119,000	(ACTUAL)	(FORECAST)	(FORECAST)	(FORECAST)
Capital Value 325,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	271	267	297	334
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	126	171	170	168
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	186	237	250	256
<b>TOTAL</b>	<b>2,827</b>	<b>3,063</b>	<b>3,773</b>	<b>4,733</b>

<b>Residential - Owaka</b>	2023/24	2024/25	2025/26	2026/27
Land Value 66,000	(ACTUAL)	(FORECAST)	(FORECAST)	(FORECAST)
Capital Value 325,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	275	266	295	332
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,213	1,204	1,761	2,448
<b>COMMUNITY FACILITIES</b>	60	63	61	62
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	38	77	85	89
<b>TOTAL</b>	<b>2,527</b>	<b>2,705</b>	<b>3,368</b>	<b>4,280</b>

<b>Residential - Milton</b>	2023/24	2024/25	2025/26	2026/27
Land Value 140,000	(ACTUAL)	(FORECAST)	(FORECAST)	(FORECAST)
Capital Value 415,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	347	316	346	384
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	184	193	312	431
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	99	124	134	139
<b>TOTAL</b>	<b>2,874</b>	<b>3,021</b>	<b>3,848</b>	<b>4,929</b>

# RATES EXAMPLES

## Residential - Stirling

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 105,000				
Capital Value 460,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	344	354	389	433
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	79	109	121	127
<b>TOTAL</b>	<b>3,011</b>	<b>3,231</b>	<b>3,960</b>	<b>4,933</b>

## Residential - Tapanui

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 68,000				
Capital Value 340,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	210	221	244	274
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	51	54	65	66
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	205	255	268	275
<b>TOTAL</b>	<b>2,710</b>	<b>2,917</b>	<b>3,634</b>	<b>4,590</b>

## Residential - Taieri Mouth

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 425,000				
Capital Value 860,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	390	413	464	528
<b>WATER, WASTEWATER &amp; STORMWATER</b>	175	211	338	509
<b>COMMUNITY FACILITIES</b>	184	193	312	431
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	160	229	250	262
<b>TOTAL</b>	<b>1,598</b>	<b>1,819</b>	<b>2,179</b>	<b>2,601</b>

## Residential - Waihola

	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 240,000				
Capital Value 430,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	235	222	248	280
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,213	1,204	1,761	2,448
<b>COMMUNITY FACILITIES</b>	184	193	312	431
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	106	127	138	143
<b>TOTAL</b>	<b>2,679</b>	<b>2,841</b>	<b>3,625</b>	<b>4,652</b>

# RATES EXAMPLES

<b>Lifestyle</b> Land Value 360,000 Capital Value 820,000	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	519	479	532	598
<b>WATER, WASTEWATER &amp; STORMWATER</b>	-	-	-	-
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	126	157	173	182
<b>TOTAL</b>	<b>1,930</b>	<b>2,110</b>	<b>2,264</b>	<b>2,528</b>

<b>Industrial - Rural</b> Land Value 310,000 Capital Value 2,735,000	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	1,293	1,137	1,262	1,419
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,303	1,293	1,891	2,626
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	571	650	716	753
<b>TOTAL</b>	<b>4,200</b>	<b>4,231</b>	<b>5,076</b>	<b>6,067</b>

<b>Commercial</b> Land Value 500,000 Capital Value 3,950,000	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	1,955	1,716	1,939	2,213
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,903	1,887	2,753	3,812
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	746	938	1,035	1,087
<b>TOTAL</b>	<b>5,637</b>	<b>5,691</b>	<b>6,934</b>	<b>8,382</b>

<b>Industrial - Urban</b> Land Value 455,000 Capital Value 1,480,000	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	1,087	949	1,078	1,143
<b>WATER, WASTEWATER &amp; STORMWATER</b>	1,831	1,782	2,580	3,555
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	252	323	352	479
<b>OTHER</b>	300	352	388	498
<b>TOTAL</b>	<b>4,504</b>	<b>4,557</b>	<b>5,605</b>	<b>6,944</b>

# RATES EXAMPLES

Rural - Dairy 1	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 2,990,000				
Capital Value 3,620,000				
<b>GENERAL (UAGC)</b>	1,378	1,543	1,626	1,742
<b>ROADING</b>	3,725	3,236	3,629	4,120
<b>WATER, WASTEWATER &amp; STORMWATER</b>	-	-	-	-
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	741	860	948	996
<b>TOTAL</b>	<b>6,188</b>	<b>6,018</b>	<b>6,597</b>	<b>7,257</b>

Rural - Sheep & Beef 2	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 7,940,000				
Capital Value 9,050,000				
<b>GENERAL (UAGC)</b>	2,756	3,087	3,253	3,483
<b>ROADING</b>	7,806	8,352	9,374	10,652
<b>WATER, WASTEWATER &amp; STORMWATER</b>	-	-	-	-
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	1,530	2,149	2,371	2,491
<b>TOTAL</b>	<b>12,437</b>	<b>13,967</b>	<b>15,392</b>	<b>17,025</b>

Rural - Sheep & Beef 1	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 2,960,000				
Capital Value 3,530,000				
<b>GENERAL (UAGC)</b>	689	772	813	871
<b>ROADING</b>	3,616	3,131	3,517	4,000
<b>WATER, WASTEWATER &amp; STORMWATER</b>	-	-	-	-
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	726	838	925	972
<b>TOTAL</b>	<b>5,375</b>	<b>5,120</b>	<b>5,649</b>	<b>6,242</b>

Rural - Dairy 2	2023/24 (ACTUAL)	2024/25 (FORECAST)	2025/26 (FORECAST)	2026/27 (FORECAST)
Land Value 6,660,000				
Capital Value 8,620,000				
<b>GENERAL (UAGC)</b>	1,378	1,543	1,626	1,742
<b>ROADING</b>	7,696	7,229	8,123	9,239
<b>WATER, WASTEWATER &amp; STORMWATER</b>	-	-	-	-
<b>COMMUNITY FACILITIES</b>	344	379	394	399
<b>SOLID WASTE</b>	-	-	-	-
<b>OTHER</b>	1,650	2,047	2,258	2,373
<b>TOTAL</b>	<b>11,068</b>	<b>11,198</b>	<b>12,401</b>	<b>13,752</b>

230



# REVENUE AND FINANCING POLICY 2024

## 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 of the LGA).

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 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.

### DISTRICT-WIDE RATES

Some general rates are set on all rateable properties in the district to part fund some activities having a district wide benefit element, including roading.

These rates are set as either a rate per dollar of land or capital value best reflecting the need for the activity and the benefit received.

### 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 the Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre.

## 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. Council intends to continue using Financial Contributions until the RMA reform process is complete and there is legislative clarity for the future.

## 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 receives petrol tax income as required under the Local Authorities (Petroleum Tax) Regulations 1970.

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 reserves 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, collaborative and resilient.

## 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. From time to time one off projects will be funded by a different funding source, eg investment funds surplus or grants.

### **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. This is currently \$0.

### **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.

## **TRANSPORTATION**

### **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 NZTA, 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.

# WASTEWATER

## Activity Description

Provision of wastewater reticulation and treatment facilities throughout the district.

## Community Outcome

Respected and sustainable environment.

## Who benefits?

Private benefit for those whose wastewater 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 wastewater disposal systems.

## Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive wastewater services to be recognised.

## Funding methods

Council will have a uniform targeted wastewater 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 wastewater 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 wastewater 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

Vibrant rural towns and communities.

Connected and collaborative.

### 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**

Vibrant rural towns and communities.

Connected and collaborative.

### **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 Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre.
- 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 Waiholā.

### 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

Balclutha 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).

Te Pou Ō Mata-Au Clutha District War Memorial & Community Centre: 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.

## **WASTE MANAGEMENT & MINIMISATION**

### **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%				
Transportation	Transport (balance after Waka Kotahi subsidy)				37% <sup>1</sup>		63% <sup>2</sup>
	New footpaths						100%
	District-Wide Main Street	Balclutha, Milton & Lawrence	20%				80%
Water Supply	Urban Water Supply						100%
	Rural Water Scheme						100%
Wastewater	Wastewater						100%
	District Sewerage Upgrade Support				10%		90%
	Benhar, Tokoiti & Pounawea Capital				10%		90%

<sup>1</sup> District roading component <sup>2</sup> Local roading component

## Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES			
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)		TARGETED RATES	
				DISTRICT-WIDE RATES	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE		
				CAPITAL VALUE (CV)	UNIFORM CHARGE	LAND VALUE (LV)	
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%	
	Parks, Playgrounds & Reserves					50%	
	Sportsgrounds		2-8%			46-49%	
	Halls & Community Centres		12-18%			41-44%	
	Clutha Gold Trail					50%	
	Te Pou Ō Mata-Au Clutha District War Memorial & Community Centr					50%	
	Cross Recreation Centre					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)
Waste Management & Minimisation	Waste Collection & Disposal		70%			30%	
	Waste Minimisation			100%			
Regulatory & Emergency Services	Resource Management		60-70%		30-40%		
	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

## Relevant Legislation

Local Government (Rating) Act 2002, section 85.

Local Government Act 2002, section 109.

## PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

## SCOPE

This policy can apply to any ratepayers in the Clutha District who meet the conditions of the criteria.

## 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 and Policy 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 and Policy 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 Chief Financial Officer and will be considered by the Corporate and Policy 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 SUIP RATES

### Objective

To provide a 50% remission of certain rates that are calculated per separately used or inhabited part of a rating unit (SUIP) after the first in situations where the property has mixed uses, is owner occupied and the owner resides on the property.

### Remission period

Up to 3 years – subject to change of circumstances.

### Remission value

50% of the below rates (after the first).

The remission is only available in respect of the second (and subsequent) charge (i.e., there is no remission in respect of the first charge).

The rates eligible for the remission are:

- Uniform annual general charge
- Water supply targeted rate
- Wastewater targeted rate

### Conditions and criteria

The ratepayer must reside at the rating unit.

The ratepayer must operate a business or other non-

residential undertaking from a separate part of the rating unit (such part amounting to a separately used or inhabited part of the rating unit).

For the purposes of the uniform annual general charge, every charge above one is eligible for a 50% remission.

For the purposes of the water and wastewater targeted rates, every charge above one (of each of these targeted rates) is eligible for a 50% remission.

Applications must be made in writing to the Chief Executive.

## 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).

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.

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

## Relevant Legislation

Local Government (Rating) Act 2002, section 87.

Local Government Act 2002, section 110.

## PURPOSE

The objective of this policy is to assist ratepayers experiencing significant financial hardship which affects their ability to pay rates, whether directly through health or indirectly through economic issues.

This policy provides a mechanism through which ratepayers can apply to postpone paying rates for one year. Further applications can be made annually up to a maximum of three years.

## SCOPE

This policy can apply to any ratepayers in the Clutha District who meet the conditions of the criteria.

## POLICY

### Conditions and criteria

The ratepayer must provide evidence from their bank, accountant or registered budget advisor, to the satisfaction of the Council, of significant financial hardship.

- Farming, commercial/industrial and small holding (used for economic return) properties must provide evidence of either:
  - Reduced revenue (by at least 30 per cent for a period of at least one month compared to the same period in the previous year); or
  - Inability to pay both rates and staff salaries; or
  - Inability to pay both rates and other due bills that are essential to ongoing business operations and viability (e.g. input suppliers).
- Residential and small holding (used as a lifestyle block) properties must provide evidence of either:
  - Inability to pay both rates and essential necessities (e.g. food, medicine); or
  - Evidence they have applied for any relevant government support (including unemployment and other benefits) and a mortgage holiday from the bank (if relevant).

Upon approval, from 1 July 2020 annual rates for the postponement period of up to one year (and, if applicable, water meter rates) are postponed. Further applications will be required for further postponements. Applications can be made annually up to a maximum of three years.

Interest shall be charged during the postponement, with the interest charge set to reflect the Council's forecast investment rate.

Ratepayers that are not the owner of the property must have the agreement of the property owner to the postponement.

A rating charge will be registered on the certificate of title.

The postponed rates will remain as a charge against the property and must be paid in full either at the end of the postponement period or when the property is sold.

Decisions of the Chief Executive are final and there are no appeal rights to Council's elected representatives.

Council may suspend the operation of this policy if the Council is under financial pressure. If this occurs, staff must, as soon as reasonably practicable, notify the Council for a determination whether to revoke or resume the policy.

### Delegations

Decisions are delegated to the Chief Executive.

# POLICY ON REMISSION & POSTPONEMENT OF RATES FOR MAORI FREEHOLD LAND

## Relevant Legislation

Local Government Act 2002.

Local Government (Rating) Act 2002.

Local Government (Rating of Whenua Māori) Amendment Act 2021.

Te Ture Whenua Māori Act 1993.

## PURPOSE

This policy allows for rates remissions on Māori freehold land.

This policy promotes the retention of Māori freehold land in the hands of its owners, their whānau and their hapū.

This policy aims to reduce the barriers for owners of Māori freehold land who want to occupy, develop and utilise their whenua for the benefit of its owners, their whānau and their hapū.

## SCOPE

This policy applies to all rateable Māori freehold land in the Clutha District.

## Definitions

**Council** - Clutha District Council the organisation (not its elected members).

**Māori freehold land** - Land whose beneficial ownership has been determined by the Māori Land Court by freehold order (as per s5 Local Government (Rating) Act 2002).

**Rates postponement** - Rates for which the requirement to pay is delayed.

**Remitted rates** - Rates for which the requirement to pay is cancelled.

## REMISSION OF RATES

This policy provides for the remission of rates on Māori freehold land that meet the conditions and criteria set out in section 3.

Council encourages and will support applications for remission of rates on Māori freehold land where the landowner(s) or another person is developing the land or intends to develop the land in accordance with the conditions and criteria set out in section 3.

### Objectives for the remission of rates

To provide rates remissions on Māori freehold land to assist landowners to achieve the implementation of the following

objectives:

- To promote the retention of Māori freehold land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu.
- To facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners, their whānau, and their hapū.

### Conditions and criteria for the remission of rates

Applications for the remission of rates on Māori freehold land must be made in writing to the Council and should include:

- The amount of rates requested to be written off.
- The reason for the request.
- Council's valuation reference for the parcel(s) of land.
- A description of the land and its current use.
- An indication of the ownership and documentation that shows the land is Māori freehold land (if Council does not already possess this information).
- Future plans for the land (if any).
- Sources of and level of income generated by the land (if any).
- How the application meets one or both of the objectives listed in section 2.

Council may grant a remission of up to 100% of all rates (including penalties for unpaid rates) except for targeted rates for water supply, sewage disposal or refuse collection.

Council will consider how the application aligns with the objectives listed in section 2 of this policy and the matters set out in Schedule 11 of the Local Government Act 2002 (see notes) when making decisions on the remission of rates on Māori freehold land.

Council will consider the matters listed in section 114A of the Local Government (Rating) Act 2002 (see notes) when considering applications for rates remissions on Māori freehold land that is under development or is intended to be developed.

Council will remit rates (and penalties if applicable) for the year applied for and for up to 5 years in the case of development of land. If a remission of rates application is applied for annually for the same parcel of land, only

additional information Council does not have from previous applications will need to be provided, however, application is still required to be made in writing annually, except in the case of development applications where a longer remission term (of up to 5 years) has been requested by the applicant and granted by the Council.

### **POSTPONEMENT OF RATES**

This policy does not provide for the postponement of rates specifically for Māori freehold land.

Council has a policy on the postponement of rates (Policy on Rates Postponement) applicable to all land in the Clutha District for when landowners are experiencing significant financial hardship.

The Policy on the Postponement of Rates can be used for Māori freehold land when owners are experiencing

significant financial hardship, however, to better align this policy with the preamble to the Te Ture Whenua Māori Act 1993 landowners are encouraged to apply for a remission of rates rather than a postponement of rates so:

- Rate debt burden is avoided for Māori freehold landowners.
- Future development and utilisation of Māori freehold land is not discouraged in any way by historical rates arrears.
- Māori freehold land remains in the hands of its owners.

# 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 Māori land within the meaning of Te Ture Whenua Māori 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:

- (a) The recreational resources and facilities of the District; and
- (b) Wastewater, 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)-(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 2026.

## 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 2024/34 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.

#### Wastewater

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



# STATEMENT OF COMPLIANCE

THE PROSPECTIVE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE ON 26 JULY 2024 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)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Revenue</b>											
Rates	31,146	35,836	42,790	50,801	53,774	58,460	59,248	62,965	64,880	65,708	67,438
Grants, Subsidies and Donations	13,704	15,688	17,165	19,126	18,135	18,038	17,931	19,371	17,867	18,277	17,796
Interest Revenue	1,001	1,601	1,697	1,774	1,840	1,904	1,949	1,994	2,043	2,141	2,193
Fees and Charges	5,721	7,223	6,624	6,844	6,996	7,165	7,262	7,414	7,537	7,552	7,669
Other Revenue	3,804	1,675	1,709	1,746	1,782	1,818	1,851	1,883	1,915	1,947	1,978
<b>TOTAL REVENUE</b>	<b>55,376</b>	<b>62,023</b>	<b>69,984</b>	<b>80,291</b>	<b>82,527</b>	<b>87,384</b>	<b>88,241</b>	<b>93,627</b>	<b>94,243</b>	<b>95,626</b>	<b>97,074</b>
<b>Expenditure</b>											
Employee Benefit Expenses	9,844	14,540	14,775	14,781	15,053	15,323	15,594	15,864	16,134	16,404	16,673
Finance Costs	1,906	6,240	8,680	10,367	11,559	12,620	12,892	13,125	13,444	15,702	16,023
Depreciation and Amortisation	15,113	16,993	17,667	19,200	18,971	19,116	20,341	20,346	20,333	22,452	22,661
Movement in landfill provision	-	-	-	-	-	-	-	-	-	-	-
Other expenses	27,743	36,548	35,399	35,952	36,365	37,071	37,505	38,329	39,124	39,414	39,963
<b>TOTAL EXPENDITURE</b>	<b>54,606</b>	<b>74,322</b>	<b>76,520</b>	<b>80,301</b>	<b>81,948</b>	<b>84,131</b>	<b>86,331</b>	<b>87,664</b>	<b>89,034</b>	<b>93,972</b>	<b>95,321</b>

Continues on next page

# PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Income tax expenses/(benefit)	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit)	770	(12,299)	(6,537)	(10)	579	3,253	1,910	5,963	5,209	1,654	1,753
<b>Other comprehensive revenue and expense</b>											
<b>Gain/(loss) on assets</b>											
Gain/(loss) financial assets	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on vested assets	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on assets	-	-	118,144	-	-	100,575	-	-	98,472	-	-
Other Comprehensive Revenue and Expenses	-	-	118,144	-	-	100,575	-	-	98,472	-	-
<b>Total comprehensive revenue and expense/(deficit) for the year attributable to Council</b>	<b>770</b>	<b>(12,299)</b>	<b>111,608</b>	<b>(10)</b>	<b>579</b>	<b>103,828</b>	<b>1,910</b>	<b>5,963</b>	<b>103,680</b>	<b>1,654</b>	<b>1,753</b>

Continues from previous page

# PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)										
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
<b>Equity Balance at 30 June</b>												
<b>Opening Balance at 1 July</b>	1,312,250	1,302,729	1,290,430	1,402,038	1,402,027	1,402,607	1,506,435	1,508,344	1,514,307	1,617,987	1,619,641	
<b>Comprehensive Income For Year</b>	770	(12,299)	111,608	(10)	579	103,828	1,910	5,963	103,680	1,654	1,753	
<b>Equity balance at 30 June</b>	1,313,020	1,290,430	1,402,038	1,402,027	1,402,607	1,506,435	1,508,344	1,514,307	1,617,987	1,619,641	1,621,395	
<b>Components of Equity</b>												
<b>Retained Earnings 30 June</b>												
<b>Retained Earnings at 1 July</b>	219,877	190,021	178,902	171,251	169,661	168,647	169,717	167,042	169,689	170,893	166,370	
<b>Net Surplus/(Deficit)</b>	770	(12,299)	(6,537)	(10)	579	3,253	1,910	5,963	5,209	1,654	1,753	
<b>Transfers to/(From) reserves</b>	204	1,180	(1,114)	(1,580)	(1,593)	(2,183)	(4,585)	(3,316)	(4,005)	(6,177)	(6,370)	
<b>Retained Earnings 30 June</b>	220,851	178,902	171,251	169,661	168,647	169,717	167,042	169,689	170,893	166,370	161,747	

Continues on next page

# PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>REVALUATION RESERVES 30 JUNE</b>											
Revaluation Reserves at 1 July	1,047,447	1,068,688	1,068,688	1,186,832	1,186,832	1,186,832	1,287,407	1,287,407	1,287,407	1,385,879	1,385,879
Revaluation Gains	-	-	118,144	-	-	100,575	-	-	98,472	-	-
<b>Revaluation Reserves at 30 June</b>	<b>1,047,447</b>	<b>1,068,688</b>	<b>1,186,832</b>	<b>1,186,832</b>	<b>1,186,832</b>	<b>1,287,407</b>	<b>1,287,407</b>	<b>1,287,407</b>	<b>1,385,879</b>	<b>1,385,879</b>	<b>1,385,879</b>
<b>Council Created Reserves at 30 June</b>											
Council Created Reserves at 1 July	44,921	44,021	42,841	43,955	45,535	47,128	49,311	53,896	57,211	61,216	67,393
Transfers (To)/From Reserves	(199)	(1,180)	1,114	1,580	1,593	2,183	4,585	3,316	4,005	6,177	6,370
<b>Council Created Reserves at 30 June</b>	<b>44,722</b>	<b>42,841</b>	<b>43,955</b>	<b>45,535</b>	<b>47,128</b>	<b>49,311</b>	<b>53,896</b>	<b>57,211</b>	<b>61,216</b>	<b>67,393</b>	<b>73,763</b>
<b>COMPONENTS OF EQUITY</b>	<b>1,313,020</b>	<b>1,290,430</b>	<b>1,402,038</b>	<b>1,402,027</b>	<b>1,402,607</b>	<b>1,506,435</b>	<b>1,508,344</b>	<b>1,514,307</b>	<b>1,617,988</b>	<b>1,619,641</b>	<b>1,621,395</b>

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# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Current Assets</b>											
Cash and cash equivalents	614	485	485	485	485	485	485	485	485	485	485
Debtors and Other Receivables	6,276	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
Other financial assets	29,628	33,350	34,825	36,082	37,295	38,153	39,015	39,942	41,817	42,798	43,478
Non-Current Assets Held For Sale	550	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477
<b>TOTAL CURRENT ASSETS</b>	<b>37,068</b>	<b>41,691</b>	<b>43,166</b>	<b>44,423</b>	<b>45,636</b>	<b>46,495</b>	<b>47,356</b>	<b>48,283</b>	<b>50,159</b>	<b>51,139</b>	<b>51,819</b>
<b>Non Current Assets</b>											
Property, plant & equipment	1,395,807	1,350,073	1,499,767	1,522,711	1,544,506	1,664,471	1,670,936	1,676,526	1,786,128	1,830,352	1,836,937
Intangible assets	50	683	819	467	325	372	261	160	143	143	143
Assets Under Construction	-	77,785	70,225	69,058	66,986	55,128	54,268	59,879	95,109	57,679	45,116
Other financial assets	440	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,396,297</b>	<b>1,428,541</b>	<b>1,570,811</b>	<b>1,592,235</b>	<b>1,611,817</b>	<b>1,719,971</b>	<b>1,725,465</b>	<b>1,736,565</b>	<b>1,881,379</b>	<b>1,888,174</b>	<b>1,882,196</b>
<b>TOTAL ASSETS</b>	<b>1,433,365</b>	<b>1,470,232</b>	<b>1,613,977</b>	<b>1,636,658</b>	<b>1,657,453</b>	<b>1,766,465</b>	<b>1,772,821</b>	<b>1,784,848</b>	<b>1,931,538</b>	<b>1,939,313</b>	<b>1,934,015</b>

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# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Current Liabilities</b>											
Creditors & other payables	7,529	10,846	10,846	10,846	10,846	10,846	10,846	10,846	10,846	10,846	10,846
Employee benefit liabilities	756	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Tax payable	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,000	26,452	31,606	35,289	38,587	39,523	40,362	41,470	48,506	49,625	47,810
Other	-	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281
<b>Total Current Liabilities</b>	<b>12,285</b>	<b>39,675</b>	<b>44,830</b>	<b>48,512</b>	<b>51,810</b>	<b>52,746</b>	<b>53,585</b>	<b>54,693</b>	<b>61,729</b>	<b>62,849</b>	<b>61,034</b>
<b>Non-Current Liabilities</b>											
Deferred Tax	-	-	-	-	-	-	-	-	-	-	-
Employee benefit liabilities	-	-	-	-	-	-	-	-	-	-	-
Provisions	790	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232
Borrowings	107,252	138,882	165,865	184,873	201,792	206,039	209,647	214,603	250,577	255,578	250,341
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	18	13	13	13	13	13	13	13	13	13	13
<b>Total Non-Current Liabilities</b>	<b>108,060</b>	<b>140,127</b>	<b>167,109</b>	<b>186,118</b>	<b>203,037</b>	<b>207,284</b>	<b>210,892</b>	<b>215,847</b>	<b>251,822</b>	<b>256,823</b>	<b>251,586</b>
<b>TOTAL LIABILITIES</b>	<b>120,345</b>	<b>179,802</b>	<b>211,939</b>	<b>234,630</b>	<b>254,847</b>	<b>260,031</b>	<b>264,477</b>	<b>270,541</b>	<b>313,551</b>	<b>319,671</b>	<b>312,620</b>
Net Assets	1,313,020	1,290,430	1,402,038	1,402,027	1,402,607	1,506,435	1,508,344	1,514,307	1,617,987	1,619,641	1,621,395



# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Reserves</b>											
Restricted reserves	44,722	42,841	43,955	45,535	47,128	49,311	53,896	57,211	61,216	67,393	73,769
Revaluation reserves	1,047,447	1,068,688	1,186,832	1,186,832	1,186,832	1,287,407	1,287,407	1,287,407	1,385,879	1,385,879	1,385,879
<b>Reserves</b>	<b>1,092,169</b>	<b>1,111,528</b>	<b>1,230,787</b>	<b>1,232,367</b>	<b>1,233,960</b>	<b>1,336,718</b>	<b>1,341,303</b>	<b>1,344,618</b>	<b>1,447,094</b>	<b>1,453,271</b>	<b>1,459,648</b>
<b>Retained earnings</b>											
Retained earnings	220,851	178,902	171,251	169,661	168,647	169,717	167,042	169,689	170,893	166,370	161,747
<b>Total Equity</b>	<b>1,313,020</b>	<b>1,290,430</b>	<b>1,402,038</b>	<b>1,402,027</b>	<b>1,402,607</b>	<b>1,506,435</b>	<b>1,508,344</b>	<b>1,514,307</b>	<b>1,617,988</b>	<b>1,619,641</b>	<b>1,621,395</b>

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# PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>NET CASHFLOW OPERATING ACTIVITIES</b>											
<b>Cash was provided from:</b>											
Rates Revenue	31,146	36,316	43,378	51,500	54,515	59,265	60,050	63,823	65,766	66,514	68,271
Fees, charges, and other receipts	6,994	6,744	6,036	6,146	6,255	6,360	6,460	6,556	6,651	6,746	6,837
Interest Received	1,001	1,601	1,697	1,774	1,840	1,904	1,949	1,994	2,043	2,141	2,193
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Grants and Subsidies	13,704	15,688	17,165	19,126	18,135	18,038	17,931	19,371	17,867	18,277	17,796
Other Revenue	1,529	1,675	1,709	1,746	1,782	1,818	1,851	1,883	1,915	1,947	1,978
<b>Cash was provided from:</b>	<b>54,374</b>	<b>62,023</b>	<b>69,984</b>	<b>80,291</b>	<b>82,527</b>	<b>87,384</b>	<b>88,241</b>	<b>93,627</b>	<b>94,243</b>	<b>95,626</b>	<b>97,074</b>
<b>Cash was applied to:</b>											
Payment Staff & Suppliers	(37,581)	(51,089)	(50,174)	(50,733)	(51,418)	(52,395)	(53,099)	(54,193)	(55,258)	(55,818)	(56,637)
Interest Paid	(1,906)	(6,240)	(8,680)	(10,367)	(11,559)	(12,620)	(12,892)	(13,125)	(13,444)	(15,702)	(16,023)
<b>Cash was applied to:</b>	<b>(39,487)</b>	<b>(57,329)</b>	<b>(58,854)</b>	<b>(61,101)</b>	<b>(62,976)</b>	<b>(65,015)</b>	<b>(65,991)</b>	<b>(67,318)</b>	<b>(68,701)</b>	<b>(71,520)</b>	<b>(72,660)</b>
<b>Net Cashflow Operating Activities</b>	<b>14,887</b>	<b>4,694</b>	<b>11,130</b>	<b>19,190</b>	<b>19,550</b>	<b>22,369</b>	<b>22,250</b>	<b>26,309</b>	<b>25,541</b>	<b>24,106</b>	<b>24,414</b>
<b>Net Cashflow Investment Activities</b>											
<b>Cash was provided from:</b>											
Proceeds from Investments realised	800	-	-	-	-	-	-	-	-	-	-
Proceeds sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Movement in bonds	-	-	-	-	-	-	-	-	-	-	-
<b>Cash was provided from:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
<b>Cash was applied to:</b>											
Purchase of property, plant and equipment	(53,367)	(49,352)	(41,792)	(40,625)	(38,553)	(26,695)	(25,835)	(31,446)	(66,676)	(29,246)	(16,683)
Purchase of intangibles	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	(1,815)	(1,475)	(1,257)	(1,214)	(858)	(862)	(927)	(1,876)	(980)	(680)
<b>Cash was applied to:</b>	<b>(52,567)</b>	<b>(51,167)</b>	<b>(43,267)</b>	<b>(41,881)</b>	<b>(39,767)</b>	<b>(27,553)</b>	<b>(26,697)</b>	<b>(32,373)</b>	<b>(68,551)</b>	<b>(30,226)</b>	<b>(17,363)</b>
<b>NET CASHFLOW INVESTMENT ACTIVITIES</b>	<b>(52,567)</b>	<b>(51,167)</b>	<b>(43,267)</b>	<b>(41,881)</b>	<b>(39,767)</b>	<b>(27,553)</b>	<b>(26,697)</b>	<b>(32,373)</b>	<b>(68,551)</b>	<b>(30,226)</b>	<b>(17,363)</b>
<b>Cash was provided from:</b>											
Proceeds from borrowings	36,500	49,380	35,953	27,268	25,485	11,101	10,721	12,818	50,383	14,937	2,433
Capital works loan repayments	-	-	-	-	-	-	-	-	-	-	-
<b>Cash was provided from:</b>	<b>36,500</b>	<b>49,380</b>	<b>35,953</b>	<b>27,268</b>	<b>25,485</b>	<b>11,101</b>	<b>10,721</b>	<b>12,818</b>	<b>50,383</b>	<b>14,937</b>	<b>2,433</b>
<b>Cash was applied to:</b>											
Repayment of borrowings	-	(2,907)	(3,816)	(4,577)	(5,269)	(5,917)	(6,275)	(6,754)	(7,373)	(8,816)	(9,484)
<b>Cash was applied to:</b>	<b>-</b>	<b>(2,907)</b>	<b>(3,816)</b>	<b>(4,577)</b>	<b>(5,269)</b>	<b>(5,917)</b>	<b>(6,275)</b>	<b>(6,754)</b>	<b>(7,373)</b>	<b>(8,816)</b>	<b>(9,484)</b>
<b>Net Cashflow Finance Activities</b>	<b>36,500</b>	<b>46,473</b>	<b>32,137</b>	<b>22,691</b>	<b>20,216</b>	<b>5,184</b>	<b>4,446</b>	<b>6,064</b>	<b>43,010</b>	<b>6,121</b>	<b>(7,051)</b>
<b>Cash Balance</b>											
Total cash resources at start of the year	1,795	485	485	485	485	485	485	485	485	485	485
Net increase/(decrease) in cash held	(1,180)	-	-	-	-	-	-	-	-	-	-
<b>Cash Balance</b>	<b>615</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>	<b>485</b>

Continues from previous page

# DEPRECIATION & AMORTISATION

266

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Community Leadership	-	-	5	5	5	5	5	5	5	5	5
Community Services	835	608	741	742	744	760	766	767	773	779	781
Economic & Community Development	-	-	-	-	-	-	-	-	-	-	-
Internal Services	1,011	752	1,039	1,120	860	701	636	554	449	432	432
Regulatory & Emergency Services	-	5	5	5	5	5	5	5	5	5	5
Solid Waste	140	148	148	148	148	148	148	148	148	148	148
Stormwater	455	552	562	621	623	626	681	681	681	722	722
Transportation	8,828	9,666	9,675	10,516	10,518	10,518	11,233	11,233	11,233	11,919	11,919
Wastewater	1,337	1,988	2,053	2,245	2,254	2,536	2,793	2,868	2,952	4,111	4,305
Water Supply	2,507	3,275	3,441	3,799	3,815	3,817	4,074	4,085	4,086	4,331	4,345
<b>Total Council Depreciation</b>	<b>15,113</b>	<b>16,993</b>	<b>17,667</b>	<b>19,200</b>	<b>18,971</b>	<b>19,116</b>	<b>20,341</b>	<b>20,346</b>	<b>20,333</b>	<b>22,452</b>	<b>22,661</b>

# STATEMENT OF ACCOUNTING POLICIES

This section contains Council's significant accounting policies that relate to the prospective financial statements as a whole.

## REPORTING ENTITY

The Clutha District Council ("Council" or "CDC") is a local authority domiciled in New Zealand and governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002.

Council's principal address is 1 Rosebank Terrace, Balclutha, New Zealand.

The primary objective of the Council is to provide services and facilities to the Clutha community for social benefit rather than make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

## BASIS OF PREPARATION

The prospective financial statements have been prepared:

- in accordance with New Zealand Generally Accepted

Accounting Practice (NZ GAAP), the LGA 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with Tier 1 PBE Accounting Standards;

- in accordance with PBE Financial Reporting Standard 42: Prospective Financial Statements;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value (note C2) and certain classes of property, plant, and equipment (note B1) which have been subsequently measured at fair value;
- on the going concern basis and the accounting policies have been applied consistently throughout the period; and
- in New Zealand Dollars (NZD) rounded to the nearest thousand dollars, unless otherwise stated.

The Council has a balance date of 30 June and these prospective financial statements are for the period from 1 July 2024 to 30 June 2034. The actual results achieved for the period covered by this plan are likely to vary from the information presented in this document and these variances may be material.

The Annual Plan 2023/24 adopted by Council on 15 June 2023 has been provided as a comparator for these prospective financial statements. The closing balances in

this comparative differ from the opening position used to prepare these prospective financial statements, which are based on the most up-to-date forecast information.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the prospective financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understanding the performance of Council are found in the following notes:

B1 Property, plant, and equipment  
D5 Provisions.

## IMPLEMENTATION OF NEW AND AMENDED STANDARDS

Council has adopted all new standards and noted there has been no material impact.

## STANDARDS ISSUED BUT NOT YET EFFECTIVE

Council will adopt the following accounting standard in the reporting period after the effective date.

### 2022 OMNIBUS AMENDMENTS TO PBE STANDARDS, ISSUED JUNE 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. They are not expected to have any significant impact on the Council's financial statements.

### PBE IFRS 17 INSURANCE CONTRACTS

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The Council has not assessed in detail effect of the new standard.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All items in the prospective financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

## A1 REVENUE

### ACCOUNTING POLICY

Council receives its revenue from exchange and non-exchange transactions.

Exchange transaction revenue arises when Council directly provides goods or services to a third party and receive approximately equal value in return.

Non-exchange transaction revenue arises when Council receives value from another party without having to directly provide goods or services of equal value. 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 council's significant items of revenue are recognised and measured as follows:

Type	Recognition and measurement
Rates	Rates are set annually by resolution of the Council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002. Rates comprise general and targeted rates and are stated net of rates remissions. Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.

Type	Recognition and measurement
Grants and subsidies	Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount recognised as revenue.
Financial contributions	Financial contributions are charged for new property developments to contribute to council's costs of building supporting infrastructure such as stormwater, roads, and footpaths. Revenue is recognised at the later of the point when the council is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in council's financial contributions policy, and the point at which the council can provide the service for which the contribution has been charged. The timing of the recognition is dependent on the type of consent granted and the nature of the development.
Vested assets	Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the council and is measured at the fair value of the asset received.

Type	Recognition and measurement
Infringement fees and fines	When the infringement notice is issued.
Finance revenue	Finance revenue comprises interest revenue and realised gains from the early close-out of derivatives. Revenue is recognised using the effective interest method.
Dividend revenue	Dividend revenue is recognised when the council's right to receive the dividend has been established.
Water and wastewater user charges	Water and wastewater revenue comprises the amounts received and receivable at balance date for water supplied to customers or sewerage processed for customers in the ordinary course of business. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily water consumption of customers between readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.
Consents	Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at fair value of the amount receivable.
Licence and permit fees	On receipt of application as these are non-refundable.

Type	Recognition and measurement
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 settlement of transaction or unconditional sale and purchase agreement.

## A2 OPERATING EXPENDITURE

### ACCOUNTING POLICIES

#### GRANTS AND SUBSIDIES

Discretionary grants and subsidies are recognised as expenses when the council has advised their decision to pay and when the attached conditions, if any, are satisfied. Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

#### IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The initial measurement on property, plant and equipment and intangible assets are disclosed in Notes B1 and B2.

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, 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.

## A3 EMPLOYEE BENEFITS

### ACCOUNTING POLICY

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expenditure and liabilities when they accrue to employees.

## A4 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 (Note B1).

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 (Note B2).

## A5 FINANCE COSTS

### ACCOUNTING POLICY

Finance costs include interest expenses, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives, the unwinding of discounts on provisions and financial assets and costs directly incurred in managing funding. Interest on debt is recognised using the effective interest rate method.

## A6 NET OTHER 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.

## A7 INCOME TAX

### ACCOUNTING POLICY

Income from Council activities is exempt from income tax under the Income Tax Act 2007.

## B1 PROPERTY, PLANT AND EQUIPMENT

### ACCOUNTING POLICY

The property, plant and equipment consist of the Council are classified into three categories:

- Operational Assets**  
 Include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings.
- Infrastructural Assets**  
 Infrastructural assets include land under roads and systems and networks integral to the council's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
  - Roads, bridges and lighting.
  - Land under roads.
  - Stormwater.
  - Wastewater.
  - Water.

- Restricted Assets**  
 Include property and improvements where the use or transfer of title outside of the council is legally restricted.

### INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Property, plant, and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs, and internal surpluses.

Subsequent costs then extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant, and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

### USEFUL LIVES

The useful lives used to calculate the depreciation of property, plant, and equipment are as follows:

Asset class	Estimated useful lives	Depreciation Rate
<b>OPERATIONAL ASSETS</b>		
Land	Not applicable	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	Not applicable	Not depreciated
Library books	7	14.3%
Infrastructural Assets		
Roads - formation	Not applicable	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	Not applicable	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

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

## DISPOSALS

Gains and losses on the disposal of property, plant, and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.

## IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in surplus or deficit for the amount by which the carrying of property, plant, and equipment 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.

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 the expected future cashflows.

For non-cash generating assets, value in use is determined using an approach based on depreciated replacement cost.

## REVALUATION

Infrastructural assets (except land under roads) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on a class of asset basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for that class of asset.

Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus and deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The method used by the council in revaluing its infrastructural assets as part of property, plant, and equipment, outlined below, is depreciated replacement cost (DRC). Operational land and buildings including land are not revalued.

DRC is calculated based on the replacement cost of infrastructure assets depreciated over their useful lives. This method takes into account the age and condition of the assets, estimated optimisation rates, and estimated remaining useful lives of those assets. The revaluation process involves physical inspection of selected assets at various sites to note aspects such as condition, use, replacement timing, and optimisation.

It is assumed that all asset classes have no residual value at the end of their useful lives.

## 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 for as property, plant, and equipment rather than investment property.

## RESTRICTIONS

Various properties held by the Council have restrictions on the use of proceeds generated from them including the sales proceeds. These proceeds may only be applied to specified purposes, generally being to benefit the Clutha region.

The carrying value of the classes of property, plant and equipment where restrictions apply follow:

	2023 \$000	2022 \$000
Land and buildings, including parks and reserves	6,347	4,252
<b>TOTAL</b>	<b>6,347</b>	<b>4,252</b>

## B2 INTANGIBLE ASSETS

### ACCOUNTING POLICY

#### INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead, and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### USEFUL LIVES

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%

### DISPOSALS

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

### IMPAIRMENT

Intangible assets are assessed annually for indicators of impairment. An impairment loss is recognised in surplus or deficit 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.

## C1 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.

## C2 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.

At initial recognition, Council measures a financial asset or financial liability at its fair value, plus or minus directly attributable transactions costs, in the case of a financial asset or financial liability not at fair value through surplus or deficit.

Financial assets are classified as either:

1. Amortised cost
2. Fair value through surplus or deficit (FVTSD), or
3. Fair value through other comprehensive revenue and expense (FVTOCRE)

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

#### SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the

effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include cash and cash equivalents, trade and other receivables, term deposits and borrower notes.

## SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category. Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designates into this category all unlisted equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

## SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council's derivative financial instruments and its managed investment portfolio.

## EXPECTED CREDIT LOSS ALLOWANCE (ECL)

Council recognizes an allowance for ECL for all financial assets not classified as FVTSD. ECLs are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls which is the difference between cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognized in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12 month ECL). However if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial assets (lifetime ECL).

When determining whether the credit risk of a financial asset has increased significant since initial recognition,

Council considers reasonable and supportable information that is relevant without undue cost of effort. This includes analysis based on Council's historical experience and information credit assessment and forward looking information.

Council considers a financial asset to be in default when the financial assets is more than 90 days past due.

## FINANCIAL LIABILITIES

Financial liabilities are classified as either:

1. Amortised cost
2. Fair value through surplus or deficit

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at FVTSD.

A financial liability is classified as FVTSD if it meets one of the following conditions:

- It is held for trading, or
- It is designated as at FVTSD

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of re-purchasing in the near term or
- On initial recognition it is part of a portfolio or identified financial instruments that are managed together and for which there is evidence of recent

actual pattern of short term profit taking, or

- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective.

AC – Amortised cost; FVTSD – Fair sale through surplus and deficit, FVTOCRE - Fair value through other comprehensive revenue and expense.

### DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments, such as interest rate swaps to mitigate risks associated with interest rate fluctuations. The Council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. Council has not elected to adopt hedge accounting.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

## C3 OTHER FINANCIAL ASSETS

### ACCOUNTING POLICY

The Council's 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 surplus or deficit.

Other financial assets of the Council include wholesale Nikko funds, borrower notes and unlisted shares.

The accounting policies on classification of these financial assets for the purpose of measurement are outlined in Note C4.

### BORROWER NOTES

Borrower notes are subordinated convertible debt instruments that the council subscribes for in an amount equal to 2.5% of the total borrowing from LGFA. LGFA will redeem borrower notes or convert to equity under specific circumstances when the Council's related borrowings are repaid or no longer owed to LGFA.

The fair value of borrower notes is calculated using the discounted cashflow method. The significant input used in the fair value measurement of borrower notes is the forward interest rate yield curve.

### UNLISTED SHARES

The fair values are determined by reference to the Council's share of net asset backing in these companies as there is no market information on the value of the organisations' shares.

## C4 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 this 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 prospective 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).

Refer to Note C2 and C3 for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

For the purpose of measurement, the Council's 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 recognises these at fair value at initial recognition.

Subsequent measurement and the treatment of gains and losses are presented overleaf:

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 have financial assets for purposes of trading. Council has listed investments in managed funds 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.

Derivatives are, by their nature, categorised as fair value through surplus or deficit 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 expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

## D1 CASH AND CASH EQUIVALENTS

### ACCOUNTING POLICY

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

## D2 RECEIVABLES AND PREPAYMENTS

### ACCOUNTING POLICY

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### 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.

Council applies the simplified Expected Credit Loss (ECL) model of recognizing lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due.

A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. 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. Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

All past due balances are considered collectable (except those specific debtors identified as requiring an impaired credit loss) however Council applies a simplified approach to measuring expected credit losses.

Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

All receivables more than 30 days in age are considered to be past due.

Other than NZTA, Council has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayer. Council believes no further credit provision is required in excess of the credit loss allowance.

The chief executive approved the write-off of rates receivable during the year under the LG(R)A 2002.

## D3 PAYABLES AND ACCRUALS

### ACCOUNTING POLICY

Current payables and accruals represent amounts payable within 12 months of balance date and 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 represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

## D4 EMPLOYEE ENTITLEMENTS

### ACCOUNTING POLICY

Employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be

paid within current liabilities. The liability for long-term employee entitlements is measured at the present value of estimated future cash outflows and is reported within non-current liabilities.

## D5 PROVISIONS

### ACCOUNTING POLICY

Provisions are recognised in the statement of financial position where the Council has a present legal or constructive obligation as a result of past events, 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.

### JUDGEMENTS AND ESTIMATES

The management of the closed landfills and Mt Cooee 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. 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.

The cash outflows for closed landfills are not expected to occur until 2027. 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 4.86%.

Other assumptions made in the calculation of the provision are:

- No major capital projects will be required at existing closed landfill sites and
- The current resource consent at Mt Cooee Landfill expired in 2023. Council has applied for the renewal of this consent, allowing operations to continue until it is approved. The request for renewed consent encompasses operation of the landfill for an additional 30 years and an investment in resource recovery infrastructure.

## D6 RATEPAYER EQUITY

### ACCOUNTING POLICY

Ratepayer equity is the community's interest in the Council.

Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes:

- 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

For the purpose of the council’s capital management, the Council’s capital is its ratepayer equity, which comprises contributed equity, reserves, and accumulated funds. Equity is represented by net assets. The Local Government Act 2002 (the LGA 2002) requires the Council to manage revenue, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and general financial dealings.

In addition, the Local Government (Financial Reporting and Prudence) Regulations 2014 sets out a number of benchmarks for assessing whether the Council is managing revenue, expenses, assets, and liabilities prudently.

The objective of managing the council’s capital is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today’s ratepayers to meet the cost of using the Council’s assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

To achieve this objective, the Council have asset management plans in place for major classes of assets detailing renewal and maintenance programmes to minimise the likelihood of ratepayers in future generations being required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure identified in the 10-year budget and annual budget are met in the manner set out in these budgets. The LGA 2002 requires the Council to make adequate and effective provision in the 10-year budget and annual budget to meet the expenditure needs identified in those budgets. It sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of the Council’s activities.

The sources and levels of funding are set out in the funding and financial policies of the 10-year budget. The Council monitors actual expenditure incurred against the 10-year budget and annual budget.

No changes were made in the objectives, policies, or processes for managing capital of the council for the 30 June 2024 year.

## D7 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.

## E1 CONTINGENCIES, COMMITMENTS, AND SUBSEQUENT EVENTS

### ACCOUNTING POLICY

The Council does not recognise contingent liabilities and contingent assets in the prospective 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; and
- Contingent assets are only disclosed when it is probable that they will crystallise.

Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the prospective financial statements.



# SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2024
<b>Internal Services</b>					
Information Technology	Depn	-922	97	1,486	-2,311
Rosebank Terrace Main Office/Service Centres	Depn	518	813	50	1,281
Underground Insurance	Spec	643	-	-	643
Human Resources	Spec	21	-	-	21
Cars	Spec	235	-	3,007	-2,772
Gratuities	Spec	83	-	-	83
District Assets Infrastructure	Spec	2	-	-	2
Policy and Communications	Spec	55	-	-	55
<b>Community Leadership</b>					
Election Fund	Spec	-4	-	-	-4
Lawrence Tuapeka Community Board	Spec	53	-	-	53
TLCC Fund	Spec	50	-	-	50
West Otago Community Board	Spec	31	-	-	31
Tuapeka Bursary	Spec	28	-	-	28
Clutha Gold Trail	Spec	111	-	-	111
Opportunities Fund	Spec	80	-	-	80
Signage	Spec	8	-	-	8
Welcome to Signage	Spec	5	-	-	5

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2024
<b>Community Services</b>					
Library	Depn	171	1,004	1,361	<b>-186</b>
Balclutha Pool	Depn	16	517	329	<b>204</b>
Kaitangata Pool	Depn	182	103	-	<b>285</b>
Kaitangata Pool	Spec	43	-	-	<b>43</b>
Lawrence Pool	Depn	-2	27	-	<b>25</b>
Lawrence Pool	Spec	52	-	-	<b>52</b>
Milton Pool	Depn	138	150	-	<b>288</b>
Reserve Contributions	Spec	93	-	-	<b>93</b>
Parks and Reserves	Depn	32	1,646	-	<b>1,678</b>
Sportsgrounds	Depn	286	96	-	<b>382</b>
Grandstand 2000	Depn	168	-	-	<b>168</b>
Cemetery	Depn	157	255	25	<b>387</b>
Cemeteries	Spec	542	-	-	<b>542</b>
Kaitangata Cemetery	Spec	16	-	-	<b>16</b>
Lawrence Cemetery	Spec	32	-	-	<b>32</b>
Public Conveniences	Depn	106	774	529	<b>351</b>
Balclutha Town Hall	Depn	88	50	-	<b>138</b>
Balclutha Town Hall	Spec	64	-	-	<b>64</b>
Milton Civic Centre	Depn	16	8	-	<b>24</b>
Kaitangata Hall	Depn	-239	-	81	<b>-320</b>
Clutha Valley Hall	Depn	5	39	-	<b>44</b>
Hillend Hall	Depn	45	76	-	<b>121</b>
Kaka Point Hall	Depn	75	62	-	<b>137</b>
Lovells Flat Hall	Depn	10	4	-	<b>14</b>

Continues from previous page

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2024
<b>Community Services</b>					
Money more Hall	Depn	10	4	-	<b>14</b>
Paretai Hall	Depn	4	1	-	<b>5</b>
Owaka Hall	Depn	32	86	-	<b>118</b>
Waiholā Hall	Depn	7	18	-	<b>25</b>
Waipahi Hall	Depn	17	14	-	<b>31</b>
Waitahuna Hall	Depn	292	129	-	<b>421</b>
Waiwera Hall	Depn	9	30	-	<b>39</b>
Various Halls	Depn	166	79	-	<b>245</b>
Naish Park Camping Ground	Depn	111	37	-	<b>148</b>
Kaka Point Camping Ground	Depn	59	13	47	<b>25</b>
Taylor Park Camping Ground	Depn	8	9	-	<b>17</b>
Pounaweā Camping Ground	Depn	22	60	-	<b>82</b>
Waiholā Camping Ground	Depn	14	5	-	<b>19</b>
Community Housing	Depn	-54	928	109	<b>765</b>
Endowment Land	Spec	663	-	-	<b>663</b>
Depots	Depn	394	133	-	<b>527</b>
Other Property	Depn	140	-	-	<b>140</b>
Dunrobin Recreation Reserve Board	Spec	78	-	-	<b>78</b>
Parkhill Recreation Reserve Board	Spec	5	-	-	<b>5</b>
Waikoikoi Domain Board	Spec	19	-	-	<b>19</b>

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2024
<b>Funds Not Specifically Allocated to an Activity Group</b>					
General Funds	Spec	4,080	11,131	-	15,211
Serdel - Externally Invested	Spec	4,773	-	-	4,773
Forestry Fund - Externally Invested	Spec	6,434	-	-	6,434
Investment Fund Balance by difference - Externally Invested	Spec	3,654	-	-	3,654
Rates Disbursement Reserve	Spec	5,163	-	-	5,163
Treasury Return to Balance Reserve	Spec	2,244	-	-	2,244
Education Fund	Spec	16	-	-	16
Emergency Fund	Spec	4,208	-	-	4,208
Capital Works and Purchases	Spec	158	-	-	158
Bulb Growing/Project	Spec	4	-	-	4
Milton Pipe Band	Spec	0	-	-	0
Momona Airport Refund	Spec	31	-	-	31
<b>Regulatory &amp; Emergency Services</b>					
Animal Control	Depn	29	21	-	50
Regulatory Reserve	Depn	66	51	-	117
Civil Defence and Emergency	Depn	34	12	-	46
Rural Fire	Depn	2	1	-	3
<b>Roading</b>					
Roading - Bridge Lights	Spec	47	-	-	47
Roading	Depn	2,448	5,397	10,204	-2,359
Balclutha Main Street	Spec	59	-	-	59
Deferred Roothing	Depn	2,518	-	-	2,518
<b>Waste Management</b>					
Solid Waste	Depn	-	-	-	-

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previous page

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2034
<b>Trust Funds (Restricted Reserves)</b>					
Tapanui Domain Trust	Trust	17	-	-	<b>17</b>
Butler Trust	Trust	0	-	-	<b>0</b>
Milton Brass Band	Trust	1	-	-	<b>1</b>
O'Hara Sports Trust	Trust	2	-	-	<b>2</b>
J D Swan Estate	Trust	10	-	-	<b>10</b>
George Melville Estate	Trust	175	-	-	<b>175</b>
Kate Leslie Trust	Trust	122	-	-	<b>122</b>
Elderly Citizens Trust (Lawrence)	Trust	30	-	-	<b>30</b>
Clinton Endowment Land	Trust	100	-	-	<b>100</b>

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previous page

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2034
<b>Water</b>					
Urban Water	Depn	83	6,096	1,115	<b>5,064</b>
Urban Water	Spec	33	-	-	<b>33</b>
Greenfield	Depn	96	2,825	419	<b>2,502</b>
Greenfield	Spec	51	0	0	<b>51</b>
Clydevale / Pomahaka	Depn	-75	991	1,563	<b>-647</b>
Glenkenich	Depn	-64	1,340	70	<b>1,206</b>
Glenkenich Rural Water Scheme Renewal	Spec	1	-	-	<b>1</b>
Moa Flat	Depn	-23	1,214	227	<b>964</b>
Moa Flat Rural Water Scheme Pump Renewal	Spec	0	-	-	<b>0</b>
North Bruce	Depn	-33	1,073	88	<b>952</b>
Richardson	Depn	-121	1,438	219	<b>1,098</b>
Richardson Rural Water Scheme Renewal	Spec	101	-	-	<b>101</b>
South Bruce	Depn	-20	256	0	<b>236</b>
Waipahi	Depn	10	201	74	<b>137</b>
Wangaloa	Depn	-6	137	167	<b>-36</b>
Stirling Treatment Plant	Depn	15	503	68	<b>450</b>
Stirling Water Treatment Plant	Spec	31	-	-	<b>31</b>
Kaitangata Treatment Plant	Depn	33	391	72	<b>352</b>
Wangaloa Plant Renewal	Spec	8	-	-	<b>8</b>
Telemetry	Depn	318	170	-	<b>488</b>
Telemetry	Spec	190	-	-	<b>190</b>

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2024	Transfers into the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2024
<b>Waste Water</b>					
Urban	Depn	97	11,824	4,619	<b>7,302</b>
Tapanui Works Infrastructure Fund	Spec	9	-	-	<b>9</b>
Balclutha Sewerage	Spec	570	-	-	<b>570</b>
Kaitangata Sewerage	Spec	53	-	-	<b>53</b>
Kaka Pt Sewerage Renewal	Spec	89	-	-	<b>89</b>
Stirling Sewerage Plant	Spec	3	-	-	<b>3</b>
Waihola Sewerage	Spec	115	-	-	<b>115</b>
<b>Storm Water</b>					
Urban Stormwater	Depn	405	2,567	560	<b>2,412</b>
Milton Stormwater	Spec	26	-	-	<b>26</b>
<b>Solid Waste</b>					
Solid Waste	Depn	-109	1,611	280	<b>1,222</b>
Waste Minimisation	Spec	620	-	-	<b>620</b>
Telemetry	Spec	-	-	-	-
Telemetry	Spec	-	-	-	-
Telemetry	Spec	-	-	-	-
<b>TOTAL RESERVE FUNDS</b>		<b>44,021</b>	<b>56,051</b>	<b>26,302</b>	<b>73,770</b>

The Local Government Act 2002 requires the Long Term Plan to identify each reserve set aside by the council, the purpose of each fund, the activities to which each fund relates and funding flows for the period of the plan.

RESERVE	PURPOSE
Depreciation Reserves	These are reserves that have usually been accrued from funded depreciation in the past and are normally used for funding capital or renewals projects.
Special Funds	These are reserves that have been funded from historical sources or one-off income sources like power shares. These are generally used for capital or renewal purchases but have been used to pay for one-off grants or operational costs historically.







Clutha District Council

# GENERAL POLICIES

OUR PLACE CLUTHA DISTRICT COUNCIL LONG TERM PLAN 2024/34



# SUMMARY OF SIGNIFICANCE AND ENGAGEMENT POLICY

## PURPOSE

The Significance and Engagement Policy (SEP) establishes a general approach for determining the significance of Council decisions and sets out when and how the Council will engage the community in decision-making relative to the significance of the decision.

The Policy explains how Council:

- Assesses how important something is i.e. its level of significance.
- Determines how and when our communities and stakeholders can expect to be involved in Council decisions.
- Informs and guides elected members and staff on the extent of engagement required before a decision is made and give an indication of ways we can go about it.

## 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.

Whilst 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 control.
- A matter will be considered significant when one or more of the above criteria are considered high, or are met.

## ENGAGEMENT

Council has identified criteria to assess the degree of significance and determine the level of engagement required. The significance of an issue, proposal, decision or matter varies on a level of significance continuum from low to high. Generally, the greater the significance of the decision, the higher the level of engagement. Elected members of Council will approve the method of engagement for matters

with a high degree of significance and Council staff determine engagement methods for other matters. Some matters may not require community engagement, for example:

- The proposal or decision is not of a nature or significance that requires it, e.g. there would be little public interest, or
- The matter has already been addressed by Council's policies or plans, which have previously been consulted on, or
- There is a need for commercial sensitivity, or
- There is a threat to public health or safety or a risk to the environment, and a decision needs to be made quickly.

When the above circumstances apply and engagement is not to be undertaken, Council will still give consideration to the views and preferences of persons likely to be affected by or have an interest in the matter. This will be in proportion to the significance of the matter.

The Local Government Act 2002 and other legislation require Council to consult with the community in a range of circumstances. Council also recognises its legislative obligations under section 81 of the Local Government Act 2002 to establish and maintain processes to provide opportunities for Māori to contribute to decision making processes. Council will continue to seek and develop relationships 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](http://www.cluthadc.govt.nz)

# DEVELOPING MĀORI PARTICIPATION AND CAPACITY IN COUNCIL DECISION-MAKING

Clutha District Council is currently on a journey to genuinely engage 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 are being developed with Te Rūnanga o Ōtākou and Hokonui Rūnanga, and we continue to work with tangata whenua whānau rūpū groups Waikoau Ngāi Tahu Rūnaka and Moturata Taieri Whānau; Māori land owners/trustees; and with matawaka (Nga Whānau O Tokomairiro).

To further develop genuine relationships, Council staff have been liaising regularly with Aukaha, (an environmental consultancy that represents the Kāi Tahu Papatipu Rūnanga within the Clutha District) and Te Ao Marama Inc, (an Iwi liaison entity that represents the Southland Kāi Tahu Rūnanga that also have shared interests within Clutha District).

As part of Clutha District Council striving for genuine relationships, initiatives are being undertaken within Council to improve cultural competency. Cultural competency training is scheduled for Council staff and elected officials, and cultural tours of the district have been undertaken by a representative of Waikoau Rūnaka to assist with staff

and elected officials understanding of the District's history. Council's citizenship ceremonies have also introduced a stronger cultural element, and Council staff have met with local whānau regarding signage in the District. Council staff are also working towards training with agencies, establishing an internal committee to facilitate cultural initiatives, and elected official Jock Martin has been elected as the community board representative on the Te Maruata Rōpū Whakahaere (a sub-committee of the National Council of Local Government New Zealand).

In preparing this policy on Developing Māori Participation and Capacity in Council Decision-Making, Aukaha and Te Ao Marama Inc were provided the opportunity to give feedback on the policy. For the Long Term Plan consultation process, a Council staff member key contact was established to proactively discuss LTP matters with Aukaha and Te Ao Marama Inc and facilitate further discussion as required.

Council currently has the following arrangements in place to facilitate Māori participation in decision making:

- **Regular Hui used for discussing general matters, resource consent and infrastructure**

matters with Aukaha and Te Ao Marama Inc (with a focus in the long term in developing a Partnership Agreement).

- 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 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 mana whenua specifically and Māori generally.
- Where issues are being considered by a Council committee that may be of significant interest to mana whenua or Māori generally Council has invited the nomination of members representing the interests of the appropriate hapū or whānau to the committee.
- Direct communication with representatives of the Waikoau Ngāi Tahu Rūnaka (South Otago) and the Trustees of SILNA lands on a case by case basis.

Other existing relationships include 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. These forums 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 mana whenua who have a shared interest in the Clutha District.

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 Tauria – 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.**

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 Ngai 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. While the Local Government Act sets out provisions relating to all Māori it is recognised that within the Clutha District Kāi Tahu are mana whenua. They have a special status in terms of Clutha District Council activities and are not just another interest group. Overall, Council is committed to continually developing genuine, long-term relationships for the future.

<sup>1</sup> 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.

<sup>2</sup> Tangata whenua in relation to a particular area, means the iwi, or hapū, that holds mana whenua over that area.