



*Let's talk  
Kia korero*

# LONG TERM PLAN 2021/31

## Our Place

# Clutha District

### Contents

2	Message from the Mayor
3	Living & Working in Clutha Update
4	Investing in Infrastructure
7	A Better Water Source?
8	Keeping Rates Down
9	Rates Examples
10	Our Finances
12	Milton's Makeover
13	But Wait There's More
14	Audit Report
15	Have Your Say



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Kia korero

# LONG TERM PLAN 2021/31

## YOUR COUNCILLORS



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John Herbert  
West Otago Ward

## MAYOR'S MESSAGE

*Kia ora koutou katoa*

Thank you for taking the time to consider what we're proposing in this triennium's defining strategic document, the Long-Term Plan 2021/31.

We appreciate your assistance in getting the balance right for the Clutha District.

Along with outlining Council's intentions for the next 10 years, we believe this document portrays our collective determination to remain positive, be proactive, and reflect the ever-increasing aspirations of our District while always striving for rates affordability.

Maintaining 1.1 billion dollars of assets demands a breadth to Council's focus. Quite rightly our ratepayers' expectations are that facilities like halls and swimming pools are given appropriate attention just like the traditional 'core services'. We also have the ever-increasing demands from Central Government on issues like improving our environmental footprint, and climate change.

Our proposed plan must respond to the social, economic, environmental and cultural challenges we face, along with enhancing the unique advantages our district possesses. A lack of housing, running in tandem with filling the wealth of jobs we have on offer, are two key economic inhibitors that must be confronted.

Our Council is in a strong financial position, with investment returns having the potential to fund growth projects while not encumbering ratepayers. We have also, by default, been required to take on the mantle of developing. Not to do so would have undoubtedly consigned our district to further retrenchment of services and stagnation of potential. But, as the market evolves so too must our tactical approach, and your thoughts on this approach would be appreciated.

We have shown the courage to identify issues, seek and find solutions, and then devise a way forward with consensus from the majority. This document clearly shows that we intend to continue in this manner. It is imperative that we all continue to strive to make the Clutha District a great place to live, work and play, and it is with a view to this bigger picture that I am sure you will consider the options presented.

These are exciting times for our district. We are entering a 'delivery period' on many Council projects, but we cannot make decisions in isolation from world events. Consequently there is the need for extra vigour and scrutiny from us all as we plan our future. I encourage you all to take an active role in this process and thank you for caring about your district's future.

*Nga mihi*



**Mayor**  
Bryan Cadogan



### Sharing our plans for the Clutha District. Tell us what you think.

Every three years we update the Long Term Plan (LTP) which sets the direction we're heading in for the next 10 years.

The LTP describes our proposed activities across the district and outlines how the activities will be managed, delivered and funded.

This document is where we share with you what we are thinking, we ask for your opinion on some key decisions, and we provide a breakdown of the expected rates impact of these decisions.





# LIVING & WORKING IN CLUTHA UPDATE

## Living & Working in the Clutha District

Our Living & Working in Clutha Strategy is one of our key guiding documents. In this Long Term Plan we've given it a refresh to explain 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.

## OUR STORY SO FAR

In recent years we've had a focus on promoting growth in our district. A range of projects and initiatives have been helping make that happen. These include:

- Supported and enabled the use of land for residential and industrial development e.g. Balclutha's Plantation Heights and Rosebank Industrial Estate
- Supported and facilitated community initiatives such as the Clutha Community Hub and Naish Park developments in Balclutha. Funding has also been committed to a Milton community facility to replace aging facilities in the town. Our Place Community Plans are providing a platform to facilitate priority projects through the district's main towns.
- Facilitated the development of growth hubs via the District Plan, e.g. Milton as an industrial hub and Balclutha as a service hub.

## WHERE WE'RE HEADING

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

Overall, our district is in good shape – poised to make the most of our circumstances and opportunities. In recent years we've supported initiatives to promote growth in the District and it's great to see progress on this. Our district has begun growing and our overall outlook is positive despite the unprecedented challenges that have come our way in recent times.

A variety of factors put us in a good position to move forward. Our strong agricultural base and lower reliance on sectors like tourism and retail puts us in a very good position in light of the impacts COVID-19 has had throughout the world. We've taken this into account in our forward planning and are looking forward to maintaining the momentum of recent years, with our focus on continuing to make Clutha a great place to live, work and play.

## WHAT ARE OUR PRIORITIES?

### Facilitating More Quality Housing

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

We're also planning on improving Council-owned community housing units throughout the district. For more details refer to the Clutha District Strategic Direction for Housing 2021.

### Filling Our Jobs

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

We're also open for business in terms of visiting and investing here. Council is intending to use what it has available to fully support our residents and ratepayers now, and into the future.

### Improving Health, Safety & Well-Being

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

### Supporting Culture & Heritage

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

### Addressing Climate Change

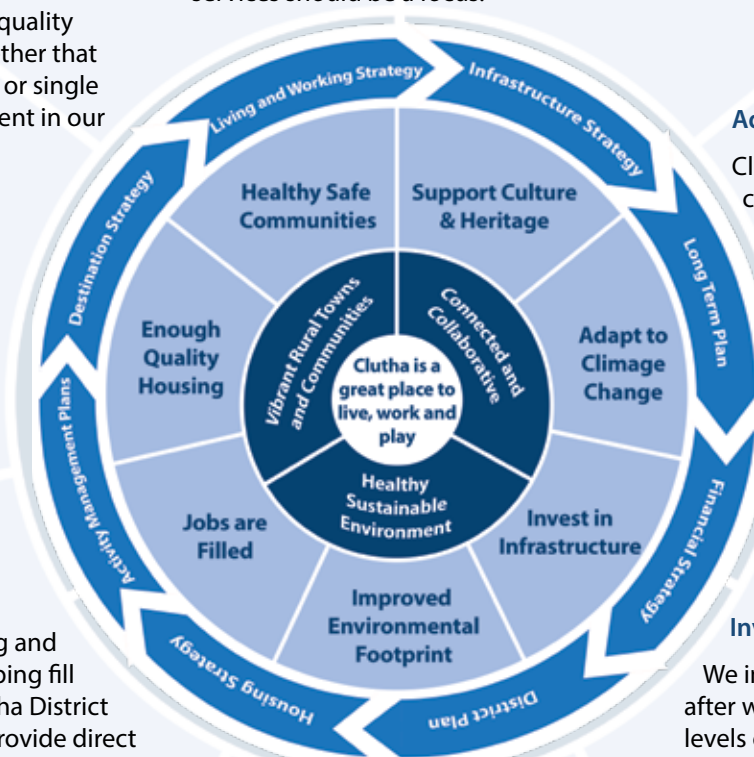
Climate change will present challenges and opportunities throughout the district. We've been working on gathering better information about what we can expect in the coming century. This is providing more detail including 'trigger points'. We can use this information when making decisions to set us up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

### Investing in Infrastructure

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

### 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, and the protection, maintenance and enhancement of our natural and built environment. 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.



#### KEY TO THE WHEEL

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

For more information refer to the Draft Living and Working in Clutha Strategy 2021/51 available at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz)

Tell us: Have we got our priorities right for the Clutha District?





# INVESTING IN OUR INFRASTRUCTURE

## OUR STORY SO FAR

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, 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.

## WHAT WE'RE PLANNING

### Where we are now

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. In terms of key infrastructure, Council play an important part in this. We maintain just under 3,000km of local roads and 401 bridges. There are 22 water schemes that deliver water to 15 urban areas and over 2,000 rural properties throughout the district. We protect the environment and public health by collecting, treating and disposing of the treated sewage from 14 townships via 11 sewerage schemes. Stormwater drainage helps protect people and properties across 13 of the district's communities. Council is responsible for managing a billion dollars worth of infrastructure, including the third largest local roading network in the country.

In recent years there has been substantial investment in infrastructure, and our communities are experiencing the benefits of these works. Our roading network is generally in good condition

when compared with other similar networks and this has reduced capital works for sealed roads compared to 10 to 15 years ago. There has also been a focus on providing improved drinking water for the majority of our towns, along with sewage treatment upgrades. We have also considered community facilities on a case-by-case basis and, adapted and in some instances, divested facilities if this is the most sustainable longer-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:

- Our changing communities, where some are growing, some are declining, and overall we are getting older.
- Natural disasters and planning for the unknown.
- Adapting to the effects of climate change.
- Changes in legislation and regulations, increased environmental standards and potential water industry reform.
- Changes in technology.
- Maintaining and replacing our widely distributed infrastructure over time.
- Facilitating our district through the impacts of Covid-19.

### Our opportunities

We want to continue making the most of the resources that is Clutha District.

### Our areas for growth

Council has proposed re-zoning changes to the Clutha District Plan, which would affect Balclutha, Stirling, and Milton. Each plan change proposes areas of land in and around these towns that could be rezoned to Urban, Transitional or Industrial Resource Areas. Most of this can be serviced by extending the existing infrastructure network, which is normally done at the developer's cost.

In residential areas, Council wants to understand what opportunities there are to provide more residential choices whilst sustainably managing the rural environment (Our Environment).

In industrial areas, Council wants to understand what opportunities there are to provide more industrial land so that we can continue to attract businesses to

our community without compromising the amenity values of our urban areas.

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

### Roads and water everywhere!

Clutha District has a vast network of water schemes and local roads spread throughout the district. The network can carry large and heavy vehicles, meaning much of the productive areas are accessible. We are also served by four state highways capable of carrying higher volumes of traffic throughout the Otago / Southland region. A rail freight corridor also runs directly through the district. It connects to Port Chalmers and further North and to Gore, Invercargill, and Bluff Port to the south.

### Lifestyle: working from home – the ability to work from the mountains to the sea.

With a laptop and good internet connection there are a growing number of people who can work from anywhere. The COVID-19 lockdown saw even more people take the leap into working remotely. By ensuring there is quality housing, good connectivity, and amenities, there is a strong opportunity to attract new residents to settle in the district as part of the Living and Working in Clutha strategy.

### Where we want to be

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

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

### Our strategy is to:

1. Plan for and be adaptive to growth and enable private infrastructure investment where it is beneficial to the community.
2. Continue to focus on maintaining the infrastructure we have already

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

3. Use our solid financial position and existing infrastructure as a platform to enable growth.
4. Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level.

### What we plan to do (Our investment priorities)

#### PRIORITIES TO FACILITATE GROWTH

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

#### Key priorities include:

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

#### PRIORITIES TO IMPROVE LEVELS OF SERVICE

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

#### Key priorities include:

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

#### PRIORITIES TO TAKE CARE OF WHAT WE'VE GOT (RENEWALS)

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

#### Key priorities include:

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



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

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. We also want to

keep rates down, so borrowing will help with this approach. 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.

For more information refer to the Draft Infrastructure Strategy 2021/51 (available at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz))

## Safer drinking water (\$23.8M)

Compliance with the NZ Drinking Water Standards is now a legal requirement. Council also has responsibility to keep rates as low as possible to support the economic wellbeing of the community. The level of treatment necessary is dependent on the quality of the water source. Work for all our rural treatment plants will take place. Also refer to the Greenfields information about the proposal that would provide improvements for a number of the district's residents involving a single, high capacity, reliable quality source on the Clutha and supply to four rural schemes and Lawrence. Find out more about the Greenfield proposal on page 7.

## Increasing standards for discharges to the environment (\$7.8M)

New rules and regulations expected in the coming years will influence levels of treatment for wastewater and eventually stormwater as well. Several of our wastewater treatment plants have been going through resource consent renewals. In the past consents have been for 35 years. Given the current uncertainty we are aiming that current consent renewals are shorter than usual, to take us through to 2028 (for Clinton and Waihola) and 2033 (for Balclutha). Longer term consents will be considered once the new requirements and outcomes of the Three Waters reform are confirmed.

## Improving stormwater protection (\$4.1M)

How we collect and dispose of stormwater run-off affects residents, their property and businesses. To quantify what level of protection we have, we talk about frequency. For example, at the moment our pipe systems are designed to manage between 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. The projects are in Milton, Owaka, Lawrence, Tapanui, Heriot, Clinton, Waihola and Pounaweia. The proposed projects will mean a higher level of protection for communities during heavy rainfall events. Heavy weather events are becoming more common, so in the longer term we're investing how we improve protection that can manage more rain more often.

## Community housing improvements (Estimated cost: \$9.2M)

A key consideration for helping our district move forward is quality housing. We are planning a programme of upgrades to our portfolio of 98 residential housing units spread across 8 towns in the Clutha District. The improvements will bring the units up to Healthy Home Standards, making them warmer and drier. Council will exercise care and confirm these on a case-by-case basis as rent increases would be needed to fund the costs of the improvements. There are also new-builds for community housing of \$1.6M planned during 2021 to 2024 in Balclutha, Milton and Waihola. Healthy Homes improvements will cost \$7.6M.

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

Mt Cooee, the district's landfill located in Balclutha will need to renew its resource consent by 2023 to continue receiving waste. Council is proposing to secure this long-term 30-year consent until 2053 rather than a short-term extension to 2028, or to send waste to a landfill outside the district. We're also continuing waste minimisation and recycling efforts to continue to slow down the rate to landfill, including to build a resource recovery park at Mt Cooee. Having more tools to help residents and businesses reduce waste is a 'win win' as it will cost us all less in the long run.

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

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

## Efficient sealed road renewals (\$34.1M)

Keeping our roads open, safe, and affordable is as important today as it was 100 years ago. We are and will remain, a very large exporter of food, fibre and wood products. We recognise that the transport network is the 'first mile' to our export markets. Improving the cost effectiveness of road maintenance translates into direct benefits to our community and our co-investors. Since 2015 we have changed tact on how we look after local sealed roads. Instead of maintaining them all to the same standard, we've begun focusing on the ones that have the biggest economic benefit to the district with the aim of giving ratepayers the 'best bang for their buck'. This approach is called 'sweating the asset'. Doing so incentivises us to be innovative and open to carrying some risk in order to save money and keep roading rates down. We actively monitor the performance of our sealed road pavements to signal when this strategy of 'sweating the asset' needs to adapt and change.

## Replacing our aging water pipelines (\$18.5M)

Clutha District is entering a long-term cycle of asset renewal, the timing of which will echo the installation era of the 50s through to the 80s. As these 'spikes' or bow waves of renewals approach, they pose price, affordability and delivery risks (year 10 to year 30). Many of the large pipes are brittle materials. They perform poorly during and after major earthquakes compared to modern materials. Replacing pipes before they are due could both 'smooth' out the workload and reduce our exposure to response and recovery of a major event, improving our resilience.

## Strengthening our bridges (\$22.6M)

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

## Critical bridges (\$15.8M)

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

## Milton main street improvements (\$2.0M)

Following on from Balclutha improvements, the priority for the second largest town to have its turn remains a priority. Find out more about the Milton main street proposal on page 12.

Tell us: Have we got our priorities right for infrastructure?

KEY INFRASTRUCTURE AT A GLANCE

Core Infrastructure		Vital statistics	
	Roading	846km	Sealed roads
		2,062km	Unsealed roads
		144km	Footpaths
		360	Bridges and culverts
		171km	Surface water channels
	Water	11	Schemes servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui, Clinton, Kaka Point, Waiholo, Benhar, and Stirling.
		11	Rural water schemes: Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa.
		2,684km	Reticulation
		16	Treatment plants
		46	Pump stations
	Community Services	14	Halls and community centres
		98	Community housing units in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui & Waiholo
		3	Swimming pools in Balclutha, Milton & Kaitangata
		86 ha	Parks and reserves
		18	Playgrounds
		24	Public toilets
		5	Motor caravan dump stations
	Sewerage	14	Cemeteries
		11	Schemes in Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waiholo.
		201km	Sewers
		28	Pump stations
		1	Treatment plant
	Solid Waste	10	Oxidation ponds
		3	Wetlands
		Mt Cooee Landfill at Balclutha	
	Stormwater	8	Systems in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui.
		111km	Pipes
		4	Pumping stations

### DELIVERING OUR CAPITAL PROGRAMME

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

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

- Engaging contractors early and securing multi-year contracts. This gives us a head start on future years. We intend to 'work ahead' and continue to secure contracts in advance of the work where possible.
- Increasing our internal project management resources to deliver our proposed projects.
- Looking at alternative contract arrangements to secure contractor resource such as design build and negotiated contracts.
- Securing new wastewater discharge consents for Balclutha, Waiholo and Clinton during 2021 will mean these projects can commence for these upgrades over the next 3 years.
- Attracting contractors from outside the district for several multi-million dollar projects over the next three years. This will increase the resources available to us for the large projects and will mean that a higher proportion of the value of our capital programme can be delivered by the same number of staff.
- Increasing the use of external consultants where specialist advice is needed. We already do this for roading project delivery and have begun this for the design and delivery of key wastewater and water projects.

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

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

### RESPONDING TO CLIMATE CHANGE

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

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

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

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.







Let's talk  
Kia Korero

# A BETTER WATER SOURCE?

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

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

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

This means users of these schemes that get their drinking water from these plants face water shortages and long-term boil water notices.

## We want to ask you whether it's time to think longer term and be smarter about where we get our water from.

### Option 1 Establish a new supply from the Clutha River

This is Council's preferred option

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

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

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

The proposed treatment plant would be easier to access and less complex to run. For example, access to the Waitahuna treatment plant is through people's farms and is compromised during flooding because of its location.

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

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

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

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

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

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

The schemes which source their water from these two treatment plants are: Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West. They would continue to operate as separate schemes.

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

### Changes ahead for Three Waters

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

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

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

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

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

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

In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally.

Its premise is that councils have the funding and support to get the balance right.

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

Councils will be asked to consult with their communities in late 2021 as to whether they should join one of the new service delivery entities. We expect to consult with the community separately to this Long Term Plan in late 2021 once Central Government has made their decision and more facts are available.

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

Our community needs three waters services regardless of whether Council delivers or not. On this basis we have included three waters in our financial and infrastructure strategies, including the Greenfield proposal, to present the community with a complete and accurate set of financial information for the medium-term and long-term financial impost. This has been considered as critical in our key assumptions. For more information on the Government reforms visit [www.dia.govt.nz/three-waters-reforms-programme](http://www.dia.govt.nz/three-waters-reforms-programme).

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

<sup>1</sup> Waitahuna, Evans Flat & Lawrence plants  
<sup>2</sup> Proposed Greenfield plant  
<sup>3</sup> Total cost to build for both options will be debt funded

**Responding to Climate Change**

We expect that climate change will mean that the district experiences more rain more often. When the Waitahuna and Tuapeka rivers flood they become dirtier, and the water needs more treatment before it can be used. The proposed Greenfield bore would source water from an acquifer below the Clutha River. This would be a cleaner, more reliable water source which is not impacted by river levels or wet weather.





## How Much We Are Proposing to Rate

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

## Our Proposed Mix for Keeping Rates Down

This strategy is planning to:

1. Use debt and borrowing to our advantage to get lower interest rates for our asset build programme (find out more in Our Finances on page 10).
2. Subsidise rates using income from investment returns.
3. Use roading reserve fund (worth around \$1.75M) to reduce rates below 4% in 2023 and 2024. Find out more about this in Options 1 and 2 below.

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

We would like to free-up money in the short-term so that we can keep the overall yearly rates increases under 4% for our ratepayers during 2021/22 to 2023/24. In the past Council has put funding aside for roading and we have accumulated a reserve fund for this service.

We are proposing to use this fund to help reduce rates overall. To balance the risk of this approach we will cover any emergency situations that might arise using other funding Council has access to.

#### Note:

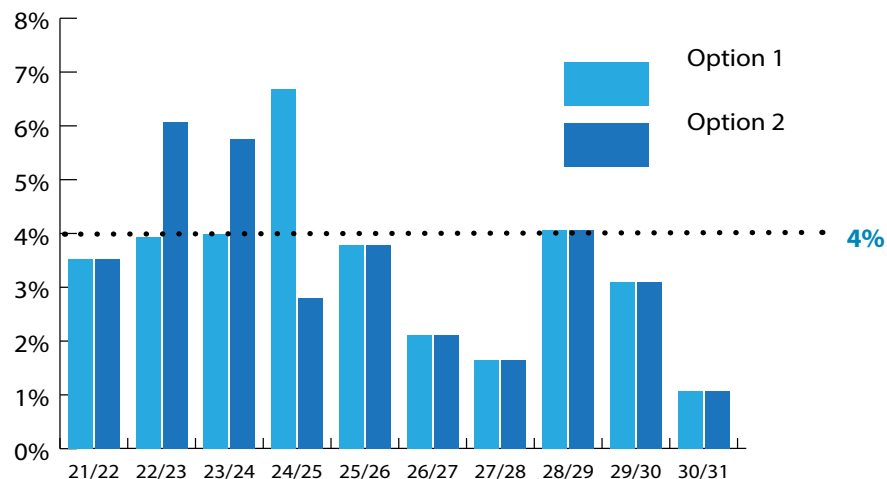
This would improve the mix from an overall rates perspective in the short-term through to 2024, but not in the longer term from 2025 and beyond. This would impact roading rates, particularly for those in the rural area who pay a bigger proportion of this type of rate. But it wouldn't avoid imminent water, sewerage and stormwater rates for ratepayers who receive increases in these services.

The approach of keeping rates down using this funding in the shorter term means they will go up when it stops.

This is Council's preferred option

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

Not use the measures described in Option 1 to achieve the goal of an overall increase of less than 4%. The overall rates increases are outlined in the graph below.



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

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

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

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

We are acutely aware that overall increases above 4% will put pressure on our ratepayers and their ability to afford to pay their rates. Although our district isn't as affected as other parts of New Zealand, we also acknowledge the financial challenges facing us as a result of COVID-19.

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

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

Balclutha and Milton.

We will borrow to help fund these projects, but funding these important projects is forecast to push overall rates up higher than our 4% goal. We have come up with the options above to keep under the 4% that we would like you to consider.



## Tell us: How should we keep rates down?

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

Option 2: DON'T Use Reserve funds to keep rates down in the short term





What our proposals in this document mean for your rates.

To see what our proposals could mean for your rates we have put together some examples from the following rating categories: Residential, Lifestyle, Commercial, Industrial and Rural.

	LV	CV
<b>Balclutha</b>		
Current 2020/21		\$2,538
Proposed 2021/22		\$2,747
Proposed 2022/23		\$2,960
Proposed 2023/24		\$3,129
	\$96,000	\$350,000
<b>Clinton</b>		
Current 2020/21		\$2,092
Proposed 2021/22		\$2,302
Proposed 2022/23		\$2,486
Proposed 2023/24		\$2,630
	\$15,000	\$115,000
<b>Kaitangata</b>		
Current 2020/21		\$2,473
Proposed 2021/22		\$2,692
Proposed 2022/23		\$2,905
Proposed 2023/24		\$3,071
	\$56,000	\$180,000
<b>Kaka Point</b>		
Current 2020/21		\$2,471
Proposed 2021/22		\$2,669
Proposed 2022/23		\$2,869
Proposed 2023/24		\$3,027
	\$205,000	\$425,000
<b>Lawrence</b>		
Current 2020/21		\$2,421
Proposed 2021/22		\$2,654
Proposed 2022/23		\$2,860
Proposed 2023/24		\$3,012
	\$81,000	\$230,000
<b>Milton</b>		
Current 2020/21		\$2,339
Proposed 2021/22		\$2,684
Proposed 2022/23		\$2,862
Proposed 2023/24		\$3,014
	\$120,000	\$340,000
<b>Owaka</b>		
Current 2020/21		\$2,134
Proposed 2021/22		\$2,357
Proposed 2022/23		\$2,534
Proposed 2023/24		\$2,676
	\$39,000	\$175,000
<b>Stirling</b>		
Current 2020/21		\$2,544
Proposed 2021/22		\$2,744
Proposed 2022/23		\$2,956
Proposed 2023/24		\$3,123
	\$93,000	\$365,000
<b>Taieri Mouth</b>		
Current 2020/21		\$1,185
Proposed 2021/22		\$1,408
Proposed 2022/23		\$1,445
Proposed 2023/24		\$1,470
	\$250,000	\$620,000
<b>Tapuanui</b>		
Current 2020/21		\$2,318
Proposed 2021/22		\$2,536
Proposed 2022/23		\$2,732
Proposed 2023/24		\$2,887
	\$26,000	\$245,000
<b>Waihola</b>		
Current 2020/21		\$2,182
Proposed 2021/22		\$2,486
Proposed 2022/23		\$2,654
Proposed 2023/24		\$2,797
	\$150,000	\$370,000
<b>Lifestyle</b>		
Current 2020/21		\$1,539
Proposed 2021/22		\$1,561
Proposed 2022/23		\$1,629
Proposed 2023/24		\$1,679
	\$330,000	\$660,000
<b>Commercial</b>		
Current 2020/21		\$5,782
Proposed 2021/22		\$5,307
Proposed 2022/23		\$5,470
Proposed 2023/24		\$5,616
	\$510,000	\$3,430,000
<b>Industrial Urban</b>		
Current 2020/21		\$4,216
Proposed 2021/22		\$4,191
Proposed 2022/23		\$4,397
Proposed 2023/24		\$4,581
	\$405,000	\$1,380,000
<b>Industrial Rural</b>		
Current 2020/21		\$3,727
Proposed 2021/22		\$3,889
Proposed 2022/23		\$4,067
Proposed 2023/24		\$4,167
	\$241,000	\$2,626,000
<b>Rural Dairy 1</b>		
Current 2020/21		\$6,280
Proposed 2021/22		\$5,570
Proposed 2022/23		\$5,461
Proposed 2023/24		\$5,419
	\$2,850,000	\$3,410,000
<b>Rural Sheep &amp; Beef 1</b>		
Current 2020/21		\$5,420
Proposed 2021/22		\$4,879
Proposed 2022/23		\$4,745
Proposed 2023/24		\$4,681
	\$2,820,000	\$3,310,000
<b>Rural Dairy 2</b>		
Current 2020/21		\$11,785
Proposed 2021/22		\$10,152
Proposed 2022/23		\$9,811
Proposed 2023/24		\$9,648
	\$5,800,000	\$7,590,000
<b>Rural Sheep &amp; Beef 2</b>		
Current 2020/21		\$14,132
Proposed 2021/22		\$11,285
Proposed 2022/23		\$10,999
Proposed 2023/24		\$10,882
	\$6,034,000	\$7,039,000

- Other<sup>1</sup>
  - Solid Waste
  - Community Facilities
  - Water, Sewerage & Stormwater
  - Roading<sup>2</sup>
  - General (UAGC)<sup>3</sup>
- <sup>1</sup> Includes regulatory services, sewage upgrade support & community board rates (where applicable)  
<sup>2</sup> Roading includes new footpaths for urban areas  
<sup>3</sup> Uniform Annual General Charge

Variations to rates

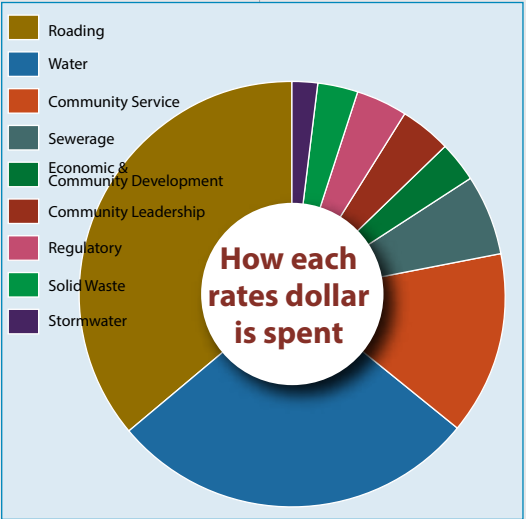
Council splits the district into different areas for some rates depending on the range and cost of services in each of these areas.

It is also important to keep in mind that the values of all properties in the Clutha District are reviewed every three years. The latest values were dated October 2020 and will come into effect for rating purposes from July 2021. The exact rates percentage change for a property will depend on which of the 11 rating areas the property is in, and whether an individual property's value has changed more or less than the average increase/decrease in the district and in that rating area.

For more information about rates refer to the Proposed Rating Policies 2021 and the Proposed Rates Information.

For more information about projects and funding refer to Council's Draft Financial Strategy 2021/31 and Draft Infrastructure Strategy 2021/51.

All these documents are available at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz).





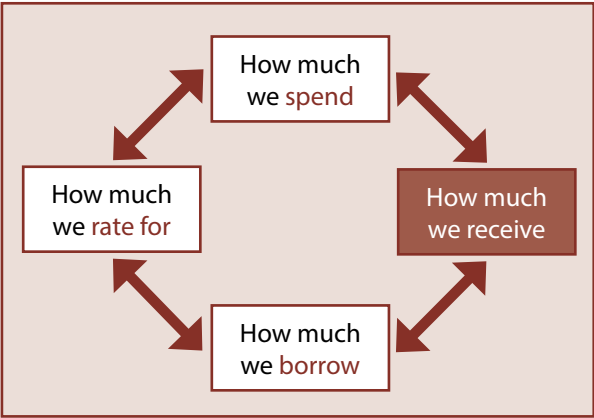


Let's talk  
Kia Korero

# OUR FINANCES

## 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.

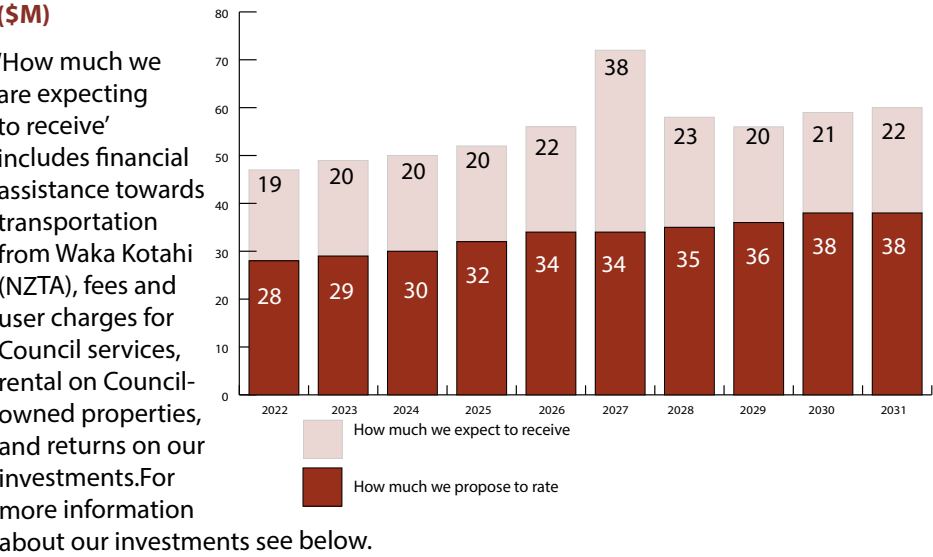


## How Much We're Proposing to Rate

### Limits on Rates Increases

We expect our overall rates to increase around 3.39% on average during the next 10 years. We have self-imposed limit not to increase overall rates by more than 4% per annum. Our forecast at the moment is that this limit may be in jeopardy in some years of this strategy. There is a lot of uncertainty and factors outside our control. We're proposing to be flexible and adaptive where part of this approach will involve reviewing overall rates when we updating our financials on an annual basis and look at our mix to ensure we keep our overall rates increase below 4%.

## Revenue We're Expecting





















## How Much We're Expecting to Receive From Investments

Council maintains investments to:

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

## How Much We're Proposing to Spend

	Operating Spend 2021-31	Capital Spend 2021-31	Funding of capital and operating spend
 Rooding	\$104m	\$106m	 Rates 38% Other 62%
 Water	\$72m	\$76m	 Rates 78% Other 22%
 Community Services	\$73m	\$18m	 Rates 68% Other 32%
 Sewerage	\$22m	\$51m	 Rates 54% Other 46%
 Economic & Community Development	\$13m	\$0m	 Rates 100% Other 0%
 Community Leadership	\$14m	\$0m	 Rates 95% Other 5%
 Regulatory	\$29m	\$3m	 Rates 42% Other 58%
 Solid Waste	\$25m	\$4m	 Rates 49% Other 51%
 Stormwater	\$6m	\$15m	 Rates 74% Other 26%

## Targets on Investments

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

We're proposing to use some of it (\$8M) to reduce rates. We're forecasting the value of the fund will grow from \$31.7M to \$35.0M. 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 investment.

## Tell us: What do you think of our proposed mix of

- how much we want to spend
- how much we want to borrow
- how much we want to rate for?

## What changes would you suggest to improve the overall mix?





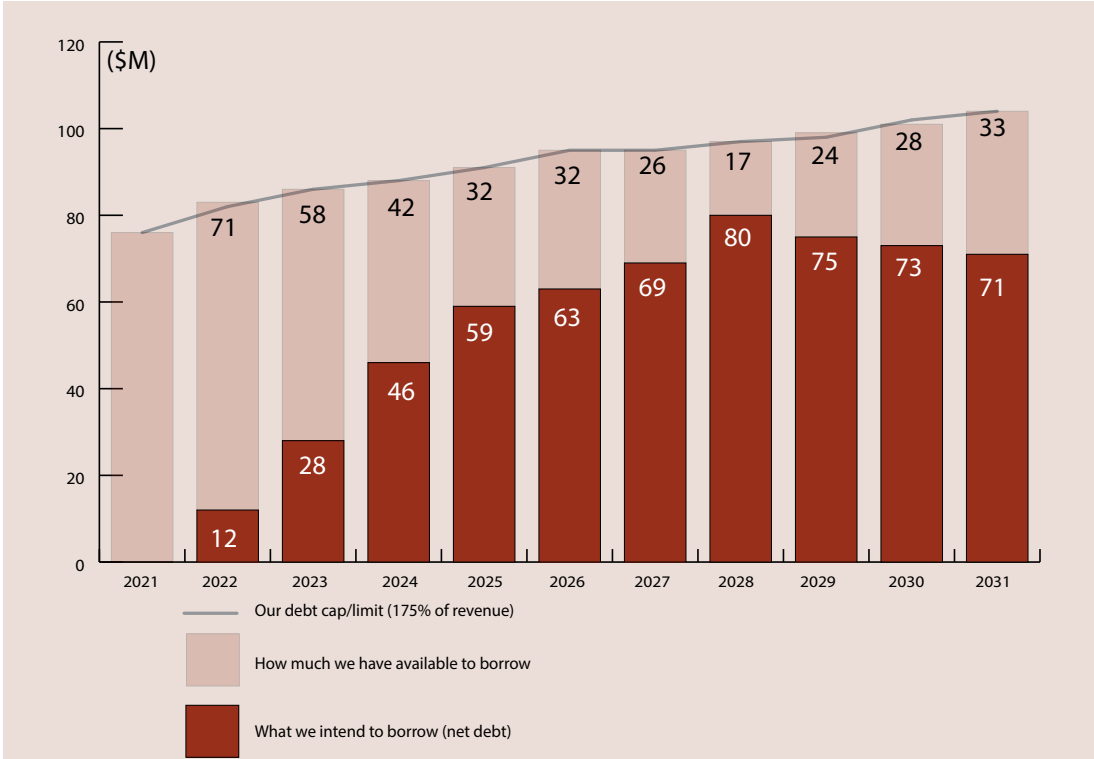
## How Much We're Proposing to Borrow

We're planning to borrow to help fund our extensive asset build programme of \$276M during the ten years from 2021 to 2031.

### Our Strategy is to use debt to our advantage

Our approach to debt has been changing in recent years. Instead of having no debt and using our reserves to fund our capital programme (internally borrowing from ourselves), we have been using the reserves to build our investment portfolio which earns us more in returns. We use part of these returns to keep rates down. We're now proposing to keep our investment portfolio intact, and to borrow to fund our proposed extensive asset build programme. We feel this is the best use of our investments. We also feel the approach is fairer as it means that future ratepayers also

pay their share for assets and services created today (known as intergenerational equity). Our asset build programme should also cost us less in the longer term as interest rates will be lower through our lender, the Local Government Funding Agency. But, it is important to get the balance right and we need to have clear limits. The alternative approach would be breaking the investment portfolio and earning less in returns, internally borrowing from ourselves (at higher interest rates as we must use market value for these) and paying more in rates (both in the short and long term).



For more information refer to the Draft Financial Strategy 2021/31 (available at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz))

### Limits on Debt<sup>1</sup>

We are expecting to stay well within our debt limit. We will still have substantial 'headroom' to borrow more if something unexpected happens.  
<sup>1</sup> Debt refers to net debt which equals borrowings less investments and cash in the bank.







# MILTON'S MAKEOVER

## We're checking back in about main street improvements

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

Since then we've been working on the details of the physical work needed to make this happen. Whilst the public toilets are fully funded and will be completed by June 2021, we

have found we also need to replace older sewerage pipes and upgrade stormwater pipes. Detailed pricing, including undergrounding powerlines, has come back higher than anticipated and our initial budget won't cover

the area proposed. We promised we would check back in if budgets were insufficient.

How far should we go and how much should we spend on Milton's main street?

### Option 1: Stewart Reserve Area Only



What's Involved?	Other Considerations
<ul style="list-style-type: none"><li>This option involves spending the existing budget of \$2M.</li><li>Upgrade to the greater Stewart Reserve Area.</li><li>Power underground from Eden Street to Ossian Street</li></ul>	<ul style="list-style-type: none"><li>Supports living and working in Clutha and investing in our infrastructure.</li><li>Scaling back of the area of the project will mean staying within the initial 2018 agreed budget.</li></ul>

### Funding for this project

Funding for this project involves a combination of roading rates and main street rates. Our rates policy recognizes that there are local community and district-wide benefits if we have vibrant main streets. Refer to our Draft Revenue & Financing Policy 2021 for full details. We also hope to secure Waka Kotahi (NZTA) funding for the road and footpath improvements proposed in each option.

### How much would each option cost each year? (Includes funding from NZTA)

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

### Option 2: Southern Retail Area (blue area)



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

What's Involved?	Other Considerations
<p><b>OPTION 2</b></p> <ul style="list-style-type: none"><li>This option involves spending \$1.75M more (\$3.75M total).</li><li>Upgrade to the greater Stewart Reserve area (as per Option 1).</li><li>Improvements to footpaths, pedestrian crossings, plantings, signage and undergrounding of powerlines from High Street to the Stewart Reserve area.</li><li>Ornamental wall in Stewart Reserve</li></ul> <p><b>OPTION 3</b></p> <ul style="list-style-type: none"><li>This option involves spending \$3M more (\$5M total).</li><li>Extends the improvements north from the Stewart Reserve area to Abercrombie Street by ANZAC Park.</li></ul>	<p><b>OPTION 2</b></p> <ul style="list-style-type: none"><li>Strongly aligns with our strategic direction to promote living and working in Clutha, and our priority to invest in our infrastructure. But, it will have an impact on our focus on keeping rates down.</li><li>Is an improvement on a scale we expect residents and visitors to be enjoying for years to come (an 'intergenerational' project).</li></ul> <p><b>OPTION 3</b></p> <ul style="list-style-type: none"><li>Most strongly aligns with our strategic direction to promote living and working in Clutha, and our priority to invest in our infrastructure. But, as with Option 2, it will have an impact on our focus on keeping rates down.</li></ul>



Artist impression of Options 2 & 3

## Tell us: How far should we go and how much should be spent improving Milton's Main Street:

Option 1: Spend initial budget on Stewart Reserve area.    Option 2: Spend \$1.75M more on Central Area.    Option 3: Spend \$3M more from Mill to Abercrombie Streets.





# BUT WAIT THERE'S MORE...

## PROJECTS THAT SUPPORT LIVING & WORKING IN CLUTHA

We have been approached to support the following initiatives. We would like your help to inform our decisions on these.

### GROWING TOURISM

(Estimated annual cost: \$180,000 from 2022/23)

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 marketing and developing visitor experiences in iconic key areas such as The Nuggets near Kaka Point and Gabriel's Gully near Lawrence.

This work, carried out by Council's economic development contractor Clutha Development, is being funded by central government's post-Covid stimulus funding until 2021/22. To continue from then on it would involve an additional \$16.84 per ratepayer to continue these initiatives.

For more information refer to the Clutha Destination Strategy and Clutha Destination Implementation Plan available at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz).

[How important is it to fund initiatives to grow tourism?](#)



### LIGHTING UP BALCLUTHA BRIDGE

(Estimated cost: \$350,000)

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

[How important is it to light up Balclutha Bridge?](#)

### OWAKA SWIMMING POOL

(Estimated cost \$236,000)

Originally built in 1976 Owaka's swimming pool facility has provided many years of education and enjoyment in The Catlins. A community committee of dedicated volunteers has overseen a number of improvements including roofing, heating and ongoing maintenance needs since the pool has been in operation. The pool now needs a range of improvements to meet modern day standards and to set it up to continue on for future generations in the Catlins to benefit from. Community fundraising has been successful towards Stage One to install an electronic key system, structural improvements and to construct a chemical storage area to meet health and safety requirements. As with the initial building of the pool, ratepayer funding is now being considered towards Stage Two to address structural issues including resurfacing the pool and improve the pools filtering and chlorine systems. This stage is estimated to cost \$236,000. This is also a community-led project supporting The Catlin's Our Place community plan.

If Council made a grant of \$100,000, this would cost \$2.98 annually for those in the Catlins community rating area, and a contribution of \$0.26 from ratepayers throughout the district. If the grant was increased to \$200,000 this would cost \$5.96 and \$0.52 respectively.

[How important is it to provide support funding for the Owaka Pool improvements?](#)

Waihola playground

### PROJECT BRUCE

(Estimated annual cost: \$60,000 per annum)

Project Bruce is a community-led development project for the people of Bruce community that includes Tokomairiro-Milton, Waihola, Taieri Mouth and all the rural areas in between. Their work has been bringing their community together, building community resilience, leadership and volunteer participation. Now that the first years of central government funding have ended, in recognition of the part it plays in the well-being of the Bruce community, Council has agreed to provide funding \$60,000 each year for the continuation of Project Bruce. We're proposing a new rate is created to fund this service, as a fixed charge in the Bruce community rating area of \$30 from 2021/22. This has been included in our draft budgets and in the Milton rates example (see p.12).

[How important is it to continue to provide funding for Project Bruce?](#)

### WAIHOLA PLAYGROUND

(Estimated cost: \$200,000-\$400,000)

Waihola is part of the Waihola/Milburn/Milton corridor, a key growth area in the district. Lake Waihola's foreshore is a popular spot for locals and visitors alike. A community-led project supporting Waihola's Our Place community plan is to upgrade the facilities into a destination playground. Funding options are being explored and Council has considered seed (support) funding for the project up to \$100,000.

If Council made a grant of \$100,000, this would cost \$1.05 annually for those in

the Bruce community rating area, and a contribution of \$0.26 from ratepayers throughout the district. If the grant was increased to \$200,000 this would cost \$2.10 and \$0.52 respectively.

[How important is it to provide support funding for the proposed Waihola Destination Playground?](#)

### WEST OTAGO HEALTH

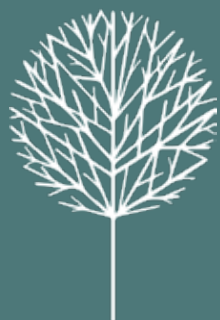
(Estimated cost: \$300,000)

West Otago Health Trust provides community-owned health care facilities and services for residents in their area, including district and community nursing, after hours emergency care, and semi-dependent living (four modern cottages on campus). Their key facility is a fully staffed medical centre and home (Ribbonwood) that houses residents needing age-related or hospital-related residential care which is crucial to enabling local residents needing this type of care to remain in the area. In 2010 Council provided \$1M towards the facility being built. A targeted rate to households in West Otago is repaying this funding over time (25 years through to 2035) at approximately \$70 each year. The Trust is aiming to expand the facility to help meet their community's increasing demand for aged-related care, respite and palliative care and has approached Council to draw down an additional \$300,000 to help fund this. Council has agreed to this, and is looking at it from the perspective of keeping annual repayment around the existing level, but over a slightly longer term.

[How important is it to provide funding support to expand West Otago Health?](#)







# AUDIT REPORT

## Independent auditor's report on Clutha District Council's Consultation Document for its proposed 2021-31 Long-Term Plan

### Deloitte.

I am the Auditor-General's appointed auditor for Clutha District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 25 March 2021.

#### Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long-term plan, because it:
- fairly represents the matters proposed for inclusion in the long-term plan; and
- identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

#### Emphasis of Matters

##### Uncertainty over the delivery of the capital programme

Pages 5 and 6 outline that the Council is proposing a significant increase in

infrastructure investment, particularly in the area of three waters. While the Council has taken steps to support the delivery of the infrastructure programme, there is a risk that the Council may not be able to meet the planned timeframes, for example, due to challenges in obtaining contractors. This could result in outages and failures occurring more regularly, impacting on levels of service. The Council's approach to mitigate this risk is to be flexible and adaptive to changes, while ensuring compulsory work is done, especially towards improving wastewater discharges and ensuring safer drinking water.

##### Uncertainty over Three Waters Reform

Page 7 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

##### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-

General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

##### Responsibilities of the Council and Auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the

consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

##### Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to carrying out all legally required external audits, we carry out engagements in the areas of assurance services relating to reporting under trust deed and registry audit that are consistent with our role as auditor. Other than these engagements, we have no relationship with or interests in the Council.

Heidi Rautjoki  
for Deloitte Limited

On behalf of the Auditor-General,  
Dunedin, New Zealand

## AND FINALLY

We are also seeking feedback on the following that relate to the Long Term Plan 2021/31:

- Draft Significant & Engagement Policy 2021
- Proposed Schedule of Fees & Charges 2021/22
- Proposed Rating Policies 2021/31

## KEY DATES AND WHAT NEXT....

**27 April:** Have your say, tell us what you think of our plans before 27 April.

**6 May:** An opportunity to explain your submission to the Mayor and Councillors.

**20 May:** Council decides changes to the draft Long Term Plan 2021/31

**17 June:** Council meets to adopt final Long Term Plan 2021/31 and to strike the rates

Scan this code with your smart phone to take you straight to our website.







# OUR PLACE CLUTHA DISTRICT

## HAVE YOUR SAY...

Your name:

Your phone:

Your address:

Would you like to speak to Council about your submission on 6 May 2021?

Your email:

☐ Yes (in person)

☐ Yes (via Zoom)

☐ No

Note that submissions are public information. This supports our drive to be as transparent as possible. If there are any personal details you don't want made public please let us know

**Tell us what you think - we need to hear from you!**  
Go to [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz) to take part online, or fill out this form and post it (free) to: **Freepost 253534, Clutha District Council, PO Box 25, Balclutha 9240.**  
Or drop off at any CDC office. For queries contact us on 0800 801 350.

**LIVING & WORKING**  
Have we got our priorities right for the Clutha District?  
(Page 3)

How important is:

	Not at all important	1	2	3	4	5	Very important	6
More Quality Housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Healthy & Safe Communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Culture & Heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Footprint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Filling Jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any comments?

**FINANCES**  
What do you think of our proposed mix for spending, borrowing and rating?  
How could we improve the mix?  
(Page 10)

Any Comments?

**RATES**  
What do you think of our proposed approach to keep rates down?  
(Page 8)

Option 1:

Use reserves to keep rates down in the short term (Council's preferred option)

☐

Option 2:

Don't use reserves to keep rates down in the short term

☐

Any comments?

**INFRASTRUCTURE**  
Have we got our priorities right for infrastructure?  
(Page 5)

How important is:

	Not at all important	1	2	3	4	5	Very important	6
Discharges to the Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stormwater Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth in Milton/Milburn/Waihola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safer Drinking Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Council Housing Improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mt Cooee Landfill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficient Road Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Replacing Aging Infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Faster Bridge Replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any comments?

**MILTON**  
How far should we go and how much should be spent improving Milton's Main Street?  
(Page 12)

Option 1:

Spend initial budget (Council's preferred option)

☐

Option 2:

Spend \$1.75M more

☐

Option 3:

Spend \$3M more

☐

Any comments?

**WATER**  
A better source?  
(Page 7)

Option 1:

Establish a new supply from the Clutha River (Council's preferred option)

☐

Option 2:

Continue to source water from the Waitahuna and Tuapeka rivers

☐

Any comments?

**SUPPORTING LIVING & WORKING IN CLUTHA PROJECTS**  
(Page 13)

How important is:

	Not at all important	1	2	3	4	5	Very important	6
Growing tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Waihola playground	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owaka pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project Bruce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lighting up the bridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting West Otago Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any comments?

**HAVE MORE FEEDBACK? FEEL FREE TO ATTACH ANY OTHER ADDITIONAL INFORMATION**







Clutha District Council  
[www.cluthadc.govt.nz](http://www.cluthadc.govt.nz)

