WORKSHOP

OF THE

Clutha District Council

Thursday 12 November 2026

Commencing at 08:45 am

At the Council Chambers

1 Rosebank Terrace

BALCLUTHA

Workshop Agenda

Thursday 12 November 2026
08:45 to 12.30 pm
Council Chambers
1 Rosebank Terrace
Balclutha

WORKSHOP TITLE:	**Long Term Plan 2027/37**
WORKSHOP PRE-READING	**1. Pre-reading as noted below.** **2. A PowerPoint presentation will be used to facilitate workshop sessions, a hardcopy of which will be provided at commencement.**

Workshop Programme

Time (Indicative)	Session	Topic	Outline	Pre-reading page ref.
08:45 am		**Preliminaries**	Opening statement, apologies, conflict of interest.	
08:50 am	**1**	**LTP Work Programme**	Update on timelines	3
09:00 am	**2**	**Government Reform**	Update	5
09:10 am	**3**	**LTP Key Financial Assumptions Update**	Review of LTP key financial assumptions.	6
09:40 am	**4**	**Roading Funding**	Funding option update	129
10:40 pm		**MORNING TEA**		
11:00 am	**5**	**Consultation Approach & Initial Questions**	Update on approach & Initial direction on possible Consultation Questions.	130
11:45 am	**6**	**LTP Capital Update**	Proposed updates to Capital program considered on 14 Oct 26.	135
12:00 pm	**7**	**Fees and Charges 27/28**	Initial directions	139
12:20 pm		**CLOSE**		

Council workshops are intended to provide a forum for Councillors to be briefed, explore issues and to guide Council staff on further consideration of issues or the development of options, or ask staff to bring forward issues for formal consideration at a Council meeting. Workshops cannot make decisions that bind Council or its staff

Long Term Plan 2027/37 Workshop

Workshop Topic	LTP Work Program Update
Workshop Date	12 November 2026
Session Number	1
Author	Peter Stafford – Strategic Planning and Policy Manager
M-Files Ref	1073135

SUMMARY

This session will provide an update on the forward LTP Program to June 2027.

PROPOSED WORKSHOP OUTCOMES/DIRECTIONS

1. **Council considers/discusses and provides direction on the forward LTP Programs to June 2026 as required.**

REPORT

This session will be supported by a MS Powerpoint presentation.

1 Budget Baseline Report

It is proposed this be considered at a new full day workshop to be held on 1 December 2026. Work that is underway will be outlined in this workshop session.

2 Additional Week for Formal Consultation Period

At the workshop of 14 October 2026 Council directed staff to report back on options to extend the proposed consultation period of one month by an additional week. This is possible subject to moving LTP hearings back one week. This is reflected in the Revised forward Council Meeting and Workshop LTP Program below. This will also reduce time available to staff to prepare post submission reports (from 3 to 2 weeks) that need to be provided to Council on 7 May 27 for its decisions hearing meeting on 12&13 May.

3 Revised forward Council Meeting and Workshop LTP Program

Week Beginning	Key Dates	Council Workshop/ Mtgs Reports/Decisions
16-Nov-26		
23-Nov-26	**26 Nov R&A Cmttee** **27 Nov Election Results**	**Workshop:** Revenue and Financing Policy - Government Reform update Consultation Approach/Initial Questions - Fees and Charges Proposed - Policies (eg Financial Policies, Significance and Engagement) **R&A Meeting:** Risk Management Review

		and Recommendations to Council (as required)
30-Nov-26	**1 Dec W/Shop (Proposed)**	**Workshop**: 0000 Baseline Budget & Financial Strategy Outline, Non-financial and Gov Reform Assumptions
7-Dec-26	**10 Dec W/Shop (AM)** **10 Dec Council**	**Workshop:** Govt Reform - Draft CD with Consultation Questions & drafts/finals Infrastructure Strategy - Financial Strategy - Fees and Charges - Other Supporting Doc - LTP Policies - AMPs **Council:** Policy updates **-** Submissions Policy (New)
14-Dec-26		
21-Dec-26		
28-Dec-26	**Office Closed**	
4-Jan-27		
11-Jan-27		
18-Jan-27		
25-Jan-27	**28 Jan R&A Cmttee** **28 Jan Council**	**R&A Meeting** Risk Management Review and Recommendations to Council. **Council:** CD Audit Package Approval **–** Finals of CD with Consultation Questions - Infrastructure Strategy - Financial Strategy - Fees and Charges - Climate Change Strategy - Other Supporting Doc, Final LTP Policies, Final AMPs
1-Feb-27		**LTP Audit**
8-Feb-27		**LTP Audit**
15-Feb-27		**LTP Audit**
22-Feb-27	**25 Feb Workshop** **25 Feb Council**	**LTP Audit**
1-Mar-27		**LTP Audit report 4 Mar 27 (TBC)**
8-Mar-27	**11 Mar R&A Committee** **11 Mar Council Meeting (Addition TBC)**	**LTP Decision to go to public consultation (following audit)**
15-Mar-27		**Consultation starts 15 Mar 27**
22-Mar-27	**24 Mar Council (Wed)** 29 Easter Fri	Consultation
29-Mar-27	29-30 Easter Mon & Tue	Consultation
5-Apr-27		Consultation
12-Apr-27		Consultation (extended)~~-Consultation ends 15 Apr 27~~
19-Apr-27	~~**20-21 Apr Council Hearings (LTP Additional)**~~ **22 Apr R&A Meeting** **22 Apr Council Meeting**	**Consultation (extended) end 22 April**~~-LTP Hearings~~
26-Apr-27 (P/H)	**28-29 Apr Council Hearings (LTP)**	**Hearings**
3-May-27		
10-May-27	**12 & 13 May Council (LTP)**	
17-May-27	**20 May Council Meeting**	**LTP Decisions**
24-May-27		
31-May-27	**3 Jun R&A Meeting**	
7-Jun-27		**Audit**
14-Jun-27	**17 Jun Council Meeting**	
21-Jun-27	**24 June Council Meeting (LTP)**	**Final LTP Approval Decision** **Rates Decision**

Long Term Plan 2027/37

Workshop Topic	Government Reforms
Workshop Date	12 November 2026
Session Number	1
Author	Peter Stafford – Strategic Planning and Policy Manager
M-Files Ref	1073134

SUMMARY

This session will provide a brief verbal update and discuss the Government's legislative reforms, noting the outcome of the national elections.

PROPOSED WORKSHOP OUTCOMES/DIRECTIONS

1. **Council consider and provides direction as appropriate on the Government's legislative reforms in relation to the Long Term Plan 2027/37.**

REPORT

This session will be facilitated by a MS PowerPoint presentation.

ATTACHMENT

Long Term Plan 2027/37 Workshop

Workshop Topic	LTP Key Financial Assumptions Update
Workshop Date	12 November 2026
Session Number	3
Author	Sharon Jenkison – GM Finance and Policy
M-Files Ref	1073137

SUMMARY

This session of the workshop will provide a recap of the aims of our financial strategy and an update on key financial assumptions that will impact on budgeting for the Long Term Plan. and seeks direction on these assumptions.

PROPOSED WORKSHOP OUTCOMES

1. **To seek direction on rates used in collating the Long Term Plan budgets for:**
    a. **Returns on our Nikko Portfolio**
    b. **Interest costs on our borrowings**
    c. **Inflation factors for inclusion**
2. **Council notes that there are still decisions on limits required to be included in our financial strategy which can be considered at later workshops.**
3. **Council notes that key non-financial assumption, in particular those related to government reforms to date and in prospect will be brought to Council's proposed workshop on 1 December 2026, following finalisation of the results of the November 2026 national election**
4. **Council notes final <u>decisions</u> on all assumptions will be considered alongside the Financial Strategy and Infrastructure Strategy as part of the proposed Consultation Document package scheduled to be decided upon by Council on 28 January 2027**

REPORT

1 Background information.

The purpose of a long term plan is to:

- Describe the activities of the local authority
- Describe the community outcomes of the local authority's district
- Provide integrated decision making and co-ordination of resources of the local authority, and

- Provide a long term focus for the decisions and activities of the local authority, and
- Provide a basis for accountability of the local authority to the community.

As part of its long term planning process, a local authority must prepare and adopt a financial strategy for all of the consecutive financial years covered by the long term plan.

According to section 101(A) of the Local Government 2002 (the Act),

The purpose of the Financial Strategy is to:

- Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against, and
- Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the authority's services, rates, debt and investments.

The Financial Strategy must:

- Include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive years covered by the strategy, including
    - The expected changes in population and the use of land in the district, and the cost of providing for those changes.
    - Te expected capital expenditure on network infrastructure, flood protection and flood control works that is required to maintain existing levels of service currently provided by the local authority, and
    - Other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services, and
- Include a statement of the local authority's –
    - Quantified limits on rate increases and borrowing, and
    - Assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits and,
- Specify the local authority's policy on giving of securities for its borrowings, and
- Specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

2 Growth Projections

In any LTP, considering growth is a mandatory assumption. Growth has three components, population growth, growth in the rating base (numbers of rating units and size of rating base) and growth in economic activity.

Walter Clarke of Utility NZ provided a report on Growth Assumptions to Council on 11 June 2026. The session covered: residents including demographic changes; houses; visitors; rating units. At that time Council instructed staff to use the high series projections.

Council is asked to note the growth assumptions of the final report (Attachment A) required as part of the LTP 2027/37 significant forecasting assumptions on the basis this will come to the Council meeting of 28 January 2027, for pre-audit approval as part of the suite of information to be audited throughout February 2026.

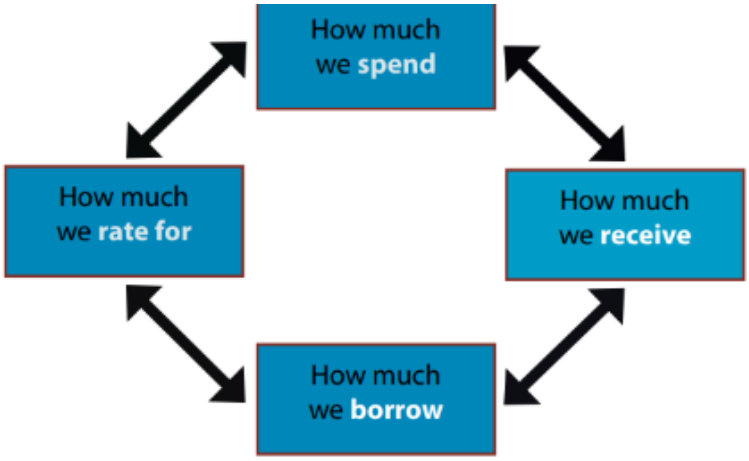
3 Our Financial Strategy

Our Financial Strategy aims to ensure:

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

Within our Financial Strategy set in the LTP there are four key parts in our financial mix:

- How much we receive.
- How much we borrow.
- How much we spend.
- How much we rate.



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.

There are some key financial assumptions that play a part in Council decisions on how much we receive, borrow, spend and rate.

4 Key Financial Assumptions

Return on Investments:

- In the year ended 31st March 2024 we had a return of 14.36%, 31st March 2025 3.23%, 31st March 2026 3.95% and year to date to September 2026 is 5.92%.
- Each year we obtain advice from Melville Jessop Weaver (MJW) based on continuing with the stance that a longer-term view takes into account market fluctuations over time.
- Melville Jessup Weaver's estimate this year reflects a 6.6% return for the 10-year average.

	Assets $m	Expected return %	Typical range %	Expected return $m	Typical range $m
Year ending 30 September					
2026	29.9				
2027	31.9	6.6	0.2 to 13.0	2.0	0.1 to 3.9
2028	34.0	6.6	0.2 to 13.0	2.1	0.1 to 4.2
2029	36.3	6.6	0.2 to 13.0	2.2	0.1 to 4.4
2030	38.7	6.6	0.2 to 13.0	2.4	0.1 to 4.7
2031	41.2	6.6	0.2 to 13.0	2.6	0.1 to 5.0
2032	44.0	6.6	0.2 to 13.0	2.7	0.1 to 5.4
2033	46.9	6.6	0.2 to 13.0	2.9	0.1 to 5.7
2034	50.0	6.6	0.2 to 13.0	3.1	0.1 to 6.1
2035	53.3	6.6	0.2 to 13.0	3.3	0.1 to 6.5
2036	56.8	6.6	0.2 to 13.0	3.5	0.1 to 6.9
Total (10 year average)		**6.6**	**5.0 to 8.2**	**2.7**	**1.9 to 3.6**

- Last year MJW's estimate reflected 6.1%, with the two prior years being 6.6% & 7.3%.
- Our LTP 2024/34 assumed an interest rate of 5.25% with the two subsequent Annual Plans assuming 4.1%.
- The New Baseline could retain the return at 4.1% as per the 2026/27 Annual Plan.
- The MJW projection does however forecast a 6.6% return for the 10-year period should Council wish to use this as an assumption.
- We also must consider the cost of finance; if we retained a budgeted return on investment that is less than the cost of finance, it would suggest using our investment equity to pay off debt. That may tend to suggest our budgeted return on investment should at least be the same as the cost of finance.
- This does not mean that the rates subsidy should automatically increase for reasons that can be discussed.
- **We seek direction from Council on the investment interest rate to include in our baseline calculations.**

Borrowing interest rates:

- We have asked for updated borrowing rate projections for Council from Miles O'Connor (Bancorp). We have not received these at the time of writing this report and will table them at the workshop.
- The borrow interest rates included in our LTP 2024/34 and Annual Plans for 2025/26 & 2026/27 mirror our investment interest rates at 5.25%, 4.1% & 4.1%
- Internal and external loans are calculated at the same rate.
- **We seek direction from Council on the borrowing interest rates to include in our baseline calculations.**

Inflation:

BERL

- One of the most important assumptions underlying a forecast centres around price level changes and we have historically relied on the BERL Local Government Cost Index Indicators. These price level changes are used to forecast operational and capital expenditure using today's dollars.
- The BERL report was published in October 2026 (Attachment B).
- In addition to using the BERL indicators, we also have also incorporated rates outside of BERL for known costs for salaries and IT.
- It should be noted that the LTP covers the years 2027/28 to 2036/37 with the first year being entered in estimated 2027/28 dollars, with inflation being applied from the second year.

- It should be also noted the BERL 2027 forecast of 0.6% for the total aggregated cost adjuster (0.7% for OPEX component) is well below the long-term average of 2.9% p.a. for the total aggregated cost adjuster (excluding water).
- This is because BERL is effectively forecasting that the temporary cost shock experienced in 2026 unwinds and the economy moves back to a lower-inflation environment. The report characterises 2026 as the abnormal year and 2027 as the start of a return to trend – that is 2027 is a low-growth transition year rather than a new long-term inflation rate
- BERL cautions that uncertainty remains high and councils should plan for a wider range of future cost outcomes.
- Cumulative BERL indices as published:

Table 12 Local Government Aggregated Cost Adjusters (excluding water), 2026 – 2037, cumulative change

Cumulative change (since 2026)			
Year	OPEX	CAPEX	Total
2027	0.7	0.4	0.6
2028	2.5	2.2	2.4
2029	4.9	4.7	4.8
2030	7.2	7.0	7.1
2031	9.6	9.5	9.6
2032	11.7	11.6	11.7
2033	14.0	13.9	14.0
2034	16.2	16.1	16.2
2035	18.4	18.4	18.4
2036	20.6	20.6	20.6
2037	22.8	22.8	22.8

Source: BERL analysis

- BERL non-cumulative compared to previous inflation:

	Oct-26	LTP 2024/34, AP 2025/26 & AP 2026/27		
Year	BERL	BERL	IT	Salaries
2026		2.0	4.0	2.5
2027	0.7	2.2	4.0	2.5
2028	1.8	2.2	4.0	2.5
2029	2.4	2.1	4.0	2.5
2030	2.3	2.0	4.0	2.5
2031	2.4	1.9	4.0	2.5
2032	2.1	1.9	4.0	2.5
2033	2.3	1.9	4.0	2.5
2034	2.2	1.8	4.0	2.5
2035	2.2			
2036	2.2			
2037	2.2			

- **We seek direction from Council on inflation rates to include in our baseline calculations.**

5 **Government Reform and Non-financial assumptions.**

These matters are planned for further consideration at Council's workshop on 1 December 2026 in order to take in account the outcomes of the November national election. Of particular note to Council in terms of financial planning and assumptions for the LTP2027/37 is the proposed rates capping reform and the decision as to Head-Start / Backstop amalgamation processes.

6 Conclusion:

- The session in this workshop is an opportunity to discuss the above assumptions and provide directions which will be incorporated into baseline budgets to be and presented at the December workshop.
- The financial strategy will be revisited in the December and January workshops when it can be discussed in further detail including limits on rates increases, limits on debt and investment forecasts.

Attachments

Attachment A - Clutha District 2026 Growth Projections Report July 2026
Attachment B - BERL Local Government Cost Index Report October 2026
Attachment C – Council Financial Strategy 2024/34

Clutha District Council

Clutha District Growth Projections

June 2026



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Author: Utility 2017 Limited

Version: June 2026 - Final

Date: 29th June 2026

1 Executive Summary

Utility has been engaged to provide up to date growth projections for Clutha District Council (CDC). This report summarises the projections prepared in early-2026. They are an update from the previous growth projections report (July 2023).

These projections are designed to inform CDC's planning needs but are not intended to be exact forecasts or to project specific annual variation. Actual growth may occur faster or slower than projected. Therefore, they should be used as an indication of the overall trend, rather than as exact forecasts.

The 2026 projections include forecasts at the district level for the following variables:

- Resident population – including a breakdown into 5-year age demographics.
- Houses – accommodating residents and those used as holiday homes.
- Households – family, other multi-person, and one-person.
- Visitors on both the average day and the peak day.
- CDC's five rating unit categories; Residential, Non- residential, Rural Industry, Vacant and Utilities.

Resident population projections are also included for 21 settlements within the district. The projections span a period of 30 years starting from 2027 to align with CDC's next Long Term Plan period.

The underlying method has remained mostly unchanged from the 2023 projections and is summarised below:

- Project the future resident population.
- Calculate the number of houses required to house the future population.
- Add holiday houses that are required to accommodate visitors.
- Project visitor numbers, rating units, and households based on unique growth drivers and available information.
- Allocate population growth to settlements.

Projections of any sort are inherently uncertain. To model some of this uncertainty, three different population projections from SNZ have been considered – low, medium, and high. Resident population is the primary driver of housing, rating unit, and household growth in the district and the impacts of the alternative resident population growth scenarios flow through into these other categories.

The High series was recommended as it is consistent with recent trends, provides the best balance of likelihood and robustness, and can be justified. This recommendation was endorsed by the elected members at a council workshop on 11 June 2026.

The results for the recommended high scenario are summarised in the table below. The key changes from the previous projections are:

- Stronger resident population growth, increasing to over 23,300 people by 2057. This is around 1,000 residents higher than the 2023 projections.
- Continued growth in the number of houses, increasing to nearly 11,250 houses by 2057. The overall increase of 2,120 houses is higher than the previous projections.
- The increase in visitor numbers takes the average day total population to 29,000 people.

Table 1 : Recommended High scenario – summary

	2027	2037	2057	10 year change			30 year change		
				Change	Annual change	Annual change %	Change	Annual change	Annual change %
Residents	19,100	20,609	23,328	1,509	151	0.8%	4,228	141	0.7%
Total Houses	9,125	9,861	11,247	736	74	0.8%	2,123	71	0.7%
Total Households	7,921	8,595	9,844	674	67	0.8%	1,923	64	0.7%
Total Visitors - Peak Day	9,929	11,088	13,666	1,159	116	1.1%	3,738	125	1.1%
Total Visitors - Average Day	3,820	4,420	5,646	600	60	1.5%	1,827	61	1.3%
Total Rating Units	13,122	13,997	15,634	875	88	0.6%	2,512	84	0.6%
Total Population - Peak Day	29,028	31,697	36,995	2,668	267	0.9%	7,966	266	0.8%
Total Population - Average Day	22,919	25,029	28,975	2,110	211	0.9%	6,055	202	0.8%

In terms of where the growth will occur, the highest population growth is forecast in the Balclutha, Milton, Tapaui and Clutha Valley settlement.

The age structure of the district 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 also projected to decline. This change in demographics is a key consideration for the future community's funding ability. It means less of the population are working, and are therefore more exposed to on-going rates increases, e.g. retirees on fixed income.

Both the low and medium scenarios were not recommended as they have historically under projected growth. They assume lower fertility, higher mortality, and lower net migration than the high scenario. Despite the decline in population there would still be positive house and rating unit growth under these scenarios due to a trend towards smaller households.

2 Introduction

This report summarises the latest growth projections prepared in early-2026 for Clutha District Council (CDC). They are an update from the previous growth projections developed in mid-2023.

The 2026 projections include forecasts at the district level for the following variables:

- Resident population – including a breakdown into 5-year age demographics.
- Houses – accommodating residents and those used as holiday homes.
- Households – family, other multi-person, and one-person.
- Visitors on both the average day and the peak day.
- CDC's five rating unit categories which include:
    - Residential – all rating units used primarily for residential purposes, including Bach, Lifestyle, Multi-unit.
    - Non-residential – business, commercial and industrial.
    - Rural Industry – all primary industry rating units including Arable Farming, Dairy, Forestry, Market Gardens and Orchards, Multi-use within Rural Industry, Rural Industry, Specialist Livestock, Stock Finishing, Store Livestock.
    - Vacant – all rating units that do not have a building on them.
    - Utilities – rating units classified as Electricity, Multi Use within Utility Services, Rail Transport, Sanitary, Utility Services, Water Supply.

Resident population projections are also included for 21 settlements. These settlements are based on Statistics New Zealand (SNZ) and are a combination of Statistical Areas 2, Urban Settlements (townships) and other rural areas. Maps of these settlements can be found in the appendices.

Table 2 : Settlements

Settlements
Balclutha
Benhar
Benhar-Stirling Other
Bruce Other
Catlins Other
Clinton
Clinton Other
Clutha Valley
Kaitangata
Kaitangata-Matau Other
Kaka Point
Lawrence
Milton
Owaka
Pounawea
Stirling
Taieri Mouth
Tapanui
Tuapeka Other
Waihola
West Otago Other

The projections span a period of 30 years starting from 2027 to align with CDC's next Long Term Plan period.

It is important to note these projections are not predictions. These projections are designed to inform CDC's planning needs but are not intended to be exact forecasts or to project specific annual variation. Actual growth may occur faster or slower than projected. Therefore, they should be used as an indication of the overall trend, rather than as exact forecasts.

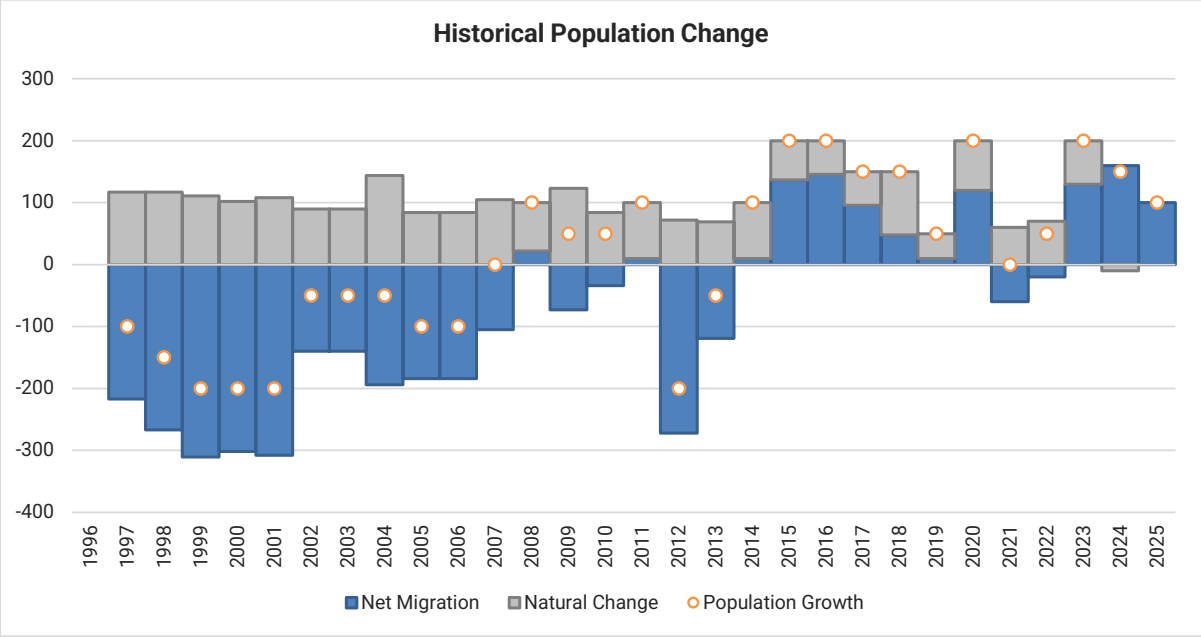
To maintain their relevance and usefulness, the projections should be updated at least every three years by incorporating new information and developments in methods.

3 Background

3.1 Historical context

Between 1997 and 2013, the Clutha District was experiencing a declining population as more people migrated out of the district than in. In recent years, this migration trend has reversed and there are now more people coming to live in the district. This is summarised below in blue along with the natural change (births minus deaths) in grey.

Figure 1 : Historical migration and natural change



In addition to positive levels of migration over the past fifteen years, there has also been nearly 700 new houses built, an average of 45 houses per year.

The previous projections were prepared around the same time the latest Census was undertaken. This Census data is now available and has informed the latest population estimates, and the population projections.

4 Method

4.1 Terminology

Simplified terminology has been retained from the previous projections. This is shown below:

Table 3 : Definitions

Definitions	What it means
Residents	People who live in the district.
Total Houses	All residential units - houses, apartments, units, duplex. Anything people can live/stay in. This excludes commercial hotels, motels, and backpackers used exclusively for visitors.
Residents houses	Houses occupied/used by residents – at times these may also have visitors, out of town friends, and/or Airbnb guests staying in addition to residents.
Holiday houses	Houses used by short-term visitors to the district – Airbnb, holiday homes, national/international owners visiting on holiday.
Total visitors – peak day	The total number of visitors to the district on the busiest day of the year – includes day and overnight visitors.
Total visitors – average day	The total number of visitors to the district over the year divided by the number of days in the year – includes day and overnight visitors.
Households	A household can be one person who lives alone, or two or more people who live together and share facilities (such as for cooking) in a private dwelling.
Rating units	Individual rateable properties in CDC's property database

4.2 Underlying method

The underlying method has remained mostly unchanged from the 2023 projections and is summarised below:

- Project the future resident population – based on assumptions around net migration and natural change (births minus deaths).
- Calculate the number of houses required to house the future population, including an allowance for a trend towards smaller households.
- Add holiday houses that are required to accommodate visitors, based on historical trends.
- Visitor numbers – based on a long-term extrapolation of historical growth and 5-year international visitor projections from MBIE. The level of current and forecast data made available by central government entities has changed markedly over time and there is no longer as much readily available data as in the past. During the 2020 projection work, the current day visitor numbers were validated by the Data Ventures cell phone data made available during Covid-19. Unfortunately, this Data Ventures service has been discontinued.
- Rating units – based on changes in houses (residential) or resident population (non-residential).
- Households – based on changes in houses (residential) or resident population growth (non-residential). For simplicity, the Vacant, Utilities and Rural rating units are assumed to remain the same.

- Allocate growth to settlements – based on SNZ's Statistical Area 2 population projections and the historical growth in each settlement.

The output from the above method is the population, house, visitor, and business growth at the district level with a timeframe of 2027 to 2057. The starting point (30 June 2025) is based on the 2023 census, estimated growth to 30 June 2025, and projected growth to 30 June 2027.

The allocation of growth to settlements has been based on SNZ's Statistical Area 2 population projections. A combination of historical growth and the existing population was used. Where the Statistical Area 2 and settlement boundaries do not align, some simplifying assumptions have been applied to allocate growth.

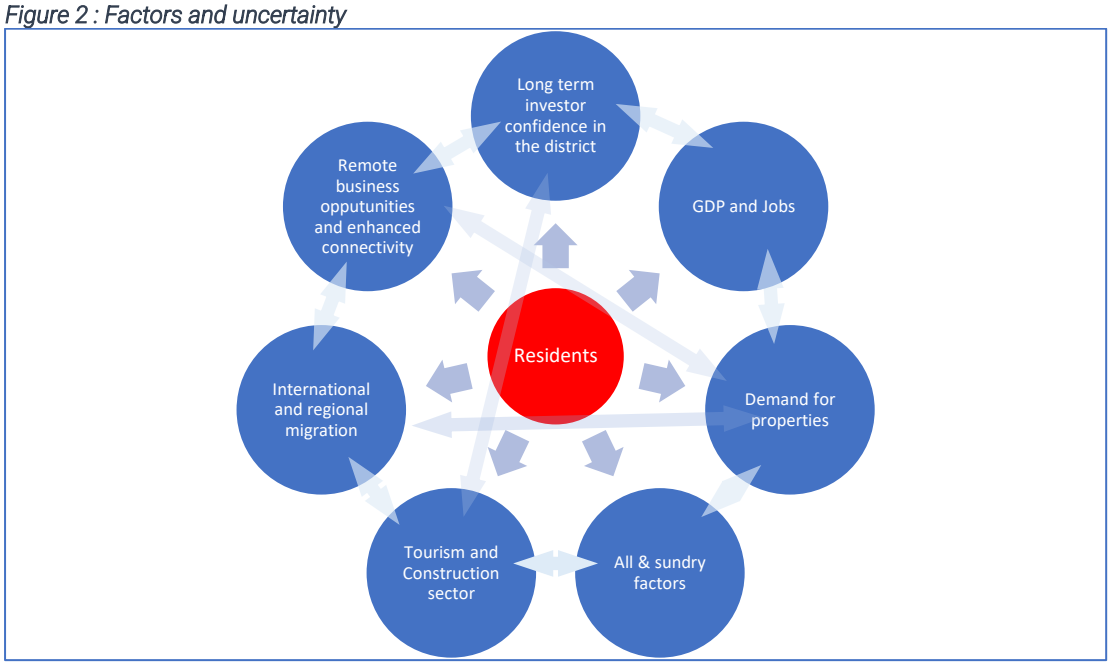
An outline of the allocation of Statistical Area 2 to settlements is shown below. The Ward boundaries have changed recently in the Clutha district. Some settlements now sit in multiple Wards, so grouping the settlement population projections by Ward is not included in this latest growth projections report. To do so would require too many subjective assumptions about the location of growth within each settlement which may compromise the planning process.

4.3 Scenarios

Projections of any sort are inherently uncertain. Providing alternative scenarios allows some of this uncertainty to be quantified.

The factors affecting population growth are many, interdependent, and often difficult to quantify or forecast with any certainty. The relationship between some of these factors is shown visually in the diagram below.

Figure 2 : Factors and uncertainty



Given the difficulty quantifying and projecting these factors and the many interdependencies, a simple approach has been used. Resident population is the primary driver of housing, rating unit, and household growth in the district. Therefore, uncertainty has been modelled through three different population projections from SNZ. The impacts of the alternative resident population growth scenarios then flow through into the other categories.

SNZ population projections are statistically robust and consider the trends in the age structure of the population, fertility and mortality rates, as well as migration into and out of the district.

Furthermore, as they are produced by a central government agency, they are easy to justify to central government in any funding applications.

Low, medium, and high scenarios have all been modelled, based on SNZ's population projections. The following graph shows the different scenarios. The profiles for the other variables (houses, visitors, businesses) are similar. For context the previous projections are also shown.

Figure 3 : Residents under each scenario



The graph shows that under all scenarios, the rate of growth is forecast to decline. This trend is not as evident has in the previous projections, however it is still a nation-wide trend where the impact of the aging population results in the natural change (births minus deaths) reducing over time. While this can be offset by migration, some form of slowdown is inevitable.

The projections were workshopped with elected members and council officers on 11 June 2026. The High series was recommended as it is consistent with recent trends, provides the best balance of likelihood and robustness, and can be justified. This is summarised in the following table. Of late, the SNZ High series has been the most accurate, both for the Clutha District and for other regional areas in Southland and Otago.

This recommendation was endorsed by the elected members at the workshop.

5 Results

5.1 Recommended scenario – high

The results for the recommended high scenario are summarised in the table below. The key changes from the previous projections are:

- Stronger resident population growth, increasing to over 23,300 people by 2057. This is higher than the 2023 projections.
- Continued growth in the number of houses, increasing to nearly 11,250 houses by 2057. The overall increase of 2,120 houses is higher than the previous projections.
- The increase in visitor numbers takes the average day total population to nearly 29,000 people by 2057.

Table 4 : Recommended High scenario – summary

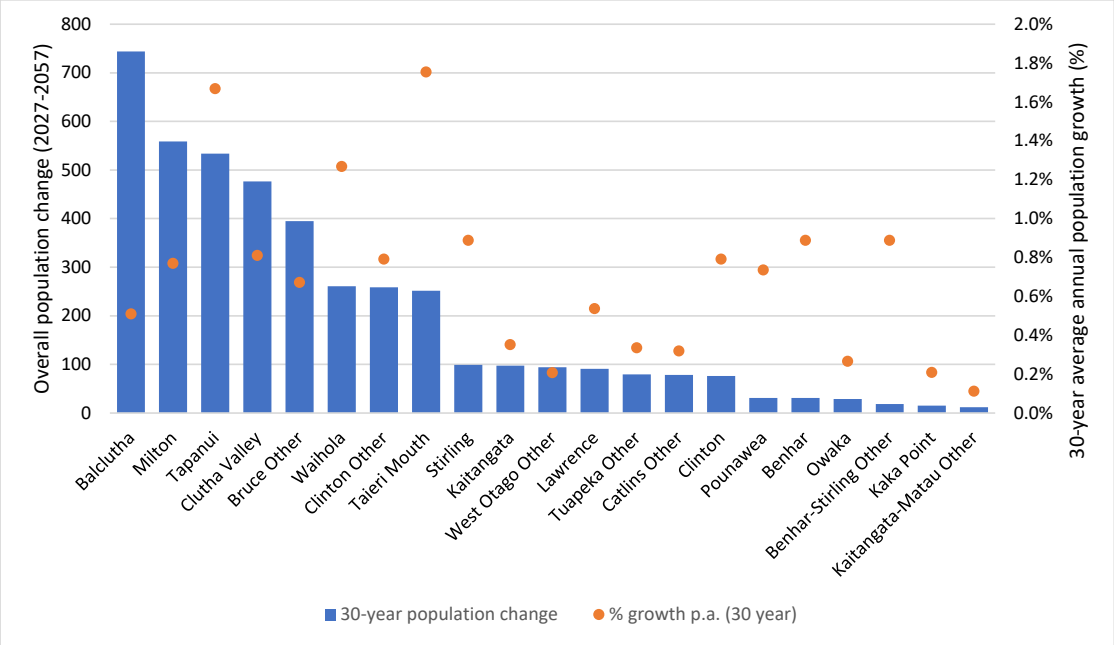
	2027	2037	2057	10 year change			30 year change		
				Change	Annual change	Annual change %	Change	Annual change	Annual change %
Residents	**19,100**	**20,609**	**23,328**	**1,509**	**151**	**0.8%**	**4,228**	**141**	**0.7%**
Total Houses	**9,125**	**9,861**	**11,247**	**736**	**74**	**0.8%**	**2,123**	**71**	**0.7%**
Residents houses	8,091	8,780	10,054	690	69	0.8%	1,963	65	0.7%
Holiday houses	1,034	1,081	1,193	47	5	0.4%	159	5	0.5%
Total Households	**7,921**	**8,595**	**9,844**	**674**	**67**	**0.8%**	**1,923**	**64**	**0.7%**
Family Households	5,613	6,044	6,919	431	43	0.7%	1,306	44	0.7%
Other Multi-Person Households	196	294	309	99	10	4.2%	113	4	1.5%
One-Person Households	2,112	2,257	2,615	144	14	0.7%	503	17	0.7%
Total Visitors - Peak Day	**9,929**	**11,088**	**13,666**	**1,159**	**116**	**1.1%**	**3,738**	**125**	**1.1%**
Total Visitors - Average Day	**3,820**	**4,420**	**5,646**	**600**	**60**	**1.5%**	**1,827**	**61**	**1.3%**
Total Rating Units	**13,122**	**13,997**	**15,634**	**875**	**88**	**0.6%**	**2,512**	**84**	**0.6%**
Residential	6,891	7,627	9,014	736	74	1.0%	2,123	71	0.9%
Non-Residential	1,760	1,899	2,150	139	14	0.8%	390	13	0.7%
Total Population - Peak Day	**29,028**	**31,697**	**36,995**	**2,668**	**267**	**0.9%**	**7,966**	**266**	**0.8%**
Total Population - Average Day	**22,919**	**25,029**	**28,975**	**2,110**	**211**	**0.9%**	**6,055**	**202**	**0.8%**

A full table of the projections at the district, and resident population at settlement level can be found in the appendices. A dynamic reporting spreadsheet is also provided for council officers and stakeholders that provides all the raw data so outputs can be adjusted to suit user needs.

The resident population growth by settlement is summarised in the following graph. This shows the overall population change over 30 years, and the annual growth percentage to provide context relative to the existing size of the settlement.

The graph shows that the highest population growth is forecast in the Balclutha, Milton, Tapanui and Clutha Valley settlement. A number of other settlements have a similarly high annual growth percentage. These localised projections relay on census data and should be considered in conjunction with better local knowledge provide by council officers when being used for investment decisions and planning considerations.

Figure 4 : Summary of settlement – overall population change and annual growth (%)



The projected age profile of the district is also included in the detailed results. This can be summarised in the age pyramids below, which represent both the portion of the population, and the absolute numbers. Due to the overall population growth, the number of residents in most age groups is projected to grow. However, 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.

Figure 5 : Clutha age pyramid – proportion of residents

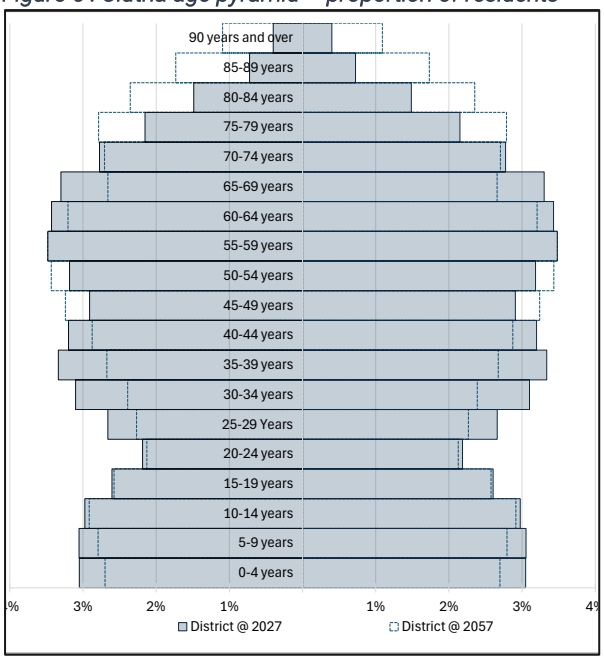
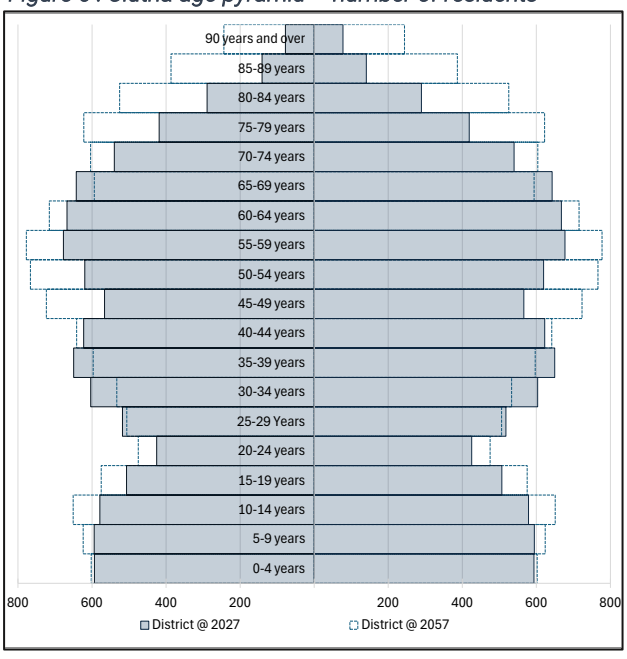


Figure 6 : Clutha age pyramid – number of residents



An alternative way to view the age demographic projections is to compare the ratio of working age residents (15 to 64 years old) to non-working age residents (0 to 14 years and 65 years and over).

This change in demographics is a key consideration for the future community's funding ability. It means less of the population are working, and are therefore more exposed to on-going rates increases, e.g. retirees on fixed income.

Clutha has a similar trend to the rest of New Zealand, however the impact is likely to be greater as the average age of Clutha is relatively high and the current ratio is lower. This change in community demographics is likely to result in a change in future infrastructure demand characteristics, i.e. the underlying demand per person for each activity.

Figure 7 : Ratio of working age to non-working age – New Zealand and Clutha district (L, M, H)



5.2 Other scenarios – medium and low

A high-level summary of the medium and low scenarios is presented below. Both scenarios have historically under projected growth and are therefore not recommended.

They assume lower fertility, higher mortality, and lower net migration than the high scenario Despite the decline in population there is still positive house and rating unit growth due to a trend towards smaller households.

Table 5 : Medium scenario – summary

	2027	2037	2057	10 year change			30 year change		
				Change	Annual change	Annual change %	Change	Annual change	Annual change %
Residents	18,920	19,562	20,352	642	64	0.3%	1,432	48	0.2%
Total Houses	9,070	9,570	10,397	501	50	0.5%	1,328	44	0.5%
Total Households	7,887	8,310	8,988	423	42	0.5%	1,101	37	0.4%
Total Visitors - Peak Day	9,774	10,773	13,072	999	100	1.0%	3,298	110	1.0%
Total Visitors - Average Day	3,713	4,297	5,489	584	58	1.5%	1,776	59	1.3%
Total Rating Units	13,050	13,610	14,510	560	56	0.4%	1,459	49	0.4%
Total Population - Peak Day	28,694	30,335	33,423	1,641	164	0.6%	4,730	158	0.5%
Total Population - Average Day	22,634	23,859	25,841	1,225	123	0.5%	3,208	107	0.4%

Table 6 : Low scenario – summary

	2027	2037	2057	10 year change			30 year change		
				Change	Annual change	Annual change %	Change	Annual change	Annual change %
Residents	18,740	18,491	17,229	-249	-25	-0.1%	-1,511	-50	-0.3%
Total Houses	9,003	9,166	9,300	163	16	0.2%	298	10	0.1%
Total Households	7,831	7,920	7,769	90	9	0.1%	-61	-2	0.0%
Total Visitors - Peak Day	9,359	10,413	12,378	1,054	105	1.1%	3,019	101	0.9%
Total Visitors - Average Day	3,607	4,174	5,333	567	57	1.5%	1,725	58	1.3%
Total Rating Units	12,976	13,157	13,326	181	18	0.1%	351	12	0.1%
Total Population - Peak Day	28,099	28,904	29,608	805	80	0.3%	1,509	50	0.2%
Total Population - Average Day	22,347	22,665	22,562	318	32	0.1%	215	7	0.0%

6 Appendices

Settlement maps

Detailed growth projections

6.1 Settlement maps

Figure 8 : Clutha District

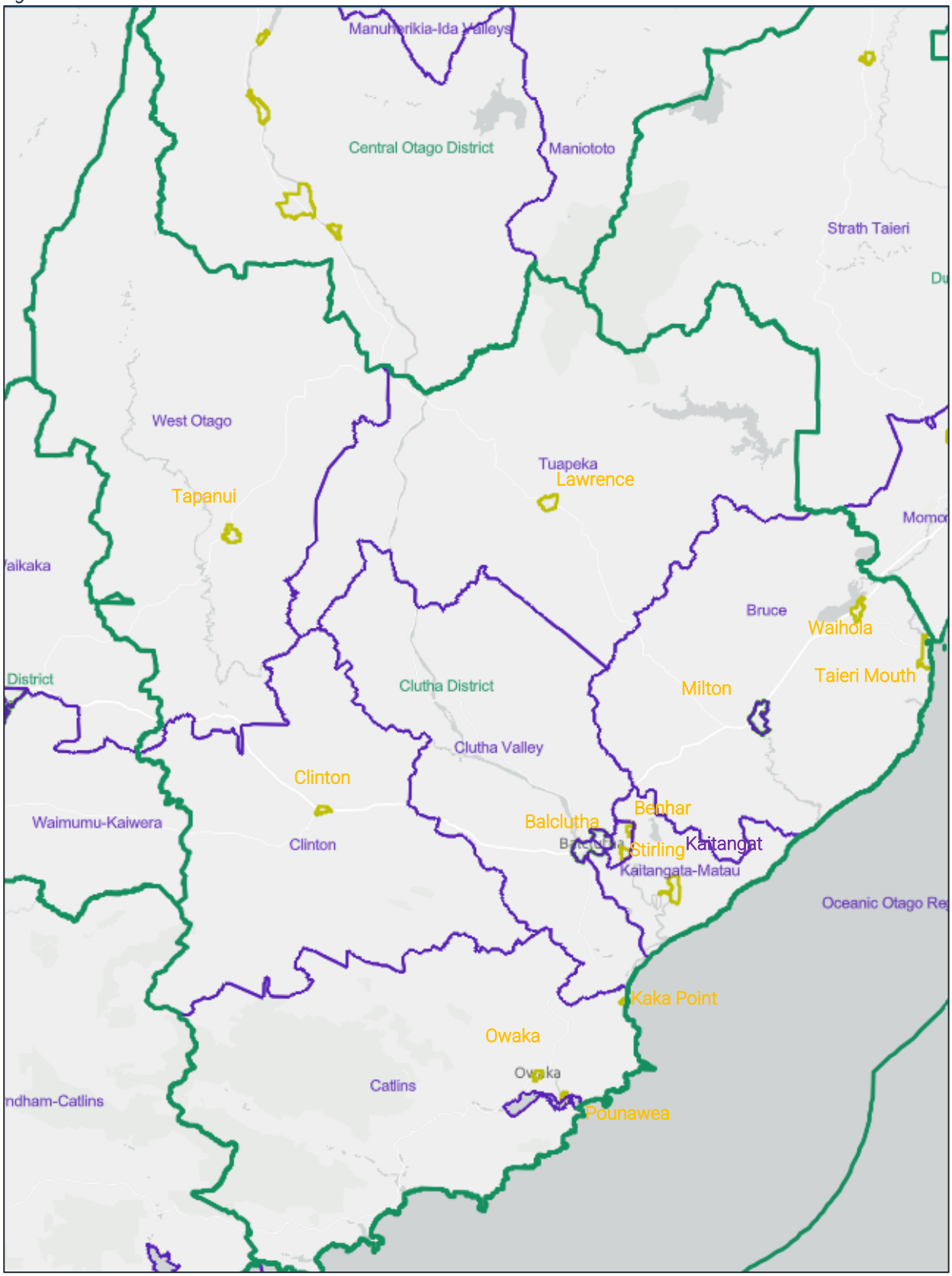


Figure 9 : Balclutha Settlement, Benhar Settlement, Stirling Settlement, Clutha Valley and Kaitangata-Matau Other

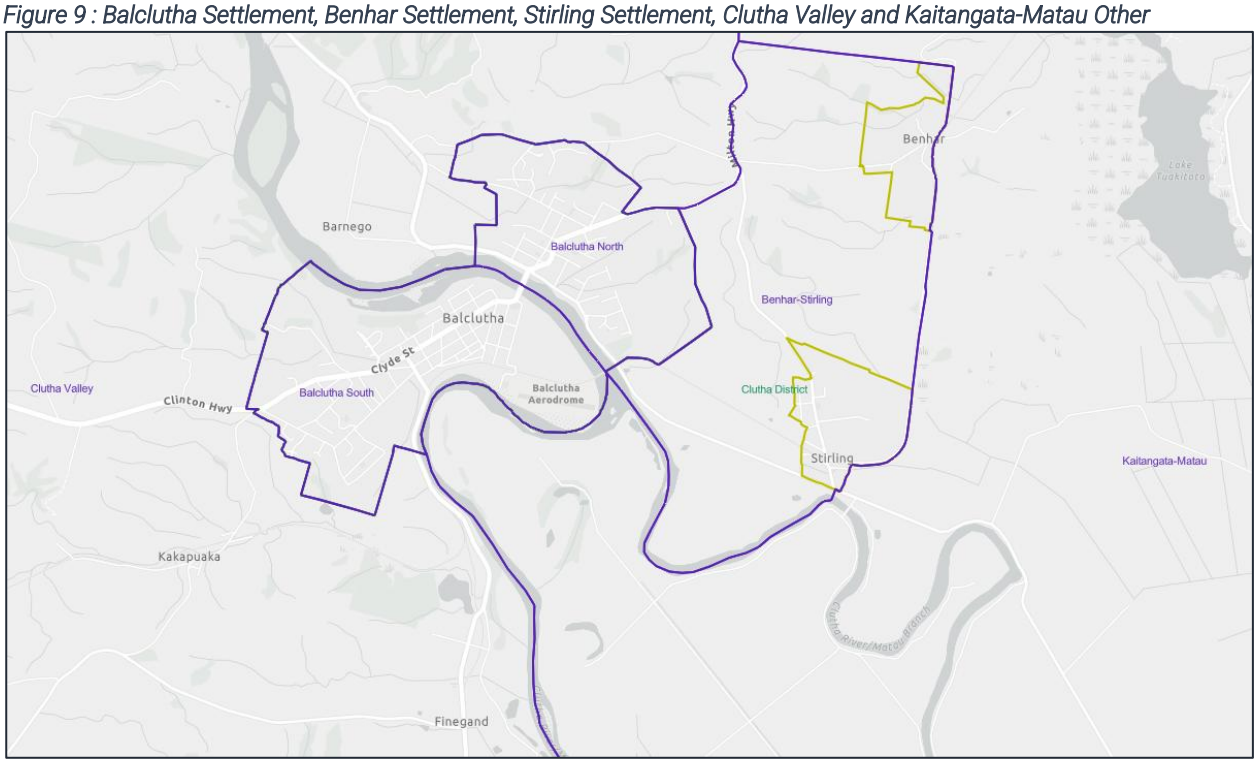


Figure 10 : Milton Settlement, Taieri Mouth Settlement, Waihola Settlement, Bruce Other

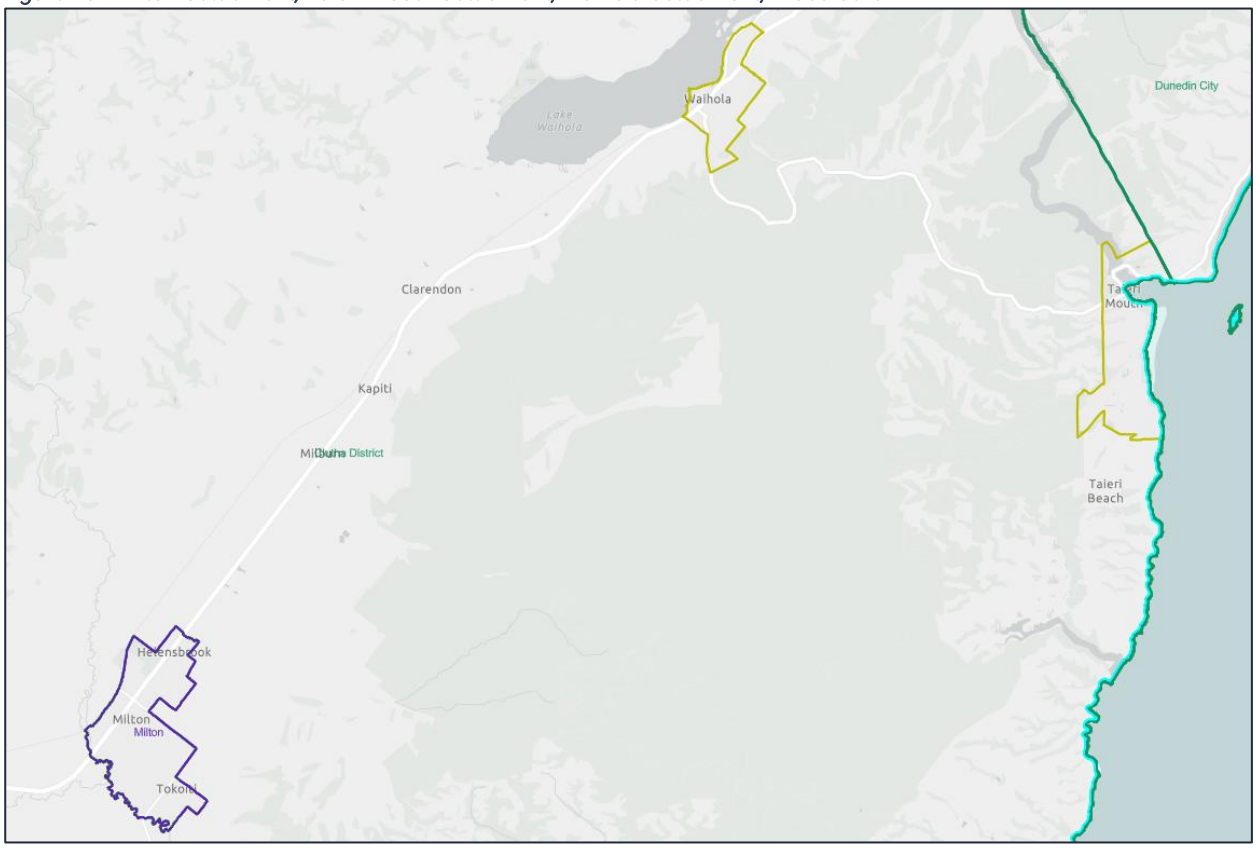


Figure 11 : Kaka Point Settlement, Owaka Settlement, Pounawea Settlement, Catlins Other

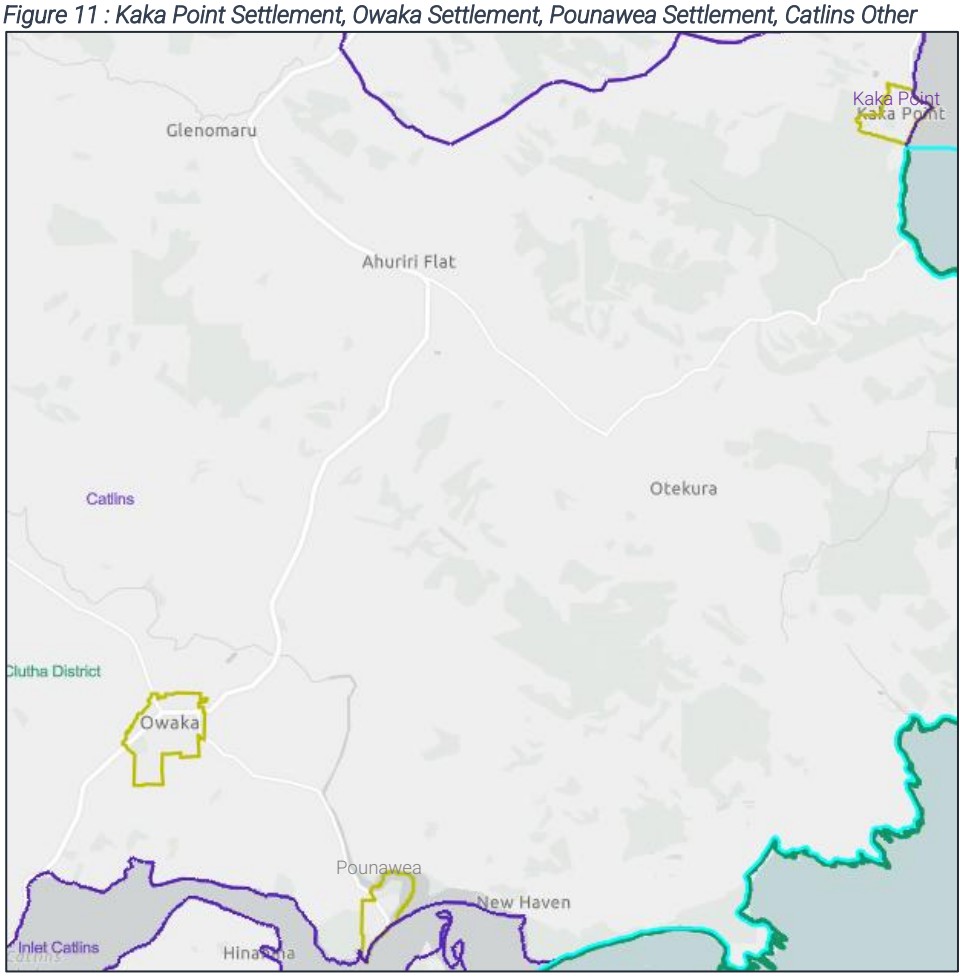


Figure 12 : Clinton Settlement, Clinton Other

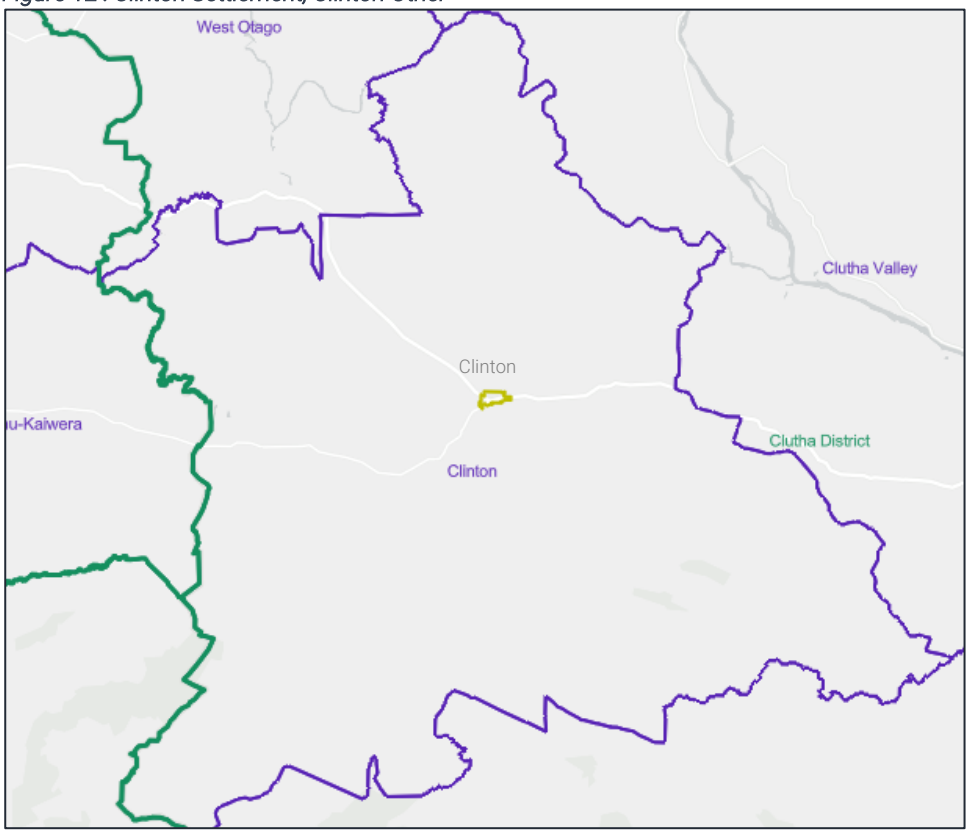


Figure 13 : Clutha Valley Settlement

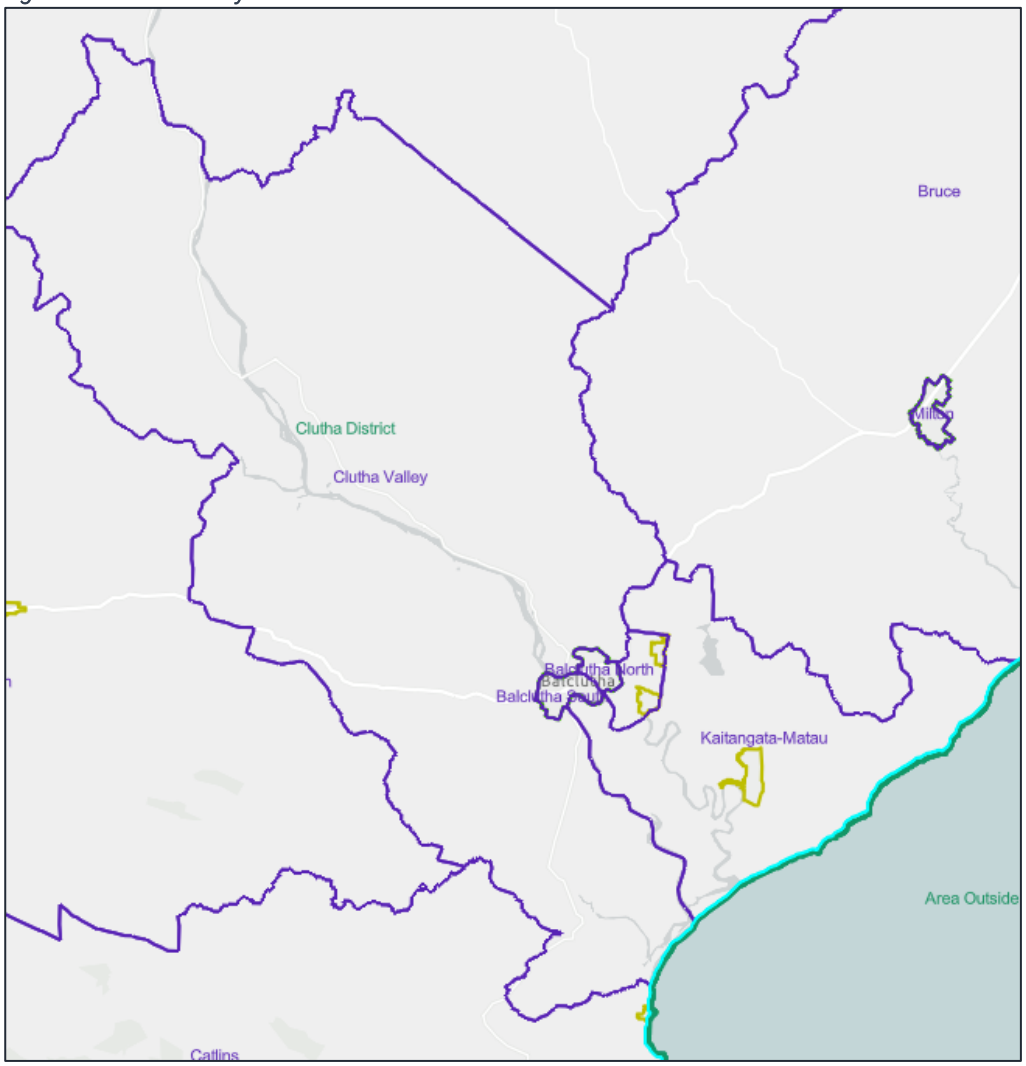


Figure 14 : Kaitangata Settlement, Kaitangata-Matau Other

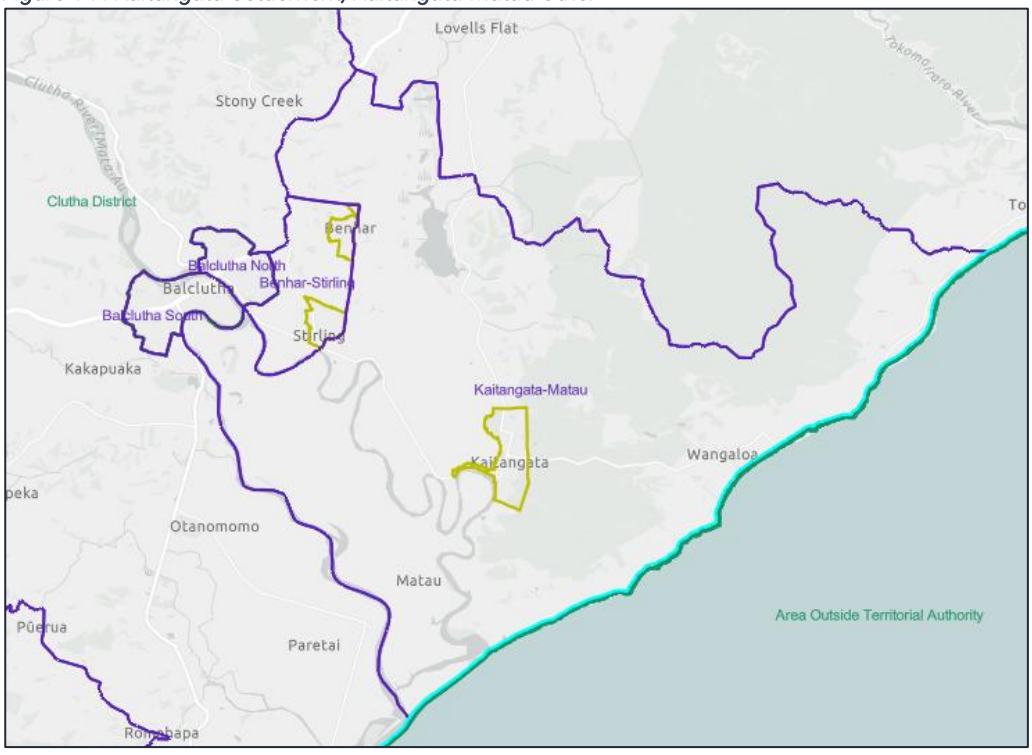


Figure 15 : Lawrence Settlement, Tuapeka Other

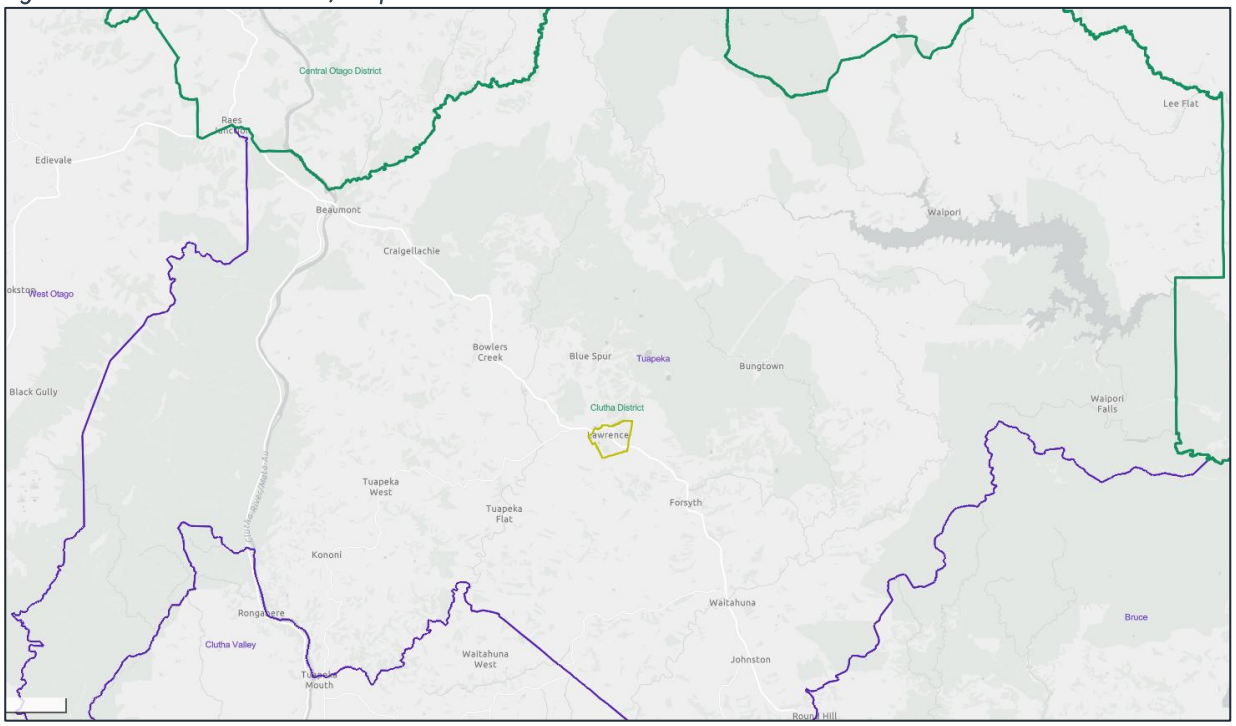
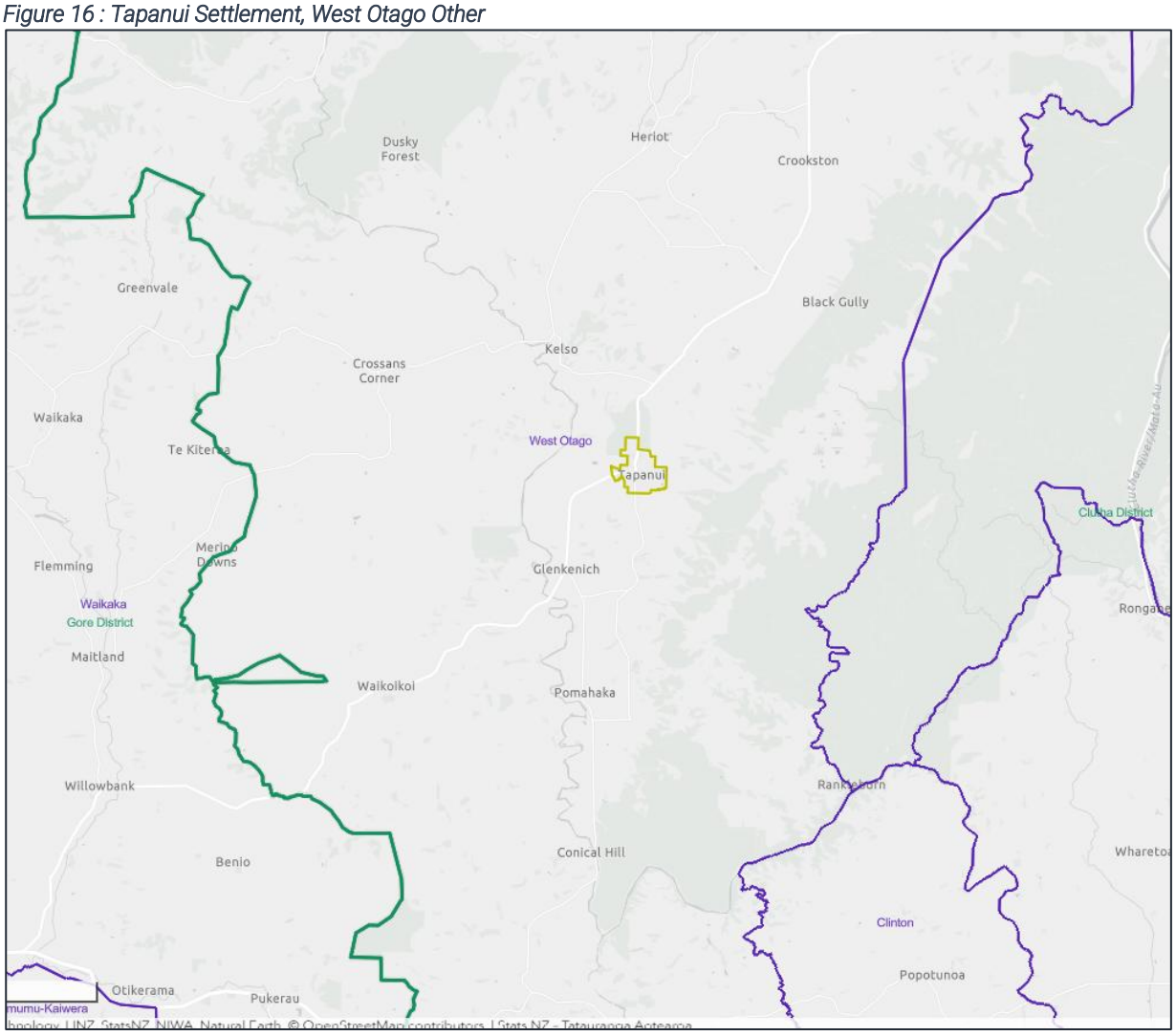


Figure 16 : Tapanui Settlement, West Otago Other



6.2 Detailed growth projections

Table 7 : Detailed results – district projections – recommended High series

	2027	2032	2037	2042	2047	2052	2057	10 year change			30 year change		
								Change	Annual change	Annual change %	Change	Annual change	Annual change %
Residents	**19,100**	**19,889**	**20,609**	**21,389**	**22,108**	**22,728**	**23,328**	**1,509**	**151**	**0.8%**	**4,228**	**141**	**0.7%**
Total Houses	**9,125**	**9,500**	**9,861**	**10,233**	**10,597**	**10,926**	**11,247**	**736**	**74**	**0.8%**	**2,123**	**71**	**0.7%**
Residents houses	8,091	8,449	8,780	9,139	9,474	9,767	10,054	690	69	0.8%	1,963	65	0.7%
Holiday houses	1,034	1,050	1,081	1,094	1,123	1,158	1,193	47	5	0.4%	159	5	0.5%
Total households	**7,921**	**8,272**	**8,595**	**8,946**	**9,273**	**9,560**	**9,844**	**674**	**67**	**0.8%**	**1,923**	**64**	**0.7%**
Family households	5,613	5,786	6,044	6,270	6,499	6,710	6,919	431	43	0.7%	1,306	44	0.7%
Other multi-person households	196	272	294	300	304	306	309	99	10	4.2%	113	4	1.5%
One-person households	2,112	2,214	2,257	2,376	2,470	2,543	2,615	144	14	0.7%	503	17	0.7%
Total Rating Units	**13,122**	**13,570**	**13,997**	**14,441**	**14,871**	**15,257**	**15,634**	**875**	**88**	**0.6%**	**2,512**	**84**	**0.6%**
Residential	6,891	7,266	7,627	7,999	8,363	8,692	9,014	736	74	1.0%	2,123	71	0.9%
Rural Industry	2,203	2,203	2,203	2,203	2,203	2,203	2,203	0	0	0.0%	0	0	0.0%
Non-Residential	1,760	1,833	1,899	1,971	2,037	2,094	2,150	139	14	0.8%	390	13	0.7%
Vacant	2,180	2,180	2,180	2,180	2,180	2,180	2,180	0	0	0.0%	0	0	0.0%
Utilities	88	88	88	88	88	88	88	0	0	0.0%	0	0	0.0%
Total Visitors - Peak Day	**9,929**	**10,457**	**11,088**	**11,713**	**12,394**	**13,026**	**13,666**	**1,159**	**116**	**1.1%**	**3,738**	**125**	**1.1%**
Total Population - Peak Day	29,028	30,346	31,697	33,102	34,502	35,754	36,995	2,668	267	0.9%	7,966	266	0.8%
Total Visitors - Average Day	**3,820**	**4,123**	**4,420**	**4,709**	**5,034**	**5,337**	**5,646**	**600**	**60**	**1.5%**	**1,827**	**61**	**1.3%**
Total Population - Average Day	22,919	24,013	25,029	26,098	27,143	28,066	28,975	2,110	211	0.9%	6,055	202	0.8%

Table 8 : Detailed results – Settlements projections - recommended High series

	2027	2032	2037	2042	2047	2052	2057	10 year change			30 year change		
								Change	Annual change	Annual change %	Change	Annual change	Annual change %
Clutha District	**19,100**	**19,889**	**20,609**	**21,389**	**22,108**	**22,728**	**23,328**	**1,509**	**151**	**0.8%**	**4,228**	**141**	**0.7%**
Balclutha	4,507	4,649	4,764	4,903	5,036	5,145	5,250	257	26	0.6%	744	25	0.5%
Benhar	102	106	111	116	122	127	133	9	1	0.9%	31	1	0.9%
Benhar-Stirling Other	61	64	67	70	73	76	80	6	1	0.9%	19	1	0.9%
Bruce Other	1,772	1,840	1,904	1,977	2,047	2,108	2,167	132	13	0.7%	395	13	0.7%
Catlins Other	780	805	820	836	847	853	858	40	4	0.5%	78	3	0.3%
Clinton	285	299	311	325	338	350	362	26	3	0.9%	76	3	0.8%
Clinton Other	968	1,013	1,056	1,102	1,147	1,187	1,227	88	9	0.9%	258	9	0.8%
Clutha Valley	1,735	1,826	1,914	2,002	2,079	2,146	2,212	178	18	1.0%	476	16	0.8%
Kaitangata	875	910	942	967	974	974	972	67	7	0.7%	97	3	0.4%
Kaitangata-Matau Other	341	344	347	352	354	353	352	6	1	0.2%	12	0	0.1%
Kaka Point	231	234	236	240	243	244	246	5	1	0.2%	15	0	0.2%
Lawrence	519	541	561	577	590	600	610	42	4	0.8%	91	3	0.5%
Milton	2,159	2,262	2,362	2,465	2,558	2,639	2,718	202	20	0.9%	559	19	0.8%
Owaka	343	351	356	362	366	369	371	13	1	0.4%	29	1	0.3%
Pounawea	126	139	147	152	155	156	157	21	2	1.6%	31	1	0.7%
Stirling	325	340	355	373	391	408	424	30	3	0.9%	99	3	0.9%
Taieri Mouth	367	413	458	501	542	580	618	91	9	2.2%	251	8	1.8%
Tapanui	830	903	981	1,070	1,169	1,267	1,364	151	15	1.7%	534	18	1.7%
Tuapeka Other	746	763	778	793	806	816	825	31	3	0.4%	79	3	0.3%
Waihola	567	614	659	705	748	788	827	93	9	1.5%	261	9	1.3%
West Otago Other	1,461	1,472	1,481	1,503	1,525	1,541	1,555	20	2	0.1%	94	3	0.2%

Local Government Cost Index

Taituarā

October 2026

Taituarā

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Peer reviewer: Hillmarè Schulze

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1 Introduction

1.1 Scope and objective

The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand.

The intention is to provide local government administrators with a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase in the following 10 years, given the current macroeconomic conditions. This is useful for both the planning and the auditing processes.

1.2 Structure of the report

The structure of the report is as follows:

- **Local government cost inflation** – This section presents a review of the inputs and drivers of local government cost inflation. The first quarter of data capturing the impact of developments in the Middle East on the cost adjusters is now available and has been incorporated into the forecast. We project a higher temporary uplift in the cost adjusters in 2026, followed by a return to trend from 2027 for the remainder of the forecast period.
- **Macroeconomic context** – This section sets out the macroeconomic context for the 2026 cost adjuster forecasts. It provides an overview of the global and New Zealand gross domestic product (GDP), labour market, and inflation outlooks, with a particular focus on the implications of the Strait of Hormuz closure on economic activity and global prices
- **Indices and adjusters** – Our 2026 forecasts for the LGCI out to 2037.

2 Local government cost inflation

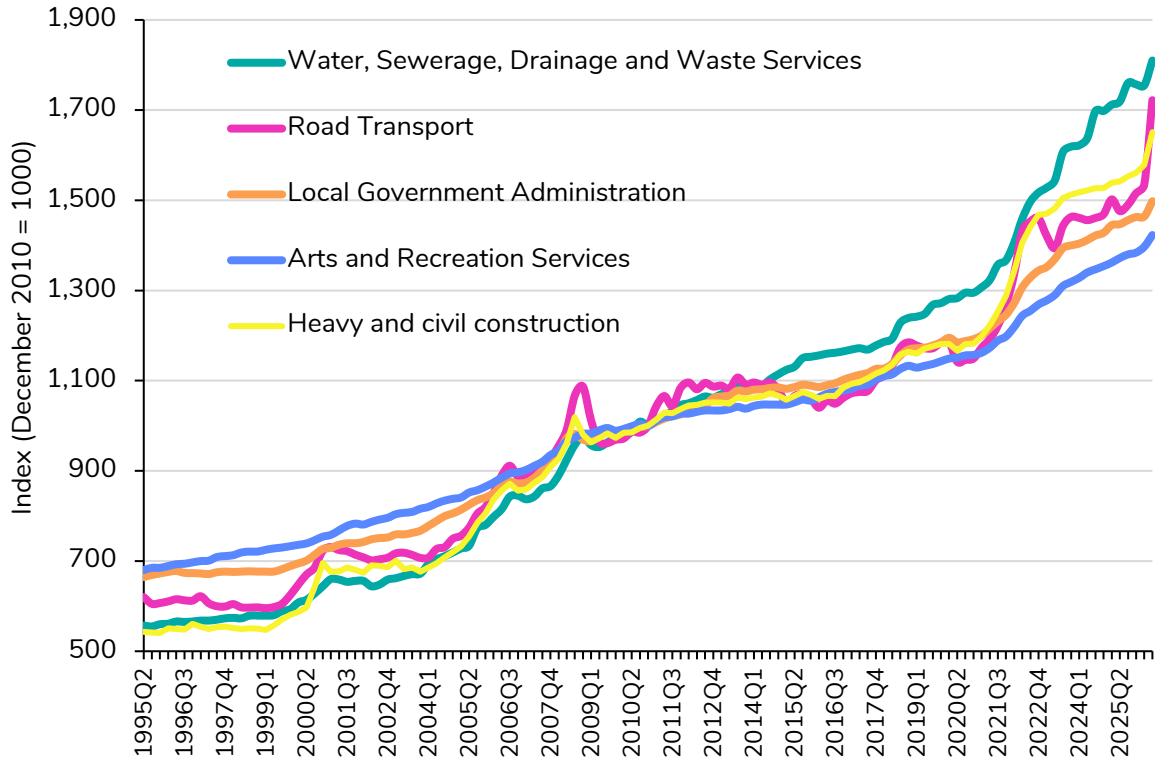
2.1 Producer prices (Producer Price Index, PPI)

Following the global financial crisis (GFC) and through to COVID-19, Producer Price Index (PPI) inflation remained relatively subdued compared to earlier decades (Given international and domestic economic factors, it is to be expected that local government will face less predictable and more volatile costs in the future. Councils will need to prepare for this. Road transport PPI inflation is particularly volatile, and is rising again because of the increase in fuel prices and the conflict in the Middle East. Also noticeable is the recent higher pace of water producer price inflation, relative to other producer prices with which they were relatively aligned in the past.

Figure 1). The inflation surge of 2021 and 2022 has now largely passed, with PPI returning to growth rates more consistent with historical averages.

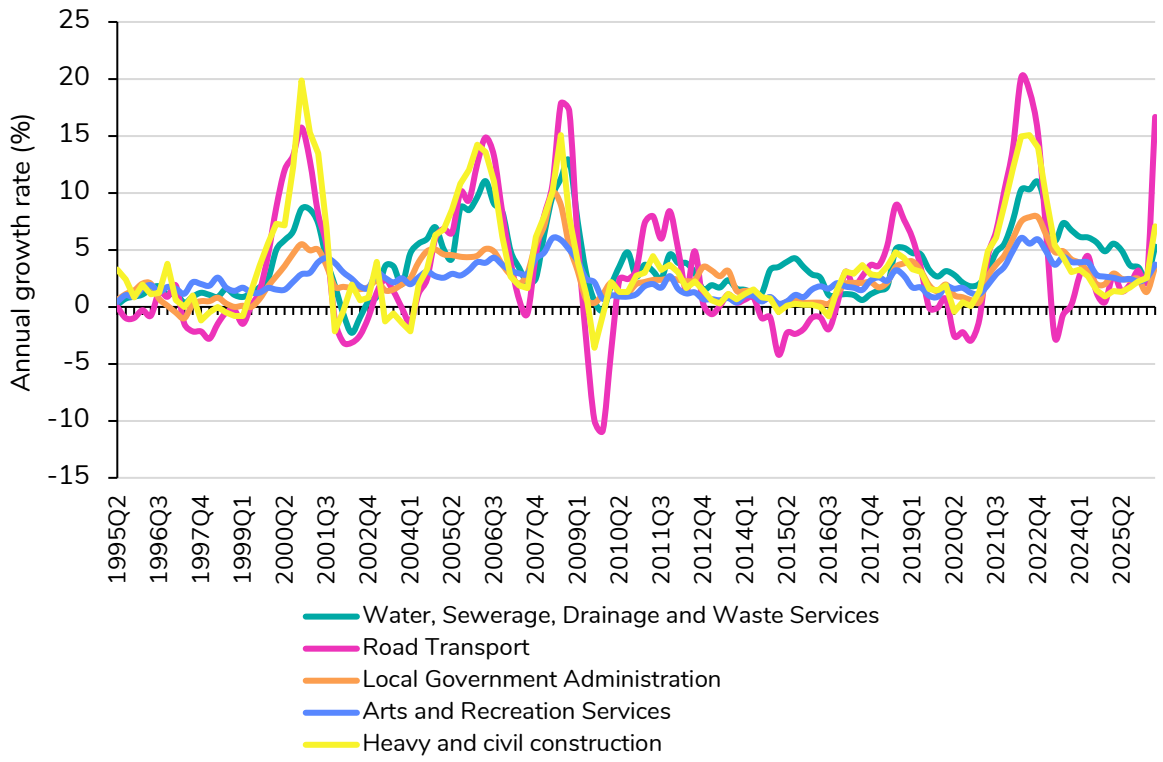
Given international and domestic economic factors, it is to be expected that local government will face less predictable and more volatile costs in the future. Councils will need to prepare for this. Road transport PPI inflation is particularly volatile, and is rising again because of the increase in fuel prices and the conflict in the Middle East. Also noticeable is the recent higher pace of water producer price inflation, relative to other producer prices with which they were relatively aligned in the past.

Figure 1 Producer Price Indices (PPI) trend



Source: Statistics New Zealand, BERL analysis

Figure 2 Producer Price Indices (PPI) annual growth rate

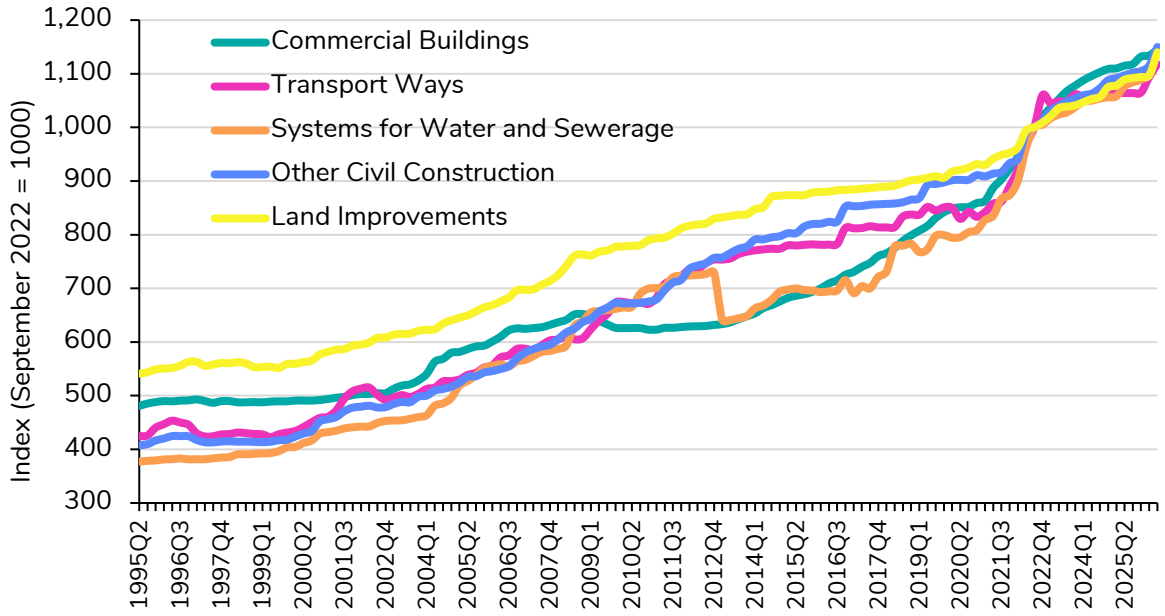


Source: Statistics New Zealand, BERL analysis

2.2 Capital goods prices (Capital Goods Price Index, CGPI)

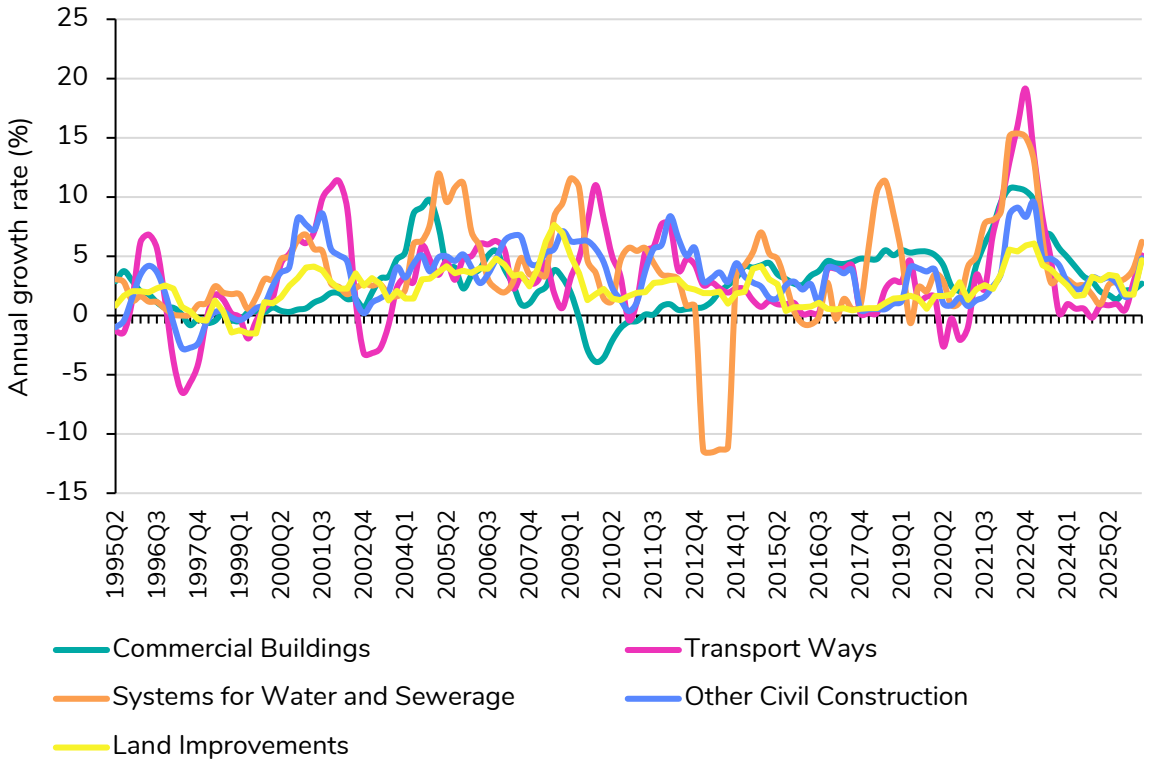
Capital goods cost inflation (the annual increase in prices) has also now largely returned to historical norms following the inflation surge of recent years, which was most pronounced in transport and water capital costs.

Figure 3 Capital Goods Price Indices (CGPI) trend



Source: Statistics New Zealand, BERL analysis

Figure 4 Capital Goods Price Indices (CGPI) annual growth rates

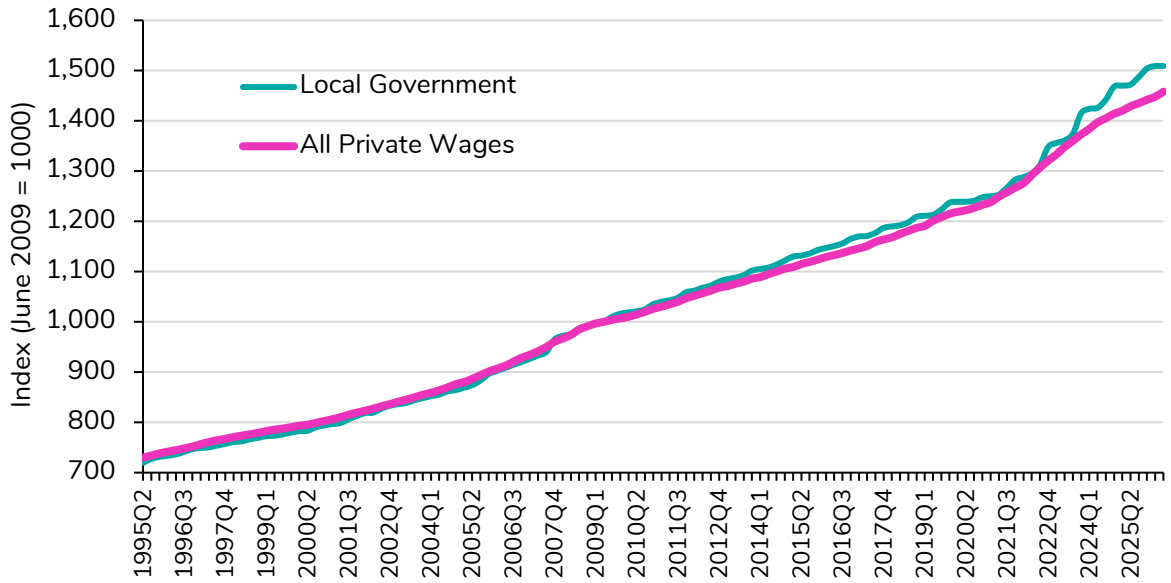


Source: Statistics New Zealand, BERL analysis

2.3 Labour cost index (LCI)

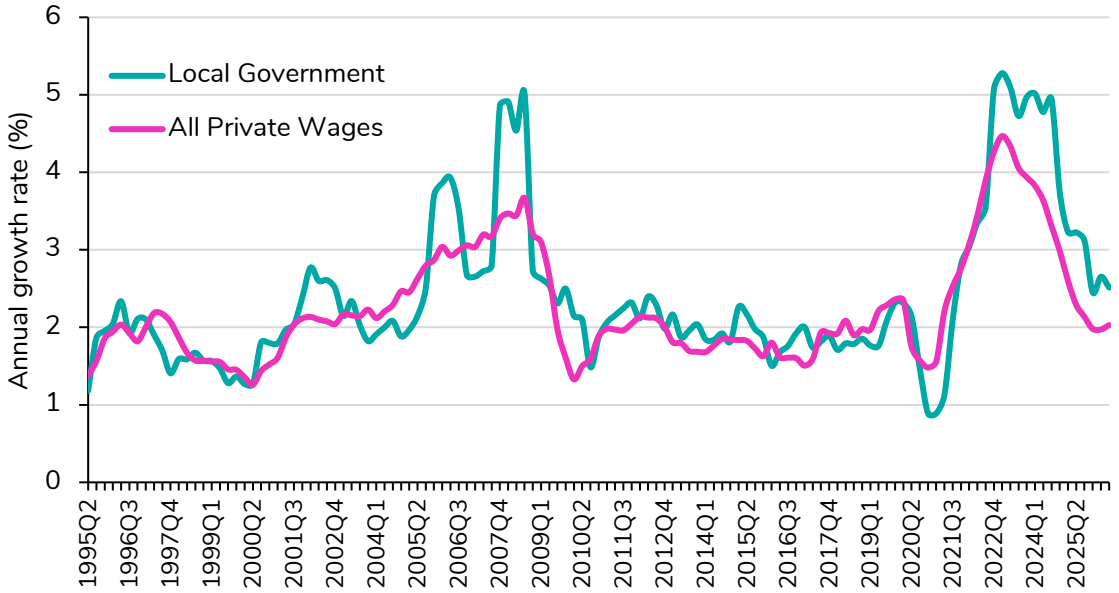
Labour cost inflation is also trending back towards its long-term average, following a period of elevated growth. However, the spike since 2021 still represents a permanent increase in labour costs. As forecast last year, local government wages continue to grow faster than private sector wages.

Figure 5 Labour Cost Indices (LCI) trend



Source: Statistics New Zealand, BERL analysis

Figure 6 Labour Cost Indices (LCI) annual growth rates



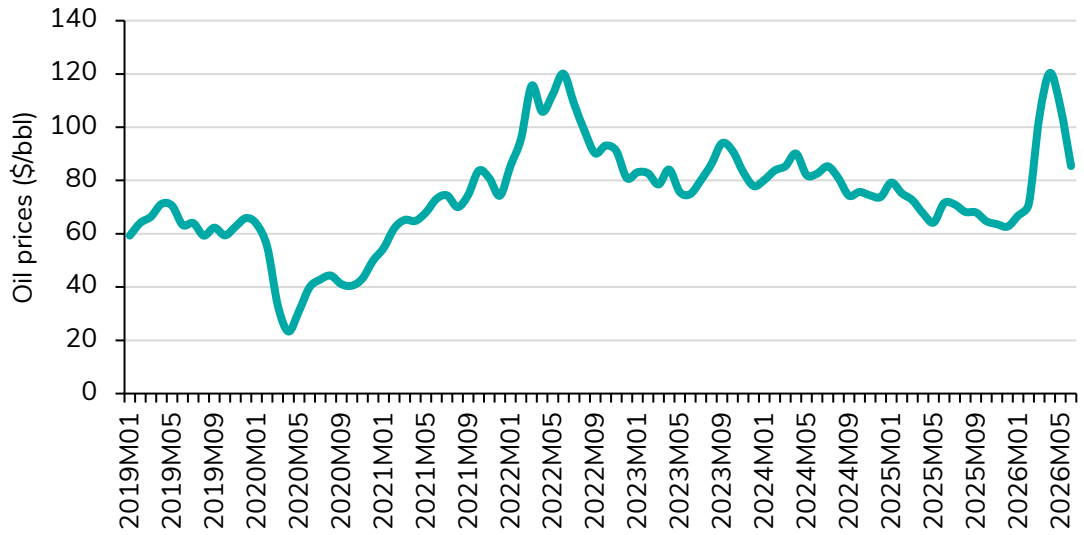
Source: Statistics New Zealand, BERL analysis

2.4 International drivers

Oil prices and market volatility are the dominant themes and drivers of inflation and subdued economic growth in 2026. Prices in 2026 are responding to geopolitical risk with the Strait of Hormuz crisis, increasing prices from about $60 per barrel of oil before the conflict to a high of $120 per barrel at the peak of the crisis.

Diplomatic efforts have subsequently reduced some of that premium, and global oil prices have retraced to between $70 and $100 per barrel. The situation remains volatile and uncertain, however, with prices still elevated relative to pre-2026 levels.

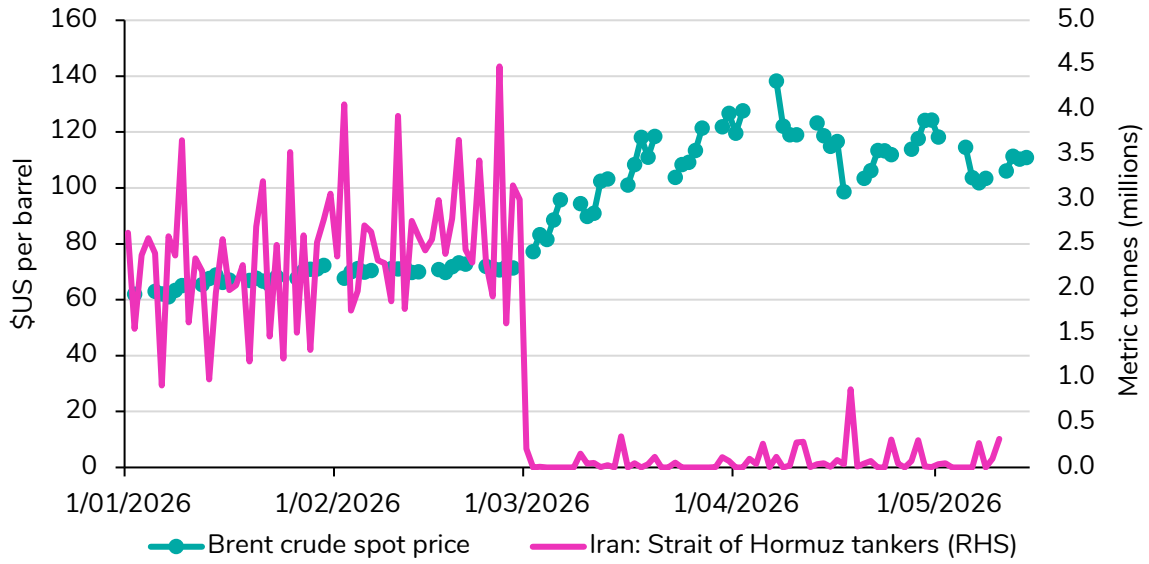
Figure 7 Brent crude oil prices



Source: World Bank

The Strait of Hormuz exercises a significant influence on global oil prices as it is a critical transit route for around one-fifth of world oil supplies. As shown in Figure 8, the Strait of Hormuz is currently experiencing significant disruption, with vessel movements collapsing since the beginning of the US-Iran conflict. Given that the Strait serves as a critical export route for a substantial share of global oil and liquefied natural gas supplies, the disruptions have contributed to volatility in energy markets and remain a key downside risk to the global economic outlook.

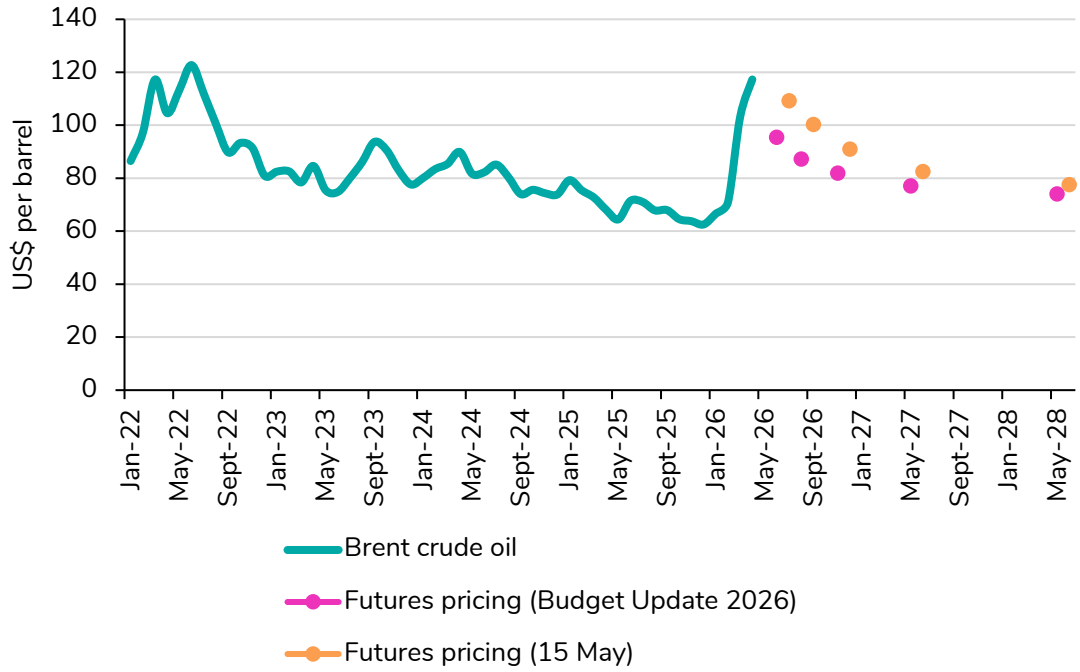
Figure 8 Oil prices and Strait of Hormuz disruption



Source: The Treasury, BEFU 2026

Current forward oil markets imply that Brent crude will remain elevated over the coming year, with prices broadly around US$90-100 per barrel while disruptions to Strait of Hormuz shipping persist. Using forward oil markets as a guide, our projections are for oil prices to settle structurally in the mid-$70 per barrel range.

Figure 9 Oil prices forward market pricing



Source: The Treasury, BEFU 2026

2.5 Domestic drivers

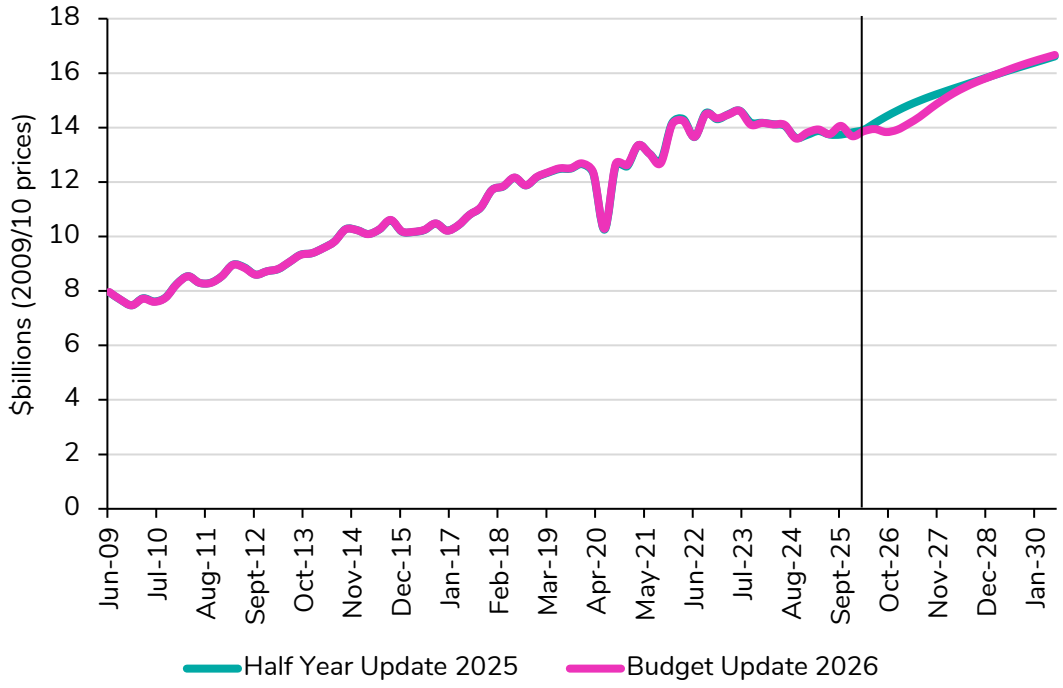
Non-residential investment and construction costs

Public and private investment peaked in mid-2023 and has subsequently softened, dampening demand across the construction sector and contributing to the broader slowdown in economic activity.

Elevated geopolitical uncertainty and higher energy costs are expected to constrain activity in the short term. However, business investment is expected to become an increasingly important driver of economic growth through the latter part of the decade. The Government's $5.7 billion capital investment programme in Budget 2026 will further support demand across the construction, engineering, transport, and infrastructure sectors.

Non-residential investment is expected to strengthen over the forecast period as improving business conditions, strong export incomes, and a large pipeline of public infrastructure investment support demand for commercial construction and productive capital expenditure.

Figure 10 Total investment, public and private (non-residential), actual and forecast (in $ billions)



Source: The Treasury, BEFU 2026

3 Macroeconomic context

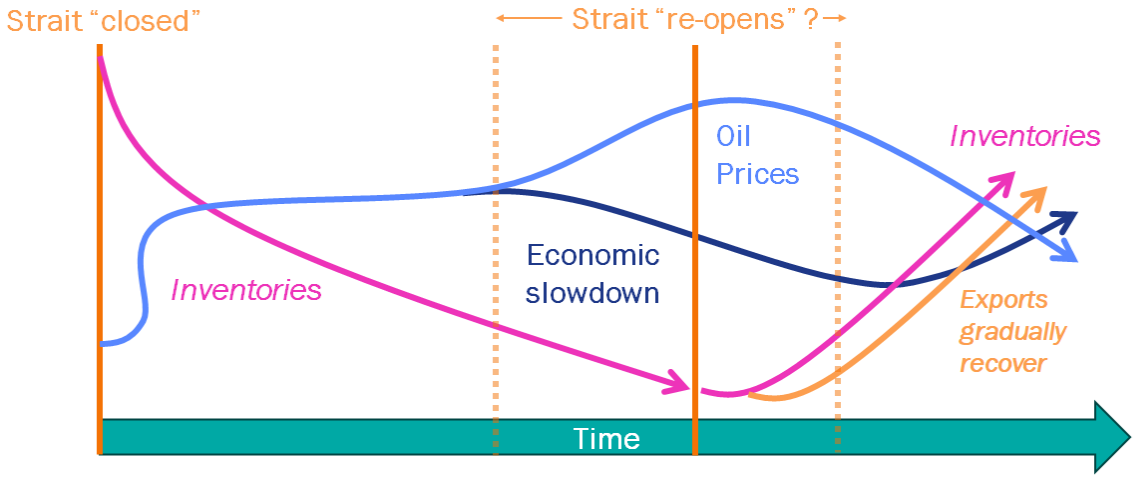
This section sets out the macroeconomic context for the 2026 cost adjuster forecasts. It provides an overview of the global and New Zealand GDP, labour market, and inflation outlooks. The most consequential change in the economic landscape, relative to the 2025 cost adjusters, are developments in global oil markets which are increasing general price inflation but weakening the economy.

3.1 Framework

Figure 11 illustrates the framework for understanding the macroeconomic impact of the closure of the Strait of Hormuz. At a high level there are two effects at play; while higher oil prices are inflationary, there is a corresponding economic slowdown caused by higher inflation and the uncertainty generated by the conflict.

Specifically, the process since the oil crisis began has been the initial closure reducing oil exports and leading to a drawdown of global inventories. This drawdown temporarily cushions the impact on end users. However, as inventories become depleted oil prices rise, and remain elevated, which increases energy costs across the economy. Sustained high oil prices contribute to weaker economic activity through higher production, transport, and household costs.

Figure 11 Framework for understanding the macroeconomic impact of the Strait of Hormuz closure



Source: BERL

Following the reopening of the Strait, exports are assumed to recover progressively, allowing inventories to be replenished and oil prices to moderate. Nevertheless, the economic effects persist

beyond the physical restoration of shipping flows, reflecting the time required for markets and supply chains to return to equilibrium.

3.2 Overview

The global and New Zealand economies have held up better than expected despite several major shocks in recent years, including geopolitical conflict, supply chain disruptions, and high inflation. Growth has slowed, but global markets have progressively adapted to these challenges and have generally performed more strongly than expected.

In New Zealand, the economic recovery has been slower and weaker than originally forecast. Business and consumer confidence remain subdued, suggesting that the recovery is likely to be gradual rather than rapid.

Looking ahead, the outlook remains uncertain. Ongoing tensions in the Middle East, and the potential for further escalation, or de-escalation, of the conflict continues to pose risks to global energy markets, inflation, and economic growth. As a result, developments in the region remain an important factor shaping the economic outlook and the level of uncertainty surrounding future forecasts.

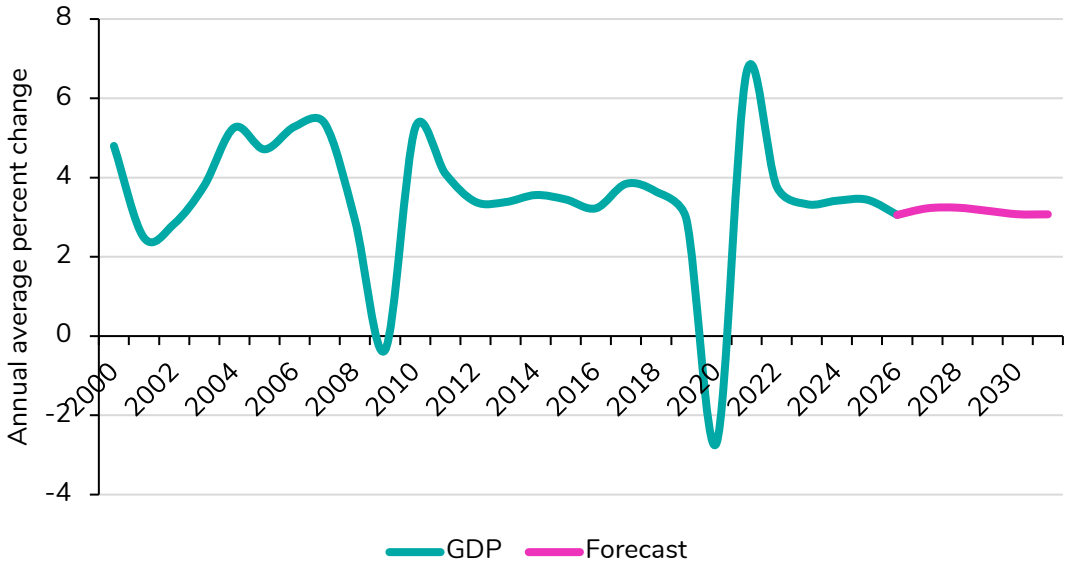
3.3 Economic growth

3.3.1 Global outlook

Global economic growth is expected to remain relatively resilient over the medium term, with world GDP expected to expand by 3.1 percent in 2026 and 3.2 percent in 2027. While these growth rates are resilient despite the conflict in the Middle East, and the impact of the conflict is less than initially expected, they remain slightly below the average growth rates observed prior to COVID-19.

The effects of recent conflicts on global growth and inflation have been partially mitigated by increased energy production from countries outside affected regions and the use of inventories. These factors have helped prevent a more severe deterioration in global economic conditions and have supported continued growth despite significant external shocks.

Figure 12 World GDP annual growth, actual and forecast



Source: IMF, WEO April 2026

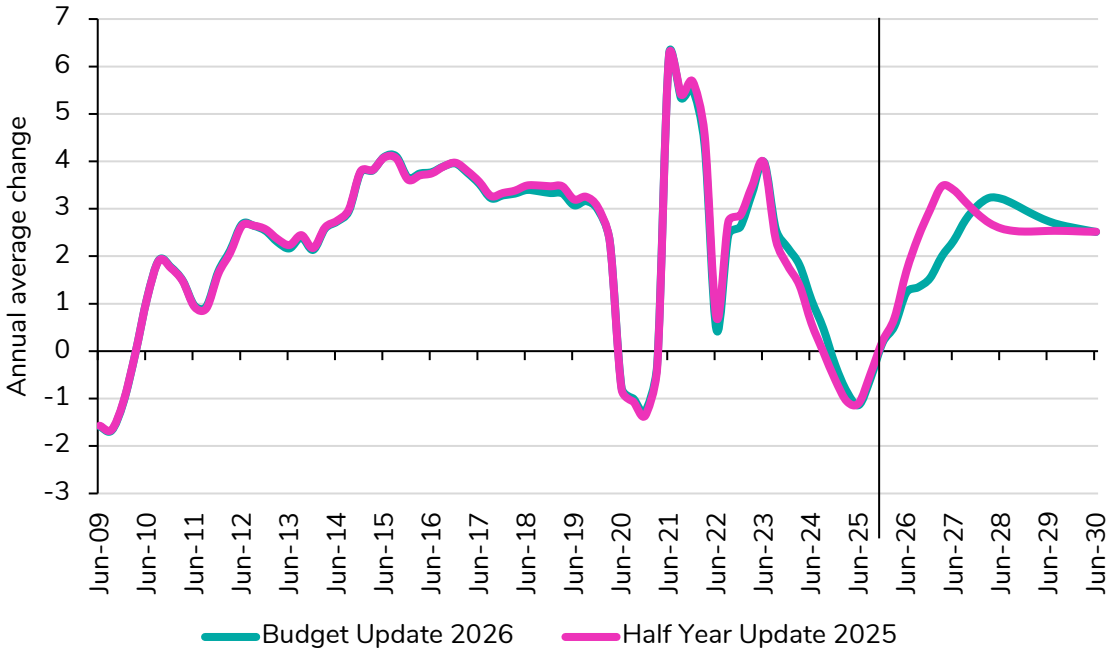
3.3.2 Domestic outlook

The New Zealand economy is slowly recovering after a long period of weak growth and a series of successive shocks. However, the recovery has been weaker than expected as ongoing geopolitical tensions and higher energy prices have once again delayed the return to stronger economic growth.

Economic output remains below its potential level, but growth is expected to start strengthening through the second half of 2026 as the effects of earlier monetary easing continue to flow through the economy.

Economic growth is expected to normalise over the next one to two years. Real GDP growth is projected to be around three percent over the next three years, before easing due to weak labour productivity constraining the pace of trend growth. That said, economic growth remains vulnerable to external shocks and weakness in the global economy.

Figure 13 GDP, actual and forecast



Source: The Treasury, BEFU 2026

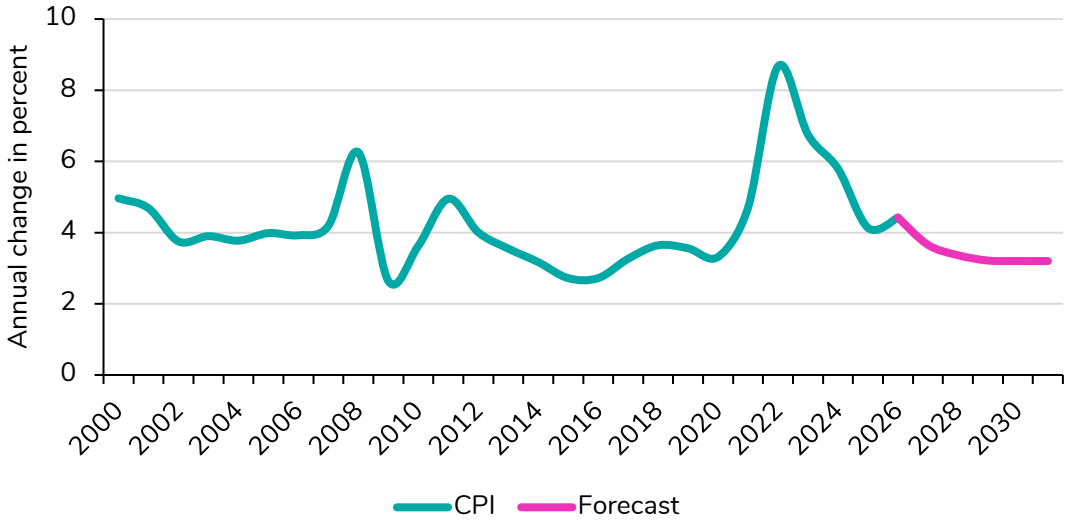
3.4 Inflation

Global outlook

The global disinflation process has stalled after several years of progress in reducing inflation following the COVID-19 pandemic period. Global headline inflation is forecast to increase to 4.4 percent in 2026 before easing to 3.7 percent in 2027. However, the current oil shock is not expected to generate the same inflationary push that occurred in 2021 and 2022.

Nevertheless, higher energy prices, ongoing supply chain pressures, and persistent cost increases across a range of sectors are keeping inflation more elevated than expected. Inflation will moderate over time, but the path back to price stability is proving more difficult than previously anticipated.

Figure 14 Global inflation actual and forecast

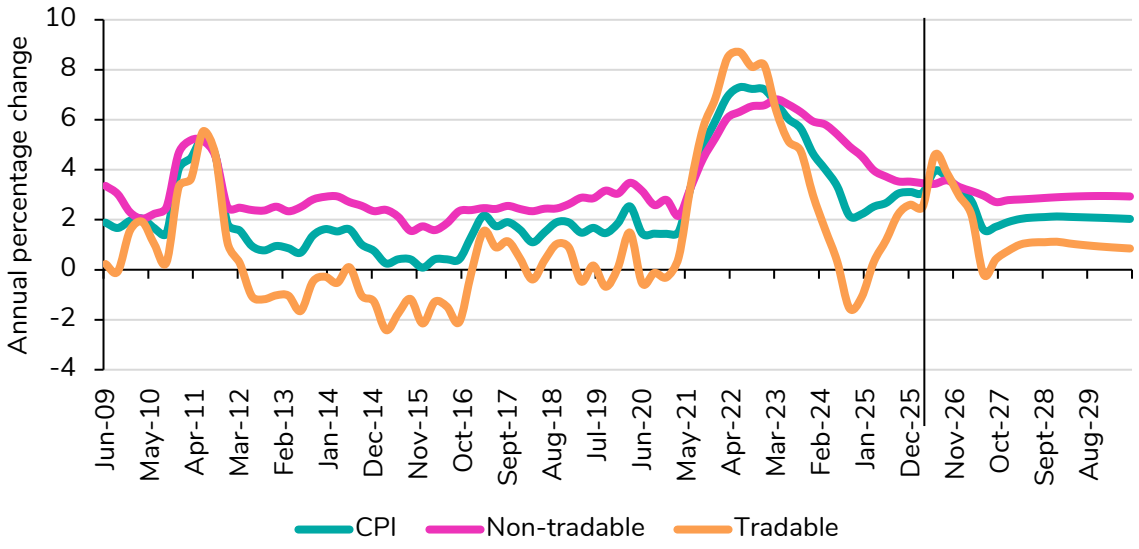


Source: IMF, WEO April 2026

Domestic outlook

Inflation is above the Reserve Bank of New Zealand's (RBNZ) target range of one to three percent and has re-emerged as a key economic concern. Higher global oil prices and energy costs have pushed up inflation expectations and increased near-term price pressures across the economy. Inflation is expected to fall over the next year, but the outlook remains highly dependent on whether temporary cost pressures become embedded in wages and broader price-setting behaviour.

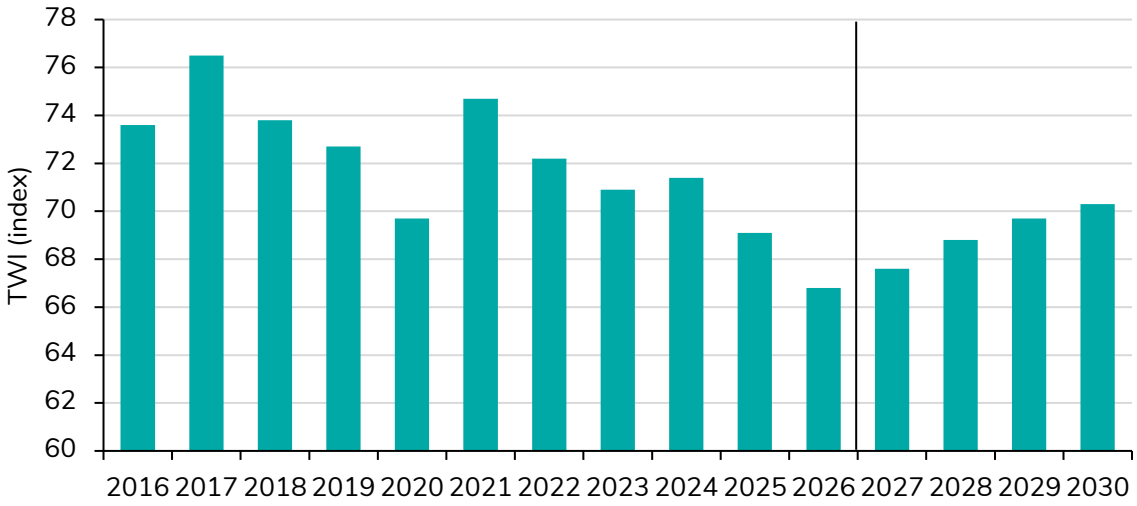
Figure 15 Inflation outlook, tradable and non-tradable inflation, percent, year on year



Source: The Treasury, BEFU 2026

The exchange rate is an important transmission channel through which global developments influence the New Zealand economy. The New Zealand dollar has faced downward pressure from heightened global uncertainty, elevated commodity price volatility, and the widening divergence between monetary policy settings in New Zealand and some of its major trading partners. The NZ dollar remains weak by historical standards but is projected to gradually appreciate as the New Zealand economy recovers and US dollar strength moderates.

Figure 16 Exchange rate (NZ dollar trade-weighted index)

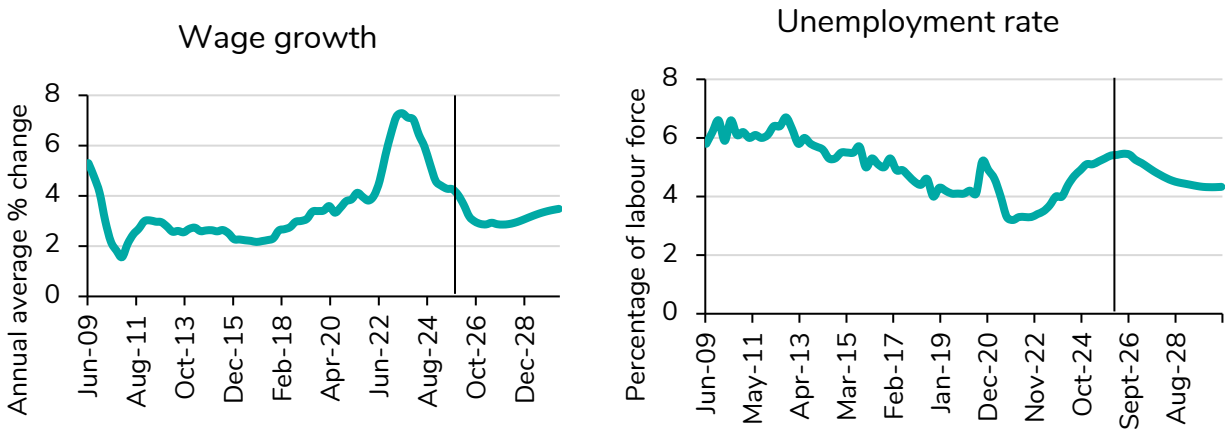


Source: The Treasury, BEFU 2026

3.5 Labour market

Labour market conditions are weak but are expected to gradually improve. Unemployment remains elevated and reached 5.6 percent in the June 2026 quarter. It is likely that unemployment has peaked and it is expected to decline gradually as economic growth strengthens and business activity recovers. However, spare capacity remains in the labour market, which is moderating wage pressures.

Figure 17 Annual wage growth and unemployment, actual and forecast



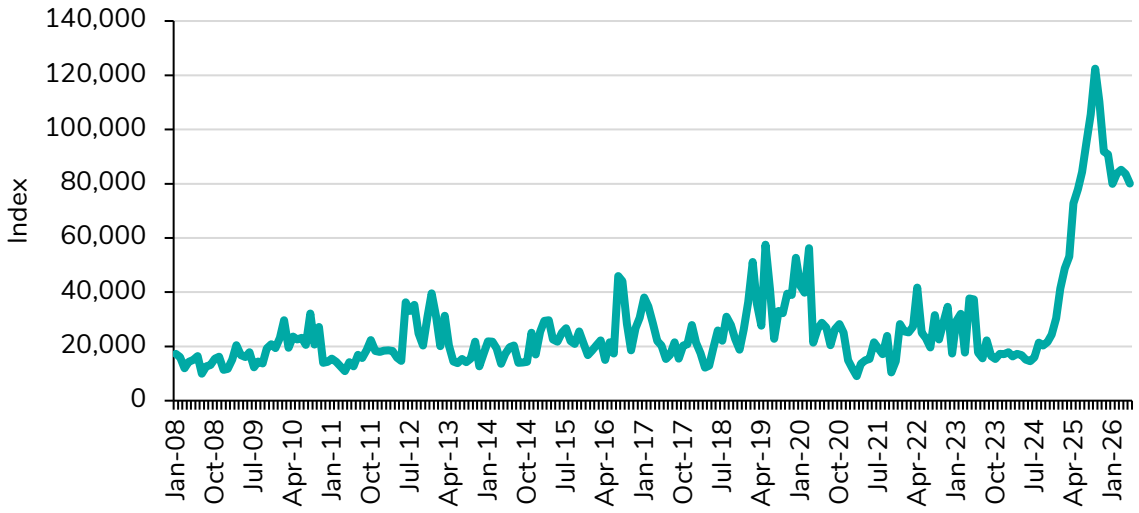
Source: The Treasury, BEFU 2026

3.6 Summary

The 2026 cost adjuster forecasts reflect the impact of higher oil prices on both general prices as well as on economic activity and growth. While economies show relative resilience, they have, nevertheless slowed, which has partly offset growing inflationary pressures. Therefore, the impact of this shock is expected to be less than the price shock in 2021 and 2022.

As we highlighted in the 2025 cost adjusters, uncertainty remains elevated and future cost movements are likely to be more volatile and less predictable. Councils should continue to plan for a wider range of possible cost outcomes.

Figure 18 World Uncertainty Index



Source: World Uncertainty Index

The US-Iran conflict is another example of the volatility and uncertainty that can be expected in coming years. Councils should continue to be prepared for volatility and for further cost pressures to arise unexpectedly over the coming decade. These will be difficult to predict, as demonstrated by COVID-19, more recent global conflicts, and changes in global trade politics. These events can have a significant impact on council finances, particularly in the face of higher projected spending and investment by councils.

Downside risks continue to dominate the outlook. Confidence in the economy remains low historically, and while it is gradually recovering, it remains depressed and vulnerable to deterioration or other shocks.

Figure 19 ANZ-Roy Morgan Consumer Confidence



Source: ANZ Research, Roy Morgan

Key concerns include the possibility of further escalation of geopolitical conflicts, renewed increases in commodity prices, disruptions to global supply chains, greater trade fragmentation, and tighter global financial conditions.

4 Understanding the cost adjusters

4.1 What is the Local Government Cost Index?

The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand. The LGCI gives local government administrators a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase in the following 10 years, given the current macroeconomic conditions. This is useful for both the planning and the auditing processes.

4.2 Cost adjusters versus Consumer Price Index (CPI) inflation

The CPI and the LGCI share a common purpose; to track the movements in the price level of a particular basket of goods and services used by their intended audience. The difference between the two is their intended audience.

The CPI is used by policymakers to understand the movements in the general price level as experienced by households. It enables an understanding of what households are experiencing in terms of the price increases in the goods and services they buy. The CPI tracks the price of a basket of goods and services purchased by the average household, for example, food, power, fuel, and rent. This understanding is used to inform policymaking. The RBNZ conducts monetary policy in New Zealand through the tightening or loosening of the official cash rate (OCR). The OCR is the RBNZ's main policy tool to keep the CPI within the target range of one to three percent.

By contrast, the LGCI is designed to understand changes in local authority costs. It tracks the price of a basket of goods and services purchased by the average local authority. The mix of goods and services purchased by local authorities is markedly different from the basket of goods and services represented in the CPI. For example, some of the key inputs that local authorities purchase are staff labour, contractor services, physical infrastructure components, and maintenance services.

There are several macroeconomic drivers which are common to the CPI and LGCI, namely money supply growth, immigration, and the global macro environment. However, there are also drivers that are specific to the LGCI, and those that are specific to the CPI. Historically, the LGCI has tended to grow faster than the CPI, reflecting that the indices measure different baskets of goods and services and are built for different purposes.

5 Understanding our forecasts

5.1 What it means to model price indices

Econometric modelling can often appear arcane and impenetrable. The perception that the econometric model is a black box may give users of the data a great deal of confidence in the results. However, it also creates some unjustified expectations.

The models we choose to use come from a rich history of academic research into probability theory and statistics. This literature stretches back into the mid-20th century. The earlier research focused on the theoretical properties of the models. As access to computers and advanced statistical software has increased, we find that the later research looks more into applying these models and numerical optimisation. It is accurate to say that the models have been rigorously tested and found to be robust, in the pure sense of the word, by decades of research.

In our view, these models are the best currently available. While there are some alternatives, especially in the "black box" category, these come with trade-offs that we find undesirable. We apply our chosen models to data that is sourced either from New Zealand official statistics or, in the case of oil prices, official statistics of other jurisdictions. These are all publicly available sources, and are the only sources we know to exist that describe the input prices for local authorities.

The value-add of the LGCI is the reduction in duplication of effort by different local authorities, employing different cost forecast methodologies, through the provision of a consistent set of estimates.

5.2 Methodological overview

This section summarises the methodology used to develop and forecast the cost adjuster series.

Input data

The process begins with twelve price indices measuring the input prices incurred by local authorities. These twelve indices make up the LGCI basket:

- Producer Price Index (inputs) – local government and administration
- Producer Price Index (inputs) – arts and recreation services
- Producer Price Index (inputs) – water, sewerage, drainage, and waste services
- Producer Price Index (inputs) – transport, postal, and warehousing

- Producer Price Index (inputs) – heavy and civil engineering construction
- Capital Goods Price Index – other civil construction
- Capital Goods Price Index – systems for water and sewerage
- Capital Goods Price Index – reclamation, slope stabilisation, and river control
- Capital Goods Price Index – transport ways
- Capital Goods Price Index – commercial buildings
- Labour Cost Index – private sector wages
- Labour Cost Index – local government wages

The following macroeconomic explanatory variables are used within the modelling process:

- CPI
- Energy Price Index - Commercial electricity
- GDP
- GDP per capita
- GFCF (Investment) - Non-residential buildings
- GFCF (Investment) - Other construction
- Non-residential consents - Number
- Non-residential consents - Value
- Oil price
- Population - Total
- Population - 65 Years and over
- Residential consents - Floor area
- Residential consents - Number
- Residential consents - Value
- Trade Weighted Index (Exchange rate)
- Unemployment Rate

Modelling

A model is built for each of the input price indices. Each model contains some combination of the explanatory (macroeconomic) variables. We decide which variables to include in each model using a robust statistical method. As explained later in this section, our forecasts include some subjectivity.

Our methodology allows for the disruption caused by the pandemic in 2020. In this model structure, the macroeconomic variables have high explanatory power in our statistical tests, which adds statistical robustness to our estimates.

Forecasting

We forecast the explanatory variables using a combination of well-understood statistical techniques, and subjective economic forecast techniques. These forecast values are plugged into the statistical models of the input price indices to create forecasts of the six adjusters.

Input price indices to adjusters

We combine our input price indices (actual values and forecast values) into six cost adjuster indices:

- Planning and regulation
- Roading
- Transport
- Community
- Waste
- Water

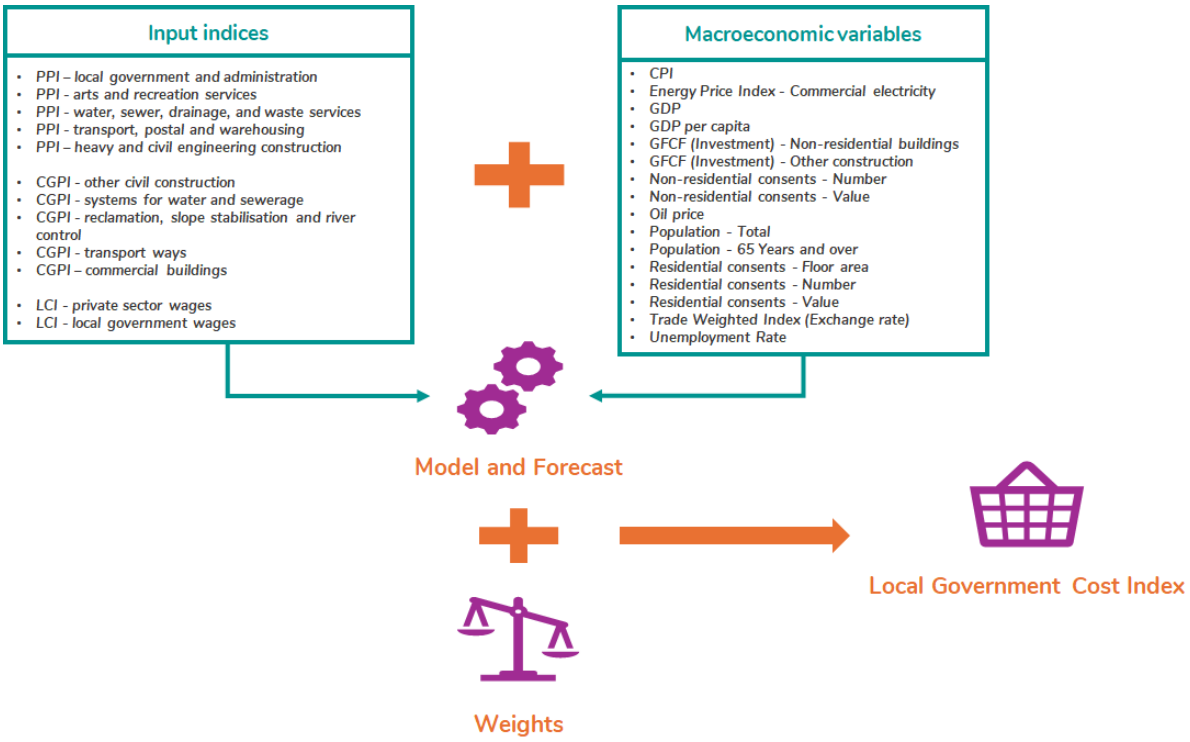
Each adjuster index is a linear combination of input price indices, with weights taken from an analysis of local government financial statements to understand the cost structures of local government. These six adjusters are further combined into three aggregate indices:

- Capital expenditure (Capex)
- Operating expenditure (Opex)
- Total

Finally, the three aggregate indices are also provided excluding water.

The methodology is summarised in Figure 20.

Figure 20 LGCI methodology overview



Source: BERL analysis

For this update to the cost adjusters, the forecasting model has been strengthened with a more comprehensive set of macroeconomic variables underpinning the forecasts, along with an improved forecasting methodology.

5.3 Caveats

Price increases compound

In everyday discussions, and particularly in the news media, it is common to refer to the rate of CPI inflation slowing down, especially after periods of high inflation. It is important to remember that a low rate of increase in the CPI does not undo any previous increases in the actual prices of goods and services. It is still an increase, and the price increases compound each year.

This is also true of the LGCI. Our forecasts in this update show the rapid increases in costs experienced between 2021 and 2023. They then show that the rates of increase start to fall to what our model indicates is a long-run structural norm. However, this does not mean that costs faced by local government will fall, it only means that the prices will increase more slowly. It also does not undo the significant cost increases that occurred between 2021 and 2023.

Uncertainty increases over time

The model behind our forecasts utilises a process based on past observations of a given variable to explain present, and forecast future, observations. This process means that uncertainty in earlier forecast periods ripples through later forecast periods and is amplified as it does so. We suggest that the first few years of the forecasts are taken as being reasonably likely while the later periods, particularly from the year 2028 onward, should be taken as indicative.

Subjectivity in forecasting

When designing the model for each price index, we include macroeconomic variables, such as GDP, unemployment, and CPI inflation. We then forecast these variables using a combination of subjective economic analysis and statistical modelling. We do so because our forecasts of the LGCI are intended to be a balance of statistical modelling augmented by subjective and informed economic forecasts.

Insurance costs are not explicitly included

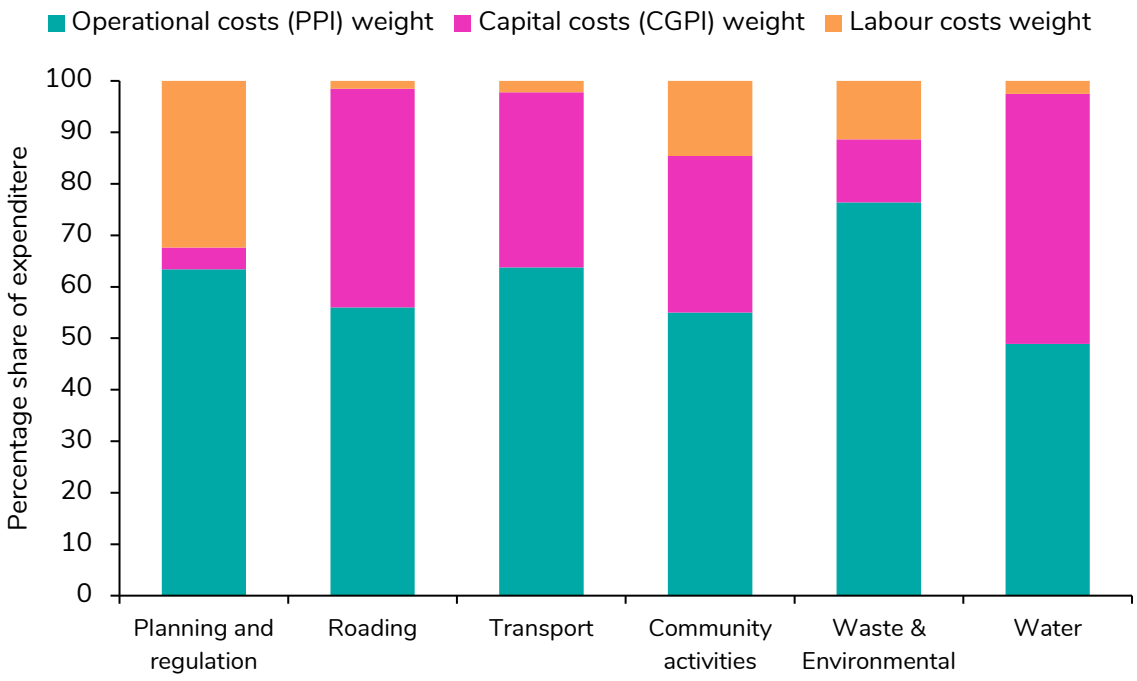
As of 2024, local authorities have experienced significant cost increases in insurance premiums. The LGCI is not designed to model costs at a granularity sufficient to account for this effect. However, the raw data we use to construct the LGCI (the producer price indices) does include insurance premiums as an input. Thus, the effect of these price increases is, to some extent, reflected in the series. We refer the reader to methodology documentation produced by Stats NZ available at https://www.stats.govt.nz/methods/producers-price-index-concepts-sources-and-methods

6 The LGCI basket

The weights for each of the six cost adjusters (planning and regulation, roading, transport, community, waste, and water) have been updated. The weights reflect local government spending patterns across operational, capital, and labour costs, excluding wages. The revised weights reflect the current composition of spending across the types of local council expenditures.

Figure 21 shows the weightings for the six cost adjusters. At a high level the new weights, across all six cost adjusters, have a higher weight for operational costs and lower weights for capital and labour costs. Operational and capital costs have increased at a relatively similar pace historically (around three percent annually) and local government labour costs have increased at a slightly slower rate (around 2.5 percent on average annually).

Figure 21 Weights by adjuster (across operational, capital, and labour costs)



Source: BERL analysis

7 Indices and adjusters

7.1 Price indices

Table 1 Local Government Price Indices (PPI), 1996 – 2037, index values

	Index values (2026 = 1000)				
Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
1996	453	487	313	333	357
1997	448	493	314	333	352
1998	452	505	317	333	347
1999	452	512	320	337	347
2000	468	519	339	362	389
2001	491	540	364	410	421
2002	500	553	356	418	407
2003	507	567	369	413	417
2004	527	582	389	421	422
2005	551	599	406	457	450
2006	579	622	450	519	516
2007	590	640	466	529	520
2008	649	679	511	582	576
2009	654	696	527	589	560
2010	663	702	545	597	573
2011	678	716	562	623	619
2012	694	725	584	634	628
2013	712	729	594	635	628
2014	722	736	601	645	634
2015	725	739	625	646	619
2016	728	753	641	646	613
2017	743	765	648	664	624
2018	759	783	659	688	658
2019	783	796	690	709	681
2020	791	809	709	706	663
2021	812	824	731	741	692
2022	872	874	806	852	832
2023	915	907	853	898	810
2024	943	942	905	922	846
2025	966	964	950	934	857
2026	1000	1000	1000	1000	1000
2027	1021	1014	1019	1015	943
2028	1038	1025	1044	1034	951

Year	Index values (2026 = 1000)				
	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2029	1057	1039	1075	1060	974
2030	1075	1052	1105	1083	992
2031	1094	1066	1136	1107	1013
2032	1110	1080	1167	1129	1030
2033	1130	1098	1192	1153	1050
2034	1149	1117	1217	1175	1069
2035	1169	1136	1243	1198	1088
2036	1188	1155	1268	1220	1107
2037	1208	1174	1295	1243	1127

Source: BERL analysis

Table 2 Local Government Price Indices (CGPI and LCI), 1996 – 2037, index values

	Index values (2026 = 1000)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
1996	369	334	484	406	427	488	511
1997	359	334	487	379	428	497	522
1998	360	342	493	386	426	505	531
1999	360	344	486	378	427	513	539
2000	373	360	494	395	429	519	546
2001	400	380	514	423	433	529	556
2002	419	387	525	461	439	543	567
2003	425	397	539	448	453	556	580
2004	443	421	547	461	492	567	592
2005	465	461	570	482	513	579	608
2006	478	488	593	511	533	602	626
2007	510	502	613	523	547	618	646
2008	537	519	651	546	560	646	668
2009	571	575	674	573	559	663	686
2010	584	582	684	601	547	677	696
2011	606	615	697	634	547	691	710
2012	646	634	718	658	550	708	725
2013	666	560	732	676	556	721	738
2014	688	584	747	691	579	734	751
2015	698	612	766	698	599	750	765
2016	717	607	772	699	619	763	777
2017	742	616	777	727	646	776	789
2018	746	680	782	728	677	790	806
2019	776	676	795	762	713	804	824
2020	785	695	808	742	743	821	838
2021	795	730	826	767	775	830	857
2022	862	840	872	866	858	858	886
2023	904	895	909	938	920	902	925
2024	924	918	924	944	957	945	958
2025	954	941	955	952	974	975	980
2026	1000	1000	1000	1000	1000	1000	1000
2027	1026	1013	1009	1029	1023	1022	1023
2028	1052	1035	1019	1051	1054	1042	1044
2029	1080	1063	1032	1078	1094	1061	1061
2030	1107	1090	1044	1104	1141	1081	1073
2031	1136	1115	1058	1132	1190	1103	1084
2032	1169	1132	1078	1151	1232	1123	1095

	Index values (2026 = 1000)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
2033	1208	1142	1104	1174	1261	1142	1109
2034	1243	1154	1130	1199	1280	1162	1127
2035	1278	1168	1155	1223	1293	1182	1146
2036	1313	1181	1181	1249	1305	1201	1166
2037	1349	1193	1206	1274	1318	1221	1186

Source: BERL analysis

Table 3 Local Government Price Indices (PPI), 1996-2037, percentage per annum change

pa % changes

Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
1996	0.0	0.0	0.0	0.0	0.0
1997	-1.0	1.2	0.4	0.0	-1.5
1998	0.8	2.6	0.9	0.0	-1.5
1999	0.0	1.3	1.2	1.4	0.1
2000	3.6	1.5	5.9	7.2	12.0
2001	5.0	3.9	7.3	13.5	8.1
2002	1.7	2.5	-2.3	2.0	-3.1
2003	1.4	2.5	3.6	-1.3	2.4
2004	3.9	2.6	5.5	2.0	1.2
2005	4.5	2.9	4.3	8.5	6.5
2006	5.1	3.9	11.0	13.6	14.9
2007	2.0	2.9	3.4	1.9	0.7
2008	10.0	6.0	9.7	10.1	10.8
2009	0.7	2.5	3.0	1.2	-2.8
2010	1.3	0.9	3.6	1.3	2.4
2011	2.4	2.0	3.1	4.5	8.0
2012	2.3	1.2	3.8	1.7	1.4
2013	2.7	0.6	1.7	0.3	0.1
2014	1.3	1.0	1.2	1.5	0.8
2015	0.5	0.5	4.0	0.1	-2.3
2016	0.4	1.8	2.6	0.0	-0.9
2017	2.1	1.7	1.0	2.9	1.8
2018	2.2	2.3	1.8	3.6	5.4
2019	3.2	1.7	4.6	3.1	3.4
2020	1.0	1.6	2.8	-0.4	-2.6
2021	2.6	1.9	3.1	4.9	4.4
2022	7.5	6.1	10.3	15.0	20.1
2023	4.8	3.7	5.8	5.4	-2.7
2024	3.1	3.9	6.1	2.7	4.4
2025	2.5	2.4	4.9	1.3	1.4
2026	3.5	3.7	5.3	7.1	16.7
2027	2.1	1.4	1.9	1.5	-5.7
2028	1.6	1.1	2.4	1.8	0.8
2029	1.8	1.4	3.0	2.5	2.4
2030	1.7	1.2	2.8	2.2	1.9
2031	1.7	1.3	2.8	2.2	2.1
2032	1.5	1.3	2.7	2.0	1.7

Year	pa % changes PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2033	1.7	1.7	2.1	2.1	1.9
2034	1.7	1.8	2.1	2.0	1.8
2035	1.7	1.7	2.1	1.9	1.8
2036	1.7	1.7	2.1	1.9	1.8
2037	1.6	1.6	2.1	1.8	1.7
20 year average % pa	**2.5**	**2.2**	**3.5**	**3.2**	**3.0**

Source: BERL analysis

Table 4 Local Government Price Indices (CGPI and LCI), 1996-2037, percentage per annum change

Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
	pa % changes						
1996	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1997	-2.7	0.0	0.7	-6.5	0.1	1.9	2.2
1998	0.3	2.5	1.3	1.7	-0.5	1.6	1.7
1999	0.0	0.5	-1.5	-1.9	0.3	1.5	1.6
2000	3.7	4.8	1.5	4.4	0.4	1.3	1.3
2001	7.2	5.6	4.1	7.1	1.1	2.0	1.9
2002	4.5	1.8	2.3	9.0	1.4	2.6	2.1
2003	1.5	2.6	2.7	-2.7	3.1	2.3	2.2
2004	4.4	6.0	1.4	2.8	8.6	2.0	2.2
2005	5.0	9.6	4.2	4.6	4.2	2.1	2.6
2006	2.7	5.8	4.0	6.0	3.9	3.9	2.9
2007	6.7	2.8	3.3	2.3	2.6	2.7	3.2
2008	5.3	3.4	6.2	4.5	2.4	4.5	3.4
2009	6.3	10.8	3.6	4.8	-0.2	2.5	2.7
2010	2.4	1.2	1.4	5.0	-2.1	2.1	1.5
2011	3.7	5.7	2.0	5.4	0.1	2.2	2.0
2012	6.5	3.0	3.1	3.8	0.5	2.4	2.1
2013	3.1	-11.6	1.9	2.8	1.2	1.9	1.8
2014	3.3	4.2	2.0	2.2	4.2	1.8	1.8
2015	1.5	4.7	2.7	0.9	3.5	2.2	1.8
2016	2.7	-0.7	0.8	0.2	3.4	1.7	1.6
2017	3.6	1.4	0.6	3.9	4.3	1.7	1.6
2018	0.6	10.5	0.6	0.2	4.8	1.8	2.1
2019	4.0	-0.6	1.7	4.6	5.3	1.8	2.2
2020	1.1	2.9	1.6	-2.6	4.3	2.1	1.7
2021	1.3	5.0	2.2	3.4	4.3	1.1	2.2
2022	8.5	15.1	5.6	12.9	10.7	3.4	3.4
2023	4.9	6.5	4.2	8.3	7.2	5.1	4.3
2024	2.2	2.5	1.6	0.6	4.1	4.8	3.6
2025	3.2	2.6	3.4	0.9	1.7	3.2	2.3
2026	4.8	6.2	4.7	5.1	2.7	2.5	2.0
2027	2.6	1.3	0.9	2.9	2.3	2.2	2.3
2028	2.6	2.2	1.0	2.2	3.0	1.9	2.0
2029	2.6	2.7	1.3	2.6	3.8	1.9	1.6
2030	2.5	2.5	1.2	2.4	4.3	1.9	1.2
2031	2.7	2.3	1.3	2.5	4.4	2.0	1.0
2032	2.9	1.5	1.9	1.7	3.5	1.8	1.0

Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	pa % changes CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
2033	3.3	0.9	2.4	2.0	2.3	1.8	1.3
2034	3.0	1.1	2.4	2.1	1.5	1.7	1.6
2035	2.8	1.2	2.2	2.1	1.0	1.7	1.7
2036	2.8	1.1	2.2	2.1	0.9	1.7	1.8
2037	2.7	1.1	2.1	2.1	1.0	1.6	1.7
20 year average % pa	**3.0**	**3.4**	**2.2**	**2.8**	**3.6**	**2.3**	**2.1**

Source: BERL analysis

Table 5 Local Government Price Indices (PPI), cumulative change

	Cumulative change (since 2026)				
Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2027	2.1	1.4	1.9	1.5	-5.7
2028	3.8	2.5	4.4	3.4	-4.9
2029	5.7	3.9	7.5	6.0	-2.6
2030	7.5	5.2	10.5	8.3	-0.8
2031	9.4	6.6	13.6	10.7	1.3
2032	11.0	8.0	16.7	12.9	3.0
2033	13.0	9.8	19.2	15.3	5.0
2034	14.9	11.7	21.7	17.5	6.9
2035	16.9	13.6	24.3	19.8	8.8
2036	18.8	15.5	26.8	22.0	10.7
2037	20.8	17.4	29.5	24.3	12.7

Source: BERL analysis

Table 6 Local Government Price Indices (CGPI and LCI), cumulative change

	Cumulative change (since 2026)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
2027	2.6	1.3	0.9	2.9	2.3	2.2	2.3
2028	5.2	3.5	1.9	5.1	5.4	4.2	4.4
2029	8.0	6.3	3.2	7.8	9.4	6.1	6.1
2030	10.7	9.0	4.4	10.4	14.1	8.1	7.3
2031	13.6	11.5	5.8	13.2	19.0	10.3	8.4
2032	16.9	13.2	7.8	15.1	23.2	12.3	9.5
2033	20.8	14.2	10.4	17.4	26.1	14.2	10.9
2034	24.3	15.4	13.0	19.9	28.0	16.2	12.7
2035	27.8	16.8	15.5	22.3	29.3	18.2	14.6
2036	31.3	18.1	18.1	24.9	30.5	20.1	16.6
2037	34.9	19.3	20.6	27.4	31.8	22.1	18.6

Source: BERL analysis

7.2 Adjusters

Table 7 Local Government Cost Adjusters, 1996 – 2037, index values

	Index values (2026 = 1000)				
Year	Planning & regulation	Roading	Transport	Community	Waste
1996	460	360	375	464	336
1997	460	352	364	467	337
1998	465	354	362	475	340
1999	467	354	360	479	344
2000	480	375	394	486	361
2001	499	415	424	501	384
2002	510	432	427	512	381
2003	519	427	430	526	393
2004	536	437	437	547	412
2005	556	467	462	564	429
2006	582	513	517	586	468
2007	596	527	523	604	486
2008	644	568	568	633	527
2009	653	583	566	646	545
2010	664	598	584	649	563
2011	679	625	625	660	580
2012	696	643	639	669	603
2013	713	652	645	676	614
2014	724	665	653	690	624
2015	732	668	646	700	645
2016	738	671	643	715	661
2017	753	693	659	733	671
2018	768	708	682	753	682
2019	789	734	708	773	710
2020	800	727	691	791	728
2021	817	756	718	810	748
2022	868	858	843	867	817
2023	910	910	851	909	864
2024	943	929	878	945	911
2025	968	942	889	968	953
2026	1000	1000	1000	1000	1000
2027	1021	1021	971	1018	1020
2028	1040	1041	983	1037	1044
2029	1059	1067	1007	1060	1074
2030	1078	1092	1028	1084	1103
2031	1098	1117	1051	1109	1133
2032	1117	1140	1068	1133	1163
2033	1137	1165	1089	1156	1189

Year	Index values (2026 = 1000)				
	Planning & regulation	Roading	Transport	Community	Waste
2034	1157	1189	1110	1176	1214
2035	1177	1214	1131	1194	1241
2036	1198	1239	1152	1212	1267
2037	1218	1263	1173	1231	1293

Source: BERL analysis

Table 8 Local Government Cost Adjusters, 1996 – 2037, percentage per annum changes

Year	pa % changes				
	Planning & regulation	Roading	Transport	Community	Waste
1996	0.0	0.0	0.0	0.0	0.0
1997	-0.1	-2.4	-3.0	0.8	0.2
1998	1.1	0.6	-0.4	1.6	0.9
1999	0.5	0.2	-0.5	1.0	1.1
2000	2.8	5.8	9.3	1.3	4.9
2001	4.1	10.6	7.6	3.1	6.6
2002	2.1	4.3	0.7	2.3	-0.8
2003	1.7	-1.3	0.7	2.6	3.1
2004	3.3	2.5	1.7	4.0	4.9
2005	3.8	6.8	5.8	3.2	4.1
2006	4.6	9.9	11.7	3.8	9.1
2007	2.4	2.6	1.2	3.0	3.7
2008	8.1	7.8	8.7	4.9	8.6
2009	1.5	2.8	-0.4	2.0	3.3
2010	1.6	2.5	3.2	0.4	3.3
2011	2.3	4.6	7.0	1.7	3.1
2012	2.5	2.8	2.2	1.5	4.0
2013	2.5	1.4	1.0	1.1	1.9
2014	1.6	1.9	1.3	2.0	1.5
2015	1.0	0.5	-1.1	1.5	3.4
2016	0.9	0.4	-0.5	2.2	2.5
2017	2.0	3.3	2.5	2.4	1.4
2018	2.0	2.2	3.6	2.7	1.6
2019	2.7	3.6	3.8	2.7	4.2
2020	1.4	-0.9	-2.5	2.3	2.5
2021	2.1	4.0	4.0	2.4	2.7
2022	6.2	13.4	17.4	7.0	9.3
2023	4.9	6.2	0.9	4.9	5.6
2024	3.6	2.0	3.1	4.0	5.5
2025	2.7	1.4	1.2	2.4	4.6
2026	3.3	6.2	12.5	3.3	5.0
2027	2.1	2.1	-2.9	1.8	2.0
2028	1.8	2.0	1.3	1.8	2.4
2029	1.9	2.5	2.4	2.2	2.8
2030	1.8	2.3	2.1	2.3	2.7
2031	1.9	2.3	2.2	2.4	2.7
2032	1.7	2.0	1.7	2.1	2.6
2033	1.8	2.2	1.9	2.0	2.2
2034	1.8	2.1	1.9	1.7	2.2
2035	1.8	2.1	1.9	1.6	2.1

Year	pa % changes Planning & regulation	Roading	Transport	Community	Waste
2036	1.7	2.0	1.9	1.5	2.1
2037	1.7	2.0	1.8	1.5	2.1
20 year average % pa	**2.4**	**3.0**	**2.9**	**2.6**	**3.3**

Source: BERL analysis

Table 9 Local Government Cost Adjusters, 2026 – 2037, cumulative change

Year	Cumulative change (since 2026) Planning & regulation	Roading	Transport	Community	Waste
2027	2.1	2.1	-2.9	1.8	2.0
2028	4.0	4.1	-1.7	3.7	4.4
2029	5.9	6.7	0.7	6.0	7.4
2030	7.8	9.2	2.8	8.4	10.3
2031	9.8	11.7	5.1	10.9	13.3
2032	11.7	14.0	6.8	13.3	16.3
2033	13.7	16.5	8.9	15.6	18.9
2034	15.7	18.9	11.0	17.6	21.4
2035	17.7	21.4	13.1	19.4	24.1
2036	19.8	23.9	15.2	21.2	26.7
2037	21.8	26.3	17.3	23.1	29.3

Source: BERL analysis

Local government aggregated cost adjusters – excluding water

Table 10 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, index values

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
1996	400	387	396
1997	396	380	391
1998	399	383	394
1999	400	383	395
2000	419	405	415
2001	446	436	443
2002	455	447	453
2003	460	448	457
2004	474	460	470
2005	497	486	494
2006	536	529	534
2007	549	541	547
2008	590	581	588
2009	600	591	597
2010	612	604	610
2011	637	632	635
2012	652	647	651
2013	662	655	660
2014	673	666	671
2015	678	668	675
2016	683	672	680
2017	700	690	697
2018	718	709	715
2019	742	734	740
2020	743	730	739
2021	767	756	763
2022	853	854	853
2023	889	890	889
2024	919	915	918
2025	939	931	936
2026	1000	1000	1000
2027	1007	1004	1006
2028	1025	1022	1024
2029	1049	1047	1048
2030	1072	1070	1071
2031	1096	1095	1096
2032	1117	1116	1117
2033	1140	1139	1140

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
2034	1162	1161	1162
2035	1184	1184	1184
2036	1206	1206	1206
2037	1228	1228	1228

Source: BERL analysis

Table 11 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, per annum percentage changes

	pa % changes		
Year	OPEX	CAPEX	Total
1996	0.0	0.0	0.0
1997	-1.1	-1.7	-1.3
1998	0.7	0.6	0.7
1999	0.4	0.2	0.3
2000	4.8	5.6	5.1
2001	6.4	7.6	6.8
2002	2.0	2.5	2.2
2003	1.1	0.4	0.9
2004	3.0	2.7	2.9
2005	4.9	5.5	5.0
2006	7.9	8.9	8.2
2007	2.4	2.3	2.4
2008	7.5	7.5	7.5
2009	1.6	1.6	1.6
2010	2.1	2.3	2.2
2011	4.0	4.6	4.2
2012	2.4	2.4	2.4
2013	1.5	1.2	1.4
2014	1.7	1.7	1.7
2015	0.7	0.3	0.6
2016	0.8	0.6	0.8
2017	2.5	2.8	2.6
2018	2.5	2.7	2.6
2019	3.4	3.5	3.4
2020	0.1	-0.5	-0.1
2021	3.1	3.5	3.3
2022	11.3	13.0	11.8
2023	4.2	4.2	4.2
2024	3.3	2.9	3.2
2025	2.1	1.7	2.0
2026	6.5	7.4	6.8
2027	0.7	0.4	0.6
2028	1.8	1.7	1.8
2029	2.4	2.4	2.4
2030	2.2	2.2	2.2
2031	2.2	2.3	2.3
2032	1.9	1.9	1.9
2033	2.0	2.1	2.0
2034	1.9	2.0	2.0
2035	1.9	1.9	1.9

Year	pa % changes OPEX	CAPEX	Total
2036	1.8	1.9	1.9
2037	1.8	1.8	1.8
20 year average % pa	**2.8**	**2.9**	**2.9**

Source: BERL analysis

Table 12 Local Government Aggregated Cost Adjusters (excluding water), 2026 – 2037, cumulative change

Cumulative change (since 2026)			
Year	OPEX	CAPEX	Total
2027	0.7	0.4	0.6
2028	2.5	2.2	2.4
2029	4.9	4.7	4.8
2030	7.2	7.0	7.1
2031	9.6	9.5	9.6
2032	11.7	11.6	11.7
2033	14.0	13.9	14.0
2034	16.2	16.1	16.2
2035	18.4	18.4	18.4
2036	20.6	20.6	20.6
2037	22.8	22.8	22.8

Source: BERL analysis

Local government aggregated cost adjusters – including water

Table 13 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, index values

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
1996	390	372	384
1997	386	367	380
1998	389	370	382
1999	391	371	384
2000	409	391	403
2001	436	420	430
2002	444	428	438
2003	449	432	444
2004	464	447	458
2005	488	472	482
2006	526	512	521
2007	539	526	535
2008	579	564	574
2009	592	580	588
2010	605	593	601
2011	629	619	626
2012	646	637	643
2013	652	640	648
2014	664	652	660
2015	672	660	668

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
2016	678	666	674
2017	694	682	690
2018	713	702	709
2019	736	726	733
2020	740	728	736
2021	764	753	760
2022	849	846	848
2023	887	885	887
2024	918	915	917
2025	940	937	939
2026	1000	1000	1000
2027	1009	1009	1009
2028	1028	1028	1028
2029	1053	1054	1053
2030	1077	1079	1077
2031	1101	1105	1102
2032	1124	1127	1125
2033	1146	1151	1148
2034	1169	1173	1170
2035	1191	1196	1193
2036	1213	1219	1215
2037	1235	1242	1237

Source: BERL analysis

Table 14 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, per annum percentage changes

pa % changes			
Year	OPEX	CAPEX	Total
1996	0.0	0.0	0.0
1997	-1.0	-1.3	-1.1
1998	0.8	0.7	0.8
1999	0.4	0.3	0.4
2000	4.8	5.4	5.0
2001	6.4	7.3	6.7
2002	1.8	1.9	1.8
2003	1.3	1.1	1.2
2004	3.3	3.4	3.4
2005	5.0	5.6	5.2
2006	7.8	8.5	8.0
2007	2.6	2.7	2.7

	pa % changes		
Year	OPEX	CAPEX	Total
2008	7.4	7.3	7.4
2009	2.2	2.8	2.4
2010	2.2	2.3	2.2
2011	4.0	4.4	4.1
2012	2.7	2.9	2.7
2013	1.0	0.4	0.8
2014	1.8	1.9	1.8
2015	1.1	1.3	1.2
2016	1.0	0.9	1.0
2017	2.3	2.4	2.4
2018	2.7	3.0	2.8
2019	3.3	3.3	3.3
2020	0.5	0.4	0.5
2021	3.1	3.4	3.2
2022	11.2	12.3	11.6
2023	4.5	4.7	4.6
2024	3.5	3.3	3.4
2025	2.4	2.4	2.4
2026	6.3	6.8	6.5
2027	0.9	0.9	0.9
2028	1.9	1.9	1.9
2029	2.4	2.5	2.5
2030	2.3	2.4	2.3
2031	2.3	2.4	2.3
2032	2.0	2.1	2.0
2033	2.0	2.0	2.0
2034	2.0	2.0	2.0
2035	1.9	1.9	1.9
2036	1.9	1.9	1.9
2037	1.8	1.9	1.8
20 year average % pa	**2.9**	**3.0**	**3.0**

Source: BERL analysis

Table 15 Local Government Aggregated Cost Adjusters (including water), 2026 – 2037, cumulative change

	Cumulative change (since 2026)		
Year	OPEX	CAPEX	Total
2027	0.9	0.9	0.9
2028	2.8	2.8	2.8
2029	5.3	5.4	5.3
2030	7.7	7.9	7.7
2031	10.1	10.5	10.2
2032	12.4	12.7	12.5
2033	14.6	15.1	14.8
2034	16.9	17.3	17.0
2035	19.1	19.6	19.3
2036	21.3	21.9	21.5
2037	23.5	24.2	23.7

Source: BERL analysis

Water infrastructure only

Table 16 Water infrastructure cost adjuster, 1996 – 2037, index value, pa % change, and cumulative change

	Water infrastructure		
Year	Index values (2026 = 1000)	pa % changes	Cumulative change (since 2026)
1996	339	0.0	
1997	338	-0.3	
1998	342	1.2	
1999	344	0.7	
2000	361	4.8	
2001	384	6.5	
2002	386	0.4	
2003	397	2.8	
2004	417	5.1	
2005	441	5.7	
2006	474	7.5	
2007	492	3.8	
2008	526	6.9	
2009	556	5.6	
2010	570	2.6	
2011	592	3.8	
2012	616	4.0	
2013	606	-1.6	
2014	621	2.4	

Year	Water infrastructure		
	Index values (2026 = 1000)	pa % changes	Cumulative change (since 2026)
2015	643	3.6	
2016	653	1.6	
2017	664	1.6	
2018	688	3.6	
2019	708	2.9	
2020	725	2.4	
2021	748	3.2	
2022	829	10.8	
2023	876	5.8	
2024	913	4.2	
2025	949	3.9	
2026	1000	5.4	
2027	1018	1.8	1.8
2028	1042	2.3	4.2
2029	1071	2.8	7.1
2030	1099	2.6	9.9
2031	1127	2.6	12.7
2032	1153	2.4	15.3
2033	1177	2.0	17.7
2034	1200	2.0	20.0
2035	1224	2.0	22.4
2036	1248	2.0	24.8
2037	1272	1.9	27.2
20 year average % pa		**3.3**	

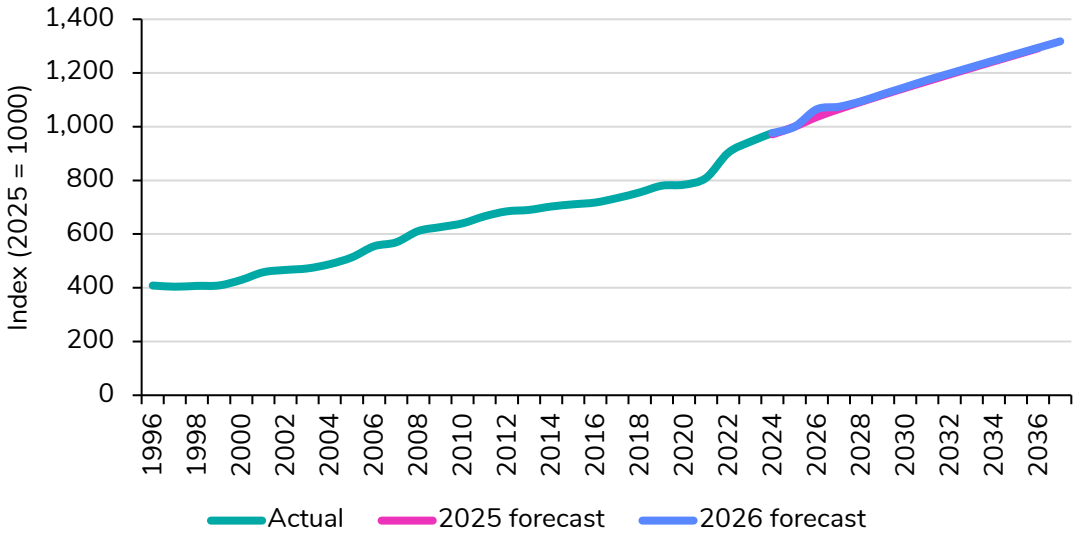
Source: BERL analysis

8 Summary

The 2026 cost adjusters have a higher trajectory across the forecast period than the 2025 cost adjusters, as shown in Figure 22. While recent geopolitical developments, particularly higher oil prices, have pushed prices higher the shock is also an economic one which slowed, and introduced downside risks, to economic activity. We forecast a temporary uplift in the cost adjusters for 2026, largely driven by fuel prices and transport cost, and a return to trend thereafter out to 2037.

The overall effect is, on balance, an inflationary shock that is offset in part by a delayed and slower economic recovery, and translates into only a slightly higher cost adjusters pathway across the next decade.

Figure 22 LGCI 2025 and 2026 cost adjusters, projected growth rates



Source: BERL analysis

Therefore, we project only marginally higher cost adjusters over the forecast horizon. The projected growth rate for the 2026 cost adjusters, over the next decade, is expected to be 0.01 percentage points higher than that forecast for the 2025 cost adjusters (over the comparable periods, from 2026 to 2036).

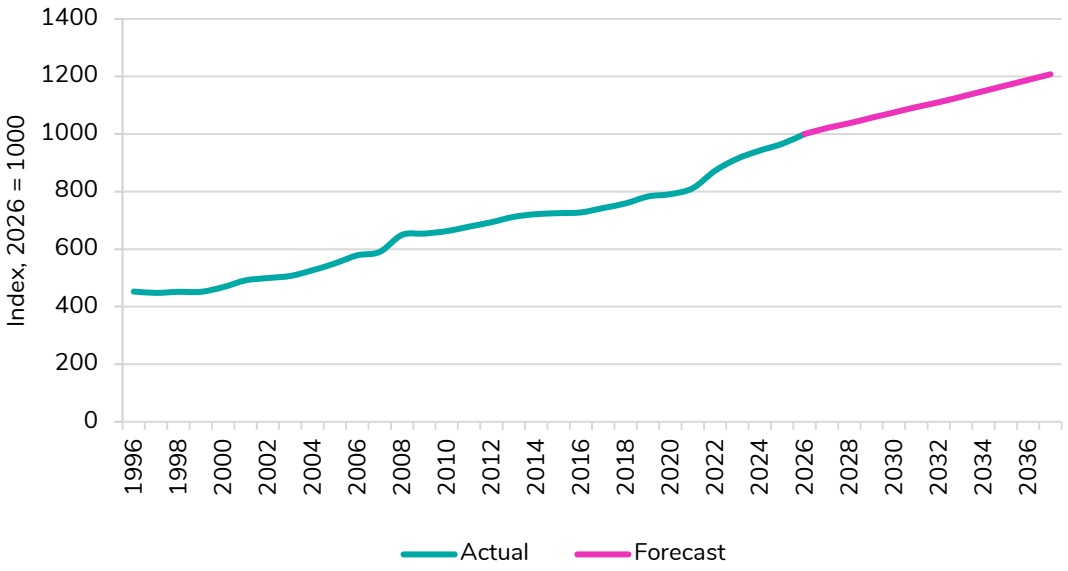
Table 17 Comparison of 2025 and 2026 cost adjusters, projected growth rates (2026-2036)

	Forecast 2025 (growth rate)	Forecast 2026 (growth rate)	Change
OPEX	2.33	2.34	0.01
CAPEX	2.41	2.42	0.01
LGCI	2.36	2.37	0.01

Source: BERL analysis

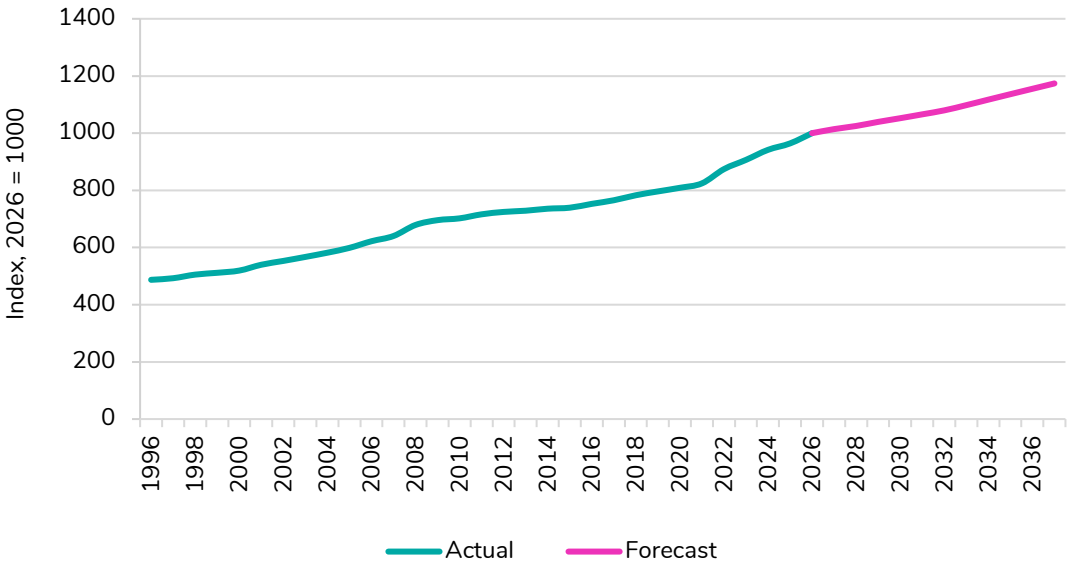
Appendix A Price Indices actual and forecast values

Figure 23 PPI inputs – local government administration



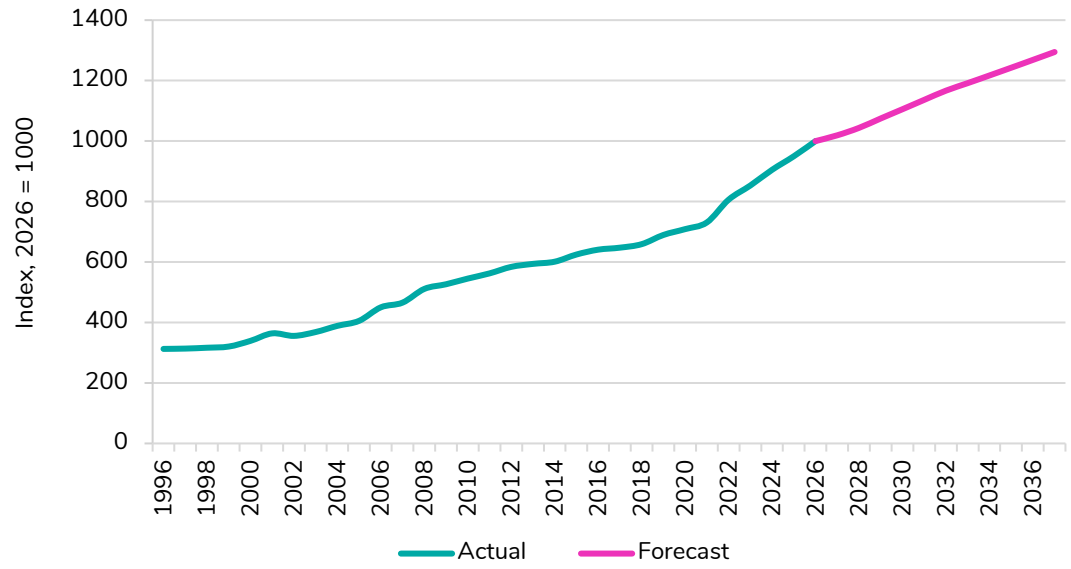
Source: BERL analysis

Figure 24 PPI inputs – arts and recreation



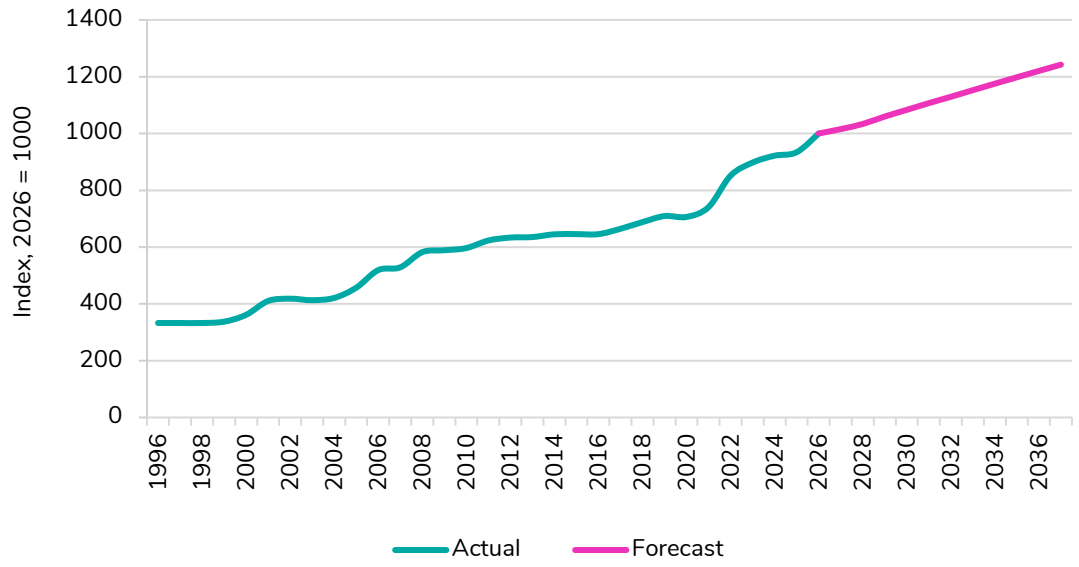
Source: BERL analysis

Figure 25 PPI inputs – water, sewerage, drainage, and waste services



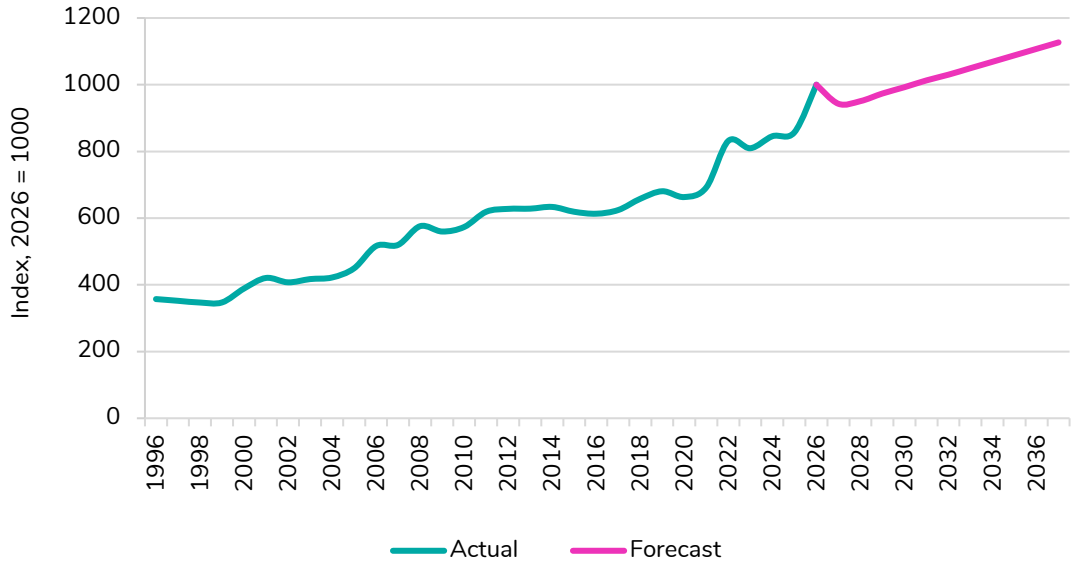
Source: BERL analysis

Figure 26 PPI inputs – heavy and civil construction



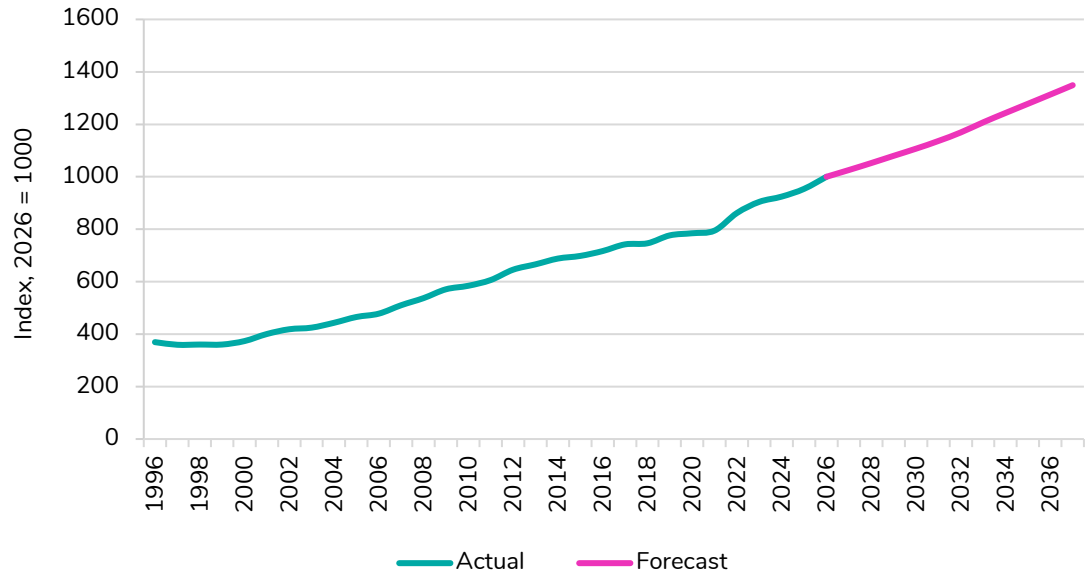
Source: BERL analysis

Figure 27 PPI inputs – transport, postal, and warehousing



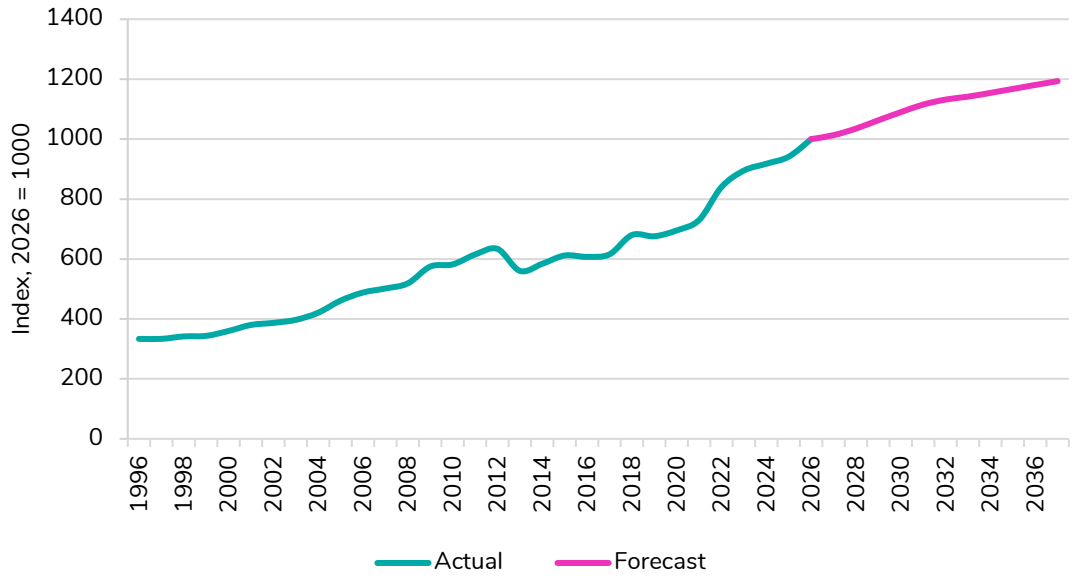
Source: BERL analysis

Figure 28 CGPI inputs – other civil construction



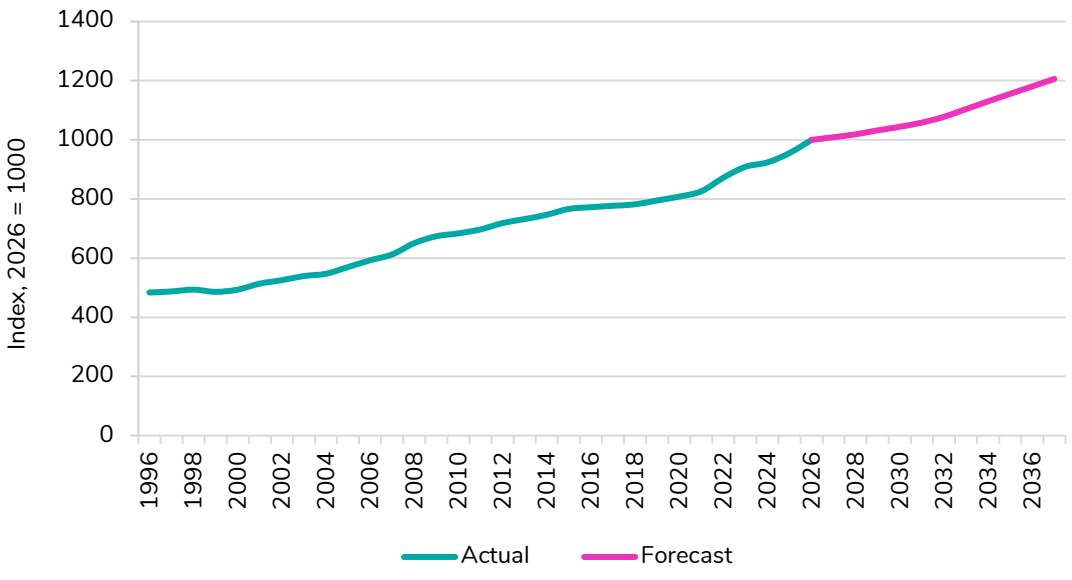
Source: BERL analysis

Figure 29 CGPI – system for water and sewerage



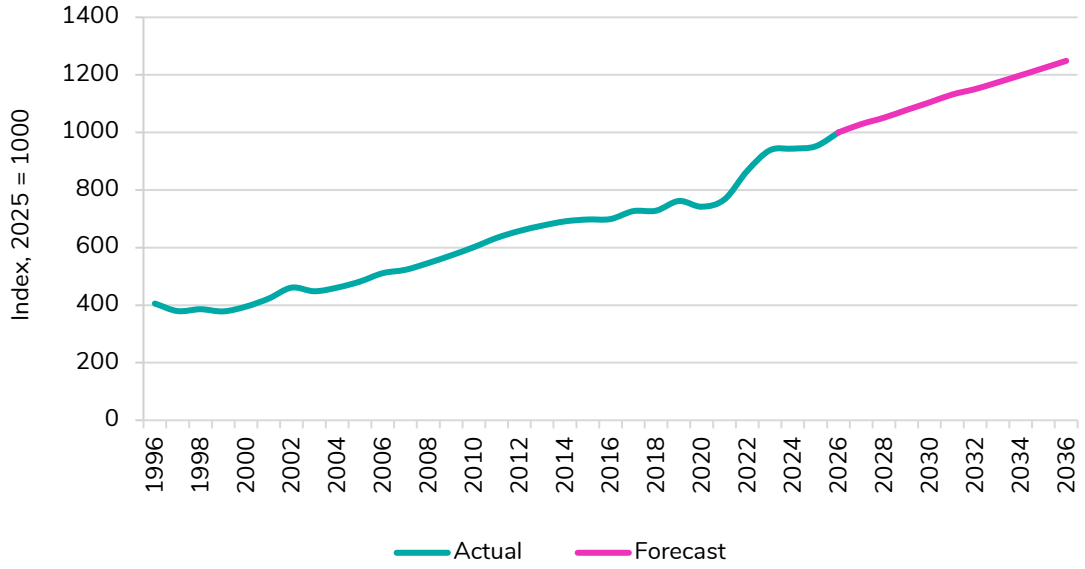
Source: BERL analysis

Figure 30 CGPI – reclamation, slope stabilisation, and river control



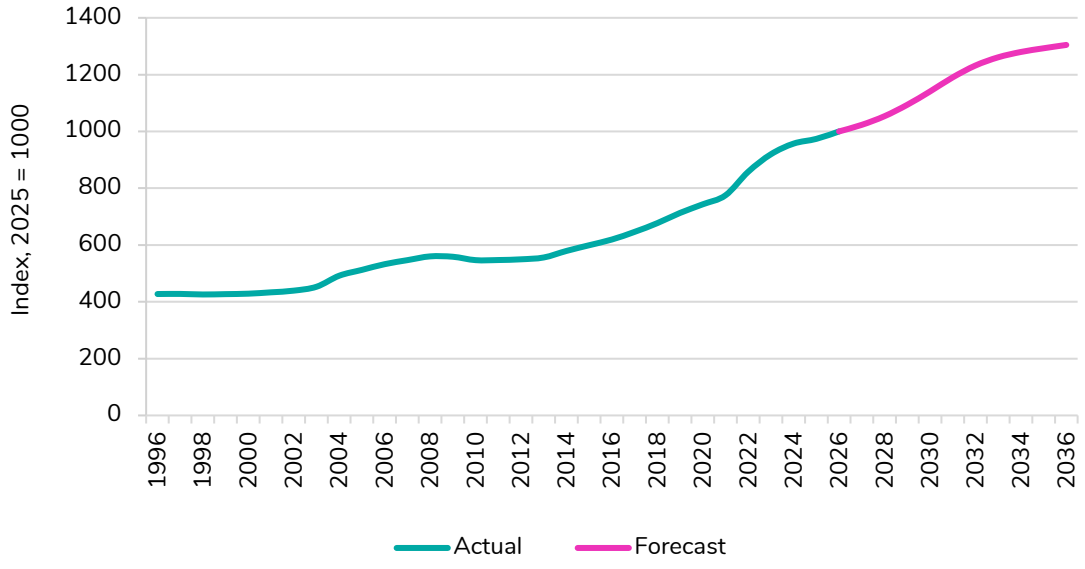
Source: BERL analysis

Figure 31 CGPI – transport ways



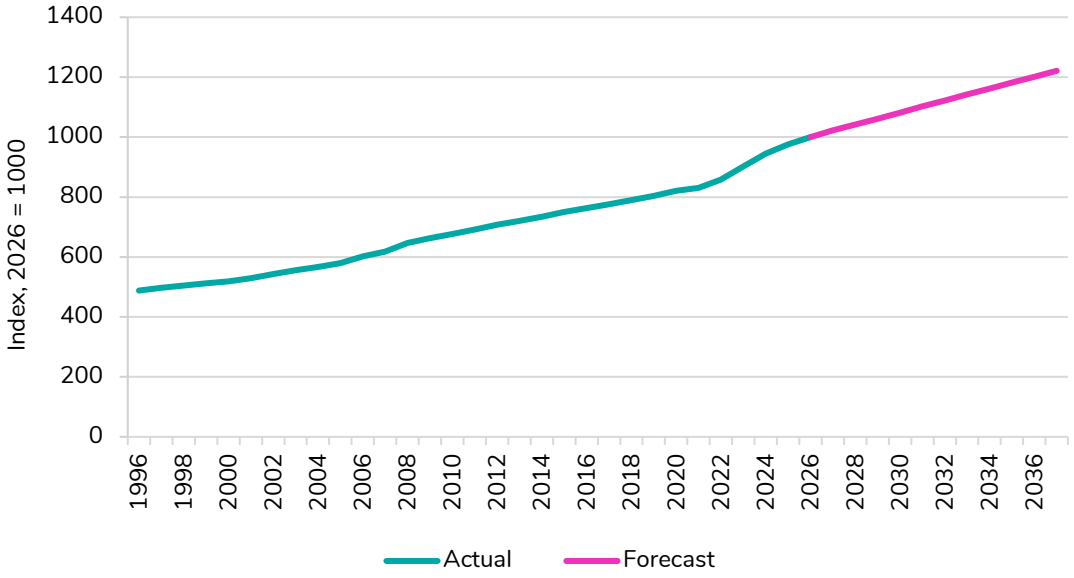
Source: BERL analysis

Figure 32 CGPI – commercial buildings



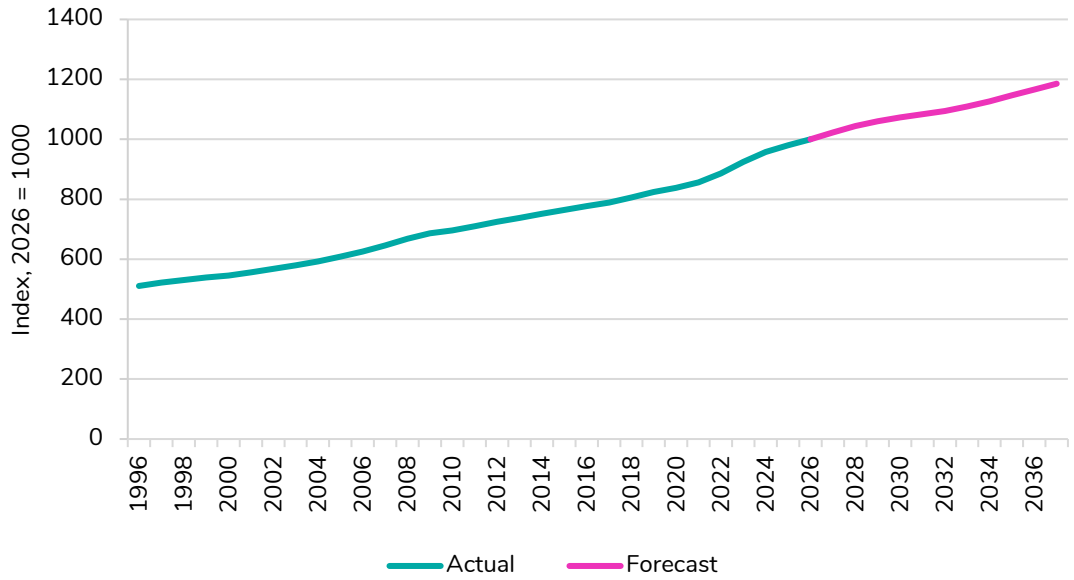
Source: BERL analysis

Figure 33 Local government wages and salaries



Source: BERL analysis

Figure 34 Private sector wages and salaries

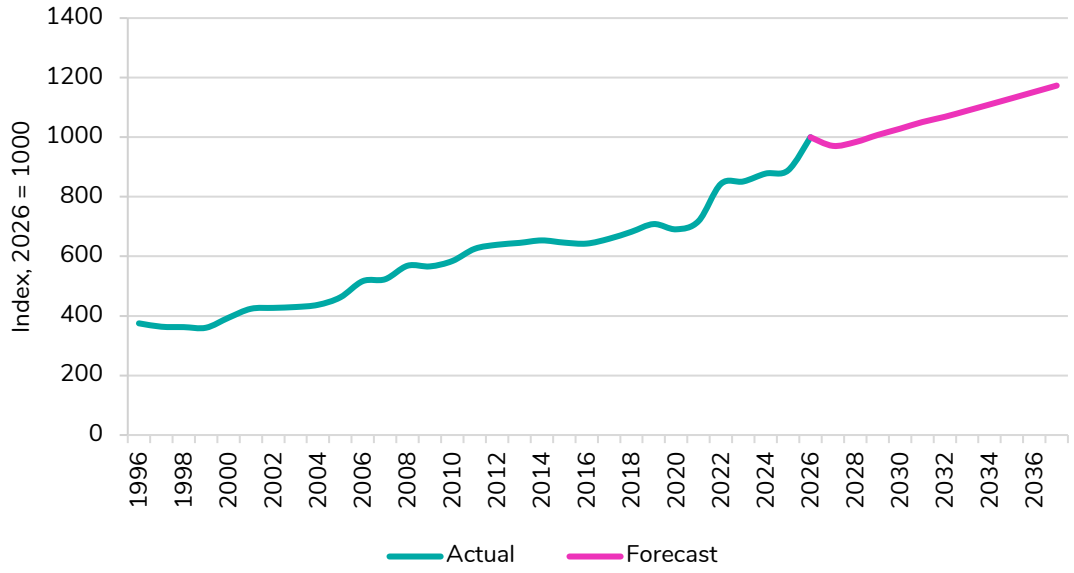


Source: BERL analysis

Cost adjuster series

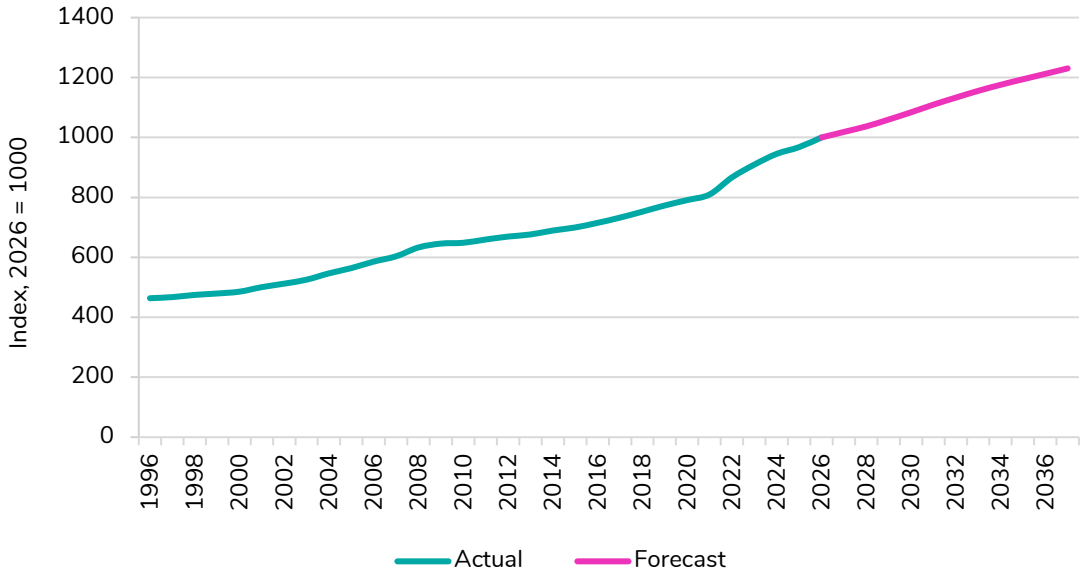
These series are linear combinations of the above cost adjusters. They describe the price trajectory of the basket of goods, services and labour bought by local government.

Figure 35 LGCI transport



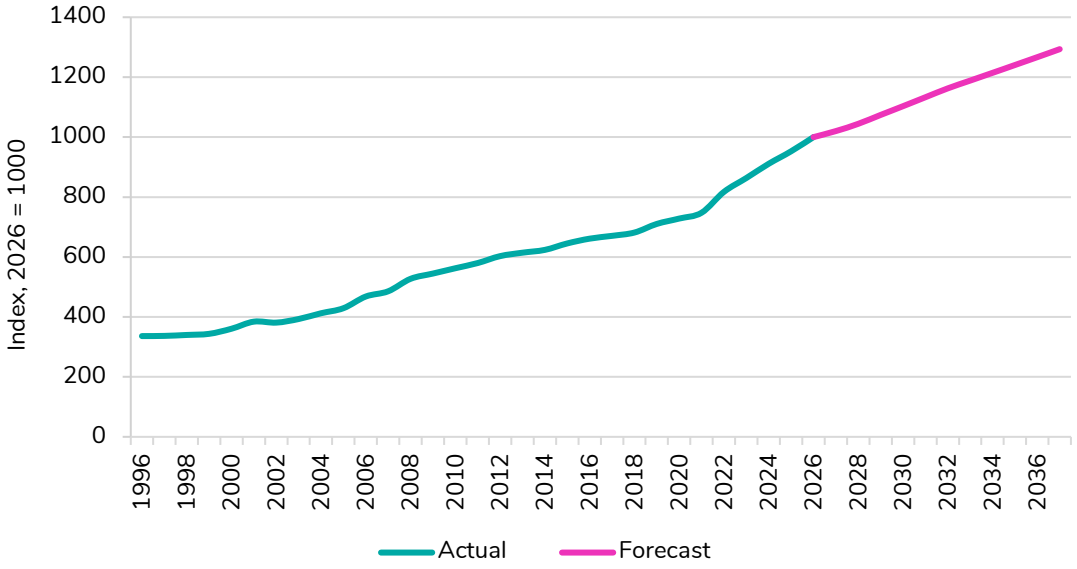
Source: BERL analysis

Figure 36 LGCI community



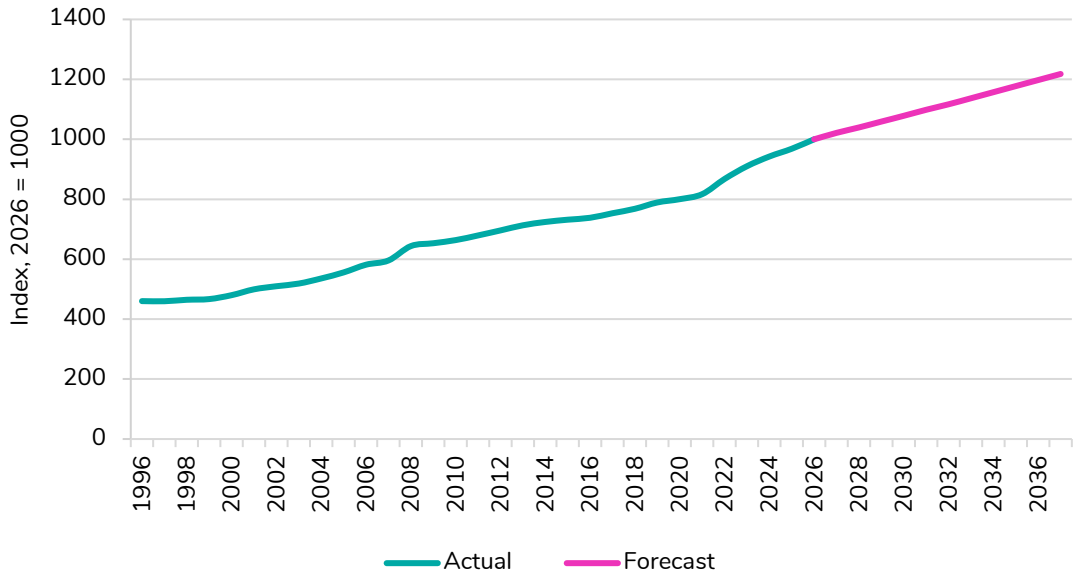
Source: BERL analysis

Figure 37 LGCI waste



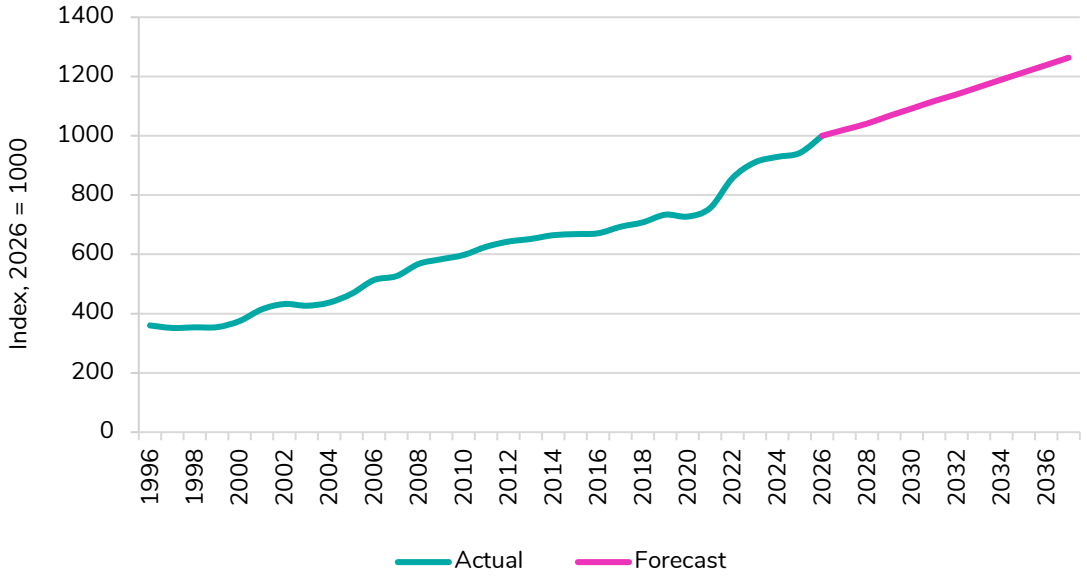
Source: BERL analysis

Figure 38 LGCI planning and regulation



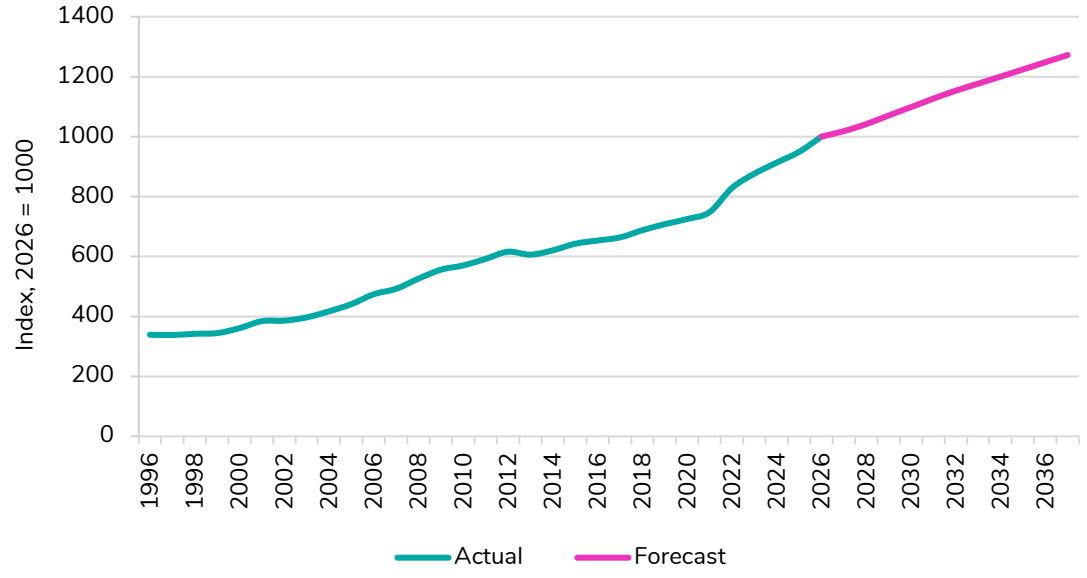
Source: BERL analysis

Figure 39 LGCI roading



Source: BERL analysis

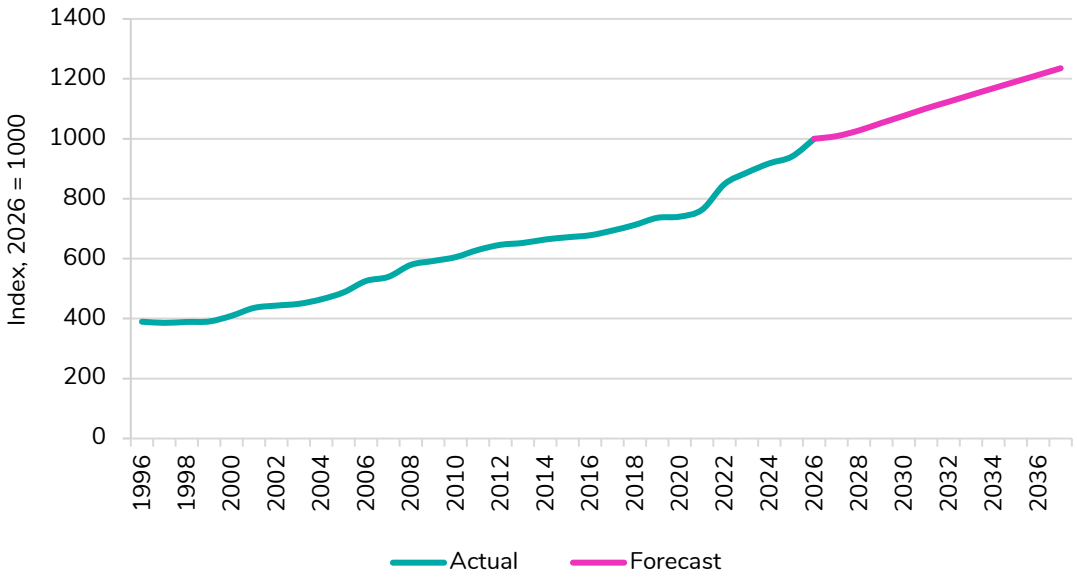
Figure 40 LGCI water infrastructure



Source: BERL analysis

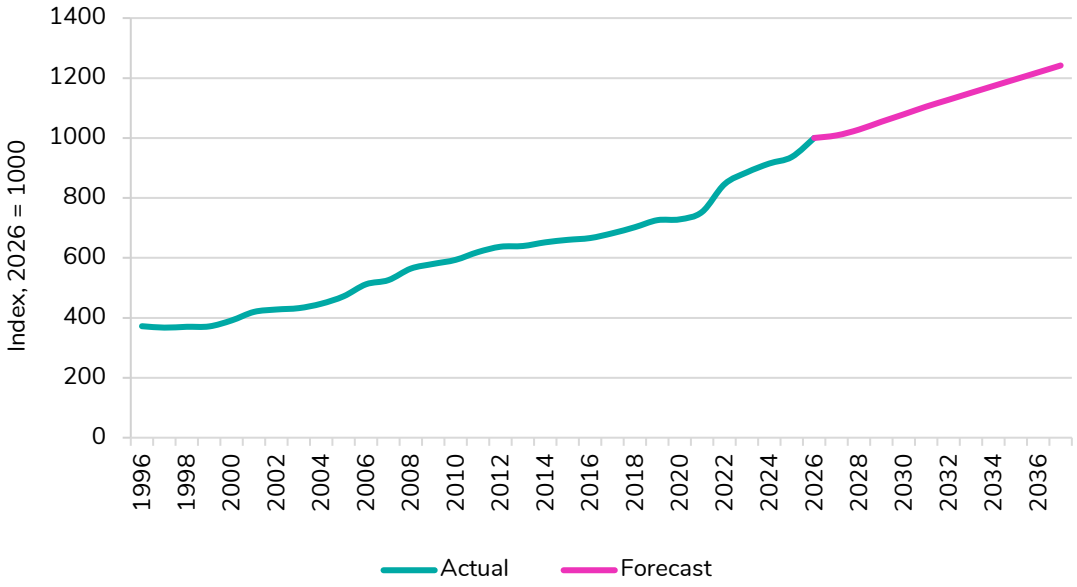
Aggregate adjuster series

Figure 41 LGCI OPEX – with water included



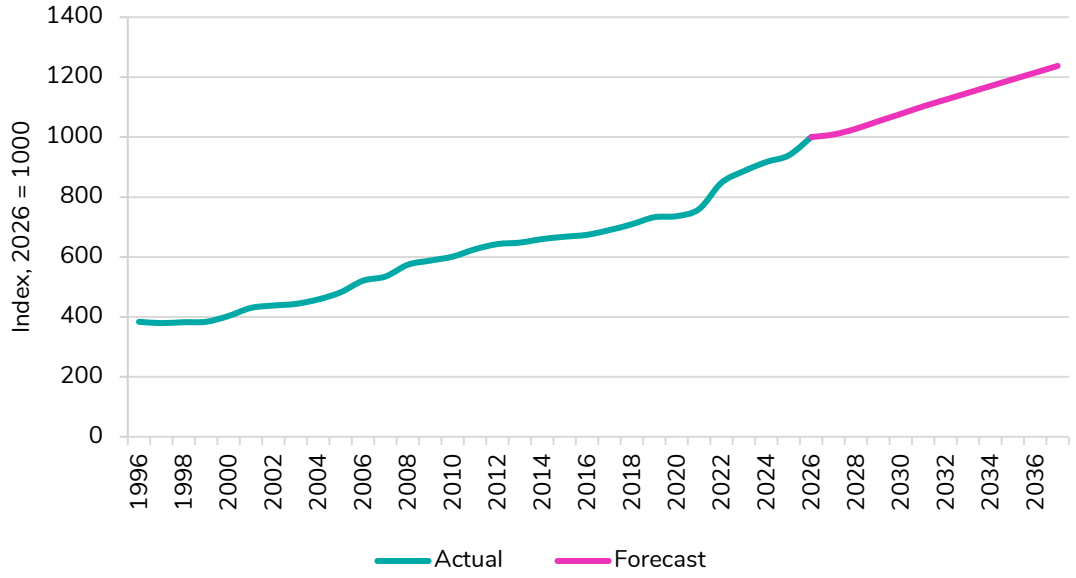
Source: BERL analysis

Figure 42 LGCI CAPEX – with water included



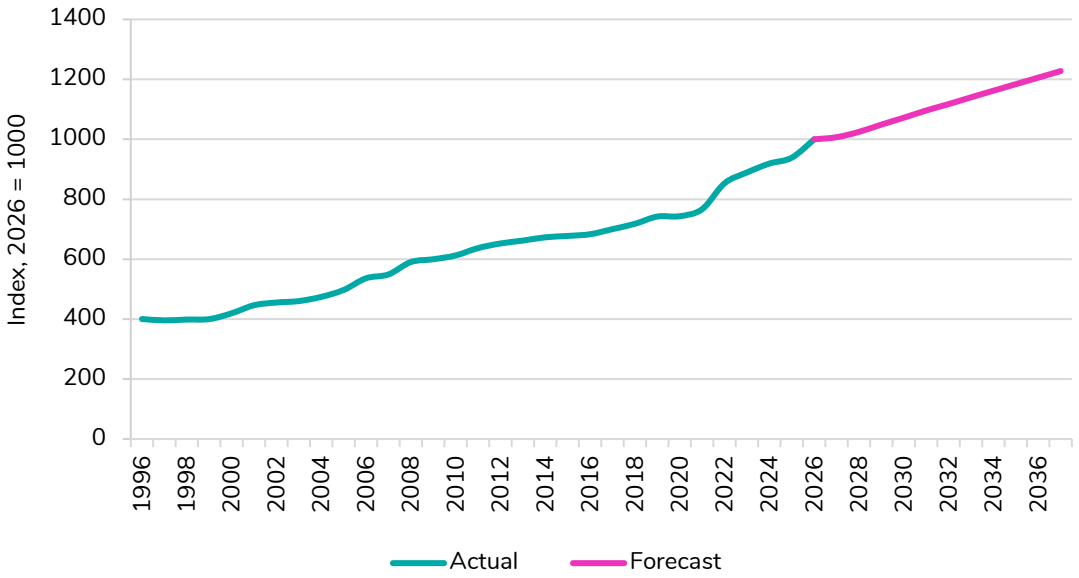
Source: BERL analysis

Figure 43 LGCI Total – with water included



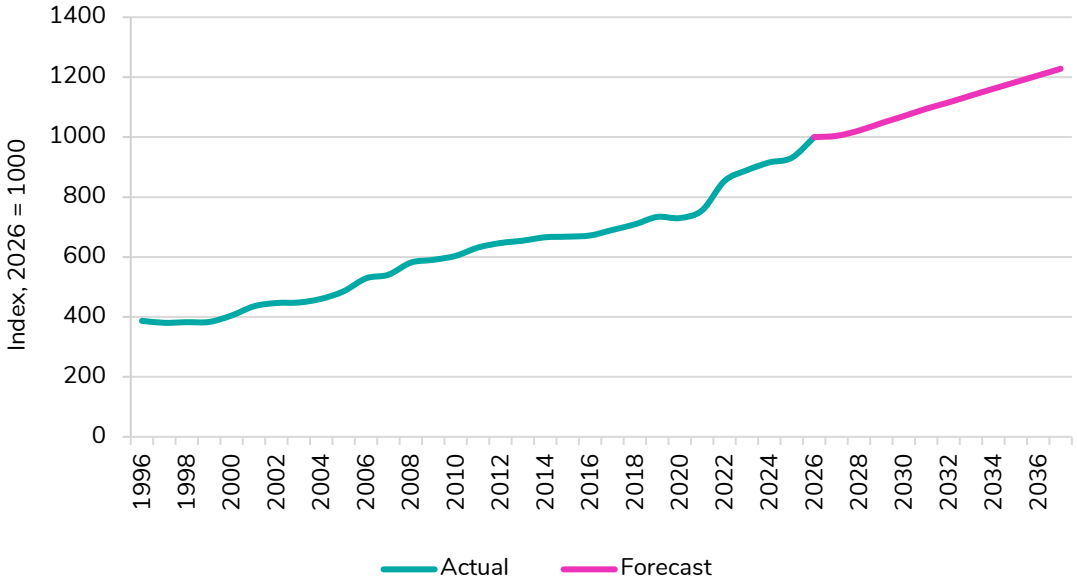
Source: BERL analysis

Figure 44 LGCI OPEX – with water excluded



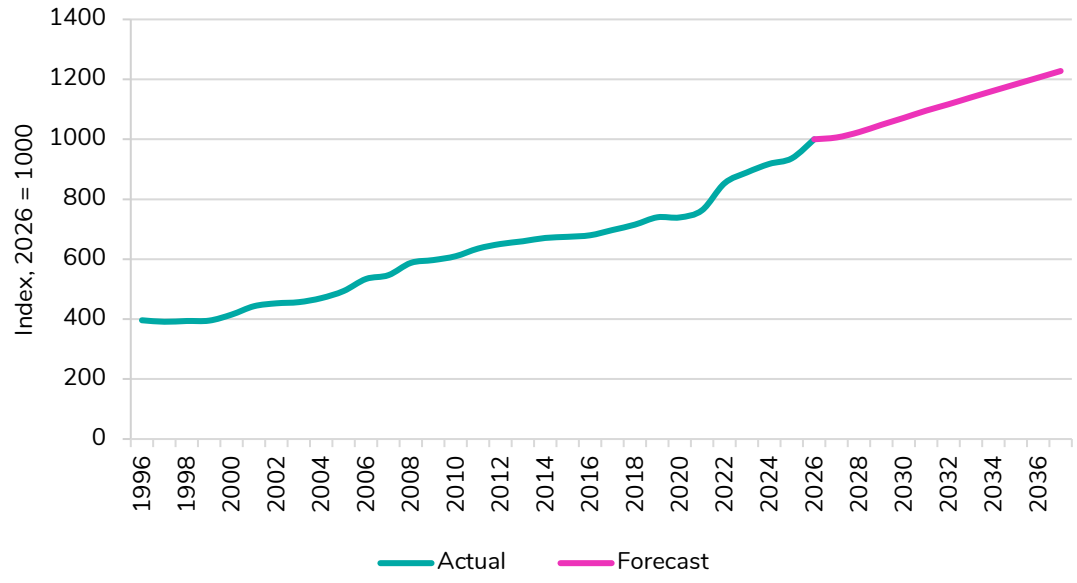
Source: BERL analysis

Figure 45 LGCI CAPEX – with water excluded



Source: BERL analysis

Figure 46 LGCI Total – with water excluded



Source: BERL analysis

Appendix B Macroeconomic forecasts

Table 18 BERL macroeconomic forecasts – part one

Year to June	Real expenditure GDP (% pa change)	Real expenditure GDP per capita ($)	Unemployment rate	CPI (% pa change)
2023 (actual)	3.4	13,926	3.7	6.0
2024 (actual)	0.1	13,673	4.7	3.3
2025 (actual)	-0.7	13,494	5.2	2.7
2026 (actual)	3.0	13,802	5.6	4.1
2027	2.8	13,911	5.2	1.8
2028	2.7	14,051	4.7	1.9
2029	2.8	14,245	4.4	2.1
2030	2.4	14,394	4.3	1.9
2031	2.4	14,559	4.3	1.9
2032	0.8	14,728	4.4	1.8
2033	1.4	14,889	4.5	1.7
2034	1.4	15,055	4.5	1.7
2035	1.5	15,219	4.6	1.7
2036	1.5	15,383	4.6	1.6
2037	1.5	15,548	4.6	1.6

Source: BERL analysis

Table 19 BERL macroeconomic forecasts – part two

Year to June	Energy Price Index - Commercial electricity (% pa change)	Trade Weighted Index (Exchange rate)	GFCF (Investment) - Non-residential buildings (% pa change)	GFCF (Investment) - Other construction (% pa change)
2023 (actual)	8.1	72.2	14.8	15.7
2024 (actual)	9.6	70.9	-1.4	5.3
2025 (actual)	13.5	71.4	-10.1	0.9
2026 (actual)	3.0	69.1	-5.8	8.6
2027	-1.1	66.5	4.2	3.6
2028	1.6	67.7	2.6	3.1
2029	1.7	68.7	2.1	2.8
2030	1.6	69.3	1.8	2.6
2031	1.6	69.8	1.6	2.4
2032	1.6	70.1	1.5	2.2
2033	1.6	70.1	1.4	2.0
2034	1.5	70.1	1.3	1.8
2035	1.5	70.1	1.3	1.7
2036	1.5	70.1	1.3	1.5
2037	1.5	70.1	1.2	1.4

Source: BERL analysis

Table 20 BERL macroeconomic forecasts – part three

Year to June	Residential consents - Number of consents	Residential consents - Value (%a pa change)	Residential consents - Floor area (%a pa change)	Non-residential consents - Number of consents	Non-residential consents - Value (%a pa change)
2023 (actual)	44,529	-13.9	-23.6	5,233	24.0
2024 (actual)	33,627	-11.2	-15.3	4,083	-28.5
2025 (actual)	33,979	0.2	0.9	3,453	13.2
2026 (actual)	40,581	25.9	26.0	3,387	-17.1
2027	45,524	7.7	4.9	3,688	6.4
2028	47,958	7.0	6.9	3,733	3.1
2029	49,542	3.7	2.7	3,796	2.2
2030	50,394	2.6	2.4	3,839	2.4
2031	50,915	1.7	1.3	3,868	2.3
2032	51,208	1.1	1.0	3,888	2.3
2033	51,381	0.7	0.6	3,902	2.2
2034	51,480	0.5	0.4	3,912	2.2
2035	51,539	0.3	0.3	3,918	2.1
2036	51,572	0.2	0.2	3,923	2.1
2037	51,592	0.1	0.1	3,926	2.0

Source: BERL analysis

Table 21 BERL macroeconomic forecasts – part four

Year to June	Oil price ($ per barrel)	Population - total	Population - 65 Years and over
2023 (actual)	78.2	5,200,000	848,000
2024 (actual)	84.9	5,289,900	873,900
2025 (actual)	67.8	5,321,000	901,800
2026 (actual)	104.4	5,357,300	930,500
2027	81.3	5,434,434	962,943
2028	75.7	5,494,800	994,100
2029	75.4	5,548,221	1,019,078
2030	75.4	5,602,160	1,044,683
2031	75.4	5,656,625	1,070,931
2032	75.4	5,711,770	1,097,914
2033	75.4	5,767,300	1,125,500
2034	75.4	5,818,764	1,149,463
2035	75.4	5,870,687	1,173,937
2036	75.4	5,923,218	1,199,000
2037	75.4	5,976,073	1,224,528

Source: BERL analysis

Appendix C References

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Clutha District Council

Long Term Plan 2024/34

Attachment C
Session 3

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.

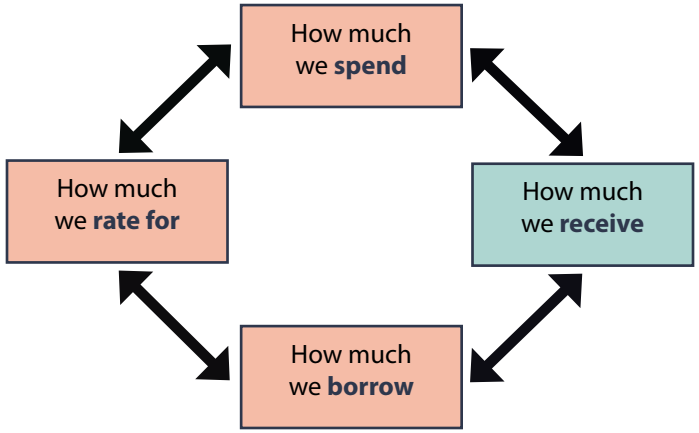
Council is intending to use what it has available to fully support our residents and ratepayers now, and into the future.

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.



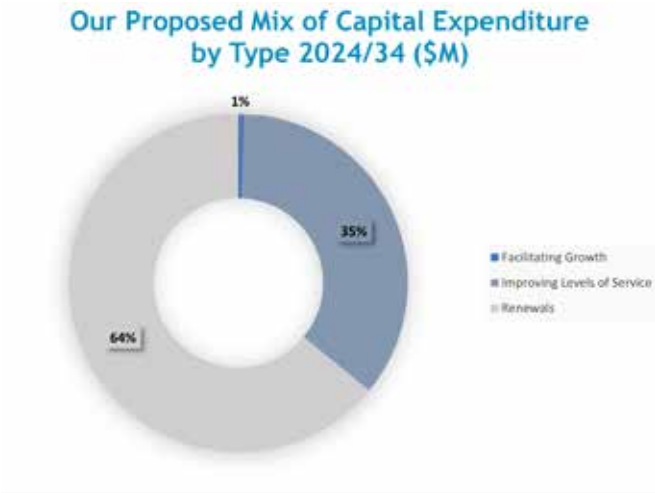
What we're PROPOSING TO SPEND

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
TOTALS	2	130	235	367

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 Cooee 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[1], 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.

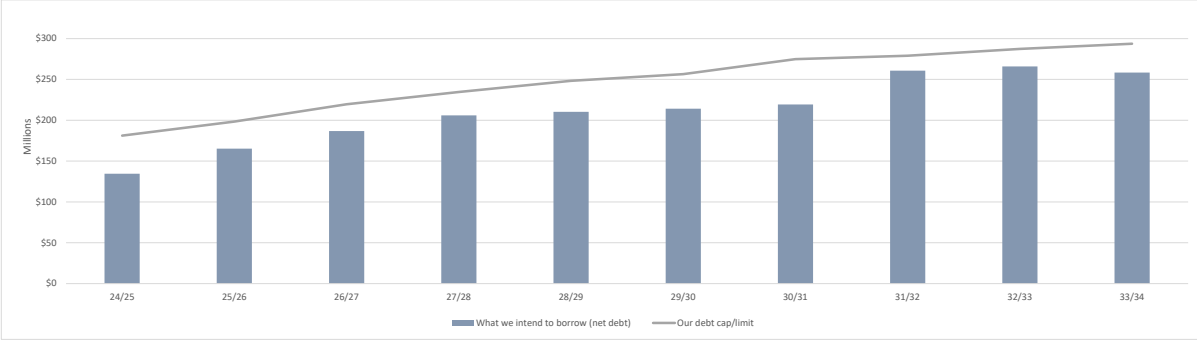
But it is important to get the balance right and we need to have clear limits. We received a credit rating that will allow us to borrow up to 280% of how much we're expecting to receive.

The repayment period for borrowing on infrastructure is 25 years.

[1]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).

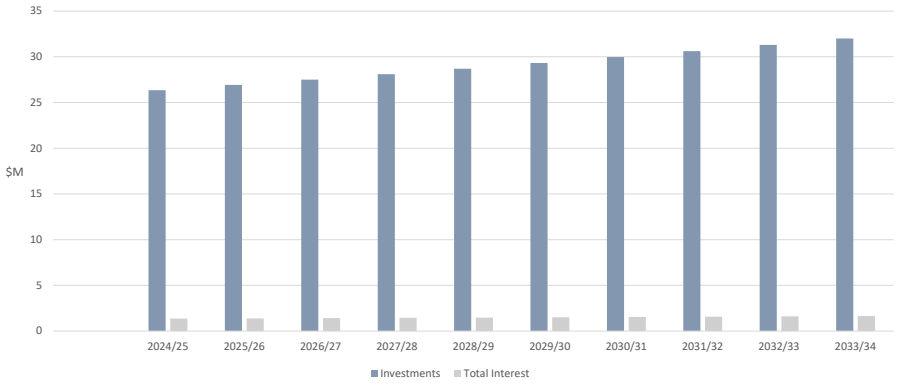
Targets on Investments

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.

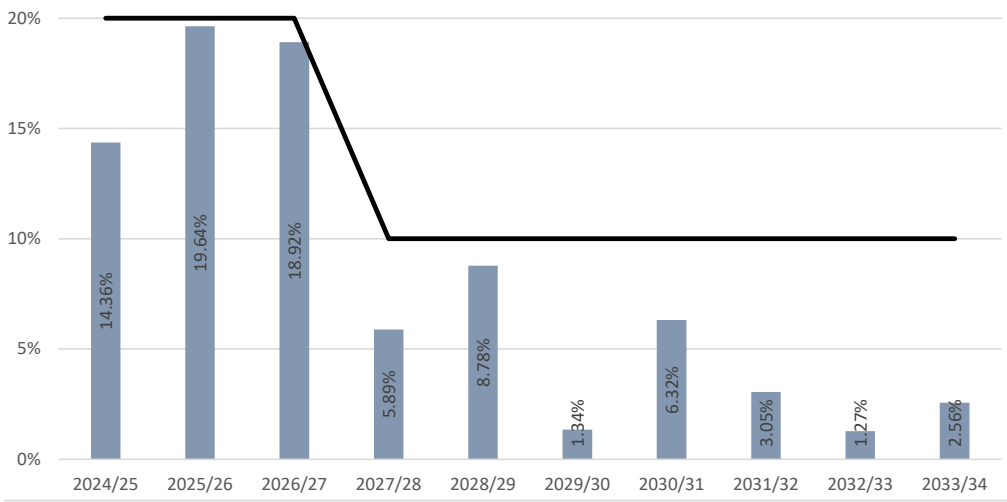
Smoothing rates

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 programe.

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.

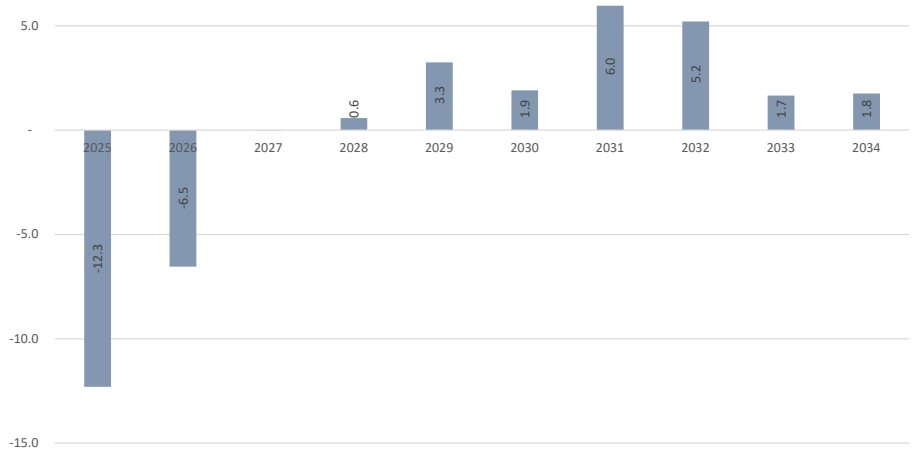
Council's draft Climate Change Strategy provides a common framework through which climate change work can be coordinated within Council and between other agencies. It will apply to all of Council's activities and operations and will be considered at all levels of decision making. The Strategy prioritises 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.

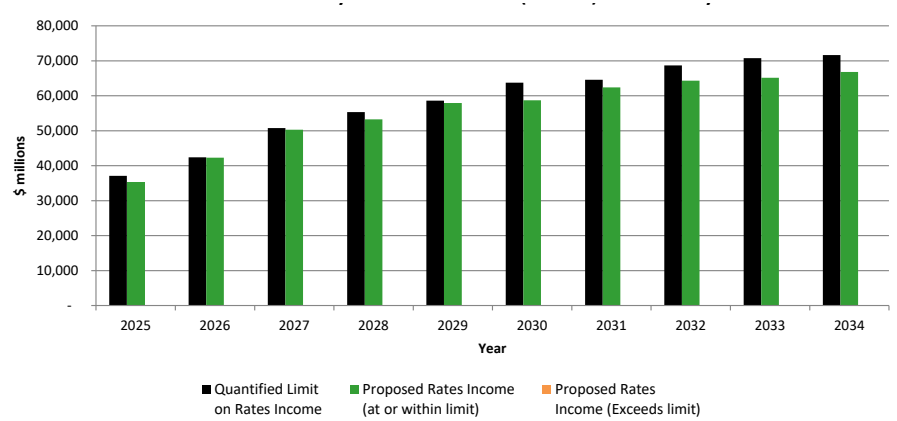
Rates affordability benchmark

Rates (income) affordability

The Council meets the rates affordability benchmark if:

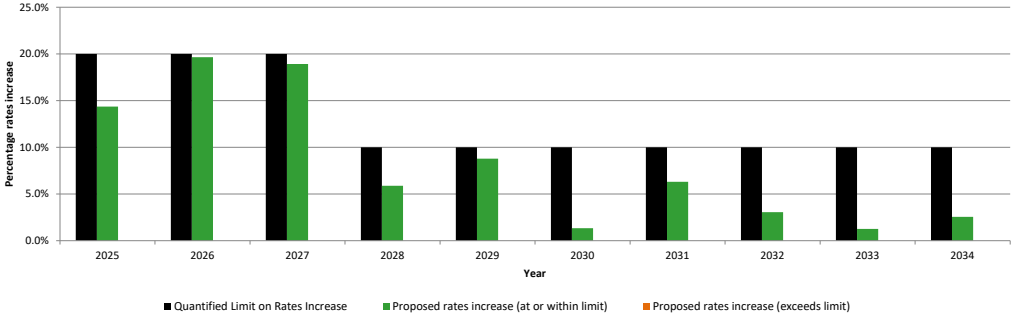
- Its planned rates is equal to or is less than each quantified limit on rates.
- Its planned rates increases equal or are less than each quantified limit on rates increase.

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.



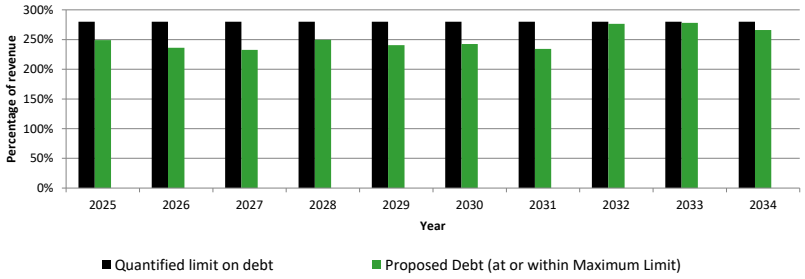
Rates (increases) affordability

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.



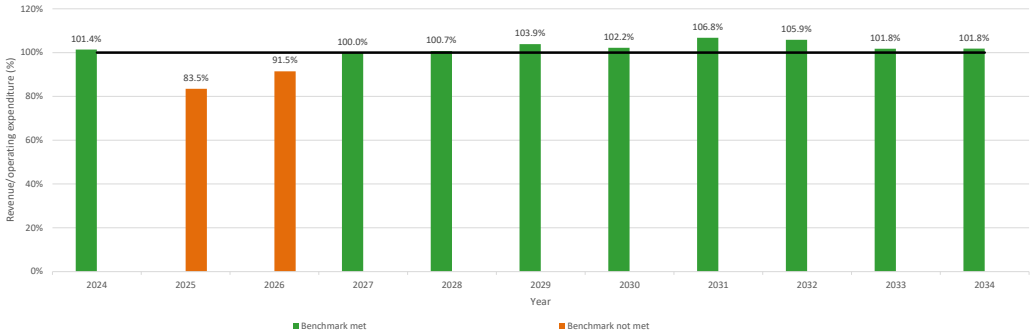
Debt affordability benchmark

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.



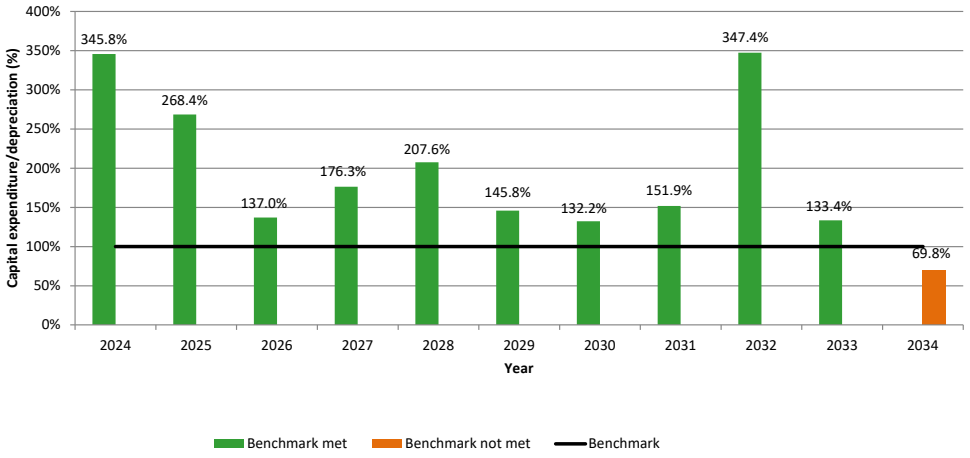
Balanced budget benchmark

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



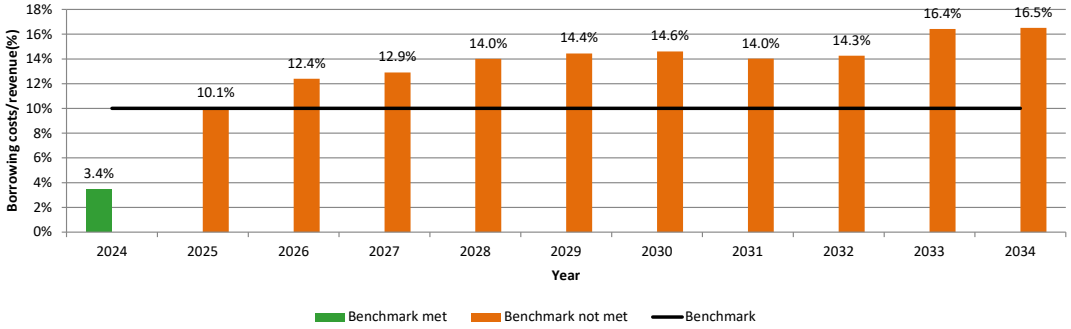
Essential services benchmark

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 that the budgeted depreciation expense.



Debt servicing benchmark

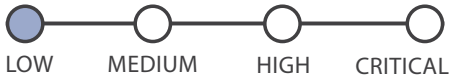
This graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations or property, plant or equipment). Because Statistics New Zealand projects th 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 that 10% of our revenue in all 10 years.

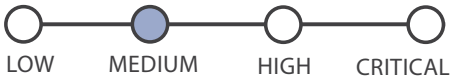
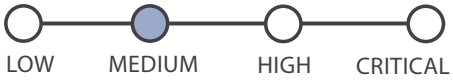


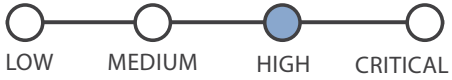
Key assumptions

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.

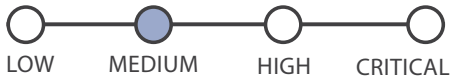
While every effort has been made to ensure the forecasts are the Council's best estimate for the future, the actual results for the reporting period are likely to vary from the information presented, and the variations may be material.
Our approach will be to be flexible and adaptive to changes that will impact on the Clutha District and the Council.

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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.

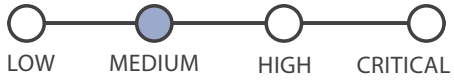
WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
Visitor growth **District visitor numbers** **2024 2034 2054** **Total visitors (average day)** **9,573 10,683 13,019** **Total visitors (peak day)** **3,633 4,243 5,459** Visitor population on both the average and peak day is projected to increase annually by 1.0% during the term of this strategy.		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, Waihola 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	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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.
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).		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.

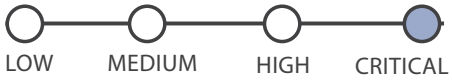
General assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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.

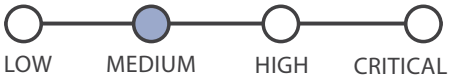
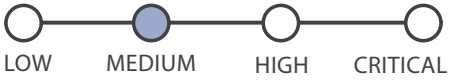
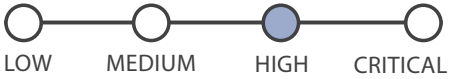
general assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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.

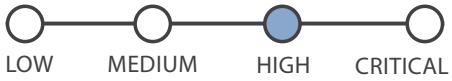
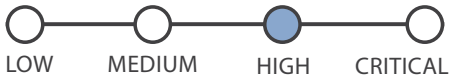
general assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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.

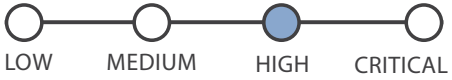
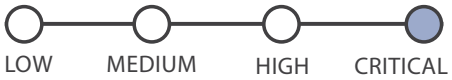
general assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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 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).		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.
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.		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.

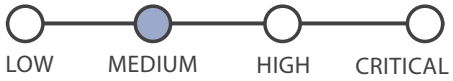
Financial assumptions

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 rateds 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

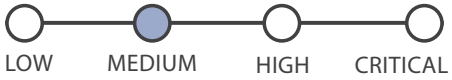
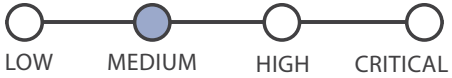
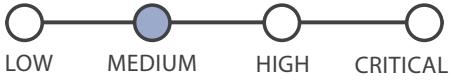
WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
Price level changes Price level changes have been calculated using projections prepared by Business & Economic Research Ltd (BERL). The appended Price Level Changes table depicts the annual price level changes as indicated by BERL which are based upon 2023 values.		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	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
Forecasted return on investments A return of 5.25% is budgeted for returns on investments.		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

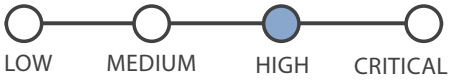
FINANCIAL assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY	REASON FOR UNCERTAINTY, IMPACT OF RISK:
Expected interest rates on borrowing Interest on existing and new internal borrowing is allowed for at 5.25% over the term of the borrowing.		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.
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.

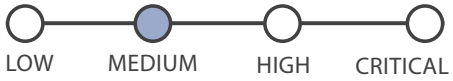
Sensitivity Analysis on Forecasted Rate on External Borrowings

	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

FINANCIAL assumptions

WHAT WE HAVE ASSUMED	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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	LEVEL OF UNCERTAINTY (RISK)	REASON FOR UNCERTAINTY, IMPACT OF RISK:
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.		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
Administration	Base year	2.7%	2.0%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.9%	1.9%
Salaries	Base year	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Three Waters	Base year	2.2%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%
Transportation	Base year	2.6%	2.1%	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%	1.9%	1.9%
Information Technology	Base year	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
All Other Assets	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

Long Term Plan 2027/37 Workshop

Workshop Topic	Roading Funding - PLACEHOLDER
Workshop Date	12 November 2026
Session Number	4
Author	Jules Witt – Deputy Chief Executive
M-Files Ref	1073138

SUMMARY

This report is a placeholder as the item was not completed at the time of publishing the agenda.

The Roading Funding report will be circulated under separate cover early next week.

Long Term Plan 2027/37 Workshop

Workshop Topic	LTP Consultation Approach and Initial Questions
Workshop Date	12 November 2026
Session Number	5
Author	Steve Hill – Chief Executive Peter Stafford – Strategic Planning and Policy Manager
M-Files Ref	1073139

SUMMARY

Council to consider and provide direction on the LTP 27/37 consultation framework and possible Consultation Questions.

PROPOSED

WORKSHOP OUTCOMES/DIRECTIONS

1. **Council directs staff on its preferred approach concerning consultation:**
    a. **Central challenges**
    b. **Consultation framework key Issues**
    c. **Possible consultation questions**
    d. **Consultation document discussion hierarchy**
    e. **Other matters as appropriate**

REPORT

1 Background

1.1 LTP Formal Consultation Requirements

Under the Local Government Act 2002 (LGA), a council preparing an LTP must use the special consultative procedure (ss 83 and 93A) and adopt a Consultation Document designed to support effective public participation. The document must clearly and concisely identify the key issues and choices facing the community, including important implications arising from the financial and infrastructure strategies.

Importantly, the LTP does not require every issue to receive the same level of consultation. Council must apply its Significance and Engagement Policy under s76AA to determine the significance of proposals and decisions and the appropriate extent and form of community engagement. The Consultation Document must describe issues identified through that policy as important to the community.

Consistent with Taituarā's LTP guidance and LGNZ's community-engagement guidance, the process should therefore focus formal consultation on significant choices, material changes and matters where community views can meaningfully influence Council's decisions, while remaining open, accessible and transparent.

1.2 Council directions

Council's directions during the LTP workshop program point to the strategic question: what services and infrastructure should CDC provide for, at what level, who should pay for them, and what rate burden can the community reasonably sustain? This should provide a line of sight between

- amended LGA 2002 statutory purpose
- core services
- Council's workshop directions
- value for money
- service-level choices
- rates and debt
- community feedback.

2 Overarching LTP Challenges

Drawing on previous workshop directions the overarching challenges facing Council and the community would appear to be:

- *What levels of Council services and investment are considered value for money for our community and what is the most cost-effective way for that to be provided?*
- *What level of Council services and investment can the community sustain?*
- *What services should we focus on if we cannot do everything?*

3 Rates Capping

Council has been previously briefed on rates-capping expected requirements with an initial target range of 2% to 4%, a two-year phase-in for the 2027/37 LTP and full effect from 1 July 2029, together with an exemption regime.

Taituarā's warns that national inflation measures do not necessarily reflect council infrastructure costs, that different councils may face quite different growth and service pressures, and that overly restrictive limits can result in deferred maintenance, under-investment, increased fees and charges, and impacts on financial sustainability and borrowing capacity. That aligns with Council's September direction to:

- model service and investment trade-offs;
- not rely on exemptions as the primary planning approach; and
- provide service-level reduction information for prioritisation.

Councillors will need consider how it approaches the prospective cap and its impacts as a financial constraint against which choices are tested.

4 Consultation Framework Key Issues

Key issues for CDC consultation	What residents actually need to consider	Why it matters
1. Value for money and the sustainability of services and Infrastructure	What level of services or investment should change to ensure cost effectiveness and sustainability of services and Infrastructure?	The amended LGA puts greater emphasis on cost-effectiveness and value for money.
2. Core services & other services	Which services must CDC protect first if funding is constrained? Which other services remain sufficiently important to retain?	The amended LGA identifies network infrastructure, public transport, waste, emergency management, libraries, museums, reserves and community/recreational facilities as core services to which Council must have particular regard.
3. Levels of service	Where should Council maintain, reduce, change or potentially cease services to keep rates down?	Council has specifically retained the service-cessation and 25% reduction options for future engagement and directed staff to clearly explain service, staffing and community consequences.
4. Infrastructure investment versus today's rates	How much should CDC invest now in renewals and resilience rather than defer expenditure?	Taituarā cautions that tight rates constraints can cause deferred maintenance and under-investment, increasing longer-term costs. CDC therefore needs to address the rates now versus asset risk/cost later choice.
5. Roads and transport	What road and footpath service level is affordable if external funding or rates capacity does not support the full preferred programme?	Council's preferred position is the Optimised Transportation Programme and seeking co-funding, while continuing to assess affordability and possible service reductions. Roads and footpaths were also specifically directed to remain visible in the LTP evidence and engagement.
6. Community owned facilities and discretionary expenditure	What level of Council support should be provided for community owned halls, pools, museums, libraries, recreation facilities and other community facilities? Grants funding to community groups may also need to be tested against the purposes and core services and cost-effectiveness.	Council has proposed $700k of community-facility funding for consultation, compared with current funding of $552k and has separately considered levels of service across pools, halls, libraries and open spaces. Council's Community Funding Policy may need to review considering recent LGA changes.
7. Funding and rating equity	Who should pay: the whole district, communities benefiting directly, users	Council has already directed modelling of UAGC, community-of-interest, footpath, pool, regulatory and other rating options.

	through fees and charges, or some combination?	This makes distributional equity a consultation issue.
8. Fees and charges versus rates	Should users pay more for some services to reduce pressure on general rates?	CDC has directed investigation of recovering more regulatory costs from fees and charges. Taituarā also warns that rates constraints can shift costs toward fees and charges, potentially changing accessibility and who ultimately pays.
9. Water services transition and residual CDC costs	How should CDC deal with overheads, debt and costs left behind when water services transfer, and how should any savings be reflected in rates/services?	Council has directed a first-principles review of overhead allocation after the Southern Water CCO transition and specifically sought impacts on rural ratepayers not connected to Council water services.
10. Reform uncertainty and financial resilience	How much flexibility or contingency should the LTP retain for reforms whose final costs or requirements remain uncertain?	Key issues include rates capping, RMA reform, emergency management, building reform, amalgamation processes and climate-change reform as matters affecting LTP decisions and costs.

5 Possible Consultation Questions

Possible consultation questions will be workshopped with Councillors drawing on the above information and with the support of a PowerPoint presentation.

It proposed this will include consideration of

- Infrastructure
- Purpose of local government and the Living and Working in Clutha Strategy
- Level of services decisions
- Rating including rating cap

6 Consultation Document Discussion Hierarchy

It is proposed the Consultation Document itself will be prefaced by section providing Council context to be followed by a discussion along the following lines.

Why things are changing

- new statutory purpose and core services
- rates-capping environment
- water transition
- other Government reforms.

The rates challenge

- starting rates position
- major unavoidable cost pressures
- savings already made

- debt and budget affordability.

What Council must decide

- core services
- infrastructure
- regulatory obligations
- future community needs.

The choices available

- maintain
- reduce
- change funding
- defer
- stop.

What each choice means

- rates
- debt
- service level
- asset condition/risk
- staffing/delivery implications
- distribution between different groups of ratepayers.

The questions for the community

- genuine consequential choices rather than numerous activity-level questions.

GEN-AI Statement: This workshop report was prepared with the assistance of MS Co-Pilot drawing only on specified documents and sources. Any Gen AI content used has been reviewed and/or modified by the author for accuracy and relevance.

Long Term Plan 2027/37 Workshop

Workshop Topic	LTP Capital Update – Owaka Dump Station and Freedom Camping Site renewal work
Workshop Date	12 November 2026
Session Number	6
Author	Mike Goldsmith – GM Community Services
M-Files Ref	1073140

SUMMARY

This report provides a proposal to include capital work at the Owaka Freedom Camping Site in the Draft 2027/37 Long Term Plan, as well as the relevant Activity Management Plan.

PROPOSED WORKSHOP OUTCOMES/DIRECTIONS

1. **That Council confirms whether to include work to upgrade the dump station at the Owaka Freedom Camping site in the 2027/37 LTP, estimated to cost $52,000+GST.**
2. **That Council confirms whether to include work to develop lighting and screening at the Owaka Freedom Camping site in the 2027/37 Long Term Plan, estimated to cost $15,000+GST.**

REPORT

1 Background

The Owaka Freedom Camping site is located adjacent to the Catlins Inn. It was created in 2019 beside an existing dump station, on land owned by the Clutha Licensing Trust.[1] The site is often full over the summer months, and it remains popular throughout the year.

Capital work at the site is proposed, as a late addition to the capital projects for the 2027/37 Long Term Plan. This would help to encourage visitors to spend time in Owaka and explore the wider Catlins and Clutha District, and support local businesses.

2 Existing site

The site comprises eight parking sites for self-contained vehicles, potable water, a dump station, and a skip. The site is not sealed, and the parking sites are marked by yellow markers (Figure 1). The site is visited most evenings by Freedom Camping Officers who provide campers with information and undertake compliance checks.

Staff have noted ongoing issues with the existing dump station, including blockages and overflowing. This has resulted in additional callouts (often after hours) to remove waste and clean the site. There is no street lighting near the site, and occasional tension between campers and patrons at the nearby pub have been noted.

[1] It is noted that discussions with CLT are underway to formalise the lease to cover the operation of the site.



Figure 1 The Owaka Freedom Camping Site when full (top), skip and markers (middle) and dump station with the Catlins Inn in the background (lower)



Figure 2 Location map showing stormwater and sewer assets

3 Proposed renewal work

Two proposed capital work items are described below.

3.1 Dump station

Work to improve the dump station is proposed in Year 1 of the 2027/37 LTP, as described below.

1. Redevelop the dump station, as shown in Figure 3, including a containment bund. The inner surface would slope towards the dump station drain so that runoff from the potable water tap, together with any effluent spilled around the dump station opening, drains into the dump station itself. There is currently no drain for excess water at the potable water tap.
2. A local contractor has estimated the work could cost up to $52,000+GST, based on the costs to develop the Crown Street dump station in 2021 (Figure 4). An allowance has been made for the increase in plant, labour and materials.
3. At this stage it is unknown how much of the existing infrastructure (including pipework) can be retained and used. The total cost could be less, depending on the condition of the existing assets.

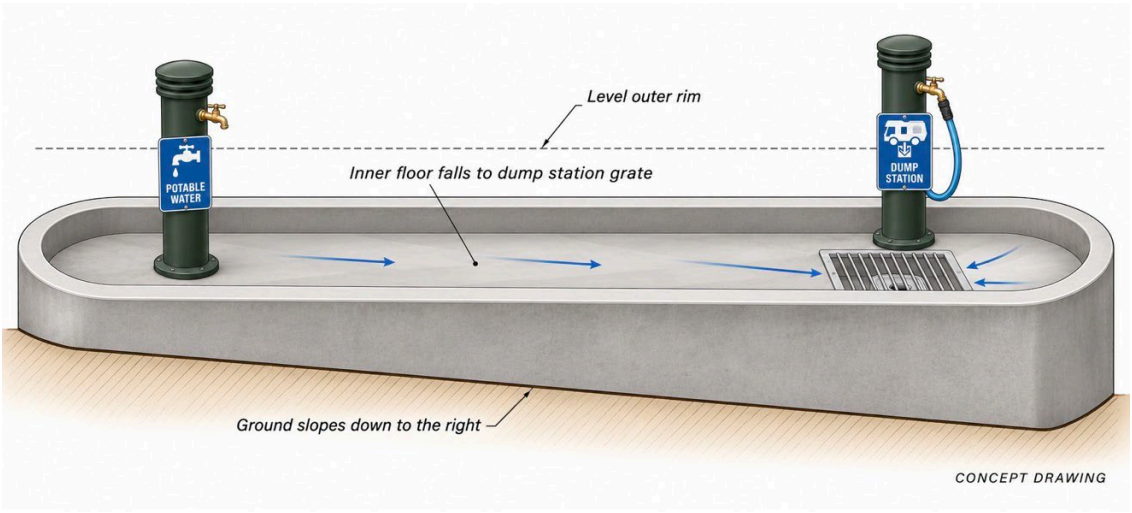


Figure 3 *Proposed layout, showing a level outer rim, with the concrete base increasing in depth towards the right to accommodate the downward slope of the ground.*



Figure 4 *Layout of the Crown Street dump station*

3.2 Freedom Camping site

Work to improve the freedom camping site is proposed in Year 1 of the 2027/37 LTP, as described below.

1. Install solar lighting to improve visibility and safety.
2. Fencing and screening to better define site boundary, improve its presentation and reduce the visual impact of camping activities on neighbouring properties.
3. The total cost of this work is estimated at $15,000+GST, based on work to install solar lights at the Taylor Park Dog Park, and a general estimate for fencing and screening.

Long Term Plan 2027/37 Workshop

Workshop Topic	Fees and Charges 27/28
Workshop Date	12 November 2026
Session Number	7
Author	Trey Willis-Croft – Finance Team Leader
M-Files Ref	1073078

SUMMARY

This report provides a brief overview of 27/28 fees and charges that are proposed to change outside of the standard inflationary adjustment.

PROPOSED WORKSHOP OUTCOMES/DIRECTIONS

To receive feedback on 27/28 fees and charges changed outside of the standard inflationary adjustment as well as direct what inflationary adjustment should be applied.

REPORT

1 Berl Inflation Adjustment

Historically council has used the local government specific inflation adjusters as published by BERL. Using the same methodology for the 27/28 fees and charges this adjustment equates to 0.7%. (BERL report is attached in item 3)

Direction - Is council happy to use this same methodology this year? Or would they like to apply a different percentage?

2 Removal of Sections

With water fees and charges being handled by Southern Waters from July 1st 2027 these will need to be removed from our 27/28 fees and charges document.

This relates to the following sections

- Sec – 23 – Sewerage
- Sec – 27 – Trade Waste
- Sec – 31 – Water Analysis
- Sec – 32 – Water Supply (Rural)
- Sec – 33 – Water Supply (Urban)

- Sec – 34 – Inflow and Infiltration
- Sec – 35 – Three Waters Approved Contracting

It is also proposed to remove Sec – 29 – Vehicle Stands on Streets as this relates to Taxi stands which we have not charged for in for many years.

3 Proposed Fee and Charge Increases Outside of Inflation

3.1 Sec – 2,5,20 – Building Consent Fees, Dog Control & Registration Fees, Resource Consent Applications

Currently these are proposed to be increased by 10% at a minimum. However, a final number will rely on the costs the new overhead model will forecast.

3.2 Sec – 7 – Food Premises Charges

Application and registration costs are proposed to increase by 5%. Food compliance costs are proposed to increase to match the ICC rate we are charged in the 27/28 year..

3.3 Sec – 8,16 – Camping Grounds, Offensive Trades

The registration fees are proposed to increase to bring us closer to other councils in our area.

3.4 Sec – 6 – Council Community Housing

These costs are proposed to increase by 6% as discussed in a previous council workshop.

3.5 Sec – 13 – Land Information Memorandum (LIM)

These costs are proposed to increase to bring us closer to other councils in our area.

3.6 Sec – 28 – Trading In Public Places

Fees increased to match registration fees.

4 Proposed New Fees and Charges

4.1 Sec 2 – Building Consent Fees

It is proposed to add a new building fee:

- Fee for assessing earthquake buildings

4.2 Sec 4 – Cemeteries

It is proposed to add a new cemetery fee:

- Administration fee for unauthorised burials

4.3 Sec – 7 – Food Premises Charges

It is proposed to add a new food premises fee:

- Inspection by Food Safety Officer (FSO) all costs associated with any inspection undertaken by an FSO plus travel time is fully recoverable from the food operator – Further information to be provided on the day.

4.4 Sec 20 – Resource Consent Application

It is proposed to add a new resource fee:

- To replace the forestry notification fee. Further information to be provided on the day.

4.5 Sec – 21 – Roading Permits

There are new fees proposed with explanations as follows:

- Stock crossing on road reserve application fee – Covers processing the application, site visit and writing report for Council whether it be for an exemption or for construction of an underpass. Plus ongoing monitoring for compliance with exemption or construction conditions

- Stock underpass exemption renewal fee – Covers a site visit and checking of ongoing compliance plus writing of report to Council for consideration of exemption renewal.

- Abandoned vehicles – Under the Local Government Act, Council may recover from the last registered owner the costs incurred by the Council for removing, storing, and disposing of an abandoned vehicle, less any amount received from its disposal. The purpose of including this provision in the Fees and Charges is to clearly communicate Council's intention to recover these costs, including any applicable administration costs, and to ensure the charges are transparent and publicly referenced on Council's website

4.6 Sec – 30 – Waste Management

It is proposed to add a new waste management fee:

- Clean Fill – This would bring us in line with other neighbouring landfills. As we have sufficient material needed to start the capping of cell 1 from the construction of cell 2, we no longer need a free source as previously encouraged.

5 Proposed Fee and Charges to remain the same

5.1 Sec – 4 – Cemeteries

These costs are proposed to remain the same as more costs are currently recovered than are spent.

5.2 Sec – 30 – Waste Management

All current costs are proposed to be inflation adjusted outside of the general refuse tonnage fee. This is proposed to remain the same. There is potential that the work with a new Mt Cooee model will change how much we charge midway through the year. If this occurs we will go through the standard process of a mid-year adjustment.

ATTACHMENTS

A: 2026/27 Fees and Charges

Attachment A
Session 7

Clutha District Council

SCHEDULE OF FEES & CHARGES 2026/27



Schedule of Fees & Charges 1 July 2026 to 30 June 2027

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Notes

All fees included in this schedule are GST inclusive unless otherwise stated.

A surcharge fee of 2% will be apply to all credit card transactions.

1. AMUSEMENT DEVICE PERMIT (Set by Statute)

First device for up to 7 days	11.50
Each additional device for up to 7 days	2.30
For further period of up to 7 days	1.20

2. BUILDING CONSENT FEES (All charges listed below are minimum fee/deposit)**

2.1 General Information

i) All fee deposits must be paid upon application.

ii) All deposits are based on expected officer involvement and are calculated relative to the estimated value of work.

ii) In relation to deposits (minimum charges) paid, there shall be no obligation on the Council to perform any action until the appropriate charges are paid in full.

iv) Charges may be reduced proportionally for consent elements certified by a building certifier.

v) Hourly rate for extra processing - $245.00.

Estimated Value ($)	Minimum Deposit Fee
0 – 25,000	1,360.00
25,001 – 50,000	3,140.00
50,001 – 75,000	4,325.00
75,001 – 100,000	5,750.00
100,001 – 200,000	7,870.00
200,001 – 400,000	9,520.00
400,001 – 700,000	11,600.00
700,001 – 1,200,000	13,560.00
Over 1,200,001	Deposit 16,810.00, then actual costs calc $245/hr

2.2 Processing Charge Out Rates

Building Officer	245.00/hr
Consultants/Contractors	245.00/hr or actual Costs if higher

Additional Inspection charge out rate Includes re-inspection (after a failed inspection) and also cancelled inspections (if not cancelled by 2pm the day prior to the inspection booking).	330.00 per inspection
Pre-application meeting	First 30mins free (Charged hereafter)

2.3 Miscellaneous

Minor Building Consent, Drainage, Septic Tank, etc, with one inspection	865.00
Relocation of Dwellings	3,005.00
Solid Fuel Heater – Freestanding *	620.00
Solid Fuel Heater – Inbuilt & Residential Boilers	810.00
New Prefabricated Dwellings	4,150.00
Swimming Pool Application *	490.00
Swimming Pool Renewal	245.00
Notice to Fix	650.00
Amendment	245.00
Unlined Shed/Accessory Building < 100,000	2,850.00
Unlined Shed/Accessory Building 100,000-$800,000	4,330.00
Unlined Shed/Accessory Building > $800,000	6,175.00
Property Inspection and Report	245.00/hr
Demolition	405.00
Project Information Memorandum (PIM)	450.00
Project Information Memorandum (PIM) for Detached Minor Residential Units (Granny Flats)	650.00
Compliance Schedule	245.00/hr
Amendment to Compliance Schedule	245.00/hr
Building Warrant of Fitness	245.00/hr
Building Warrant of Fitness Audit (on-site) 3-5 yearly	245.00/hr
Certificate of Acceptance (Plus Building Consent Fee and Levies where applicable)	540.00
Certificate of Public Use	420.00
Dangerous & Insanitary Building Inspection	245.00/hr
Modification / Waiver of Building Code	245.00
Certificate of Title Record of Title	45.00

Marquees *	Refer to schedule 1.2 fee below
Exemption – Schedule 1.2 Lodgement	245.00/hr
Exemption – Schedule 1 Owner Decided	110.00
Sec 73 or 75 Title Registration	560.00
Scanning of Documents (Per 50 Leaves)	80.00
Printing of Electronic Plans (including emailed information)	
A4 black and white	0.20
A3 black and white	0.40
A4 colour	1.00
A3 colour	2.00
Cost to receive information in a non-digital format that requires digitisation	Actual cost

* 1 Inspection only allowed for

**Note that deposits are a minimum charge and are non-refundable. At the completion of the service actual costs are calculated and any remaining balance owing will be charged.

Fees include the issuance of a Code Compliance Certificate upon satisfactory completion of work.

See following section for Additional Charges (i.e. BRANZ, BIA & Reserve Contributions).

2.4 Additional Charges

2.4.1 Reserve Contribution

A charge of $600.00 GST (inclusive) will be payable for each dwelling house (with the exception of farm dwellings), or additional dwelling unit in multi-unit development, consented to under the Building Act in all cases where no charge has previously been levied.

These contributions will be used for the acquisition, improvement and development of recreational facilities throughout the district.

2.4.2 Building Research Levy

A compliance schedule is in place, but no amendment is necessary from any work resulting from this building consent.

Building Research Levy is payable on values of $20,000 or more at a rate of $1.00 Plus GST per $1,000 or part thereof, on the total value of the contract - GST inclusive. The Total Value includes Plumbing and Drainage Work and is always taken to the next $1,000.

	000	**1,000**	**2,000**	**3,000**	**4,000**	**5,000**	**6,000**	**7,000**	**8,000**	**9,000**
20,000	20.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00
30,000	30.00	31.00	32.00	33.00	34.00	35.00	36.00	37.00	38.00	39.00
40,000	40.00	41.00	42.00	43.00	44.00	45.00	46.00	47.00	48.00	49.00
50,000	50.00	51.00	52.00	53.00	54.00	55.00	56.00	57.00	58.00	59.00
60,000	60.00	61.00	62.00	63.00	64.00	65.00	66.00	67.00	68.00	69.00
70,000	70.00	71.00	72.00	73.00	74.00	75.00	76.00	77.00	78.00	79.00

	000	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000
80,000	80.00	81.00	82.00	83.00	84.00	85.00	86.00	87.00	88.00	89.00
90,000	90.00	91.00	92.00	93.00	94.00	95.00	96.00	97.00	98.00	99.00
100,000	100.00	101.00	102.00	103.00	104.00	105.00	106.00	107.00	108.00	109.00
110,000	110.00	111.00	112.00	113.00	114.00	115.00	116.00	117.00	118.00	119.00
120,000	120.00	121.00	122.00	123.00	124.00	125.00	126.00	127.00	128.00	129.00

2.4.3 Building Levy

Building Levy is payable on values of $65,000 or more at a rate of $1.75 per $1,000 or part thereof, on the total value of the contract - GST inclusive. The Total Value includes Plumbing and Drainage Work and is always taken to the next $1,000.

	000	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000
65,000						113.75	115.50	117.25	119.00	120.75
70,000	122.50	124.25	126.00	127.75	129.50	131.25	133.00	134.75	136.50	138.25
80,000	140.00	141.75	143.50	145.25	147.00	148.75	150.50	152.25	154.00	155.75
90,000	157.50	159.25	161.00	162.75	164.50	166.25	168.00	169.75	171.50	173.25
100,000	175.00	176.75	178.50	180.25	182.00	183.75	185.50	187.25	189.00	190.75
110,000	192.50	194.25	196.00	197.75	199.50	201.25	203.00	204.75	206.50	208.25
120,000	210.00	211.75	213.50	215.25	217.00	218.75	220.50	222.25	224.00	225.75

2.4.4 Accreditation Levy

This levy is payable on values of $20,000 or more at a rate of $1.00 Plus GST per $1,000 or part thereof, on the total of the contract. The total value includes plumbing and drainage work and is always taken to the next $1,000.

Note: Council reserves the right to make additional charges depending upon circumstances, i.e. construction variations and/or re-inspections, inspections for multiple buildings on one consent.

Vehicle Crossings

All building consents applicants are required to sign an undertaking they will make good any repairs necessary to a footpath, kerb or road which may be damaged as a result of their activities.

2.4.5 Building Reports $85.00 per annum

2.4.6 Building Infringement Offences

Failing to comply with the requirement that building work must be carried out in accordance with a building consent (section 40)	1,000.00
Failing to apply for a certificate of acceptance for urgent building work as soon as after completion of building work (section 42)	500.00

Person who is not a licenced building practitioner carrying out restricted building work without supervision of licensed building practitioner with appropriate licence (section 85(1))	750.00
Licensed building practitioner carrying out restricted building work without appropriate licence section (section 85 (2)(a))	500.00
Licensed building practitioner supervising restricted building work without appropriate licence (section 85(2)(b))	500.00
Failing to comply with the requirement to obtain a compliance schedule (section 101)	250.00
Failing to supply territorial authority with a building warrant of fitness (section 108(5)(aa))	1,000.00
Failing to display a building warrant of fitness required to be displayed (section 108(5)(a))	1,000.00
Displaying a false or misleading building warrant of fitness (section108(5)(b))	1,000.00
Displaying a building warrant of fitness other than in accordance with section 108 (section 108(5)(c))	1,000.00
Using, or knowingly permitting the use of, a building for a use for which it is not safe or not sanitary (section 116B(1)(a))	1,500.00
Using, or knowingly permitting the use of, a building that has inadequate means of escape from fire (section 116B(1)(b))	2,000.00
Failing to comply with a notice, within the time stated in the notice, requiring work to be carried out on a dangerous, earthquake-prone, or insanitary building (section 124)	1,000.00
Using or occupying a building, or permitting another person to do so, contrary to a territorial authority's hoarding, fence, or notice (section 128)	2,000.00
Failing to comply with a notice to fix (section 168)	1,000.00
Person holding himself or herself out as being licensed to do or supervise building work or building inspection work while not being so licensed (section 314(1))	500.00
Using, or permitting use of building having no consent or code compliance certificate or certificate for public use for premises for public use (section 363)	1,500.00
Wilfully obstructing, hindering, or resisting a person executing powers conferred under the Act or its regulations (section 367)	500.00
Wilfully removing or defacing a notice published under the Act or inciting another person to do so (section 368)	500.00
Supervision of licensed building practitioner without appropriate licence (section 85(1))	750.00

Independent Qualified Persons who negligently issue a 12A form for a specified system where the inspection, maintenance, and reporting procedures of the compliance schedule have not been fully complied with in the last 12 months for that system	50,000.00 for an individual 150,000 for a body corporate

2.4.7 Property Files Request (*Minimum fee/Deposit)

Category	
Property File Request	40.00

*Note that deposits are a minimum charge and are non-refundable. At the completion of the service actual costs are calculated and any remaining balance owing will be charged.

3. CAMPING GROUNDS

3.1 Annual Registration – Regulatory	260.00
3.2 Taylor Park – Milton Charges	

Non powered sites base rate + one person($13.00 extra per person for additional campers. Under 5 years old, free.)	20.00 per night
Powered Sites base rate + one person ($17.00 extra per person or additional campers. Under 5 years old, free.)	24.00 per night
Camper on powered site up to 49 nights base rate + one person (98.00 extra per person per week)	150.00 per week
Caravan Storage (limited to 4 spaces)	10.00 per week

4. CEMETERIES

4.1 Purchase of Plots

Single	2,030.00
Ashes	705.00
RSA Plot	No Charge
Exhumation	Actual Cost

4.2 Burial Fees

Interment	1,815.00
Infant (up to 12 years)	50% of normal

Ashes	690.00
Breaking Concrete	Actual Cost
Muslim Burials – additional requirement (timber lining)	720.00

Note

- All interments at extra depth, apart from Romahapa and Port Molyneux due to hard rock.
- The pre-selling of plots is not permitted except that one adjacent plot may be purchased at time of interment.

5. DOG CONTROL & REGISTRATION FEES

5.1 Registration Fee (Dogs 3 months of age or over at 1 July 2026)

Rural – Non-Working	76.00
Rural – Working	54.00
Urban – Working and Non-Working	108.00
Responsible Dog Owner – per dog	76.00
Dangerous Dog	Base fee plus 50%

5.2 Penalty Charge (After 1 August) – *additional to Fees in 5.1 above*

Rural – Non-Working	38.00
Rural – Working	27.00
Urban – Working and Non-Working	54.00
Responsible Dog Owner – per dog	38.00

5.3 Application Fees

Responsible Dog Owner	31.00
Three or more Urban Dogs	76.00

All new registrations for pups and dogs under three months of age reduced proportionately by one twelfth (1/12) per month, according to the date registered.

5.4 Impounding Fees – Dogs

First Offence	83.00
Second Offence	122.00
Third Offence	174.00

5.5 Impounding Fees – Stock

Sheep/Goats (first animal, $15.00 per head thereafter)	47.00
Horse/Cattle/Deer (first animal, and $20.00 per head thereafter)	135.00

5.6 Plus

Sustenance	21.00 per day or part thereof
Euthanasia Fee (per animal)	Actual Cost
Advertising	Actual Cost
Microchipping	Actual Cost

6. COUNCIL COMMUNITY HOUSING

Category & Location	**Weekly Rental**
Category 1: Clinton, Lawrence & Owaka	165.00
Category 2: Elderlee St & Spenser St (Milton) & Toshvale (Balclutha)	183.00
Category 3: Argyle St & Naish Courts (Balclutha), Kaitangata, Tapanui & Waihola	210.00

Notes:

- Effective for all new tenancies from 1 July 2026.
- Double units will be rented at an additional $10 per week on top of the weekly charges listed above.
- Double units will be rented to a single tenant at the double rate.
- Carport – additional $5.00 per week.

7. FOOD PREMISES CHARGES

Food businesses with food control plans or national programmes approved from 1 March 2016 under Food Control Act 2014.

Application fee for:	
a) New registration of template food control plan or food business in a national programme for new or existing business	215.00
b) Multi-Site Business – in addition to above – additional fee per site	105.00
c) Renewal of registration for:	
• template food control plan (every 12 months from initial application)	105.00
• national programme (every 24 months from initial application)	105.00
Amendments and significant change in circumstances	215.00

Verification (hourly rate listed as per contractors fees and charges ie: ICC website – invoiced following visit) (Note CDC pay any Travel costs)	Actual cost from food verification contractor/Compliance costs + CDC administration fee
CDC administration fee	215.00/hr
Food Control Plan documents (per pack)	50.00

7.1 Compliance

Issue of notice	215.00
Application for review	215.00
Statement of compliance	215.00
Additional charges for time spent on site (per hour)	215.00/hr
Non-registration of a premises	475.00
Food business levy (Charged per site)	99.19
Collection fee for MPI Food Business Levy (charged per invoice raised)	12.65

8. FUNERAL DIRECTORS

Registrations	215.00

9. GAMBLING VENUES

Application fee	420.00

10. GIS MAPPING

Charges will vary depending on size and content of map required. A quote will be given on application.

RAPID Number Sign	23.00

11. COMMUNITY BILLBOARD CHARGES Cost is per week, or part thereof

Rosebank Triangle	28.00
Water Tower Reserve	28.00

12. KERBSIDE RENTAL

For each operator per annum	150.00

13. LAND INFORMATION MEMORANDUM (LIM)

LIM	Up to 10 Working Days	Urgent (Up to 5 working days)
Residential – Deposit	350.00	470.00
Commercial/Industrial/Rural (or all properties over 2.5ha) - Deposit	480.00	N/A

Where search requirements are complex or extensive an additional charge at the rate of $215.00 per hour may be charged.

14. LIBRARY CHARGES

Interlibrary Loans – minimum fee	7.00
Replacement membership cards	2.00
Laminating	A4 – 3.00 / A3 – 4.00
Book Covering – minimum fee	10.00
Lost or Damaged material	Replacement Cost

15. NOISE CONTROL Below fees are as set in the Resource Management Act and associated regulations and are subject to increase as per the Resource Management Act and associated regulations.

15.1 Recovery of Seized Equipment

Contractors Charges and Travelling	Actual
Council Administration	215.00
Issue of Excessive Noise Direction	600.00
Breach of Excessive Noise Direction	1,000.00

16. OFFENSIVE TRADES

Tankered Waste Operators	500.00
Others	215.00

17. OFFICIAL INFORMATION

Schedule of Charges for the Provision of Information Under the Local Government Official Information and Meetings Act 1987:

a) If the request is made by an identifiable person seeking access to any personal information about that person, then such requests are not subject to any charge.

b) If the amount of staff time spent in actioning a request exceeds one hour, then the basis of charging is as follows:

An initial charge for the first chargeable half hour or part thereof	38.00
Then for each additional half hour or part thereof	38.00

c) A charge may be modified or waived at the discretion of a Chief Executive where payment might cause the applicant financial hardship, or where remission or reduction of the charge would facilitate good relations with the public or assist the applicant in its work.

d) Photocopying charges for official information are 20 cents per A4 page, where the total number of pages is in excess of 20 pages.

18. PHOTOCOPYING/PRINTING (per page)

A4	0.20
A3	0.40
Colour A4	1.00
Colour A3	2.00
(There is no multiple-copy discount)	
Scanning	No charge

19. RESERVE CONTRIBUTIONS

(See Rule FIN 7 District Plan)	
Subdivision (per residential, commercial or industrial allotment created)	600.00
Building (per dwelling house – where no charge has previously been levied)	600.00

20. RESOURCE CONSENT APPLICATION (All charges listed below are minimum fee/deposit)*

Subdivision/Land Use (Minimum Fee/Deposit) *	
Non-Notified Resource Consents	1,450.00
Notified Resource Consents	4,140.00
Pre-application meetings	First hour free, at cost thereafter**
Fast Track Pre-Application	1,075.00

Other Resource Consents (Minimum Fee/Deposit)*	
Section 226 Subdivision	860.00
Section 128 Review of existing Resource Consent	200.00
Section 127 Variation of a Resource Consent	860.00
Section 221 Variation to a Consent Notice	860.00
Section 125 Lapse Date Extension	470.00

Section 139 Certificate of Compliance	860.00
Section 87AB Deemed Permitted Boundary Activity	460.00
Section 87BB Marginal/Temporary Permitted Activity	460.00
Section 223 – Depositing Survey Plan	290.00
Section 224I Confirmation all subdivision conditions have been met. Rural/Urban Subdivisions over 10 Lots shall be charged an additional fee of $170.00 per hour.	350.00
Section 223 and 224 combined	620.00
Other Applications and Certificates (Minimum Fee/Deposit)*	
Section 348 Local Government Act 1974 Right of Way Easement	860.00
Section 243I Cancellation of Easement	200.00
Section 241(3) Cancellation of Amalgamation Conditions	200.00
Overseas Investment Regulations Certificates	200.00
Issue of an abatement notice	$310.00
National Environmental Standards for Commercial Forestry:	
Afforestation	Minimum of $215.00***
Harvesting	Minimum of $215.00***
Notice of Requirements or Alterations to Designations, Heritage Orders (Minimum Fee/Deposit)*	
Minor – Section 181(3), no research required	690.00
Minor – No research (public notice additional cost)	1,140.00
Moderate – Standard Research (public notice additional cost)	3,420.00
Major – Effect on large area of district (public notice additional cost)	17,100.00
Outline Plan Approvals and Waivers (Minimum Fee/Deposit)*	
Section 176A Outline Plan Approval	860.00
Outline Plan Waiver Approval	860.00
Plan Change Application (Deposit)	
Minor Effect – Not requiring research	1,140.00
Moderate Effect – Standard Research (public notice additional cost)	3,420.00
Major Effect – Effect on large area of district (public notice additional cost)	17,100.00
Bonds (Deposit)	
Bond Establishment Application	390.00
Release of Bond	200.00
Resource Consents and Monitoring	
Planners (per hour)	215.00
Development Engineer (per hour)	215.00
Compliance Officer (per hour)	215.00
Other Council Staff (per hour)	215.00

Consultants (internal or External, per hour)	Minimum of $215.00 or actual costs if higher

*Note that deposits are a minimum charge and are non-refundable. At the completion of the service actual costs are calculated and any remaining balance owing will be charged.

**Please refer to the pre-application webpage for more specific information on this service. Where pre-application meetings are sought and agreed to by the council for large or complex projects a deposit of 500.00 will be applicable.

*** The minimum fee is equivalent to one hour of staff time, and time spent over one hour will be cost recovered according to our standard rates ($215 per hour).

21. ROADING PERMITS

Corridor Access Request (CAR)	150.00
New Vehicle Crossing Permits	112.00
Dust Suppression Permit – where dust suppressant carried out by applicant – Note oil is not allowed to be used as per ORC Rules	No charge
Roadside Planting Permits	112.00
Stock Crossing on Road Reserve	112.00
Temporary Fencing Permits	112.00
Temporary Road Closure Events	165.00*
Temporary Road Closure	250.00*
Commercial Traffic Management Plan	150.00
Global Traffic Management Plans	450.00
Inspection of non -approved traffic management methodology (methodology deployed substantially outside traffic management plan approval)	355.00
Inspection of non-conformance - worksite deployed not in accordance with traffic management plan	180.00
Traffic Management Plan Amendment Fee – extension or alteration/addition	59.00
Traffic Management Plan Priority Processing Fee – where approval is required in less than that the statutory timeframe (i.e. less than 5 days for a standard TMP)	300.00
Non-Profit Group – Traffic Management Plan	No charge
License to Occupy Road Reserve Admin Fee	112.00

License to Occupy Road Reserve Annual License Fee	$ 1.00 per m2 or minimum of $50
License to Occupy Road Reserve Assessment Fee	Actual costs
CAR Inspection Fee – if adequate photos and/or information have not been supplied by the applicant	180.00
Unauthorised Roadside Planting Inspection Fee	180.00
Danger & Damage to Roads Inspection Fee **Note**: this is in addition to any costs associated with clean-up or removal of material or dangerous items	300.00
Unauthorised Corridor Access Works Inspection – where no CAR has been applied for	355.00 Plus actual costs to make safe where required 710.00 2nd Occurrence 1,420.00 3rd Occurrence 3,500.00 4th Occurrence

* Fee indicative of simple road closure. Complex closures involving multiple roads or over multiple days may incur additional fees to cover actual advertising costs.

22. SALE AND SUPPLY OF ALCOHOL (FEES) REGULATIONS 2013 (Set by Statute)

Following the introduction of the Sale and Supply of Alcohol Act 2012, national risk-based fees apply for all applications received from 18 December 2013. All fees include GST.

Type	Fees are set out in the Sale and Supply of Alcohol (Fees) Regulations 2013	Application / Renew / Variation Fee inc GST*	Annual Fee inc GST**
On / Off / Club new, renewal or variation			
Very Low	The fee will be calculated using an assessment of factors: Type of premises Latest opening hour you operate Number of enforcements you have had (Please see Table 1 and 2 to help calculate your fees)	368.00	161.00
Low		609.50	391.00
Medium		816.50	632.50
High		1,023.50	1,035.00
Very High		1,207.50	1,437.50
Special	Application fees will be calculated according to the size and frequency of the event or events		

Type		Fees are set out in the Sale and Supply of Alcohol (Fees) Regulations 2013	Application / Renew / Variation Fee inc GST*	Annual Fee inc GST**
	Class 3 (Small)	1-2 events of less than 100 persons	63.25	N/A
	Class 2 (Medium)	1-3 events of 100-400 persons; or 3-12 Class 3 events	207.00	N/A
	Class 1 (Large)	1 event with over 401 persons; or 4+ Class 2 events; or 13+ Class 3 events	575.00	N/A
Managers New or Renewal		All	316.25	N/A
Other				
	Temporary Authority	Section 136(2)	296.70	N/A
	Temporary Licence	Section 74	296.70	N/A
	Permanent Club Charter	Section 414	632.50	N/A
	Extract from Register	Section 66(2)	57.50	N/A

* All fees are payable on application.

** All Annual fees on existing licences are payable on or prior to the anniversary of the most recent of the following:

- The date on which the licence was issued
- The date on which the licence was renewed
- The date on which a variation of the licence was granted

22.1 To Calculate your Premises Risk Rating and Fee

Step 1 – select your premises type from Table 1 – record the weighting in the box below

Step 2 – select your latest closing time (based on what is on your licence) from Table 1 – record the weighting in the box below

Step 3 – select the number of enforcements for your premises in the last 18 months from Table 1 – record the weighting in the box below.

Step 4 – add all the recorded weightings together to get your final risk rating score.

Step 5 – select your total weighting in Table 2 – this line in the table shows your risk category and fees applicable:

Premises Weighting Score		Hours Weighting Score		Enforcement Weighting Score		Total Weighting Score	My Risk Category
	+		+		=		

22.2 Table 1: Determining a Premises Risk Rating and Fees

Type of Licensed Premises		Latest Alcohol Sales Time	
Bottle Store, Supermarket, Grocery Store	15	On-licences and clubs before 2:01am; Off-licences before 10:01pm, Remote sales premises (at any time)	0
Night Clubs, Taverns, Adult premises, "Class 1" Restaurants	15	On-licences and clubs 2:01am to 3:01am; Off-licences 10:01pm and later	3
Off-licence in a Tavern, Hotel	10	On-licences and clubs – all other closing times	5
Hotels, Function Centres, "Class 1" Clubs (on) "Class 2" restaurants	10		
Remote sales, "Class 2" clubs (on), "Class 3" Restaurants, "Class 1,2,3" Clubs (off), Other	5		
Theatres/Cinemas, Wine Cellar Doors, BYO Restaurants, "Class 3" clubs (on)	2		

PLUS Number of Enforcements	Weighting
None	0
1	10
2 or more	20

22.3 Table 2: Fee Category

Total Weighting	Risk Category	Application Fee (Incl. GST)	Annual Fee (Incl. GST)
0-2	Very Low	368.00	161.00
3-5	Low	609.50	391.00
6-15	Medium	816.50	632.50
16-26	High	1,023.50	1,035.00
26 plus	Very High	1,027.50	1,437.50

22.4 Definitions: Restaurants:

Class 1 – Restaurants with a significant, separate bar area which operates that bar at least one night a week in the nature of a tavern, such as serving alcohol without meals to tables situated in the bar area.

Class 2 – Restaurants that have a separate bar (which may include a small bar area) but which do not operate that area in the nature of a tavern at any time.

Class 3 – Restaurants that only serve alcohol to the table and do not have a separate bar area.

22.5 Clubs:

Class 1 – large clubs (with 1,000 or more members of drinking age) and which, operate in the nature of a tavern (e.g. a large working men's club, combined clubs, or large 'cossie' clubs).

Class 2 – clubs which do not fit Class 1 or Class 3 definitions (e.g. larger sports clubs, medium sized RSA's, many provincial social clubs).

Class 3 – small clubs (with up to 250 members of drinking age) and which operate a bar for 40 hours or less per week (e.g. small sports clubs like bowling clubs, golf clubs, bridge clubs, and small RSA's).

Enforcement – has the same meaning as a "Holding" under Section 288 of the Sale and Supply of Alcohol Act 2012, or a previous offence for which a holding has been issued if the offence occurred before 18 December 2013.

Local Authority Compliance Certificate (not set by statute) $350.00

- Licensees are required to obtain this as supporting documentation, demonstrating that the activity they are seeking a licence for complies with the provisions of the District Plan.

23. SEWERAGE

23.1 Sewerage connection fees

Financial Contribution	(see formula below)
Administration Charge – Application Fee	270.00
Engineering and Installation Costs (plant, labour, materials)	Actual Cost
Basic Development Engineering Inspection Fee	210.00

For a **new single connection inside** the Scheme area, where the property has paid a previous financial contribution, or has been paying a half rate charge for more than the five previous years, the Financial Contribution is not required but the other costs shown are payable. Where the property has been paying a half rate charge for less than the five previous years, the Financial Contribution shown shall be reduced pro-rata, i.e. discounted 20% per year of half rate payment.

The Financial Contribution and other costs shown are payable for **new connections outside** the Scheme area, and **additional connections** inside the Scheme area, where no previous financial contribution or half rate charge has been paid. Where intensification occurs, each self-contained habitable unit is deemed to be a separate connection for fees and rating purposes.

Where extensions have been made to existing schemes, the Financial Contribution for properties served by the extension includes the Financial Contribution for the existing scheme plus a contribution calculated on the basis of the value of the extension itself.

The Basic Development Engineering Inspection Fee is for inspections outside of the property boundary undertaken by council staff or by its approved contractors that are not covered under a building consent. The inspection can cover both sewerage and water supply inspections and is for developments up to three additional lots per inspection. Large developments will be charged on a time basis at the consent monitoring staff hourly rate.

23.2 Notes:

All properties connecting to or about to discharge to a public sewer shall complete the application form.

All costs associated with laying and making the connection, reinstating surfaces etc. shall be the responsibility of the applicant. Work must be completed by an approved contractor. This includes the costs associated with any required system upgrade.

Scheme	Financial Contribution per unit
Balclutha	3,015.00
Benhar	13,790.00
Clinton	6,255.00
Heriot	9,760.00
Kaitangata	6,025.00
Kaka Point	5,415.00
Lawrence	5,270.00
Lawrence – eastern extension	10,430.00
Milton town	4,260.00
Milton – OCF	5,505.00
Owaka	3,565.00
Pounawea – Gravity (includes Owaka contribution)	10,370.00
Pounawea – Pumped (includes Owaka contribution)	6,205.00
Stirling	5,640.00
Tapanui	4,520.00
Tokoiti Area A	20,390.00
Waihola	7,705.00

Formula for FC (excluding Benhar and Tokoiti Area A) = $\frac{(BV\text{-}OL) \times 0.6x2}{(NC \times 2) + NN + GST}$

Financial Contributions for Benhar and Tokoiti are calculated according to the following formula:

FC = $\frac{BV \times 0.9 \times 2}{(NC \times 2) + NN}$ + GST+ FC for Milton – OCF or Balclutha as appropriate

BV = Book Value

OL = Outstanding Loans

NC = Number Connected

NN = Number Not Connected

FC = Financial Contribution

23.3 Bulk sewage disposal fees

23.3.1 Pre-treated Bulk Sewage Disposal Fee

This fee is for disposal of bulk treated sewerage effluent, from oxidation ponds or similar standard treatment system, into Council sewers.

Scheme	Fee
All Schemes	2.47/m^3
All Schemes– annual admin fee	415.00

23.3.2 Untreated Bulk Sewage Disposal Fee

This fee is for disposal of bulk untreated sewage effluent, including septic tank cleanings, into Council sewers. At present, untreated bulk sewage will only be accepted by prior arrangement and only at the approved site at Balclutha.

Scheme	Fee
All Schemes (but limited to Balclutha at present)	36.00 /m^3
All Schemes – Tankered waste annual registration	520.00

23.4 Pump Failure Fee

This fee is for properties with boundary boxes or household sewer pumps in Benhar and Tokoiti townships. Pump failures from foreign objects and/or misuse resulting in a call out and/or repairs. This does not include failures or call outs resulting from general wear and tear.

Scheme	Fee
Benhar and Tokoiti townships	Minimum of $400.00 or actual costs if higher

23.5 Sewer Pipe Location

If a pipe location request is over and above providing general locates off council GIS maps for private reasons, and a contractor is required to pothole, dig or attend site to locate a pipe for any reason, actual costs of this work will be passed on including – labour, transport, corridor access request, traffic management plan and plant.

Scheme	Fee
All Schemes	Actual costs

24. SPORTSGROUNDS

Local club ground hire – Administration fee per club per season	470.00

This does not include line marking, goals, wicket preparation or other services to set up playing fields. Clubs must register and pay the fee before the start of each playing season (i.e. summer and winter).

24.1 Special Charges

Balclutha A & P Showgrounds/Riverside Reserve Grounds

Show Ring (area 1)	83.50 per day
Rugby Ground – ring by riverbank (area 2)	83.50 per day
Football Ground No 1 – Ground near Glasgow Street (area 3)	83.50 per day
Riverside Reserve Grounds – please confer with Clutha Rugby (area 4)	83.50 per day
Football Ground No 2 – please confer with the Football Club (area 5)	83.50 per day
Area 1 + 2	150.00 per day
Area 1 + 2 + 3	210.00 per day
Area 4 + 5	150.00 per day
Area 1 + 2 + 3 + 4 + 5	350.00 per day

Milton A & P Showgrounds

Show Ring – Rugby Ground No 1	83.50 per day
Practice Ground – behind show ring	50.00 per day
Rugby Ground No 2 – in front of rugby clubrooms	83.50 per day
Rugby Ground No 3 – behind No 2 ground	83.50 per day
No 2 + No 3	150.00 per day
Show Ring + Practice Ground + No 2 + No 3	220.00 per day

Kaitangata Sportsground

Rugby Ground/Field	83.50 per day

Circus & similar type activities 470.00 per day

Refundable bond payable on booking 720.00

Individual clubs will be charged directly for usage of grounds where maintained by Council.

25. SUNDRY LICENCE FEE

Where licence not otherwise covered	195.00

26. SWIMMING POOLS

26.1 Balclutha/Milton

Swim	Adult	Snr Citizen	Child	Family
Casual	5.00	4.50	4.00	18.00
10 Swim Concession	40.00	36.00	32.00	
25 Swim Concession	87.50	78.70	70.00	
50 Swim Concession	150.00	135.00	120.00	

Hire	
Peak Pool Hire (per hour)	220.00
Off Peak Pool Hire (per hour)	190.00
Lane Hire (per hour)	32.00
Meeting Room Hire (per hour) (Balclutha only)	20.00
Meeting Room Day Hire	130.00

Note:

Adult free if accompanying a pre-schooler. All hires are for a minimum of 1 hour.

27. TRADE WASTE

Council adopted a Trade Waste Bylaw in 2019. Trade Waste discharges are classified as one of the following types:

Permitted Trade Waste: (in which case an Approval Notice must be obtained).

Conditional Trade Waste: (in which case a Consent must be obtained, or a Trade Waste Agreement be entered into)

Prohibited Trade Waste: (in which case no Consent will be granted, and no Trade Waste Agreement will be entered into, will be required to pre-treatment or additional treatment if allowed to be connected at all).

Charges for 2026/27:

Type of Consent	Category	Application fee for New or Change in Activity	Consent Period (Years)	Annual Inspection Fee	Annual Consent Maintenance Fee	Volumetric flow charge
Permitted	1	150.00	5	0	0	Not applicable

Type of Consent	Category	Application fee for New or Change in Activity	Consent Period (Years)	Annual Inspection Fee	Annual Consent Maintenance Fee	Volumetric flow charge
Permitted	2	150.00	5	0	0	Excess volume x 0.8 x $3.16*
Conditional	3	300.00	5	300.00	150.00	Excess volume x 0.8 x $3.16*
Conditional	4	300.00	5	600.00	150.00	Excess volume x 0.8 x $3.16*

* This is calculated using the urban wastewater rate (GST Inclusive) $925.60/(366 x80%) = $3.16

Note:

- *All properties will be charged 1 x urban sewer rate.*
- *Volumetric charges will be invoiced Quarterly based on the water meter readings.*
- *Annual charges will be invoiced in the first quarter.*
- *Excess volume = usage – 366 m^3/year.*
- *There will be no application charges for existing customers. If the activity of the existing customer has changed, customer is required to complete and submit an application.*
- *80% factor on basis that it is assumed 80% of the water used in a property will go into the wastewater system*

Examples: The table below shows the categories for the Trade Waste Bylaw with industry examples and examples of likely costs. The different type of consent and categories are volumetric based.

Category	Description	Examples	Charging regime	Example annual charges for existing commercial properties
1	Equivalent to a domestic demand for water use and load	Small Office, Banks	• Wastewater UAC • Application fee for new activities of change of activity or discharge conditions	• Covered by UAC
2	Has higher water use than a domestic demand but with a similar load	Motels, Campgrounds	• Wastewater UAC • Application fee for new activities of change of activity or discharge conditions • Wastewater flow charge	• Water use = 1,000m^3/yr • Wastewater flow charge = (1000-366) x 0.8 x $3.16 = $1,602.75
3	Equivalent to a domestic demand for water use but with a higher load concentration	Hairdresser, takeaways, restaurant, bars, schools	• Wastewater UAC • Application fee for new activities of change of activity or discharge conditions • Wastewater flow charge • Inspection fee • Annual consent maintenance fee	• Water use = 650m^3/yr • Wastewater flow charge = (650-366) x 0.8 x $3.16 = $572.54 • Inspection fee = $300.00 • Annual account maintenance fee = $150.00 • Total Annual Charge = $1,167.95

Category	Description	Examples	Charging regime	Example annual charges for existing commercial properties
4	Higher water use and increased load	Factories, Truck stops	• Wastewater UAC • Application fee for new activities of change of activity or discharge conditions • Wastewater flow charge • Inspection fee Annual consent maintenance fee	• Water use = 6,000m^3/yr • Wastewater flow charge = (6000-366) x 0.8 x $3.16 = 11,358.14 • Inspection fee = $600.00 • Annual account maintenance fee = $150.00 • Total Annual Charge = $13,390

The examples above are dependent on the activity and on the number of inspections required per year. The costs for sampling and flow monitoring are not included in the charges above as these are site specific. Any costs incurred for sampling or flow monitoring will be passed onto the commercial business.

Site inspection – actual cost	160.00 per hour
Tankered waste annual registration	595.00
Tankered waste discharge	36.00 per cubic metre

28. TRADING IN PUBLIC PLACES

(i.e. mobile shop, hawkers, itinerant traders)

Per day (non-charitable)	35.00
Per annum	195.00

29. VEHICLE STANDS ON STREETS

Per Stand	123.00
Per Operator Maximum	246.00
Per Day	34.00

30. WASTE MANAGEMENT

30.1 Wheelie Bins

Bins damaged by consumer	185.00
Bins damaged on day while out for collection	No Cost

30.2 Additional Wheelie bins – Household kerbside collection only

Red lidded rubbish wheelie bin (1x extra max per household)	194.00*
Yellow lidded rubbish wheelie bin (1x extra max per household)	194.00*

One off fee per bin for delivery of extra wheelie bin	150.00

30.3 Beaumont Skip

Key for skip use	388.00**

30.4 Mt Cooee Landfill

	Disposal Charges
General Refuse	380.00/tonne (420/tonne for transfer station)
Green Waste Discount ***	50%
Household Recycling (as specified)	Free
Vehicle Batteries	Free
Scrap Metal (excluding fridges, air conditioning units and heat pumps)	Free
Fridges	36.00 each
Air conditioning units and heat pumps	60.00 each
Fridge, heat pump or air conditioning unit with approved degassing certificate	Free
VENM (virgin excavated natural materials – soil, clary, gravel, rock) (by prior arrangement)	Free
LPG Cylinders	24.00 each
Disposal of Tyres: Car/4WD ****	First 5 free after that 15.50 each *****
Disposal of Tyres: - Truck ****	First 5 free after that 53.00 each *****
Disposal of Tyres: - Bulk ****	1,350.00/tonne

Notes: *This is equal to 50% of the kerbside collection rate.

** This is equal to 100% of the kerbside collection rate.

***This discount will apply to all loads of green waste as defined below and assessed by landfill staff. Any loads that are found to be contaminated as they are unloaded will be charged at the full refuse rate as estimated by the landfill staff.

Approved green waste includes lawn clippings, hedge clippings, tree trimmings with branches less than 150mm diameter, and garden weeds. Small amounts of soil associated with plant roots, etc. is acceptable.

**** All tyres must be clean (not caked in mud) and de-rimmed. We will not accept tyres with rims (noting that a separated rim can be dropped off for free as scrap metal).

***** First 5 tyres are free through the Tyrewise scheme

30.4.1 Special Waste

Application for registering Special Waste	83.00
Deposit for special waste requiring further assessment	920.00
Special Waste Charge	505.00/tonne

Note: Any special burial costs will be additional to the above rate, e.g. the cost of a separate disposal hole.

30.4.2 Car Bodies

Complying	45.00

Note: Fuel tank shall be emptied and cap removed, LPG and CNH tanks shall be removed, batteries shall be removed, engine and transmission shall be drained of all oil, seats, upholstery, and glass and tyres shall be removed.

Waste or organic material shall not be present.

30.5 Transfer Stations & Skip Sites

Refuse Bag (max 120L)	8.50/bag

Notes: Charging will be based on estimated refuse volume.
Large volumes of waste in excess of 2.0m3 will not be accepted.
Special waste will not be accepted.

30.6 E Waste Recycling Price List

Computer (desktop or laptop)	9.50
Computer server	22.00
LCD/LED Screen less than 24”	18.50
LCD/LED Screen 24” - 40”	25.00
LCD/LED Screen 40” – 60”	37.00
CRT TV Old style TV	53.00
Data Projector	9.50
Printer/Fax/Typewriter/Photocopier	
Small	9.50
Medium	12.50
Large	25.00
Microwave, VHS, DVD, vacuum cleaner, laminator, shredder, telephone, grooming devices, dehumidifier, keyboard, kitchen appliances, camera	
Small	3.50
Medium	6.50
Large	9.50

Oversized	12.50
Batteries (All types)	*
Power cords, data cables, toner and inkjet cartridges (sealed), cell phones, batteries within a device, sundry wires	Free

***** These are now free -funded by the Waste Levy and partnered with Phoenix Recycling Group

31. WATER ANALYSIS

Bacteriological, chemical	Actual Cost

32. WATER SUPPLY (RURAL)

Financial Contribution	(See formula below)
Administration Charge – Application Fee, non-refundable	270.00
Rural Water Scheme Modelling (Deposit)*	640.00

* Please note that $640 deposit is required for work to get underway – Actual Charge will be confirmed with applicant before proceeding, and the difference will be refunded if applicable.

Financial Contribution for new consumers and additional over-design supplies, to apply where a property is not connected to the scheme where water supply is available but no corresponding financial contribution has been paid.

The contribution is based on number of units supplied, or if a property that has previously paid a financial contribution and has been given a corresponding allocation now seeks an increased supply in excess of that allocation. Provided it is possible to supply the additional water, the contribution is to be levied on each unit approved above the allocation.

The minimum charge shall be for a 2-unit supply. Financial Contributions levied will be in addition to any cost of additional capital works required to make the connection or provide the supply. Payment of the financial contribution is required prior to the supply being made. In each case, the contribution and any entitlement created by it is to attach to the land.

In particular cases, financial contributions may be amended by resolution of the Rural Water Scheme Committee.

Notes:

All properties connecting to a public water main shall complete the application form.

All costs associated with laying and making the connection, reinstating surfaces etc. shall be the responsibility of the applicant. Work must be completed by a council approved contractor. This includes the costs associated with any required system upgrade.

Scheme	**Cost/Unit $**
Balmoral-Tuapeka	590.00
Clydevale – Pomahaka	1,155.00
Glenkenich	425.00
Moa Flat	360.00

Scheme		Cost/Unit $
North Bruce	farm connection (base charge)	955.00
North Bruce	residential / lifestyle [1]	3,820.00
Richardson	farm connection (base charge)[2]	1,460.00
Richardson	residential / lifestyle [1]	3,505.00
South Bruce	farm connection (base charge)	405.00
South Bruce	Residential / lifestyle [1]	1,635.00
Wangaloa		655.00
Waipahi		460.00

Scheme Factor = (((BV-OL) x 0.25) / SC) x 0.065 + GST

Where: BV = Book Value. OL = outstanding loans and SC = scheme capacity.

[1]For properties less than 30 ha.

[2]For the Richardson and Clydevale-Pomahaka Schemes, the following contribution will respectively apply: The contribution shall be five times the current unit rate for the Richardson scheme and three times the current unit rate for the Clydevale-Pomahaka scheme per unit of additional supply.

32.1 Unauthorised Water Use

Under provisions of the CDC Water Supply Bylaw, unauthorised use of water on rural schemes will be charged for at the estimated maximum unauthorised usage rate multiplied by the annual scheme unit charge, multiplied by the estimated period in years of unauthorised use (minimum 1 year). Additional to the estimated charge for water used, an administration charge of $310, plus the actual costs to remedy unauthorised fittings and of follow-up re-inspection, will also be payable by the offender.

Example: If a 2-unit restrictor is found drilled out to supply 18 units, typical charges will be:

16 (units stolen) x $172.00 (scheme unit charge) + GST + $310.00 (admin) = $3,474.80 + actual remedial and re- inspection costs.

32.2 Subdivision

The property owner at the time of subdivision shall be liable for all costs required to provide the minimum water allocation to each lot.

32.3 Out of District Water Rates

Charge per unit for the sale of water supplied to out of district customers, from the following Rural Water Schemes:

Glenkenich	662.20*
Moa Flat	465.00*

32.4 Water Pipe Location

If a pipe location request is over and above providing general location information off council GIS for private reasons, and a contractor is required to pothole, dig or attend site to locate a pipe for any reason, actual costs of this work will be passed on including labour, transport, corridor access requests, traffic management plan and plant.

Scheme	Fee
All Schemes	Actual costs

33. WATER SUPPLY (URBAN)

33.1 Urban Water Connection Fees

Financial Contribution	(See formula below)
Administration Charge – Application Fee, non-refundable	270.00
Engineering and Installation Costs (plant, labour, materials)	Actual Cost
Basic Development Engineering Inspection Fee	210.00

For a **new single connection inside** the scheme area, where the property has paid a previous financial contribution, or has been paying a half rate charge for more than the five previous years, the Financial Contribution is not required but the other costs shown are payable. Where the property has been paying a half rate charge for less than the five previous years, the Financial Contribution shown shall be reduced pro-rata, i.e. discounted 20% per year of half rate payment.

The Financial Contribution and other costs shown are payable for **new connections outside** the Scheme area, and **additional connections** inside the Scheme area, where no previous financial contribution or half rate charge has been paid. Where intensification occurs, each self-contained habitable unit is deemed to be a separate connection for fees and rating purposes.

For commercial premises (including residential premises converting to commercial) and for extraordinary connections (outside the Scheme area), a metered connection will be installed, for which the applicant shall be charged Actual Cost additional to all other relevant fees and charges.

The Basic Development Engineering Inspection Fee is for inspections outside of the property boundary undertaken by council staff or contractors that are not covered under a building consent. The inspection can cover both sewerage and water supply inspections and is for developments up to three additional lots per inspection. Large developments will be charged on a time basis at the consent monitoring staff hourly rate.

Notes:

All properties connecting to a public water main shall complete the application form.

All costs associated with laying and making the connection, reinstating surfaces etc shall be the responsibility of the applicant. Work must be completed by a council approved contractor. This includes the costs associated with any required system upgrade.

Scheme		**Financial Contributions $ / Unit**
Balclutha		1,735.00
Benhar		6,810.00
Clinton	(incl. Clydevale-Pomahaka Contribution)	2,670.00
Kaitangata		2,640.00
Kaka Point	(incl. Richardson Contribution)	5,620.00
Lawrence		2,850.00
Milton town		4,565.00
Tokoiti to Milton Extension		6,195.00
Milton – OCF		5,410.00
Owaka		3,165.00
Stirling & Cherry Lane		2,175.00

Scheme	Financial Contributions $ / Unit
Tapanui	1,920.00
Waihola	6,045.00

Formula for FC = $\frac{(BV-OL) \times 0.6 \times 2}{(NC \times 2) + NN + GST}$

BV = Book Value

OL = Outstanding Loans

NC = Number Connected

NN = Number Not Connected

FC = Financial Contribution

33.2 Metered Water Connection Charges

Water used below 366 m^3/year	(incorporated in annual water rate)
Water used over 366 m^3/year	4.65*/m^3
Water used Commercial/industry penalty – in excess of agreed maximum	9.29**/m^3
Water meter reading fee – on demand	54.00
Annual admin fee (bulk water carriers only)	345.00

* This is calculated using the urban water rate (GST Inclusive) $1,700.70/366

** This is double the Water used over 366 m^3/year charge

Metered water charges will apply as per section 25 of the Clutha District Council Water Supply Bylaw as above for all metered commercial and residential connections and will be charged once the base allocation (usually 366 cubic metres per annum) has been used.

33.3 Water Pipe Location

If a pipe location request is over and above providing general locates off council GIS for private reasons, and a contractor is required to pothole, dig or attend site to locate a pipe for any reason, actual costs of this work will be passed on including – labour, transport, CAR, TMP and plant.

Scheme	Fee
All Schemes	Actual costs

34. Inflow and Infiltration

34.1 Inflow and Infiltration Reinspection

	Hours	Rate	Total Cost $
Inspection costs including travel and vehicle	2	160.00	320.00
Admin and follow up	1	85.00	85.00
			405.00

35. Three Waters Approved Contracting

35.1 Application to become an approved contractor

Admin Fee on Application	250.00
Inspection Fee	205.00*
Admin Fee for Reapplication (3-yearly)	150.00

*For each individual who will be an Approved services installer (ASI) for cut ins to the CDC network