Long Term Plan 2027/37 Workshop

Workshop Topic	Community Owned Facilities Rating Discussion
Workshop Date	26 November 2026
Session Number	3
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This report considers a request from the Owaka Swimming Pool Committee to look at alternative Pool funding arrangements across the district and asks Council to consider a different approach to off-setting rates with investment returns (currently approx. $850K per annum.

PROPOSED WORKSHOP OUTCOMES/DIRECTIONS

1. **That Council notes the directions from the 12 November 2026 workshop and the advice subsequently provided to community-owned facility committees.**
2. **That Council considers the Owaka Swimming Baths Committee request and the potential impact on existing funding models.**
3. **That Council approves/does not approve whether a rating change for Swimming Pools is included the 2027/37 Long Term Plan consultation material.**
4. **That Council consider whether a change to the current rates off-set of approximately $850K is considered as part of the 2027/37 Long Term Plan consultation material.**

REPORT

1 Purpose

The purpose of this workshop session is to enable Council to consider the response from the Owaka Swimming Baths Committee before community-owned facilities funding is finalised for inclusion in the 2027/37 Long Term Plan consultation package. The report does not seek a final funding decision. It seeks direction on the proposal to be developed and consulted on. This also includes where Council should consider reviewing the $850K rates offset from investment returns and consider that for other uses.

2 Background and previous Council direction

Council has been developing a long-term operational funding approach for community-owned facilities. Earlier workshops directed staff to develop a fair and equitable mechanism and to test different funding levels and distribution approaches. Modelling based solely on population, common line-item costs or capital value did not produce suitable outcomes.

Staff subsequently developed a moderated allocation method that considers:

- the operational funding requested by each facility;
- the level of service provided, including the facility's size, age and operating complexity;
- total operating costs; and
- the facility's current Council grant.

The method also retains separate consideration of the total funding available for each facility category. Operational funding is intended to be set through the Long Term Plan, adjusted for inflation and reviewed every three years, with facilities continuing to be able to apply separately for capital or renewal support.

2.1 Direction from the 12 November 2026 workshop

At the 12 November workshop, Council considered the overall consultation approach and initial questions. The relevant directions for community-owned facilities were to:

- clearly distinguish community-owned facilities from Council-owned facilities;
- identify the number of facilities in each category, current grants, proposed allocations and funding sources;
- make facility-level supporting information available; and
- retain a question on how costs are shared, showing residential, rural and business impacts once the rating approach is confirmed.

The workshop also supported placing consultation choices around the current proposal and practicable alternatives, with costs, savings and service consequences clearly shown. This supports a consultation approach that explains the proposed allocation, its effects and any credible alternative rather than inviting uncosted increases.

2.2 Advice provided to community groups

Following the earlier workshops, facility committees were advised that Council had considered information from 34 facilities and had given an initial indication of funding by category and allocation within each category. Committees were told that the proposed approach and amounts would be available for public feedback through the Long Term Plan consultation process and that Council had not made a final decision.

That advice established a reasonable expectation that affected committees would have a formal opportunity to comment before Council makes its final decision. The Owaka submission is early feedback on the draft proposal and should be considered as part of refining the consultation material. It does not, by itself, require Council to replace the district-wide methodology.

2.3 Owaka Swimming Baths Committee proposal

The Committee opposes the current proposed allocation for community-owned pools and proposes that:

- each community-owned pool receives 50% of the UAGC funding allocated to swimming pools within its ward; and
- the remaining 50% contribute to the major swimming pools across the district.

For Owaka, this would mean receiving half of the swimming-pool UAGC funding attributed to the Catlins Ward. The Committee considers this would better recognise local benefit, volunteer effort, ongoing power and chemical costs, affordability for users, the pool's importance to water safety and community wellbeing, and Council's previous investment in the facility. It warns that a significant reduction could affect viability.

Staff have called the Owaka Pool Committee Chairperson and discussed their request further. They explained that they didn't have a good handle on the overall rating system but thought that more funding could go to the Owaka Pool than what had been proposed. They were asked what they needed rather than a percentage and info was provided in the recent survey conducted by the community services team. They indicated that continuation of the existing grant total of approximately $27K would be the initial preference given current total operation costs of approximately $48K. However, this may not cover any minor depreciation for future renewals.

3 Wider overview of Pools Costs

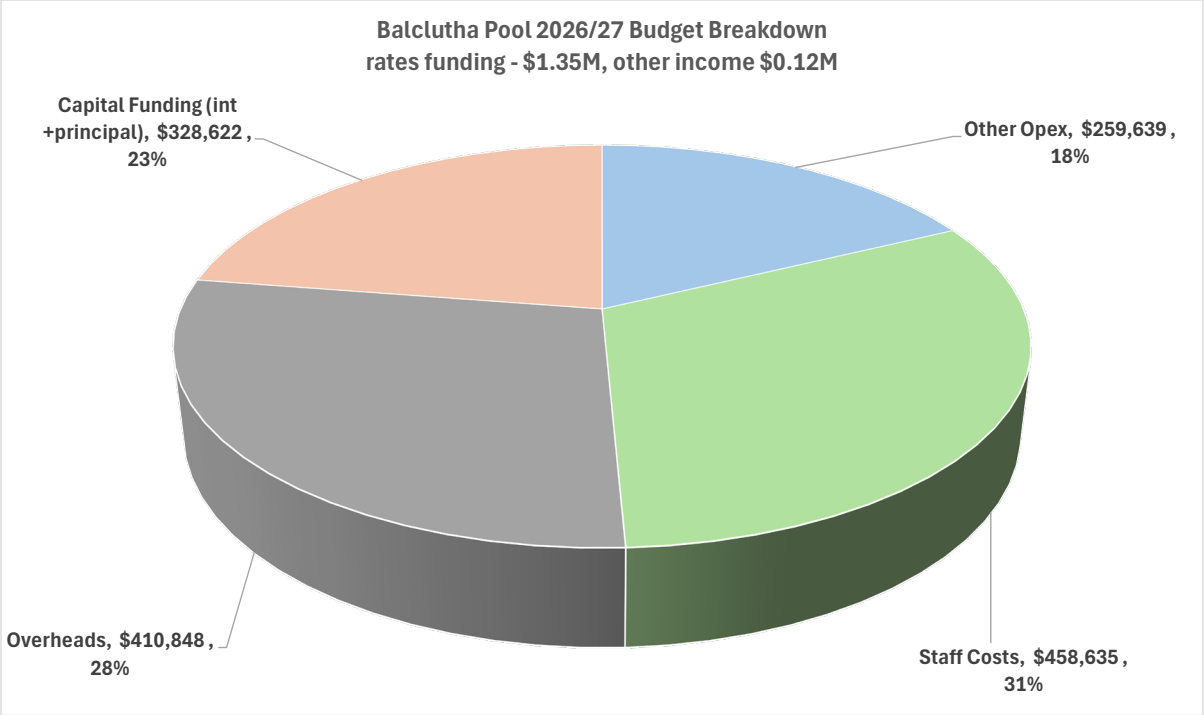
The request by the Owaka Swimming Pool refers to overall Swimming Pool costs and how much of the cost of pools is rated in each area. As such a breakdown of the 2026/27 Swimming Pool Rating is provided below.

2026/27 Overall Swimming Pool Rating

Pool Rating Area	**Rates Totals**
	excl GST
Balclutha	1,354,655
Kaitangata	5,563
Lawrence	41,248
Milton	241,658
Community Pool Grants - UAGC Funded	69,000
TAC Capital Funding - Community Board	45,000
TAC Capital Funding - UAGC	14,000
TOTAL	1,771,124

The operating costs of the pools are described at a high level below:

- Balclutha – fully funds capital, overheads and opex., see pie chart below,
- Milton – lower cost this year as opex. has been reduced, if Council agrees to similar opening hours for Balclutha then the cost is expected to be similar.
- Lawrence – includes capital funding split 3 ways, operating grant in UAGC and CS rates as now a community pool.
- Kaitangata – small operating grant as now a community pool.
- Community Pools – generally funded through the UAGC. See the appendices for 2026/27 breakdown of grants to community pools.



The 2026/27 line-by-line budget that this graph is produced from is included as an attachment to this report.

4 Options for Council direction

The only practical option to give effect to what the Owaka Swimming Pool has requested is to change the rating model for Swimming Pools. In order to reduce the district-wide contribution for the Catlins area, the balance would need to be funded in other areas. The most practical and consistent way to do this is across the District to change the Community Facilities 50:50 - UAGC:COI fixed charge split to another proportion. To give effect to what has been asked for this would need to be a 25:75 - UAGC:COI split. This would reduce the district wide share to 25% of the costs and Council would need to consider whether this is fair.

It should also be noted that all of the consultation regarding the new Milton Pool was done using the current funding model.

It would also make sense to consider standardising all of the major funding for pools so it is consistent. The TAC is currently funded 3 different ways for capital and two ways for operating grants.

It is proposed that the workshop includes a discussion on current pool funding and whether it is fair. It is important to note that Council should consider all rating and the move over the last 15 years towards more district-wide funding when considering swimming pools. The 2026/27 breakdown of community services rates by community of interest is included in the attachments.

An example of the change from 50:50 to 25:75, only for Swimming Pools is shown below. This is based on 2026/27 levels of funding and not future levels for Milton and/or any increases in operating grants or any changes to how the TAC is funded.

2026/27 50:50 Split - Total Pool Rates per property - incl GST						
Community of Interest	**SUIPs**		**UAGC**	**COI Share**	**TOTAL**	
Clinton	612		$ 101.16	$ -	$ 101.16	
Lawrence/Tuapeka	933		$ 101.16	$ 80.89	$ 182.04	(incl CB costs)
Lower Clutha	4,587		$ 101.16	$ 169.81	$ 270.97	
Milton/Waihola	2,748		$ 101.16	$ 50.57	$ 151.72	
Catlins	958		$ 101.16	$ -	$ 101.16	
West Otago	1,234		$ 101.16	$ -	$ 101.16	
Total	**11,072**					

2026/27 25:75 Split - Total Pool Rates per property - incl GST						
Community of Interest	**SUIPs**		**UAGC**	**COI Share**	**TOTAL**	
Clinton	612		$ 58.47	$ -	$ 58.47	
Lawrence/Tuapeka	933		$ 58.47	$ 93.60	$ 152.07	(incl CB costs)
Lower Clutha	4,587		$ 58.47	$ 254.72	$ 313.19	
Milton/Waihola	2,748		$ 58.47	$ 75.85	$ 134.32	
Catlins	958		$ 58.47	$ -	$ 58.47	
West Otago	1,234		$ 58.47	$ -	$ 58.47	
Total	**11,072**					

Comparison

Community of Interest	**UAGC:COI Split**		**$ Change**	**%age Change**
	50:50	**25:75**		
Clinton	$ 101.16	$ 58.47	-$ 42.68	-42%
Lawrence/Tuapeka	$ 182.04	$ 152.07	-$ 29.97	-16%
Lower Clutha	$ 270.97	$ 313.19	$ 42.22	16%
Milton/Waihola	$ 151.72	$ 134.32	-$ 17.40	-11%
Catlins	$ 101.16	$ 58.47	-$ 42.68	-42%
West Otago	$ 101.16	$ 58.47	-$ 42.68	-42%

5 Investment Funds rates Offset

It has always been noted that it is a risk for Council to offset rates from investment fund returns and on occasion capital has been used for this offset. This is specifically provided for in Council's policy and currently $857K is used annually to offset the UAGC. This works out as a reduction of about $89 including GST per UAGC.

As part of the LTP process, Council should consider whether this should continue as it will be locked into baseline budgets moving forward. The rates capping legislation may also lock this in if it is included in the LTP.

This has been introduced now as it if this is removed from the base budgets then Council could redirect this to community funding requests or alternatively any amount be decided each year by Council based on investment returns.

This is for a discussion topic on the day as it could also relate to funding of community facilities.

ATTACHMENTS

Community Pool Operating Grant Summary

2026/27 Pool Payment Budget Summary (GST excl.)			
Pools	**UAGC**	**Additiona**	**Notes on Additional**
Tuapeka Aquatic Centre	10,469	12,451	CS Rated
Owaka	27,296		
Kaitangata	10,000	3,300	CS Rated
West Otago	7,240	10,000	Tapanui Commonage
Clinton	4,137		
Clutha Valley	4,113		
Waiwera South	1,347		
Waitahuna	818		
Heriot	2,069		
TOTAL	67,490	25,751	

2026/27 Community Facilities Rates by Community of Interest (from Annual Plan)

COMMUNITY FACILITIES

Council sets a 'Community Facilities' targeted rate on all rateable rating units in the district. This rate is used to fund approximately 50% of swimming pools, halls, community centres, parks, reserves, sportsgrounds, playgrounds, Cross Recreation Centre, and approximately 80% of the local share of main street improvements.

The amount to be collected is $2,974,400.

The rates are set as a fixed charge per SUIP and differentiated based on location (as per attached maps). The charges are per the table on this page.

COMMUNITY FACILITIES TARGETED RATE

	AMOUNT PER SUIP ($)	TOTAL AMOUNT TO BE COLLECTED ($)
Clinton	94.90	58,100
Lawrence-Tuapeka	164.60	153,600
Lower Clutha	419.40	1,923,600
Bruce	251.20	690,500
Catlins	64.90	62,200
West Otago	70.00	86,400
TOTAL		2,974,400

2026/27 Balclutha Swimming Pool Budget – Line by line

Pools - Balclutha			
Revenue and Expense			
Revenue			
57*10*10*1233	Income - Miscellaneous	-	(91,123)
57*10*10*1555	Interest - Reserves	-	(1,751)
57*10*10*1129	Rates - Community Servi	-	(1,354,655)
57*10*10*1234	Swim Lessons	-	(32,603)
Expenditure			
57*10*10*3575	Advertising - Other	-	509
57*10*10*3483	Bank Charges	-	1,237
57*10*10*4113	Building Repairs	-	18,087
57*10*10*3239	Cafeteria Expenses	-	153
57*10*10*4061	Chemicals	-	15,466
57*10*10*4127	Cleaning & Security	-	11,775
57*10*10*5210	Depreciation - Buildings	-	30,405
57*10*10*5150	Depreciation - Furniture & Fit	-	2,229
57*10*10*5160	Depreciation - P & E	-	14,576
57*10*10*3851	Electricity	-	44,882
57*10*10*3593	Freight & Courier	-	220
57*10*10*3457	General Expenses	-	2,800
57*10*10*3853	Heating	-	69,416
57*10*10*3461	Insurance Expenses	-	26,008
57*10*10*5515	Int Charges - Admin Building	-	6,054
57*10*10*3491	Interest Charge	-	134,687
57*10*10*5520	Internal - Others	-	410,848
57*10*10*3162	Kiwisaver	-	13,153
57*10*10*3231	Medical Supplies	-	365
57*10*10*4121	Minor - Plant & Equipme	-	15,407
57*10*10*3611	Printing & Stationery	-	612
57*10*10*3459	Rates	-	1,285
57*10*10*4063	Resale Items	-	8,111
57*10*10*4215	Routine Maintenance	-	10,347
57*10*10*3111	Salaries	-	438,425
57*10*10*3193	Staff Training	-	6,576
57*10*10*3229	Staff Uniform	-	481
57*10*10*4170	Vehicle Internal Lease	-	13
57*10*10*4175	Vehicle Reimbursement	-	319
Revenue and Expense		**-**	**(195,686)**
Balance Sheet			
Liabilities			
57*10*99*9717	Loan Principal - Paid	-	193,935
57*10*99*9710	Loan Principal Drawdown	-	-
Equity			
57*10*99*6965	Transfer to Depreciation	-	(26,573)
57*10*99*9940	Depreciation Reserve	-	-
57*10*99*9940	Depreciation Reserve Expenditure	-	75,534
57*10*99*9940	Depreciation Reserve Revenue	-	(48,961)
Assets			
57*10*99*7111	District Fund Bank Acco	-	(26,573)
57*10*99*8142	Buildings Accum Depn	-	-
57*10*99*8140	Buildings Cost	-	14,025
57*10*99*8162	Buildings Cost Accum Depn	-	(30,405)
57*10*99*7930	Contract Payments (Ass	-	-
57*10*99*8172	Furniture & Equipment Accum De	-	(2,229)
57*10*99*WIPA	Planning Appropriation	-	(14,025)
57*10*99*WIPL	Planning Level of Service	-	61,200
57*10*99*WIPR	Planning Renewals	-	14,334
57*10*99*8192	Plant & Equipment Accum Depn	-	(14,576)
Balance Sheet		**-**	**195,686**
Pools - Balclutha		**-**	**()**

2027/28 Milton Swimming Pool Budget

Note – this budget ius not yet complete as the overheads and loan calculations have not yet been finalised. This is expected for the 1 December workshop. The initial budget costs for the other operational areas are outlined below. These costs were consistent with the consultation process as advised to Council previously and were based on the operating costs of the Balclutha Pool.

Pools - Milton				
	LTP 2027/28	Notes	LTP 2027/28	LTP 2028/29
Fees - Contributions	-			
Interest - Reserves	(4,984)			
Rates - Community Servi	(857,557)			
Staff costs			200,403	400,806
Training			7,500	15,000
Other staff costs			927	1,853
Admin Financial Expenses (rates & insurance)			25,590	45,831
Financial Expenses				
Admin postage			125	250
Admin Printing Stationary & Periodicals			1,323	2,645
General Electricity and Heating			111,540	223,080
General Other			10,500	21,000
Operating Building			11,739	23,478
Operating Vehicles			500	1,000
Operating Grounds Maintenance			5,191	10,382