



Let's talk
Kōrero mai

LONG TERM PLAN 2024/34

DRAFT CONSULTATION DOCUMENT

Our Place

Clutha District



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Clutha District Council
www.cluthadc.govt.nz



Let's talk
Kōrero mai

MAYOR'S MESSAGE

YOUR COUNCILLORS



Simon McAtamney
Clutha Valley Ward



Ken Payne
Balclutha Ward



John Herbert
West Otago Ward



Bruce Vollweiler
Bruce Ward



Wayne Felts
Balclutha Ward



Kevin Barron
Balclutha Ward



Dane Catherwood
Catlins Ward



Alison Ludemann
Balclutha Ward



Gaynor Finch
Bruce Ward



Brent Mackie
Clinton Ward



Jock Martin
Lawrence/Tuapeka Ward



Dean McCrostie
Bruce Ward



Bruce Graham
Kaitangata-Matua
Ward



Michele Kennedy
West Otago Ward

Kia ora koutou katoa

Thank you for taking the time to join with council in considering our districts future. Without a doubt this will be the most significant Long-Term Plan (LTP) we have ever undertaken. The stakes are high and our options are few, as we navigate new and fast changing issues with the same limited tools that we have had on offer for decades.

Its a cold comfort to know that we are no different than all other councils around the country, armed primarily with only two tools, debt and rate rises to fend off the barrage of new expectations from Wellington. No council wants to over-burden their rate payers with either, but when you consider the reality councils presently face after the unravelling of the Three Waters Reform and the present vacuum councils have been placed in, the alternatives are few. That said, the challenge is for us all to best position Clutha and draw on our strengths to endure.

The immediate future will need to carefully balance priorities. Our district's population in recent years has recovered from the crippling losses of a decade ago, and the principal driver has been council's community enhancement projects. Population growth has huge positive impacts along with enhancing the vibrancy and vitality of a district, and councils increased rating base certainly strengthens our ability to function. But there are increasing calls for us to consider the balance of projects and whether it is prudent to maintain the momentum in the present environment. This will be one of the principal considerations for this LTP.

The largest issue we will face unfortunately does not present as many options for consideration. With councils rendered near on enfeebled by the endless chops and changes to three waters reforms. The only thing that has remained constant throughout the entire reform process has been the creation of the new regulator Taumata Arowai.

Running in tandem with the introduction of this new regulator was meant to be a new collaborative structure for councils, that drew on the collective strengths and efficiencies gained through joining into a large three waters operations. That option is now taken off the table. Which for the time being leaves councils to individually either upgrade their wastewater, stormwater and water infrastructure as consents fall due, or delay until Taumata Arowai impels you to do the upgrades, by taking you to court.

The latest offerings from Wellington now place the onus on councils to formulate partnerships themselves. Our future decisions around collaborative efforts will have a fundamental impact during this coming LTP period.

So, who do we go with? And who wants to go with us? As you look around the likely South Island contenders there's a common theme of issues, but solutions are harder to find. This is one of our most critical challenges and everyone needs to be aware of the fragility of the process. It will always be our commitment that we strive for an optimal arrangement, and there is a genuine desire from most councils to enter discussions, but as always with three waters nothing is certain.

In the meantime, we need to work with you to prioritise projects. Over 80% of year one increases are three waters imperatives and Council believes it is only prudent to undertake projects as legally required and not wait for the inevitable response from the regulator if we delay. That is the reasoning behind so much of the recent debt that we have taken on and when Clutha has 16 water schemes, and 11 wastewater schemes, new consents are a constant and endless obligation.

Like never before I think you can see that we need to work together, dealing with the facts no matter how challenging they are. This is not a time to drain further energy and resources on Facebook fantasy, the reality is enough of a challenge. We look forward to hearing from you during the consultation period so that you can compile your submission knowing you have the facts and figures.



Mayor
Bryan Cadogan

Thank you for your input, we value your assistance and together we will get the best outcomes for Clutha's future prosperity.

Onwards and Upwards



We are sharing our plans for the Clutha District. Tell us what you think.

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

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

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

COUNCIL SNAPSHOT

THE LAST THREE YEARS

We have continued to invest in our infrastructure. This includes upgrades, renewals, replacements, and new developments to ensure sustainable and resilient infrastructure. **Here is a snapshot of our capital investment and operating expenditure for the past three years.**

Roading (\$58.5 M)

The Clutha District has the third largest local roading network in New Zealand, including about 2900km of sealed and unsealed roads. Waka Kotahi NZTA maintains the State Highways, while Council is responsible for the local roads and other roading assets, including footpaths, bridges, streetlights, and other assets related to transportation. Key projects delivered include:

- New Hinahina Bridge completed.
- Bridge renewals including Tuapeka Mouth Road, Doherty Road, Mitchells Flat Road, Campbellton Street Lawrence, Karoro Creek, Walker Road and Gray Road.
- Unsealed road metaling.
- Resealing of 118 km of roads.
- Footpath renewals.
- Preliminary works for the Milton Streetscape project.

Water (\$56.3 M)

Water is one of the most important assets that our communities rely on for safe drinking and stock access. Council supplies water via numerous urban and rural water supply schemes, with approximately a third of the water produced being used for domestic consumption and the balance being largely used for stock water. With an increased focus on meeting standards from the national regulator, Taumata Arowai, we have continued to increase our capacity to deliver and invest in our water infrastructure across the district. The last three years have seen significant investment, in particular the following projects:

- Greenfield Rural Drinking water scheme.
- New Milton to Waihola Pipeline.
- Commencement of various treatment plant and pipeline renewals and compliance upgrades.

Stormwater (\$6.1 M)

Council's stormwater drainage networks protect people and properties across many of the district's urban communities from the effects of flooding. Some smaller communities may have limited stormwater infrastructure, such as basic pipe systems, open ditches or drains. There have been renewals, upgrades and maintenance of the stormwater assets over the last three years including:

- Catchment upgrades in Tapanui, Clinton and Waihola.
- Stormwater improvements to streets in Waihola, Lawrence, Milton and Balclutha.

Wastewater (\$16.9 M)

Council protects environmental and public health by collecting, treating and disposing of treated effluent from 14 townships in the district, via 11 sewerage schemes. As well as day-to-day management, maintenance and operations of these systems, upgrades for compliance requirements and capacity increases have occurred, including:

- Balclutha, Clinton, Waihola, Lawrence, Kaitangata and Heriot treatment plant upgrades including Bioshells, and upgrades to BioFiltro and oxidation in urban areas.
- New and replacement Balclutha pump station at Charles Street.



- Kākā Point and Waihola sewer network upgrades.
- District-wide fencing improvements to enhance safety.

Solid Waste (\$9.6 M)

Council oversees the management and minimisation of solid waste within the district. This includes the core activities of operating a sanitary landfill and recycling depot at Mt Cooe, providing kerbside collection for rubbish and recyclables, providing transfer stations in smaller communities, as well as education and information services. Key projects delivered have included:

- Mt Cooe Landfill resource consent.
- Mt Cooe's stormwater realignment to reduce the volume of stormwater that is contaminated.

Community Services (\$37.6 M)

Council provides and supports a variety of community spaces and facilities throughout the district that provide access to opportunities and services that support wellbeing outcomes. Financial and non-financial assistance is also provided to external organisations that provide community services. This includes community libraries, swimming pools, parks and reserves, playgrounds and sportsgrounds, halls and community centres, public toilets, cemeteries, and community housing. Projects and key activities delivered include:

- Destination toilets completed in Milton and Balclutha.
- Upgrades to community housing to meet Healthy Homes Standards.
- Initial costs towards the new Milton Community Pool and Community Library.
- Upgrades to Waiwera, Hillend, Waitahuna, Kākā Point and Ōwaka. Community Centres and Halls, with funding secured from central government.
- Provided partnership funding, alongside central government and philanthropic funders to the newly completed community-led project of Te Pou Ō Mata-Au | Clutha District War Memorial Centre, with a new space for the Clutha isite Visitor Information Centre.

Economic & Community Development (\$6.3 M)

Council supports the district through economic and community development to ensure future growth and sustainability. For example, Clutha Development as a lead economic and tourism agency, community plans, youth development, and community grants.

FACING THE FACTS

For decades Council has been successful in managing finances prudently, such that rates increases have stayed below 4%. However, times are tough, the world has shifted since our last long term plan and our district is facing some really big challenges. Funding demands on local government is exceeding what it is capable of achieving and we are not exempt. This has created a funding gap we now need to close. 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. The proposed rate increases reflect that.

THE RATES REALITY

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

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

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

The only option we had available to us was to borrow in years 1 & 2 and repay this money in later years of the Long Term Plan. This resulted in rate increases of around 20% for the first three years (see below graph and comparison).

HAVE YOUR SAY

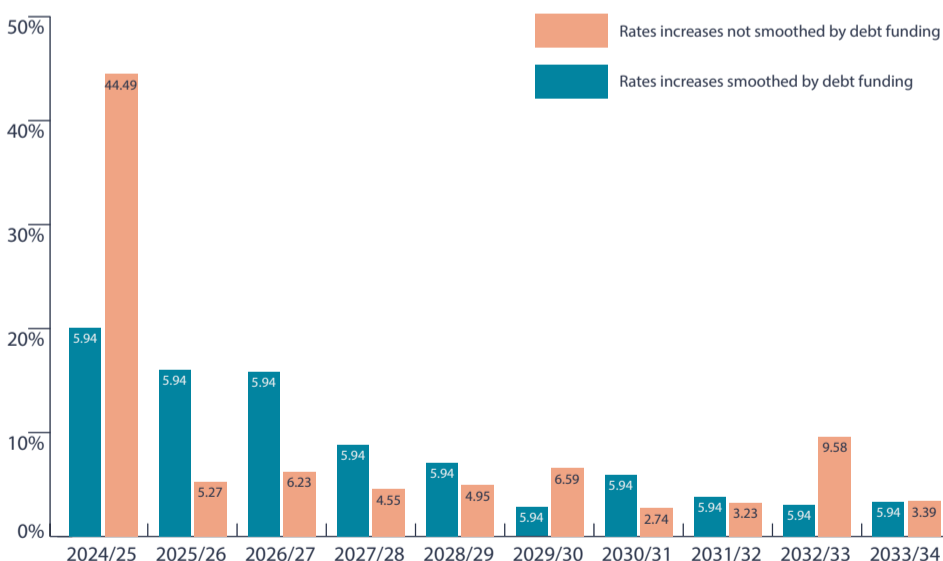
Tell us what you think: Would you prefer a high rate increase in year one or have it spread it over three years?



RATES
Which of the following two options do you prefer to manage rating impacts?

- Option 1:**
A high rating increase in year (2024-25) followed by lesser increases in subsequent years as follows.
- Year 1 (2024-25) - 47.5%
- Year 2 (2025-26) - 8.51%
- Year 3 (2026-27) - 9.80%
- Option 2:**
Any rating increase to be spread over the first three years of the Long Term Plan as follows. (Preferred Option)
- Year 1 (2024-25) - 20.97%
- Year 2 (2025-26) - 14.42%
- Year 3 (2026-27) - 16.22%

OUR PROPOSED RATE INCREASES



THE CHALLENGES WE FACE

Three waters is back

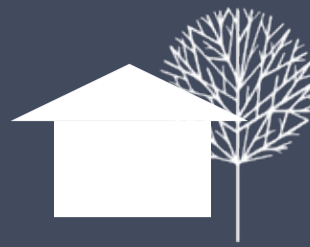
Council has made some decisions around the funding of three waters services (drinking water, wastewater and stormwater) over the last three years, with the expectation that we would no longer be in the business of providing three waters to our communities and would be handing over our water assets and liabilities to another entity. Recent legislation repeal has changed this expectation and Council is now including three waters in our Long Term Plan.

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

Costs of providing three waters/ever increasing central government standards

Council has historically spent \$84.3M over 10 years on three waters services (drinking water, wastewater and stormwater) operations, and \$81.5M over 10 years on three waters infrastructure investment. We decided to bring three waters operations in-house from the 1st July 2023. The transition costs associated with this move including increasing the size of the workforce, in conjunction with new drinking water standards introduced in January 2023, have resulted in higher costs of operating and providing three waters services, and greater investment in three waters infrastructure. In this LTP we are budgeting \$328.9M over 10 years for three waters operations and \$282.7M over 10 years for three waters infrastructure investment.

In addition, there has been two years of deficits caused by higher costs of operation and transition that have to be funded by the three waters activity.



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Debt capacity

While Council can borrow to pay for our infrastructure renewals, increases in levels of service and growth, we also need to be mindful of our debt capacity. Through the Local Government Funding Agency, Council could borrow net debt of up to 175% of our revenue. With the required three waters investment in this LTP Council would have breached our debt limits. Council has decided that achieving a credit rating that will increase our debt capacity is a prudent action when combined with the proposed significant rates increase. This will mean we can borrow up to 280% of our net revenue through the Local Government Funding Agency. **We have set ourselves a limit that net debt will not exceed more than 280% of annual revenue. This limit is assuming we obtain a credit rating by 30 June 2024.**

Getting used to higher rates increases

Although Council has historically been successful in holding rates at low levels. We can't put our hands on our hearts and say that these rates impacts are temporary. The things that led to this point have been happening over a long period of time and will not be resolved easily. The funding system we are using is not working and the need for investment is huge. As cost pressures increased, the unsustainable nature of funding three waters infrastructure became apparent. However, we can say that staff and Elected Members will lobby central government for greater support and align what communities want and need to the resources we have available to deliver them.

Investment in infrastructure

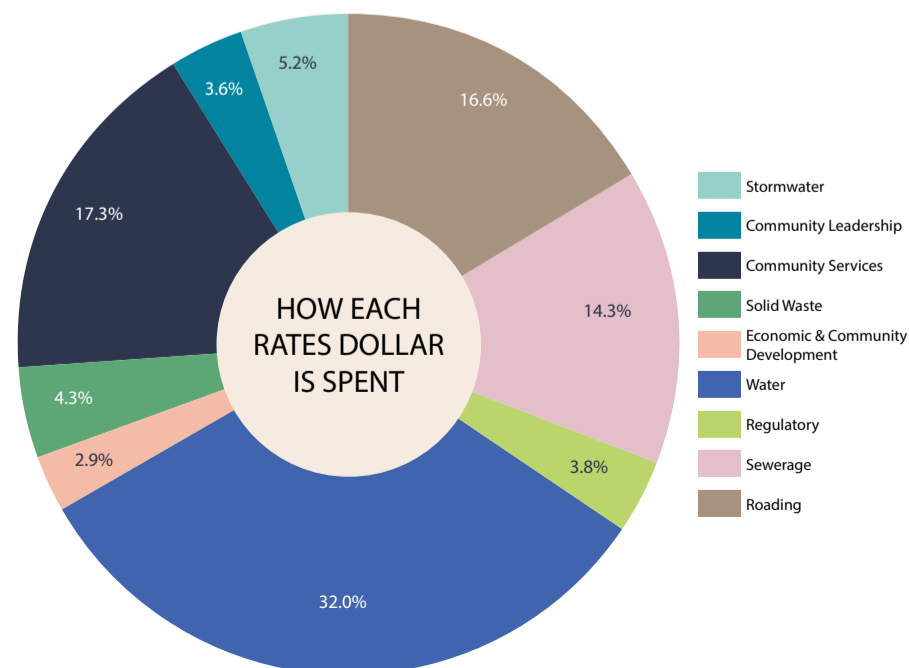
Many of our assets are getting near the end of their lifespan, meaning we require major investment to bring the assets up to standard or replace them.

Cost escalations

Even before COVID-19 tipped the world on its head, we were facing big increases in the cost of providing our services, and that hasn't changed. Like many other Councils, we are facing escalations in the cost of investing in our infrastructure and providing our services well in excess of what was expected in our previous planning cycles.

Quantum of investment required

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



WHO PAYS AND AFFORDABILITY

One of the important aspects we must consider when setting rates is affordability and who pays. In our widespread rural district we have a relatively small population with a lot of infrastructure to maintain, especially for the core services of three waters and roading. Council has the responsibility of getting the best mix possible, using rates, borrowing, reserves and our investment income.

We have identified some major projects which are compulsory and must be addressed, along with projects we have committed to that will improve our community facilities.

INITIATIVES TO REDUCE THE IMPACT

Council has been successful for many years in keeping rates low, and all ratepayers benefited from that fiscal restraint. Council continues to subsidise rates for everybody from investment returns to a limited extent (\$800K in 2023). With rates forecast to increase above 20%, the impact on discretionary income on low-income ratepayers is disproportionate to those ratepayers with more income. The Rates Rebate Scheme paid by the NZ Government has a maximum rebate of \$750 which does not increase any further as rates increase.

Council would like your feedback on whether we should provide an additional rebate of \$250 for those receiving the maximum government rebate, to lessen financial hardship for those more vulnerable ratepayers.

In 2023 there were 642 ratepayers on the Rates Rebate Scheme. The cost of the additional rebate would be funded from budgeted investment returns in the same way as the current rates subsidisation, which is proposed to continue and is budgeted to cost \$160k.

HAVE YOUR SAY

Tell us what you think: Should Council provide an additional rebate of \$250 for those receiving the maximum government rebate to lessen financial hardship for vulnerable ratepayers to cost \$160k and budgeted from investment returns?



RATES

Do you support Council providing an additional rebate of \$250?

Yes

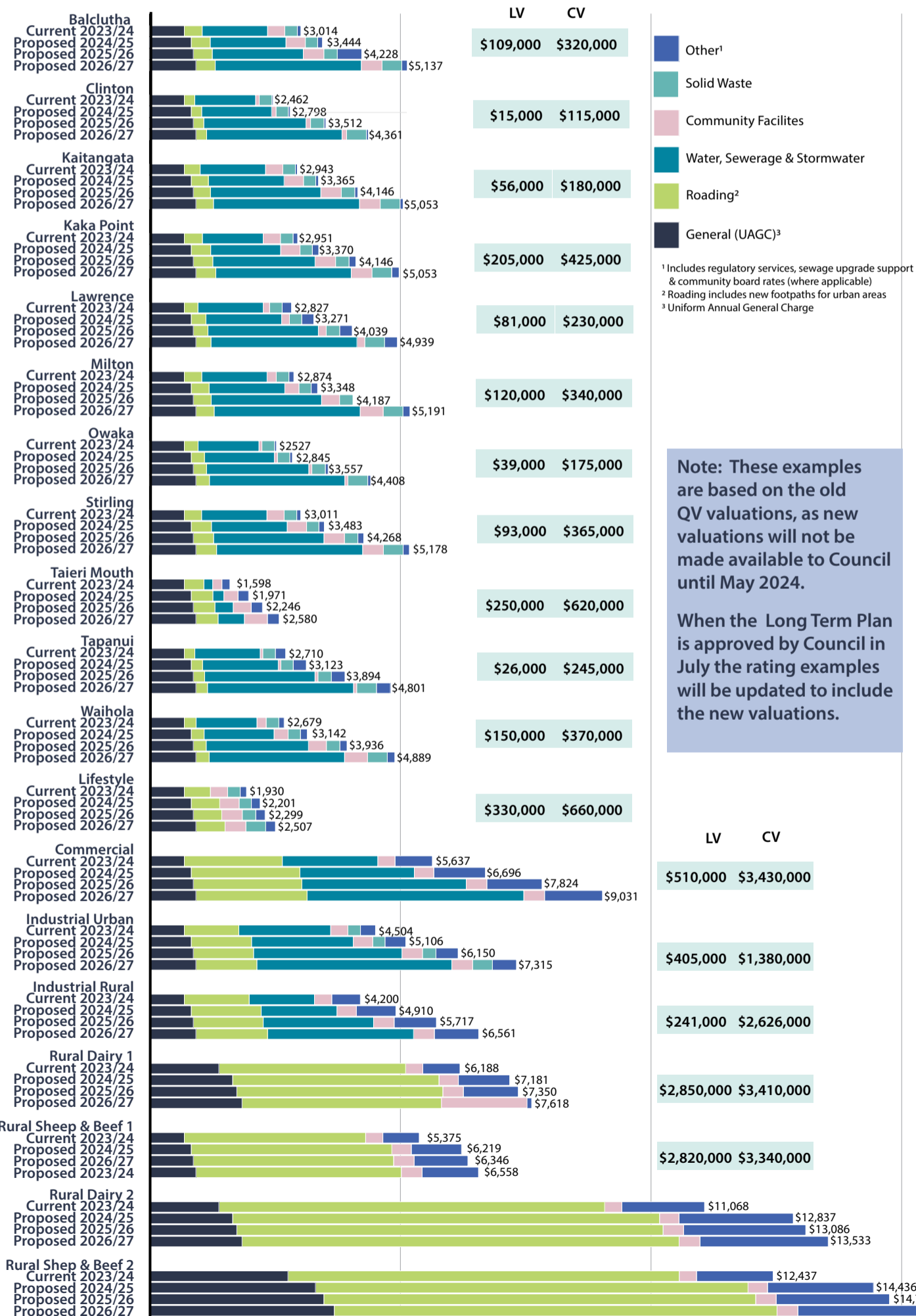
No

RATES EXAMPLES

WHAT OUR PROPOSALS IN THIS DOCUMENT MEAN FOR YOUR RATES

(Based on valuations before 1 September 2023)

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



VARIATIONS TO RATES

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

The exact rates percentage change for a property will depend on which of the rating areas the property is in, and whether an individual property's value has changed more or less than the average increase/decrease in the district and in that rating area.

The values of all properties in the Clutha District are reviewed every three years.

For more information about rates refer to the Proposed Rating Policies 2024 and the Proposed Rates Information. For more information about projects and funding refer to Council's Draft Financial Strategy 2024/34 and Draft Infrastructure Strategy 2024/54.

These documents are available at: www.cluthadc.govt.nz/LTP-consultation

Note: These examples are based on the old QV valuations, as new valuations will not be made available to Council until May 2024.

When the Long Term Plan is approved by Council in July the rating examples will be updated to include the new valuations.

Note: The costs of water usage for rural ratepayers has not been included in this graph. It will be a cost over and above, depending on how much water is used for each of the different types of rural farming operations.

OUR FINANCES

WATER, WASTEWATER AND STORMWATER RATES

There are 12 rural water schemes in the Clutha District: Moa Flat, Glenkenich, Waipahi, Pomahaka, Clydevale, Tuapeka West, Tuapeka East, Balmoral 1, Balmoral 2, Richardson North, Richardson South, North Bruce, South Bruce and Wangaloa.

All schemes, except for Waipahi, provide water for domestic consumption.

Unlike our urban water supplies in Balclutha, Milton, Lawrence, Kaitangata and Tapanui, all of the rural water schemes in the Clutha District operate as restricted water supplies to allow a set flow of water each day.

All of the townships that are connected to these schemes also operate as restricted supplies – this includes Kaka Point, Waihola, Clinton, Tokoiti, Tuapeka Mouth, Waitahuna, Heriot, Pukerau and Waikaka.

GREENFIELD RURAL DRINKING WATER SCHEME

This will provide a new water source to improve reliability in the provision of quality drinking water to the Balmoral, Tuapeka East and West, Waitahuna and Lawrence water schemes through a new bore source from the Clutha River and the amalgamation of pipe networks. It will involve four pumping stations and a network of 48.5km of pipework. This is a multi-year project that is underway we expect to be completed in late 2024.

Here are the proposed water rates for next four years (GST exclusive). The rate is set as a fixed amount for each water unit (one m3 of water per day).

		2023/24	2024/25	2025/26	2025/27
Urban Water	On Demand	\$522	\$681	\$922	\$1,217
Urban Water	Restricted	\$443	\$579	\$784	\$1,035
Urban Wastewater		\$459	\$485	\$667	\$860
Urban Stormwater		\$152	\$190	\$316	\$456
Clydevale/ Pomahaka Rural Water Scheme		\$250	\$412	\$457	\$514
Glenkenich Rural Water Scheme		\$371	\$419	\$495	\$656
Moa Flat Rural Water Scheme		\$209	\$277	\$331	\$405
North Bruce Rural Water Scheme		\$276	\$387	\$458	\$552
Richardson Rural Water Scheme		\$243	\$304	\$366	\$447
South Bruce Rural Water Scheme		\$147	\$235	\$265	\$344
Waipahi Rural Water Scheme		\$226	\$226	\$275	\$363
Wangaloa Rural Water Scheme		\$356	\$451	\$533	\$632
Balmoral 1 (This scheme will be part of the Greenfield Water from 2024 onwards).		\$414			
Balmoral 2 (This scheme will be part of the Greenfield Water from 2024 onwards).		\$291			
Tuapeka East and West (These schemes will be part of the Greenfield Water from 2024 onwards).		\$358			
Greenfield Water (new)			\$664	\$815	\$905

WHAT'S IN THE FINANCIAL MIX?

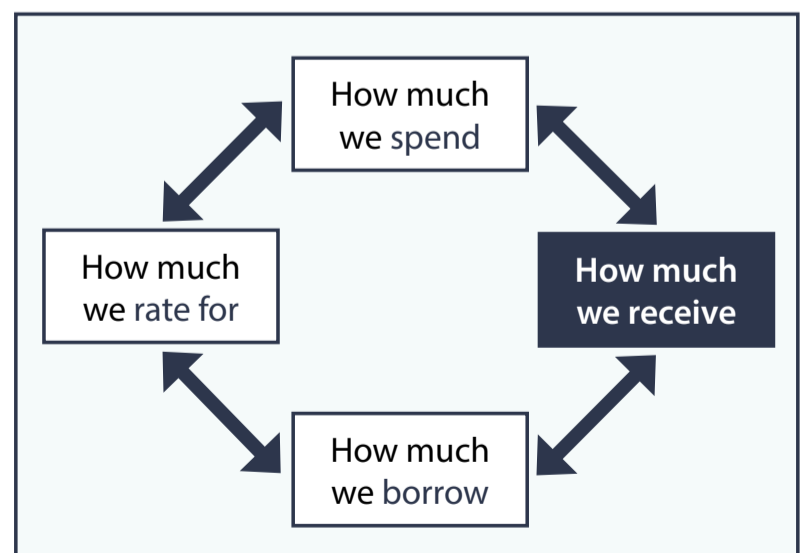
From a financial point of view there are four key parts in the mix, and they are all closely linked - what happens with one influences the others. Council can decide how much we spend, how much we rate for and how much borrow. How much we receive is outside of our direct control, but it is an important part of the mix.

HOW MUCH WE'RE PROPOSING TO RATE

Limits on rates increases

We expect our overall rates to increase around 20% on average during the next 3 years, and under 10% for years 6-10 of the Long Term Plan. We have a self-imposed limit not to increase overall rates by more than 25% per annum for the first 3 years of the Long Term Plan and 10% for the remaining 7 years.

However, there is a lot of uncertainty and factors that are outside of our control. We're proposing to be flexible and adaptive, part of this approach will involve reviewing overall rates when we update our financials on an annual basis and look at our mix to ensure we keep our overall rates within our limits.

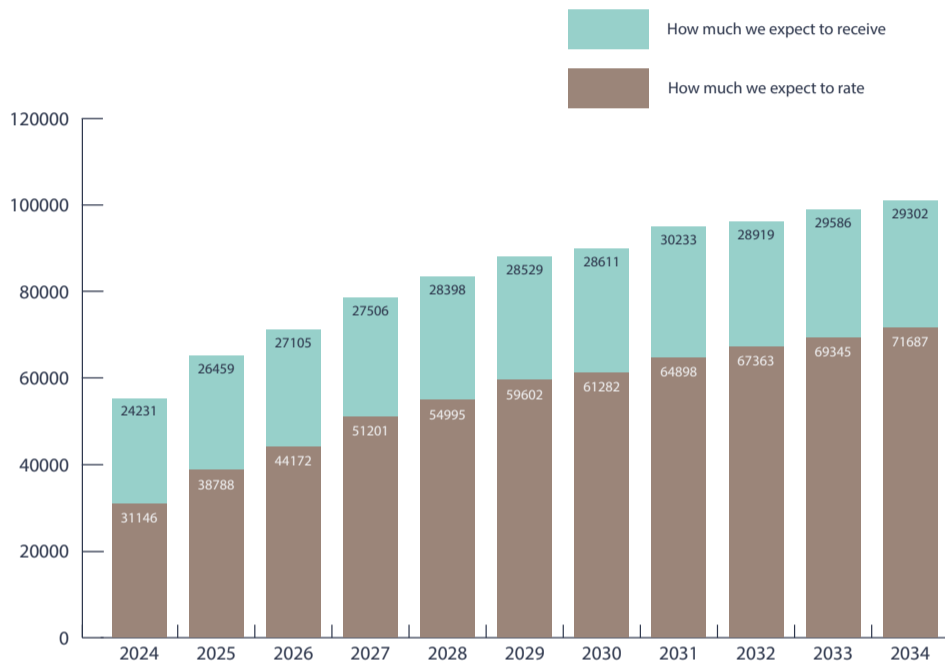


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REVENUE WE'RE EXPECTING

'How much we are expecting to receive' includes financial assistance towards transportation from Waka Kotahi NZTA, fees and user charges for Council services, rental on Council-owned properties, and returns on our investments. For more information about our investments see below.

We have made an assumption regarding the amount of funding that will be provided by NZTA in the next 10 years. Our roading programme with need to be adjusted if this funding is different from our assumption.



HOW MUCH WE'RE EXPECTING TO RECEIVE FROM INVESTMENTS

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. supporting our community's wellbeing through the priorities in our Living & Working in Clutha Strategy and Our Place Community Plans.
- Ensure we have money set aside to cover our share of replacing any assets destroyed or damaged in a natural disaster.
- 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 targeted to earn an average of 5.25% for returns on our investment portfolio during the next ten years through to 2034.

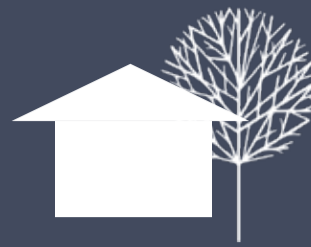
We're proposing to use some of it (\$9.5M) to reduce rates. We're forecasting the value of the fund will grow from \$30.2M to \$39.1M **over the 10 year period**. However, what we receive is dictated by many factors that are outside of our control. If we receive better returns, we will decide the best way to use them, in keeping with the reasons Council maintains investments.

If we receive less returns than budgeted, Council is prepared to use equity to meet our annual commitments.

HOW MUCH WE'RE PROPOSING TO SPEND

	Operating Spend 2024-34	Capital Spend 2024-34	Funding of capital and operating spend
Roding	\$150m	\$134m	Rates 34% Other 66%
Water	\$195m	\$60m	Rates 73% Other 27%
Community Services	\$104m	\$34m	Rates 73% Other 27%
Wastewater	\$69m	\$169m	Rates 35% Other 65%
Economic & Community Development	\$17m	\$0m	Rates 100% Other 0%
Community Leadership	\$21m	\$0m	Rates 100% Other 0%
Regulatory	\$42m	\$0m	Rates 53% Other 47%
Solid Waste	\$44m	\$16m	Rates 42% Other 58%
Stormwater	\$26m	\$14m	Rates 75% Other 25%





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HOW MUCH WE'RE PROPOSING TO BORROW

We're planning to borrow to help fund our extensive asset build programme of \$431M during the ten years from 2024 to 2034.

OUR STRATEGY IS THAT FUTURE RATEPAYERS USING SERVICES CREATED TODAY PAY THEIR SHARE WITH THE APPROPRIATE USE OF DEBT

Our approach to debt has been changing in recent years. Instead of having no debt and using our reserves to fund our capital programme (internally borrowing from ourselves), we have been using the reserves to build our investment portfolio which earns us more in returns.

We use part of these returns to keep rates down. We're proposing to keep our investment portfolio intact, and to borrow to fund our proposed extensive asset build programme. **Our loans on infrastructure assets are typically taken out for 25 years.**

We feel this is the best use of our investments. We also feel the approach is fairer, as it means that future ratepayers also pay their share for assets and services created today (known as intergenerational equity). Our asset build programme should also cost us less in the longer term as interest rates will be lower through our lender, the Local Government Funding Agency.

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 has to fund two years of deficits for the unbudgeted higher costs of operations. The cost of transitioning to providing the services in-house has significantly increased our capital works program, and we have achieved much higher percentages of project completion, with consequential higher demands on cash flow.
- Significant escalations in the cost of investing in our infrastructure and providing our services.
- The aggregate of the consequences of decisions taken to keep rates within Council's 4% rates cap (such as reducing depreciation, paying interest only on loans, using Council's reserves rather than hand them over to a Water Entity).
- For numerous reasons Year 1 of the Long Term Plan had an unsustainable rates increase, so much so that Council has decided to borrow more to spread the impact of the rates rises over a number of years.

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

BALANCING THE BUDGET

The Local Government Act requires Council to budget each year for operating revenue at a level sufficient to meet operating expenses budgeted for that year. This is known as the 'balanced budget' requirement. The LGA allows councils to budget for a deficit, if it resolves that it is financially prudent to do so.

This means that projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or can access.

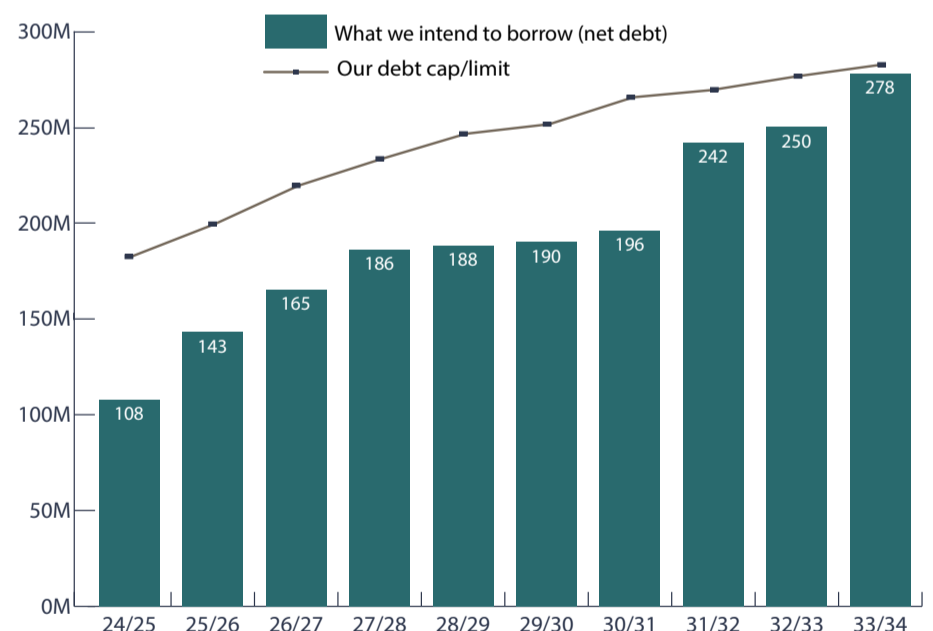
Our current environment highlights the impact of market forces beyond the scope considered in our 2021-31 projections, including addressing the rising demands of policies and legislation; and managing substantial inflation and interest cost increases far surpassing the assumptions allowed for in our previous LTP. These have not been adequately addressed through rating or third-party income increases to offset the additional costs over the same period. As a result, our starting position is now in deficit.

Recognising the 'cost of living crisis' which has largely resulted in us being where we are, we need to move towards a sustainable position, balancing the budget over the medium term. The capital investment programme and cost pressures from the last and current 10-year plan, together with limitations on revenue, particularly due to affordability issues of rates, makes this very challenging.

We acknowledge that we run deficits from a balanced budget perspective mainly due to revenues not covering the full cost of providing water services to our district.

Council's budget becomes unbalanced in the first two years of our long term plan as we will use debt to mitigate the rating impacts and repay it in later years.

Our 10-year plan projects that we will achieve the balanced budget target in 2026-27. This balanced budget position is a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future.



For more information refer to the Draft Financial Strategy 2024/34 (available at www.cluthadc.govt.nz)

LIVING & WORKING STRATEGY

LIVING & WORKING IN THE CLUTHA DISTRICT

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

OUR STORY SO FAR

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

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

WHERE WE'RE HEADING

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

Our district continues to make the most of our circumstances and opportunities. We've supported initiatives to promote growth, our district economy is growing and our overall outlook is positive.

A variety of factors put us in a good position to move forward including our strong agricultural base, growing tourism and retail sector.

Our planning has taken this into account and we continue to look forward to maintaining the momentum of past years, focusing on making Clutha a great place to live, work and play.

WHAT ARE OUR PRIORITIES?

Facilitating more quality housing

Quality housing is a key aspect of liveability in the Clutha District. Having the security of a home that is safe, warm, dry and affordable is a key foundation to the wellbeing of our people.

However, the housing market continues to be under pressure, with challenges in the availability of quality housing for both ownership and rental. Demand for social housing is also growing.

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

Council's Strategic Direction for Housing (July 2020) continues to guide our approach and outlines why quality, affordable housing is of vital importance to the Clutha District.

We're committed to ensuring Council-owned community housing units support those most in need throughout the district and Council is seeking feedback on how best this might be achieved (see page 15).

Investing in infrastructure

We are focused on maintaining our key infrastructure for residents and future generations and increasing levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. Importantly, Council will also look at facilitating growth where there is potential for this. For more details refer to 'Investing in Infrastructure' (page 10), and the Draft Infrastructure Strategy 2024/34.

Addressing climate change

Climate change is presenting challenges and opportunities for the district. Council's draft Clutha District Climate Change Strategy provides an understanding of climate change impacts in the Clutha District, help deliver resilient infrastructure services and guide decision making. This is discussed in more detail at Page 14.

Supporting culture & heritage

The preservation and celebration of cultural and heritage values is part of what makes Clutha a great place to live, work and play.

We are looking to showcase our rich culture and heritage, to better share and celebrate who we are. This includes sharing community stories, making historical objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

Reducing our environmental footprint

The physical environment influences nearly every aspect of life in the Clutha District. Many residents relate strongly to our rural environment, with its outdoor lifestyle and focus on agricultural production. Our farming heritage is an important part of our identity, and for many people, life is shaped around action and interaction with the environment.

Reducing our environmental footprint underpins community well-being and is a priority towards making Clutha a great place to live, work, and play. With amazing scenery, brilliant and growing cycle trails, stunning beaches, and opportunities for whitebaiting, fishing and surfing, the physical environment readily supports wellbeing through physical activity and moments of wonder and reflection.

Improving health, safety & wellbeing

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



Filling our jobs

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

For the Clutha District this means continuing to:

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

KEY TO THE WHEEL

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

HAVE YOUR SAY

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



INVESTING IN INFRASTRUCTURE

OUR STORY SO FAR

The story of the Clutha District is one of adapting and realising opportunities.

The abundance of natural resources drew people to the area. First Māori then European fishers, whalers, miners, timber getters, and pastoralists. Our ancestors and pioneers created trade and prosperity across the district.

Early Māori roamed, hunting and gathering and moving with the seasons. Those trails were the district's first deliberate infrastructure. Then European whalers shipped tonnes of oil and whale bone across the world.

Gold and coal were mined and sawmills supported a booming trade in timber. Land was used for farming, from which modern dairy factories and processing plants were established, employing many people.

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

WHAT WE'RE PLANNING

We are a widespread district of over 1,000 km² including various towns and smaller settlements that all have their own infrastructure needs.

Council has a key role in maintaining and providing infrastructure and is responsible for managing around one billion dollars worth of infrastructure, including the third largest local roading network in the country.

This includes about 3,000km of local roads and 401 bridges. There are 22 water schemes that deliver water to 15 urban areas and over 2,000 rural properties throughout the district. We protect the environment and public health by collecting, treating and disposing of the treated wastewater from 14 townships via 11 wastewater schemes. Stormwater drainage helps protect people and properties across our district's communities.

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

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

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

Our challenges

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

These include:

- Restructuring reforms – Between 2018 and 2023 the regulatory framework we operate under was significantly reformed. Following a change in government in late 2023, some of these reforms are subject to significant change.
- High inflation – Since 2020 New Zealand has experienced significant inflation, impacting Council's purchasing power.
- Our changing community – Some are growing, some are declining and as a society we are getting older.
- Climate change – These challenges are expected to impact our district with an increased risk to infrastructure from flooding, coastal inundation and heavy rainfall events.



- Natural disaster resilience.
- Balancing affordability with service levels – How to manage rates when the assumption is that the District is “going it alone” for three waters services.

Our opportunities

LAND USE CHANGES

Council has re-zoned Balclutha, Stirling and Milton, opening up new Urban, Transitional and Industrial Resource areas. Most of this can be serviced by extending the existing infrastructure network, which is normally done at the developer's cost.

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

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

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

FUTURE DEVELOPMENT

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

Council will also work to strengthen our partnership with Iwi for infrastructure.

REMOTE WORKING

With a laptop and good internet connection there are a growing number of people who can work from anywhere. Since 2021, post COVID-19 more people have decided to work remotely. By ensuring there is quality housing, good connectivity and amenities, there is a strong opportunity to attract new residents to settle in the district as part of the Living and Working in Clutha Strategy.



VISITOR GROWTH

In line with our Clutha Destination Strategy 2020-30, we aim to manage the growth of respectful tourism. This includes information to support day visitors and longer stays, facilitate more inclusion of Māori stories, engage with Ngāi Tahu tourism, and promote our network of cycle trails.

Improved outcomes through procurement

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

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

Throughout all procurement processes, Council ensures transparency and integrity, while prioritising funding and procurement that supports community outcomes and aligns with our strategic goals and values.

Collaborate on three waters

With the new government's intention to repeal the three waters legislation advised, and the need to include three waters as a service by Council, there will be opportunities for collaboration with other Councils.

Our investment priorities

Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low.

What we plan to do

PRIORITIES TO FACILITATE GROWTH

Our Approach: We plan for and are adaptive to growth, and enable private

infrastructure investment where it will benefit our community's wellbeing.

Key priorities include:

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

PRIORITIES TO IMPROVE LEVELS OF SERVICE

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

Key priorities include:

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

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

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

Key priorities include:

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

OUR PROPOSED INVESTMENT IN INFRASTRUCTURE

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

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

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

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

Following our previous successes in capital project deliverables, along with the Central Government Three Waters Reform repeal, we are once again proposing to increase our capital expenditure over the next ten years (2024-34) to **\$427M** for capital works.

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

Safer drinking water (\$16.3M)

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

Increasing standards for discharges to the environment (\$149M)

New rules and regulations have influenced levels of treatment for wastewater.

Several of our wastewater treatment plants are currently working through resource consent and compliance renewals. Consequentially, of the \$196.4M planned expenditure over the next ten years, **\$128.9M** is associated with consent/compliance requirements.

Improving stormwater protection (\$28.6M)

How we collect and dispose of stormwater run-off affects residents, their properties and businesses. To quantify what level of protection we have, we talk about frequency. For example, at the moment our pipe systems are designed to manage between a 1-in-5 and a 1-in-10 year event. Several flooding risks exist in some of our smaller communities, and a programme of upgrades is underway over the next 10 years.

These projects are in Milton, Owaka, Lawrence, Tapanui, Heriot, Clinton, Waihola and Pounawea. The proposed projects will mean a higher level of protection for communities during heavy rainfall events. Heavy weather events are becoming more common, so we're investing in stormwater systems with more capacity.

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

A key consideration for helping our district move forward is quality housing. To assist members of our community who are in the lower income brackets and to keep up with demand, we are planning a programme of new builds, which would increase our residential housing units from 98 to 108 residential units across the Clutha District.

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

Securing the future for Mt Cooee Landfill (\$15.7M)

The current resource consent at Mt Cooee Landfill expired in 2023. Council has submitted an application for the renewal of this consent, allowing operations to continue until it is approved. The request for renewed consent encompasses not only the current landfill area, but also proposed extensions and upgrades, which are designed to support the landfill's operation for an additional 35 years. These enhancements are coupled with ongoing investment in waste minimisation and recycling initiatives, which have successfully reduced the annual influx of waste, extending the landfill's lifespan and minimising cost impacts for both residents and businesses. We will still need to do further work to consider the future of the Mt Cooee landfill.

Efficient sealed road renewals (\$60.5M)

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

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

Improving the cost effectiveness of road maintenance translates into direct benefits to our community and our co-investors.

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

Note: At the time of writing this document we are awaiting NZTA budget approvals.

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

Doing so incentivises us to be innovative and open to carrying some risk, in order to save money and keep roading rates affordable. We actively monitor the performance of our sealed roads to signal when we need to program specific sites into our planned program of works.



Strengthening our bridges (\$34.7M)

As we improve how freight moves around New Zealand, trucks are becoming both longer and heavier with 50 tonne loads becoming the norm. At the moment a large part of our local roading network, i.e. access to farms and forestry, is not accessible by what are referred to as High Productivity Motor Vehicles (HPMVs). Council's delivery partner for roads, NZTA (Waka Kotahi) is looking to actively support us to open up more of the local network to HPMV vehicles.

Critical bridges (to commence 2034-54) (\$23.5M)

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

Milton Main Street improvements (\$2.2M)

The Milton Main Street upgrades are continuing into 2024-25 year with the completion of the work to replace old water, stormwater and wastewater pipes on Union Street, between High Street to Abercrombie Street, as well as undergrounding overhead powerlines.

Footpath renewals (\$8.1M)

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

Milton Community Library and Swimming Pool Complex (\$17.5M)

The new Milton community library and pool complex is being designed as an effective solution to replace the current facilities, both of which have a range of issues. This modern, multi-functional facility will offer a huge variety of services all year round, from swimming lessons, competitions, and aquatic play, through to digital help, library programmes, local history, and access to information, including council services; for people of all ages and backgrounds.

Balclutha Library renewals (\$5.3M)

The Balclutha Community Library is extremely well used with approximately 1,000 visits per week but has a number of structural and spatial issues. Most urgent of these is the need to address the ongoing watertightness and ventilation issues, to ensure the continued safe operation of the library (\$500K).

The long-term future of the library can then be properly assessed through a subsequent Long Term Plan process, but for budgeting purposes, we have included funding of \$4.8M to be spread over 2 years from 2030.

HAVE YOUR SAY

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





Let's talk
Kōrero mai

DELIVERING OUR CAPITAL PROGRAMME

We are proposing to spend \$467.5M on capital works over the next ten years (2024-34).

HOW DO WE PLAN ON DELIVERING THIS?

- We have successfully been working collaboratively with contractors, professional service providers, and our community to ensure smooth progression of project work.
- By holding Contractor Evenings before the new financial year, our contractors can now see what our planned program of work is for the coming years, and in turn they can plan their resources.
- We have reviewed our systems and processes and have implemented changes to allow a more streamlined, process-driven environment.
- We have changed our internal structure to ensure that the projects can be delivered successfully.

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

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

KEY INFRASTRUCTURE AT A GLANCE

Core Infrastructure	Vital statistics	
 Rooding	860km	Sealed roads
	2,048km	Unsealed roads
	144km	Footpaths
	361	Bridges and culverts
	171km	Surface water channels
 Water	11	Schemes servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui, Clinton, Kākā Point, Waihola, Benhar, and Stirling
	11	Rural water schemes: Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa
	2,482km	Reticulation
	16	Treatment plants
	47	Pump stations
 Community Services	11	Halls and community centres
	98	Community housing units in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui & Waihola
	3	Swimming pools in Balclutha, Milton & Kaitangata
	86 ha	Parks and reserves
	25	Playgrounds
	29	Public toilets
	6	Motor caravan dump stations
14	Cemeteries	
 Sewerage	12	Schemes in Balclutha, Clinton, Heriot, Kaitangata, Kākā Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola
	222km	Sewers
	30	Pump stations
	2	Treatment plant
	3	Oxidation pond only
	5	Oxidation ponds & Bio Filtro
	2	Membrane & Oxidation pond
 Green Space	184	General rubbish bins
	15	Mixed glass-rubbish-recycling bins
 Solid Waste	1	Landfill at Mt Cooe in Balclutha
	8	Transfer stations in Clinton, Lawrence, McLennan, Milton, Owaka, Tapanui, Taieri Mouth and Beaumont
	6653	Kerbside collection services
	19	Closed landfills
 Stormwater	8	Systems in Balclutha, Clinton, Kaitangata, Kākā Point, Lawrence, Milton, Owaka and Tapanui
	92.5km	Pipes
	6	Pumping stations

CLIMATE CHANGE

Council has an important role to play in helping our communities adapt to changes in climate and sea level. Some climate change impacts are already with us, with warmer temperatures, extreme rainfall events and rising sea levels affecting different parts of the Clutha District in recent years.

The Clutha District is already vulnerable to natural hazards including droughts, slips, flooding and coastal erosion/inundation. Climate change will mean that the consequences of existing hazards become more serious and the district will face new challenges and opportunities.

Preparing for, and responding to, the impact of climate change is an urgent issue that Council has responsibility for leading. Previous work by Council has found that the highest risks facing infrastructure in the Clutha District are those associated with potable water treatment plants, road networks, homes and buildings, and flood banks. To outline our response, we have developed the Draft Climate Change Strategy which is intended to raise awareness of the likely impacts and risks associated with climate change. The strategy will apply to all of Council's activities and operations and will be considered at all levels of decision making. The strategy provides a common framework through which climate change work can be coordinated within Council and between other agencies. This document can be found on our website.

Our strategy includes some guiding principles which are aligned to our overall goal of promoting the environmental, social, cultural, and economic wellbeing of our communities.

These principles include:

- **Ensure Safety** - Managing the risks associated with climate change, while ensuring the safety of people - and considering the effects on different parts of the community.
- **Plan Ahead** - Use resources wisely, manage uncertainty with adaptability to allow for changes in risk, and recognise that allocating funding now to reduce the risks associated with climate change is an investment for the future (including ensuring that future generations are not negatively impacted by the decisions made today).
- **Sustainable Land Use** - Decisions for land use are informed by community awareness and acknowledgment of benefits and risks, consideration of options, and exploring opportunities to manage climate change risk and encourage community-led steps to increase preparedness and resilience.

Future planning and decision-making will involve a range of processes at the Council and at a community level. A series of key action plans and goals identify the specific steps that Council will take to get there. These have been identified, grouped and prioritised across the following five key areas:

- **Emissions** - Actions that help reduce Council's own emissions, and communities to reduce the district's overall footprint, such as undertaking regular district (and Council) greenhouse gas emissions inventories, identifying landfills susceptible to climate change, and reconfiguring Council's waste management contracts to have a greener focus. For example, focusing on diverting material from the waste stream and a landfill methane gas collection system.
- **Coastal and flood defences** - Parts of the Clutha District are heavily reliant on flood and coastal defence mechanisms, such as floodbanks. Actions include advocating on behalf of the community, working with Otago Regional Council to monitor sea and groundwater levels and working with other agencies to maintain a robust system for natural hazard events.
- **Leadership, governance and education** - Maintaining active working relationships with stakeholders in the community and working with regional and central government on climate change issues, as well as ensuring key Council documents and decisions align with our climate change principles.
- **Land use and built environment** - Striving for goals such as existing and future development being resilient and avoiding the worst impacts of climate change. Identifying, understanding and reducing the risk to communities, and the infrastructure and services which support them, is important.
- **Infrastructure** - With communities becoming increasingly reliant on infrastructure of Council-owned assets, such as water, stormwater, wastewater, transport and public amenities (as well as infrastructure owned by other providers) to be resilient to the impacts of climate change, actions have been collated including identifying, understanding and reducing risk, with a focus on assets and areas with high vulnerability.

There will be regular monitoring of these key action plans and goals and a report on progress will be included in the annual report at the end of each financial year.

We can expect more changes will happen. Council has undertaken work to better understand future impacts and Council intends to use this knowledge to guide future decisions so that, over time, the district is more resilient to natural hazards and changes in climate. With climate change being such an uncertain and evolving space, Council will continue to review key information and actions in the strategy as new information becomes available.

The Climate Change Strategy is available to read at:
www.cluthadc.govt.nz/LTP-consultation



HAVE YOUR SAY

Tell us what you think on the draft Clutha District Climate Change Strategy, its principles, and actions.



COMMUNITY HOUSING

Council's community housing units provide an affordable housing option for elderly and other vulnerable persons. This supports Council's Living and Working Strategy and promotes opportunities for keeping people in the district.

Council provides 98 residential units in the 11 community housing blocks, spread across 8 towns in the Clutha District and aims to provide community housing that is safe, secure, and healthy, and to maintain it in accordance with current legislative requirements. A key expectation is that units are typically offered at below-market rental in order to remain affordable, and that all costs are covered by rental income.

HOUSING DEMAND AND COSTS ARE INCREASING

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

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

However, the need for investment in our housing units places pressure on the current financial operating model. This is based on rents covering all costs as well as keeping rents at affordable levels for residents.

Council must strike a balance between ongoing maintenance, cost-effective renewal options, and the availability of additional funding sources beyond rental incomes to ensure the provision of quality and affordable housing for the community.

ASSUMPTIONS

For the LTP 2024-34, Council has taken the following position:

- If we are going to replace, upgrade or build new units, the current policy of housing being cost neutral is no longer possible, given rising costs without other measures, such as higher rents and subsidies.
- Selling the housing portfolio was not considered as an option as this was contrary to Council's housing policy.
- Means testing was considered as an option to assist those most in need of community housing. This would require a change in policy, in order to change the tenant priority process to include means testing.

THE OPTIONS

Option 1: Focus on a targeted maintenance regime to keep community housing cost neutral for ratepayers (increased rents to cover all maintenance costs).

This would be achieved through a housing renewal programme targeted to maintain affordability and would include a budget of \$400k per annum for renewal and upgrade works. This would be funded each year as a loan.

This option would target critical maintenance needs together with updating units when they become vacant, with a view that all units would be updated over 10 years.

However, this would result in some housing stock being of lower standard rather than good. Increasing demand would mean waiting lists will grow. Inflation will be a risk to affordability.

Option 2: Improve the quality and supply of housing through a mix of increased rents and new units.

This option requires increased rents and higher rentals for newly constructed units. It would include a basic maintenance program, together with building new units at a cost of between \$1.6M build cost (Option 2a - 10 new units) and \$2.4M build cost (Option 2b - 15 new units).

This would prolong the life of units and improve quality of housing for tenants. It addresses some of the additional demand.

Inflation will be a risk to deliverability. Only 50% of demand for more housing will be met with this supply. This means waiting lists will remain and are still likely to grow.

HAVE YOUR SAY

Tell us what you think: Which of the above options do you prefer for funding the Council's Community Housing Programme?



WHAT DOES THIS MEAN FOR RENTS?

The rental for the new builds is highly dependent on the total cost.

Existing Units – current rents range from \$139 per week to \$176 per week. Existing rents will need to increase at 6% per annum to recover projected costs, including \$400K of improvements each year. This results in existing rentals ranging from \$197 to \$250 per week in 6 years' time (projected for the 2029/30 year).

New Units - these are expected to be a few years away with the first units budgeted for 5 years' time. The projected rental based on a build cost of \$160K per unit is \$310 per week in 2028. If the build cost is 50% higher then the initial rental cost is estimated to be \$330 per week for the new units. This is projected to increase at 6% p.a. thereafter.

SHOULD COUNCIL SUBSIDISE RENTS FROM RATES OR CHANGE THE TENANT PRIORITY POLICY?

As a general principle, should Council subsidise rents from rates? This would make Community Housing rentals more affordable or could enable more units to be built. Should Council look to prioritise low income tenants through some form of means testing? These are changes from our current policies and would require further work to look at the level of subsidy or what criteria would be used for priority tenants.

HAVE YOUR SAY

- Should Council subsidise rents from rates?
- Do you agree we should ease community housing waiting lists by considering a form of means testing on community housing applications?



WASTE MANAGEMENT AND MINIMISATION

Council is reviewing and updating our Waste Management and Minimisation Plan that will come into effect from 1 July 2024, as part of its mandatory obligations under the Waste Management Act 2008.

In 2022, over 420 tonnes of material was diverted from landfill in our District. However, we still send over 10,200 tonnes to Mt Cooee Landfill. This is around 580 kilograms of waste per resident per year. This mostly comes from the construction and demolition sector, industrial or commercial operations and Council's kerbside waste collection. The analysis shows that a lot of our waste could have been reused, recycled, or composted.

We want to work together with our community to reduce the amount of waste being produced and reuse, recover and recycle as much as possible before it ends up in the landfill.

Managing waste and ensuring good outcomes for the community can be a complex task. We need to look after the environment, take care of people's health, and make sure that this is done at an acceptable cost to the community. To achieve this, we all need to work together.

Council is seeking the community's views on the Draft Waste Management and Minimisation Plan, and the importance of transfer stations.

THE WASTE MANAGEMENT AND MINIMISATION PLAN

Council set their strategic direction for managing and minimising waste in alignment with Te Rautaki Para - The New Zealand Waste Strategy (NZWS).

OUR VISION FOR THE FUTURE

"By 2050, Clutha District is a low-emissions, low-waste society built upon a circular economy".

OUR GOALS, OBJECTIVES AND TARGETS

Council has adopted the NZWS goal "By 2030, our enabling systems are working well, and behaviour is changing" and its targets as outlined below.

If we don't meet these targets, we would be in breach of waste reduction regulations, resulting in the loss of waste levy funding.

Council's targets set out in the WMMP are:

- Reducing waste generation by 10% per person by 2030 (from all sources).
- Reducing waste disposal by 30% per person by 2030 (Council and commercial sources).
- Reducing biogenic methane emissions by 30% by 2030 (divert organics from landfill).
- Increasing kerbside diversion to recycling to: 30% by July 2026; 40% by July 2028; and 50% by July 2030.

OUR ACTION PLAN

Specific actions have been identified in the Action Plan to help address these issues and opportunities.

In summary the key actions proposed in the WMMP are to:

- Promote upstream waste hierarchy, minimisation, and local circular economy principles through collaboration.
- Divert more from kerbside collection services.
- Improve access to appropriate waste services for townships and the rural communities they support.
- Use Council facilities to divert more from the overall waste stream.
- Ensure regulations and collaboration enables Clutha District's objectives, targets, and resilience.
- Investigate and provide effective environmental and economic disposal solutions.

The Draft Waste Management and Minimisation Plan is available to read at www.cluthadc.govt.nz/LTP-consultation



TRANSFER STATION USE

To meet national waste reduction targets and mandated kerbside standardisation regulations, Council will have to change the kerbside collection service.

Council initially considered four options for kerbside collection, however only one option will meet both the targets and regulations.

This will require a change in service level by 1 January 2027, meaning:

- New services for the kerbside collection areas.
- Four bins for household waste, recycling, organics, and glass.
- A new service charge of approximately \$490 per household (incl GST), compared to approx. \$300 if there was no change.

KERBSIDE COLLECTION CHANGES BY 1 JANUARY 2027

Transfer stations provide additional services around our district. They are predominantly used by our community to drop off recycling, and their use may change as new services are introduced. We would like to know how important transfer stations are to you, as we will be reviewing these with our new waste services in the next few years.

HAVE YOUR SAY

We can't solve all of these problems on our own. Your feedback will help us know whether we are on the right track with the Long Term Plan.

- Tell us what you think about the Draft Waste Management and Minimisation Plan.
- How important is it to have a transfer station in your local town for house waste, recycling (plastics, steel and aluminium cans, paper, cardboard, glass) and greenwaste if you do not live in Balclutha?



PROJECTS THAT SUPPORT LIVING & WORKING IN CLUTHA

KĀKĀ POINT TOILETS

Kākā Point is a key tourism destination in our district. The foreshore toilet and changing area infrastructure owned by Council is aging, and the Kākā Point Community Group has proposed Council should replace these facilities.

Located alongside the toilet facilities is the Kākā Point Surf Lifesaving Club (SLSC). They have plans to replace their aged infrastructure with modern facilities that enable them to continue providing essential lifesaving services.

It has been suggested that replacement of these facilities could be considered in tandem.

Council has been asked to support both projects, and to find the most effective way to upgrade these important community facilities.

This also supports the Kākā Point Community Group vision to rejuvenate the aging beach front infrastructure.

HAVE YOUR SAY

Tell us what you think: Do you support funding the upgrade or renewal of facilities on the existing site or towards a combined facility with the Kākā Point Surf Lifesaving Club?



Council is seeking feedback on four options:

Options	Considerations
Option 1: Maintain existing toilet and changing facilities only.	This is the cheapest option and has minimal rating impacts. It does not address community concerns that the toilets are of a poor standard and that the current toilets are detracting from the area as a quality tourist destination. Whilst in a low risk seismic area, an earthquake building assessment is required no later than July 2032. There is potential for inundation during an extreme storm surge event and with additional sea level rise, both of which may require mitigation works in the future.
Option 2: Upgrade existing toilet and changing facilities.	This would involve a basic makeover of the existing facility to improve its condition. There would be no change to the existing plan. The upgrade would support a fair to good standard of service. Total costs with rating impacts as shown in the table. Whilst in a low risk seismic area, an earthquake building assessment is required no later than July 2032. There is potential for inundation during an extreme storm surge event and with additional sea level rise, both of which may require mitigation works in the future.
Option 3: Build a new toilet and changing facility on the existing site.	This would provide a higher quality facility than present with improved disability access. It would better support the areas tourism destination potential. The total cost of this with rating impacts are shown in the table below. The potential for inundation during an extreme storm surge event with additional sea level rise would be addressed.
Option 4: Support a contribution towards a new combined facility with toilets in conjunction with The Kākā Point Surf Lifesaving Club redevelopment, along with a contribution towards this redevelopment.	As with Option 3, this would provide a higher quality facility than present with improved disability access, and would better support the area's tourism destination potential. The total cost of this with rating impacts are shown in the table below. There will be only one facility located on the foreshore which reduces the overall total cost, reduces total maintenance costs, possible reduction in total costs for protection works in future (due to sea level rise or coastal erosion), and enables existing toilet site to be repurposed for parking, picnic area or greenspace. Potential for inundation during an extreme storm surge event with additional sea level rise would be addressed.

Rating Impacts

	Option 1 Nil	Option 2 \$50,000	Option 3 \$578,00	Option 4 \$440,000 (CDC Public Toilets) \$310,000 SLSC Grant
UAGC 50%	Nil	Nil (1)	\$3.96 (2)	\$7.27 (2&4)
Districtwide 50%	Nil	Nil (1)	\$1.9 (2&3)	\$1.45 (2&3)

NOTE:

Funded from depreciation reserves (1)

Option 3 is based on funding via a 10 year loan (2)

All districtwide rates are calculated on a \$350k capital value property (3)

Surf Lifesaving payment is a loan funded grant through Community Support (100% UAGC) (4)

GROWING TOURISM

The Clutha Destination Strategy guides the opportunities within the tourism sector to grow visitor spending in the district and increase the part it plays in our local economy. This includes promoting the growth of respectful tourism, through, destination and experience management, infrastructure, industry capability development, regenerative tourism, and marketing.

Since the implementation of the strategy some of the initiatives included domestic and international marketing, developing plans to improve the visitor experiences at Nugget Point/Tokatā and Kākā Point, Gabriel's Gully Lawrence, and the Clutha Gold Cycle Trail extension.

This work, carried out by Council's economic development contractor Clutha Development, was initially funded by central government's post COVID-19 stimulus funding until 2021/22 with some Council support. Since 2022/23 Council has been supporting this with funding from Council's investment surplus.

Clutha Development believes this work has contributed to a 7.1% increase in tourism expenditure in the year to March 2023, and a 50% increase in Qualmark accredited operators contributing to the District's economy.

If funding is not provided to destination management activities the initiative would not carry on from 2024-25. Continuing this initiative would involve an additional cost of \$195,000 per annum. As in previous years it could be funded from Council's investment surplus.

For more information refer to the Clutha Destination Strategy and Clutha Destination Implementation Plan available at www.cluthadc.govt.nz.

HAVE YOUR SAY

Tell us what you think: How important is it to fund initiatives to grow tourism?



WEST OTAGO VINTAGE MUSEUM

The West Otago Vintage Museum is seeking Council support of \$200,000 to develop its museum facilities.

The West Otago Vintage Club has a vast collection of vintage farm machinery, including rare tractors in working condition.

Currently their machinery collection is housed across four different sites. A project is being led by the club's volunteers, to purchase a section and build a new purpose-built storage facility alongside their current museum at Tapanui.

The West Otago Vintage Club believes this will support West Otago as a tourism destination and demonstrate how the important history of agriculture and forestry development has supported the evolution of the area.

As part of their funding options, a grant of \$200k has been sought to contribute to the overall estimated project cost of \$870k, including a portion of which has already been fundraised, and the remaining costs are being sought elsewhere.

HAVE YOUR SAY

Tell us what you think: Do you support funding of the West Otago Vintage Museum and, if so, how should we fund it?



Council is seeking feedback on 3 options.

Options	Considerations
<p>Option 1: No funding contribution from Council project.</p>	<ul style="list-style-type: none"> This option prevents the need to use limited Council reserves or rate funding. Should the project not go ahead due to finance constraints, the benefits discussed above would not be realised.
<p>Option 2: Council funding of up to \$200,000 for the West Otago Vintage Museum as a grant, at a rating cost of \$1.52 incl. GST per annum for every UAGC in the district for 25 years.</p>	<ul style="list-style-type: none"> There is an improved level of service, through an extension to existing infrastructure to make new heritage resources and events more accessible in the Clutha District. It supports the community to retain important community heritage, and links to the supporting community-led projects in the Our Place West Otago Community Plan. The cost to the community would be paid back via a 25 year loan through the UAGC, as this is where other museum grants are generally funded. This is approximately \$16,700 per annum or an increase of \$1.52 incl. GST per annum for each UAGC over the term of the loan.
<p>Option 3: Council funding of up to \$200,000 for the West Otago Vintage Museum as a grant from the Investment Surplus.</p>	<ul style="list-style-type: none"> As with option 2, this supports retaining and making community heritage more accessible. The available investment surplus balance will be known before decisions are made. This option would not have a direct rates impact.

LET'S TALK KŌRERO MAI



FEEDBACK FORM

We're keen to hear from you.

Go to www.cluthadc.govt.nz/LTP-consultation to take part online, or fill out this form and post it for free to: Freepost 54066247, Clutha District Council, PO Box 25, Balclutha 9240. Or drop it off at any of our community libraries. For queries contact us on 0800 801 350. Please provide your feedback to us by **5pm Wednesday 15 May**.

SUBMITTER'S DETAILS

Is the application from: (a) Organisation (b) Individual (c) A group of individuals

Name of submitter: Contact person (organisation or group):

Postal address:

Post code: Phone number: Email for submission communication purposes:

Hearings will be held on Thursday and Friday, 23-24 May at the Clutha District Council's Rosebank Office.

Do you want to speak about your submission at this hearing? Yes No

Please note your name and feedback will be available to the public as part of Council's decision-making process, but any contact details will be kept private.

RATES

Which of the following two options do you prefer to manage rating impacts?
(Pages 4-8)

Option 1:

A high rating increase in year (2024-25) followed by lesser increases in subsequent years as follows.
- Year 1 (2024-25) - 47.5%
- Year 2 (2025-26) - 8.51%
- Year 3 (2026-27) - 9.80%

Option 2:

Any rating increase to be spread over the first three years of the Long Term Plan as follows. (Preferred Option)
- Year 1 (2024-25) - 20.97%
- Year 2 (2025-26) - 14.42%
- Year 3 (2026-27) - 16.22%

Your comments?

COMMUNITY HOUSING

Which of the following two options do you prefer to fund Council's Community Housing program?
(Page 15)

Option 1:

Focus on a targeted maintenance regime to keep community housing cost neutral for ratepayers. (Increased rents to cover all maintenance costs)? (Preferred Option)

Option 2:

Improve the quality and supply of housing through a mix of increased rents and new units.

Your comments?

RATES

Should Council provide an additional rebate of \$250 for those receiving the maximum government rebate, to lessen financial hardship for vulnerable ratepayers, paid for from budgeted investment returns? (Pages 4-8)

Yes No

Your comments?

COMMUNITY HOUSING

Should we subsidise rent from rates and should we means test?
(Page 15)

Question 1:

Should Council subsidise rents from rates?

Yes No

Question 2:

Do you agree we should ease community housing waiting lists by considering a form of means testing on community housing applications?

Yes No

Your comments?

MORE QUESTIONS ON THE NEXT PAGE, PLEASE TURN OVER

LIVING & WORKING

Have we got our priorities right for the Clutha District?
(Page 9)

How important is:	Rate from 1 to 5, 1 being Not Important & 5 Very Important				
	1	2	3	4	5
More quality housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Healthy & safe communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Culture & heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental footprint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Filling jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Your comments?

INFRASTRUCTURE

Have we got our priorities right for the Clutha District?
(Page 10-13)

How important is:	Rate from 1 to 5, 1 being Not Important & 5 Very Important				
	1	2	3	4	5
Safe drinking water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing standards for discharges to the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving storm water protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community housing improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Securing the future of Mt Cooe Landfill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficient sealed road renewals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Critical bridges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Milton main street improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Milton Library & Swimming Pool complex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Balclutha Library renewals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Your comments?

KĀKĀ POINT TOILETS

Do you think Council should upgrade the Kākā Point toilets at this time, and if so, how should we do so?
(Page 17)

Option 1:

I do not support an upgrade of Kākā Point Toilets, so long as the existing toilets are appropriately maintained.

Option 2:

I support a refurbishment of the existing facilities with funding from depreciation reserves.

Option 3:

I support the building of a new replacement facility at a cost of up to \$578,000 on the current site with a total rating cost of \$4.86 pa for 10 years.

Option 4:

I support a combined facility comprising of new toilets at a cost of up to \$440,000 in conjunction with the proposed Kākā Point Surf Life Saving Club redevelopment; AND
A contribution of up to \$310,000 to the Surf Life Saving Club redevelopment. With a combined total rating cost of \$8.72 pa for 10 years.

Your comments?

CLIMATE CHANGE

Do you support the draft Clutha District Climate Change Strategy, Principles and the Action Plan?
(Page 14)

How important is:

Rate from 1 to 5, 1 being Strongly Disagree & 5 Strongly Agree

1 2 3 4 5

I support the draft Clutha District Climate Change Strategy

I support the Principles of the Climate Change Strategy

I support the Action Plan and its priorities

Your comments?



WASTE MINIMISATION

Have we got our priorities for goals, objectives, targets and the plan right?
(Page 16)

How important is:

Rate from 1 to 5, 1 being Not Important & 5 Very Important
1 2 3 4 5

I support the goals and objectives in the plan

I support the targets outlined in the plan

I support the action plan

Your comments?

WEST OTAGO VINTAGE MUSEUM

Do you support funding of the West Otago Vintage Museum?
(Page 18)

Option 1:

I do not support Council funding for the West Otago Vintage Museum.

Option 2:

I support Council funding of up to \$200,000 for the West Otago Vintage Museum at a rating cost of \$1.52 including GST per annum for every UAGC in the district for 25 years.

Option 3:

I support Council funding of up to \$200,000 for the West Otago Vintage Museum from the investment surplus.

Your comments?

WASTE MINIMISATION

If you do not live in Balclutha, how important is it to have a transfer station in your local town for the following materials?
(Page 16)

How important is:

Rate from 1 to 5, 1 being Not Important & 5 Very Important
1 2 3 4 5

Household waste

Recycling (plastics, steel and aluminium cans, paper, cardboard, glass)

Green waste

Your comments?

GROWING TOURISM

How important is it to fund initiatives to grow tourism?
(Page 18)

How important is:

Rate from 1 to 5, 1 being Not Important & 5 Very Important
1 2 3 4 5

Fund initiatives

Your comments?

DO YOU HAVE MORE TO SAY? PLEASE TURN OVER



Let's talk
Kōrero mai



WANT TO FIND OUT MORE?

Scan this code with your phone to go straight to our website, where you can read our draft strategies and complete your submission online.



Clutha District Council
www.cluthadc.govt.nz