

COUNCIL'S PLANNING DOCUMENTS

Council uses a number of planning processes to realise its vision for the district. These are described below.

LONG TERM PLAN

Under the Local Government Act 2002, Council is required to put together a Long Term Plan every three years. This plan sets out Council's overall goals (community outcomes), the projects it intends to deliver over a 10-year period and how these will be funded. It also explains how Council intends to contribute to the well-being of the community over the life of the plan, with the overlying purpose of articulating and aligning Council's activities with what the community needs and desires and what it can afford.

ANNUAL PLAN

Council produces an Annual Plan for the two years between each Long Term Plan. The next Annual Plan will be produced for 2025/26. Annual Plans are less detailed than Long Term Plans, confirming arrangements for the coming year. An Annual Plan also contains any variations to the Long Term Plan, should any changes take place in the short term.

ANNUAL REPORT

Each year Council produces an Annual Report, to report to the community on Council's actual performance against the relevant plan (Annual Plan or Long Term Plan).

ACTIVITY MANAGEMENT PLANS

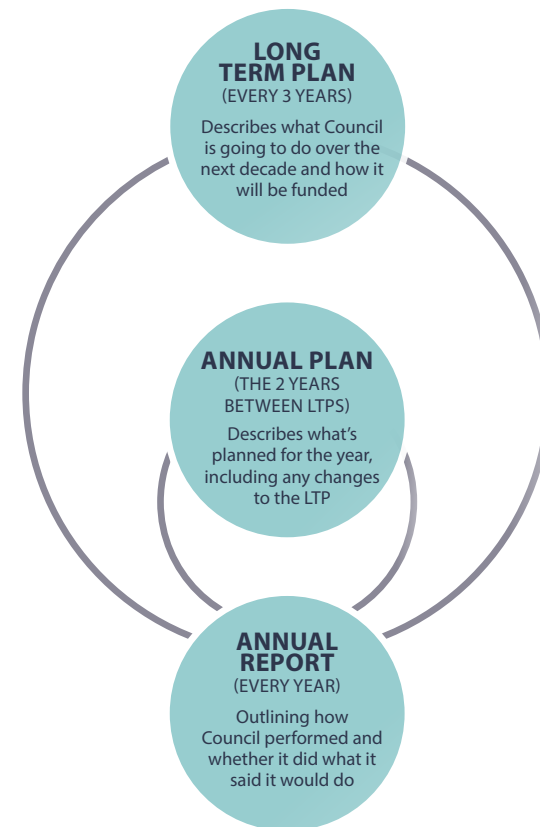
Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities.

A brief overview of the information contained in the Activity Management Plans is contained in this Long Term Plan. For more information about particular activities please contact Council to obtain a copy of the information you require from any of these plans.

CLUTHA DISTRICT PLAN

The District Plan provides a regulatory process for implementing policies prepared under the Long Term Plan, Activity Management Plans and the Resource Management Act. Unlike the other plans mentioned above, which only cover what Council

itself does, the District Plan sets out objectives, policies, and rules that apply to all people and activities within the District. These are intended to ensure the sustainable management of the natural and cultural environment, and appropriate use of Council infrastructure.



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INTRODUCTION

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2024/34



YOUR COUNCIL



Bryan Cadogan
MAYOR



Ken Payne
DEPUTY MAYOR
BALCLUTHA WARD



Alison Ludemann
CORPORATE & POLICY CHAIR
BALCLUTHA WARD



Kevin Barron
BALCLUTHA WARD



Wayne Felts
BALCLUTHA WARD



Bruce Vollweiler
BRUCE WARD



Dean McCrostie
BRUCE WARD



Gaynor Finch
REGULATORY & COMMUNITY CHAIR
BRUCE WARD



Dane Catherwood
CATLINS WARD



Brent Mackie
CLINTON WARD



Simon McAtamney
CLUTHA VALLEY WARD



Bruce Graham
INFRASTRUCTURE STRATEGY & OPERATIONS CHAIR
KAITANGATA-MATAU WARD



Jock Martin
LAWRENCE/ TUAPEKA WARD



Michele Kennedy
WEST OTAGO WARD



John Herbert
WEST OTAGO WARD

MESSAGE FROM THE MAYOR



MAYOR
Bryan Cadogan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Bryan Cadogan', with a long, sweeping underline.

Bryan
Cadogan
Mayor

INDEPENDENT AUDITOR'S REPORT

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



To the reader:

I am the Auditor-General's appointed auditor for Clutha District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 26 July 2024.

Qualified opinion

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

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;

- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 72 to 73 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis for qualified opinion

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

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

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

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

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this

standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and

complies with generally accepted accounting practice in New Zealand;

- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

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

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

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

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



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