

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 2022/23. 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

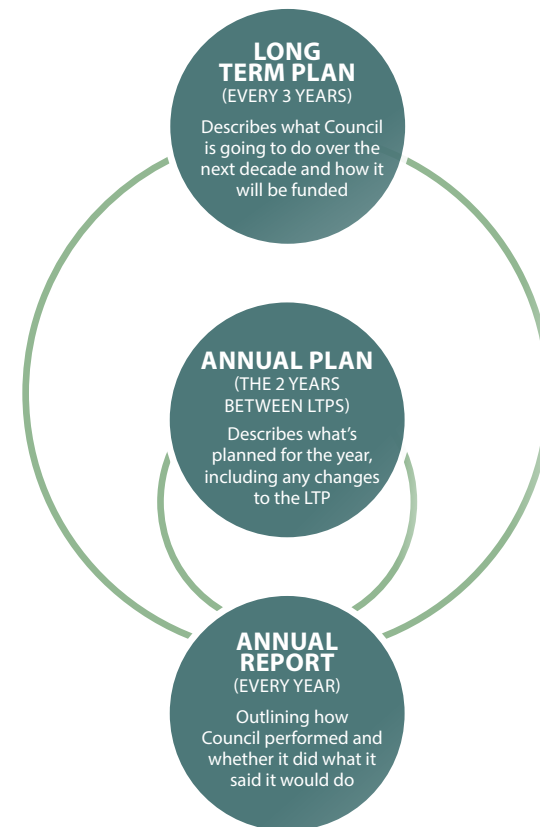
Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities.

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



YOUR COUNCIL



Bryan Cadogan
MAYOR



Stewart Cowie
DEPUTY MAYOR
CLUTHA
VALLEY WARD



Ken Payne
CORPORATE
SERVICES CHAIR
BALCLUTHA WARD



Bruce Vollweiler
REGULATORY
SERVICES CHAIR
BRUCE WARD



Bruce Graham
SERVICE DELIVERY CHAIR
KAITANGATA-MATUA
WARD



Carol Sutherland
BALCLUTHA WARD



Wayne Felts
BALCLUTHA WARD



Alison Ludemann
BALCLUTHA WARD



Dane
Catherwood
CATLINS WARD



Jo-anne Thompson
CLINTON WARD



Gaynor Finch
BRUCE WARD



Selwyn Wilkinson
BRUCE WARD



Mel Foster
LAWRENCE/
TUAPEKA WARD



Lloyd McCall
WEST OTAGO WARD



John Herbert
WEST OTAGO WARD

MESSAGE FROM THE MAYOR



MAYOR
Bryan Cadogan

The 2021/31 Long Term Plan will be remembered for the positive spirit and enthusiasm shown by the number of residents and ratepayers that got involved in the process; the challenges to accommodate the ensuing requests; and the never-ending increase in expectations from Wellington. There was a real confidence and sense of pride everywhere we went during consultation, in how the district prevailed through Covid-19.

The end result of this plan has been a focus on delivering for our communities, while containing rate rises below our self-imposed 4% rates cap. This is an achievement that defied nationwide trends.

Key points of note was an immediate and sustained increase in Clutha's roading spend, coupled with a staggering \$278 million dollar core infrastructural spend (almost twice what was budgeted in our last long term plan) over the next 10 years in response to the inevitable increase in environmental expectations.

The complexity of the financial challenges we face requires a realignment moving forward, and our financial strategy recognises the need to debt fund long term infrastructure upgrades to reflect the inter-generational burden that should be distributed across the life of the asset.

Nationwide there has been a huge increase in demands placed on councils this planning round and Clutha was not immune to these pressures.

Fortunately the recalibration of our investment strategy some six years ago proved to be our saviour with a 21% return in the 2020/21 financial year. Without the latitude this exceptional return gave us, it would have been impossible to deliver on our community expectations.

Every ratepayer will not only benefit from these projects, they will also see anticipated rates increases mitigated via distribution of returns through the uniform annual general charge.

The emphatic direction given by Milton locals in support of the most comprehensive of the three options for their main street upgrade was another strong endorsement of Council's 'Living and Working in Clutha' strategy. It reflects a growing district-wide awareness that attention needs to be given to fundamental community infrastructure to make our towns more attractive and appealing. Council has steadfastly aligned our deliberations to our cornerstone 'Living and Working' strategy, always mindful of the

need to address our district's key economic challenges, particularly our shortage of housing and a lack of staff to fill vacancies.

We also support our community's desire to create more vibrant and resilient communities and understand the nuances of community's needs. In West Otago they have focused on further enhancing West Otago Health Trust facility, backing them with \$150,000 from our discretionary investment fund, plus another \$150,000 in the form of a loan.

Waihola received \$200,000 towards the proposed destination playground. For the Catlins, Owaka was supported with \$195,000 towards their pool refurbishment. This trend continued throughout the district with a raft of worthy projects funded as listed further on in this document.

We were impressed at the understanding and thoughtful consideration shown by so many individuals and groups during consultation. We valued and appreciated the assistance given to collectively get the balance right.

But this balance oscillates across our district. Once again virtually all the projects and consequential 'cost drivers' were focused on the urban centres. This has been reflected in

increases to urban rates and reductions for those in rural rating areas.

These dynamics were further exacerbated by recent revaluations which contributed to the challenges faced by urban ratepayers. The tools councils have to moderate the fluctuations are limited, hence our commitment to containing overall rates rises to below 4%, as our most effective means of ensuring our fiscal and social responsibilities are met.

This has been an exhaustive and fulfilling process, and Council is indebted to all those that got proactive and engaged in assisting us over the past six months.

I am proud of the organisation-wide commitment to championing our district's economic and social trajectory, and the encouraging belief that we get back from you all that Clutha is doing well and gaining positive momentum.

Once again I want to thank the public for their assistance and desire to get involved in this process.

Onwards and Upwards

A handwritten signature in black ink, appearing to read 'Bryan Cadogan', with a long, sweeping tail extending to the right.

Bryan Cadogan
Mayor

INDEPENDENT AUDITOR'S REPORT

ON CLUTHA DISTRICT COUNCIL'S 2021/31 LONG-TERM PLAN

Deloitte.

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 24 June 2021.

OPINION

In my opinion:

- 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 66 to 67 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.

This opinion 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.

EMPHASIS OF MATTERS

Without modifying our opinion, we draw attention to the following disclosures:

Uncertainty over the delivery of the capital programme

Page 58 outlines that the Council is proposing to spend \$278 million on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 120, there is uncertainty over the delivery of the programme due to the significant constraints on the construction market. If the Council's is

unable to deliver on a planned project, it could affect intended levels of service.

Uncertainty over three waters reform

Page 119 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters service providers is currently uncertain because no decisions have been made. The plan is prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

BASIS OF OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the 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 AUDITORS

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. I do not express an opinion on the merits of the plan's policy content

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard

1 issued by the New Zealand Auditing and Assurance Standards Board; and

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

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



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