

KA AKA WHAKAMUA  
FRAMING  
OUR  
FUTURE

.....  
CENTRAL OTAGO DISTRICT COUNCIL

Tuhika Whakawhitiwhiti Kōrero  
Consultation Document

LONG-TERM PLAN 2021 - 2031  
.....



# E Horapa Ana te Horopaki ki te Hapori

## Putting our community in the frame

Council's purpose is to enhance well-being in our communities. Conversations and feedback about what well-being looks like for the people living in this district have defined our community outcomes:



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

These three Community Outcomes provide a high-level set of goals for all our services and activities. By aiming for these we seek to improve the social, cultural, economic and environmental well-being of the people in our district, now and for the future.

To recognise the fact that our Long-term Plan is a plan for our community, we invited you last October-November to send in photos to capture those spaces, moments and activities that contribute to your well-being here in Central Otago. We have selected some of our favourites to illustrate this consultation booklet and help set the scene for some big community conversations about how we frame our future.

Featured on our cover are four images that between them help illustrate the four strands of community well-being – social, cultural, economic and environmental well-being.

From top clockwise:

*Mahi Tahi* (team work) entered by Kirsten Kyle. Mokihi Reforestation Trust's planting day near Bannockburn.

*Exploring our Backyard* entered by Clare Bussey. Alexandra Airport/Springvale Road water race.

*Love of the Land* entered by Jan MacKenzie. Featuring Nadia in Gimmerburn and her bovine buddies soaking up the sun.

*Rise Up* entered by Anthea Lawrence. Light up Winter 2020 in Cromwell. A perfect illustrative metaphor of the idea that if we support and lift each other we can all rise up together.



Photo by Anika Takimoana

How would you frame our future?  
It's your chance to tell us.  
[www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)



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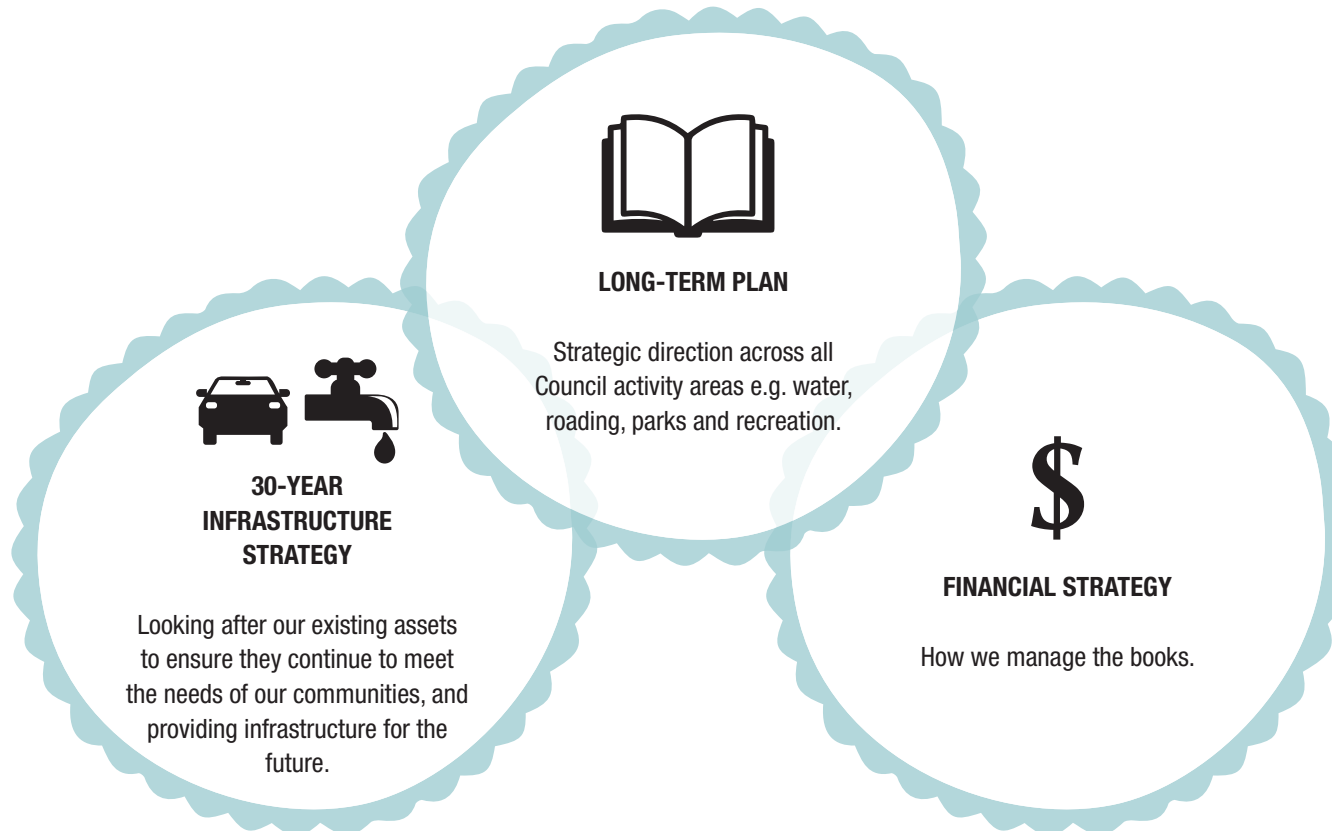
Photo: Dan Batchelor

## What is the Long-term Plan?

The Long-term Plan (LTP) is essentially the district's blueprint for the next 10 years. It sets Council's direction for the future, and the projects and services that are planned to get us there – in line with Council's legal obligations, infrastructure needs and community priorities. The LTP summarises the financial impact of these things, setting out our assumptions, what our expenditure will be and how it will be paid for. We also set out how we will measure the quality and effectiveness of our activities so you can hold us to account. Because the issues we face and the context in which we work are constantly evolving we review the LTP every three years. This is also a legal requirement.

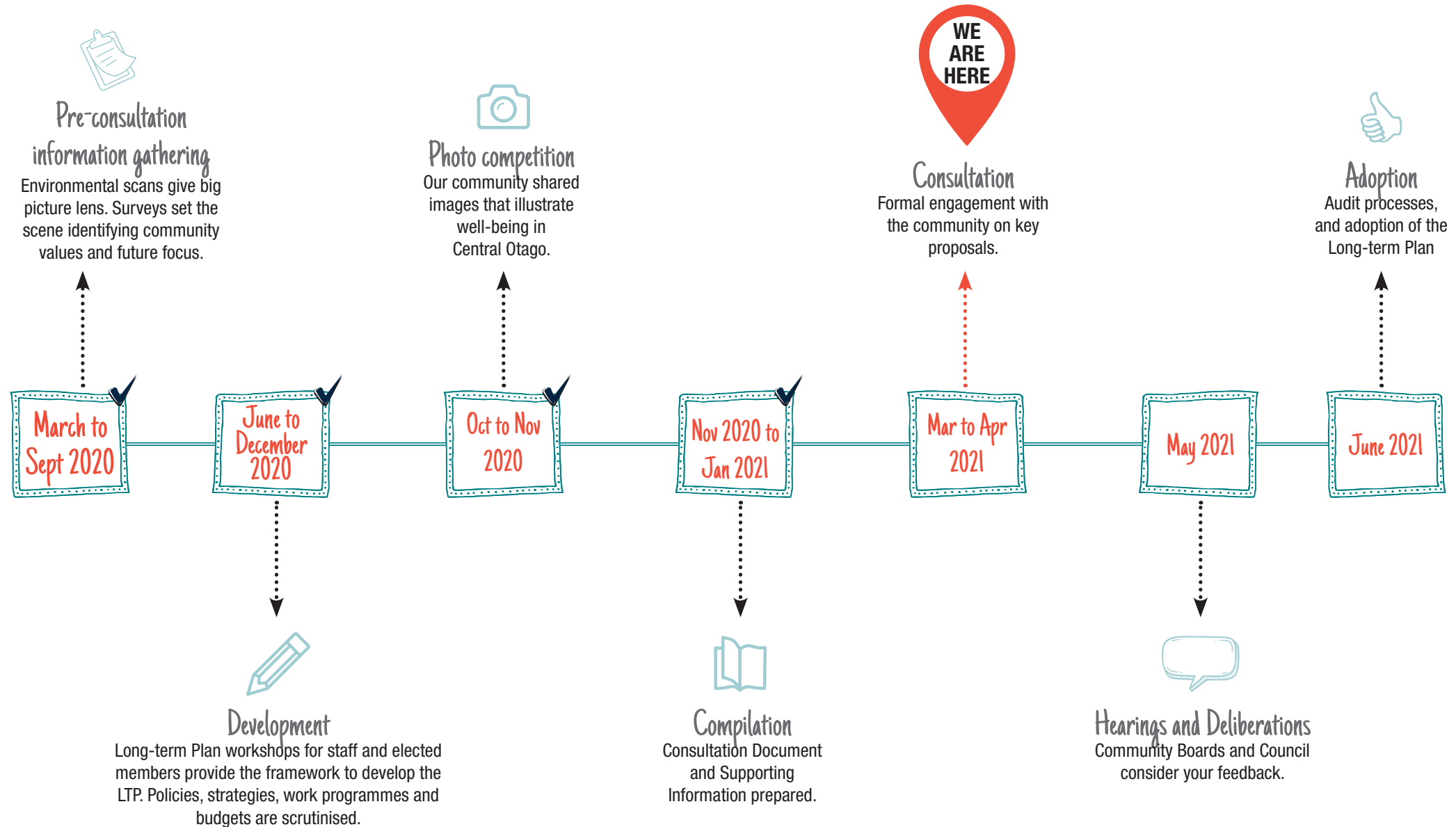
All this information sits as supporting documentation to this Consultation Document and is available online.  
[www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)

### THIS SITS WITHIN THREE KEY DOCUMENTS:



# Te Tukaka mō Te Pae Tawhiti

## Long-term Plan Process



# E Hoki kia Toru Tau ki Muri

## Looking back on the last three years



- We launched a new 10-year strategy to guide the development of tourism in Central Otago and appointed a six-person strong Tourism Advisory Board.
- We collaborated with Cromwell District Promotions Group to bring free Wi-Fi to the Cromwell Mall.
- The Sustainability Strategy 2018-21 and the Economic Development Strategy 2019-24 were adopted, both significant documents to guide and support the well-being of our district.
- We have been working to replace Council vehicles with hybrids and electric vehicles. Close to 50% of Council's vehicle fleet are now electric or hybrid, and we are committed to increasing that number over the next three years as fleet renewals are made. Council has also been proactive in applying for available funding to enable the installation of a network of fast charging stations across the district.

- Two major pipelines from Clyde to Alexandra were constructed – one that will bring an improved water supply to Alexandra and Clyde, and the other that will transport Clyde's wastewater to the Alexandra Wastewater Treatment Plant.
- A strategy and policy function was established at the council to help us respond proactively to opportunities and challenges facing Central Otago.
- Council declared a "climate crisis" and signalled it planned to walk the talk, committing to provide climate change leadership and driving action on its sustainability strategy.
- Tourism Central Otago partnered with Google NZ to capture 360-degree panoramas of prominent Central Otago trails and attractions.
- We celebrated the 9th Central Otago Awards, honouring excellence, innovation, big hearts and the remarkable contributions of Central Otago people to their communities.

- We've been developing a masterplan for Cromwell to guide the town's development in a way that retains the things its residents love.
- Stage 1 of the Cromwell 'Eye to the Future' Masterplan – the Spatial Plan was adopted.
- We began a three-year programme to digitise Council records, improving the management and accessibility of information for both staff and the public.
- Our contractor Fulton Hogan trialed processing Council's kerbside glass recycling using its Parkburn Quarry. The final product can be used in a range of infrastructure applications when blended with gravel. More than 230,000 glass bottles and jars were re-used as a glass-blended gravel for bulk fill along Sunderland Street on the Clyde Wastewater project.

- A stunning intercultural public art piece was created in Roxburgh. The mural on Scotland Street celebrates the Teviot Valley's heritage, history and values.
- The COVID-19 pandemic fundamentally changed the way in which Council operated between late March to late May 2020. All staff worked remotely from home throughout the Alert Level 4 lockdown and to varying degrees into Alert Level 3 and 2 as well. More than 70 staff worked in our 'virtual' Emergency Operations Centre during the response, many juggling civil defence duties with business as usual work programmes.
- We began the process of developing a spatial plan for the Vincent ward. The spatial plan will provide direction for growth and development for the area over the next 30 years.
- We made it possible for our customers to lodge applications for building and resource consents digitally via Council's website.

- The Central Otago Touring Route between Dunedin and Queenstown was officially launched. A touring route has long been a vision for Central Otago communities. Seeing that vision come to life is a wonderful example of what can be achieved when regions collaborate on a project.
- The Central Otago District Council website was refreshed to make it more user-friendly for our residents and ratepayers. The centralotagonz.com website was also refreshed to deliver the vision of a single digital shopfront for the region.
- We appointed a recovery manager to lead an integrated approach for Council in its Covid-19 recovery plan, work closely with respective parts of the business and external stakeholders, with a special focus on economic development, co-investment and community well-being.

2018 OUR LAST LONG-TERM PLAN

2021

# Ka Aka Tahī ki Mua

## Framing our Future Together

Council staff, your councillors and community board members have been preparing a Long-term Plan for our district. This, and every Long-term Plan, impacts directly on your day-to-day life and your future.

Through this Long-term Plan we are trying to provide some certainty of direction in what are very uncertain times. This Long-term Plan will steer Council and the work we undertake over the coming years for our community. Now, more than ever, we are urging our community to get engaged, consider what we are proposing and tell us what you think. We want to keep the district moving, but need to know if you are happy with the direction we are taking. Whether you agree or disagree, or have an alternative suggestion to throw in the mix, we need to hear from you and be guided by you.



Mayor Tim Cadogan

*This is as much your plan as ours,  
as Council exists to serve you, our community.  
Make yours one of the voices we hear from through this  
consultation phase. Our future starts with you.*

Preparing a Long-term Plan is a balancing act. We have things we simply have to do, where there is no choice as we are required to do these by law. Then there are things we want to do to keep our district moving such as community planning, and there are also things that if we defer will have consequences such as dealing with wilding pines – those sort of things may hold the organisation and our community back, or will put more problems and costs on to tomorrow.

There is a real challenge for a small council like ours to deliver everything we have to. Most of the things we have to do are no different to what a bigger council has to do, we just have less people and less money to do them with.

There are a few matters that need to be explained to give context to “the numbers” associated with this year’s Long-term Plan.

As a response to the COVID-19 pandemic and the dire economic predictions at the time of setting our Annual Plan figures in 2020, we cut a projected 4.9% average rates increase to 0.7%. We always

knew that would have an impact by way of a bow wave – some of the costs we softened were always going to catch back up with us. In addition to accommodating those things we deferred or cut out from 2020/21 budgets there are a number of other factors driving costs up of delivering “business as usual”, before we add in any other projects – including increased costs and charges imposed on Council for the services we provide, unfunded government mandates and growth.

Before we get into a discussion of the consultation items on the coming pages it is important to make you aware of a few big things looming on the horizon as we look to plan for the future of our district.

The first is **Three Waters Reform**. The Government is reviewing how the three waters (drinking water, wastewater and stormwater) are delivered in the future. At this stage there are still many unknowns about what this means for local government. In the face of such uncertainty our strategic focus is to ensure Council is not lost in that reform process and that our community is in the best position to make an informed decision about its future. While we are staying on top of those reforms, we will be continuing to deliver and improve water services to our community. It is expected that once Government’s plans are solidified, there will be further conversation with our community on the reform programme.



Photo by: Amber Keele

There are a number of private water suppliers within the district that are facing challenges given increased requirements for them to meet similar standards to Council in the management, monitoring, reporting and quality of water supplied. Late last year Council considered what its approach would be if private water supplies applied to transfer ownership and management to Council in order for them to manage the necessary supply upgrades. Council agreed on a cost-sharing model between the private water supply and council, that would be considered on a case-by-case basis.



Secondly, **climate change**. In September 2019 Central Otago District Council declared a “climate crisis”. While 2020 and COVID-19 overshadowed that conversation globally, we want to reassure you that climate change and sustainability are very much still on the agenda. Council has committed to a series of actions to mitigate environmental effects and has made some good progress. For example 1850 of our district’s streetlights have been replaced with LED lights, which use 60% less energy. Council also monitors and reports on CO<sup>2</sup> emissions. See page 23 for further information on potential climate change impacts and mitigations.

One way we can all help keep rates down is by **how we deal with our waste**. The costs we pay to dispose for every kilo of waste that gets put in your red bin is going to increase greatly over the next few years. Putting recyclable products in your yellow bin and glass in the blue bin will save all of us money. Council is considering a green waste plan for the next LTP but diverting as much of this from your red bin through composting in the meantime will make a huge difference to costs.



The best thing we can do though is to make better choices when purchasing so we reduce unnecessary waste like packaging and food waste.

Work will continue in the coming years planning for how we address the challenges and opportunities that future growth presents, while still retaining what we love about our place. While the District Plan is in the early stages of review, Council has prioritised work on plan changes to give effect to the Cromwell Master Plan Stage 1 – Spatial Plan and the Vincent Spatial Plan to address growth pressures. The Teviot Valley and then Maniototo will be the next areas where we will be **developing spatial plans**.

We have prioritised our work this way because the Government is currently reforming the Resource Management Act. We don’t want that to stop us from doing what our district needs, and spatial planning helps ensure we are fit for the future, no matter how the reform plays out.

Now to the items we want your feedback on. Please take the time to look through this document and tell us what you think about one, some or all of the five consultation items:

- District Museum Function
- Cromwell Masterplan
- Roxburgh Community Pool Upgrade
- Alexandra Riverside Park Development
- Omakau Community Hub

There will also be an opportunity to speak to your submission in front of your Community Board or the

full Council (depending on the nature of the submission), but you do not have to do that if you don’t want to.

The following pages outline five key proposals that we want your feedback on, with options on ways forward for each. Crucially, we’ve laid out what the effect of these decisions will be on your rates. Following that we’ve laid out some of the key information you need to know from our Infrastructure Strategy and our Financial Strategy - our plans for providing and improving core infrastructure for our district, and how we plan to fund our activities.

Featured in our Funding our Future (Financial Strategy summary) pages you’ll find a graph that indicates what average rates increases would look like if we were to adopt the Long-term Plan as proposed, which includes the budgets associated with Council’s “preferred options” for key consultation items in this document.

Note these are still draft budgets until we hear from you through consultation. If the consultation process reveals a different path for us to take then that might change how the final numbers look.

Our draft numbers have us looking to collect \$2.80 million more in rates revenue in the year ahead (2021/22), which means we are looking at a 6.7% average rates increase in Year 1. This is the net impact after we factor in growth as we have more ratepayers to spread these costs over and is based on the figures that flow from Council’s “preferred options” in this document.

Remember this is a Long-term Plan and we urge you to take a big picture view and consider the long-term impacts. Some of the projects don’t kick off until Year 2 or 3 or beyond, some are multi-year projects (eg Cromwell Masterplan), and through loan repayments, depreciation, maintenance and operational costs that come from increased levels of service, the impacts will be lasting. But so too will be the project benefits. So weigh all those things up.

If you want more detail than this document provides there is supporting information on the Council website at [www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future) and at our Council service centres and libraries. Alternatively, you can pick up the phone and call Mayor Tim or your local councillor. Their contact details are listed at the back of this document, along with details of how you can have your say. We also plan to have some public drop-in sessions throughout the consultation period where you can come and find out more from staff and elected members, and ask any questions you may have.

*Do get involved. Let’s frame our future, together.*



# Kā Marohi Matua me kā Whirika Key Proposals & Options

# Te Marohi Matua | Key Proposal

## District Museum Function

Museums in Central Otago play a critical role in the district's identity. They tell our stories and preserve locally significant artefacts for future generations.

Council has been reviewing its role in the museum space. A series of workshops were held with the museum sector in late 2019. Through these workshops it was identified that the sector could benefit from greater coordination across the community-led museums throughout the district. There is also an opportunity to better coordinate the professional support to our museums from organisations such as the Otago Museum.

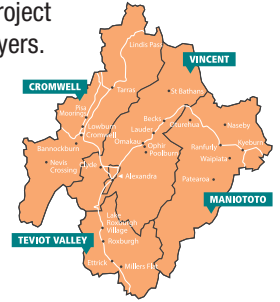
Council's role in the museum sector has evolved in an ad-hoc way over time. The level of support given to the various ward museums by the community boards grants programme varies across the district, and in some instances buildings museums are housed in are Council-owned and others they are not. Across the four wards ratepayers currently provide museum funding of \$167,200 via the grants programme and a further \$180,100 in building maintenance and running costs per annum.

As a result of this review, it is proposed that Council has an ongoing role to help coordinate efforts and provide strategic support, and ensure that ratepayer money spent in the museum sector is used for the betterment of all the wards' efforts. Council has historically provided a grant to Alexandra District Museum Incorporated (alongside a separate operational grant provided by the Vincent Community Board grant) to deliver the district museum function. For various reasons the delivery of this function has proven challenging and Council feels this district-wide function would be better delivered in-house by Council.


It is proposed as part of the 2021-31 Long-term Plan the funding for this function is reallocated in-house. This role would work alongside the museum stakeholders within the district and would collaborate with organisations such as Otago Museum and Te Papa to ensure training and support opportunities are used to best effect through the district. This function would provide advice on Council's future investment in museums, and ensure a robust and transparent approach to supporting the district's community-led museums.

The draft strategy work also identified an opportunity to improve the connection with the heritage sector. As part of the longer-term picture, Council will look to extend this function to include a broader heritage component. This would include working with key partners on important heritage issues that Council has a vested interest in and be complementary to current heritage efforts.

Options for funding this project apply to all district ratepayers.



## Kā Whirika | The Options

Option Details	Funding	Impact on district ratepayers
 <b>1. In-house museum function:</b> Move the delivery of the district museum function in-house by Council.	\$50,000	No additional rates increase on ratepayers as already funded at \$3.50 per ratepayer. <i>Slight increase in service level.</i>
<b>2. Status quo:</b> Continue to provide a grant to Alexandra District Museum Inc. to deliver the museum function.	\$50,000	No additional rates increase on ratepayers as already funded at \$3.50 per ratepayer. <i>No change in level of service.</i>
<b>3. No funding:</b> Provide no money for a district museum function.	\$0	A saving to the ratepayer of \$3.50 per annum. <i>A decrease in level of service.</i>
<b>4. Expanded heritage/museum role:</b> Extend the role outlined in option 1 (above) to incorporate heritage in addition to the museum focus.	\$85,000	An increase of \$2.40 per ratepayer, taking the annual charge to \$5.90 per annum. <i>An increase in level of service.</i>

The district museum function is funded by way of an annual uniform charge, so all ratepayers across the district pay the same amount. Council's preferred option (Option 1) has been included in the rates calculations and financial statements supporting the consultation document.



## Te Whirika Matua | Preferred Option

Council's preferred option is **Option 1**. Museums make an important contribution to our cultural well-being, and the district museum function is an important component of this.

Councillors Calvert and Gillespie get a behind the scenes museum tour with volunteers at the Cromwell Museum. Photo: Volunteer South - Central Lakes.

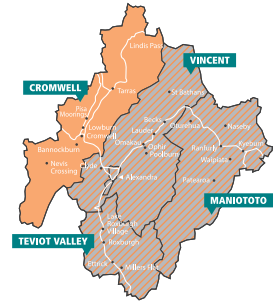
## Cromwell Masterplan

**Cromwell is our district's fastest growing town and one of the fastest growing towns in the country. To meet the challenges, and capitalise on the opportunities of growth, the Cromwell Community Board embarked on a Masterplan in 2018.**

The masterplan provides for growth, and addresses the functioning of the town centre and community facilities in a manner that meet the demand and expectations of the community.

The masterplan focused on three workstreams: the spatial plan providing for growth and integrated planning for the next 30 years (adopted in May 2019 with plan changes currently underway); the Town Centre, and the Arts, Culture and Heritage Precinct. There was significant consultation with the community between March 2018 and early 2019. The community clearly told us during the consultation on options that they wanted Council to be ambitious in delivering projects to achieve the community outcomes identified in the workstreams.


Our district's service centres and libraries are funded at a district level, so the Cromwell Masterplan capital programme proposed would have an impact on all our ratepayers. Cromwell ward ratepayers would pay for the balance of the projects including the hall/event centre, museum, resource centre and landscaping.



Options for funding the Cromwell Masterplan projects apply to both Cromwell ratepayers and (to a lesser extent) all district ratepayers.



The town centre projects include demolition of some existing buildings, new buildings including library, service centre and resource centre, plus hard and soft landscaping.



**Approximate Capital Costs for Town Centre Project elements:**

- Service Centre \$12.3m
- Library \$11m
- Resource Centre \$5.5m

*Note these costs exclude landscaping, demolition and project management costs estimated to be \$13.2 million.*

Total cost of the Town Centre Project: \$42 million.



Complete a street upgrade and consider possible future retail development.



Encourage three to four-storey development and accommodation for residents, seasonal workers and visitors within areas close to The Mall.



Broader public space improvements, including on The Mall edges, and safer pedestrian and cycle connections to the Anderson Park recreation space.

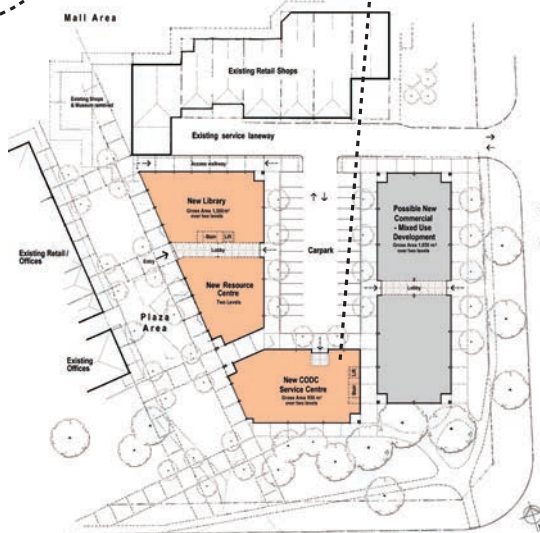
Remove existing buildings as shown to improve sight lines and enlarge the public realm areas within The Mall.



Develop a new central Civic Square with public realm upgrades to internal parts of The Mall.



Include a future mixed-use development site with office space as the primary activity.



Construct a new Civic building that includes a new integrated library, resource centre and expanded administration spaces, as well as commercial tenancies (cafe, retail).

This map and images are indicative concepts only. No design work has been done to date. That would come down the track.

The Arts, Culture and Heritage Precinct includes the building of a new hall/events centre and a new museum in the proximity of the existing site of the Cromwell Memorial Hall.



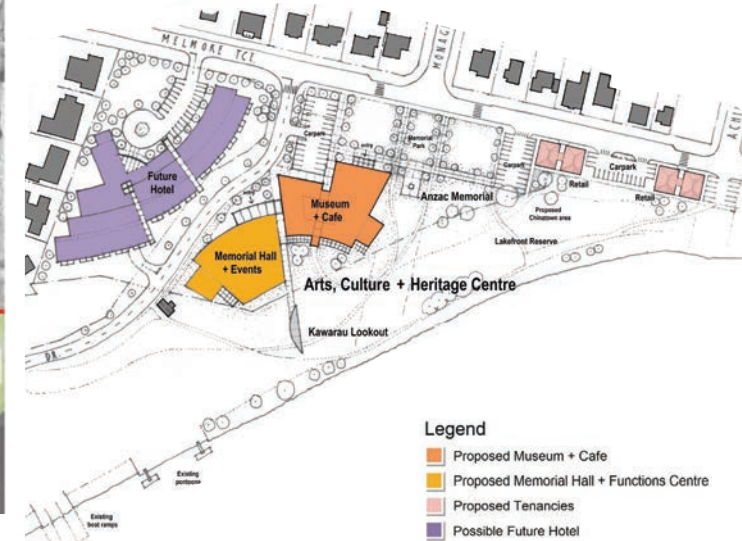
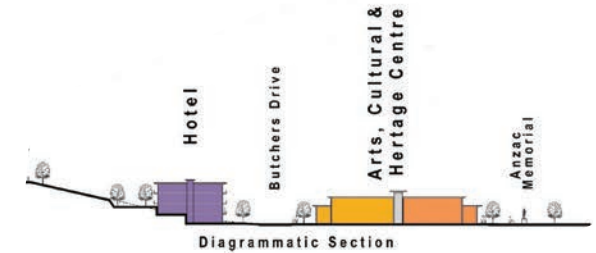
**Not CODC project so not included in the financials.**

There is the potential for a landmark structure and private investment is encouraged in visitor or hotel accommodation.



A new Arts, Culture and Heritage Centre is built. The Centre comprises a hall and events facility, museum, gallery, theatre and meeting spaces.

The Town & Country Club could be accommodated within the new Arts, Culture and Heritage Centre, subject to further conversation.



This map and images are indicative concepts only. No design work has been done at this stage.



**Approximate Capital Costs for Arts, Culture and Heritage Precinct Project elements:**

- Town Hall/Events Centre \$16m
- Museum \$6m

*Note these costs exclude landscaping, demolition and project management costs estimated to be \$9.5 million.*

Total cost of the Arts, Culture and Heritage Precinct Project: \$31.5 million.



When we spoke with the community about options we said we would consult on costs at a later date. The Long-term Plan is the place we talk about costs, as well as timing and funding of the various projects. The funding options include using cash reserves, debt (Council taking out a loan), land sales and rates. We have used a combination of funding options in the financial model with the aim of delivering the projects the community said it wanted in a way that is most affordable to ratepayers. The financial modelling includes Council land developments that provide income as a funding stream for development expenditure reducing impact on rates. We are confident that we will be able to seek and secure community funding grants towards elements of these capital projects, which would assist in reducing the rates increase. However we have not included these in the options costings you'll find in the tables below.

Some of the facilities involved in the Cromwell Masterplan capital programme are funded at a district level by district ratepayers - namely the service centre and the library. The Cromwell ward ratepayers would pay for the balance of the projects including the hall/event centre, museum, resource centre and landscaping.

The costs outlined in the tables below show the impact on rates increases. They include not only the capital costs of the projects but also the associated interest, depreciation and operational costs. The costs for capital projects are all high-level estimates. We don't go into the detailed design until we have these conversations with you about the options, and make a firm decision to proceed with any work programme. At that point, the tender and procurement process will refine all our costs.

## Kā Whirika | The Options

This proposal comes with options relating to the prioritisation and timing of the work streams, and the scale of the build for the town hall/events centre. The total cost of the Cromwell Masterplan projects up to Year 10 of the Long-term Plan is \$73.5 million (in today's dollars) for Council's preferred hybrid option (see option 1 below). The tables below reflect the full cost of the projects, including buildings, landscaping and associated project management costs for the 10-year period. The tables list the average rates increase for Cromwell ward ratepayers and for district ratepayers.

**Cromwell ward ratepayers:** Please note you will pay *both* the Cromwell ward rate below as well as the district rate.

### TIMING OPTIONS

There are a range of ways we can progress the various capital projects, so we have financially modelled the following options. All options commence in year one with design, but as we progress through the various models the costs change reflecting the staging.

For all options there is an increase in level of service delivered to the ratepayer by way of building upgrades or modernisation.

#### Option 1 - Hybrid Option

A hybrid option where we progress both the Arts and Culture Precinct (includes hall/events centre) and the Town Centre projects at the same time. In this option design starts in year 1 and construction commences once design is complete.

1. Hybrid Option		LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
Cromwell Ward	Additional Increase year over year	\$8.27	\$0.57	\$93.07	\$86.76	\$17.88	\$19.04	\$21.82	\$17.17	\$32.83	\$22.18
	Cumulative Increase	\$8.27	\$8.83	\$101.90	\$188.66	\$206.54	\$225.58	\$247.40	\$264.57	\$297.40	\$319.57
District Wide	Additional Increase year over year	\$0.85	\$0.06	\$11.41	\$18.96	\$26.32	\$33.99	\$0.00	\$0.00	\$0.00	\$0.00
	Cumulative Increase	\$0.85	\$0.91	\$12.33	\$31.29	\$57.61	\$91.60	\$89.95	\$88.33	\$86.77	\$85.24



### Option 2 - Arts, Culture & Heritage Precinct First Option

Arts, Culture and Heritage Precinct (includes hall/events centre) will be completed first and then the Town Centre will commence. Design starts in year 1 for the Arts, Culture and Heritage Precinct and during construction for that the design for the Town Centre workstream commences.

2. Arts, Culture & Heritage Precinct First Option		LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
Cromwell Ward	Additional Increase year over year	\$1.80	\$2.04	\$89.99	\$78.66	\$17.54	\$61.93	\$20.53	\$0.00	\$5.62	\$15.24
	Cumulative Increase	\$1.80	\$3.84	\$93.83	\$172.49	\$190.03	\$251.96	\$272.49	\$271.05	\$276.67	\$291.91
District Wide	Additional Increase year over year	\$0.00	\$0.00	\$0.00	\$0.35	\$2.73	\$8.86	\$20.46	\$19.06	\$29.59	\$0.00
	Cumulative Increase	\$0.00	\$0.00	\$0.00	\$0.35	\$3.08	\$11.94	\$32.40	\$51.46	\$81.05	\$79.51



### Option 3 - Town Centre First Option

Town Centre will be completed first, followed by the Arts, Culture and Heritage Precinct (includes hall/events centre). Design starts in year 1 for the Town Centre and during construction for that the design for the Arts, Culture and Heritage Precinct workstream commences.

3. Town Centre First Option		LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
Cromwell Ward	Additional Increase year over year	\$0.29	\$0.93	\$33.36	\$47.65	\$33.82	\$41.94	\$39.14	\$25.50	\$49.91	\$50.17
	Cumulative Increase	\$0.29	\$1.22	\$34.58	\$82.23	\$116.05	\$157.99	\$197.13	\$222.63	\$272.54	\$322.71
District Wide	Additional Increase year over year	\$1.02	\$2.21	\$7.60	\$22.30	\$18.83	\$28.86	\$0.00	\$0.00	\$0.00	\$0.00
	Cumulative Increase	\$1.02	\$3.23	\$10.83	\$33.13	\$51.96	\$80.82	\$79.27	\$77.75	\$76.27	\$74.84



### Options 4 - Do Minimal

In this scenario we would do nothing in the town centre, or the Arts, Culture and Heritage Precinct other than addressing the Cromwell Memorial Hall, which is an earthquake-prone building.

**Borrowing for the Masterplan:** Council will be borrowing money for the Cromwell Masterplan capital projects. The costs to pay back the loans will continue to impact on rates for the life of the loan well beyond the 10 years of this Long-term Plan. Of the \$130.5 million we expect to borrow as a Council during the life of this Long-term Plan, the Cromwell Masterplan accounts for about \$51 million of that borrowing. As mentioned on the previous page cash reserves, land sales and rates will also be used to fund the project.

## HALL/EVENTS CENTRE SCALE OPTIONS

Costs for capital projects are all high level estimates and the square metre rates used are inclusive of design and consenting costs.



**Option A:** The \$16m hall/events centre modelled is a significant 2000m<sup>2</sup> building of high specification that will provide for all community activities currently catered for, plus events and medium scale conferences.



**Option B:** There is opportunity to reduce the costs of the hall/events centre by reducing the floor area to 1200m<sup>2</sup> – 1400m<sup>2</sup>. A smaller facility would deliver all of the activities currently provided for in the Cromwell Memorial Hall, plus events and smaller conferences. We estimate this option would bring cost down to \$10 million and save the Cromwell ratepayer about \$12 per year (compared to the \$16m/2000m<sup>2</sup> build).



**Option C:** A further cost reduction may be to look at the redeveloped Memorial Hall option (as per 2015/16 plans), which would have a floor area of around 1100m<sup>2</sup> and would provide for all existing community activities. This option could include the addition of a pavilion with café facility. This option would need to include earthquake strengthening and removal of asbestos. We estimate that this option would cost approximately \$7.2 million in today's dollars, reflecting the increase in construction costs.



## Te Whirika Matua | Preferred Option

### Option 1 Hybrid Option (timing) and Option A (2000m<sup>2</sup>)

We understand the importance to the community of revitalising the town centre and The Mall to make it a place where locals and visitors want to shop, socialise and spend time. We also understand that the current state of the Cromwell Memorial Hall makes the development of a new (or refurbished) hall/events centre very important to the community. For these reasons we consider that a hybrid option enabling the development of the town centre concurrently with the Arts, Culture and Heritage Precinct (includes hall/events centre) is the preferred option for delivering community outcomes to the people of Cromwell in a timely manner.

Council's preferred option combo (Option 1 and Option A) has been included in the rates calculations and financial statements supporting the consultation document.

### 1. Which option do you support?

 **OPTION 1:** The Hybrid Option

**OPTION 2:** The Arts, Culture and Heritage Precinct first

**OPTION 3:** The Town Centre first

**OR AN OPTION 4:** Do Minimal. In this scenario we would do nothing in the town centre but will still need to address the Cromwell Memorial Hall, which is an earthquake prone building.

### 2. What is your preferred option for the hall/events centre:

 **A:** 2000m<sup>2</sup> building?

**B:** 1200-1400m<sup>2</sup> building?

**C:** 1100m<sup>2</sup> redeveloped building?



# Te Marohi Matua | Key Proposal

## Roxburgh Community Pool Upgrade

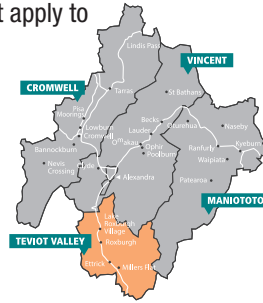
The almost century-old Roxburgh Pool has served its community well but is showing its age. The Roxburgh Community Pool Group is keen to replace the pool for this and future generations. The Teviot Valley Community Board has been asked to help support this project by way of a one-off financial contribution of up to \$500,000 towards construction, plus an annual operating grant.

The proposed redevelopment will create a modern community facility that meets the needs of toddlers through to the elderly population and promotes a healthy lifestyle. There will be a 25m uncovered heated pool for seasonal use, and a learners' pool and toddlers' pool. The pool will not be operated by Council but by a group of volunteers.

The total estimated cost of the pool upgrade is \$2.5 million. The Roxburgh Community Pool Group aims to start the build next summer if funding from third party funders and through community fundraising can be secured.



Options for funding this project apply to Teviot Valley ratepayers only.



## Kā Whirika | The Options

Option Details	Funding	Impact on Teviot Valley ratepayers Year 1	Impact on Teviot Valley ratepayers Year 2 onwards (for the life of the 20-year loan)
<p><b>1. 50/50 loan/reserve:</b> Fund by way of a 50/50 rate-funded loan and use of reserves.</p> <p>(Think of a cash reserve like a “rainy day fund”, using it can lessen the impact on rates but once spent that money is gone.)</p>	<p>\$250,000 from loan and \$250,000 from general ward reserve funds toward the capital costs; plus a grant towards operational costs.</p> <p>General Ward Reserve funds would be reduced by \$250,000. Those reserves currently sit at a balance of \$677,790.</p>	<p>As the project is scheduled to start mid-year the Year 1 cost for this option is \$20.57.</p>	<p>From Year 2 ratepayers would pay the full annual cost of \$40.60.</p>
<p><b>2. \$500,000 loan:</b> Fund by way of a \$500,000 loan, which would be taken out for a period of 20 years.</p>	<p>\$500,000 for capital costs; plus a grant towards operational costs.</p>	<p>As the project is scheduled to start in the middle of Year 1 of the LTP Teviot ratepayers would incur half the costs, \$33.31.</p>	<p>From Year 2 on Teviot ratepayers would pay the full cost of \$65.74 per ratepayer.</p>
<p><b>3. Do not fund</b></p>	<p>\$0</p>	<p>\$0</p>	<p>\$0</p>

The Recreation and Culture Charge, is a targeted rate for recreation and culture based on a uniform annual charge per rating unit. Council's preferred option (Option 1) has been included in the rates calculations and financial statements supporting the consultation document.

## Te Whirika Matua | Preferred Option

Our preferred option is **Option 1**. There is strong community interest in making this upgrade a reality and a small dedicated committee has been beavering away on this for many years. Pools are an important community facility to foster social well-being and teach swim skills.

The Teviot Valley Community Board sees its support as a contingency fund (a “backstop” should the project fundraising fall short). The Board's approach would be to draw on the \$250k via loan first, which ratepayers would pay back via rates. Then, if needed, it would dip into the reserves.

# Te Marohi Matua | Key Proposal

## Alexandra Riverside Park Development

The Alexandra Riverside Park Trust has a vision to rejuvenate lower Tarbert Street in Alexandra, by creating a new public space development at the junction of the Clutha-Mata-au and Manuherekia rivers.

The Trust has taken inspiration from comparable development projects that have reinvigorated and transformed under-utilised or neglected spaces within other centres across New Zealand including Wellington and Picton waterfronts. Walkways, terraces and seating have transformed these areas into attractive spaces that draw locals and visitors there to enjoy the space for family-friendly recreation and for community events. These improved spaces are the building blocks from which businesses and activities can grow and develop.

The Trust sees the project as providing meaningful integration of the rivers and riverside to the pedestrian heart of Alexandra, with improved access and connection. It is also an obvious meeting point and destination for cyclists and walkers using the network of local tracks.

The Trust plans to make it a staged development:

Stage 1: public space development

Stage 2: investigate the potential for commercial and/or heritage activities.

The Trust has requested \$650,000 support from the Vincent Community Board to support the Stage 1 development, which is estimated to cost a total of \$845,000. This does not include Stage 2. The Trust expects to raise the rest of the funds for Stage 1 through applying to community trusts.



Options for funding this project apply to Vincent ward ratepayers only.



Concept plan for Stage 1 of the development.

# Kā Whirika | The Options

Option Details	Funding	Average annual impact on Vincent ratepayers Year 1	Average annual impact on Vincent ratepayers Year 2	Average annual impact on Vincent ratepayers from Year 3 onwards (for 25 years)
<p><b>1. Fully loan funded:</b> Support the development with \$650,000 investment between Years 1-3 – fully loan funded.</p>	<p>Proposed contribution: Year 1 \$50,000 Year 2 \$300,000 Year 3 \$300,000</p>	\$1.10 for each Vincent ratepayer	\$7.50 for each Vincent ratepayer (an increase of \$6.40)	\$13.90 for each Vincent ratepayer (a further increase of \$6.40)
<p><b>2. 50/50 reserves/loan funding:</b> Support the development with \$650,000 investment between Years 1-3 – using a 50/50 combination of reserves and loan funding.</p>	<p>Proposed contribution: Year 1 \$50,000 Year 2 \$300,000 Year 3 \$300,000</p>	\$1.10 for each Vincent ratepayer	\$4.30 for each Vincent ratepayer (an increase of \$3.20)	\$7.50 for each ratepayer (a further increase of \$3.20)
<p>This option would reduce the reserves. (Think of it like a “rainy day fund”, using it can lessen the impact on rates but once spent that money is gone).</p>	<p>The Vincent General Reserve balance would drop from \$1.8 million by \$325,000.</p>			
<p><b>3. Do not support</b></p>	<p>No costs</p>	\$0	\$0	\$0

For Option 1 there will be an ongoing cost to the Vincent ratepayers after year 3 of approximately \$14 per annum until the loan is repaid. For Option 2 the ongoing cost would be approximately \$7. The term of the loan is 25 years.

Rates for this project would be collected via a Vincent Ward Services Charge, which is a targeted rate based on capital value. So on average by Year 3 each Vincent ratepayer would pay \$14 for Option 1 and \$7 for Option 2. However those with, for example, a capital value of \$500,000 would pay \$8.98 for Option 1 and \$4.49 for Option 2, while those with a capital value of \$1,000,000 would pay \$17.96 for Option 1 and \$8.98 for Option 2.

Council’s preferred option (Option 1) has been included in the rates calculations and financial statements supporting the consultation document.



Photo: Barrie Wills.

## Te Whirika Matua | Preferred Option

Our preferred option is **Option 1** to improve the quality and vibrancy of the town centre, while preserving the use of reserves. The Vincent Community Board believes this project has the potential to enhance all aspects of community well-being.

## Omakau Community Hub

The Omakau community wants to develop a purpose-built multi-use community facility at the Omakau Recreation Reserve to cater for the town and surrounding communities. Omakau's community hall and rugby clubrooms are both aged and need major renovations or full replacement to bring them up to current-day standards.

The Matakanui Combined Rugby Club and Omakau's community plan group have been working together to investigate options for a solution. They commissioned a feasibility study and assessment of current and future needs for community space in the Omakau and surrounding areas. The study, which involved extensive community consultation, identified the need for a new community hub facility, with an estimated total build cost of \$3 million.

Developing a single new community hub facility would have the following benefits:

- Reduces duplication of community facilities
- Provides a main focal point for community activities for a growing community
- Brings together the sport, recreation, cultural and performance arts
- A new building with more energy-efficient systems will cost less to run and maintain
- Could potentially be used as a Civil Defence Centre in an emergency response.

The community views the recreation reserve site (also known as the Omakau Domain) as the most suitable location for the proposed new hub as it is already the destination for so much sporting and recreational activity; it is an easy, safe and accessible location, with ample space for car parking and for future development; and it would further enhance the sense of community through the interactions between the various recreation reserve users.

It is proposed funding for the build will come from community fundraising, funding agency grants and a Vincent Community ratepayer contribution of \$1 million. This contribution would have a rates impact in Year 3, with the preceding years being used to finalise plans for the build and secure funding grants. Ongoing operating expenses are expected to be covered by facility hire, other income from the reserve, and a ward rate contribution towards operating and maintenance costs.



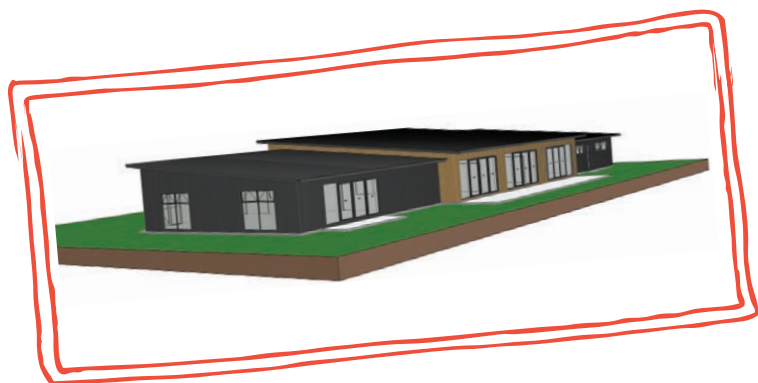
Options for funding this project apply to Vincent ward ratepayers only.



# Kā Whirika | The Options

Option Details	Funding	Annual impact to Vincent ratepayers – Year 3 on (for the life of the 25-year-loan)
<p><b>1. 1/3 each way:</b> Support the new community build by way of a loan / reserve fund contribution / general reserves split (1/3 each way).</p>	<p>\$333,333 each from loan, reserve fund and general reserves.</p> <p>Reserve Fund balance will drop from \$955,000 to \$622,000. General Reserve would drop from \$1.80m to \$1.47m.</p>	<p>\$6.50 for every Vincent ratepayer.</p>
<p><b>2. 60/40 loan/reserve:</b> Support the new community hub build by way of a 60/40 loan/reserve fund contribution.</p>	<p>\$600,000 to come from loan / \$400,000 from reserve fund contribution.</p> <p>Reserve Fund balance will drop from \$955,000 to \$555,000.</p>	<p>\$11.70 for every Vincent ratepayer.</p>
<p><b>3. Fully loan funded:</b> Support the new community hub build through a 25-year loan.</p>	<p>\$1 million capital expenditure - loan funded.</p>	<p>\$19.50 for every Vincent ratepayer.</p>
<p><b>4. Don't support hub:</b> Don't have a hall but utilise another community hall (eg Becks or Ophir Hall). This option does not support a community hub.</p>	<p>Demolition costs associated with the Omakau Hall would need to come back in a report to the Vincent Community Board.</p>	<p>Demolition costs unknown at this stage.</p>

Rates for this project would be collected via the Recreation and Culture Charge, which is a targeted rate based on a uniform annual charge per rating unit. Council's preferred option (Option 1) has been included in the rates calculations and financial statements supporting the consultation document.



## Te Whirika Matua | Preferred Option

Our preferred option is **Option 1**. The community hub proposal has had strong community support to date, has been a community-led collaborative effort, and the new build supports the social, cultural, economic and environmental well-being of the community. The current community facilities have “had it”, will be expensive to repair with significant earthquake strengthening work required, and are no longer fit-for-purpose. The provision of community facilities is seen as part of Council's core service. The Vincent Community Board favours using reserves as this is money set aside for community projects like this.

Ō Mātou Hakaaka - te ara whakamua  
Our Infrastructure – the road ahead



# Our Infrastructure Strategy

Roads, footpaths, bridges, pump stations, sewer mains, water treatment plants – these are all examples of infrastructure. Infrastructure is key to making a district tick.

You are using parts of the district's infrastructure every day, generally from the moment you wake up and go fill up the kettle for a morning cuppa, or turn on your shower, or head out on the road or footpath to head to work or school or... well, you get the picture.

A lot of infrastructure is hidden from sight, such as pipelines hidden under roads and reserves.

Central Otago has \$895 million worth of water and roading infrastructure assets. To manage this infrastructure, the Council prepares an Infrastructure Strategy. This strategy sets out the 30-year plan for maintaining and improving levels of services for the core activities of water, wastewater and stormwater (together known as the Three Waters), and roading.

Our infrastructure strategy identifies the most critical issues for these areas in the next 30 years, and our options for managing them, while remaining closely linked to our financial strategy to ensure the Council has sufficient funding available to replace key assets in the future.

*One of our key challenges is balancing affordability with sustainability. Central Otago's relatively small and disperse population can put pressure on the affordability of providing and improving infrastructure. At the same time Council must also meet the challenge of accommodating growth and funding essential improvements for the safety and well-being of our community.*

Population modelling has been undertaken and under the adopted scenario we expect the district to continue to grow over the next 30 years – the population in 2050 is projected to be 34,000 (an increase of 55% from the usual resident population in 2018 of 22,200). This equates to an average annual growth rate of 1.3% over 30 years.

When planning for how we manage our infrastructure there are a number of key influences we must factor into our plans.

## Key influences

The key influences facing the delivery of the district's future infrastructure are:

- o **Government policy direction and legislative changes** – There is a lot happening in the Three Waters space and significant uncertainty regarding whose responsibility it will be to deliver three waters services beyond Year 3 of this Long-term Plan. What we do know is this: the community will need three waters services regardless of which entity delivers these in the medium to longer term. Our Infrastructure Strategy reflects the work needed to meet the required standards, community expectations and growth, and how we believe it should be prioritised.



Government investment for the 2021/22 – 2030/31 period for Roothing will be guided by four strategic priorities: safety, better travel options, climate change and improving freight connections.

- o **COVID-19** - COVID-19 has had significant social, cultural, and economic implications. The full extent of these implications are not yet known, but we are already seeing changes in the lifestyle choices of Kiwis, work patterns and work locations that will have some impact on future delivery of infrastructure services.

Central Otago is a popular domestic holiday location. With the increased focus on personal health and well-being, increased interest in cycling following COVID-19, combined with the development of the New Zealand Cycle Trail network we expect to see increased numbers of locals and visitors cycling within the district. Within our 30-year work programme we plan to undertake projects to improve cyclist connectivity and safety between town centres and cycle trails in the district.

- o **Environmental influences** – Public expectations regarding how we manage the environmental impacts from infrastructure services has increased over the past decade and this is supported by government freshwater reforms, supporting legislation, changes to regional policies and plans, and increased compliance reporting and monitoring. Improved outcomes and increasing compliance expectations come with an increased cost.

- o **Climate change and sustainability** – The potential impacts of climate change for our district's infrastructure include: higher intensity and more frequent extreme rainfall events leading to flooding and impacting on vulnerable bore sites and water supplies with dirtier source water needing to be treated; and increased frequency of road closures where roads and bridges are below the flood plain.

Council has been on a path to improve its understanding of the impacts of climate change on infrastructure and plan its response to these since its commissioned report by Bodeker Scientific in 2017. A Sustainability Strategy was adopted by Council in 2019 and, with a focus on “getting our own house in order first,” we aspire to better lead our community in wider sustainability discussions.

**Change in demand** – as well as a growing population the future looks set to see an increase in our older population in Central Otago. This will affect both the demands on our infrastructure and the affordability of our services to people on fixed incomes in the long-term. An older demographic requires higher levels of service for footpaths and infrastructure that supports accessibility for people with restricted mobility. Funding has been provided to continue to extend the footpath network, and to ensure that all street crossings have cut down kerbs to enable disabled access.

Responding to growth and anticipated future growth has seen Council embark on a series of spatial planning exercises in the past two years. Infrastructure planning is an integral part of this. Within the 10-year plan roading budgets, financial provision has been made in resealing programmes for an increase of 850m of sealed roads per annum due to new subdivisions.

And, on the subject of demand, a big challenge we face is that demand for contractors is high heading into the 2021 Long-term Plan period, and this is expected to result in higher construction costs for projects. We have adjusted project budgets in years 1-3 to recognise this. Demand for limited engineering and construction resources are expected to extend across the initial 10-year period of the infrastructure strategy as a large infrastructure investment programme commences across the public asset portfolio, including projects awarded “shovel ready” funding from the government and the recent tranche of water stimulus funding.

## Key Infrastructure Issues

Flowing on from these key influences, we have identified the following as the key infrastructure issues that will set the prioritisation of our work programmes in the next 10 years and beyond.

**Resilience** – Council prepared an Infrastructure Resilience Plan and an Infrastructure Response Plan in 2020. The Resilience Plan identifies the natural events that would create risks to three waters and roading infrastructure and services, the implications, mitigations and response.

Climate change is expected to affect the intensity and frequency of natural hazards. A number of potential mitigations have been programmed, such as investigating more secure water sources at Roxburgh, Ranfurly, Naseby and Patearoa, upgrading wastewater pump station storage volumes, and road flooding improvements such as upgrading culverts. In a major earthquake it is likely that many roads will be blocked through landslips and the region may be isolated for some time. We will review the required functions of ‘back country’ roads that may be needed as alternate routes if highway closures are prolonged and additional funding has been budgeted to undertake any necessary improvements to these potential lifeline routes.

**Water Safety** – Completing water treatment upgrades to meet the New Zealand Drinking Water Standards remains a key focus. Within the first three years of this Long-term Plan Council expects all of Council-provided water supplies to be fully compliant with the New Zealand Drinking Water Standards.



**Minimising Environmental Impacts** – Reducing the environmental impacts of all our wastewater schemes in line with the Government’s essential freshwater programme, and an increased focus on resilience are our key priorities for the wastewater network.



Council has invested in hydraulic modelling of the wastewater networks to improve understanding of growth impacts. Resilience work is programmed within the next four years to improve pump station capacity, provide emergency generation and reduce the risk of wastewater overflows occurring. We expect environmental discharge standards for new resource consents for wastewater treatment sites to increase so projects to increase treatment processes to improve discharge quality have been programmed for each site prior to consent expiry.

Completion of construction of Stage 1 of the wastewater reticulation in Clyde will continue into 2021/22. This project will improve the quality of groundwater discharges to the Clutha River. Public consultation on the proposal to construct the Clyde wastewater network in three stages identified that many property owners in Stage 3 wish to be connected sooner. The proposed timing of Stage 2 continues to be in 2029, but Stage 3 has now been programmed to be undertaken with Stage 2 although this plan could be subject to the outcome of the Government’s Three Water Reforms.

**Accessibility in the urban centres of Cromwell and Clyde** – The growth in population, business, tourism and property development is leading to changes in demand for parking and the use of public spaces by motorists, cyclists and pedestrians. For this reason, we have projects lined up to improve safety, and make these spaces more functional and enjoyable.



The Clyde heritage precinct upgrade proposed in the 2018 Long-term Plan has been delayed to coordinate work with the wastewater reticulation project. Stage 1 of this roading work will now be undertaken in 2021, with stages 2 and 3 completed in the 2021-23 period.

Council has discussed options with Contact Energy to facilitate the safe access of cyclists into the Clyde Heritage Precinct. Funding has been provided to install traffic lights on the Clyde Bridge as an interim measure, and for investigation



and then potential construction of an electric punt across Lake Dunstan.

The Cromwell Masterplan is supported by intersection, pedestrian and cycling improvements from 2022. This will improve the flow and safety of traffic, pedestrians and cyclists within the town centre.

o **Stimulus Delivery Funding** – The \$9.46 million that Central Otago District Council received from Tranche 1 of the Water Stimulus Funding has enabled \$5.49 million of projects that were in years 2022 to 2027 of the 2018 Long-term Plan to be brought forward. This work is required to be completed by March 2022.



This includes \$3.8 million for increased reservoir capacity at Alexandra and Naseby, and \$2.9 million for resilience upgrades and \$1.8 million is being spent on increasing the capacity of the Melmore Terrace and Alpha Street pump stations in Cromwell, and on separating the Dunorling Street and Tarbert Street pump stations to improve resilience in the Alexandra wastewater network.

If further funding packages eventuate, then Council needs to be ready to bring forward further work. Funding has been provided in year one of the 2021 Long-term Plan to undertake the necessary investigation work on a number of water and wastewater projects that are in years four to ten of the programme.

o **Capacity of Cromwell Water Network to Meet Growth Demands** – Projects to improve water treatment, operational performance, and distribution of water to Bannockburn and Pisa are included in the Long-term Plan. These projects include additional capacity to meet future population growth. Hydraulic modelling will be undertaken in 2021 to inform project planning for pipe replacements and reservoir upgrades, which are scheduled for 2027/28.



## Three Waters Reform

Council signed a Memorandum of Understanding in 2020 relating to these reforms and is participating in the exploration of future service delivery options for the Three Waters Review.

Council expects to consider proposals to continue with, or opt out of participating in further delivery reform proposals in late 2021. If a decision is made to continue to participate then this is likely to come into effect in the 2023/24 financial year.


The community will need three waters services regardless of which entity delivers these in the medium to longer term. Therefore we've included costings for these activities in our long-term planning documents, and more detail can be found in our Infrastructure Strategy, Financial Strategy and other supporting information to this consultation document.

You'll also find out more about this Government reform process, including timelines for when the national public information and education campaign is expected to roll out, at: [www.dia.govt.nz/three-waters-reform-programme](http://www.dia.govt.nz/three-waters-reform-programme)

For more information see our draft 30-year  
Infrastructure Strategy.

[www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)



A photograph of a man in a black t-shirt and blue jeans sitting on a blue chair, holding a baby. The baby is wearing a yellow headband with a bow and a white long-sleeved shirt with a colorful pattern. The baby is holding a white box with the text 'MY FIRST money box.' and illustrations of a piggy bank, a pig, and a sheep. The photo is framed with a white scalloped border.

Te Pūtea hei Utu i te Āpōpō  
Funding our Future

# Our Financial Strategy and what this means for you

One of the biggest challenges a council faces is balancing its community's ability to pay, with the need to maintain infrastructure and deliver services.

At Central Otago District Council we aim to keep rates and charges affordable for current and future generations. At the same time, we need to focus on building our community resilience, supporting economic development and promoting opportunities for growth that ensures our community is sustainable into the future.

We keep the two guiding principles of **affordability and sustainability** at the forefront of our minds as we develop our financial strategy, to ensure we can continue to strike that fine balance.

Going into this Long-term Plan we are in a good financial position. Council holds cash reserves of \$13.74 million (June 2020). While we currently have no external debt, our Annual Plan for the 2020/21 year signalled Council's intention to move into debt to ensure we can meet an intensive capital programme. It is anticipated that this level of debt will increase through the course of the ten years covered by this plan in order to balance the community's need for new infrastructure and accommodate the growth anticipated for our district.

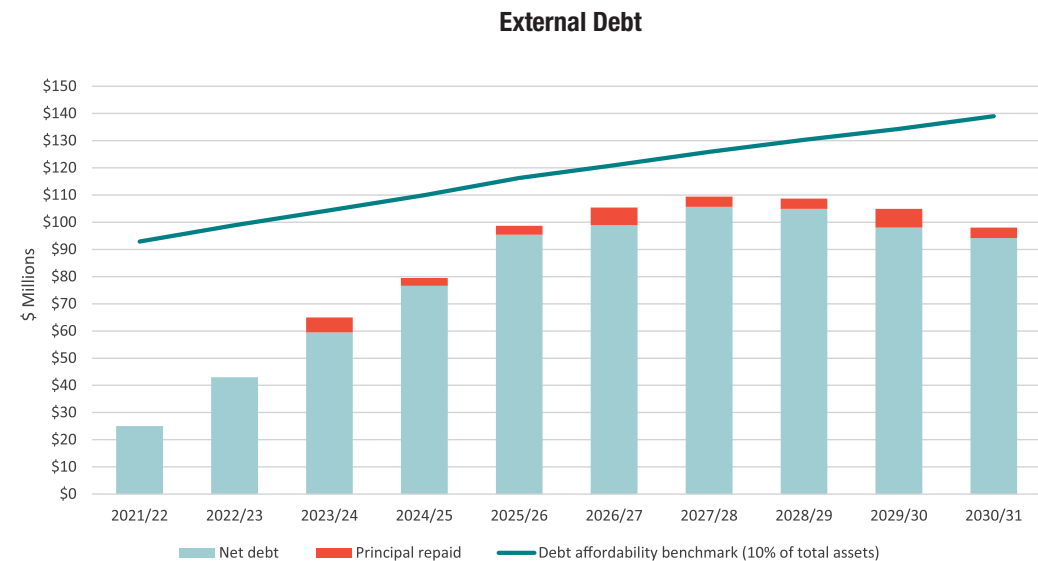
There are a number of key projects within this Long-term Plan that will increase the **level of service** provided by Council, including those outlined in our Infrastructure Strategy summary on the previous pages such as completing water treatment and operational performance upgrades.

Increased level of service for significant **capital works** is to be primarily funded by loan. To ensure that today's ratepayers are not the only ones who pay for the building and using of the asset, loan repayment will be rate funded, or we will rate fund the depreciation collected on the asset and use these funds to pay the loan principal. These loans will typically be for no longer than 30 years and funded either internally or externally dependent on the availability of cash reserves.

Taking a loan in this instance means that future users of the asset (which could be a new bridge, water treatment plant or a new library) help to pay for it over the asset's lifespan and current ratepayers are not burdened with the full cost.

A borrowing limit of 10% of total assets has been set to assist Council in prudently managing borrowing.

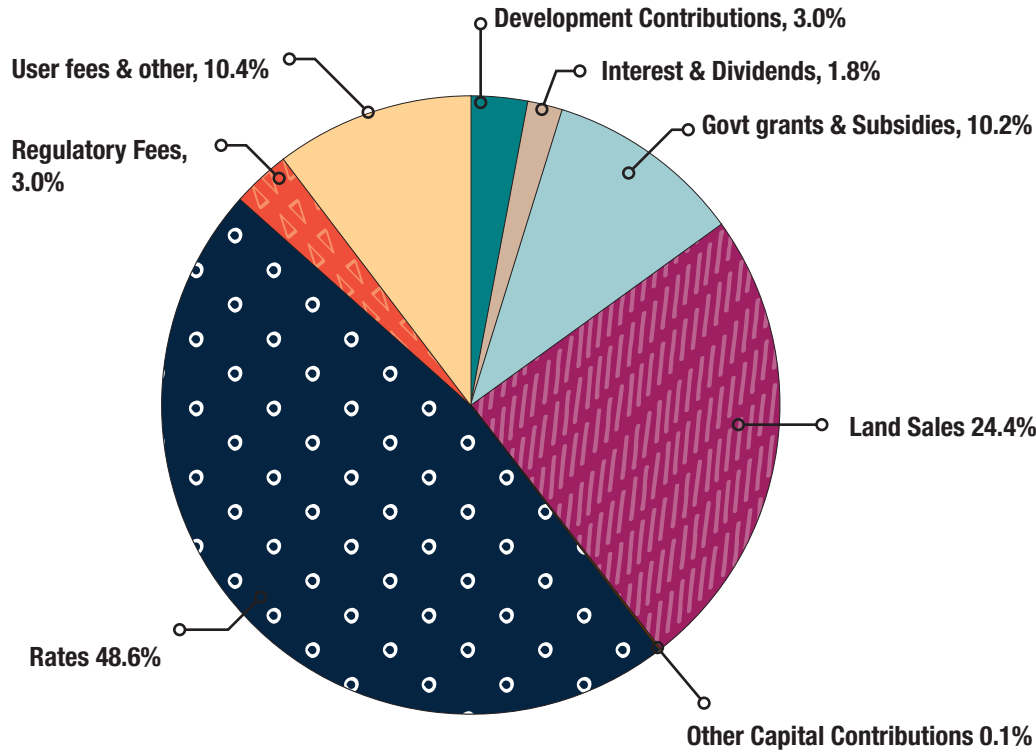
## What's our plan for borrowing?



Funding of **operational costs** come from a number of sources such as rates, user fees, grants and subsidies.

## Where will the money come from?

Breakdown of Income



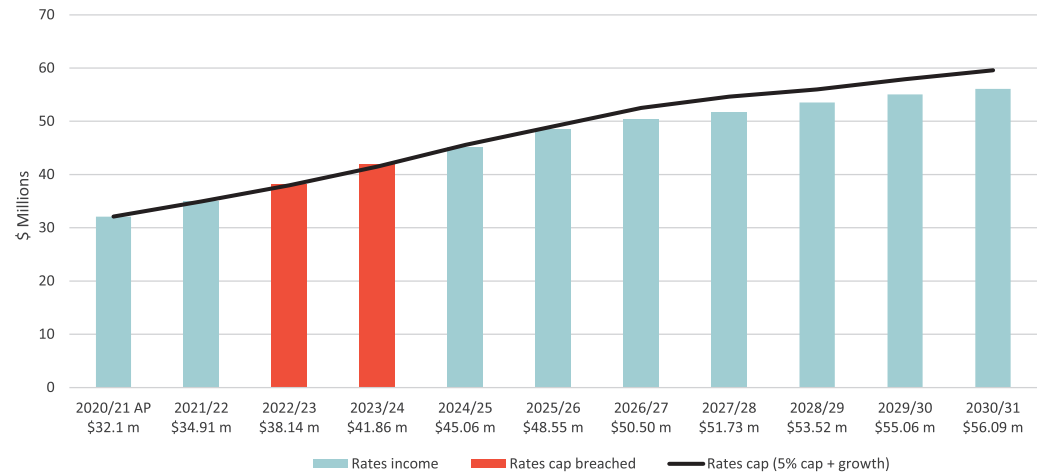
## What does all this mean for your rates?

To maintain an element of affordability Council has worked towards maintaining a limit or 'cap' on rates increases of 5% per annum for existing ratepayers. This does not include the provision for growth currently projected at an average of 1.9% for the first five years and decreasing to 1.6% for the final five years.

This rates cap is an average for the whole district, which means that on an individual basis the combined cap (5% + growth so 6.9% for Years 1-5) does not apply. Rates increases vary from property to property, with some individual properties seeing increases above this limit. This depends on a range of factors such as property valuations and targeted rates assessed on a ward basis.

Due to planned rates reduction in 2020-21 as a result of COVID-19, the need to bring some large infrastructure projects forward and to incorporate projects that raise quality standards to meet predicted legislation changes, it is anticipated that Council will slightly exceed the 6.9% cap in years 2 and 3 (7.2% and 7.7% respectively).

10 Year - Growth Adjusted Rates Increase



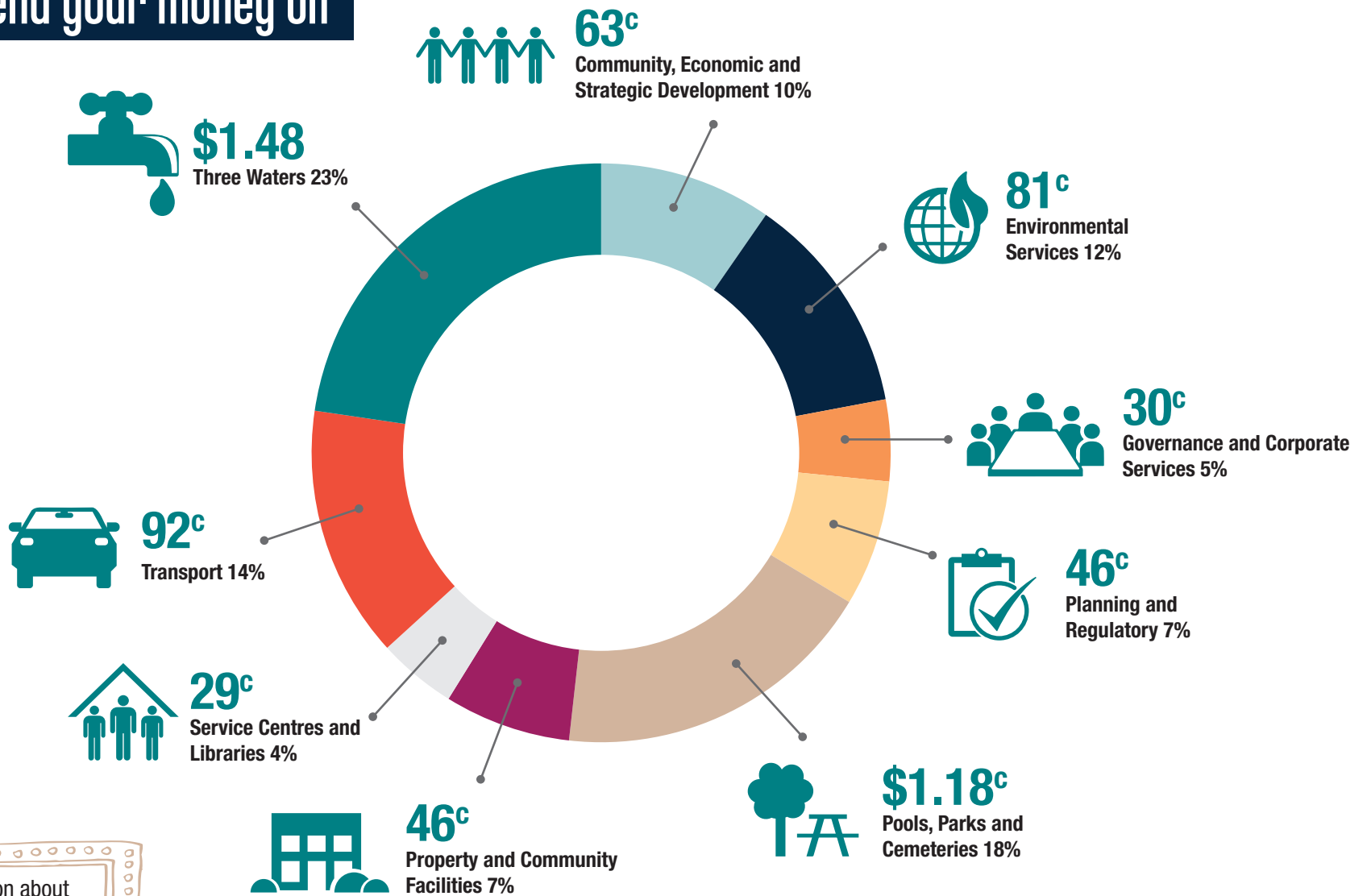
So, these are some of those big numbers associated with Council budgets. Now it's time to put the spotlight on what our proposed Council spending means to you and your household or business.

For more information see our draft Financial Strategy  
[www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rates cap (adjusted for growth)	6.9%	6.9%	6.9%	6.9%	6.9%	6.5%	6.5%	6.5%	6.5%	6.5%
Rates increase (adjusted for growth)	6.7	7.2	7.7	5.6	5.7	2.4	0.8	1.8	1.3	0.3

# Te Mahere Whakapau Putea

## What we spend your money on



For more information about our Council activities see the Supporting Information at [www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)

The percentages listed are the percentage of total rates revenue collected that goes towards the activity.

# Rates Examples

Property Description	2020 Capital Value	2020 Land Value	2020/21 Rates	2021/22 Rates	Change \$
Alexandra Commercial	485,000	160,000	4,069.20	4,061.09	-8.11
Alexandra Hotel	960,000	630,000	6,020.32	5,699.76	-320.56
Alexandra Lifestyle Block	860,000	520,000	1,539.08	1,853.94	314.86
Alexandra Major Motel	4,810,000	1,070,000	14,790.04	13,978.99	-811.05
Alexandra Motel	750,000	335,000	3,816.91	3,723.79	-93.12
Alexandra Residential	440,000	245,000	2,581.18	2,570.17	-11.01
Bannockburn Hotel	1,200,000	680,000	3,638.63	3,943.46	304.83
Bannockburn Residence	643,000	610,000	1,898.61	2,230.03	331.42
Bannockburn Vineyard	2,720,000	1,290,000	2,829.04	3,605.54	776.50
Clyde Commercial	1,290,000	400,000	3,692.32	3,947.17	254.85
Clyde Motel	1,270,000	620,000	3,956.45	4,201.16	244.71
Clyde Residence	530,000	255,000	2,087.94	2,223.33	135.39
Cromwell Commercial	900,000	760,000	3,425.41	3,760.06	334.65
Cromwell Farm	2,490,000	1,940,000	3,085.74	4,192.83	1,107.09
Cromwell Large Farm	9,500,000	5,380,000	8,320.37	11,276.63	2,956.26
Cromwell Lifestyle Block	1,090,000	580,000	2,003.56	2,433.53	429.97
Cromwell Major Hotel	9,040,000	3,160,000	22,956.33	22,518.38	-437.95
Cromwell Motel	2,690,000	1,740,000	9,259.89	9,640.85	380.96
Cromwell Residence	540,000	340,000	2,680.40	2,772.83	92.43
Cromwell Storage	4,130,000	1,560,000	6,654.92	7,519.79	864.87
Earnsclough Lifestyle Block	680,000	355,000	1,350.38	1,579.40	229.02
Earnsclough Orchard	1,670,000	510,000	1,909.22	2,280.80	371.58
Earnsclough Vineyard	2,330,000	790,000	2,394.24	2,938.23	543.99
Maniototo Farm	1,750,000	1,430,000	2,464.39	3,382.82	918.43
Maniototo Large Farm	18,660,000	16,050,000	17,958.67	27,382.92	9,424.25

Property Description	2020 Capital Value	2020 Land Value	2020/21 Rates	2021/22 Rates	Change \$
Maniototo Lifestyle Block	305,000	140,000	1,118.61	1,288.24	169.63
Maniototo Rural - Hotel	670,000	210,000	1,550.21	1,781.24	231.03
Manuherehia Farm	4,630,000	4,080,000	5,557.63	7,715.96	2,158.33
Manuherehia Large Farm	12,800,000	11,200,000	13,887.57	19,780.35	5,892.78
Manuherehia Lifestyle Block	280,000	160,000	1,040.32	1,153.77	113.45
Millers Flat Residence	280,000	49,000	1,186.14	1,318.86	132.72
Naseby Residence	305,000	102,000	2,509.15	2,483.18	-25.97
Omakau Hotel	1,190,000	330,000	6,837.89	6,213.97	-623.92
Omakau Residence	380,000	107,000	2,464.41	2,388.34	-76.07
Ophir Commercial	1,520,000	160,000	3,398.32	3,667.06	268.74
Ophir Residence	410,000	122,000	1,860.44	1,928.31	67.87
Patearoa Residence	210,000	70,000	1,475.03	1,529.03	54.00
Pisa Moorings Residential	740,000	315,000	2,331.62	2,487.92	156.30
Ranfurly - Hotel	360,000	144,000	3,417.49	3,293.52	-123.97
Ranfurly Commercial Property	190,000	32,000	2,477.91	2,413.88	-64.03
Roxburgh - Commercial	230,000	104,000	2,326.65	2,279.99	-46.66
Roxburgh - Hotel	280,000	114,000	2,372.11	2,332.70	-39.41
Roxburgh Orchard	305,000	146,000	1,679.05	1,789.39	110.34
Roxburgh Farm	3,280,000	2,690,000	3,669.83	5,250.69	1,580.86
Roxburgh Large Farm	14,000,000	12,300,000	13,884.32	20,856.26	6,971.94
Roxburgh Residence	305,000	78,000	2,275.07	2,214.53	-60.54
Roxburgh Rural Industry	1,410,000	195,000	2,259.10	2,516.30	257.20

*Take a big picture view.*

*Get involved.*

*Let's frame our future, together.*

# He Tarika Areare Mātou ki ō Kōrero

## We want to hear from you....

Please read this document and the relevant supporting information before giving us your feedback.

This is as much your plan as ours, so we really value your input. Like we said in the opening pages of this document we want to keep this district moving, but we need to know how our community feels about the direction we are proposing to take. Our decision-making process following this consultation period will be guided by you.

## Where to get more information

Supporting information – including financials, policies and strategies – is available on our website at: [www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future)

Copies of all this information is also available from Council's main office in Alexandra and our service centres in Cromwell, Ranfurly and Roxburgh. If you can't make it in to a service centre but would like copies of any of the supporting information please phone us to request this on 03 440 0056.

There will be opportunities throughout the consultation period for you to engage with staff and Elected Members about Long-term Plan topics and ask questions. We will promote these on our website, Council's Facebook page and the CODC Noticeboard (which you'll find on page 5 of *The News* each week).

## How to have your say

Go to [www.codc.govt.nz/framing-our-future](http://www.codc.govt.nz/framing-our-future) and follow the link to make an online submission. Hard copies of submission forms for those without online access are available at our service centres.

Remember to focus on the key proposals and the content of this document, and the supporting information. In making your Long-term Plan submission you can tick the boxes on the online (or hard copy) submission form outlining which option you support for each of the key proposals. Feel free to include additional comments to support your preferences in the spaces provided.

 We need your feedback before submissions close at 5pm on Sunday 25 April.

## What happens to your Feedback

All submissions are given due consideration and everyone has the opportunity to make their submission in person (present it verbally) if they want to. If you want to present your submission to the Council at a special meeting to consider community feedback, let us know by ticking the 'yes' box on the submission form. We'll get back to you with a date and time and other details. Please note all submissions (including personal details of submitters) are public documents.

If you have Long-term Plan related questions you can also address these to your Mayor or local Councillor. Their details are listed below.

## Ko te Kahika me kā Kaikaunihera | Your Mayor and Councillors



**Tim Cadogan**

(Mayor)

M: 021 639 625

E: [mayor@codc.govt.nz](mailto:mayor@codc.govt.nz)



**Neil Gillespie**

(Deputy Mayor)

Cromwell Ward

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**Independent auditor's report on Central Otago District Council's  
consultation document for its proposed 2021-31 Long-term Plan**

I am the Auditor-General's appointed auditor for Central Otago District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its Long-term Plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 24 March 2021.

**Opinion**

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 Long-term Plan, because it:
  - fairly represents the matters proposed for inclusion in the Long-term Plan; and
  - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

**Uncertainty over three waters reforms**

Without modifying our opinion, we draw attention to the disclosure on page 7 to 8, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was 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 consultation document 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 consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

### **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and Long-term Plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and Long-term Plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

### **Independence and quality control**

We have complied with the AuditorGeneral'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 in carrying out all legally required external audits, we have no relationship with or interests in the Council.



Dereck Ollsson  
Audit New Zealand  
On behalf of the Auditor-General, Christchurch, New Zealand



**CENTRAL OTAGO**  
DISTRICT COUNCIL

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