



AGENDA

Emergency Council Meeting Monday, 31 March 2025

Date: Monday, 31 March 2025

Time: 4.00 pm

Location: Microsoft Teams

(A link to the live stream will be available on the Central Otago District Council's website.)

Peter Kelly
Chief Executive Officer

Notice is hereby given that an Emergency Meeting of Council will be held in Microsoft Teams and live streamed via Microsoft Teams on Monday, 31 March 2025 at 4.00 pm. The link to the live stream will be available on the Central Otago District Council's website.

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Members Her Worship the Mayor T Alley (Chairperson), Cr N Gillespie, Cr S Browne, Cr L Claridge, Cr I Cooney, Cr S Duncan, Cr S Feinerman, Cr C Laws, Cr N McKinlay, Cr M McPherson, Cr T Paterson

In Attendance P Kelly (Chief Executive Officer), L Fleck (General Manager - People and Culture), J Muir (Three Waters Director), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), L van der Voort (Group Manager - Planning and Infrastructure), W McEnteer (Governance Manager)

1 KARAKIA

Her Worship the Mayor will begin the meeting with a karakia.

2 APOLOGIES

3 DECLARATIONS OF INTEREST

25.5.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 2419460

Report Author:	Wayne McEnteer, Governance Manager
Reviewed and authorised by:	Saskia Righarts, Group Manager - Business Support

1. Purpose

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2. Attachments

Appendix 1 - Council Declarations of Interest [↓](#)

Name	Member's Declared Interests	Spouse/Partner's Declared Interests	Council Appointments
Tamah Alley	Manuherikia Irrigation Co-operative (shareholder) Cliff Care Ltd (family connection) Aviation Cherries Ltd (Director) Tenaya New Zealand Ltd (Director and Shareholder) Southern Lakes Trails (Trustee) LGNZ Zone 6 Chair	Manuherikia Irrigation Co-operative Society Ltd (shareholder) Emergency Management Otago Group Controller (employee) Aviation Cherries Ltd (Director)	Alexandra Community House Trust Central Otago Wilding Conifer Control Group Destination Advisory Board Southern Lakes Health Trust (Trustee)
Sarah Browne	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Shareholder) Central Otago Sports Turf Trust (Trustee) Central Football and Multisport Turf Trust (Trustee) Sutherland Architecture Studio Ltd (Employee)	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Employee)	Cromwell Youth Trust Tarras Community Plan Group
Lynley Claridge	Affinity Funerals (Funeral Director)		
Ian Cooney			
Stuart Duncan	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder) Fire and Emergency New Zealand (member) JD Pat Ltd (Shareholder and Director)	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (Shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder)	Otago Regional Transport Committee Maniototo Ice Rink Committee Maniototo Curling International Inc
Sally Feinerman	Feinerman's Ltd, 109 Scotland Street (Owner / Director) Roxburgh Pool Committee (Chair) Sally Feinerman Trust (Trustee) Feinerman Family Trust (Trustee)	Breen Construction (Employee / Builder)	Ida MacDonald Charitable Trust Teviot Prospects Teviot Valley Walkways Committee

	MPI Teviot Valley Community Hubs group		
Neil Gillespie	Southburn Consulting (Consultant) Cromwell Volunteer Fire Brigade (Chief Fire Officer) Cromwell Bowling Club (patron) Otago Local Advisory Committee - Fire Emergency New Zealand Returned Services Association (Member)		Tarras Hall Committee
Cheryl Laws	The Message (Director) Wishart Family Trust (Trustee) Woing Tree (Assistant Manager - Cellar Door) Daffodil Day Cromwell Coordinator	Otago Regional Council (Councillor) The Message (Director)	Cromwell Resource Centre Trust Old Cromwell Incorporated
Nigel McKinlay	Transition To Work Trust (Board member) Gate 22 Vineyard Ltd (Director) Everyday Gourmet (Director) Central Otago Wine Association (member) Long Gully Irrigation Scheme (member) CODC (employee) (Granddaughter)		Cromwell Hall Reference Group Cromwell Town Centre Reference Group
Martin McPherson	Alexandra Blossom Festival	CODC (employee) CODC (employee) (Daughter)	Alexandra and Districts Youth Trust

<p>Tracy Paterson</p>	<p>Matakanui Station (Director and shareholder) Matakanui Development Co (Director and shareholder) A and T Paterson Family Trust (Trustee) A Paterson Family Trust (Trustee) Central Otago Health Inc (Elected Member) Bob Turnbull Trust (Trustee / Chair) New Zealand Wool Classers Association (Chair) Central Otago A&P Association (Member) Waioira Manuherikia Governance Group (Member) Central Otago Riding for the Disabled (Volunteer)</p>	<p>Matakanui Station (Director and shareholder) Matakanui Development Co (Director and shareholder) A Paterson Family Trust (Trustee) A and T Paterson Family Trust (Trustee) Federated Farmers (On the executive team) Omakau Irrigation Co (Director) Matakanui Combined Rugby Football Club (Committee) Manuherikia Catchment Group (Co-chair) Omakau Domain Board Omakau Hub Committee (Chair) Manuherekia Valley Community Hub Trust (Trustee) Southern Cross Sheep Ltd (Director) Mt Stalker Ltd (Trustee) Mt Stalker Pastoral Ltd DKIL Ltd (Shareholder) Manuherikia River Limited (Director)</p>	<p>Omakau Recreation Reserve Committee Ophir Welfare Association Committee Central Otago Health Incorporated</p>
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4 REPORTS

25.5.2 CONSULTATION DOCUMENT FOR THE 2025-34 LONG-TERM PLAN AND SUPPORTING INFORMATION TO THE CONSULTATION DOCUMENT FOR THE DRAFT 2025-34 LONG TERM PLAN.

Doc ID: 2403282

Report Author:	Saskia Righarts, Group Manager - Business Support Paul Morris, Chief Financial Officer
Reviewed and authorised by:	Peter Kelly, Chief Executive Officer

1. Purpose of Report

To adopt the supporting information to the Consultation Document and adopt the 2025-34 Long-term Plan Consultation Document for public consultation.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Receives the audit opinion from Audit New Zealand in relation to the Long-term Plan Consultation Document 2025-34.
 - C. Recognises that while the Council complies with the Section 100 of the Local Government Act 2002 Balanced budget requirement for the 9 years of the Long-term Plan 2025-34, it relies on achieving its projected land sales to achieve this and considers this financially prudent to do so.
 - D. Adopts the following supporting information to the Long-term Plan Consultation Document 2025-34:
 - (a) Infrastructure Strategy
 - (b) Financial Strategy
 - (c) Development and Financial Contributions Policy
 - (d) Fees and Charges
 - (e) Significance and Engagement Policy
 - (f) Revenue and Financing Policy
 - (g) Rates Remission and Rates Postponement Policy
 - (h) Liability Management Policy
 - (i) Investment Policy
 - (j) Prospective Financial Statements
 - (k) Prospective Funding Impact Statements
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- (l) Community Outcomes Development
 - (m) Significant Forecasting Assumptions
 - (n) Capital Expenditure for Activity Groups
- E. Adopts the Long-term Plan Consultation Document 2025-34 along with the Auditors opinion for public consultation.
- F. Recommends that the Chief Executive Officer be authorised, in consultation with the Mayor, to make any necessary formatting or editorial changes, or other such final changes required by Audit New Zealand or to ensure compliance with the Local Government Act 2002 to any of the documents adopted under resolution D & E above.
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2. Background

The Local Government Act 2002 (S 93 and 93A) requires Council to prepare and adopt a Long-term Plan (LTP) every three years. Under normal circumstances Council would have prepared an LTP for adoption 30 June 2024.

Due to the new Governments significant policy changes and uncertainty around proposed delivery of water services (drinking water, wastewater and stormwater), councils across the country were given the option to delay Long-term Plans by one year and prepare instead an enhanced Annual Plan. Council took this option. There is now more clarity on expectations from Government and Council is developing a plan for delivery of water services. Council's long-term plan will be for nine years covering the period from 2025 to 2034 and reflects those changes to the delivery of water services.

This process requires that Council prepare a Consultation Document and supporting information. These documents have been audited by Audit New Zealand. Both the Consultation Document and the supporting information will be made available to the public.

The Consultation Document is headlined "*What's Important Central Otago?*" This is an invitation for our community to take the time to look at the main issues faced by this council and to make a submission on the 9-Year Plan.

The supporting information, including any changes arising from the consultation process, will then form the basis of the final 2025-34 Long-term Plan which will be adopted and published on the council website and in printed form once the consultation process is complete.

There are 9 key issues that will be the focus of the consultation.

1. What's our Plan for Water?
2. Volumetric Water Charges
3. Community Halls and Facilities
4. Ida MacDonald Roxburgh Pool Punawai Ora
5. Alexandra Outdoor Pool
6. Manuherehia Valley Community Hub
7. Supercars Championships at Highlands Motorsport Park
8. Artificial Turf at Maniototo Area School
9. Artificial Turf at Dunstan High School

1. What's our Plan for Water?

Delivery of water services is set to change. Stricter standards, renewal of resource consents, dealing with growth and increasing costs of replacing existing assets mean the costs of providing those services is going to increase significantly.

The Government water reforms are currently progressing through Parliament and will give Councils an alternative and potentially more cost-effective way to deliver these services.

Councils such as ours with a relatively small ratepayer base, do not generate sufficient income to access the level of funding needed to undertake the capital costs associated with water services and the wider council Capital programme.

Of the models available, council believe the establishment of an independent water services organisation is the best model for Central Otago. This company might be a standalone entity for our district only, or there might be an option to form a larger company with other like-minded councils. Our preference is to join with other Councils, but this may not occur immediately as other councils work through their own processes.

However, as council need to prepare the budgets for the next nine-years, it's important to talk to the community now about whether to move water services out of Council into a separate organisation. In the budgets for the next nine-years council have assumed that a separate company that is either a regional entity with other councils or a CODC only company from 1 July 2027, so council have removed those water services from then and reflected those changes in its Consultation Document and supporting information.

2. Volumetric water charges

Central Otago properties connected to a Council-run water supply pay for this service through a fixed annual charge (which is part of the rates bill) and a usage or volumetric charge, which is currently billed separately every six months. Council currently charges 60 cents per cubic metre of water used (Volumetric rate) and a targeted rate which is a fixed charge of \$756.45 per connection.

The volumetric rate has not been adjusted for many years, whilst the targeted rate has continued to increase. In 2025 the targeted rate is \$756.45 for every connection to the water network and, if the status quo remains, this will increase to \$843.54 per property in 2026.

Council is proposing to increase the volumetric rate to \$2.40 per cubic metre. This will be offset with a decrease of \$247.21 in the targeted rate from \$756.45 per connection currently to a proposed \$509.24 - i.e. your annual rates bill will be \$247.21 cheaper. However targeted rates are one piece of the equation to understand the impact on ratepayers of the proposed changes.

The table below highlights the breakeven positions for residential water users

- a) assuming no change in usage (highlighted in green) and
- b) assuming usage reduces by 30% (highlighted in blue).

If no change in usage occurs, then the breakeven water consumption is 137.3 cubic metres per annum. At this point approximately 32% of residential users will either pay the same or less than their current cost. This means that a water user would need to use 375l/day or less to obtain any benefit from the reduction in targeted rates.

If users achieved a 30% reduction in consumption across all users, the breakeven water consumption for residential users is 228.9 cubic metres per annum. This is approximately 51% of residential users who will either pay the same or less than their current cost. This

means that a water user would need to use 625l/day or less to obtain any benefit from the reduction in targeted rates.

If savings in overall consumption is less than 30% then the breakeven point will move back towards the 137.3 cubic meters per annum.

Current Water Usage per year (m ³ /year; L/day)	Current R&C (\$) \$756 + 60c/m ³	Proposed R&C (\$)			Proposed R&C (\$)		
		\$509.24 + \$2.40/m ³ - no change in usage	Variance (\$)	Variance %	\$509.24 + \$2.40/m ³ - 30% reduction in usage	Variance (\$)	Variance %
100 m3/year; or 275 L/day	\$816	\$749	-\$67	-8%	\$677	-\$139	-17%
137.3 m3/year; or 375 L/day	\$839	\$839	\$0	0%	\$740	-\$99	-12%
228.9 m3/year; or 625 L/day	\$894	\$1,059	\$165	18%	\$894	\$0	0%
300 m3/year; or 820 L/day	\$936	\$1,229	\$293	31%	\$1,013	\$77	8%
750 m3/year; or 2055 L/day	\$1,206	\$2,309	\$1,103	91%	\$1,769	\$563	47%
1500 m3/year; or 4110 L/day	\$1,656	\$4,109	\$2,453	148%	\$3,029	\$1,373	83%
2000 m3/year; or 5480 L/day	\$1,956	\$5,309	\$3,353	171%	\$3,869	\$1,913	98%
10000 m3/year; or 27395 L/day	\$6,756	\$24,509	\$17,753	263%	\$17,309	\$10,553	156%

3. Community Halls and Facilities

Council has several community halls and facilities across our district, each of which has a rich history and has served as a focal point for communities over time.

Council is facing significant costs in the next few years to earthquake-strengthen several of our facilities. This LTP has created an opportunity to discuss what facilities need to continue maintaining and which ones could be divested.

Divesting facilities will reduce the rates input into operations and capital expenditure (including earthquake strengthening costs), and it also opens opportunities to possibly repurpose land and buildings.

4. Ida MacDonald Roxburgh Pool Punawai Ora

The Ida MacDonald Roxburgh Pool Punawai Ora committee has approached Council to see if council would take over the running and operation of the pool into the future.

It has been hard for the committee to continue running this community facility. They have struggled to hire qualified lifeguards and funds are not yet being put aside for future plant maintenance and replacement.

If the pool was owned and operated by Council, it would run in a similar way to Council's pool in Ranfurly. It would be open twelve hours a day, seven days per week for the summer season (December through March), with the same staffing ratios and management systems. This would come at an annual district-wide cost to ratepayers of \$250,000 per annum, or \$16.85 per ratepayer in the Cromwell, Maniototo and Vincent wards.

The ratepayers of the Teviot ward will pay more. The Teviot Valley Community Board has been providing an annual operating grant of up to \$50,000 towards the pool since its opening (\$52.95 per Teviot Valley ratepayer). This grant would cease if Council takes over ownership and Teviot Valley ratepayers would now need to contribute to the rest of the districts pools which would mean a net increase on Teviot Valley rates of \$260 per annum.

If the Pool is not vested in Council, the Teviot Valley Community Board has requested to increase this annual grant to \$80,000pa from 2025 – this would mean an increase of only \$17.65 from \$52.95 currently paid to \$70.60 per Teviot Valley ratepayer. Other ratepayers across the district would not have this increase.

However, the issues highlighted above would still remain.

5. Alexandra Outdoor Pool

The current Alexandra Pool opened to the public over 20 years ago. When the facility was built, the community chose to include an outdoor swimming pool due to the affection held for the decommissioned outdoor pool. However, over the years Council staff have noticed a steady decline in the outdoor pool's use, despite admissions increasing year on year at the Alexandra facility.

The cost of running Alexandra's outdoor swimming pool is \$200,000 per annum, plus an additional \$10,000 a month if the water is heated. The pool is open for public use during the summer season (December through March).

The estimated cost of decommissioning the pool is \$50,000. This process would involve dismantling the pool infrastructure and repurposing its components, while the pool itself would be filled in. This would create potential opportunities for repurposing the outdoor area for future activities.

Closing the outdoor pool would reduce ongoing operating costs for the Alexandra Pool.

6. Manuherekia Valleys Community Hub

In 2021 Council consulted on the Manuherekia Valleys' proposal 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. Council and the subsequent consultation supported this idea and \$1million was committed to this project.

The Manuherekia Valleys Charitable Trust and local community worked hard over the past several years to raise funds for this build. To date they have secured \$1,773,000 in grants and sponsorship and continue to seek out new sources. However, as time has passed, cost escalations have pushed up the build price significantly. The revised total build cost is now up to \$5.2 million, including landscaping and fitout. The Trust has asked for further support from Council, with up to \$1.6 million still needed. While the Trust continues to fundraise and hopes the full amount is not needed, this commitment to funding will mean that building tenders can be accepted and contracts can be locked in, which will prevent further price creep over time.

It is proposed to commit up to \$1.6 million more towards this project from reserves.

7. Supercars Championship at Highlands Motorsport Park

Supercars is the premier motorsport category in Australasia, and one of Australia's biggest sports. Globally, it is recognised as the leader in the touring car category. The event is expected to have a positive economic impact directly and indirectly through media, broadcast and social media coverage, with estimates of tens of thousands of visitors descending on Cromwell, the wider Central Otago and Queenstown-Lakes

Districts. This event would put Central Otago on the map and showcase our region as a leading tourist destination.

To secure the event, Supercars organisers are seeking Council investment of up to \$250,000.

8. Artificial Turf at Maniototo Area School

The Maniototo Area School has asked Council to help support the replacement of a multi-use artificial turf at their school grounds. The current court surface has seen its best days and is raising safety concerns for users.

The school is wanting to extend the current turf footprint by 10m and include an asphalt court alongside. The cost of construction of this multi-use sports surface is estimated at \$900,000, and the organising committee is requesting \$200,000 from Council towards the project.

The organising committee is currently fundraising for the remaining cost and will begin construction once this funding is secured. All going to plan, the committee hopes to commence construction in the 2026/27 financial year (Year 2 of the LTP).

9. Artificial Turf at Dunstan High School

Molyneux Turf Incorporated (MTI) in conjunction with Dunstan High School has been working towards the development of a full-sized multipurpose artificial turf for Alexandra. The proposed site is on the high school grounds on the old tennis courts, adjacent to Molyneux Stadium. Being situated on school grounds means that the turf will be mostly used by the school during class times and will be available for community use outside of school hours.

The trust has commissioned a feasibility study for the construction and ongoing operation and maintenance of the facility. The study proposes that MTI will own the turf, facilitate the construction and maintenance of the surface, and manage community bookings. Operating revenue will be sourced through user charges, sponsorship and grants.

MTI are also progressing various funding opportunities, and subject to this funding, development is expected to start in November 2025. The total cost of construction of a full-sized multipurpose turf is \$1.5 million and MTI has requested \$300,000 from ratepayers to support this project. This grant from Council would go towards construction costs only and there is no commitment for ongoing operational costs.

All preferred options form part of the financial model.

3. Discussion

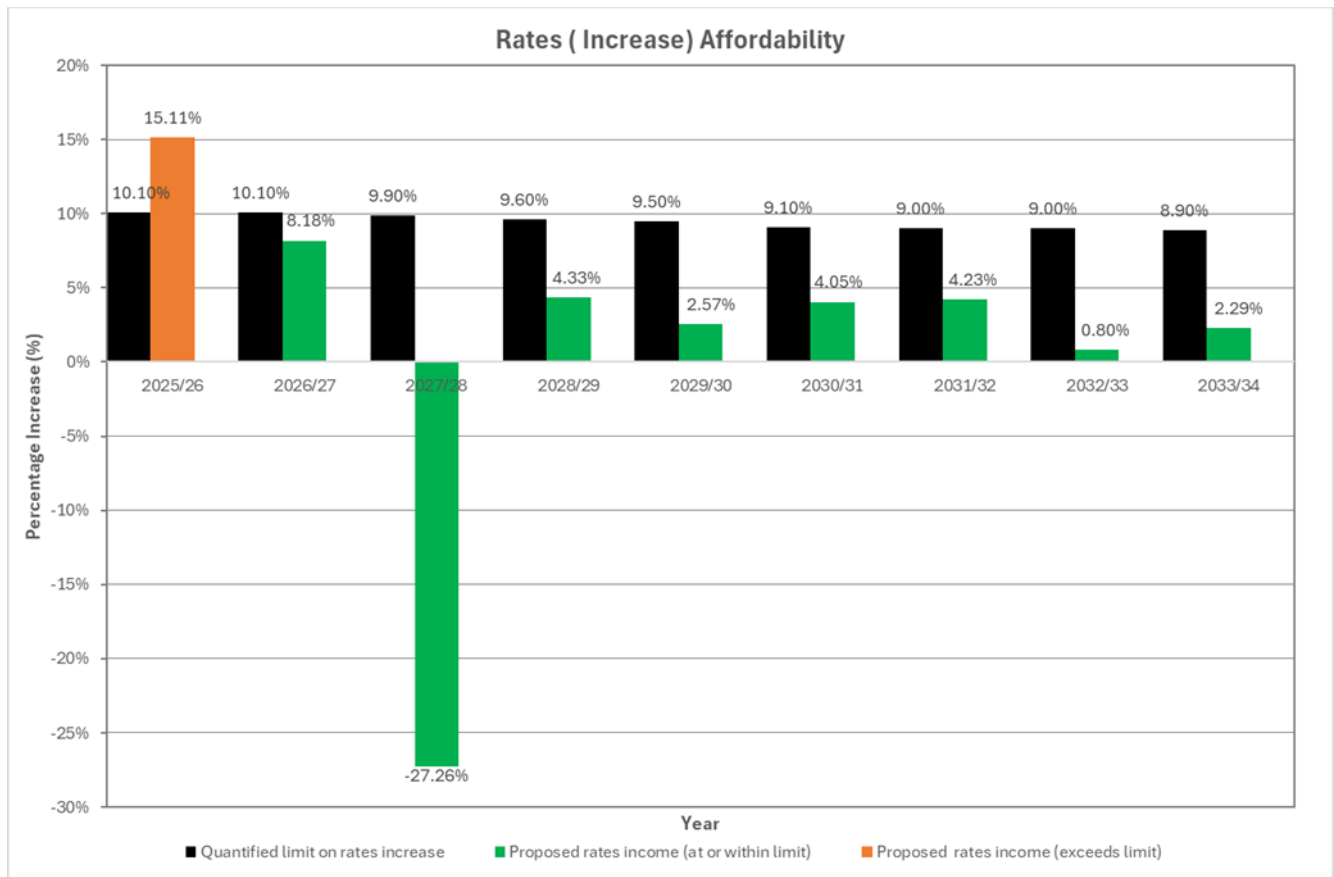
Council is required to adopt a Consultation Document for the 2025-34 Long-term Plan. The Consultation Document outlines Council's most significant ideas for the future and provides instructions to the public on the submission process. The Consultation Document and the supporting information has been made available to Audit New Zealand, and these documents are currently being audited. The Consultation Document went to the Office of the

Auditor General for a 'hot review' on 21 March 2025. It is anticipated that the Consultation Document should not require any significant changes because of the final review.

Council is required to adopt supporting information to the Consultation Document for the 2025-34 Long-term Plan. The supporting information is also available to the public. This information comprises the Infrastructure Strategy, Financial Strategy, Prospective Financial Information, Funding Impact Statements for the whole of Council and Groups of Activities, Revenue and Financing Policy, Rates Remission and Rates Postponement Policy, Investment Policy, Liability Management Policy, Significance and Engagement Policy, Significant Forecasting Assumptions and Risks, Development and Financial Contributions Policy and the Schedule of Fees and Charges. Changes may be made to these documents because of submissions from the public and Council deliberations. These documents will also form the basis for the final 2025-34 Long-term Plan which is planned to be adopted by Council on 30 June 2025.

In December 2024 the elected members were presented the draft budget numbers, which form the basis of the Long-term Plan budgets. The table below highlights the increase in rates over the 9 years of the plan against Councils quantified limits on rates increases. The limits have been amended to recognise the nature of Councils business by using the Local Government construction index plus 5% rather than using CPI which is more consumer goods based. It should be noted that these increases do not incorporate the growth factor of 2.1% for each of the first 5 years and 1.8% thereafter. These factors need to be deducted from the rates increases shown.

Council meets the rates affordability benchmark if its planned rates income equals or is less than each quantified limit on rates.

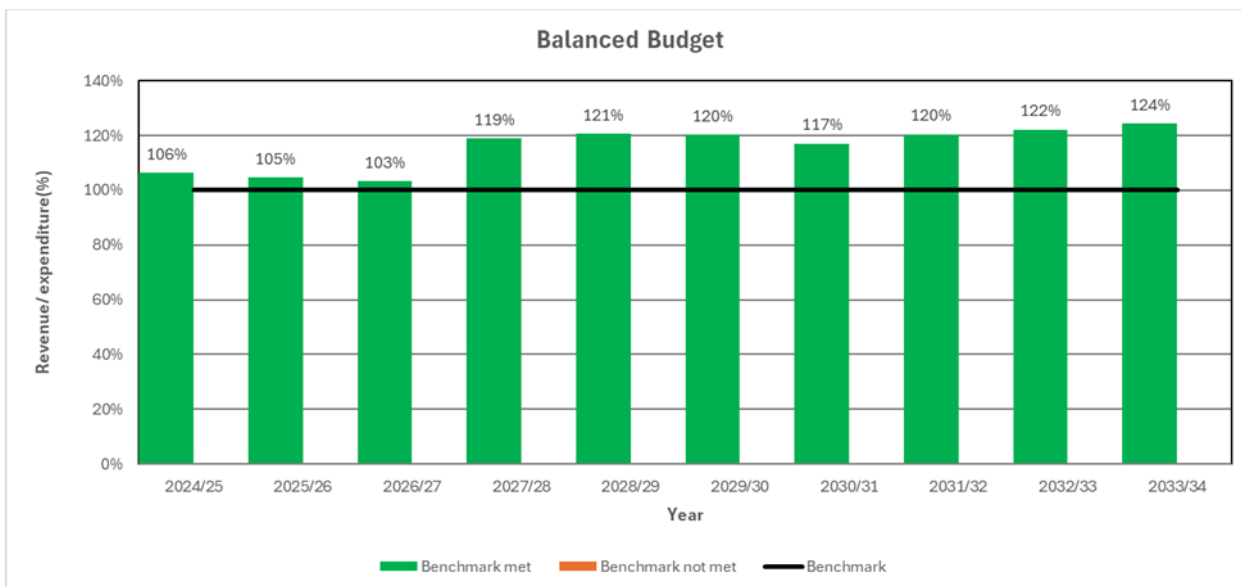


Note that the first year of this plan does not meet the benchmark. This is due to higher operating costs in the water services activities, roading and community facilities as well debt servicing costs and programmed debt repayment. However, Council considers this to be prudent in the lead up to the divestment of water services activities.

Council must also ensure that each year's projected operating revenues must be sufficient to cover that year's projected operating expenses (excluding certain losses) unless it decides it is financially prudent not to. This is called the Balanced budget requirement (Sec 100 Local Government Act 2002)

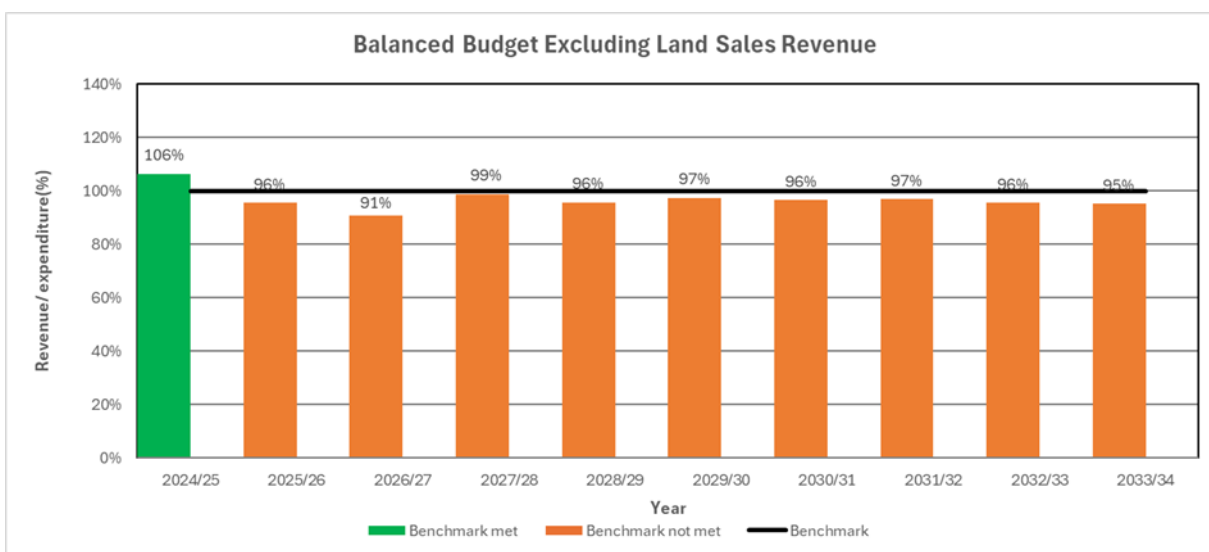
Council meets the balanced budget benchmark if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment) for the year.

The chart below highlights that Council will meet the balanced budget benchmark in all years of the Long-term Plan 2025-34.



However, to meet this benchmark, Council is relying heavily on land sales. If it cannot achieve these sales, then it will not achieve the balanced budget benchmark.

The table below highlights the impacts of not achieving land sales in the relevant years



4. Financial Considerations

The current draft average rates increase is 13.01% for year 1 of this long-term plan. This number includes the modelling for the preferred options for each of the nine consultation items as well as an allowance of 2.1% for growth.

5. Options

Option 1 – (Recommended)

Council adopts the supporting information to the consultation document for the 2025-34 Long-term Plan, receives the audit opinion from AuditNZ and adopts the Consultation Document along with attached audit opinion for the 2025-34 Long-term Plan.

Advantages:

- The community is included in *What's important Central Otago* of Council's nine-year plan and receives the opportunity to engage with Council and submit on Council's proposal.
- This meets the legislative requirements of the Local Government Act (2002) – S93 and 93A.
- This will translate into Council adopting the 2025-34 Long-term Plan in June 2025 and therefore set the rates to generate future year's income to undertake the programs highlighted

Disadvantages:

- There are no identified disadvantages to this option

Option 2

Do not adopt the Consultation Document, and the relevant supporting information as outlined above.

Advantages:

- There are no identified advantages.

Disadvantages:

- Council cannot complete its Long-term Plan process by 30 June 2025 which will inhibit Council setting its rates at an appropriate level to generate the revenue required to meet the planned programmes of work across the nine-year period.
- Council will breach the Local Government Act (2002).
- The community will feel dissatisfied with the performance of Central Otago District Council and the role of the elected members as expectations have been set that consultation will commence 28 March 2025. This could generate significant reputational damage that may be hard to recover from.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the (environment, economic, social and cultural) wellbeing of communities, in the present and for the future by creating a programme of work that ensures the community lives within a safe and viable district. It is Council's role to provide leadership, good quality local infrastructure, public services and regulatory functions and to support local economic growth and development.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Yes, this is consistent with all policies.
Considerations as to sustainability, the environment and climate change impacts	Yes, the supporting documents contain reference to these key areas.

Risks Analysis	The key risk is that the community will be dissatisfied with Council's performance and an average 13.01% rates increase (after growth allowance). This risk will be somewhat mitigated by having strong comms explaining what this number comprises of and encouraging the community to participate in meetings and submit on the consultation document.
Significance, Consultation and Engagement (internal and external)	The special consultative procedure is required for the 2025-34 Long-term Plan under the requirements of the Local Government Act 2002.

7. Next Steps

Once the draft 2025-34 Long-term Plan and 2025-34 Long-term Plan Consultation Document is adopted, the supporting documentation and the Consultation Document will be placed on the website. There will be several opportunities for the community to meet with elected members and staff to discuss the content and understand how these decisions will impact on them and the future generations. The consultation period will be from Friday 28 March to Sunday 27 April 2025.

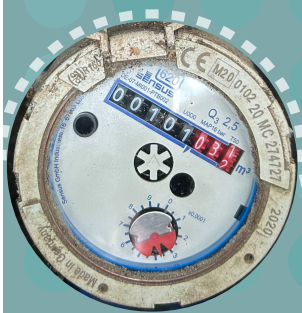
8. Attachments

- Appendix 1 - Long-term Plan Consultation Document** [↓](#)
- Appendix 2 - Infrastructure Strategy** [↓](#)
- Appendix 3 - Financial Strategy** [↓](#)
- Appendix 4 - Development and Financial Contributions Policy** [↓](#)
- Appendix 5 - Fees and Charges** [↓](#)
- Appendix 6 - Significance and Engagement Policy** [↓](#)
- Appendix 7 - Revenue and Financing Policy** [↓](#)
- Appendix 8 - Rates Remission Policy** [↓](#)
- Appendix 9 - Liability Management Policy** [↓](#)
- Appendix 10 - Investment Policy** [↓](#)
- Appendix 11 - Prospective Financial Statements** [↓](#)
- Appendix 12 - Prospective Funding Impact Statements** [↓](#)
- Appendix 13 - Community Outcomes** [↓](#)
- Appendix 14 - Significant Forecasting Assumptions** [↓](#)
- Appendix 15 - Capital Expenditure Summary** [↓](#)

What's important Central Otago?

Have your
SAY

on the 2025-34
LONG-TERM PLAN



Central Otago District Council: Supporting a safe, thriving
community and environment – now and into the future



Message from the Mayor and Chief Executive



Central Otago is the best district to live in and we are committed to ensuring the district has the core services needed to continue prospering in a sustainable way. To achieve this, we must make smart decisions on where we best put our efforts, knowing also that some costs cannot be put off for future generations to bear the brunt.

We are facing some big challenges in the years ahead. Central Otago is growing like never before, and while this brings opportunity, we need to ensure we have infrastructure in place to meet future demand. Investing in infrastructure accounts for 48.8% of the rates increase in Year One of this Long-term Plan. Development contributions are also increasing to reflect the true cost of providing additional services for our growing population.

Our district covers a large geographic area and we need to further invest in our roading network to ensure resilient connection routes. In this Long-term Plan, we will be embarking upon a bridge replacement programme. However, this is not made easy with the pressure on Central Government's roading funding pot.

We are facing continued pressure in the delivery of water services, and like the previous government, this Government is requiring higher standards of councils than ever before. With these requirements come cost. For example, in Year One of this Plan, wastewater investment is required, which will impact all residents with a wastewater connection – motels and hotels being most impacted.

We need to decide in this Long-term Plan how to continue providing water services to this district in a sustainable way, and we want your feedback on this. What will be the best operating model for delivering water services to Central Otago households into the future? Tell us your views.

In the meantime, we have worked hard to reduce rate surges for our households, and have made the decision to reduce the amount of rates we collect for the replacement of water services assets over the next two years, funding this shortfall instead from debt.

Last year we consulted on a 'district-wide funding' model. We know that it is not economical to keep funding activities at a ward level and we need to start rationalising some of our services across the district. The ratepayer spend is getting stretched and things are not likely to change in the near future. You'll see in this Long-term Plan we want your feedback on whether we divest some community halls and facilities.

We know there is more to our community than roads and pipes and we have a number of community and commercial groups who are seeking your support on funding their projects. While we think there are merits in all of them, we know costs are hitting some of you hard and we really want to hear from you about whether or not we have got the balance right and that it's a good use of your money.

We invite you to read our proposals contained in this document – your input is important to us in helping us make decisions on some important topics.

Consultation is open from **28 March to 28 April 2025**. We look forward to seeing you at one of our community events during this period and receiving your feedback.

Tamah Alley
Her Worship the Mayor

Peter Kelly
CODC Chief Executive

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What have we achieved?



Some of the big projects we have completed since the last Long-term Plan include:

Lake Dunstan Water Supply

project went live in 2023, combining and upgrading the town water supply for Clyde and Alexandra residents.

Clyde Heritage Precinct

project to make infrastructure improvements and upgrades to water, stormwater drainage, footpaths and streetscape. A big thanks to the community for working around the public access disturbances.

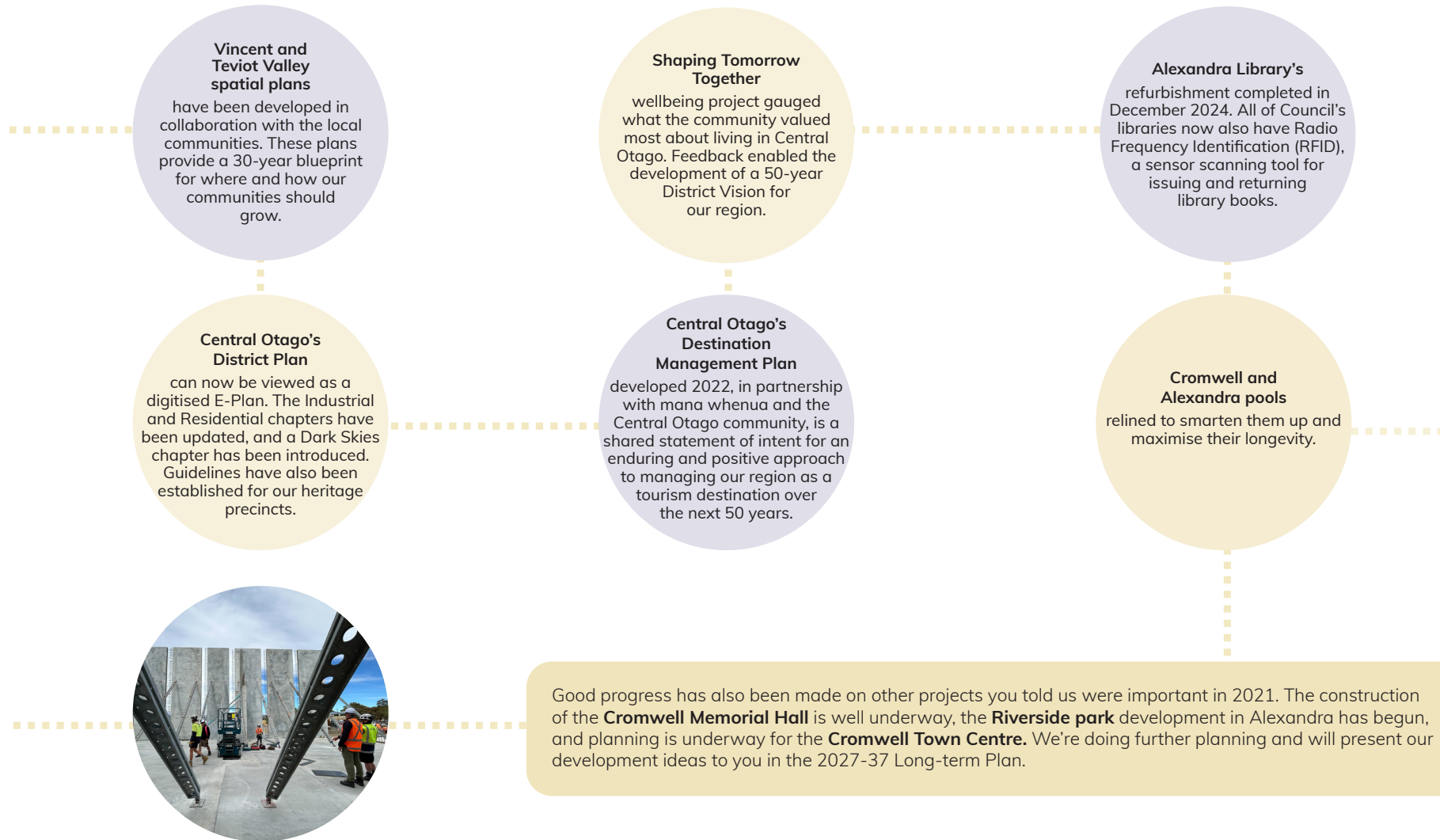
Cromwell town water supply

upgrades to provide increased capacity and meet water compliance standards, were completed in 2024.

Kerbside waste and recycling collection

upgraded in 2023 with the introduction of a four-bin system, including an organics service.





What's our plan? the next

9 years at a glance



Our Long-Term plan in

12 KEY points

Why nine years not ten?

Every three years, we must prepare and adopt a Long-term Plan (LTP). Our last LTP was adopted in 2021. Last year, the new Government gave councils the option to delay the Long-term Plan by one year and prepare instead an enhanced Annual Plan. We took this option given the uncertainty around the Government's proposed water services delivery. There is now more clarity on expectations from Government and we are developing a plan for how we will deliver water services, which we will want your feedback on.

1 Developed in uncertain times

We have developed this Long-term Plan during challenging financial times and global unrest. The current economic recession has created a cost-of-living crisis for some households, though some of the key economic indicators are now heading in the right direction.

2 Government changes

We are adapting to changes in regard to how the Government wants local authorities to provide services. Significant national policy and legislation re-writes will mean big changes in how we do things.

3 Change in how we propose to deliver water services

In line with Government policy, delivery of water services is set to change. We are looking at different models to deliver these services, and one of the options is creating a council-controlled organisation (CCO), either stand-alone or with other councils involved, to own and deliver these services. We will be seeking your feedback on each step of the process, starting with this LTP consultation. In the meantime, we are continuing our programme of work to replace and improve water service infrastructure across the district.

4 Changes to how we pay for water

The ratio of charging households for drinking water (i.e. between the uniform annual charge for infrastructure costs and the volumetric charge for per unit water usage) is under review and we welcome your feedback through this LTP consultation. Over the next two years Council is proposing to reduce its rates funding for asset replacement and borrow to meet the shortfall to help keep significant rates increases down for households.

7 Long-term focus

We are constantly looking at how to handle our district's growth, adapt to climate change and future-proof our communities. Spatial planning is helping us map where we can sustainably grow, and discussions continue around future-focussed services and facilities - the Cromwell town centre project being an example of this.

10 Increasing debt

Under this LTP, we will be taking on more debt. While debt needs to be managed carefully, its often considered fair to borrow for building things that last for a long time, as it spreads the cost across the generations of people who will benefit.

5 Infrastructure investment

Some of our assets are reaching end of life. Investment in infrastructure needs to be able to absorb current and future population growth. This LTP includes significant infrastructure projects, such as the construction of a new hall and event centre in Cromwell, water services upgrades and bridge replacements.

8 Environmental waste

Our new waste strategy articulates our commitment to improve recycling and reduce the amount of waste sent to landfills. A key project this LTP will be the construction of a new organic facility so we can more sustainably manage food and green waste.

11 Land strategy

This strategy is being developed to ensure smart management of Council's land and assets. It will state how properties – including reserves and endowment land – must be used for the purpose they were acquired, ensure their value is being preserved for future generations, and require any conversion of land to assets to be done through careful investment for current and future generations.

6 Roads and bridges

We didn't receive all that we asked for from New Zealand Transport Agency Waka Kotahi (NZTA) which means a shift in how we will maintain and improve our road network. This LTP sees us using rates to fund work that would normally be subsidised by NZTA, which has reduced our ability to deliver on some of our bridge replacement programme as well as maintenance of footpaths and cycleways.

9 Continued service delivery

From July 2025 we will be shifting to district-wide funding of all Council services and activities. This was consulted with the community in September 2024. This will mean that the costs of activities will be shared by us all. We are also reviewing the services that we provide to check if they are still 'best fit' for our communities and that we can still afford to deliver them. The community halls and facilities discussion in this LTP consultation document is part of this work.

12 The cost of delivery

Running our district doesn't come cheap. Like many households, we are facing big increases to the costs of providing services. These inflationary pressures can be seen in the 9.57% rates increases (on average) over the next two years.

We need your help



We've got some big decisions to make and we need your feedback on a number of topics – these are covered on pages 10 to 33 of this document:

- Charges for water use
- The future for investment for halls and facilities
- Our investment in public pools
- Support for community and commercial projects

We are also proposing changes to some key policies that may affect you (detailed on page 34), and we would like to hear your views.

As you read through this document think about:

- What is most important to you and your family?
- Have we got the balance right?
- Is there anything we are missing?

Tell us what you think.

Go to:

lets-talk.codc.govt.nz



to find out how to get involved.

What's a preferred option?

As part of developing the LTP, Council has considered different choices related to the key topics for consideration in the following pages. The option that Council currently favours is called a **'preferred'** option. This is the option that our LTP budgets have been modelled on.

WHEN

28 MARCH 2025
Consultation Opens

28 APRIL 2025
Consultation Closes

14 MAY - 16 2025
Hearing of Oral Submissions

20 MAY 2025
Deliberations

30 JUNE 2025
LTP is adopted

5 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 4 April 2025.