



AGENDA

Late Reports

Ordinary Council Meeting

Wednesday, 31 July 2024

Date: Wednesday, 31 July 2024

Time: 10.30 am

**Location: Ngā Hau e Whā, William Fraser Building,
1 Dunorling Street, Alexandra**

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

Peter Kelly
Chief Executive Officer

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7 REPORTS

24.9.22 COMPLETING DISTRICTISATION: CONSULTATION WITH THE COMMUNITY

Doc ID: 1848030

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

1. Purpose of Report

To consider the consultation document on the proposal to further districtise activities, including community facilities, pools, parks, cemeteries and museum funding.

Recommendations

That the Council

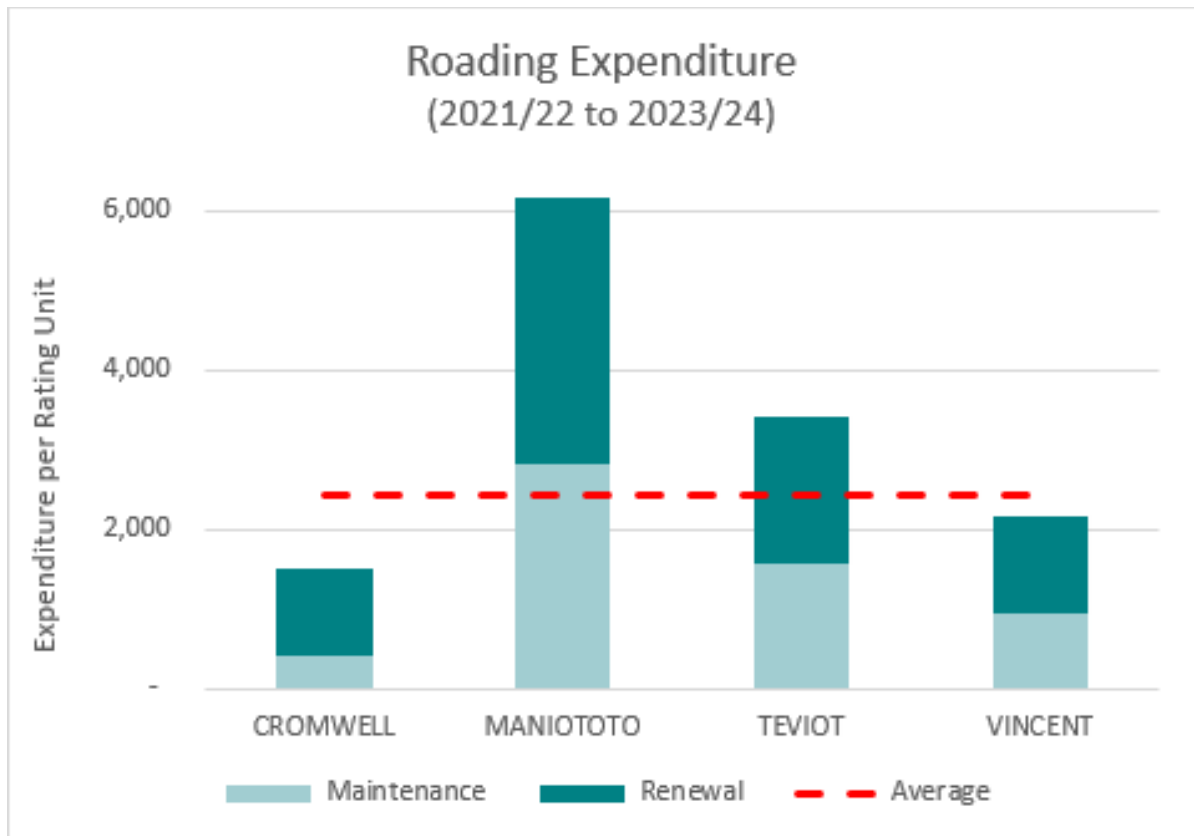
- A. Receives the report and accepts the level of significance.
 - B. Notes the feedback received by community boards on the proposal to further districtise activities.
 - C. Adopts the consultation document.
 - D. Agrees that formal consultation occur with the community during August 2024, with hearings and deliberations in September 2024.
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2. Background

In February this year, a change to the level of community board delegations was proposed. In the feedback, Council heard from some community boards that a conversation about districtisation was needed first, and the delegations paper was left to lie on the table until later this year.

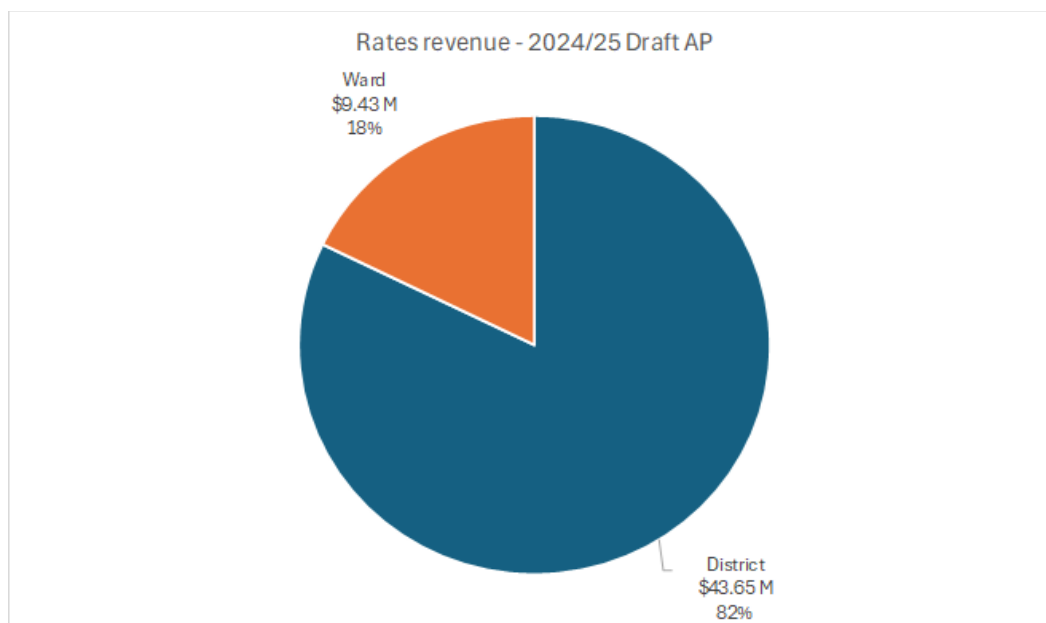
Over the past twenty years Council has engaged in consultation to the community to rate certain activities across the district rather than by ward level. This was because it was particularly challenging in our less populated wards to maintain services given the fewer ratepayers in these areas to spread the cost across. In the mid 1990's roading was changed to a district rate rather than a ward rate, and the beneficial impact from the Maniototo and Teviot Valley wards can be seen in the graph below.

Similarly, in 2015 Council engaged with the community to change the funding of three waters to be at the district level rather than at the ward level. This was implemented in 2016, and the table below demonstrates that again the benefit this had to some areas, with Omakau and the Teviot benefiting the most from this change.



Ward	Combined - Targeted	District	Variance
Vincent	Alexandra 1,536	1,151	(385)
Vincent	Clyde 551	1,151	600
Vincent	Omakau 2,020	1,151	(869)
Cromwell	Cromwell 833	1,151	318
Cromwell	Pisa 976	1,151	175
Maniototo	Naseby 1,231	1,151	(80)
Maniototo	Ranfurly 1,213	1,151	(62)
Teviot	Roxburgh 1,866	1,151	(714)

Today only 18% of rates revenue is charged at the ward level, including community facilities, parks, pools and community grants as demonstrated below.



Council is required to have a 30-year infrastructure strategy with the three waters and roading being mandatory inclusions along with a 10-year financial strategy. The financial strategy is required to consider these long-term work programme effects on Council's required revenue and funding streams such as rates, fees and charges including development contributions, debt levels and servicing of the debt, along any cash reserves.

The financial strategy is also required to not only consider affordability and sustainability of current ratepayers but also our future generations of ratepayers in its prudent management of the financial strategy. This encompasses financially managing all funding decisions at a district level to Council consider the long-term impacts of rate funding for depreciation to cover our renewals along with repayment and servicing of debt overtime in an affordable and sustainable manner.

Currently Council does not include community facilities, parks and pools infrastructure in the 30-year Infrastructure Strategy which are not districtised assets, yet they are subject to the same increasing costs and issues of servicing, replacement of ageing infrastructure and increasing national standards.

Now that Council has external debt it is important to manage the balance sheet impacts of all assets as a district. Most of Council's debt is currently for the three waters programme and as it currently stands Council will meet the maximum debt levels in the next few years. Overall, the reserve accounts are forecast to deplete, the most significant being the Cromwell reserves accounts which are funding in part the Cromwell Memorial Hall.

In the future, Council will not have the ability for wards to borrow internally from other wards for their ward asset expenditure. Net Land sales for Cromwell are currently in the 10-year numbers but with the depletion of their reserve accounts Council will need to consider the funding and timing of the costs of developing the land for sale, given our potential debt profile.

It should be noted any decision to further districtise services will not impact level of services in each ward, these would remain the same levels as they are now until there was a decision

to alter these. Any adjustment to level of services would need to be consulted with the community through an annual or long-term plan process.

Districtisation will also benefit our community by simplifying the rating policy which will lead to greater transparency.

Land status

During the delegations conversation there were concerns from the Cromwell Community in particular that the rationale behind the proposal was to take land from one ward to fund activities in other wards with less assets. This was not the rationale behind the proposal but it is fruitful to outline what would happen to land if Council further districtised activities.

All land is currently held by Council as a whole, and under the Local Government Act 2002 community boards cannot hold land. In practice, however, this Council has operated as if land is managed at the ward level and they have historically endorsed community board land sale proposals and the proceeds have been allocated to activities within the particular ward.

There would be no changes to the proceeds of any sale of endowment land (of which Cromwell in particular has some that has been re-zoned and is earmarked for future development). Endowment land can only be used for the purposes of the endowment. In the particular case of the Cromwell land, it must only be used in the interests of the Cromwell borough. It cannot be used to build infrastructure outside the intent of the original endowment (such as new wastewater facility in Vincent for example).

Any freehold land could be sold and used to fund any activity across the four wards, as is intended by the Local Government Act 2002. Finally, Council has a significant amount of reserve land which is subject to the provisions of the Reserves Act 1977 and any sale of this land follows the process under this Act.

Reserve accounts

All wards have reserves accounts, some of these are in surplus and some have negative balances. Cromwell has overall a positive balance over \$20m, which will be largely expended in the next couple of years by funding the development of the new hall. This funding is already earmarked and will not be affected by a decision to further districtise activities. Once the money for Cromwell is spent, the wards will have relatively similar reserve levels and under the proposal to further districtise activities these could be amalgamated.

Rates modelling

In the below modelling, parks, pools, community facilities and museum funding has been included. Community grants (bar museum and pool grants) and promotions grants have been excluded. Two options are modelled.

Option 1: Every ward pays an equal share of the pools, parks, cemeteries, community facilities and museum activities (\$837 each).

Average impact per rating unit each LTP year

Ward	Status Quo	Districtisation	Variance
Cromwell	\$889	\$837	-\$52
Maniototo	\$947	\$837	-\$110
Teviot Valley	\$604	\$837	\$233
Vincent	\$799	\$837	\$38

Drivers of the changes for each community board

Maniototo - has six community halls in need of significant earthquake strengthening work. The cost of this (and all similar strengthening across the district) would be shared by the whole district. Whether all these buildings will remain on the schedule for earthquake strengthening is a future decision.

Cromwell – development of the new Cromwell Memorial Hall will be paid for with land and assets from within the Cromwell ward. However, if districtisation does occur, future operating costs would be shared by the whole district.

Vincent - increase is due to supporting the operating costs for the Cromwell Hall and the earthquake strengthening costs of the halls in the Maniototo ward.

Teviot Valley - additional charge is primarily due to the Teviot Valley sharing the cost of running the Council-administered Maniototo, Alexandra and Cromwell pools if districtisation goes ahead. A question for future discussion may be whether district ratepayers could also share the cost of maintenance, operation, and depreciation of the Roxburgh community pool.

Option 2: Every ward pays an equal share of the parks, cemeteries, community facilities and museum activities and an adjustment is made for Teviot ratepayers who do not have a council run pool (so the pool costs are still districtised but Teviot receives a differential for account for this).

Average impact per rating unit each LTP year

Ward	Status Quo	Districtisation	Variance
Cromwell	\$889	\$854	-\$35
Maniototo	\$947	\$854	-\$93
Teviot Valley	\$604	\$645	\$41
Vincent	\$799	\$854	\$55

Under this option Cromwell and Maniototo ratepayers will have a net benefit, but this is reduced because Teviot ratepayers are not subsidising pool costs. The net result for Vincent is a slight increase from option 1 for the same reason, and for Teviot ratepayers there is still a slight increase from status quo, but it's significantly reduced from option 1.

Option 3: Status quo, no change. Property, parks, cemeteries, pods and museums continue to be funded by ward rates.

Community Board role

Community boards have an important role in the Central Otago's democracy. Through the recent consultation process of the Representation Review all four community boards have been retained, with only minor amendments proposed to the number of councillors sitting on each community board.

The role of community boards is set out in section 52 of the Local Government Act 2002 and it is to:

- represent, and act as an advocate for, the interests of its community; and
- consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board; and
- maintain an overview of services provided by the territorial authority within the community; and
- prepare an annual submission to the territorial authority for expenditure within the community; and
- communicate with community organisations and special interest groups within the community; and
- undertake any other responsibilities that are delegated to it by the territorial authority.

In the live streamed workshops in early June, boards were presented with ideas for a future potential vision for community boards if further districtisation was to occur. The ideas were:

- To develop relationships and communicate with key organisations, special interest groups, community members and businesses
- To update Council on Community Board matters and community issues via the chair updates (on rotation)
- Make submissions to Council on matters relating to the ward, especially through AP and LTP processes
- Monitor the services Council provides in the ward and how these services meet the needs of the community
- To undertake portfolio activities alongside Councillors
- Facilitate meeting locations and timing to encourage public participation
- Members initiate and attend informal sessions to meet with members of the public, with a suggestion that these sessions could be held alongside other community events
- Act as a liaison on key projects/council activities
- Undertake elected member training, to further develop their skills, and progress to take on roles on other committees/panels
- To clarify and promote the role of the community board in the ward and wider communities
- Take interest in Council meetings/workshops and have an understanding of decision making at Council level
- Attend community events, meetings and groups where possible within their ward and district.

Initial feedback from the boards were that these following things were important:

- Boards are keen to be seen as a partner with Council

- More work needs to be done to break down barriers between the boards and the public with more communication around what the board are doing
- Noted a real lack of understanding around what elected members do, especially the differences between Council and community boards
- Each election cycle could present the opportunity to review what the ward should be focusing on
- The need to make their work look meaningful enough to encourage people to stand
- Community access to decision makers
- Maintaining informal connections
- Community having ownership and a say in what is happening
- Boards need to be accessible and more visible as a whole.
- Providing information to the community
- Ensuring boards have the pulse of what is going on in the community
- Ensuring openness and transparency

3. Discussion

Community board views

Papers went to all four community boards outlining the proposal in early June, and chairs or their delegates were invited to a workshop session on 26 June. Chairs or their delegates provided their initial feedback on the proposal and were invited to provide their board's views in writing for consideration in this paper. The Cromwell and Vincent Community boards submissions were received in time for incorporation in this paper. Teviot Valley's Community Board's submission was received in time to be attached to this report. No submission was received from the Maniototo Community Board. The community board submissions are attached to this report.

Cromwell Community Board

The Cromwell Community Board have expressed several concerns about the proposal. They note little evidence has been provided to support the intent behind the proposal. They are concerned that 'wealthier' wards such as Cromwell will subsidise the rest of the district, which will result potential perceived loss for Cromwell ratepayers.

The Board is worried about the speed of changes proposed and how this might impact on the Board's ability to represent the interests of the Cromwell community in a meaningful way. They are concerned that there are some assumptions about delegations being predetermined.

The Board has expressed concerns about what the changed role for community boards would look like and have indicated they believe the following is essential:

- With Council funds, functions, services and property being managed by the district rather than the ward that Boards must continue to have the ability to feed into decision making.
- This must be at a wider scope than being consulted with during Annual and Long-term Plan preparation.
- A ward-based opinion must be included in reports to Council for ward-based projects.

- The Board must receive formal reports so that input can be sought at meetings before the report goes to Council for decision.
 - Community voice must be considered, and The Board is the vehicle for this.
 - Input from The Board must be included in recommendations to Council.

The Board also have raised the need for a definite legal opinion of the status of endowment land and has stated the Board should be responsible for the development of the plan for the land in Cromwell and the management of this land.

Vincent Community Board

The Vincent Community Board supports the proposal in principle. They note the challenges of the current economic climate and the challenges of the current rating system. The Board is, however, concerned that there is a risk that the importance of community boards is diminished. They stress that Council and Community Boards will need to work in partnership and boards need to meet the needs of the community so they do not become a voiceless advisory group.

Engagement approach

During the month of August various engagement activities are planned. In each ward, there will be an opportunity for the public to hear from elected members on the proposal as well as ask questions. Targeted engagement is also planned, such as attendance at business breakfast meetings by the Mayor, elected members and the Chief Executive Officer. Printed copies of the consultation document will be made available at these events (refer to appendix 4 – the consultation document).

Formal consultation will be via a short questionnaire on the 'Let's Talk' platform that will ask the community whether they support the proposal or not. Printed copies of the questionnaire and consultation document will also be available at Council offices and libraries. Refer to attached consultation document.

4. Financial Considerations

There are costs associated with formal consultation (eg advertising costs). These will be covered by the advertising budget approved by council for the 2025-34 Long-term Plan.

5. Options

Option 1 – (Recommended)

Notes the engagement plan for the continuing districtisation project and agrees that formal engagement occur with the community in August 2024, followed by hearings and deliberations in September 2024.

Advantages:

- Meets the requirements under the Significance and Engagement Policy
- Enables the community to have a say on how these identified activities should be funded

- Allow any resulting decision to be reflected in the development of the Long-term Plan 2025-34.

Disadvantages:

- Elected member and staff time will be required to effectively engage with the community.
- Some cost will be incurred with advertising.

Option 2

Does not note the engagement plan for the continuing districtisation project and does not agree that formal engagement occur with the community.

Advantages:

- No cost will be incurred
- No elected member or staff time required.

Disadvantages:

- Does not enable the community to have a say on how these identified activities should be funded
- An opportunity to streamline funding decisions will be lost.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision enables democratic local decision making and action by, and on behalf of the community by seeking community views on further districtisation of activities.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	This decision would result in a need to change to key financial policies (eg revenue and funding policy, rating policy). These would have to be amended for the 2025-34 Long-term Plan.
Considerations as to sustainability, the environment and climate change impacts	No immediate considerations as to sustainability, the environment or climate change.
Risks Analysis	The risk of not going out to consult is that community boards have already received this information and it's readily available to the community – it could be perceived as Council not wishing to consider the views of the community and deciding to not go ahead without this input.
Significance, Consultation and Engagement (internal and external)	The decision whether to further districtise activities needs public consultation and reaches the threshold of formal consultation being required.

7. Next Steps

Pending Council approval, this proposal will be consulted on with the community for the month of August 2024, with hearings and deliberations in September 2024.

8. Attachments

Appendix 1 - Cromwell Community Board submission [↓](#)

Appendix 2 - Vincent Community Board submission [↓](#)

Appendix 3 - Teviot Valley Community Board submission [↓](#)

Appendix 4 - Completing Districtisation - Consultation Document [↓](#)

CCB Submission to Council - Continuing Districtisation of Council Activities

Report prepared by Anna Harrison, Cromwell Community Board Chair in Collaboration with CCB elected members and Cromwell Ward Councilors who sit on the board.

Item presented to CCB:

18 June 2024

24.6.4 CONTINUING DISTRICTISATION OF COUNCIL ACTIVITIES Doc ID: 1838323

Report Author: Saskia Righarts, Group Manager - Business Support

Reviewed and authorised by Peter Kelly, Chief Executive Officer:

1. Purpose of Report

To consider further districtisation of council activities and agree how the Cromwell Community Board will provide feedback to the Council on the impacts of further districtisation on the ward.

The report presented to the Cromwell Community Board (The Board) meeting on 18 June 2024 invited The Board to submit on the proposal to move functions of the council to a district wide funding model and away from the current ward-based model. The effect of this being to bring the management and funding for parks and recreation, cemeteries, community facilities, swimming pools, museums and property in line with other functions already managed district wide like roading and three waters.

The Board acknowledges the drivers for the conversation as presented to the 18 June meeting:

- Financial strategy - Affordability
- Debt ceiling levels – to be reached within next few years
- Efficiency, reduced administration and improved transparency
- Ongoing strategic level of service for our community
- District wide lens, e.g. sports facilities

This acknowledgement is about the stated intent of the changes to a district wide approach to council functions to make rates equitable across the region, accounting practices more efficient and rates bills more straight forward for our community. Although these claims of intent have been made there has been no supporting evidence to back them. The Board acknowledges that with costs for swimming pools and halls spread across the district there will be perceived gains for the Cromwell ward.

The Board understands that infrastructure needs across the district is one of the drivers for this move. That this will mean monetary reserves and proceeds from land sales from wards deemed 'wealthier'

than others can be used to fund infrastructure and delay reaching the debt ceiling or defaulting on regulatory requirements because of an inability to fund projects. This is perceived as a potential loss for the Cromwell ward that has carefully managed land holdings and monetary reserves over time and been able to use these to fund major projects and developments within Cromwell without seeking any funding from The District to the extent The Board has already funded costs for the district funded roading and planning function for the Cromwell Town Centre, Cromwell Master Plan and Spatial Plan.

The Board is concerned about the speed with which these changes are being implemented and the number of changes being made concurrently. What will this materially mean for the ability for our board to represent the interests of the Cromwell community in a meaningful way when Council decisions are being made for functions, services and projects in Cromwell? It appears that decisions about the way that boards will function are being assumed as a *fait accompli* as was the case when Council proposed changes to the Delegations Register earlier this year.

It is the view of The Board that assumptions about delegations are being predetermined. One example being the statement that internal borrowing between wards not being available in coming years, based on the assumption that districtisation has already happened. As such delegations must be considered as part of this proposal because of the raft of changes being made, as indicated in the workshops headed as a 'future vision for Community Boards'. The Board considers that future functions, vision and ways of working can only be addressed through clearly defining delegations. Delegations must establish the ways that Council will partner with The Board and must be explicitly written to ensure strong local voice is included in district wide decision making.

The Delegations Register will need to clearly indicate what the powers for the Community Boards will be for projects of significance for the community i.e.

- Town Centre
- Museums
- Cemetery
- Pools
- Sports grounds
- Public spaces as well as the civic facilities such as community halls

The Board's voice on major Cromwell projects and the maintenance or changes to any level of service must still be heard with defined and tangible influence. This must be written as a way of working between Community Boards and Council. Big projects like the town centre redevelopment must have community voice. Recent decisions that effectively removed The Board's voice in the development of the Cromwell town centre project and the loss of the funds that were put aside in the last LTP for this

project have already happened and the discussion at the workshops on continued districtisation appear to indicate that this is an assumed outcome of these changes.

There has been a lot of rhetoric about a changed role for community boards. What does this mean? Is it a given that the way community boards operate will change or is this again an assumption that is being predetermined but should part of ensuring delegations are clearly defined?

For The Board to truly represent our community we believe that it is essential that:

- With Council funds, functions, services and property being managed by the district rather than the ward that Boards **must** continue to have the ability to feed into decision making.
- This **must** be at a wider scope than being consulted with during Annual and Long Term Plan preparation.
- A ward-based opinion **must** be included in reports to Council for ward-based projects.
- The Board **must** receive formal reports so that input can be sought at meetings before the report goes to Council for decision.
 - Community voice **must** be considered, and The Board is the vehicle for this.
 - Input from The Board **must** be included in recommendations to Council.

The outcomes of the current representation review signal significant change to the way the board will link with Council. The change to a single Councillor appointed to The Board will mean that the link between our board and council is weakened. The perception of this is that this will weaken Board voice and input to Council decision making.

The Board would like to know how the Councillor will be appointed to the board.

- Will it be vote based?
- Will the board get a say?
- Will The Mayor make the decision?
- Will this Councillor have responsibility for reporting Council business to The Board and Board business to Council?
- Will there be increased expectation on Board Chairs to have a presence at Council meetings?

This effectively feels like a reduction in the scope and importance of the role of The Board but an increase in workload for Board chairs. While this is not directly part of the districtisation discussion it is happening concurrently and must be part of the conversation to ensure the role of The Board is clearly defined.

The Board has identified that we need a definitive legal opinion on what the proceeds from the Cromwell Endowment land that exists '*in the aid of borough funds*' can actually be used for and what this means if proceeds are used for infrastructure in Cromwell and the rating for this is applied district

wide. The Board expects that it would be party to developing the brief for this advice. This should include worked examples of scenarios of use of proceeds of endowment land based on legal advice. Representation of the whole Cromwell community including Cromwell, Bannockburn, Tarras, Lowburn, Pisa Moorings and Ripponvale should also be considered as we are clearly one town with shared community interests. The term borough should translate to the current Cromwell ward and the benefit of endowment land should be extended to the ward.

The Board seeks to ensure that the true value of endowment land will be realised through careful development. The Board is concerned about suggestions to sell development blocks for quick gain and considers that developing \$300 million worth of asset needs a strategic approach in both design and delivery. This needs to be master planned with serious consideration given to income-generating ventures with the proceeds, for example commercial properties in the town centre and industrial area.

The Board should be responsible for the development of this plan and the management of endowment land. This is urgent as proceeds from endowment land sales are about to be realised through the sale of sections in the Bannockburn Road industrial Subdivision and are already earmarked as being used to fulfil The Board's obligation to fund the construction of the new hall. The Board should be managing a pipeline of works funded by this development and any further developments and proceeds from Cromwell endowments. As such, it is clear to The Board that separate ward accounts will always be required, with only the functions managed within the ward accounts being subject to this discussion.

The Board is concerned that the direction that is being suggested is far wider in scope than the simplistic notion of moving to a district wide funding model and encompasses sweeping changes to the way Community Boards function and interact with Council. With the range of concurrent changes being proposed The Board is concerned with the speed that these decisions are being put through and the risk of unintended negative consequences and undoing those would be much more complex than getting it right in the first place. There is still a lot of work to be done particularly to address:

- The role of Community Boards in providing community voice in genuine ways that feed into Council decision making.
- Legal advice on the use of endowment land for infrastructure projects that will be rated district wide.
- Ensuring that endowment land sales and proceeds from these is managed in a planned strategic manner to realise the true value for our community and that the interests of Cromwell are at the forefront in this conversation.

The Board along with the Cromwell community would like an assurance that representation and local voice will not be diminished as a result of changes to a district funding model and that the very real needs of a town with a rapidly growing and changing population will be given full consideration by

Council. It is still unclear what The Board stands to lose and hence it follows that the district does not understand what it stands to gain because of these proposed changes.

While The Board notes that its view has been formed in relation to its local context, these views apply, at least in part, to all Central Otago District Council wards that have community boards, endowment land and freehold land, all of which have various development potential and timelines, legislative and district plan requirements that relate to the lands true value and timeliness of realisation.

The delegations discussion raised many questions and has initiated the districtisation discussion as the two matters are very closely related. We are now at a point where the endowment land discussion within the districtisation discussion and its effect on ward accounts and the management of the development and subsequent expenditure of its proceeds has now raised a similar level of questions that require legal opinion and a settling of interpretations.

Signed by Anna Harrison CCB Chair



on behalf of The Cromwell Community Board

Bob Scott, Wally Sanford, Mary McConnell, Cheryl Laws, Sarah Browne, Neil Gillespie

Vincent Community Board Submission to Council Continuing Districtisation of Council Activities

The Vincent Community Board (VCB) supports, in principle, the report presented at its meeting on June 10 regarding 'continuing districtisation'. VCB acknowledges the importance of reassessing the allocation and reporting of CODC funds across the district in light of the current economic climate and the community's demand for greater transparency as we move into the long-term plan. While recognising our unique history, aspirations, and people, VCB supports the concept of operating as one district rather than a federation of four wards.

The plan presented offers a means to give community boards a greater voice within the system, despite the removal of independent financial influence within each ward. VCB endorses this aspect of the plan, provided that the role of the community boards, as outlined in the report, is implemented in some meaningful form.

VCB recognises the challenges of the current rating differential system, which is inefficient and confusing, especially with the management of "five sets of books." Moving to district-wide contributions should provide VCB ratepayers with a clearer understanding of what they are paying for services. VCB requests the opportunity to view and provide feedback on the format and language used for rates bills under a "district-wide" approach.

A key concern for VCB, given the recent decision to decrease the number of Councillors on Vincent and Cromwell boards, is to ensure that the importance of community boards is not diminished at the council table as Councillors change and the level of involvement lessens. This can be achieved through proper and open engagement between board members and councillors as set out in the report.

VCB supports collaborative consultation and communication between the Council and VCB, particularly in relation to gaining community support and preventing misinformation. This is especially important regarding endowment land and so-called "asset grabs." And stresses the importance of board members and councillors working together in partnership for the community's interests, avoiding an 'us vs. them' mentality that some felt during the delegation's conversation.

We advocate that reformed community boards should meet the needs of our communities during this challenging time in local government and remain fit for purpose into the future. They should serve as a connection to all demographics of the community and special interest groups within communities, not just as a voiceless advisory group.

VCB asks that Council considers our thoughts and concerns on this process moving forward. We look forward to continued dialogue and partnership with the Council to refine and implement these initiatives, ensuring that the needs and aspirations of all our communities are effectively represented and addressed. VCB remains dedicated to working collaboratively for the betterment of our district, ensuring that our community boards are not only relevant but also robust and a representative voice moving into the future.

Written by Jayden Cromb VCB Deputy Chair on behalf of the Vincent Community Board-
Tamah Alley, Roger Browne, Tony Hammington, Dai Johns, Tracy Paterson, Martin McPherson.

**CODC DISTRICTISATION PROPOSAL
(CENTRALISATION of remaining Council Activities)**

The Roxburgh Pool committee's dedication to the recently completed Punawai Ora project epitomises the tenacity of the Teviot Valley community, a decade long project where \$2.7m was raised to ensure our families and visitors to our community have access to safe swimming.

The Ida MacDonald Trust Pool is just one of the many Recreational facilities the Teviot Valley is proud of.

How could TVCB support CODC taking ownership of the Pool to capitalise on the depreciation of the asset and spread the financial benefits across the district, and then charge the very people who worked to build it an extra \$233 per year in rates for the privilege?

There is something wrong with this picture.

King George Park, Rotary Park, Pinders Pond, our rural Halls, The Cinema in the Entertainment Centre, our Museum, Golf Club, Bowling Club, Heritage walkways, and Cycle Trails all represent decades of community based volunteer input.

Volunteer contributions which have successfully developed our district into a host community to be proud of.

As history indicates ratepayer sponsorship via CODC has always been ward based and focusses pretty much on King George Park as part of the main Reserve which includes the Golf Course property, the Entertainment Centre along with the Service Centre buildings and should remain that way. Again what real benefit underlies any suggestion CODC take ownership of the pool, or the community agrees with ratepayer sponsorship of Recreational facilities across the district?

TVCB's Parks and Reserves budget line reflects expenditure of approximately 5% of the TVCB rate take (\$236,000) in AP 2024/2025. What does that deliver?

Management of our Buildings, Parks and Reserves – most of which is spent on:

Contract management of Districtised Contracts for:

Lawn mowing
Toilet Cleaning
Street Mntce

A back of the envelope calculation suggests TVCB could be paying well in excess of \$250 per hour for lawn mowing in our Parks and Reserves.

TVC is a resilient community but not wealthy, our school is a decile 4 school which gives one an indication of affordability in the community, and illustrates the level of impact rate rises will have at a consumer level. Whether it be through rate or rent the AP 2024/2025 33% uplift in rates is will impact us all.

We are also a community without the commercial spin off other larger wards have the benefit of.

TVCB response to the proposed Districtisation of Parks and Reserves Activities is a definite NO.

There are many unknowns and concerns, but the main suggestions as far as the TVCB are concerned are:

1. Financial and Efficiency Gains

It is suggested that a core reason for districtisation is that there will be significant CODC district wide cost reductions and efficiencies as a result of these proposed changes. There is no suggestion that service levels will increase as a result of this proposed centralisation of Parks, Reserves activities.

However, the suggested result is that Teviot Valley allocated rates likely to increase by another 9% purely due to these same structural improvements for 25/26 (on top of 33% in 24/25). The proposed increase factored in the inclusion of the new Roxburgh Swimming Pool into CODC jurisdiction and ownership. The pool is privately owned by a community trust, built and operated by the Punawai Ora Trust.

TVCB cannot support this re-allocation of (reduced) costs which penalises our ratepayer base.

2. Continued Voice

The elimination of a TVCB budget gives us fears that along with that we will have no visibility of regular or capital project works done, nor of works proposed in the near future for The Valley

If this proposal goes ahead, the lack of financial reporting should be replaced with an agenda item at each board meeting that is a 'Works Report'. This should be compiled by council senior staff member (Our Ward champion Dylan ?) that is a tabular narrative of works undertaken since last report (1 month?) and secondly of works planned for the next

three months. This will give the board an opportunity to understand council proposed workstreams in the ward.

The above monthly report agenda item should be followed another formal standing agenda discussion item at each board meeting relating to future works. This would be feedback for the council staffers along the lines of 'are there any other ward priorities that need to be achieved within the Ward over the next three months (or longer)'. It would be the intention that the TVCB inform staff of any on-the-ground brewing issues (not to direct the staff).

We do not accept that input once a year into the annual plan, and once every three years into the LTP is enough voice.

This suggestion should be considered and adopted, whether further districtisation is adopted or not.

Whilst our desire is that this further centralisation in its current form not proceed, we have to consider the situation in the event it does.

If it does go ahead, we would not want to be financially penalised

This could be achieved for the next three years by including a 'centralisation differentiation reduction' line to each TV ratepayers rates bill. ie a \$250 annual uniform credit or reduction line for each TV ratepayer for the next five years. We realise that this is a unique and new way of handling things but we cant support a proposal that will further increase rates within our ward.

19/7/24 On Behalf of TVCB:

Norm Dalley, Chairman

Mark Jessop, Deputy Chairman

Sally Feinerman Councillor

Russell Read -TVCB Member

Gill Booth – TVCB Member



ONE DISTRICT
Central Otago
CODC's district-wide approach to providing
our services and activities



**Let's
Talk**

HAVE YOUR SAY
by 31 August 2024

ONE DISTRICT Central Otago

CODC's district-wide approach to providing
our services and activities



HAVE YOUR SAY
by Saturday 31 August 2024



Proposal Timeline



Council is considering completing “districtisation”.

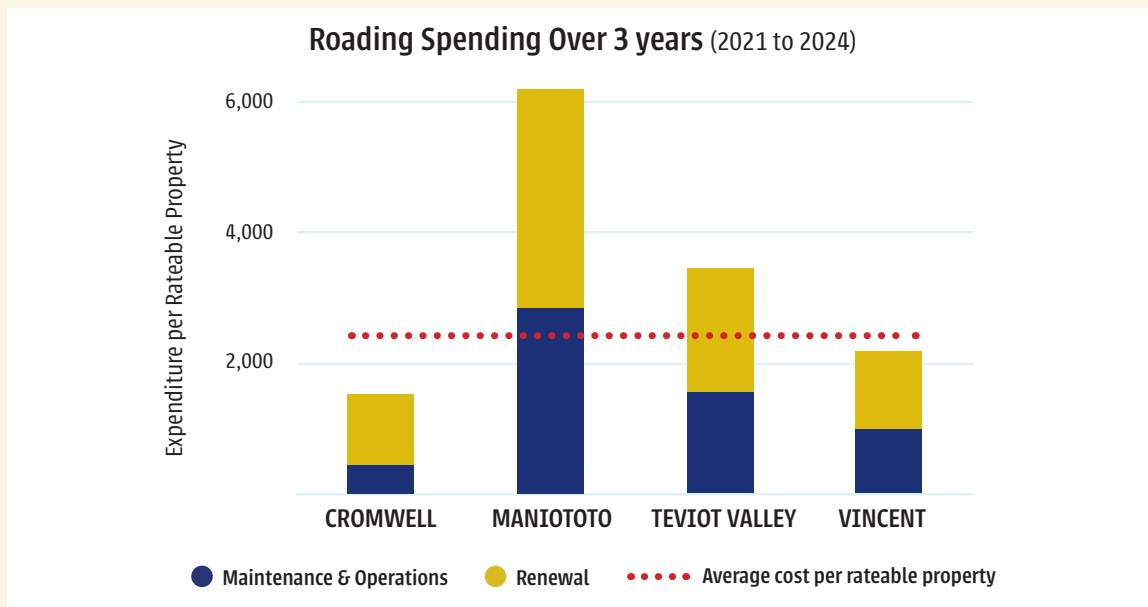
Currently in Central Otago, 82 per cent of your rates are collected at a district level while the remaining 18 per cent are collected at a ward level, meaning 82 per cent of your rates are spent at a district level, or ‘districtised’. This is because funding, spending and decision-making for the big-ticket items of drinking water, wastewater and stormwater (the three waters), roading and waste management are already districtised.

That’s why the level of charge for drinking water, wastewater and stormwater, roading and waste management are the same wherever you are in Central Otago.

Charges that are ward-based are different across the District – meaning people in different wards (Vincent, Cromwell, Maniototo and Teviot Valley) pay different amounts on their rates to support things like parks, pools, and museums.

If we didn’t do things this way and ward-based funding was applied across everything Council does, things would be very different to how they are today. For instance, as the graph below shows, roading would be far more expensive in the Maniototo and Teviot Valley Wards if we hadn’t already districtised our roading costs several decades ago:

CODC’s district-wide approach to providing our services and activities.



As you can see, because the Maniototo Ward has a large roading network and a low population density, if its people were to be paying for their roads by themselves, they would be paying around \$4,000 on average over a three year period. Because of districtisation, the costs are more evenly distributed through the general rate based on land value.

In 2015, Council districtised the three waters. This was done because the cost of upgrading three waters plants in smaller towns if each scheme was only paid for by those using it would be impossible for each scheme to manage. By districtising, work could be done when needed with everyone across the district with three waters services provided to them sharing the cost. That did lead to significant change to people's rates depending on where they live, at the time and since, as the table below shows:

10 year average rates difference each year (in 2015 dollars)

Three Waters Scheme	Actual Cost	Districtised Cost	Variance
Alexandra	\$1,536	\$1,151	-\$385
Clyde	\$551	\$1,151	+\$600*
Omakau	\$2,020	\$1,151	-\$869
Cromwell	\$833	\$1,151	+\$318
Pisa	\$976	\$1,151	+\$175
Naseby	\$1,231	\$1,151	-\$80
Ranfurly	\$1,213	\$1,151	-\$62
Roxburgh	\$1,866	\$1,151	-\$714

It is easy to see why at the time this change was made, some people felt it was very unfair as their rates increased significantly while other rates went down, but over time, all schemes will have had or will need significant expenditure – districtisation spreads that cost over place and time.

Why complete districtisation now?

At the moment, Council has very few ways to fund what it has to do. Outside of things like the NZTA subsidy (51 percent of roading is subsidised) and development contributions (a payment made to Council that pays for the impact of new developments on services and infrastructure), CODC has to rely on rates, fees and charges and debt to pay for the services it provides.

This year, the average rates rise was 18.3 per cent but because of the costs primarily in three waters and waste management, that was near to and sometimes over 30 per cent in most of our towns where those towns have reticulated water and wastewater and wheelie bin services.












Council currently has \$30 million dollars of debt which is going to increase significantly due to the three waters requirements coming out of Central Government. At present, CODC's debt is sitting at 27 per cent of its current permitted debt ratio but is predicted to raise to 100 per cent in financial year 2025-26. Council will look to obtain a credit rating in 2024-25 which will allow Council to increase its debt levels but even with this action the cost of new infrastructure will see Council maximise its debt limits within the ten-year period of the next Long-term Plan. When Council reaches its debt ceiling, no more money can be borrowed, meaning all expenditures will need to be directly collected from the ratepayer via rates or fees and charges under the way Council currently operates, causing a potentially massive impact on rates.

Alongside that, districtisation will ensure Council can look at its spending and align priorities at the district level rather than having spending decisions made by four different Boards in the four different wards.

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The table below shows the services that are currently ward-based in the centre, surrounded by those that are district-based. If districtisation happens, all funding and decisions on those services shown would be district-based.

Services currently districtised

 Community Grants	 Environmental Services	 Elderly Person Housing	 Airports
 Animal Control	 Community Engagement	 Emergency Management	 GIS Mapping
 Customer Services	 Liquor Licensing	 Libraries	 Governance
 Water Supply	 Museum Grants		 Noise Control
 Food Safety	 Cemeteries	 Community Facilities	 Walkways and Cycleways
 Rozading and Footpaths	 Playgrounds	 Swimming Pools	 Sustainability
 Resource consents	 Commercial Property	 Parks and Reserves	 Planning
 Stormwater	 Wastewater	 Economic and Community Development	 Public toilets
 Building Compliance	 Destination Management/ Tourism advocacy	 Regulatory Services	 Bridges

Services proposed to be districtised

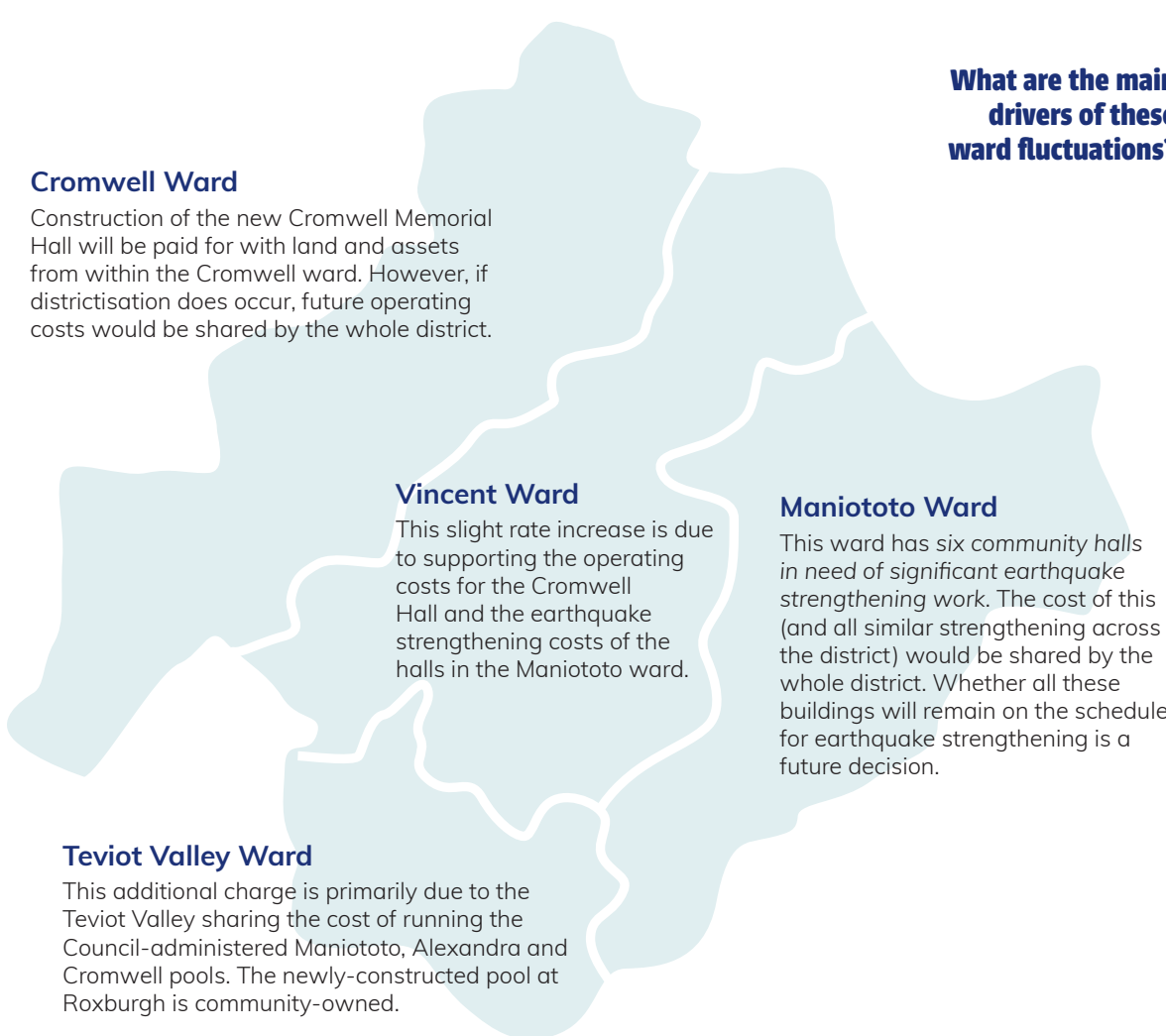
What would this mean for me?

OPTION 1: Full districtisation of properties, parks, cemeteries, pools and museums.

The benefits and costs of this proposal on each community will be different. Financial modelling to compare this proposed option with the status quo suggests slight rate savings for the Cromwell and Maniototo wards, whereas Vincent and most certainly Teviot wards would be worse off financially.

Average impact per rateable property over 10 years

Ward	Status Quo	Districtised	Difference
Cromwell	\$889	\$837	-\$52
Maniototo	\$947	\$837	-\$110
Teviot Valley	\$604	\$837	+\$233
Vincent	\$799	\$837	+\$38



What would this mean for me?

OPTION 2: Districtise property, parks, cemeteries, pools and museums, but include a rating adjustment for the Teviot Valley ward to offset pool charges.

This option includes a rating adjustment for the Teviot Valley Ward to offset the cost of Council-owned and operated pools in the other three wards, as Roxburgh’s newly-constructed swimming pool is owned and operated by the community. Current funding support would be retained for the Roxburgh and Millers Flat pools as part of the \$41 increase for Teviot Valley Ward.

The benefits and costs of this proposal on each community suggests slight rate savings for Cromwell and Maniototo wards. Vincent and Teviot Valley wards on the other hand would have a slight increase in rates, though the negative impact on Teviot Valley is less than in Option One.

Average impact per rateable property over 10 years

Ward	Status Quo	Districtisation	Variance
Cromwell	\$889	\$854	-\$35
Maniototo	\$947	\$854	-\$93
Teviot Valley	\$604	\$854	+\$41
Vincent	\$799	\$645	+\$55

Cromwell Ward

Still a benefit due to the Cromwell Memorial Hall operating costs being shared across the district, but less benefit than Option One due to the Teviot Valley Ward ratepayers not subsidising the three district pools.

Teviot Valley Ward

A slight increase, but significantly less than Option One due to not subsidising the other three district pools.

What are the main drivers of these ward fluctuations?

Maniototo Ward

Still a benefit due to community hall costs being spread across the district though less benefit than Option One, due to Teviot Valley ratepayers not subsidising the three district pools.

Vincent Ward

A slightly higher increase than Option One due to Teviot Valley Ward ratepayers not subsidising the three district pools.

What would this mean for me?

OPTION 3: Status quo, no change. Property, parks, cemeteries, pods and museums continue to be funded by ward rates.

Average impact per rateable property over 10 years

Ward	Status Quo
Cromwell	\$889
Maniototo	\$947
Teviot Valley	\$604
Vincent	\$799

What impact will this proposal have on Council land ownership?

While all land is owned by Council, we have had a practice of using the proceeds from land sales within the ward where that land is located. Under this proposal, sales of land would in general be used for the benefit of the entire district and could be applied to infrastructure projects in two of our big cost drivers, being three waters and roading. Council needs to be able to consider land sales as an option to delay reaching its debt ceiling.

The one exception is endowment land. Endowment land is land that has been donated or gifted to Council (in many cases, a Borough Council from before the formation of CODC) and is to be used for a specific purpose. Under this proposal, any proceeds from the sale of endowment land would continue to be used for the intended purpose of the endowment.

For example, the block of endowment land on Bannockburn Road was gifted to the local authority for the purpose of offsetting costs in the local area. Sale proceeds from this land therefore can only be used for future projects based in the Cromwell town and residential area. This could include endowment land being used for district infrastructure, such as Cromwell wastewater treatment plants.

It is important to note that a lot of land that is thought of as Council land is actually reserve land, managed by council for various Crown entities but not owned by Council. This land will not be affected by this proposal.

What does it mean for our community boards and local voice?

Community boards will remain as a strong link between our local areas and the Council. Their role, which is enshrined in legislation, is to represent and act as advocates for the interests of their community, to maintain an overview of the services provided by Council, and to consider and report on matters that are referred by Council or of interest to the board. Boards will continue to advocate for what's important for their local people. They will be active participants in Council's Long-term and Annual Planning process and will prepare an annual submission to Council. Decisions that are specific to a Ward will be brought to the Board for input, prior to Council decision making, and Boards will be encouraged to seek feedback their community on proposed Council activities. Board Chairs have speaking rights at every Council meeting and make a report every quarter to Council on anything the Board feels needs to be brought to Councils attention.

This consultation process includes seeking views from all our community boards on how more genuine involvement in Council decision making and local representation can be achieved.

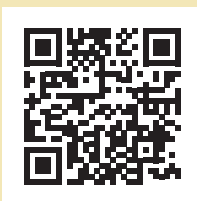
Levels of Service

Council reviews Levels of Service every three years during the Long-term Plan development process. Council will be having a discussion with the community early next year regarding what services we could do without or reduce during the development of the 2025-34 Long-term Plan, to ensure our services are both affordable and fit for the future.

The effective date of any change would be 1 July 2025, subject to passage of the Long-term Plan.

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- OPTION 1:** Full districtisation of properties, parks, cemeteries, pools and museums.
- OPTION 2:** Districtise property, parks, cemeteries, pools and museums, but include a rating adjustment for the Teviot Valley ward to offset pool charges.
- OPTION 3:** Status quo, no change. Property, parks, cemeteries, pods and museums continue to be funded by ward rates.



HAVE YOUR SAY at  **<https://lets-talk.codc.govt.nz>**

or pick up a hard copy from our service centres and libraries



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24.9.23 SUBMISSION TO THE OTAGO REGIONAL COUNCIL REPRESENTATION REVIEW

Doc ID: 1879375

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

1. Purpose

To consider a submission to the Otago Regional Council's Representation Review.

Recommendations

- A. That the report be received.
 - B. Agrees to make a submission to the Otago Regional Council representation review.
 - C. Agrees to the wording of that submission.
-

2. Discussion

The initial proposal for the Otago Regional Council's Representation Review 2024 is now out for consultation. Council can make a submission on the proposed representation arrangements. Please see a draft submission below for consideration:

Thank you for the opportunity to submit on the Otago Regional Council representation review.

The Central Otago District Council endorses the option to add one further council member to the Dunstan Ward. It is a reflection of the increase in population in the Central Otago and Queenstown Lakes districts since the last representation review and correlates with legislation regarding the +/- 10% rule. Indeed, it is the only obvious option that adheres to this requirement.

The Central Otago District Council also endorses the decision to leave the constituency boundaries unchanged at this time as we believe they have correctly reflected the communities of interest for a very long time now.

In terms of the environment, being the primary focus of the Regional Council, there is little difference across the current ward. We also contain the catchments for many interlinked rivers and lakes, any proposal to obtain claimed better electoral outcomes ignores this environmental reality and would amount, in our view, to gerrymandering.

Regional Councillors take an oath to serve the entire region; making the size of their ward an irrelevancy in our view.

3. Attachments

Nil