



ATTACHMENTS MINUTES

Council Meeting

Tuesday, 24 September 2024

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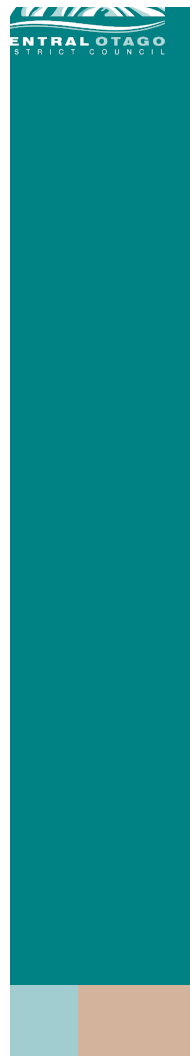
24.11.18 September 2024 Governance Report

Appendix 1 2024-27 Confirmation of NZTA Funding and Implications for 2024-25 ..12

Visitor Levies & Short-term Rentals

September 2024





Visitor levies

Complex to introduce alone

Could be argued it unfairly targets a single segment of the visitor economy

Used in many destinations globally to help manage visitor impacts

Small ratepayer base currently covers all costs

High level of assumption below

	Per night	2.5%	5%
Low	100	2.50	5.00
Mid	250	6.25	12.50
High	400	10.00	20.00

	Annual spend	2.5%	5%
Short-term rentals	10,000,000.00	250,000.00	500,000.00
Commercial	32,000,000.00	800,000.00	1,600,000.00
Total	42,000,000.00	1,050,000.00	2,100,000.00

Spend by channel per annum;

Commercial accommodation as at October 2023 - \$32m

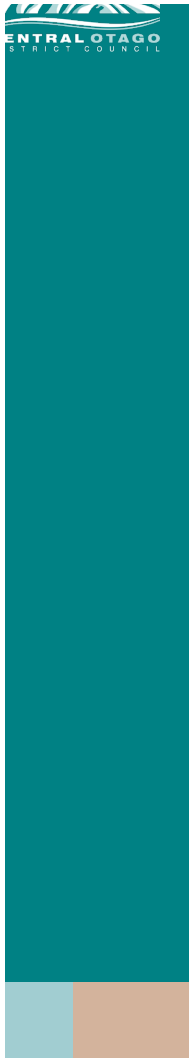
Short-term rentals - \$10m

Data sources



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT

AIRDNA

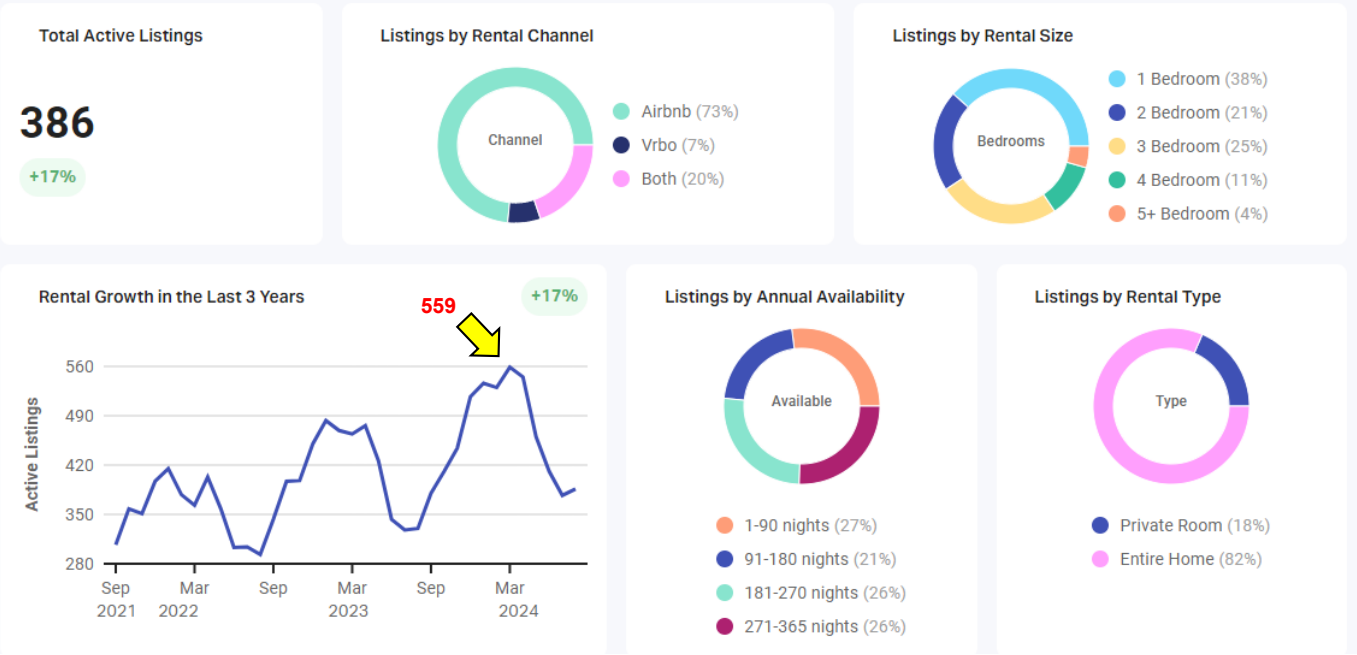


Market Overview – all properties

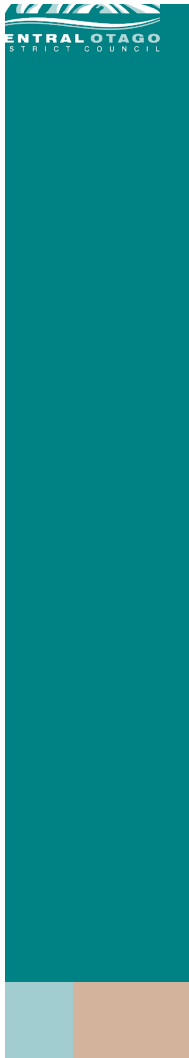
Market Performance Details: Central Otago District

Total Active Listings: 386

Listings Occupancy Revenue Rates RevPAR



Data source
AIRDNA

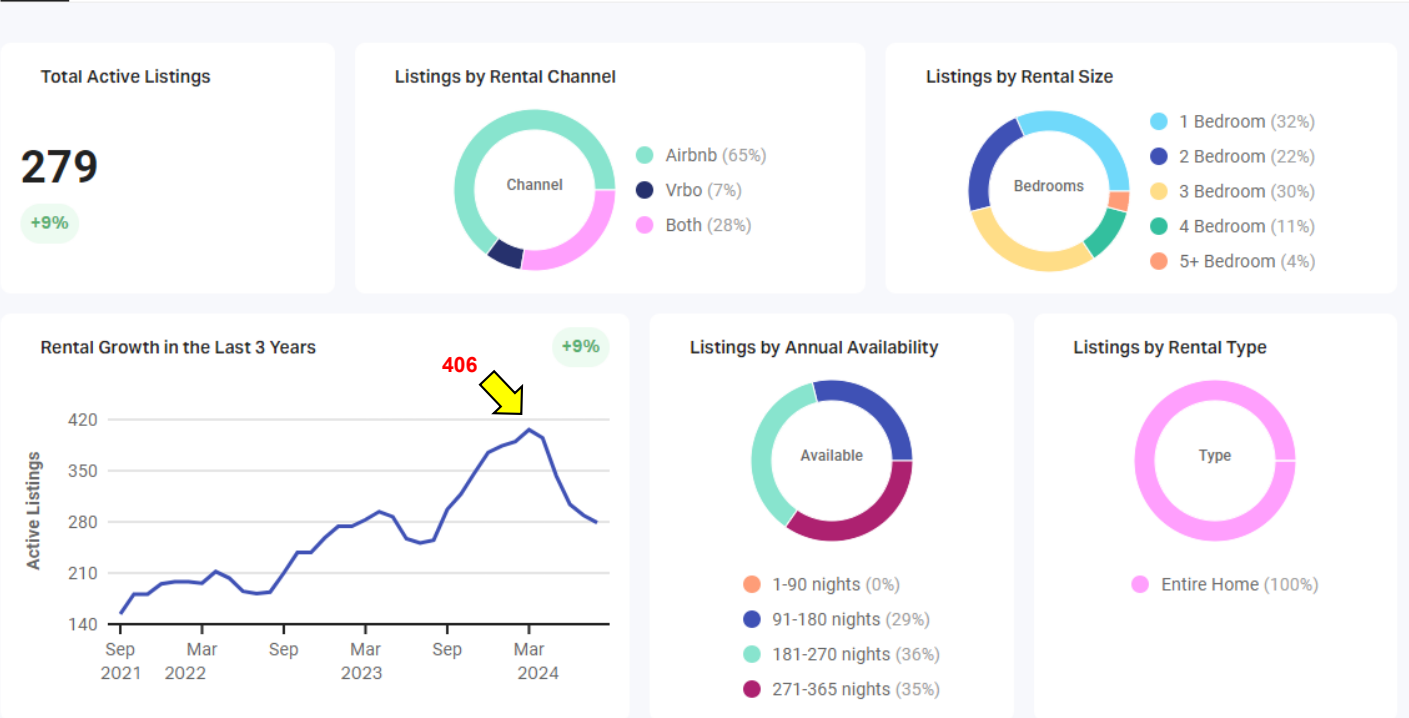


Market overview – with filters

Market Performance Details: Central Otago District

Total Active Listings: 279

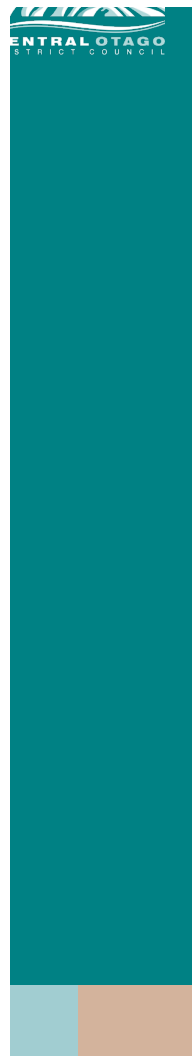
Listings Occupancy Revenue Rates RevPAR



Filters

- Entire home
- Available 91 days or more p/a

Data source
AIRDNA



Revenue p/a – with filters

Revenue ⓘ

Average Revenue

\$36.6K

per year

-4%

Entire Place

\$36.6K

per year

-4%

House

\$37.5K

per year

-4%

Apartment

\$28.3K

per year

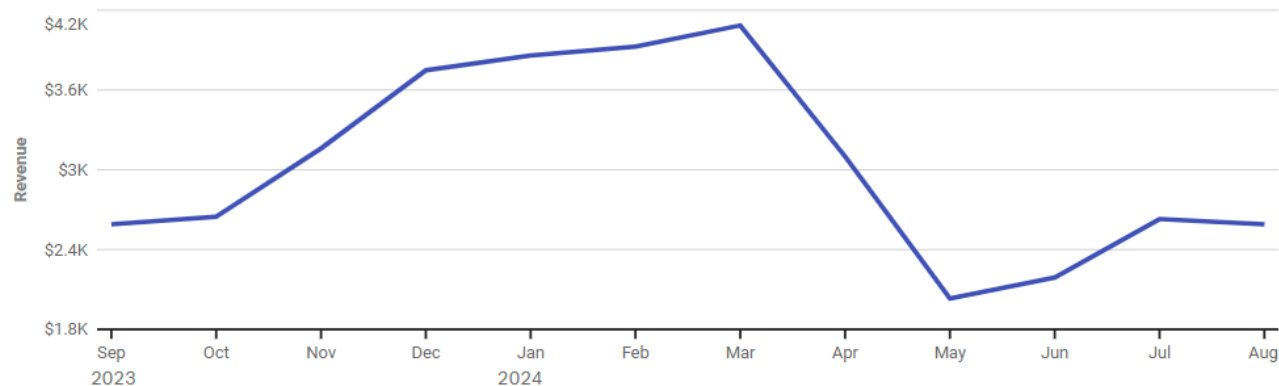
-15%

How much revenue did listings earn per month?

↓ Export

Average revenue over the last 12 months ▾

0%



Filters

- Entire home
- Available 91 days or more p/a

Data source

AIRDNA



Impact on housing

Growth Filtered Active	2022	2023	2024	YoY
March	196	283	406	43%

Filters

- Entire home
- Available 91 days or more p/a

Growth Filtered Active	2022	2023	2024	YoY
2 bedroom	48	74	94	27%
3 bedroom	57	84	121	44%
4 bedroom	23	34	47	38%

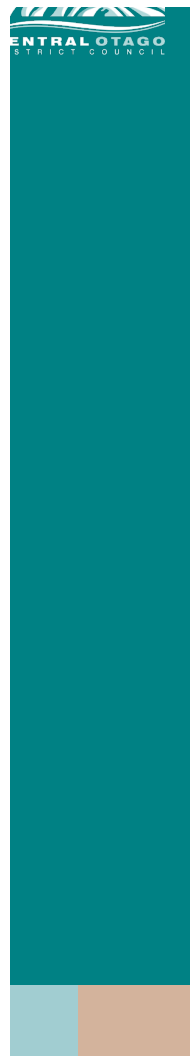
Data source

AIRDNA



Targeted rate indicative income

n=406	\$2,000	\$3,000	\$4,000	\$5,000
100	200,000	300,000	400,000	500,000
200	400,000	600,000	800,000	1,000,000
300	600,000	900,000	1,200,000	1,500,000
400	800,000	1,200,000	1,600,000	2,000,000
500	1,000,000	1,500,000	2,000,000	2,500,000
600	1,200,000	1,800,000	2,400,000	3,000,000



Indicative costs

High level of assumption

	2025/26	26/27	27/28+
Staff	150,000	150,000	100,000
Tools	25,000	25,000	15,000
AP	25,000		
Totals	200,000	175,000	115,000

Staff – 25/26

Resource to identify properties and tag
 Prepare communications to effected properties
 Support finance rating functions
 Support regulatory compliance

Staff – 26/27

Resource to identify properties and tag in GIS
 Support regulatory compliance

Staff – 27/28 and beyond

Ongoing monitoring and tagging

Tools – 25/26

Resources to identify properties
 Vehicle usage

Tools – 25/26

Resources to identify properties
 Vehicle usage

Tools – 26/27

Ongoing monitoring
 Vehicle usage

AP – 25/26

Communication and engagement costs

Roading

2024-27 Confirmation of NZTA Funding

Implications on 2024/25

Central Otago District Council





Purpose of Presentation

- Share details of confirmed subsidy from NZTA.
- Outline our investment intentions for the 2024/25.
- Outline the need to carry forward unspent 2023/24 renewal budgets.
- Create awareness of LoS risks.



NZTA Funding

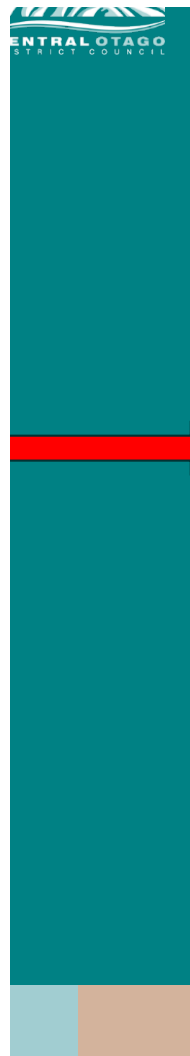
- Allocations are unchanged and have been confirmed for:
 - Local Road Pothole Prevention
 - Seal road maintenance and renewal expenditure, including rehabilitation.
 - Unsealed road maintenance and renewal expenditure.
 - Drainage maintenance and renewal expenditure.
 - Local Road Operations
 - Structures (mostly bridges) maintenance and component renewal expenditure.
 - Environmental maintenance.
 - Traffic and Network services (Signs, Streetlights, Guardrails etc).
 - Minor events.
 - Network and Asset Management.
 - Local Road Improvements: Bridge and Structure Renewals
 - This only includes the full replacement of complete bridges, South Lane and Maniototo Road (Bailey Bridges)

Activity Class	2024-27 indicative funding allocation
Local Road Pothole Prevention	\$21,070,000
Local Road Operations	\$17,840,000
Local Road Improvements - Bridge & Structure Renewals	\$1,600,000



NZTA Funding

- Indicative allocations were not provided for:
 - Walking and Cycling (Footpath maintenance and renewal)
 - Safety (Road safety promotion)
 - Improvements (other than for Bridge and Structure Renewals)
- These have now been confirmed.



Overview of Confirmed Allocations

Activity Class	2024/27 Requested Allocation	2024/27 Confirmed Allocation	% Approved
Local Road Pothole Prevention	\$21,625,795	\$21,070,000	97%
Local Road Operations	\$21,449,517	\$17,840,000	83%
Local Road Improvements: Bridge & Structure Renewals	\$3,171,395	\$1,600,000	50%
Walking & Cycling (Footpaths)	\$1,481,217	\$504,000	34%
Safety	\$184,518	\$108,000	59%
Local Road Improvements	\$11,374,000	\$500,000	4%



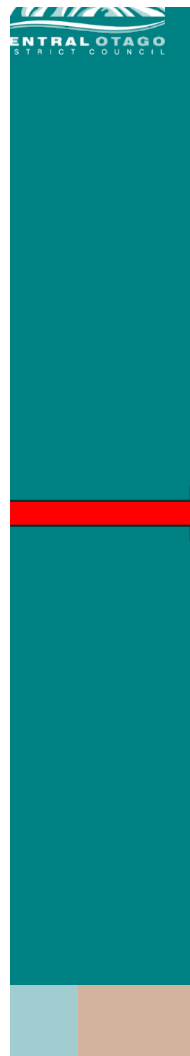
Indicative allocations were provided for the 3-year 2024/27 period. We now know what we'll receive in each year.



Pothole Prevention

- Council received the level of the subsidy applied for.
- This is sufficient to cover 51% of Annual Plan expenditure.
- A small surplus of subsidy is expected to be carried forward into 2025/26 and will be incorporated into LTP planning.
- Subsidy is expected to be sufficient to cover 51% of proposed LTP expenditure in 2025/26 and 2026/27.





Local Road Operations

Activity Class	2024/27 Requested Allocation	2024/27 Confirmed Allocation	% Approved
Local Road Pothole Prevention	\$21,625,795	\$21,070,000	97%
Local Road Operations	\$21,449,517	\$17,840,000	83%
Local Road Improvements: Bridge & Structure Renewals	\$3,171,395	\$1,600,000	50%
Walking & Cycling (Footpaths)	\$1,481,217	\$504,000	34%
Safety	\$184,518	\$108,000	59%
Local Road Improvements	\$11,374,000	\$500,000	4%





Local Road Operations

- Council received 83% of the subsidy applied for.
- NZTA front loaded the availability of funding. This acknowledges timing of the planned works on Little Valley Bridge.
- Council's 2024/25 Annual Plan "local share" combined with NZTA's subsidy results in funding shortfall of \$504,496.
- It is proposed to fund this from Carry Forwards.
- Subsidy is not expected to be sufficient to cover 51% of LTP expenditure in 2025/26 and 2026/27. Detail of this will be presented next week.



Local Road Improvements: Bridges & Structures

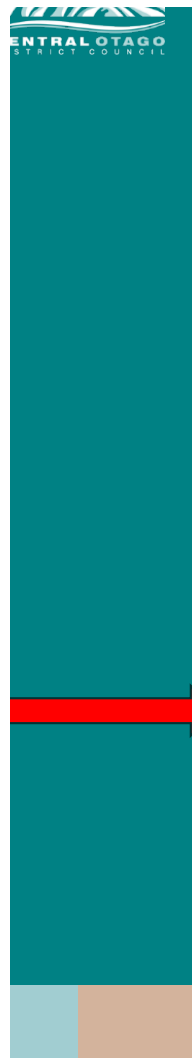
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Safety	\$184,518	\$108,000	59%
Local Road Improvements	\$11,374,000	\$500,000	4%





Local Road Improvements: Bridges & Structures

- Council received half of the subsidy applied for.
- No expenditure is planned for the replacement of complete bridges in 2024/25.
- This will be incorporated into LTP planning.



Walking & Cycling (Footpaths)

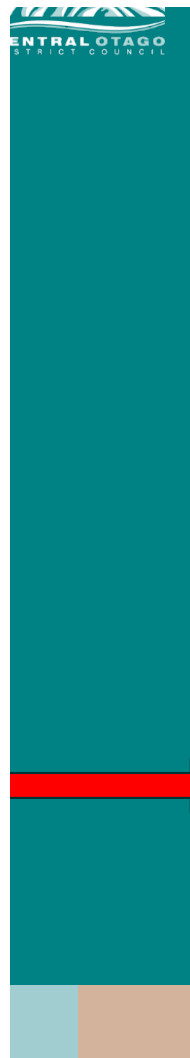
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Walking & Cycling (Footpaths)

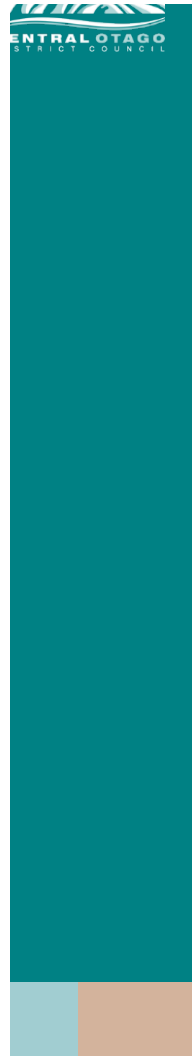
- Council received 34% of the subsidy applied for.
- Funding is spread evenly over the next three years.
- Council's 2024/25 Annual Plan "local share" combined with NZTA's subsidy results in funding shortfall of \$122,481.
- It is proposed to fund this from Carry Forwards.
- The use of carry forwards enables a "bronze" level of investment. Without carry forwards we're limited to 70% of bronze.
- Subsidy is not expected to be sufficient to cover 51% of LTP expenditure in 2025/26 and 2026/27. Detail of this will be presented next week.



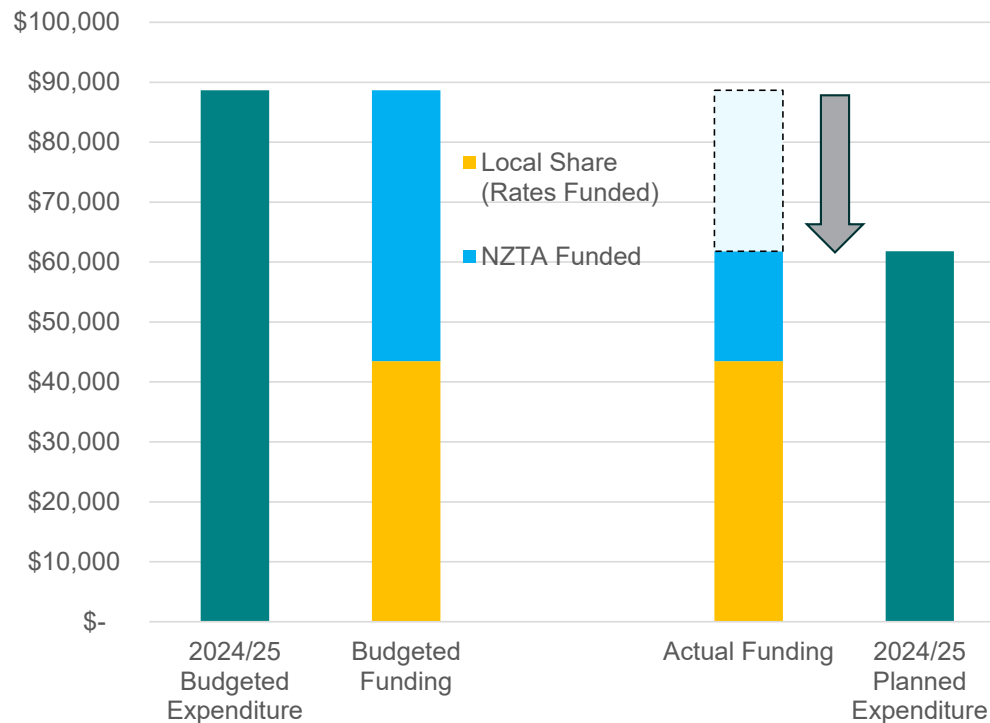
Safety (Road Safety Promotion)

Activity Class	2024/27 Requested Allocation	2024/27 Confirmed Allocation	% Approved
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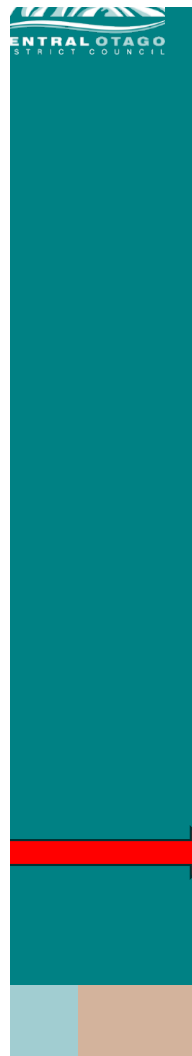




Safety (Road Safety Promotion)



- Council's 2024/25 Annual Plan "local share" combined with NZTA's subsidy results in funding shortfall.
- Planned expenditure had been reduced to account for this shortfall.
- Sufficient funding is available to ensure the ongoing affordability of a Road Safety Advisor.



Local Road Improvements

Activity Class	2024/27 Requested Allocation	2024/27 Confirmed Allocation	% Approved
Local Road Pothole Prevention	\$21,625,795	\$21,070,000	97%
Local Road Operations	\$21,449,517	\$17,840,000	83%
Local Road Improvements: Bridge & Structure Renewals	\$3,171,395	\$1,600,000	50%
Walking & Cycling (Footpaths)	\$1,481,217	\$504,000	34%
Safety	\$184,518	\$108,000	59%
Local Road Improvements	\$11,374,000	\$500,000	4%





Local Road Improvements

Clyde Heritage Precinct

- AP includes \$500k to complete the Clyde Heritage Precinct project.
- 51% subsidy has been approved for this.
- Carry forwards are proposed based on project timing.

Speed Limit Signage

- AP includes \$150k. Subsidy was not received.
- 2024/25 expenditure will be reduced in response to reduced funding.
- Carry forwards are proposed to partially offset the reduced funding.

Minor Safety Projects

- AP includes \$150k. Subsidy was not received.
- 2024/25 expenditure will be reduced (by 51%) in response to reduced funding.



Funding the Shortfall

- Finance have indicated 2023/24 surpluses are as expected and sufficient to cover identified shortfalls.
- Shortfalls requiring funding from carry forwards are:

Activity Class	Carry Forward Required	Details
Local Road Operations	\$504,496	Little Valley Bridge
Footpaths	\$122,481	Facilitates a “bronze” level of investment
Local Road Improvements	\$240,610	Clyde Heritage Precinct
	\$29,794	Speed limit signage

- A decision to approve these will be presented through the usual carry forward process in October.



Questions?



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