



AGENDA

Ordinary Council Meeting Wednesday, 10 June 2026

Date: Wednesday, 10 June 2026

Time: 10.00 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

Notice is hereby given that a Council Meeting will be held in Ngā Hau e Whā, William Fraser Building, 1 Dunorling Street, Alexandra and live streamed via Microsoft Teams on Wednesday, 10 June 2026 at 10.00 am. The link to the live stream will be available on the Central Otago District Council's website.

Order Of Business

| | | |
|----------|---|-----------|
| 1 | Karakia | 5 |
| 2 | Apologies | 5 |
| 3 | Public Forum | 5 |
| 4 | Confirmation of Minutes | 5 |
| | Ordinary Council Meeting - 27 May 2026 | 7 |
| 5 | Declarations of Interest | 23 |
| | 26.6.1 Declarations of Interest Register | 23 |
| 6 | Reports | 27 |
| | 26.6.2 Rates Review - Options for Statement of Proposal | 27 |
| 7 | Date of the Next Meeting | 45 |

Members Her Worship the Mayor T Alley (Chairperson), Cr T Paterson, Cr S Browne, Cr A Dowling, Cr S Duncan, Cr C Laws, Cr N McLean, Cr M McPherson, Cr C Pannett, Cr C Sanders, Cr B Scott

In Attendance P Kelly (Chief Executive Officer), L Fleck (Group Manager - People and Culture, Acting Group Manager - Community Vision), J Muir (Group Manager - Three Waters), Q Penniall (Group Manager - Planning, Infrastructure and Regulatory), S Righarts (Group Manager - Governance and Business Services), D Scoones (Group Manager - Community Experience), W McEnteer (Governance Manager)

1 KARAKIA

Cr ... will begin the meeting with a karakia.

2 APOLOGIES

3 PUBLIC FORUM

4 CONFIRMATION OF MINUTES

Ordinary Council Meeting - 27 May 2026

**MINUTES OF A COUNCIL MEETING OF THE CENTRAL OTAGO DISTRICT COUNCIL
HELD AT NGĀ HAU E WHĀ, WILLIAM FRASER BUILDING, 1 DUNORLING STREET,
ALEXANDRA
AND LIVE STREAMED VIA MICROSOFT TEAMS ON WEDNESDAY, 27 MAY 2026
COMMENCING AT 10:30 AM**

PRESENT: Her Worship the Mayor T Alley (Chairperson), Cr T Paterson, Cr S Browne, Cr A Dowling, Cr S Duncan, Cr C Laws, Cr N McLean, Cr M McPherson, Cr C Pannett, Cr C Sanders, Cr B Scott

IN ATTENDANCE: P Kelly (Chief Executive Officer), L Fleck (Group Manager - People and Culture, Acting Group Manager - Community Vision), J Muir (Group Manager - Three Waters), Q Penniall (Group Manager - Planning, Infrastructure and Regulatory), S Righarts (Group Manager - Governance and Business Services), D Rushbrook (Regional Deals Lead), D Scoones (Group Manager - Community Experience), P Morris (Chief Financial Officer), N Lanham (Economic Development Manager), G Bailey (Parks and Recreation Manager), P Penno (Community and Engagement Manager), A Lines (Risk and Procurement Manager), A Longman (Head of Destination), H Laverick (Roading Asset Engineer), A Crosbie (Strategy and Policy Lead), B Winders (Project Manager – Cromwell Special Projects), R Williams (Community Development Lead), D McKewen (Systems and Corporate Accountant), W McEnteer (Governance Manager)

1 KARAKIA

Her Worship the Mayor gave a karakia to begin the meeting.

2 CONDOLENCES

Her Worship the Mayor referred to the recent death of Dr Barrie Wills. The meeting stood for a moment's silence as a mark of respect. Cr Duncan gave a brief eulogy in support of Barrie's memory.

3 APOLOGIES

There were no apologies.

4 PUBLIC FORUM

There was no public forum.

5 CONFIRMATION OF MINUTES

RESOLUTION

Moved: Paterson
Seconded: Scott

That the public minutes of the Ordinary Council Meeting held on 29 April 2026 be confirmed as a true and correct record.

CARRIED

6 DECLARATIONS OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. Her Worship the Mayor and Cr Paterson declared an interest in item 26.5.18. They left the table and did not participate in the discussion or vote on the item.

7 COMMUNITY BOARD CHAIR UPDATE

26.5.2 COMMUNITY BOARD CHAIR UPDATE

Jayden Cromb, Chair of the Vincent Community Board will join the meeting to discuss matters of interest to the Board.

Mr Cromb noted the work being done at Kāmoanahaehae – Riverside Park and that it would be completed in a couple of months. He mentioned the VCB plan for community engagement. He also noted the current funding for Alexandra and Districts Museums Inc, and observed that funding had not increased for a long time. Finally, he noted that work on wilding pines needed to continue.

8 REPORTS

26.5.3 COMMUNITY BOARD CONSULTATION PRIORITIES

To receive the analysis on Community Board Priorities: Feedback Report.

RESOLUTION

Moved: Browne
Seconded: Dowling

That the report be received and its contents noted.

CARRIED

Note: Cr McPherson left the meeting at 11.09 am and returned at 11.11 am.

Note: Cr Scott left the meeting 11.51 am and returned at 11.53 am.

Note: Cr Sanders left the meeting at 12.13 pm and returned at 12.16 pm.

26.5.4 LONG TERM PLAN BUDGET INPUT

To consider the proposed budget items to be included in Central Otago District Council's (CODC) Long-Term Plan (LTP) 2027/37.

Councillors went through attachment one and gave preference for each line. These would be added to the model to produce the initial draft Long-term Plan budget.

RESOLUTION

Moved: Alley
Seconded: Paterson

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Approves an additional 100k per annum for the Long-term Plan to increase public participation.
 - C. Approves an additional 1 FTE per annum for an increase of FTE for economic development.
 - D. Approves 150k per annum for a district events fund, ringfencing the Alexandra Blossom Festival.
 - E. Approves 1 FTE for a new Rates Officer role.
 - F. Notes the decision for insurance will be made when costs are known.
 - G. Approves a business-as-usual approach for the internal audit.
 - H. Agrees to add two additional vehicles, one for Parks and one for Property.
 - I. Notes challenges with the costs of elections.
 - J. Agrees to increase training budgets for elected members.
 - K. Agrees to no additional cost for infrastructure and cloud inflation.
 - L. Agrees to no additional cost for growth of digital assets.
 - M. Agrees to no additional cost regarding Automation and integration in Digital Services.
 - N. Agrees to 450k-600k to modernise legacy systems and \$8.5m 3-4 years CAPEX/OPEX (Digital transformation) after Year 3.
 - O. Agrees to \$700k CAPEX/150k OPEX (SharePoint workspace) for digital collaboration after Year 3.
 - P. Agrees to ~150k OPEX (Federated information governance platform) for digital disposal of information.
 - Q. Agrees to \$20K CAPEX One-off, 5 years useful life,\$190K OPEX Ongoing for cyber security maturity.
 - R. Agrees to \$25k-\$40k CAPEX 25k-32k OPEX (Local relocation) and \$1.7M-\$3.5M CAPEX One-off 50 + useful life (Combined cultural storage) going to the next LTP.
 - S. Agrees to a Team leader - digital enablement role.
 - T. Agrees to 200k-300k OPEX for Enterprise-grade AI.
 - U. Agrees to \$100K CAPEX (10yr) 45k-75k OPEX to expand Genesys.
 - V. Agrees to 22k-55k OPEX for a Managed GIS service.
 - W. Agrees to 100k-200k CAPEX OPEX for an online portal for Objective Resource consents.
 - X. Agrees to Improve expertise and retention with 3-tier progression model.
 - Y. Agrees to improve Customer Services through shared systems.
 - Z. Agrees to improve Customer Services through shared systems for service delivery.
 - AA. Noted that a decision on earthquake strengthening cannot be made until costs are known.
 - AB. Agrees to 2.6m for public toilets.
 - AC. Agrees to 2.5m (Priority for new builds) for public toilets.
 - AD. Agrees to 560k-938k CAPEX, 200k OPEX Water services at Alexandra Airport.
 - AE. Agrees to two FTEs for the Property team (which includes a .5 FTE part of the Parks team). Notes one FTE is tied to the Cromwell Industrial Development.
 - AF. Agrees to the silver option for Minor Improvement programme (Overall).
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- AG. Agrees to seal full road (In CAPEX yr2) but save on maintenance (co - funding could be ,5m) for Sandflat Road.
- AH. Agrees to seal full road - 3.3m in Year 2 for Māori Point Road.
- AI. Agrees to retain emergency funding for roading.
- AJ. Notes that the sealing programme will come in to the draft budget modelling.
- AK. Agrees to 1 FTE for Roading.
- AL. Agrees to leave the Town Centre road realignment in the model for the draft budget.
- AM. Agrees to 8 FTE for building, monitoring and enforcement for succession planning.
- AN. Notes that the costs for dog registration will return to Council for its consideration.
- AO. Agrees to explore lifetime dog tags.
- AP. Agrees to explore funding dog parks as part of the dog registration fee and model a rates component.
- AQ. Agrees to the Enhanced Status quo – site used for community-led recycling & reuse initiatives in Boundary Road, Alexandra.
- AR. Agrees to business as usual for rural recycling.
- AS. Agrees to a feasibility study for the Ranfurly Pool.
- AT. Agrees to investigate installing solar at Alexandra Pool.
- AU. Agrees there should be no change to the status of the outside pool in Alexandra.
- AV. Agrees to model Installing bores and look to renew pipes for parks.
- AW. Agrees to explore a (Hybrid model - increase to CAPEX) for the parks maintenance contract.
- AX. Agrees to an additional one FTE for a Parks Officer. Notes it would be 0.5 external funding.
- AY. Notes that a Parks FTE will be part of the Property Department FTE.
- AZ. Agrees to model the cost of playing fields in Cromwell in Years 3-8 (5M).
- BA. Agrees to the increase of library services including Extra hours - 42k pa servicing growth, Book lockers -100k, Open hours 20k pa to extend. Notes that the book bus should go out beyond year 3 of the LTP.
- BB. Agrees to Modernising library services - CAPEX \$75k + \$10k year on year.
- BC. Notes this will be part of the Cromwell Town Centre redevelopment.
- BD. Notes that there is no additional Civil Defence FTE until the Simplifying Local Government outcomes are known.
- BE. Notes that there is no additional Māori Liaison Officer FTE until the Simplifying Local Government outcomes are known.
- BF. Agrees to 250k for the Government Reform for Years 1-3.
- BG. Notes that these decisions are subject to completion of the full draft LTP budget, which will come to Council in July 2026 for its consideration.

CARRIED

Note: With the permission of the meeting, items 26.5.8, 25.5.9 and 26.5.10 were moved forward.

26.5.8 CEMETERIES STRATEGY

To adopt Council Cemeteries Strategy 2026 - 2036.

RESOLUTION

Moved: McPherson
Seconded: Duncan

That the Council

- A. Receives the report and accepts the level of significance.
- B. Adopts the Central Otago District Councils Cemeteries Strategy 2026-2036.

CARRIED

26.5.9 CROMWELL TOWN CENTRE - STEERING GROUP

To appoint a Cromwell Community Board member and Councillor to the Project Steering Group (PSG) for the Cromwell Town Centre.

RESOLUTION

Moved: Duncan
Seconded: Scott

That the Council

- A. Receives the report and accepts the level of significance.
- B. Notes that the Cromwell Community Board will appoint member to the Cromwell Town Centre Project Steering Group
- C. Appoints Cr Sanders to the Cromwell Town Centre Project Steering Group
- D. Approves the Terms of Reference for the Project Steering Group, subject to adding the word *affordable* to paragraph E of Background.
- E. Notes that the group will appoint a Chair and that Council's preference is for it to be an elected member.

CARRIED

26.5.10 PROPOSED EXTENSION OF THE 'EDEN IN DUNEDIN' EXHIBITION

To consider extending the loan of Eden Hore Central Otago garments, stories and collateral to the *Eden in Dunedin* exhibition at the Toitū Otago Settlers Museum for a further 12 months.

RESOLUTION

Moved: McPherson
Seconded: Paterson

That the Council

- A. Receives the report and accepts the level of significance.
- B. Approves the continued use of Eden Hore Central Otago garments, stories and collateral to enable the extension of the *Eden in Dunedin* feature exhibition at Toitū Otago Settlers Museum through to April 2028.

CARRIED

Note: The meeting adjourned at 12.36 pm and resumed at 1.10 pm.

Note: Cr Browne assumed the Chair as the Community Vision and Experience portfolio lead.

Note: Fiona Reeve from huddl joined the meeting for item 26.5.5.

26.5.5 HUDDL COMMUNITY GRANT ACCOUNTABILITY REPORT

To consider the accountability report from huddl for their 2025/26 community grant.

Ms Reeve gave an update on huddl's activities over the last year before responding to questions.

RESOLUTION

Moved: McLean

Seconded: Pannett

That the report be received.

CARRIED

Note: Martin Anderson, Cheryll Sanders and Andrew Pirie from Cromwell Museum joined the meeting for item 26.5.6.

26.5.6 CROMWELL MUSEUM GRANT ACCOUNTABILITY REPORT

To consider the accountability report from the Cromwell Museum for their 2025/26 museum grant.

Mr Anderson gave an update on the Museum Trust's activities over the last year.

RESOLUTION

Moved: Dowling

Seconded: Scott

That the report be received.

CARRIED

26.5.7 USE OF RESERVES - MANIOTOTO COMMUNITY GRANTS RESERVE

To consider a recommendation from the Maniototo Community Board to use funds from the Maniototo Community Grant reserve.

RESOLUTION

Moved: McPherson

Seconded: Paterson

That the Council

A. Receives the report and accepts the level of significance.

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- B. Approves the recommendation from the Maniototo Community Board to use \$2,539 of its Maniototo Community Grant Reserves Grants Fund towards the Community Grants 2025-26 activity.

CARRIED

Note: Cr Paterson left the meeting at 1.55 pm and returned at 1.57 pm.

Note: Cr Paterson left the meeting at 1.58 pm.

26.5.11 DISTRICT EVENT FUND - OPTIONS FOR DISTRIBUTION

To consider options for the distribution of the one-off District-Wide Events Fund that align with existing Council policy and strategic frameworks.

After discussion it was agreed that the targeted strategic partnerships methodology should be used for the district events fund.

RESOLUTION

Moved: McLean

Seconded: Scott

That the Council

- A. Receives the report and accepts the level of significance.
- B. Resolves to use the recommended Assessment Criteria and the targeted strategic event partnerships methodology.
- C. Appoints Crs Dowling and McPherson to the assessment panel.

CARRIED

Note: Cr Paterson returned to the meeting at 2.09 pm.

26.5.12 TOURISM CENTRAL OTAGO - DESTINATION MANAGEMENT UPDATE

To provide a six-monthly update on the Central Otago Destination Management Plan implementation and Tourism Central Otago workstreams.

RESOLUTION

Moved: Alley

Seconded: Duncan

That the report be received and its contents noted.

CARRIED

Note: Cr Duncan assumed the Chair as the Roding portfolio lead.

Note: Cr McPherson left at 2.30 pm.

26.5.13 BRIDGE REPLACEMENT PROCUREMENT - BRIDGE 145 MANIOTOTO ROAD

To consider the procurement plan for tendering of the Bridge 145 replacement on Maniototo Road.

RESOLUTION

Moved: Alley
Seconded: Paterson

That the Council

- A. Receives the report and accepts the level of significance.
- B. Approves the procurement plan for tendering of the Bridge 145 replacement on Maniototo Road.
- C. Authorises the Chief Executive Officer to award the work to the preferred contractor following the procurement process provided that the tendered amounts are within the approved budget.

CARRIED

Note: Cr McPherson returned to the meeting at 2.35 pm.

26.5.14 TEMPORARY PROHIBITION OF TRAFFIC - BACK COUNTRY TRACKS

To consider temporarily closing several back-country roads to motor vehicles to reduce damage over the winter months.

After discussion it was agreed that Waikaia Bush Road should also be closed for the winter.

RESOLUTION

Moved: Pannett
Seconded: McLean

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Resolves to allow the temporary closure of selected back country tracks:
 - **Lake Onslow Road** from Linnburn Runs Road to the Lake Onslow boundary gate.
 - **Old Dunstan Road Track** from Paerau Road to Dunedin City Council boundary.
 - **Nevis Road** from Commissioners Creek to Southland District Council boundary.
 - **Bridge Huts Road** from Bridge 185 to the end of the formed road.
 - **Upper Manorburn Dam Road** from Aston Road to road end.
 - **Old Dunstan Road** from Poolburn Dam to Totara Creek.
 - **Old Dunstan Road** from Totara Creek to Linnburn Runs Road.
 - **Mount Buster Road** starting 4.7km from Danseys Pass Road to the Waitaki District Boundary.
 - **Little Kyeburn Road** starting 5.1km from Danseys Pass Road to Mt Buster Road.
 - **Serpentine Road** from Linnburn Runs Road to Lake Onslow Road.
 - **Linnburn Runs Road (Blackball)** between Loganburn Ford Road and Puketoi Runs Road.
 - **Long Valley Ridge Road** from Old Dunstan Road to Serpentine Road.
 - **Waikaia Bush Road**
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CARRIED

Note: Cr Laws assumed the Chair as the Three Waters portfolio lead.

26.5.15 COMPLIANCE STATUS UPDATE

To consider Central Otago District Council's (CODC) compliance with regulatory requirements for water and wastewater services.

The report includes compliance with Otago Regional Council (ORC) resource consents, which relate to environmental effects of water and wastewater activities and provides a high-level overview of compliance with the Water Services Authority - Taumata Arowai requirements, which are in place to protect public health.

This report is provided for information and outlines overall compliance status and the actions being taken to address any areas of non-compliance.

RESOLUTION

Moved: Scott
Seconded: Dowling

That the report be received.

CARRIED

Note: Her Worship the Mayor resumed the Chair.

26.5.16 SIMPLIFYING LOCAL GOVERNMENT PROPOSAL: HEAD START PATHWAY

To consider being involved in conversations with other councils on the Head Start pathway.

It was noted in discussion that there was a short survey out for the community to give their views on the Head Start proposal.

RESOLUTION

Moved: Alley
Seconded: Paterson

That the Council

- A. Receives the report and accepts the level of significance.
- B. Notes that the Government has announced a Head Start pathway for councils as part of their proposals to simplify local government.

CARRIED

RESOLUTION

Moved: Alley
Seconded: Paterson

- C. Agrees to have conversations with other councils about potential proposals under the head start pathway.
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- D. Notes Her Worship the Mayor is leading conversations on behalf of Central Otago District Council on the proposed simplifying local government reforms.
- E. Notes that any proposal developed under the head start pathway will be brought back before Council for formal decision prior to submission on 9 August 2026.

CARRIED

Note: Craig Gilchrist from Mayor's Taskforce for Jobs joined the meeting for item 26.5.17.

26.5.17 MAYORS TASKFORCE FOR JOBS UPDATE

To consider an update on the activities and progress of Mayors Taskforce for Jobs.

RESOLUTION

Moved: Duncan
Seconded: Pannett

That the report be received and its contents noted.

CARRIED

Note: The meeting adjourned at 3.32 pm and resumed at 3.42 pm.

Note: Her Worship the Mayor and Cr Paterson declared an interest in item 26.5.18. They left the table and did not participate in the discussion or vote on the item.

Note: With the permission of the meeting Cr Duncan assumed the Chair.

26.5.18 MANUHEREKIA RIVER LOCAL BILL

To consider drafting and promoting a Local Bill to resolve the outstanding minimum flow regulation of the Manuherekia River.

After discussion it was agreed that Manuherekia Irrigation Ltd should be included as an interest in the process. It was also noted that the Parliamentary Office would be able to indicate if the Bill would be accepted fairly quickly.

RESOLUTION

Moved: McPherson
Seconded: Dowling

That the Council

- A. Receives the report and accepts the level of significance.
- B. Agrees a Local Bill is a pragmatic solution to resolving the outstanding matter of Manuherekia River minimum flows
- C. Authorises staff to initiate the process to promote a Local Bill in relation to achieving a legislated minimum flow for the Manuherekia River.
- D. Notes the associated risks as outlined in this report.
- E. Notes the indicative costs of between \$175,000-\$250,000+GST.
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- F. Notes the indicative timeline of between 1.25 to 2 years.
 - G. Acknowledges the interests of mana whenua in the Manuherekia River and directs staff to engage with mana whenua representatives immediately.
 - H. Acknowledges the interests of Otago Regional Council in the Manuherekia River and directs staff to engage with Otago Regional Council immediately.
 - I. Acknowledges the interests of Manuherekia Irrigation Ltd in the Manuherekia River and directs staff to engage with Manuherekia Irrigation Ltd immediately.

CARRIED

Note: Her Worship the Mayor resumed the Chair.

26.5.19 APPLICATION OF PROCEEDS FROM SALE OF DISPOSE OF LOTS 3 AND 4 DP 428116 (MUTTON TOWN ROAD OXIDATION POND SITE)

To consider use of the proceeds of the dispose of Lots 3 and 4 DP 428116 (Mutton Town Road oxidation pond site).

After discussion it was agreed that the proceeds should go to the property general reserve.

RESOLUTION

Moved: McPherson
Seconded: McLean

That the Council

- A. Receives the report and accepts the level of significance.
- B. Agrees to transfer the nett sale proceeds from the sale of Lots 3 and 4 DP 428116 (Muttontown Road oxidation pond site) to the property general reserve.
- C. Agrees to cover the costs incurred to date in relation to the original purchase and subsequent sale from the sales proceeds.

CARRIED

26.5.20 FINANCIAL REPORT FOR THE PERIOD ENDING 31 MARCH 2026

To consider the financial performance for the period ending 31 March 2026

RESOLUTION

Moved: Scott
Seconded: Pannett

That the report be received.

CARRIED

8 MAYOR'S REPORT**26.5.21 MAYOR'S REPORT**
-----**RESOLUTION**

Moved: Alley
Seconded: Duncan

That the Council receives the report and notes its contents.

CARRIED

-----**9 STATUS REPORTS****26.5.22 MAY 2026 GOVERNANCE REPORT**

To report on items of general interest, receive minutes and updates from key organisations, business plans and status report updates.

-----**RESOLUTION**

Moved: Duncan
Seconded: McPherson

That the report be received and its contents noted.

CARRIED

-----**10 COMMUNITY BOARD MINUTES****26.5.23 MINUTES OF THE TEVIOT VALLEY COMMUNITY BOARD MEETING HELD ON 23 APRIL 2026**
-----**RESOLUTION**

Moved: McPherson
Seconded: Paterson

That the unconfirmed Minutes of the Teviot Valley Community Board Meeting held on 23 April 2026 be noted.

CARRIED

-----**26.5.24 MINUTES OF THE VINCENT COMMUNITY BOARD MEETING HELD ON 28 APRIL 2026**
-----**RESOLUTION**

Moved: McPherson
Seconded: Paterson

That the unconfirmed Minutes of the Vincent Community Board Meeting held on 28 April 2026 be noted.

CARRIED

26.5.25 MINUTES OF THE CROMWELL COMMUNITY BOARD MEETING HELD ON 5 MAY 2026

RESOLUTION

Moved: McPherson
Seconded: Paterson

That the unconfirmed Minutes of the Cromwell Community Board Meeting held on 5 May 2026 be noted.

CARRIED

26.5.26 MINUTES OF THE MANIOTOTO COMMUNITY BOARD MEETING HELD ON 7 MAY 2026

RESOLUTION

Moved: McPherson
Seconded: Paterson

That the unconfirmed Minutes of the Maniototo Community Board Meeting held on 7 May 2026 be noted.

CARRIED

11 DATE OF NEXT MEETING

The date of the next scheduled meeting is 10 June 2026.

12 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION

Moved: Alley
Seconded: Paterson

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Plain English Reason |
|---|--|-------------------------------|
| Confidential Minutes of Ordinary Council Meeting | s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural | To protect a person's privacy |

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| | <p>persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p> <p>To prevent use of the information for improper gain or advantage</p> |
| <p>26.5.27 - Omakau Camping Ground Management Review</p> | <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> | <p>To enable commercial activities</p> |
| <p>26.5.28 - Improving Digital Connectivity in Central Otago</p> | <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p> |

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| <p>26.5.29 - Options for sale of the Gair Avenue development</p> | <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p> |
| <p>26.5.30 - Bannockburn Industrial Development - Sale & Purchase (Lot 4)</p> | <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> | <p>To enable commercial or industrial negotiations</p> |
| <p>26.5.31 - May 2026 Confidential Governance Report</p> | <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p> <p>To prevent use of the information for improper gain or advantage</p> |

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|---|---|---|
| <p>26.5.32 - Confidential Minutes of the Vincent Community Board Meeting held on 28 April 2026</p> | <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> |
| <p>26.5.33 - Confidential Minutes of the Cromwell Community Board Meeting held on 5 May 2026</p> | <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> | <p>Commercial sensitivity</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p> |

CARRIED

The public were excluded at 4.19 pm and the meeting closed at 5.22 pm.

5 DECLARATIONS OF INTEREST

26.6.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 2835805

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

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 - 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) Tenaya New Zealand Ltd (Director and Shareholder) Southern Lakes Trails (Trustee) LGNZ Zone 6 Chair Regional Deals Panel Member LGNZ National Council (Member) | Manuherikia Irrigation Co-operative Society Ltd (shareholder) Emergency Management Otago Group Controller (employee) | Central Otago Wilding Conifer Control Group Destination Advisory Board Southern Lakes Health Trust (Trustee) |
| Sarah Browne | Anderson Browne Construction and Development (Director and Shareholder) Central Otago Sports Turf Trust (Trustee) Central Football and Multisport Turf Trust (Trustee) Sutherland Architecture Studio Ltd (Employee) | Infinite Energy Ltd (Employee) | Tarras Community Liaison |
| Andrew Dowling | Mountain Bikers of Alexandra PGG Wrightson Ltd (employee) FD Ltd (Director) | FD Ltd (Director) | |
| 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) | Maniototo Ice Rink Committee Otago Regional Transport Committee |
| Cheryl Laws | The Message (Director) Wishart Family Trust (Trustee) Wooing Tree (Assistant Manager - Cellar Door) Daffodil Day Cromwell Coordinator | Otago Regional Council (Councillor) The Message (Director) | |
| Nathan McLean | Contact Energy Limited (Employee) Alexandra Squash Rackets Club (Club Secretary) St Gerards School (Board Chair) Alexandra Hockey Club (committee) | | |

| Name | Member's Declared Interests | Spouse/Partner's Declared Interests | Council Appointments |
|------------------|---|--|--|
| Martin McPherson | Alexandra Blossom Festival | CODC (employee) CODC (employee) (Daughter) | Alexandra District Museum Board Incorporated (ADMI) |
| Curtis Pannett | Teviot Valley Irrigation Company Ltd (Director/Shareholder) Teviot Valley Water Care Group (Member) Rabobank Client Council (Councillor) Hill Springs Farming Company Ltd (Sole Director/Shareholder) Roxburgh Golf Club (Member) | | I and H McPhail Charitable Trust Entertainment Group Steering Group/ PSG Tuapeka County Bursary Fund Committee |
| Tracy Paterson | 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) Waiora Manuherikia Governance Group (Member) Central Otago Riding for the Disabled (Volunteer) Regional Deals Panel Member | 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) Manuherikia 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) | Central Otago Health Incorporated Otago Central Lakes Regional Deals Committee |

| Name | Member's Declared Interests | Spouse/Partner's Declared Interests | Council Appointments |
|-----------------|---|--|-----------------------------|
| Charlie Sanders | Cromwell Kilwinning Lodge 98 (Secretary) C&V Trustees Ltd (Director) Sandstone Design (Director) | A Women's Touch Cleaning Service (Director) A Jill of All Trades (Director) | |
| Bob Scott | Cromwell Golf Club (Chair and Member) Central Football Project Trust (Not active) - Trustee Dunes Owners Management Committee (Member) Central Otago Health Inc. (Committee member) Cromwell & Districts Promotions Group (Committee member) | | |

6 REPORTS

26.6.2 RATES REVIEW - OPTIONS FOR STATEMENT OF PROPOSAL

Doc ID: 2817532

| | |
|-----------------------------|---|
| Report Author: | Paul Morris, Chief Financial Officer Donna McKewen, Systems and Corporate Accountant |
| Reviewed and authorised by: | Saskia Righarts, Group Manager - Governance and Business Services |

1. Purpose of Report

To consider and decide which options Council wishes to proceed with when preparing its Statement of Proposal for changes to the rating system.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
- B. Resolves to consult on simplifying the number of rates by removing all targeted rates except for rates to fund solid waste and ward-based grants and promotion rates and fund all other activities from general rates from 1 July 2027.
- C. Resolves to consult on three options as follows:
 - I. Maintain the status quo being described below as AP2026/27-B and do not amend or change any of the current rates or the basis for charging those rates. Change the Section 21 Uniform charge to be set at 30% from 1 July 2027.
 - II. Option 2 B - Change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Change the Section 21 Uniform charge to be set at 30% from 1 July 2027.
 - III. Option 4 B (ii) - Change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 2 on the general rate on all commercial activities with all others having a differential of 1. Change the Section 21 Uniform charge to be set at 30% from 1 July 2027.

2. Background

In mid-2024, Council undertook a consultation to change the way rates funded the Council activities. It proposed that a more joined up district wide approach to funding activities was required and undertook a special consultative procedure to gain the communities feedback on the proposal.

The outcome was a change from a ward based targeted rate system to a more district centric targeted rate system. This was implemented on 1 July 2025 after Council adopted its Long-term plan 2025-34 (LTP). Council's rationale for change was to design a rating system that is both equitable and flexible. Equitable has the meaning of treating all parties involved in an even-handed manner without favouritism or bias.

Rates are shared across the district with several rates traditionally set at ward level. This has led to complex rating and inequity. Following LTP 2025/34, the 2025/26 rates partially moved some rates to district level. The current review will assess the continuation of this approach and also consider rates on vulnerable residents. This was highlighted in the Council's Long-term Plan 2025–34 *Shaping Our Future* community feedback, which emphasised the need for Council to consider vulnerable residents in this review and ensure rates are fair and transparent.

It has been some time since Council last reviewed whether the allocation of rates remains appropriate for current circumstances. This review will develop a rating system that is fair and transparent to all ratepayers. The council is seeking a district rating system where similar ratepayers are rated the same as their peers.

Flexibility means the ability to adapt or change easily without difficulty. The rating system should be designed to allow for timely adjustments in how rates are allocated. Local government is in the process of its most significant change in decades. There is significant uncertainty, including the transition of three waters, potential rates capping, and "Simplifying Local Government" restructuring.

The way we live is changing rapidly. New technologies, significant law changes, land-use changes, and global-level uncertainties need to be considered as they evolve.

The review will design a rating system that is flexible, allowing Council to respond to a changing environment.

There are other factors for Council to consider;

- i) A breach of Section 21(1) (the 30% universal fixed rating cap) of the Local Government (Rating) Act 2002 would occur from 1 July 2027 with the removal of 3 waters.
- ii) The Government's announcement introducing rates caps to limit rates increases to between 2-4%
- iii) The Government's announcements concerning the future make-up of local government and the possibility of amalgamation.
- iv) Councils approach to a more district focussed rating model after the October 2024 consultations and decision.

Elected members have undertaken five workshops to date. The first on 11 November 2025 to introduce the concept of rating, the legislation and how the rating system works, 11 February 2026, 12 March 2026, 20 April 2026 and 13 May 2026.

The approach taken has been to initially model changes to the rating basis of either land value or capital value. Annual value was not considered as it is complicated to administer and not used by any other councils in New Zealand.

As part of the modelling, it was assumed that;

- 1) All three water rates (including stormwater) were removed from the rates calculation.
- 2) Solid waste rating would remain a fixed targeted rate and was removed from the rating comparisons on the basis that it would not change.
- 3) Ward based differentials for grants and promotions would remain. These are based on capital value and have been removed from the rates comparisons.

The results of this created the spectrum over which Council could review ideas. At one end of the scale all rates (apart from the above 3) were modelled on land value and at the other end all of the scale rates were modelled on capital value.

The status quo was defined as the proposed rates requirements from the current rates highlighted in the draft Annual Plan 2026/27 without the rates detailed in the three assumptions above. This became the status quo

Workshops held in 2026 focused on refining Council's thinking on targeted rates, differentials, UAGC, and rating units versus separately used and inhabited parts of a rating unit.

Ultimately the Council reviewed and discussed 13 options to be compared against the status quo.

The options discussed were as follows:

Status Quo AP2026/27a – do not amend or change any of the current rates. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Status Quo AP2026/27b - do not amend or change any of the current rates. Change section 21 uniform charge to be set at 30% immediately.

Option 1 A - change rating from being based on land value to capital value as the basis for setting rates, retaining the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 1 B - change rating from being based on land value to capital value as the basis for setting rates, retaining the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Change the section 21 uniform charge to be set at 30% immediately.

Option 2 A - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 2 B - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Change the section 21 uniform charge to be set at 30% immediately.

Option 3 A - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a residential differential of 0.8 on the general rate with all others having a differential of 1. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 3 B - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all

targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a residential differential of 0.8 on the general rate with all others having a differential of 1. Change the section 21 uniform charge to be set at 30% immediately.

Option 4 A (i) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 1.5 on the general rate on all commercial activities with all others having a differential of 1. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 4 A (ii) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 2 on the general rate on all commercial activities with all others having a differential of 1. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 4 A (iii) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 3 on the general rate on all commercial activities with all others having a differential of 1. Retain the section 21 uniform charge being set at 40.69% and revert to 30% over 5 years.

Option 4 B (i) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 1.5 on the general rate on all commercial activities with all others having a differential of 1. Change the section 21 uniform charge to be set at 30% immediately.

Option 4 B (ii) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 2 on the general rate on all commercial activities with all others having a differential of 1. Change the section 21 uniform charge to be set at 30% immediately.

Option 4 B (iii) - change rating from being based on land value to capital value as the basis for setting rates, removing the current hydro differentials for the general rate. Remove all targeted rates except solid waste and ward-based grants and promotions and charge through the general rate. Create and apply a differential of 3 on the general rate on all commercial activities with all others having a differential of 1. Change the section 21 uniform charge to be set at 30% immediately.

3. Discussion

Council undertook a strategic planning day late in 2025, the outcome of which were four priorities. Of these priorities funding was weighted at 50% with a clear statement that this was the Council's number one priority.

*"Our number one priority is to **secure fair, flexible, and future-proofed funding arrangements** for Central Otago. We want to be:*

- *Less dependent on rates and central government*

- *More able to spend and invest*
- *Better at sharing costs and risks with others.*

With funding sorted, we can make quality decisions about services, assets and infrastructure, while keeping things affordable for ratepayers, regardless of how the external and regulatory environment changes.

Potential areas to look at include:

- **Rating model** – look at how we collect rates and from whom.
- **Non-rates revenue** – find and invest in new income sources.
- **Partnerships** – work with other sectors to deliver outcomes.

Council discussed the 13 options over the period of the workshops.

Status Quo AP 2026/27a

Advantages

- Status quo no changes
- Everyone remains the same

Disadvantages

- Nine rate categories but broken-down different ways
- General rate has four differentials
- Tourism has four differentials
- Small amount of revenue sought by the economic development rate
- UAGCs are currently at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will need to transition within 5 years.
- Utilities without land value are not contributing to the general rate as it is charged at land value.
- Dams are only contributing to rates based on the average rates increase.

Status Quo AP 2026/27b

Advantages

- Status quo no changes
- Everyone remains the same

Disadvantages

- 9 rate categories but broken-down different ways
- General rate has four differentials
- Tourism has four differentials
- Small amount of revenue sought by the economic development rate
- UAGCs are currently at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will transition to 30% within 1 year which will impact higher land value properties immediately.
- Community facility charge split; this is calculated as 65% fixed and 35% based on land value.
- Utilities without land value are not contributing to the general rate or the community facilities charge that has been split and charged at land value.
- Dams are only contributing to rates based on the average rates increase

Scenario 1a**Advantages**

- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered, not just land value.
- Utilities are contributing to the general rate, due to capital value being used to calculate the general rate.
- Properties with high land value and low improvements will see a decrease in rates within the first year, particularly the rural area.

Disadvantages

- General rate still has four differentials.
- Utilities have an increase in rate charges due to capital value being used to calculate the general rate. The dams are treated differently by retaining the current differential.
- Properties with improvements may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities now being charged the general rate.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will need to transition within five years.

Scenario 1b**Advantages**

- The whole value of the property is considered and not just land value.
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants
- Utilities are contributing to the general rate, due to capital value being used to calculate the general rate.
- Properties with high land value and low improvements will see a decrease in rates within the first year, particularly the rural area.

Disadvantages

- General rate still has four differentials
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate. The dams are treated differently by retaining the current differential.
- Properties with improvements may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities now being charged the general rate.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will transition in the first year back to 30%. The impact will be on higher value properties as rates shift from fixed to variable rates.

Scenario 2a**Advantages**

- All rating units are recognised the same (based on capital value)
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered and not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- rates will be pushed onto properties with higher capital value, reduce the rates impact on smaller low valued properties.
- Answers the question of current differentials of “what makes them different?”

Disadvantages

- Properties with high improvement values will see an increase in rates within the first year.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties and the removal of the large hydro differentials.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.

Scenario 2b

Advantages

- All rating units are recognised the same (based on capital value)
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered and not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be pushed onto properties with higher capital value, reduce the rates impact on smaller low valued properties.
- Answers the question of current differentials of “what makes them different?”

Disadvantages

- Properties with high improvement values will see an increase in rates within the first year.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties and the removal of the large hydro differentials.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.

- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will transition in the first year back to 30%. The impact will be on higher value properties as rates shift from fixed to variable rates.

Scenario 3a

Advantages

- All rating units are recognised the same (based on capital value), however residential have a smaller factor of 0.8 compared to the factor of 1 for all other categories.
- In this scenario residential properties benefit from the lower factor with 2,483 properties have a decrease of between \$0-(\$250).
- Rate categories are minimised to four – UAGC general rates, waste management and Community Board grants
- The whole value of the property is considered and not just land value
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be pushed onto properties with higher capital value, reduce the rates impact on low valued properties.
- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This increase will not be as high as option 2 due to the differential of 0.8. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will need to transition within five years.

Scenario 3b

Advantages

- All rating units are recognised the same (based on capital value), however residential have a smaller factor of 0.8 compared to the factor of 1 for all other categories.
- In this scenario residential properties benefit from the lower factor with 2,483 properties have a decrease of between \$0-(\$250).
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants
- The whole value of the property is considered and not just land value
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be pushed onto properties with higher capital value, reduce the rates impact on low valued properties.

- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will transition back to 30% in one year which will impact higher value properties.

Scenario 4 a i

Advantages

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to all other categories with a factor of 1.5.
- Rate categories are minimised to four – UAGC general rates, waste management and Community Board grants.
- The whole value of the property is considered and not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be pushed onto properties with higher capital value, reducing the rates impact on low valued properties.
- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- All other properties will see an increase by a factor of 1.5
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will need to transition within five years.

Scenario 4 A ii

Advantages

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to categories with a factor of two.
- Rate categories are minimised to four – UAGC general rates, waste management and Community Board grants.
- The whole value of the property is considered and not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be pushed onto properties with higher capital value, reducing the rates impact on low valued properties.

Disadvantages

- All other properties will see an increase by a factor of two.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement value may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to new entity. Will need to transition within five years.

Scenario 4 A iii

Advantages

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to categories with a factor of three.
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered, not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be redistributed towards properties with higher capital value, reducing the impact on lower valued properties.

Disadvantages

- All other properties will see an increase by a factor of three.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement value may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGCs are at 30% limit including 3 waters charges. Will breach UAGC 30% rule with 3 Waters transferring to the new entity. Will need to transition within five years.

Scenario 4 B i

Advantages

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to all other categories with a factor of 1.5.
- Rate categories are minimised to four – UAGC general rate, waste management and community board grants.
- The whole value of the property is considered, not just land value.
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be redistributed towards properties with higher capital value, reducing the impact on lower valued properties.
- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- All other properties will see an increase by a factor of 1.5
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGC is at 30% limit including 3 Waters charges. Will breach UAGC 30% rule with 3 Waters transferring to the new entity. A transition back to 30% within one year will impact higher-value properties.

Scenario 4 B ii**Advantages**

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to all other categories with a factor of two.
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered, and not just land value
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be redistributed towards properties with higher capital values, reducing the impact on lower valued properties.
- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- All other properties will see an increase by a factor of two.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on

the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.

- UAGCs are currently at 30% limit, including 3 Waters charges. This limit will breach UAGC 30% rule once 3 Waters transfers to the new entity. A transition back to 30% within one year will impact higher value properties.

Scenario 4 B iii

Advantages

- Residential, lifestyle and other categories will see a decrease, as rates will transfer to all other categories with a factor of three.
- Rate categories are minimised to four – UAGC general rates, waste management and community board grants.
- The whole value of the property is considered, not just land value
- Properties with high land value and low improvements will see a decrease in rates within the first year.
- Rates will be redistributed towards properties with higher capital values, reducing the impact on lower-value properties.
- Recognises income earning abilities of commercial properties to claim GST and tax deductibility on rates costs.

Disadvantages

- All other properties will see an increase by a factor of three.
- Utilities have an increase in rate charges, due to capital value being used to calculate the general rate.
- Dams will see an increase in rate charges due to the capital value of the properties.
- Properties with high improvement values may see an increase in rates within the first year. This may include properties where the land value versus the improvements on the land are different. This impact is minimised with the utilities and dams now being charged the general rate on the same basis and all other rating units.
- UAGCs are currently at 30% limit, including 3 Waters charges. This limit will breach UAGC 30% rule once 3 Waters transfers to the new entity. The transition back to 30% within one year will impact higher-value properties.

Council will need to decide, based on the discussion above and the financial impacts detailed in the next section, which options it wants to pursue. It should be noted that, when selecting options, Council should ensure there is real choice for interested parties to comment on and make submissions in due course.

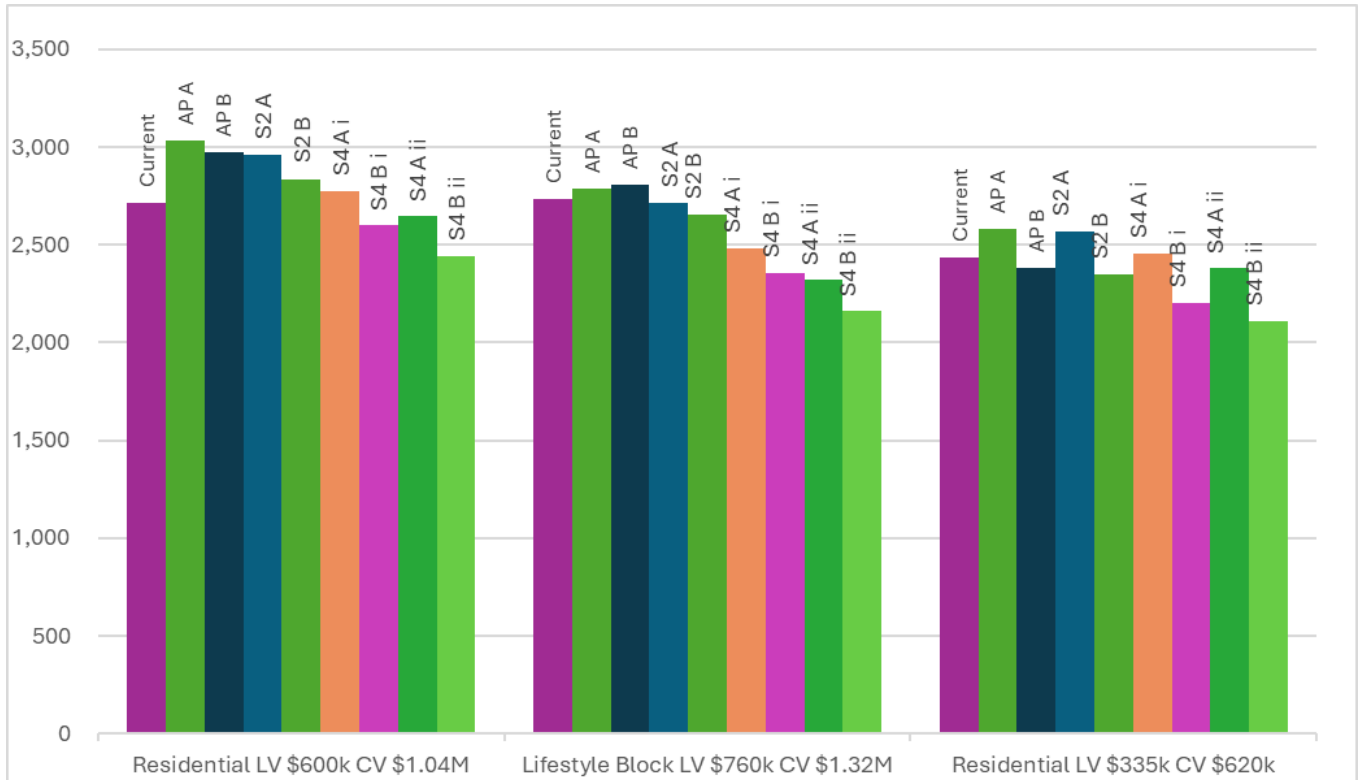
Given the similarities between Scenario 3 and all the scenarios within Scenario 4 (A and B), Council could reasonably select one of these options, ensuring they are sufficiently distinct from other options. It is also recommended that Council choose a maximum of 3 options to put forward, to avoid confusion.

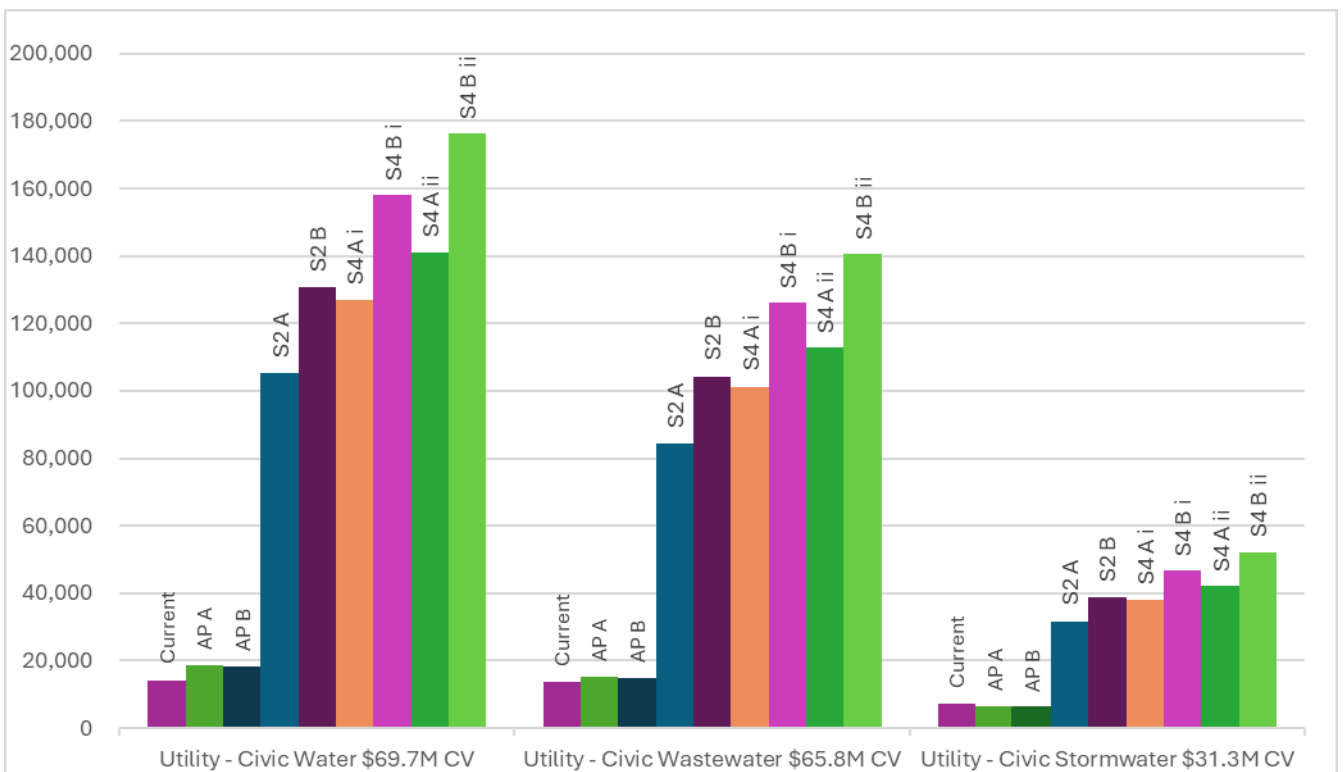
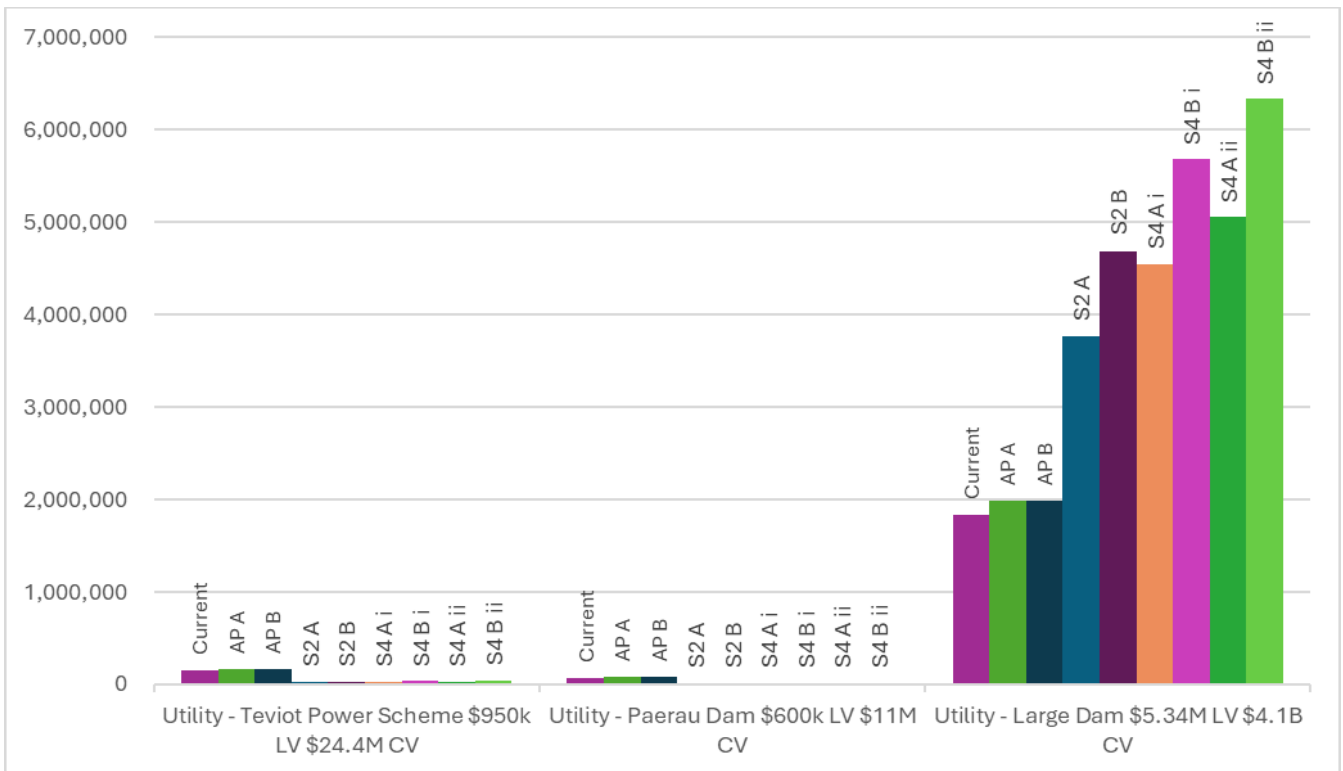
When determining the options Council wishes to consult on, it should be recognised that these are not necessarily the options Council will ultimately adopt. Variations may be made to account for specific situations such as the treatment of forestry under the Rating Valuations Act (1998).

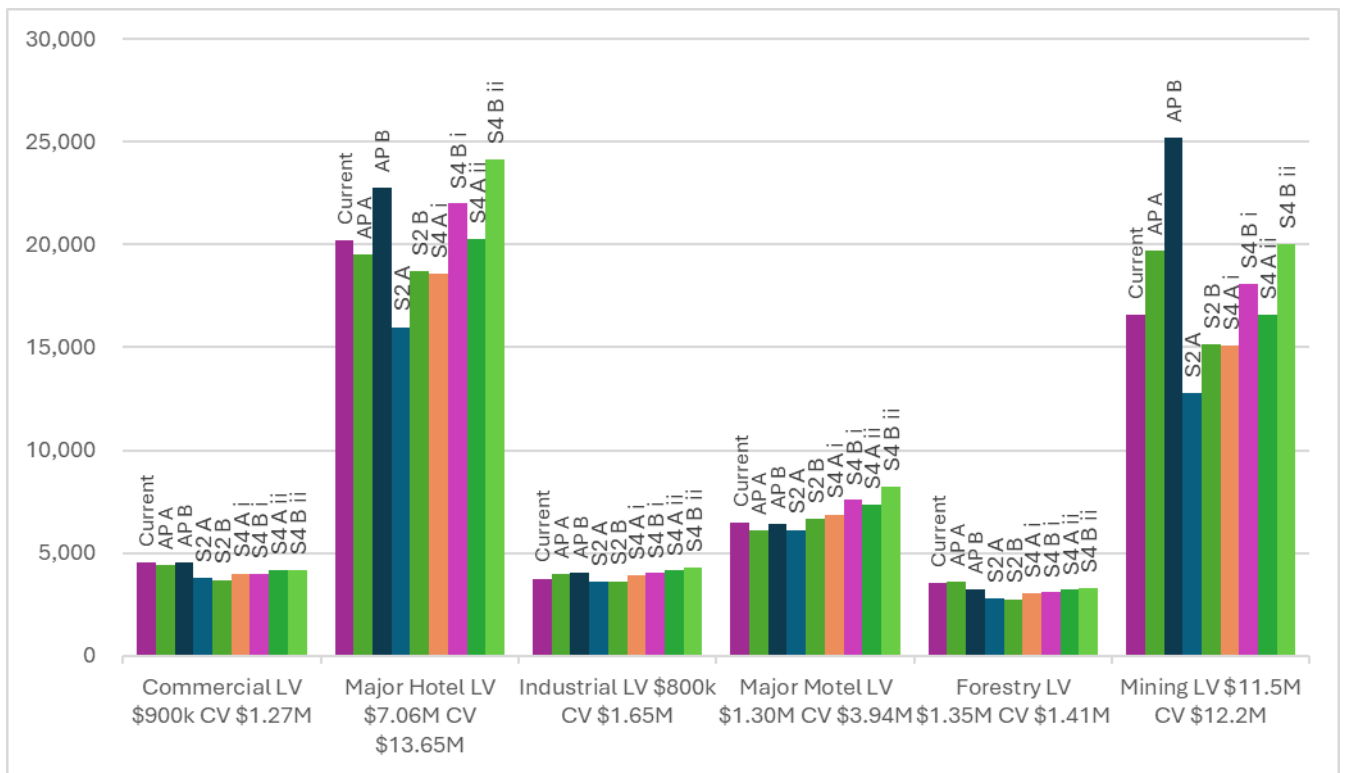
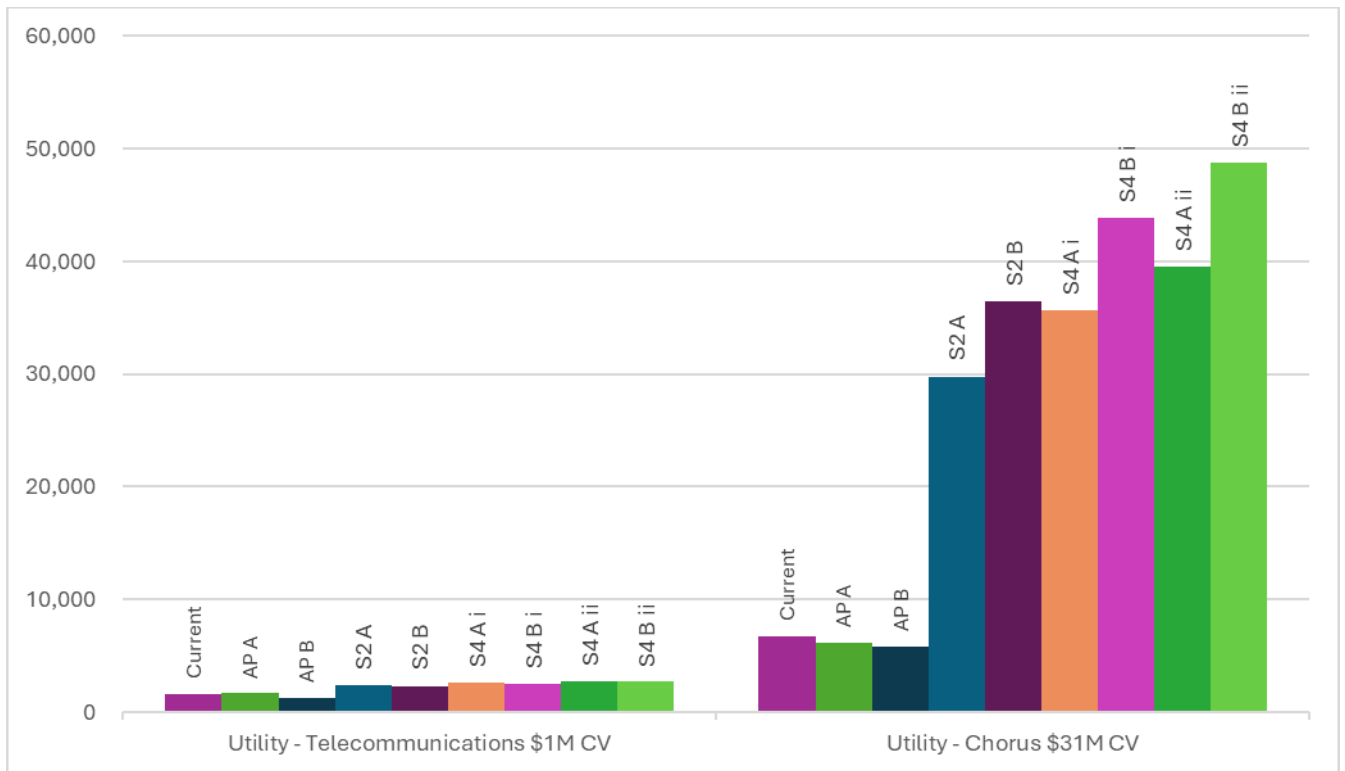
4. Financial Considerations

Changing the rating system will not generate additional income. Instead, it will redistribute the liability for paying rates and contribute to Council’s first strategic priority of a *fair, flexible and future-proofed system*.

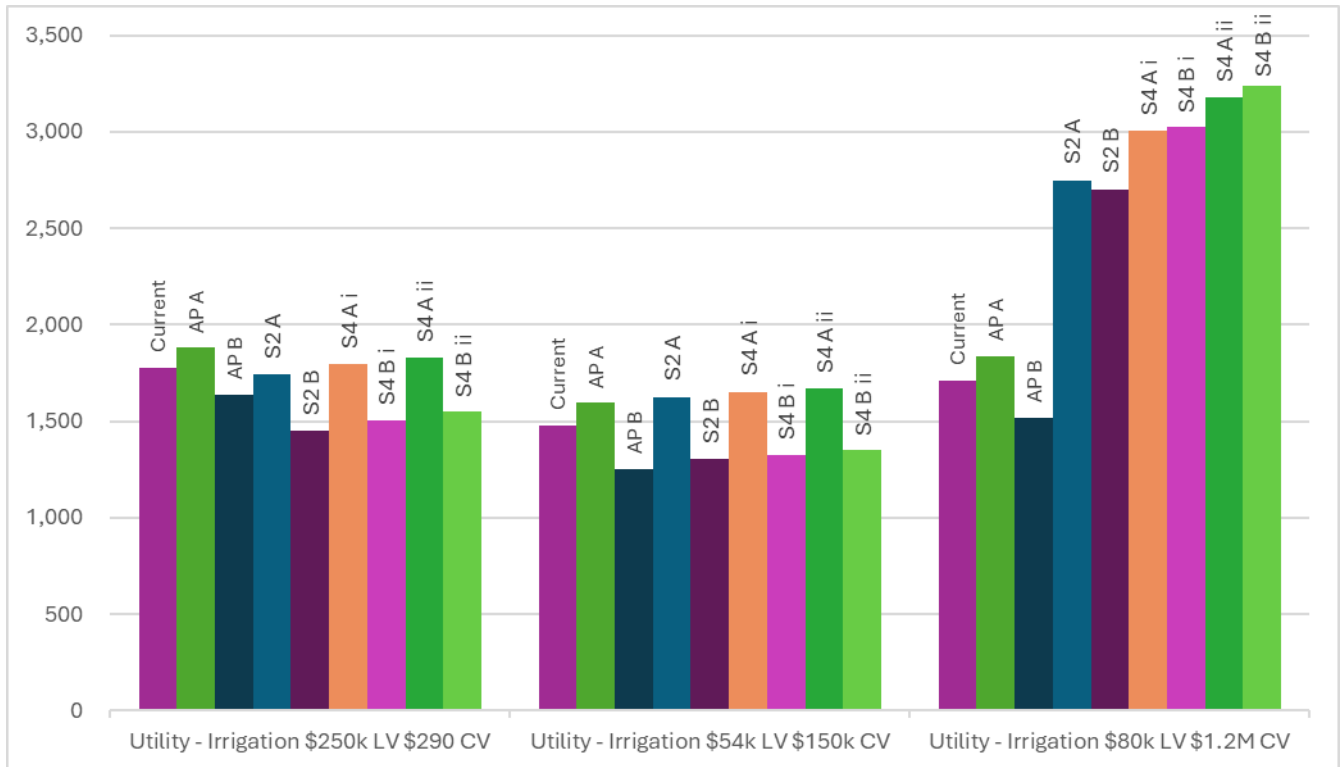
Council was presented with all scenarios represented graphically below, except scenario 4 A iii and 4 B iii which was discussed after this information was prepared. In general, these options would reduce the rates required from residential and lifestyle properties while increasing other commercial properties beyond those modelled in S4 A ii and 4 B ii. The charts below highlight the impact of the various scenarios on sample properties.







When comparing results, it is important to compare to either AP A or AP B as these results will be the status quo and form the basis for the comparison of the rates options for Council’s decision.



5. Feedback from Community Boards

As this is a rating issue, it sits with Council. At the time of this report, staff have met with the Cromwell Community Board, the Vincent Community Board and the Audit and Risk Committee to provide an update on progress. It is intended that staff will meet with Teviot Valley Community Board and the Maniototo Community Board to provide an update once Council has determined its preferred approach. Specific feedback has not been sought from the Community Boards. However, Community Boards will have the ability to submit on the Statement of Proposal when it is officially released for consultation.

6. Options

Option 1 – (Recommended)

That the Council choose to put forward the status quo being, AP 2026/27 B, scenario 2B and scenario 4B ii, as the three options for consultation.

Advantages:

- Council has options that are sufficiently diverse to present to the community.
- It narrows the range of consultation options, reducing the risk of overwhelming the community.
- It aligns with Council’s timetable for delivering a statement of proposal for consultation.
- It has the potential to be the most flexible rates solution, taking into account the latest Government reforms.

- Changes to options presented may occur through the Statement of Proposal and special consultation process reflecting community input.

Disadvantages:

- Some options may have support that are not being directly canvased.

Option 2

Council choose to consult on alternative modelled options.

Advantages:

- This may more align with Council’s thinking.

Disadvantages:

- Timelines for preparation and consultation will be impacted, which will flow through to the LTP 2027–37 project and may put the statutory delivery of the LTP at risk.

Option 3

Council choose not to progress the rates review any further.

Advantages:

- This may better align with Council’s thinking.
- Ratepayers are familiar with this system.
- No further work will be required from elected members or staff

Disadvantages:

- Does not address the issue of fairness, flexibility and futureproofing.
- Some property owners will not contribute their share due to value being contained in capital value rather than land value such as utilities

7. Compliance

| | |
|--|--|
| <p>Local Government Act 2002 Purpose Provisions</p> | <p>This decision enables democratic local decision-making and action by, and on behalf of, communities by allowing them to have input into how rates are set and who pays them through a special consultative process.</p> <p>AND</p> <p>This decision promotes the social and economic wellbeing of communities, both now and into the future, by ensuring a fairer, future-proofed, and flexible rating system.</p> |
| <p>Decision consistent with other Council plans and policies? Such as the District Plan, economic development Strategy etc.</p> | <p>No. However this will inform the Council’s Revenue and Financing Policy and ultimately it’s rates setting mechanisms.</p> |

| | |
|--|---|
| Considerations as to sustainability, the environment and climate change impacts | N/A |
| Risks Analysis | N/A |
| Significance, Consultation and Engagement (internal and external) | This proposal impacts all ratepayers. There is a statutory requirement to undertake public consultation through a special consultative procedure under the Local Government Act 2002. |

8. Next Steps

Once Council has decided on its course of action, preparation of the Statement of Proposal for consultation will commence. It is anticipated that this will be presented to Council in July 2026. Staff are developing an engagement/consultation plan which will include pre-engagement with interested and impacted parties. It is expected that elected members will have a high level of involvement in this engagement.

9. Attachments

Nil

7 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 24 June 2026.