

What's important Central Otago?

Have your
SAY

on the 2025-34
LONG-TERM PLAN



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



Message from the Mayor and Chief Executive



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

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

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

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

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

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

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

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

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

Consultation is open from **1 April to 1 May 2025**. We look forward to seeing you at one of our community events during this period and receiving your feedback.

Tamah Alley
Her Worship the Mayor

Peter Kelly
CODC Chief Executive

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What have we achieved?



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

Lake Dunstan Water Supply

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

Clyde Heritage Precinct

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

Cromwell town water supply

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

Kerbside waste and recycling collection

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



Vincent and Teviot Valley spatial plans

have been developed in collaboration with the local communities. These plans provide a 30-year blueprint for where and how our communities should grow.

Shaping Tomorrow Together

wellbeing project gauged what the community valued most about living in Central Otago. Feedback enabled the development of a 50-year District Vision for our region.

Alexandra Library's

refurbishment completed in December 2024. All of Council's libraries now also have Radio Frequency Identification (RFID), a sensor scanning tool for issuing and returning library books.

Central Otago's District Plan

can now be viewed as a digitised E-Plan. The Industrial and Residential chapters have been updated, and a Dark Skies chapter has been introduced. Guidelines have also been established for our heritage precincts.

Central Otago's Destination Management Plan

developed 2022, in partnership with mana whenua and the Central Otago community, is a shared statement of intent for an enduring and positive approach to managing our region as a tourism destination over the next 50 years.

Cromwell and Alexandra pools relined to smarten them up and maximise their longevity.



Good progress has also been made on other projects you told us were important in 2021. The construction of the **Cromwell Memorial Hall** is well underway, the **Kāmoanahaehae - Riverside park** development in Alexandra has begun, and planning is underway for the **Cromwell Town Centre**. We're doing further planning and will present our development ideas to you in the 2027-37 Long-term Plan.

What's our plan? the next

9 years at a glance



Our Long-Term plan in

12 KEY points

Why nine years not ten?

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

1 Developed in uncertain times

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

2 Government changes

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

3 Change in how we propose to deliver water services

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

4 Changes to how we pay for water

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

5 Infrastructure investment

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

6 Roads and bridges

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

7 Long-term focus

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

8 Environmental waste

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

9 Continued service delivery

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

10 Increasing debt

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

11 Land strategy

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

12 The cost of delivery

Running our district doesn't come cheap. Like many households, we are facing big increases to the costs of providing services. These inflationary pressures can be seen in the 9.55% rates increases (on average) including growth over the next two years (11.65% excluding growth).

We need your help



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

- What's our plan for Water
- Charges for water use
- The future for investment for halls and facilities
- Our investment in public pools
- Support for community and commercial projects

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

As you read through this document think about:

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

Tell us what you think.

Go to:

 lets-talk.codc.govt.nz

to find out how to get involved.

What's a preferred option?

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

WHEN

**1 APRIL
2025**

Consultation
Opens

**1 MAY
2025**

Consultation
Closes

**14 MAY
-16 2025**

Hearing of Oral
Submissions

**20 MAY
2025**

Deliberations

**30 JUNE
2025**

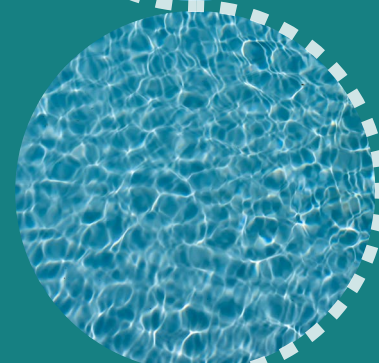
LTP is adopted



Let's Talk

Kōrero Mai

1



What's our plan for water

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

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

Councils across the country must provide a Water Services Delivery Plan to Government by September 2025. This will outline how we want to deliver water services in the future, ensuring that current levels of service are maintained and growth is well managed. Government provided councils with five options for future delivery of these services. These range from keeping the existing delivery models within council (status quo) through to multi-council Council Controlled Organisation (CCO).

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

Moving water services to a separate council-owned organisation would increase the ability to finance these upgrades due to the increased Local Government Funding Agency debt ceiling of 500% on revenue offered to CCOs.

This would allow the CCO to borrow more than Council can to deliver the water services capital programme, to deliver more efficiently the new infrastructure, provide strong oversight, and foster

collaboration with other CCOs and Councils for better buying power, knowledge and resource sharing. A separate CCO would however incur additional set-up and overhead costs

Of the models available, we believe the establishment of an independent water services organisation is the best model for Central Otago. This company might be a standalone entity for our district only, or there might be an option to form a larger company with other like-minded councils. Our preference is to join with other councils, but this may not occur immediately as other councils work through their own processes. Our fallback position will be to form our own CCO. The form of this company is still being worked through and we will consult separately with you about this.

However, as we need to prepare the budgets for the next nine years, it's important we talk to you now about whether we move water services out of Council into a separate organisation. In the budgets for the next nine years we have assumed that we will form a separate company that is either a regional entity with other councils or a CODC only CCO from 1 July 2027, so we have removed those water services from then and this is reflected in our budgets from then on.

We are asking your feedback on two options – move water services to a CCO from 1 July 2027 or remain with the status quo (operating water services in-house as it is now).

YOUR OPTIONS ARE:

A Create a Water CCO to commence operations from 1 July 2027 (preferred).

An independent CCO would be set up. The ownership, maintenance, and delivery of our water supply, stormwater, and wastewater infrastructure and services would be transferred to the new company, as well as the cost and debt of these activities. The benefit of this option includes access to greater funding levels, Board of Director oversight of the delivery of our water services and the opportunity, should Council initially have to set up a stand-alone CCO, for other councils' CCOs to join in the future – thus enhancing collaboration, knowledge and resource sharing and promoting efficiency. It is Council's preference to enter into a multi-council entity from the beginning and we have modelled this in this consultation document.

More significantly, we expect the projected increases in price would slow compared to retaining the services in house because the CCO would be able to continue debt funding the waters capital programme.

The CCO would be owned by Council and would be similar to the familiar Council Controlled Organisation allowed for in the current Local Government Act (2002).

Council would;

- appoint the Directors to sit on the CCO Board
- prepare the CCO constitution
- issue a letter of expectation each year setting out how the Council expects the company to perform
- require publicly available annual and interim reports to be prepared
- hold regular shareholder meetings to monitor the performance of the CCO and track progress against delivery and improvements targets.

Current Local Government legislation requires Council to describe accountability or monitoring arrangements to assess the performance of the entity taking over the provision of water services as well.

However, to give effect to the Government's policy on water services, new legislation is currently progressing through Parliament. That will determine accountability

or monitoring arrangements to assess performance of the new entity and as such we can put measures in place to meet that new legislation. It is important to understand we have made assumptions in the transfer of water services activities to the new entity. While our preferred option is to participate in a multi-Council CCO, we have assumed that we will be able to negotiate a suitable agreement with other Councils we have been in discussion with. We are unable to determine how many Councils will join the proposed Regional CCO. There is a key assumption that the level of ownership of the regional CCO will be consistent with relative contributions of net assets by each council joining the CCO. This will only be quantified as negotiations progress. While we have accounted for the transaction to remove the net assets from Councils ownership, we are unable to determine with accuracy whether a surplus/loss will occur as we have assumed. We are assuming the new entity will make good any Reserve deficits currently carried by Council via a cash injection. This may not occur and any reserve deficits may need to be carried by Council as debt. We have also assumed that the new entity will be able to have Councils current water services debt novated to them. This will depend on how LGFA treat the new entity/Council relationship. This may result in Council retaining the debt with an agreement (asset) with the entity to take on responsibility for paying principal and interest when due.

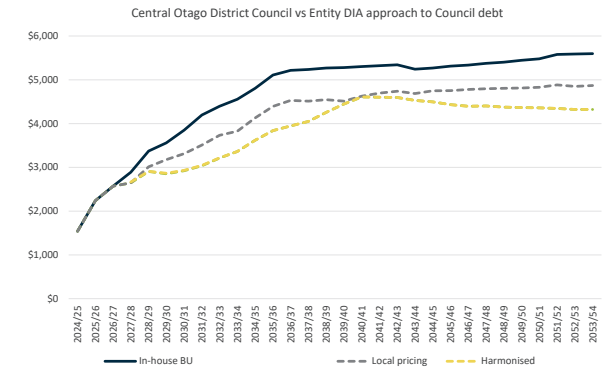
Levels of Service

No significant change to the levels of service.

Cost

The cost of water activities will likely continue to rise, but these costs will not be reflected in Council's finances. The costs will be transferred to the new CCO. While costs are anticipated to rise, it is likely that they won't rise as much or as rapidly as they would if Council were to keep water infrastructure and services in house over the period of the Long-term plan.

Price comparison across options



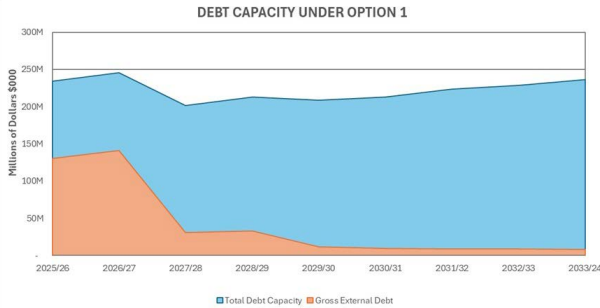
The chart above is the result of work commissioned by local councils to determine whether there is a benefit to residential water users of transferring the water services activities into either a regional CCO or a single CCO. The CODC by itself CCO option is represented by the local pricing line. The work shows, although there is not much difference in the early stages, it is clear that over the longer-term, prices will be lower under all CCO models compared to Council retaining water services in house.

The work shows that, though there is not much difference in the early stages, over the longer term prices will be lower under all CCO models compared to Council retaining water services in-house.

Option A continued:

Impact on Debt

If this option is chosen the debt relating to water services activities would also be transferred to the new CCO which will have the benefit of freeing up Council's borrowing capacity to undertake other projects within Council.



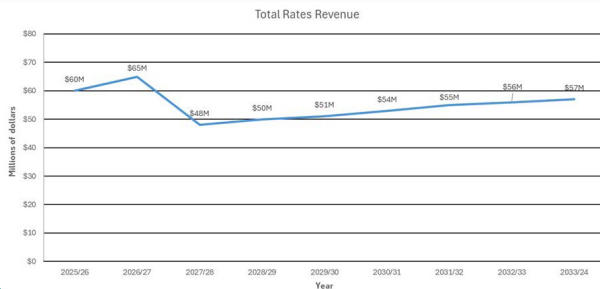
Rates impact

The water activities would no longer be part of your Council rates bill but will be charged to you by the new CCO.

Paying for water services would be similar to the way you pay for your electricity, on a separate invoice and it is likely to be based on a mix of your water consumption and fixed charges.

A CCO would have access to a larger debt capacity than Council, which would mean it would be able to borrow more to deliver our capital programme for water services outlined in our 30-year infrastructure strategy 2025-55.

This means that the CCO would be able to upgrade our planned infrastructure to meet new standards and it would also be able to fund this in a more affordable way for our communities.



OR:

B Status quo - water supply, stormwater, and wastewater infrastructure and services will continue to be owned, maintained, and delivered by Council. The cost of doing so will remain on Council's books.

Levels of Service

Services would continue to be delivered in-house but with a higher cost and would require significant increased investment in infrastructure and staffing levels.

Costs

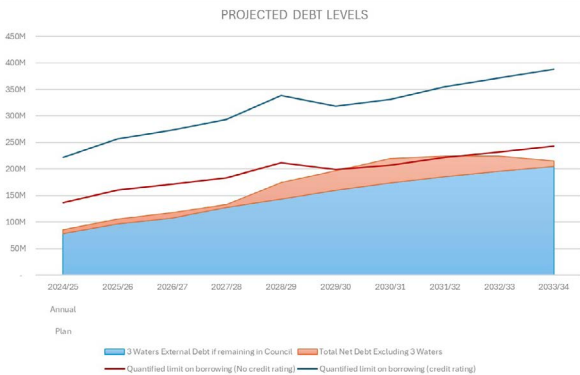
Forecast water services capital expenditure for the 9 years of the Long-term Plan 2025-34 would be \$329 million.

Forecast water services operational expenditure for the 9 years of the Long-term plan 2025-34 would be \$211 million.

That totals \$540 million over the period of the Long-term Plan.

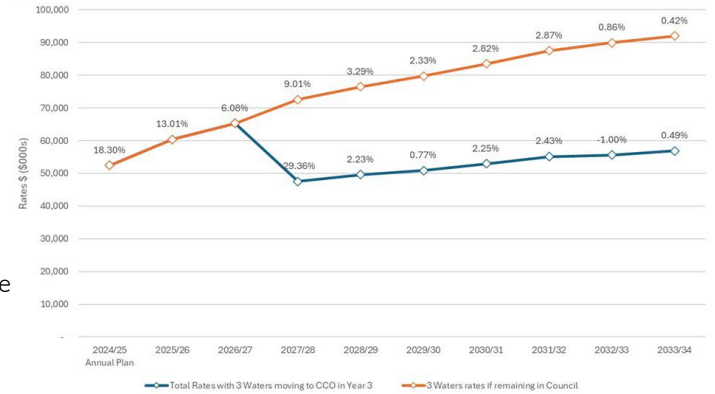
Debt Impact

Significant investment is required in water services infrastructure. This means that council would reach its current debt ceiling in 2029/30 and continue to rise at a rate greater than our capacity to borrow beyond that. This has forced Council to seek a credit rating to increase its borrowing capacity to 280% of total revenue (up from 175%). Peak debt is likely to be \$212 million in the 2033/34 year.



Rates and Charges Impact

Our income from rates would need to rise to over \$93 million if we kept water services in-house compared to \$58 million if we choose to create a CCO to manage our water services activities.



Water services are inter-generational by nature and debt funding these activities ensures the costs of these services spread more equitably across current ratepayers and future generations are more affordable to current ratepayers.

Our debt levels are determined by our income levels and our primary source of income is rates. This will mean significant rates rises in the years of the Long-term plan 2025-34 to cover the cost of our water services programme.

If we select this option, it is expected rates would rise more quickly and to a higher level than if we were to transfer our assets to a CCO.

This option would become unaffordable for ratepayers and would see current generations paying for more than their fair share of water services as the costs would not be passed onto future generations through loan repayments across future years.



2



Volumetric water charges

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

The volumetric rate has not been adjusted for many years, whilst the fixed annual charge has continued to increase. In 2024 the fixed annual charge was \$756.45 for every property connected to the water network and, if the status quo remains, this will increase to \$843.54 per property in 2025.

We are a district that has high water use, and 8% of our connections are using 43% of the water. These are properties which use over 700m³ of water per annum. What this means in practice is those of you who are low or average water users are subsidising those who have high use, through high fixed charges.

By increasing the volumetric charge and lowering the fixed charge it is hoped to change the behaviour of high water users. This will reduce our electricity use, delay the need for replacing pipes that have life left in them and delay further upgrades to our treatment plants. This is also a fairer system where the costs are borne by the heaviest users.

In the scenarios below, it is assumed that there will be a 30% reduction in water usage if the volumetric charge per cubic metre is increased. This assumption is based on when volumetric charging was introduced in 2012/13, where a 30% reduction was achieved.

YOUR OPTIONS ARE:

- A** Increase the volumetric charge to **\$2.40** per cubic metre with the fixed charge charge of **\$509.24** per connection (**preferred**).

We have assumed for the purposes of this option, that there is only one connection per property and have modelled two scenarios where we say that properties make no savings in usage, or they make 30% savings in usage.

Current water usage per year (m ³ /year; L/day)	Current charge (including water usage charge (\$) \$756 + 60c/m ³)	Proposed charge Option A (\$) \$509.24 + \$2.40/m ³ - assuming no change in usage	Variance (\$)	Variance (%)	Proposed charge Option A (\$) \$509 + \$2.40/m ³ - 30% reduction in usage	Variance (\$)	Variance (%)
100m ³ /year; or 275L/day	\$816	\$749	-\$67	-8%	\$677	-\$139	-17%
137.3m ³ /year; or 370L/day	\$839	\$839	\$0	0%	\$740	-\$99	-12%
228.9m ³ /year; or 627L/day	\$894	\$1,059	\$165	18%	\$894	\$0	0%
300m ³ /year; or 820L/day	\$936	\$1,229	\$293	31%	\$1,013	\$77	8%
700m ³ /year; or 1,920L/day	\$1,176	\$2,189	\$1,013	86%	\$1,685	\$509	43%

If properties make no savings under **Option A**, the break-even usage is 137m³ per annum or 376 litres per day. In this scenario only 33% of residential ratepayers will be better off or no worse off.

If a 30% saving can be achieved, then the break-even usage is 229m³ per annum or 627 litres per day. In this scenario 52% of residential rate payers will be better or no worse off.

Level of Service

There will be no change in the level of service.

Impact on Debt

There will be no impact on debt.

B Increase our volumetric charge to **\$1.80** per cubic metre with a fixed charge of **\$639.24** per connection.

Again, for the purposes of this option we have assumed that there is only one connection per property and that one of our two scenarios includes a reduction of usage of 30%.

Option B's break-even (with no change in usage) is less than 100m³ or 275 litres per day.

If a 30% saving can be achieved, then the break-even is 178m³ per annum or 487 litres per day.

Current water usage per year (m ³ /year; L/day)	Current A & C (\$) \$756 + 60c/m ³	Proposed charge Option B (\$) \$639 + \$1.80/m ³ - no change in usage	Variance (\$)	Variance (%)	Proposed charge Option B (\$) \$639 + \$1.80/m ³ - 30% reduction in usage	Variance (\$)	Variance (%)
100m ³ /year; or 275L/day	\$816	\$819	\$3	0%	\$765	-\$51	-6%
137.3m ³ /year; or 370L/day	\$839	\$886	\$48	6%	\$812	-\$27	-3%
228.9m ³ /year; or 627L/day	\$894	\$1,051	\$157	18%	\$928	\$34	4%
300m ³ /year; or 820L/day	\$936	\$1,179	\$243	26%	\$1,017	\$81	9%
700m ³ /year; or 1,920L/day	\$1,176	\$1,899	\$723	61%	\$1,521	\$345	29%

Level of Service

There is no impact on levels of service.

Impact on Debt

There will be no impact on debt.

C Status quo – retain the volumetric charge at 60 cents per cubic metre, with a fixed charge at **\$843.54** per connection.

For the purposes of this option we have assumed that there is only one connection per property and that current usage is applied.

Current water usage per year (m ³ /year; L/day)	Current A & B (\$) \$756 + 60c/m ³	Proposed charge Option B (\$) \$844+ \$60c/m ³ - no change in usage	Variance (\$)	Variance (%)
100m ³ /year; or 275L/day	\$816	\$904	\$87	11%
137.3m ³ /year; or 370L/day	\$839	\$926	\$87	10%
228.9m ³ /year; or 627L/day	\$894	\$981	\$87	10%
300m ³ /year; or 820L/day	\$936	\$1,024	\$87	9%
700m ³ /year; or 1,920L/day	\$1,176	\$1,264	\$87	7%

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If you have a great idea about how these could be better utilised to generate revenue and off-set costs for the ratepayer – tell us about it!



On the next page is a list of the facilities we are investigating this LTP.

Community Halls and Facilities

We have a number of community halls and facilities across our district, each of which has a rich history and has served as a focal point for communities over time. Community needs change though, and while these buildings may have once been used frequently for local dances and a range of gatherings, demand has dropped away in some cases. We are also more mobile now, and some of our facilities have very little distance (in today's terms) between them.

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

Divestment could mean a range of things, such as transferring ownership to a community group, selling it to a private entity, returning the property to the Crown, or demolishing the building and retaining the site for potential redevelopment.

Divesting facilities will reduce the rates input into operations and capital expenditure (including earthquake strengthening costs), and it also opens up opportunities to possibly repurpose land and buildings. However, some of these facilities may still be valued hubs for communities. Each facility has its own unique needs and conversion possibilities. We will be working with interested parties and the wider community on what the best option is for each building. We would like to hear your thoughts too. Council expects to realise net cost reductions of \$4.8M over the 9 years of this plan. It is expected the initial reduction in year 1 will only amount to \$284,000 and relates to reduced operating costs

and depreciation not being funded. Cost reductions will not occur at a consistent level as each of the assets proposed for divestment will have different maintenance and capital program profiles.

YOUR OPTIONS ARE:

- A** Divest the community halls listed, which creates a reduction in year one of **\$284,000** or **0.54%** per ratepayer (**preferred**).
Levels of Service
This would reduce the current levels of service provided by Council.
Impact on Debt
This option will eliminate the need for borrowing for earthquake strengthening beyond the period of the Long-term Plan.
- B** Maintain the level of support that Council provides for all halls and facilities listed. This would increase rates by **\$284,000** or **0.54%** per ratepayer in year one.
Levels of Service
There will be no impact on the current levels of service.
Impact on Debt
Council will need to borrow in the future (beyond the period of the Long-term Plan) for earthquake strengthening.
- C** Maintain Council support for specific halls/facilities on the list (what facility), and why do you want Council to continue to support it?
Levels of Service
This would reduce Council's current levels of service on the remaining facilities identified for divestment.
Impact on Debt
Council may need to borrow in the future (beyond the period of the Long-term Plan) if earthquake strengthening is required.

List of the facilities we are investigating this LTP.

VINCENT		MANIATOTO		TEVIOT		CROMWELL	
Ophir Hall EQP Moderate bookings	Clyde Hall Regular bookings	Ranfurlly Hall EQP Low bookings	Fenton Library EQP Tenanted	Millers Flat Hall EQP Regular bookings	Roxburgh Squash Court Building Nil use	Tarras Hall EQP Regular bookings	Cromwell Museum Tenanted
Poolburn Hall EQP Moderate bookings	Becks Hall Moderate bookings	Naseby Hall EQP Low bookings	Naseby General Store EQP Tenanted	Millers Flat Bowling Club Nil use	Service Centre Roxburgh Hall RSA Moderate bookings	Cromwell Service Centre Council service	Cromwell Hall & Event Centre
Clyde Police Lockup Nil use	Vallance Cottage Moderate bookings	Patearoa Hall EQP Moderate bookings	Centennial Milk Bar Tenanted	Roxburgh Entertainment Centre			
Clyde Railway Station Building EQP Tenanted	Riding for the Disabled Nil use	Waipiata Hall EQP Moderate bookings	Ranfurlly Service Centre EQP Council service				
Former Clyde Museum Stables & Goods Shed Nil use	Former Clyde Briar & Herb factory, and cottage Nil use/Tenanted	Wedderburn Hall EQP Low bookings	Wallace Memorial Rooms Regular bookings				
Blyth Street Museum, Clyde Tenanted	Molyneux Stadium EQP Regular bookings	Ranfurlly Railway Station Council service	Maniototo Park Stadium & Clubrooms EQP Regular bookings				
Alexandra Community Centre Regular bookings	Central Stories Museum & Art Gallery Tenanted	Māniatoto Arts Centre Tenanted					

KEY



Buildings up for discussion in this LTP



Buildings to be retained

EQP

Earthquake strengthening required

Facility	Operating costs (2025-34)	Capital expenditure (2025-34)	Earthquake strengthening costs	Portion of income from rates (2025-34)	Revenue through bookings/ rent (2025-34)
Ranfurly Hall	500,974	193,385	757,820	508,539	8,167
Fenton Library	77,314	-	113,109	69,812	7,479
Wallace Memorial Building	158,344	63,157	-	79,391	88,659
Centennial Milk Bar	392,300	26,000	-	353,607	36,503
Ranfurly Service Centre**	662,155	394,261	683,256	674,000	309
Patearoa Hall	280,449	116,491	905,595	281,698	6,751
Waipiata Hall	302,380	107,843	644,174	325,548	-
Wedderburn Hall	186,115	34,858	427,627	79,391	-
Naseby Hall	397,558	35,342	1,011,396	401,882	8,764
Naseby General Store	131,740	8,458	235,147	81,813	25,900
Roxburgh Squash Courts	10,000	55,000	-	-	-
Millers Flat Hall	400,332	126,332	491,720	124,547	-
Millers Flat Bowling Club	120,000	-	-	-	-
Clyde Hall	584,250	101,565	-	537,315	49,801
Clyde Museum	349,000	32,450	-	261,200	-
Clyde Railway Station	125,000	60,879	92,619	90,100	93,615
Police Lock-up	28,000	28,400	-	21,500	-
Briar & Herb site (with toilet)	310,000	-	-	216,000	-
Briar & Herb site (with cottage)	164,400	38,650	-	118,650	155,370
Vallance Cottage	208,292	272,864	-	185,162	2,492
Riding for the Disabled	10,000	55,000	-	-	-
Ophir Hall	327,826	19,404	143,799	159,341	4,984
Becks Hall	455,782	198,165	-	174,741	14,940
Poolburn Hall	546,366	88,204	377,420	102,560	8,964
Total:	6,728,577	2,056,708	5,883,682	4,846,797	512,698

**If the proposal to divest the Ranfurly Service Centre proceeds, Council's Service Centre function could be provided alongside the visitor centre service, at the Ranfurly Railway Station Building.



4

Ida MacDonald Roxburgh Pool Punawai Ora

The Ida MacDonald Roxburgh Pool Punawai Ora committee has approached Council to see if we would take over the running and operation of the pool into the future, and we would like to hear your thoughts.

In 2021 we asked whether you supported providing a \$500,000 grant towards the \$3 million development of a new community-run pool in Roxburgh. You were and thanks to this, and generous donations from the community and other funders, the Ida MacDonald Roxburgh Pool Punawai Ora was completed in 2023.

The state-of-the-art facility – which offers three open-air heated pools with efficient solar panel and heat pump water heating systems – is open during the summer season (December through March) and is currently accessed via a fob-key system.

It has been hard work for the committee to continue running this community facility. They have struggled to hire qualified lifeguards and funds are not yet being put aside for future plant maintenance and replacement. The committee also acknowledges the ongoing risk they carry in operating a public pool.

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

This is a new pool with a modern operating plant which means we would not be taking on deferred maintenance or upgrade needs.

There are some further impacts for Teviot Valley ratepayers. It was agreed through the 'district-wide' funding consultation in 2024 not to charge the Teviot Valley a district rate for Council-operated pools. However, if Council takes over the Roxburgh Pool, Teviot Valley rates increase by both the annual cost of the Roxburgh Pool (\$16.85) plus their share of the other Council-operated pools in the District, which is \$312 per ratepayer.

On the other hand, the Teviot Valley Community Board has been providing an annual operating grant of up to \$50,000 towards the pool since its opening (\$52.95 per Teviot Valley ratepayer). This grant would cease if Council takes over ownership – the net effect on Teviot Valley rates being \$260 per annum.

If the Pool is not vested in Council, the Teviot Valley Community Board has been requested to increase this annual grant to \$80,000pa from 2025 – this equates to \$70.60 per Teviot Valley ratepayer.



YOUR OPTIONS ARE:

- A** To take over the ownership and management of the Ida MacDonald Roxburgh Pool Punawai Ora at an annual district-wide cost of **\$250,000**. This equates to an average cost of **\$260** per ratepayer in the Teviot Valley ward, and an average cost of **\$16.85** (0.48%) per ratepayer for the rest of the District (**preferred**).

Levels of Service

This would increase the level of service provided by Council.

Impact on Debt

There would be no impact on the levels of debt.

- B** Do not support taking over the ownership and management of the Pool. This would mean the average rates increase would only be **\$70.60** per annum for Teviot Valley ward ratepayers, and reduced by **\$16.85** (0.48%) for Cromwell, Vincent and Maniototo ward ratepayers.

Levels of Service

There would be no change to the current level of service provided by Council.

Impact on Debt

There would be no impact on the levels of debt.



5



Alexandra outdoor pool

The current Alexandra Pool opened to the public over 20 years ago. When the facility was built, the community chose to include an outdoor swimming pool due to the affection held for the decommissioned outdoor pool. However, over the years Council staff have noticed a steady decline in the outdoor pool's use, despite admissions increasing year on year at the Alexandra facility. Possible reasons for this include other outdoor swimming options in nearby rivers, the lake, and neighbouring community pools, and the relative water temperature and climate of the outdoor pool compared with indoor pool options. Added to this is the pool's ageing operating system (which is nearing end-of-life), is costly to run and is estimated to cost around \$500,000 to replace.

We thought it timely to ask your views on whether there is still a need for an outdoor pool at the Alexandra Pool.

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

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

Closing the outdoor pool would reduce ongoing operating costs for the Alexandra Pool. It may also change the way you use the facility. We want to hear your views.

YOUR OPTIONS ARE:

- A** Close and decommission the outdoor pool at Alexandra. This equates to an average annual reduction of **\$200,000**, or **\$13.48 (0.38%)** per ratepayer per annum (**preferred**).
Levels of Service
As the outdoor pool as part of a larger complex with other swimming options, we do not consider closing this pool as a reduction in level of service.
Impact on Debt
There would be no impact on the levels of debt.
- B** Retain the outdoor pool at Alexandra Pool. This would increase rates by **\$200,000** per annum, or **\$13.48 (0.38%)** on rates.
Levels of Service
There would be no change to the current level of service provided by Council.
Impact on Debt
There would be no impact on the levels of debt.



6

Manuherekia Valleys Community Hub

In 2021 we consulted with you on the Manuherekia Valleys' proposal to develop a purpose-built multi-use community facility at the Omakau Recreation Reserve to cater for the town and surrounding communities. Omakau's community hall and rugby clubrooms are both aged and need major renovations or full replacement to bring them up to current-day standards. You supported this idea and \$1million was committed to this project.

The Manuherekia Valleys Charitable Trust and local community worked hard over the past several years to raise funds for this build. To date they have secured \$1,773,000 in grants and sponsorship and continue to seek out new sources. However, as time has passed, cost escalations have pushed up the build price significantly.

The revised total build cost is now up to \$5.2 million, including landscaping and fitout. The Trust has asked for further support from Council, with up to \$1.6 million still needed. While the Trust continues to fundraise and hopes the full amount is not needed, this commitment to funding will mean that building tenders can go out and contracts can be locked in, which will prevent further price creep over time.

We would like to know if you think Council should commit up to \$1.6 million towards this project and, if so, how should this be funded. One option is to use funds from the Vincent Reserves account, which would mean there would be no additional rates cost.

YOUR OPTIONS ARE:

- A** Provide additional funding of up to \$1.6 million towards the construction of the Manuherekia Valleys Community Hub, funded from Vincent General Reserves (**preferred**).
Levels of Service
This facility is replacing a community hall which means there will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.
- B** Provide additional funding of up to \$1.6 million, loan funded over a period of 10 years at average annual cost of **\$13.50** (0.38%) per ratepayer for 10 years.
Levels of Service
This facility is replacing a community hall which means there will be no change in Council's levels of service
Impact on Debt
Debt will increase by up to \$1.6 million.
- C** Provide additional funding of up to \$1.6 million, rate funded in the 2025/26 financial year at average one-off cost of **\$107.87** (3.05%) per ratepayer.
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.

D

Do not support.

There will be no impact on rates.

Levels of Service

It is anticipated, should the Council choose not to support the project further, that additional fund raising would occur which will mean the level of service will not be impacted. If additional fundraising is not sourced, this may result in a decreased level of service for the community as the project would need to be scaled back to fit available funds.

Impact on Debt

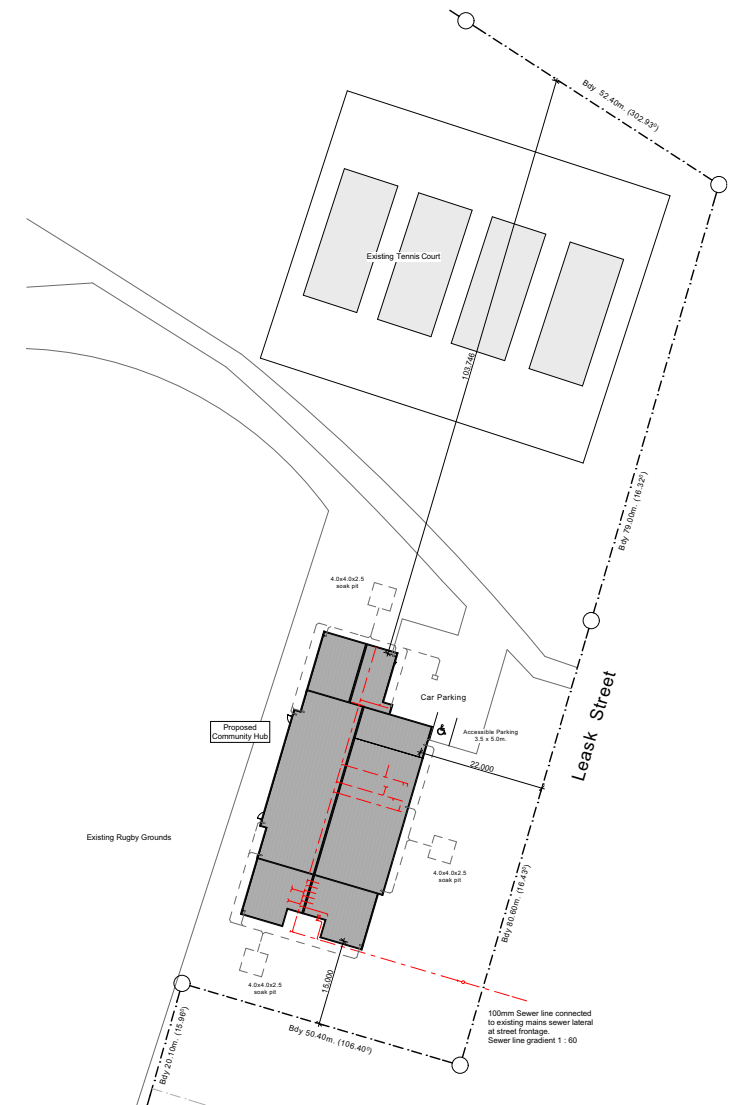
There will be no impact on levels of debt.



Artists Impression of Community Hub



Artists Impression of Community Hub



7



Supercars Championships at Highlands Motorsport Park

We are interested in your views on Council supporting a proposal to bring the Supercars Championships to Highlands Motorsport Park for the 2026 or 2027 series. If successful, this would mark the first time the event is held in the South Island.

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

In order to secure the event, Supercars organisers are seeking Council investment of up to \$250,000. If Council was to support bringing this event to Central Otago, funding could be sourced through the tourism reserves account. This would not have an impact on rates.

YOUR OPTIONS ARE:

- A** Agree to provide a **\$250,000** grant, funded through the tourism reserves. There is no impact on rates (**preferred**).
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.
- B** Agree to provide a **\$250,000** grant funded through a promotions rate. This will mean an average one-off rates increase of **\$16.85** (0.48%). However, as this is a targeted rate with differentials, the cost per ratepayer will vary.
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.
- C** Do not support.
There will be no impact on rates
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.



8



Artificial Turf at Maniototo Area School

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

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

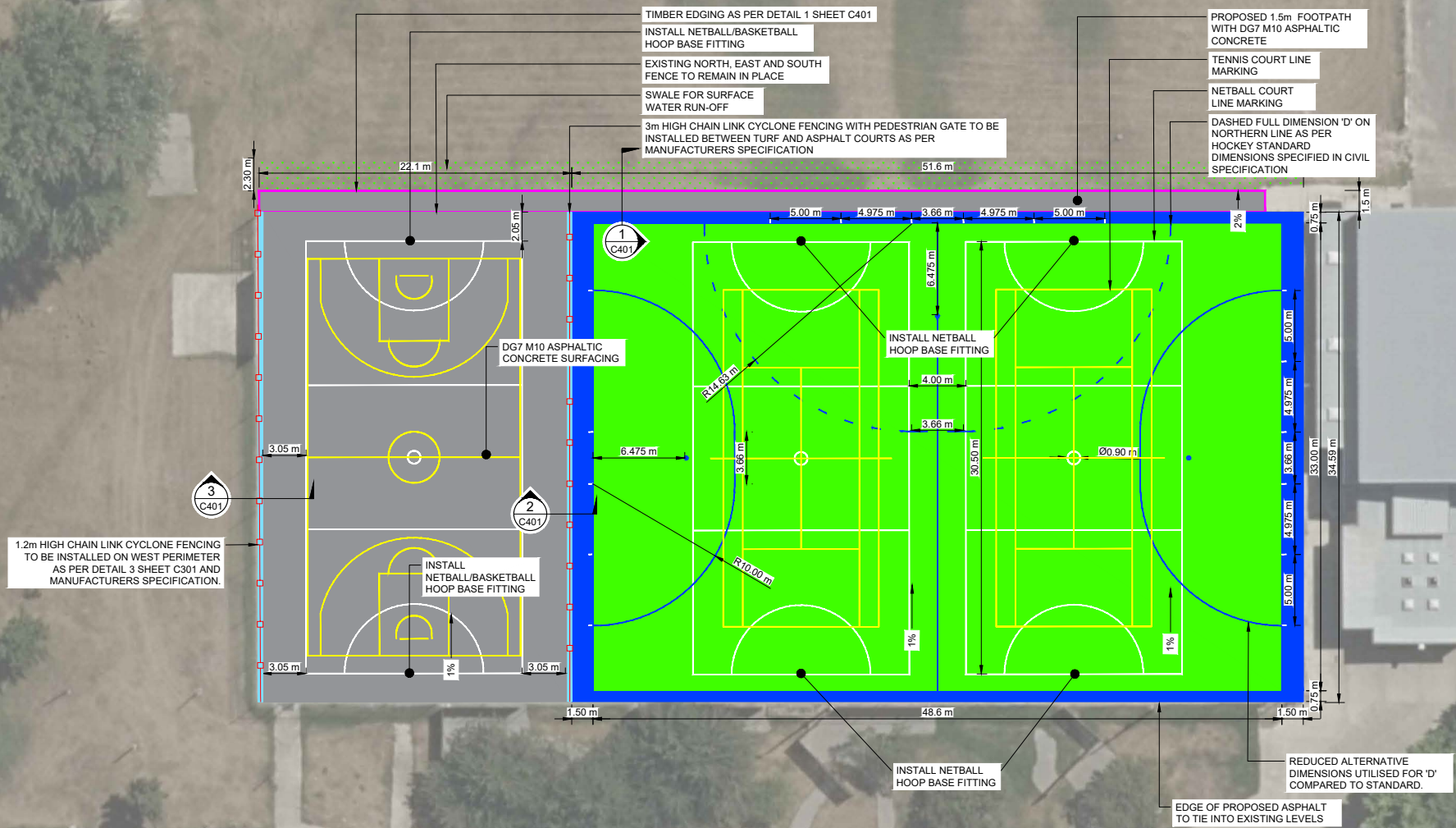
Being situated on school grounds means the sports surface will be used mostly by the school during class times but will be available for community use outside of school hours. The school will lead in maintaining the surface, with community support. The organising committee also intends to establish an investment fund for the maintenance and future replacement of the surface.

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

YOUR OPTIONS ARE:

- A** Provide a **\$200,000** grant, rate funded in the 2026/27 financial year at a one-off average cost of **\$13.48** per ratepayer (**preferred**).
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.
- B** Provide a **\$200,000** grant loan funded over a period of **10 years** at an average annual cost of **\$1.35** per ratepayer for 10 years.
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
Debt levels will increase by \$200,000.
- C** Do not support.
This will have no impact on rates
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.

Proposed Layout



9



Artificial Turf at Dunstan High School

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

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

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

YOUR OPTIONS ARE:

- A** Provide a **\$300,000** grant rate funded in the 2025/26 financial year at an average cost of **\$20.23** per ratepayer (**preferred**).
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.
- B** Provide a **\$300,000** grant loan funded over a period of 10 years at average annual cost of **\$2.02** per ratepayer for 10 years.
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
Debt levels will increase by \$300,000.
- C** Do not support
There will be no impact on rates.
Levels of Service
There will be no change in Council's levels of service.
Impact on Debt
There will be no impact on levels of debt.

Proposed Layout



But wait, there's more...

Policy Reviews



We are also seeking input on various policies associated with the LTP. Some of these have had minor changes to make them clearer and more robust, whereas others are proposing sizeable changes to how we do things.

Fees and charges:

Fees and charges are a key component of how we fund things – it enables some of the cost to be borne by those who use particular services. For this Long-term Plan we have made some inflation adjustments to our current fees and charges to ensure these remain aligned with the rising costs.

See the full list of proposed charges in our supporting documents [here](#).

Development and Financial Contributions Policy:

A development contribution is a financial charge levied on new developments to ensure that the additional demand on local infrastructure is contributed to by the developer. This policy aims to ensure that a fair share of the cost of new assets and services that are growth related are funded by development. Key changes proposed are:

- Introduction of a new Community Infrastructure contribution
- Transition of the existing reserves financial contribution to a new Reserve Improvements contribution and a new Reserve Land contribution

See the proposed policy [here](#).

Revenue and Financing Policy:

The Revenue and Financing Policy shows the revenue sources used to fund each of Council's activities. Key changes proposed are:

- An increase in volumetric water charges with a decrease in fixed charges (refer to consultation item 2)
- A new rate for stormwater services. This has come about to smooth the transition to the new CCO by creating a fixed targeted stormwater rate based on a fixed charge per rating unit across the district. A new way for charging for Stormwater services replaces the old method of rating for storm water, which used capital value through the District Works and Public Toilet rate.
- A new community facility rate (following the district wide funding decisions last year)

See the proposed policy [here](#).

Significance and Engagement Policy:

The Significance and Engagement Policy sets out Council's general approach to working out what projects and decisions are important or significant for our communities, and how we engage on these. Key changes proposed are:

- Expanding information about how decisions are made
- Including a requirement for outcomes of any engagement to be reported
- Including steps Council has taken to increase Māori participation

See the proposed policy [here](#).

Financial strategy



Our Financial Strategy outlines how we plan to handle our finances over the next nine years, addressing financial challenges and their impacts. The desired outcome of this strategy is for Council's assets and operational expenditure to be managed in a cost-effective and sustainable manner, both for Council and our communities.

One of the biggest challenges a council faces is balancing its community's ability to pay with the need to maintain infrastructure and deliver services. We aim to keep rates and charges affordable for current and future generations. At the same time, we need to focus on delivering core infrastructure services, building its community resilience, supporting economic development and promoting opportunities for growth that ensure the community is sustainable into the future. To ensure this, Council will continue with a balanced approach, keeping the two guiding principles of affordability and sustainability at the forefront.

To achieve this Council will rely on land sales across the 9 years of this plan. If these sales are not achieved the Council will not achieve a balanced budget in the 9 years of the plan.

The Land Sales are characterised by a high degree of uncertainty due to the significant judgements required regarding the timing and progress of land development, the associated costs, and the demand, revenue, and timing of sales. Given the large scale of land development throughout the LTP period this could have material impact and may result in increased debt levels or debt being held for longer which will lead to higher financing costs and increased rates. Projects may be delayed or postponed while debt levels and financing costs are realigned with ratepayers' ability to pay. Due to the nature of the land in question it is unlikely the Council will reconsult with the community, however it may need to reconsult on the timing and cost of its projects being funded from land sales.

By not achieving the timing of projected land sales this could impact margins due to weaker than anticipated demand.

The land sales contained in this LTP include the Gair Avenue residential subdivision and the Bannockburn industrial subdivision. The net profits received from these subdivisions will be used to fund the Cromwell Master Plan projects.

This consultation document has highlighted the pressures on our infrastructure projects due to central Government changes in compliance standards. Heavy investment is required to improve the quality of our services and to meet these higher standards. This is further challenged by the Government's proposed changes to the management of water services. What does this mean for the delivery and funding of water under this LTP? We have taken the approach that water services will be transferring to a council-controlled organisation (CCO). Our preference is to join with councils across the region, but if other councils do not join, then the CCO will be operated by this Council alone. This transfer is reflected in the LTP with the water service activities being transferred at the end of Year 2 and no longer being reflected in the operations of Council from Year 3 onwards. Going into this LTP we will continue to fund our extensive capital programme through raising debt. We expect the gross level of debt to increase to \$141 million by Year 2 and then reduce significantly as the water services activities and their associated debt are transitioned into a new entity.

Investment in the current asset base will continue. All renewals are generally funded by depreciation reserves, with the remaining being debt funded. The exception to this is water services, as we have decided instead to only partially fund (up to 50%) their asset replacement cost. This will have the effect of lowering rates in the first two years of this LTP.

When replacing or installing new assets, we will be considering whether we need to be catering for future growth. We have anticipated growth to be 2.1% each year for the first five years of the plan and 1.8% thereafter.

The growth portion of the capital programme is funded through development contribution reserves. In most instances, these reserves typically run as deficits attracting interest that are in turn funded by developers' contributions.

Potential impacts on Climate Change

There is a potential that a large climate change event will require significant investment to reinstate the infrastructure that has been impacted by the event. This may require the Council to uplift external borrowings which are outside of the debt covenants. The Council is working towards a credit rating that will enable the Council to uplift LGFA debt at 280% of revenue, where it is currently 175%. The main risk relates to self-insured assets in particular the roading network and 3 waters underground infrastructure. The risk will reduce to Council post the transfer of the 3 Waters assets to the new CCO.



Rates Affordability Benchmark

It is proposed to use the Local Government Construction Index provided by BERL plus a factor to reflect the uncertainty of price rises going forward. The rates cap will be calculated using the LGCI plus 5%. This does include the provision for growth currently projected at an average of 2.1% for growth for the first five years decreasing to 1.8% for the final four years.

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

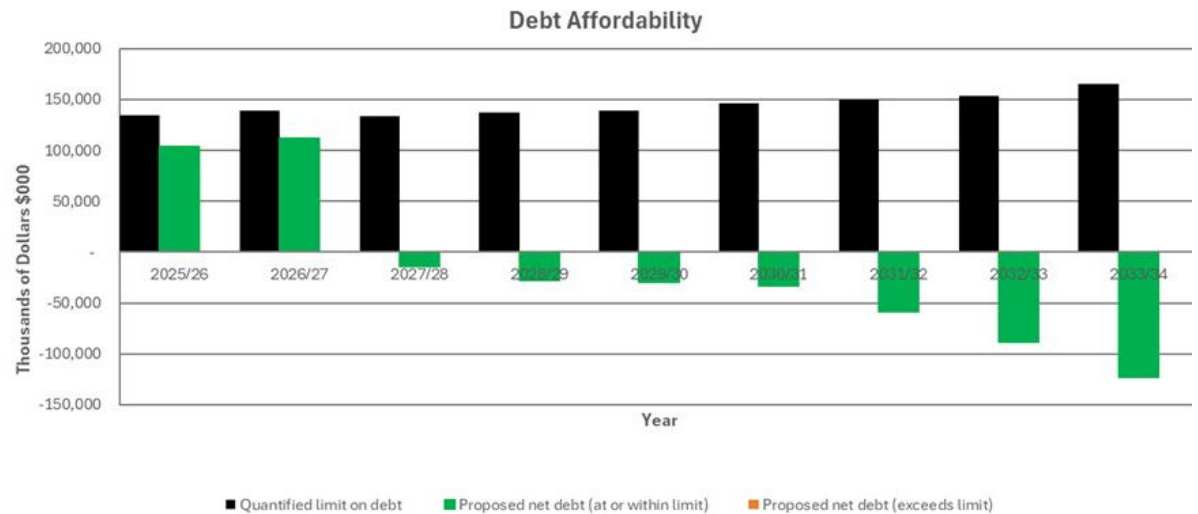
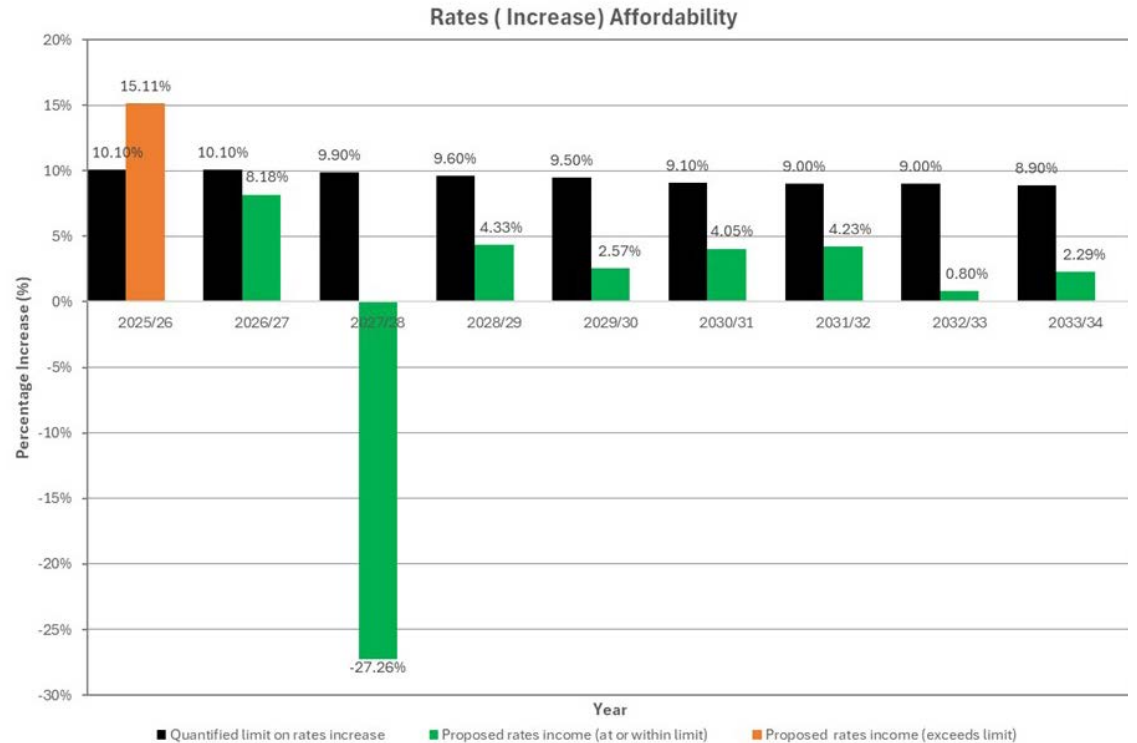
(Local Government (Financial Reporting and Prudence) Regulations 2014)

Debt Affordability Benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned borrowing with a quantified limit on borrowing. The quantified limit on borrowing is that net external borrowing are not to exceed 10% of total assets. Net external borrowing are defined as total external debt less cash/cash equivalents that would be available to repay debt.

It should be noted that from year 3 of this plan onwards debt reduces significantly with the transfer of the 3 waters liabilities (along with assets) to the new water delivery entity and cash received from land sales that are realised. This will be used to pay down the debt incurred on the Cromwell Memorial Hall.

(Local Government (Financial Reporting and Prudence) Regulations 2014)



What's our plan for borrowing?

We are planning to extend our borrowing levels in the first two years of this LTP so that we can continue to progress our capital programme work.

We are maintaining some borrowing headroom to allow us to fund emergency works in the event of natural disasters, and are building up our reserves in this area.

This is a Local Government Funding Agency (LGFA) debt covenant. As part of the LGFA requirements the Council needs to ensure that its net debt to total operating revenue does not exceed the ratio. In this example the Council has provided the proposed net debt and included the ratio of 175% (no credit rating) and 280% (with credit rating)

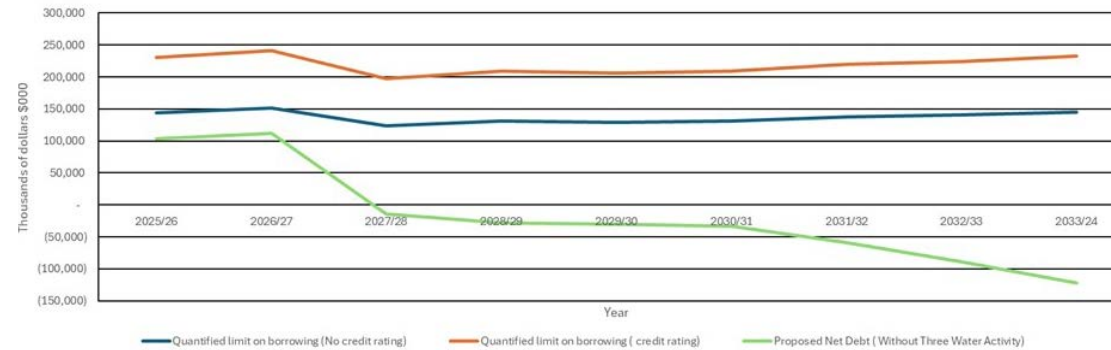
Net total borrowing, measured by deducting cash from debt levels, will decrease in Year 3 onwards as the water assets and associated debt are transferred to a new CCO for management and service delivery.

For further details, go to the Financial Strategy [here](#).

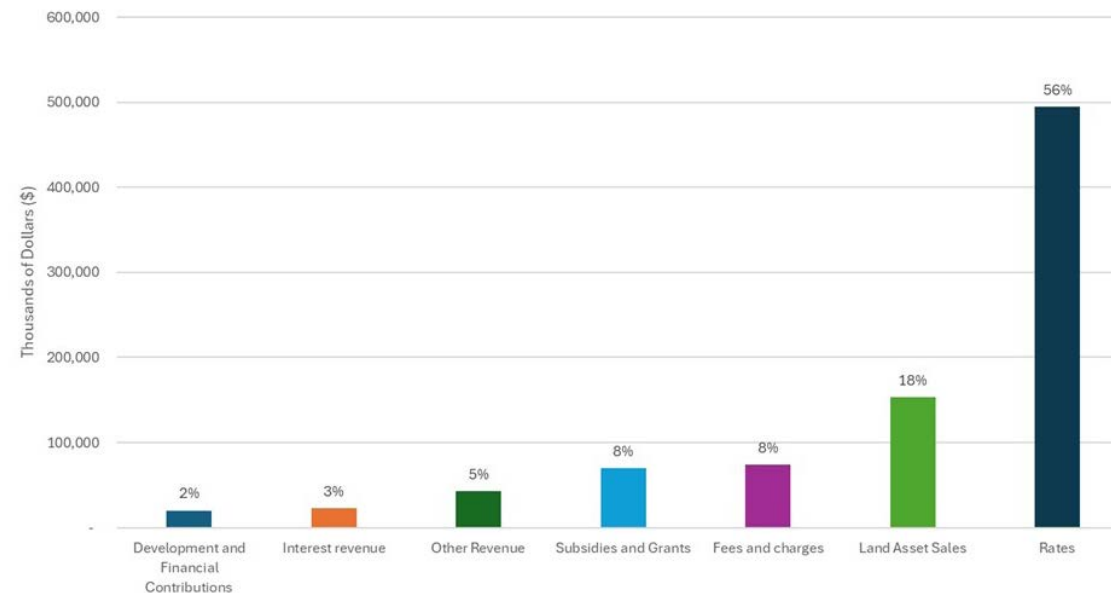
Where does the money come from?

Funding of operational costs come from a number of sources such as rates, user fees, grants, subsidies and land sales. The charge here shows our revenue sources over the nine years of this LTP.

LGFA NET DEBT



SOURCES OF REVENUE



Where have the increases come from?

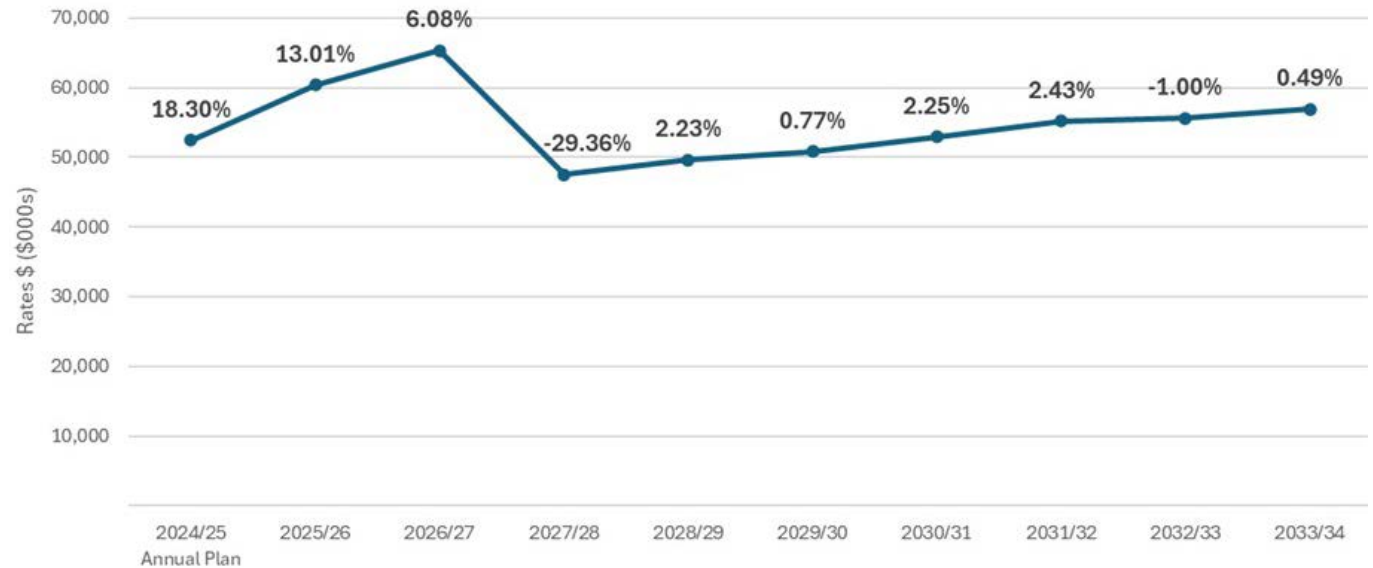
The rates increase in 2025/26 (Year 1 of the LTP) is \$7.93 million. This is an average increase of 13.01% on rates.

The graph here shows where these increases come from.

Activity	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Community, Economic and Strategic Development	1.33%	-0.35%	0.54%	0.38%	0.23%	0.20%	0.30%	0.11%	0.24%
Environmental Services	1.17%	1.25%	-0.06%	0.67%	0.54%	0.45%	0.51%	0.51%	0.43%
Governance and Corporate Services	-1.80%	0.10%	0.04%	0.05%	0.08%	0.02%	0.10%	0.00%	0.05%
Planning and Regulatory	-0.62%	0.35%	2.42%	0.43%	0.41%	0.23%	0.31%	0.19%	0.15%
Pools Parks and Cemeteries	3.36%	0.55%	1.46%	1.04%	0.42%	0.67%	0.62%	0.21%	0.39%
Property and Community Facilities	4.98%	0.90%	1.43%	0.14%	0.53%	1.74%	1.71%	-0.37%	0.31%
Service Centres and Libraries	0.93%	0.28%	0.49%	0.29%	0.19%	0.31%	0.23%	0.12%	0.16%
Stormwater	-0.11%	-0.20%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Transport	2.57%	0.62%	0.92%	1.34%	0.19%	0.44%	0.44%	0.03%	0.57%
Wastewater	1.73%	1.87%	-18.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water	1.57%	2.60%	-18.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rates Percentage Increase	15.11%	8.18%	-27.26%	4.33%	2.57%	4.05%	4.23%	0.80%	2.29%
Rates Percentage Increase less Growth	13.01%	6.08%	-29.36%	2.23%	0.77%	2.25%	2.43%	-1.00%	0.49%

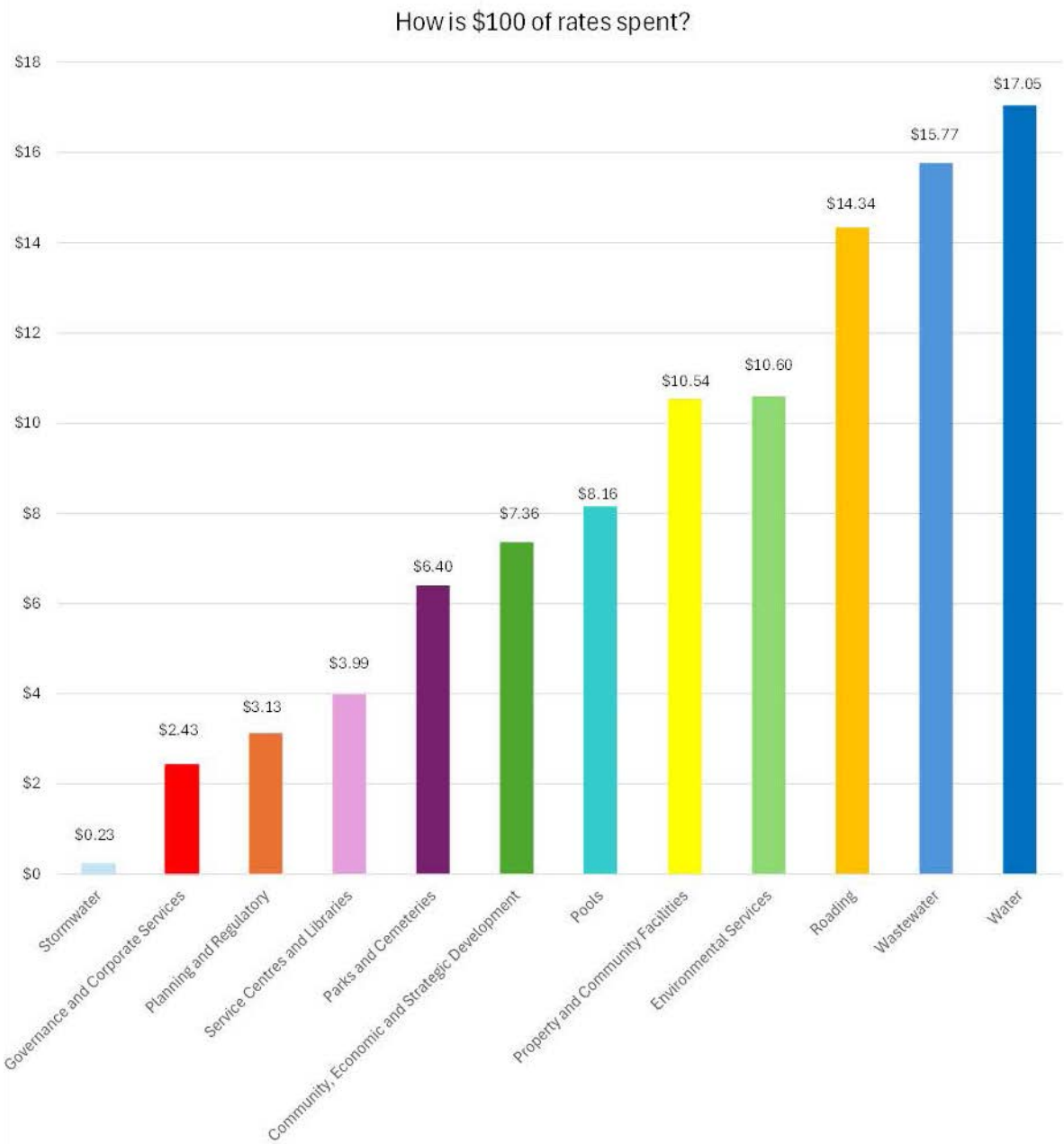
What does this mean for your rates?

We face significant cost escalations over the early period of the LTP, which has led to the rates increases we are proposing in Year 1 and 2. The removal of the water services activities in Year 3 sees a reduction in rates required. However, it should be noted that while Council will not be charging for water services a new CCO will. Therefore, the total cost to the ratepayer is unlikely to reduce over the remaining period of the LTP.



Where do your rates dollars go?

This table shows how rates are spent in Year 1, per \$100 including GST. For more information see our draft Financial Strategy click [here](#).



Rates Examples

The table below provides real rates examples that demonstrate the “unders and overs” on either side of the average district rates increase figure of 13.01%, including GST.

This table gives you a feel for what's happening across the district in residential, commercial and rural sectors. To see how your own property will be affected by the proposed rates charges in this LTP,

go to our online rates calculator [here](#).

Note: This table includes the uniform annual charge for water but not metered water-use charges.

Ward	Property Description	Prev Capital Value	Prev Land Value	Current Capital Value	Current Land Value	2024/25 Rates	2025/26 Proposed Rates	Change \$	Sum of Change %
Cromwell	Bannockburn Vineyard	3,240,000	1,660,000	3,240,000	1,660,000	4,017.66	4,345.81	328.15	8%
Cromwell	Cromwell Commercial	1,330,000	990,000	1,330,000	990,000	5,713.13	6,173.98	460.85	8%
Cromwell	Cromwell Farm	4,500,000	3,870,000	4,500,000	3,870,000	6,730.85	7,603.76	872.91	13%
Cromwell	Cromwell Large Farm	17,310,000	14,100,000	17,310,000	14,100,000	22,199.04	24,120.78	1,921.74	9%
Cromwell	Cromwell Lifestyle Block	1,600,000	880,000	1,600,000	880,000	2,998.11	3,422.92	424.81	14%
Cromwell	Cromwell Major Hotel	13,750,000	6,720,000	13,750,000	6,720,000	38,525.14	40,734.38	2,209.24	6%
Cromwell	Cromwell Motel	3,200,000	2,260,000	3,200,000	2,260,000	14,102.86	14,966.66	863.80	6%
Cromwell	Cromwell Residential	680,000	520,000	680,000	520,000	4,033.87	4,382.58	348.71	9%
Cromwell	Cromwell Storage	5,340,000	3,400,000	5,340,000	3,400,000	10,801.65	11,384.39	582.74	5%
Cromwell	Pisa Moorings Residential	1,140,000	455,000	1,140,000	455,000	3,413.40	3,889.11	475.71	14%
Cromwell	Bannockburn Hotel	1,540,000	1,050,000	1,540,000	1,050,000	5,567.05	5,981.69	414.64	7%
Maniototo	Maniototo Farm	2,200,000	1,830,000	2,200,000	1,830,000	3,921.35	4,349.91	428.56	11%
Maniototo	Maniototo Large Farm	24,320,000	21,150,000	24,320,000	21,150,000	31,767.85	34,990.99	3,223.14	10%
Maniototo	Maniototo Lifestyle Block	540,000	240,000	540,000	240,000	1,692.88	1,860.32	167.44	10%
Maniototo	Naseby Residential	455,000	240,000	455,000	240,000	3,866.45	3,948.46	82.01	2%
Maniototo	Patearoa Residential	360,000	170,000	360,000	170,000	2,315.11	2,245.19	-69.92	-3%
Maniototo	Ranfurlly Commercial Property	240,000	51,000	240,000	51,000	3,762.58	3,832.11	69.53	2%
Maniototo	Ranfurlly Residential	430,000	150,000	430,000	150,000	3,767.07	3,820.88	53.81	1%
Maniototo	Ranfurlly - Hotel	460,000	230,000	460,000	230,000	5,395.59	5,635.70	240.11	4%
Maniototo	Maniototo Rural - Hotel	530,000	300,000	530,000	300,000	1,726.33	2,149.31	422.98	25%
Teviot Valley	Roxburgh - Commercial	275,000	141,000	275,000	141,000	3,636.90	4,004.43	367.53	10%
Teviot Valley	Roxburgh - Hotel	520,000	215,000	520,000	215,000	3,739.41	4,087.80	348.39	9%
Teviot Valley	Roxburgh Orchard	510,000	300,000	510,000	300,000	2,645.18	2,914.70	269.52	10%
Teviot Valley	Roxburgh Farm	4,450,000	3,770,000	4,450,000	3,770,000	6,246.96	7,404.25	1,157.29	19%
Teviot Valley	Roxburgh Large Farm	19,150,000	17,200,000	19,150,000	17,200,000	24,614.16	28,475.32	3,861.16	16%
Teviot Valley	Roxburgh Residential	425,000	155,000	425,000	155,000	3,485.82	3,823.07	337.25	10%
Teviot Valley	Roxburgh Rural Industry	1,900,000	375,000	1,900,000	375,000	3,057.56	3,404.87	347.31	11%
Teviot Valley	Millers Flat Residential	460,000	250,000	460,000	250,000	1,829.43	2,335.56	506.13	28%
Vincent	Alexandra Commercial	850,000	245,000	850,000	245,000	6,749.03	6,901.44	152.41	2%
Vincent	Alexandra Hotel	1,190,000	1,020,000	1,190,000	1,020,000	9,416.01	10,026.19	610.18	6%
Vincent	Alexandra Lifestyle Block	1,300,000	790,000	1,300,000	790,000	2,339.85	2,763.71	423.86	18%
Vincent	Alexandra Major Motel	4,190,000	1,300,000	4,190,000	1,300,000	21,066.09	21,268.23	202.14	1%
Vincent	Alexandra Residential	590,000	335,000	590,000	335,000	3,808.25	4,109.84	301.59	8%
Vincent	Earnsclough Lifestyle Block	970,000	550,000	970,000	550,000	1,966.98	2,370.75	403.77	21%
Vincent	Earnsclough Orchard	1,760,000	730,000	1,760,000	730,000	2,469.00	2,776.15	307.15	12%
Vincent	Manuherikia Farm	5,280,000	4,640,000	5,280,000	4,640,000	7,782.76	8,799.49	1,016.73	13%
Vincent	Manuherikia Large Farm	16,100,000	14,250,000	16,100,000	14,250,000	21,731.77	24,046.06	2,314.29	11%
Vincent	Manuherikia Lifestyle Block	490,000	290,000	490,000	290,000	1,512.83	1,920.05	407.22	27%
Vincent	Omakau Residential	520,000	195,000	520,000	195,000	3,639.71	3,904.23	264.52	7%
Vincent	Omakau Hotel	1,400,000	430,000	1,400,000	430,000	10,245.63	11,070.57	824.94	8%
Vincent	Ophir Residential	580,000	215,000	580,000	215,000	2,678.56	2,830.24	151.68	6%
Vincent	Ophir Commercial	1,930,000	240,000	1,930,000	240,000	5,040.45	5,086.99	46.54	1%
Vincent	Earnsclough Vineyard	3,350,000	1,070,000	3,350,000	1,070,000	3,457.35	3,561.84	104.49	3%
Vincent	Clyde Residential with wastewater connection	760,000	650,000	760,000	650,000	5,469.78	5,852.03	382.25	7%
Vincent	Clyde Commercial with wastewater connection	1,970,000	780,000	1,970,000	780,000	7,954.88	7,996.98	42.10	1%
Vincent	Clyde Motel with wastewater connection	1,960,000	1,330,000	1,960,000	1,330,000	8,826.59	8,790.51	-36.08	0%
Vincent	Clyde Residential without wastewater connection	760,000	525,000	760,000	525,000	3,147.43	3,375.98	228.55	7%
Vincent	Alexandra Motel	740,000	485,000	740,000	485,000	5,525.35	6,015.32	489.97	9%

Infrastructure strategy



Infrastructure directly shapes the way we live, travel, recreate and work. Council-owned infrastructure includes water supply, wastewater, stormwater and our local transport network, and is essential to delivering the activities that keep our communities connected, healthy and functioning.

Council owns and maintains an infrastructure portfolio worth over \$1.2 billion – this includes 1,926km of roads, 188km of footpaths, 173 bridges, 468km of water supply reticulation, 284km of sewer mains, 81km of stormwater mains, 56 pump stations and 15 treatment plants.

Central Otago covers an area of 9,969 square kilometres and, due to our rural nature, we have one of the lowest population densities in New Zealand. Our relatively small and dispersed population means providing and improving infrastructure, while ensuring it remains affordable, can be difficult.

Our district has experienced a prolonged period of population growth, which continues today. Between the 2018 and 2023 censuses, the resident population grew by 3.2% p.a. (from 22,200 to 26,000) and the 2024 projected population was 26,500 people.

Ensuring our communities have access to safe, reliable infrastructure is a core priority for Council. At the same time, we need to provide for growth and fund essential maintenance and improvements across the district. While this can be a challenging mix to get right, the Infrastructure Strategy outlines the key issues and challenges faced, our strategic priorities across the infrastructure networks and how we plan to deliver our goals over a 30 year work programme.

The Infrastructure Strategy addresses significant infrastructure issues that Council will face over the next 30 years, with options and implications for managing these challenges.

The potential impacts of climate change for infrastructure include:

Higher intensity and more frequent extreme rainfall events the headwaters of the Otago lakes, and

rivers will lead to increased frequency of flooding in the Clutha and Manuhereki River catchments. This will impact on water supplies due to dirtier water needing to be treated, and flooding of vulnerable bore sites. Affected treatment sites are located at Roxburgh, Alexandra, Clyde, Omakau and to a lesser extent, Cromwell. The Omakau wastewater treatment site is also at risk of flooding from extreme events in the Manuhereki catchment.

Higher intensity and more frequent extreme rainfall will lead to increased frequency of road closures in locations where roads and bridges are below the flood plain. There is also increased risk of landslides in the Nevis, Danseys Pass, and Beaumont areas, and damage from alluvial fans in the Teviot area. More frequent damage to bridge approaches is expected from flooded rivers, particularly in the Maniototo and Manuhereki areas.

Increased frequency of drought, particularly in the Maniototo area. This has implications for the resilience of water supply for towns in the Maniototo.

Higher summer temperatures have implications for fire risk, particularly associated with road maintenance work. High temperatures will also cause bitumen to melt, causing damage to sealed roads.

Storm events during winter may result in very high snowfall - with implications for road availability and management, and access to treatment plants.

- A reduction in the number of winter frost days is likely to see a reduced hazard from ice on roads and freeze thaw issues on unsealed roads.

Recent flooding events have provided a challenge for maintaining the network across the district. In September 2023, the network saw widespread damage and several scouring issues on Council's roads and structures requiring remedial works. This included significant damage to the road at the entry to Pisa Moorings and Swann Road.

We're facing some real challenges:

- **Compliance with changing legislation, particularly in relation to water services**
 - providing financially sustainable water services, ensuring safe and reliable drinking water, and improved management of wastewater services. With transport there is unpredictability in funding priorities due to changes in Government and subsequent changes to the Government Policy Statement on land transport (GPS). Shifting national priorities impacts local budgets, timelines, and strategic planning create ongoing uncertainties for Council budgets.
- **Meeting greater expectations around environmental impacts** - Public expectations regarding how we manage the environmental impacts from infrastructure services have increased over the past decade and this is supported by government freshwater reforms, supporting legislation, changes to regional policies and plans, and increased compliance reporting and monitoring.
- **Population growth and democratic change** - Central Otago district has experienced a period of rapid and prolonged population growth since 2013. This places ever increasing demands on existing infrastructure, and requires us to provide greater capacity for an increasing population.
- **An ageing and deteriorating bridge network**
 - The district's network comprises 173 bridges, with 58 expected to reach their economic end of life in the next 30 years, many situated on less-travelled roads with alternative routes available. At least 30 of the bridges (representing 17% of the network) across the district will reach the end of their useful lives within the next 10 years. This presents a significant cost and a substantial funding gap.
- **Water source reliability** - Our District has an arid climate and limited sources of water. The demand for water is very high and is closely associated with development. Industrial, agricultural, business and residential development all depend on the availability, quantity and quality of water.
- **A shortage of technically skilled people** - It is likely that a shortage of technically skilled people to design, construct and manage water assets will continue to have an impact on this activity in future years. This is a global issue which is also affecting other local authorities as this is a highly competitive market.
- **Ongoing affordability of infrastructure services** - The industry has seen increased costs as a result of inflation, increasing standards, operations and maintenance requirements, monitoring costs and training and qualification requirements.


Our priorities are to:

- 1 Meet the minimum standards for water and wastewater compliance – Council will ensure we comply with the minimum standards set by regulators for both water and wastewater.
- 2 Provide the infrastructure required to service growth – This includes the development and upgrades to water and wastewater treatment plants, and maintaining our transport planning budgets.
- 3 Council is prioritising the preferred delivery option for water services. The preferred option is to transfer the ownership and management of the water services activity into a regional CCO.
- 4 Council has identified 30 bridges nearing the end of their service life, with an estimated replacement cost of \$20 million. Recognising the funding challenge, we have developed a Bridge Strategy to support our bid for NZTA co-funding. The proposed \$9.8 million budget acknowledges the need to prioritise bridge renewals, with some structures potentially being replaced later (deferred), replaced with third-party funding, at a lower level of service, or not at all. A key focus for 2026/27 is completing present value end-of-life (PVEOL) assessments to strengthen our case for investment in the next LTP, ensuring our approach aligns with the bridge strategy and NZTA requirements.

Have your
SAY
www.codc.govt.nz



When you are ready to share your views:

- Submit your feedback online at **lets-talk.codc.govt.nz** 
- Students can also get involved by submitting the Student Survey online or on paper.
- Or pick up a paper copy from any of our service centres or libraries
- Or speak at a Council meeting during the hearing of oral submissions period.

Do you have questions or want more information?

- Come along to a community drop-in [see list below]
- Talk to one of your elected members
- Have a read through the supporting information – including financials, policies and strategies – on our website: **www.codc.govt.nz**

Copies of this consultation document, along with supporting information and submission forms for those without online access are available from Council's main office in Alexandra and our service centres in Cromwell, Ranfurly and Roxburgh.

There will be opportunities throughout the consultation period for you to engage with Elected Members about the Long-term Plan and ask questions. We will promote these on our website, Council's Facebook page, and the CODC Noticeboard (page 5 of The News). We need your feedback before submissions close on

Monday 1 May 2025.

Community Information Sessions

Location	Date*	Time
Dunstan High School Hall, Alexandra	Wed 2 April	5.30pm - 7.30pm
Millers Flat Hall	Thurs 3 April	5.30pm - 7.30pm
Cromwell & Districts Presbyterian Church	Mon 7 April	5.30pm - 7.30pm
Memorial Hall, Roxburgh	Tues 8 April	5.30pm - 7.30pm
Maniototo Rugby Clubrooms, Ranfurly	Wed 9 April	5.30pm - 7.30pm
Matakanui Clubrooms, Omakau	Thurs 17 April	5.30pm - 7.30pm

Q & A Drop-ins

Location	Date*	Come between
Alexandra Library	Thurs 10 April	11am - 1pm
Cromwell Library	Mon 14 April	11am - 1pm
Roxburgh Library	Tues 15 April	11am - 1pm
Ranfurly iSite	Wed 16 April	11am - 1pm

Online Information Session

Link to be provided on Let's Talk	Tues 22 April	8pm - 9pm
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Mayor and Councillors

If you have any Long-term Plan related questions you can address it to your mayor or local councillor.

Nigel McKinlay (Cromwell)
m: 027 474 1961
e: Nigel.McKinlay@codc.govt.nz

Sally Feinerman (Teviot Valley)
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Stuart Duncan (Maniatoto)
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Sarah Browne (Cromwell)
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Tamah Alley (Mayor)
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Neil Gillespie (Cromwell)
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Martin McPherson (Vincent)
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To the reader

Independent auditor's report on Central Otago District Council's consultation document for its proposed 2025-34 long-term plan

I am the Auditor-General's appointed auditor for Central Otago District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 31 March 2025.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2025-34 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matters

Without modifying our opinion, we draw attention to the following matters.

Uncertainty over water service delivery

Pages 10 to 12 outline that the Council is consulting on future water services delivery options. The Council's preferred option is to establish a multi-council water services entity to commence operations from 1 July 2027. The consultation document and long-term plan information therefore exclude water services after year two. There is a high-level of uncertainty over the financial impacts of this option because the arrangements and timing are also dependent on other councils' decisions. If the Council's preferred option is not adopted, the content of the long-term plan will look significantly different.

Uncertainty over land sales

Page 35 outlines that the Council will rely on land sales across the nine years of the long-term plan, to achieve a balanced budget. The forecast revenue from these sales is highly uncertain due to the Council's significant judgements about future market conditions.

If the land sales are not achieved as planned, the Council may need to adjust the timing and cost of projects it plans to fund from these sales, and it may not achieve a balanced budget.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400, *The Examination of Prospective Financial Information*, that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

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

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence and quality control

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1, *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1), issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3), issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

