



OUR PLACE OUR PEOPLE VOTE 22

PRE-ELECTION
REPORT 2022



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KEY DATES

15

15 July 2022
Candidate nominations open

12

12 August 2022
Candidate nominations close at 12 noon

16

16 September – 21 September 2022
Voting papers sent to enrolled voters

16

16 September 2022
Voting opens

08

8 October 2022
Voting closes

08

8-9 October 2022
Preliminary results available

A MESSAGE FROM OUR CHIEF EXECUTIVE

Tēnā koe

It is my pleasure to present the 2022 Pre-Election Report for Central Otago - our place, a world of difference.

This report is produced independently from all elected Council members as required under the Local Government Act 2002. If you are considering standing for Central Otago District Council or one of our Community Boards, or preparing to vote, there are some important things in this report that we want you to be informed of and consider ahead of this year's local government election.

The following pages will help gain an understanding of how we are performing and the key issues we face in the lead up to the voting period beginning on 16 September 2022.

Since the last local body elections in 2019, council has worked hard to ensure that Central Otago is heading in the right direction and achieving desired outcomes for the community, now and into the future. We've stayed committed to our programme of work even while responding to the challenges presented by the COVID-19 pandemic, which is yet behind us, and in a time where the local government sector faces era-scale reform.

Everything we do supports community well-being, but with the reintroduction of the four well beings (social, cultural, economic and environmental) into local government legislation the Council has articulated what each of these four well-beings mean as community outcomes in the 2021-31 Long-term plan. The new community outcomes are on p. 5 of this report.

In support of social and cultural well-being, we've joined the Central Government's Welcoming Communities (Te Waharoa ki ngā Hapori) programme and established an independent advisory group from a diverse range of our community. The goal of this programme is to support newcomers into this district so they feel part of our community.

We also played a key role in supporting well-being during the COVID-19 pandemic, particularly during 2020 when the country went into a national lockdown. We activated our emergency operations centre and supported well-being through facilitating food delivery and acting as a co-ordinator across our district for the response. Through this time, we moved our functions online and continued to provide key services to the community.

Despite the challenges of the last three years, Council has continued to progress a significant programme of work, focussed on infrastructure, planning for growth and delivering on community projects. While the full details of the work programme can be found in the 2021-31 Long-term Plan, progress has been made on roading maintenance and renewal on 1,850km of roads, development of spatial plans and key community projects such as the Lake Dunstan Water Supply, Clyde Wastewater Reticulation, Omakau Hub, Alexandra Riverpark and the Cromwell Masterplan (which includes revitalisation of the town centre and the development of a new arts, culture and heritage precinct).

We continue to work hard to improve some of our core services. We will be rolling out a new improved rubbish collection service from mid-2023, which will include collection of organics. In our recreation space we have begun an open spaces strategy to better understand what you want from these spaces and what we could do to improve them. We have installed a new heat pump system in our Cromwell Pool to improve efficiency and to help meet sustainability targets.

We continue our work in modernising our website and developing online forms to make it easier for you to interact with us. In our libraries, we are investigating book issuing technology options to improve your experience. We have developed a destination management plan to ensure tourism is managed in a sustainable way that meets the needs of our community, with the community front and centre.

During the last three years, we have grown our relationship with iwi, recently signing our first partnership agreement with Aukaha (representing local rūnaka). This marks an important step forward in our district's relationship with iwi and will be integral to some of the work that lies ahead of us (like the Alexandra River Park development).

This report also outlines some of the key challenges we are facing in the next 3 years and the steps to date we have taken to address these.

For the incoming council there will be a strong focus on positioning Central Otago interests in the reforms, and ensuring we support the community as we move through a period of change towards a future filled with opportunity.

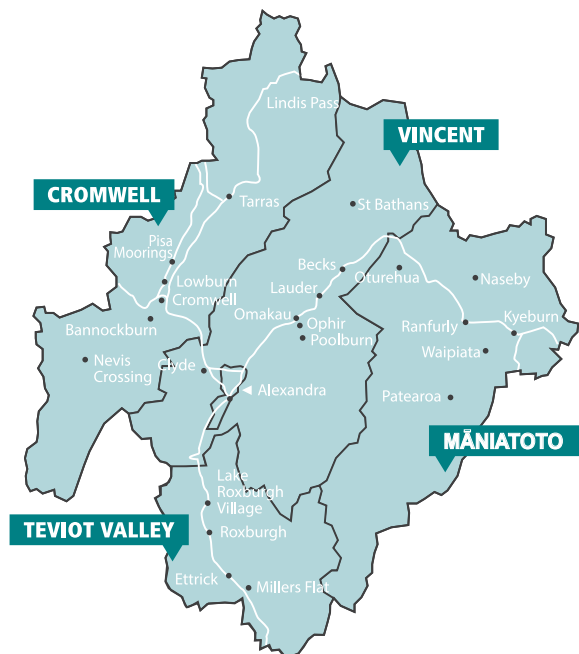


A handwritten signature in black ink that reads "Sanchia Jacobs".

Sanchia Jacobs

Chief Executive Officer, Central Otago District Council.

CENTRAL OTAGO OUR SPACE, OUR PLACE



Central Otago is New Zealand's most inland region. Our land is breathtakingly different from the rest of New Zealand, with vast undulating landscapes, rugged snow-capped mountains, clear blue rivers and lake, deep gorges, and tussock-clad hills. We cover an area of 9,969km². Our district is split into four electoral wards: Cromwell, Maniototo, Teviot Valley and Vincent.

We have one of the lowest population densities per square kilometre in New Zealand. Our estimated usual resident population is 24,800 people.

In Central Otago we are a diverse group of people sparsely spread over a wide, remote, rugged region. That sense of remoteness has shaped the way we live our lives. We are a collection of communities fiercely independent and competitive yet united in our love for Central Otago, its landscapes, people, climate, its stories and its vision.

Our regional identity expresses the things that are special about this district that ring true for those in every corner of our community. It reinforces those values that are special to Central Otago as a place to live, work and play, now and into the future.

Our region's values are what council staff, councillors and community board members will draw on to guide good decision-making.

1. **Making a Difference:** We will inspire and lead others with our special point of difference.
2. **Respecting Others:** We will respect our culture and personal differences.
3. **Embracing Diversity:** We will recognise differences and embrace diversity.
4. **Adding Value:** We will always ask ourselves if there is a better way— one that achieves a premium status.
5. **Having Integrity:** We will seek to be open and honest.
6. **Learning From the Past:** We will learn from past experiences with future generations in mind.
7. **Making a Sustainable Difference:** We will make decisions in business with the community in mind and in harmony with the natural environment.
8. **Protecting our Rich Heritage:** We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.
9. **Meeting Obligations:** We will meet legal obligations at both a local and national level.



**CENTRAL
OTAGO**
A WORLD OF DIFFERENCE

OUR COMMUNITY OUTCOMES

Council's purpose is to enhance well-being in our communities. Conversations and feedback about what well-being looks like for the people living in this district have defined our community outcomes.

OUR COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana
Thriving Economy

- Vibrancy of town centres and local businesses
- Managed growth, in line with community values
- Visitor destination
- IT connectivity
- Protection of productive lands



Toitū te Whenua
Sustainable Environment

- Outdoor recreational opportunities (water-sports, hunting, dark skies, etc.)
- Natural environment (open spaces, landscapes and vistas)
- Clean lakes and rivers
- Cycling and walking tracks
- Protection of our unique heritage



He Hāpori, He Haumi
Connected Community

- Sense of community (caring, relaxed small-town feel, 'together-ness')
- Welcoming and family-friendly
- Peaceful
- Rural feel
- Enabling connections, through quality services (e.g. internet, transport)

COUNCIL'S STRATEGIC OBJECTIVES THAT SUPPORT THESE COMMUNITY OUTCOMES

<p>Through the District Plan, urban growth to revitalise town centres is encouraged, and productive land and rural settlement is protected.</p> <p><small>(Source: Cromwell Spatial Plan, Infrastructure Strategy)</small></p>	<p>We are operating in harmony with our natural environment, and celebrating and preserving our wide-open spaces, in accordance with our Regional Identity values.</p> <p><small>(Source: Central Otago A World of Difference Regional Identity Values, Infrastructure Strategy)</small></p>	<p>Our community facilities are fit for purpose and cost effective.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>
<p>District Plan standards are upheld to ensure the effects of development on natural and physical resources are managed now and into the future.</p> <p><small>(Source: Sustainability Strategy)</small></p>	<p>Infrastructural development is environmentally conscious: environmental implications have been considered, legal requirements met, and consent requirements upheld.</p> <p><small>(Source: Infrastructure Strategy)</small></p>	<p>Our relationship with Ngāi Tahu is strengthened.</p> <p><small>(Source: Sustainability Strategy)</small></p>
<p>Investment in Council services and infrastructure provides consistent, integrated and resilient service levels, that are good value, sustainable and affordable, now and in the future.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Infrastructural services and information support safe and healthy communities.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Newcomers into the district are supported and events and projects which celebrate inclusive communities are encouraged.</p> <p><small>(Source: Community Development Strategy)</small></p>
<p>High-value visitor products and experiences are provided that express our regional identity and align with the needs of Central Otago's target markets.</p> <p><small>(Source: Tourism Strategy & Economic Development Strategy)</small></p>	<p>Development of culture and heritage opportunities throughout the district continues to be developed.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Community-driven initiatives, experiences and events that promote local and visitor well-being are encouraged.</p> <p><small>(Source: Community Development Strategy; Grants Policy; Sustainability Strategy)</small></p>
<p>We have improved digital connectivity throughout the district – i.e. mobile coverage and broadband roll-out.</p> <p><small>(Source: Economic Development Strategy)</small></p>	<p>Our landscape and environment are protected and enhanced through the coordination and promotion of activities that strengthen their significance.</p> <p><small>(Source: Economic Development Strategy)</small></p>	<p>Access is enabled via Council roading services and people can access Council's infrastructure services (e.g. water and wastewater systems).</p> <p><small>(Source: Infrastructure Strategy, Economic Development Strategy)</small></p>
<p>We are a 'business-friendly council' – we identify local challenges and business needs, are proactive and responsive, make clear decisions, and develop strong relationships.</p> <p><small>(Source: Economic Development Strategy, Infrastructure Strategy)</small></p>	<p>Visitors are engaged in activities that benefit our environment and build an appreciation for this region's remarkable qualities.</p> <p><small>(Source: Tourism Strategy)</small></p>	<p>Visitors who create value for host communities (via facilities, services, amenities, cultural and recreational opportunities), in line with their aspirations and beliefs, are attracted to this region.</p> <p><small>(Source: Tourism Strategy, Infrastructure Strategy)</small></p>

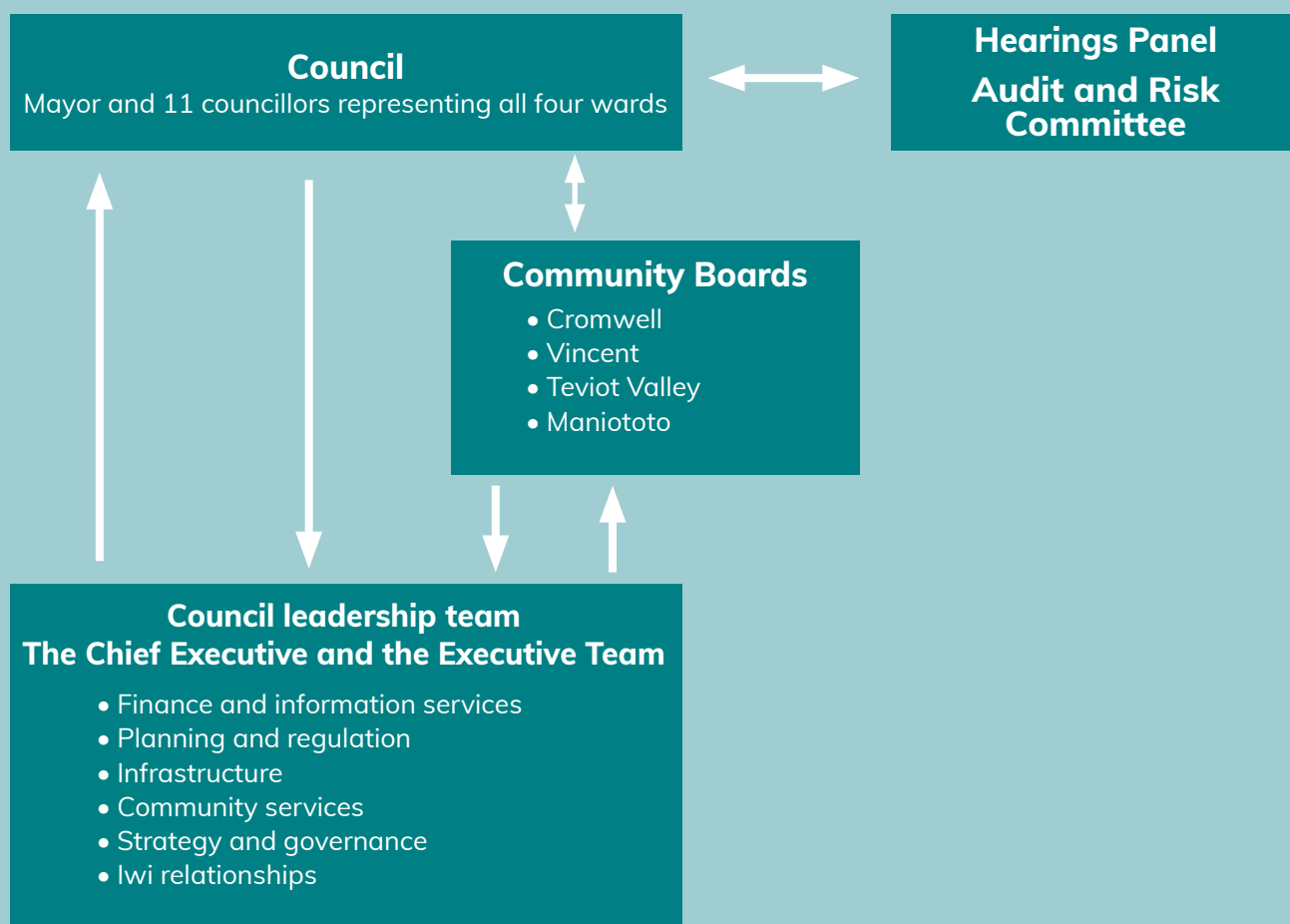
COUNCIL GOVERNANCE STRUCTURE

The role of our elected members is to set the strategic direction of the district, make critical decisions on budgets, policies and plans to meet the needs of our community.

Council is responsible for strategy at the district level as well as managing key district functions such as roading, airports, libraries and planning. Council is supported by an Audit and Risk Committee (overseeing risk and finance) and a Hearings Panel (overseeing planning issues).

Community boards are responsible for managing key local community functions such as parks and reserves and grants to community organisations. All these committees are supported by the Chief Executive and staff who provide advice and support and implement the decisions made.

Central Otago District Council does not have any statutory committees. The 2019-22 Council operated under a 'portfolio' structure but the Mayor and incoming Council will determine the structure that will work best for them.





KEY ISSUES

\$1,556 million
the worth of our Gross
Domestic Product
(GDP) in 2021

Our economy

Overall, while our council's financial position is strong, we know that there are challenging times ahead. For the first time this year the Council decided to take on debt and to ensure the cost of major capital projects is spread across those generations who will benefit from them. Examples of such projects include the Cromwell Masterplan, Alexandra Riverpark and the Omakau Hub.

We have also seen the recent impact of inflation which has pushed up the cost of everyday day needs, putting pressure on many in this community. It also has had an impact on the cost of delivering key services to the community (such as playground maintenance, cost of library books and the cost of power).

A key role in the coming triennium will be for elected members to delicately balance the cost of funding services council delivers to the community against the cost to the ratepayer, in times of financial pressure for most in this community.

At a district level, our Gross Domestic Product (GDP) was worth \$1,556 million in 2021. Agriculture, forestry, fishing and construction accounts for 27.8% of this. While we see construction still booming, we also see workforce challenges and rising costs are creating challenges for this industry. This impact has been felt in horticulture, viticulture and agriculture industries, and while 2022 GDP figures are not yet available the impacts are likely to be seen in these figures.

Council is continuing to monitor its expenditure and will be considering how it can ease the financial burden in the medium to long-term for rates payers (such as investing in sustainability initiatives including glazing in council building to save on heating costs).



Our workforce

As a council, we are experiencing some of the same labour challenges being felt across New Zealand. Like many sectors attracting and retaining staff is difficult, in particular for our roading and planning departments.

Across the district, hospitality, construction, viticulture, agriculture and horticulture are all feeling the impacts of workforce challenges. These industries which are the backbone of our local economy are vital to our success as a community. Getting seasonal labour has been a significant challenge in this past two years, with many growers reporting that fruit that would normally be picked has been left on the trees. We also have had cafés and restaurants having to close early or not open due to a lack of staff. If our labour supply challenges are not addressed, we know it will have ongoing impacts for those that live here, and also in attracting visitors to the area.

While this is an issue that has been seen across the country, council is working to support local solutions. In the past year, a senior member of staff has been appointed on the Otago Regional Skills Leadership Group, which has been set up by central government to identify and support better ways of meeting future skills and workforce needs. We are also active participants in the Otago Labour Governance Group, and we are looking at initiatives such as a 'workforce campaign' to attract workers to come live and work in Central Otago.



\$55,211
the mean income in
Central Otago in 2021

Our people

While we have a low unemployment rate in Central Otago, we are also not a district that attracts high wages. The mean income in 2021 was \$55,211 compared to a national average \$65,910. Household income in Central Otago was \$104,870 compared to the national average of \$117,774. For Central Otago residents the recent spikes in the cost of petrol and everyday supermarket essentials have an overall greater impact when we compare it to the proportion of total income.

Housing affordability is a key challenge nationally. While in Central Otago the housing affordability index from Infometrics of 7.3 is slightly better than the national average of 8.8, housing is becoming increasingly unaffordable with the proportion of income paid in mortgages in Central Otago now 41.1%. This is well beyond the historic ideal of no more than 30%.

In Central Otago we have a higher proportion of older residents aged 65+ (23.1% compared to the national average of 16%), and a lower proportion of those in the younger and working age groups of 15-64 years (62.7% compared to a national average of 66.2%). Ensuring our district is an attractive place for families and the younger working age groups to live in, as well as ensuring we meet the needs of our older population, is going to be a key challenge over the next triennium and beyond.

Council is continually thinking about how we attract and retain people to our district (such as through supporting the Welcoming Communities initiative) as well as how we can help support our residents. Over the next three years, council will begin its next housing development at Gair Avenue in Cromwell. We will be promoting the development of different housing typologies (such as semi-detached housing) which should bring a new kind of product to the market in Central Otago that is also more affordable.



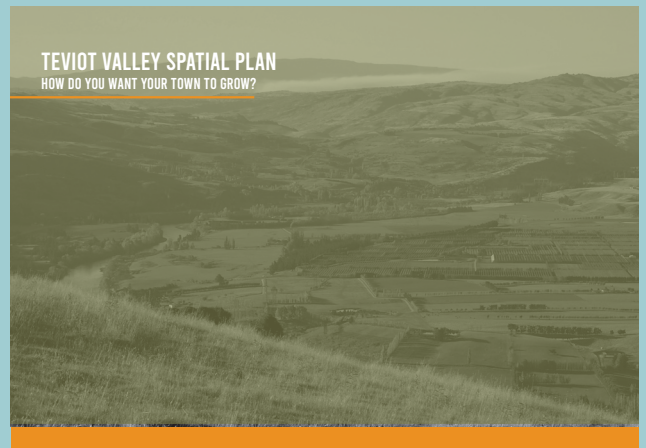
23%
of Central Otago
residents are 65+

Our growth and resilience

In the last census, Central Otago was the third fastest growing district behind Selwyn and Queenstown Lakes, with a growth rate of 20.5% between 2013 and 2018. While this has been felt across the district, Cromwell in particular felt the impacts of this rapid growth. It is expected the district will continue to grow over the next 30 years with the population in 2050 projected to be 34,000 (an increase of 55% from the usual resident population in 2018 of 22,200). This equates to an average annual growth rate of 1.3%.

To ensure that Central Otago remains a vibrant and attractive place to live and work, Council is proactively planning for the predicted future growth. On the back of Cromwell Spatial Plan in 2019, Council completed the Vincent Spatial Plan in 2021 and has begun work on the Teviot Valley Spatial Plan. Council is also working on a series of plan changes under the District Plan to ensure we have the right rules in place to meet future development needs. Council is currently consulting on Plan Change 19, which will amend the residential chapter of the Plan.

Central Otago has \$895 million worth of water and roading infrastructure assets. To manage this infrastructure Council has a 30-year plan for maintaining and improving levels of services for the core infrastructure assets and services (see the infrastructure strategy in the 2021-31 Long-term Plan). Alongside the proposed three waters reform, a key area of work in this space will be investigating our aging bridge network and making a plan for the future. We have 176 bridges in our district, with many requiring maintenance or coming towards their end of life. There will be a considerable capital cost to replace these bridges.



Government reforms

The sector is experiencing significant reform and it is likely that local government will look very different in the next few years. The reforms are addressing complex issues which will alter the way we are structured and how we deliver services to our community.

Council is actively participating in these reforms to ensure Central Otago's voice is heard. We have senior staff involved in working groups and we will continue to be across these reforms as they progress to ensure the best outcomes possible for our community.

Three waters reform

In response to ongoing concerns about the quality of New Zealand's drinking water and the ability of local councils to fund the infrastructure needs, the current government has embarked upon a significant three waters reform programme. To improve delivery of water services, the government has proposed the establishment of four new water entities that will manage the investment in infrastructure and delivery of services. While details are still being worked through, this change would see approximately one third of our assets no longer directly managed by this council. Staff who are currently involved in the delivery of water services would be guaranteed roles in the new entity.

The Central Otago District Council has opposed the proposed reforms in their current form. Since the reforms have been mandated, however, the Council has worked hard to see improvements in the proposals, and has actively submitted on them, most recently with a submission on the Water Services Entity Bill.

While there is much political discussion still to go, we are preparing the best we can as an organisation. These steps include establishment of a new 'three waters director' role to manage the transition and being involved in two of the national working groups.

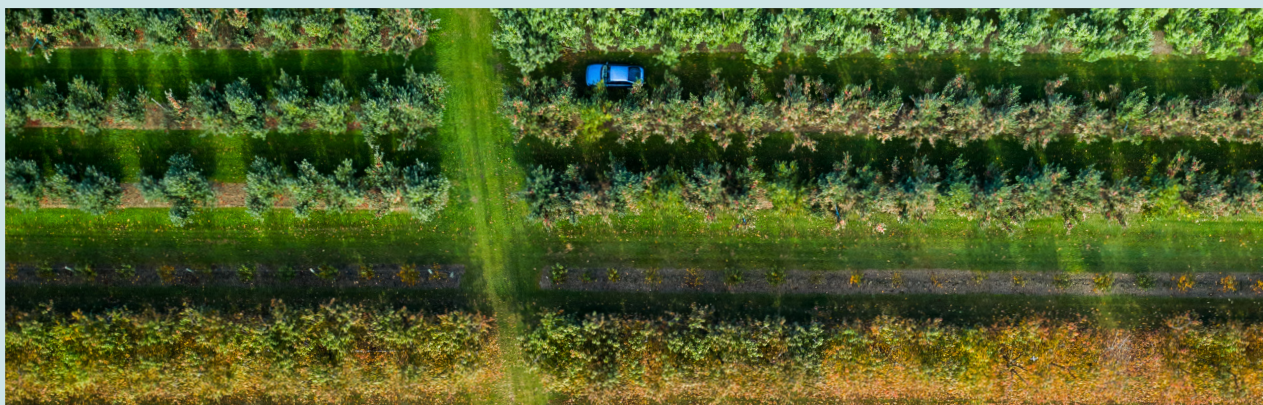


Resource management reform

Following years of discontent over the operation of the Resource Management Act 1991, in 2021 the Government announced this legislation would be replaced by three new separate acts. These are the Natural and Built Environments Act, Strategic Planning Act and the Climate Adaption Act. It is the Government's intention that this new framework will:

- protect and restore the environment and its capacity to provide for the wellbeing of present and future generations
- better enable development within natural environmental limits
- give proper recognition to the principles of Te Tiriti of Waitangi and provide greater recognition of Te Ao Māori including mātauranga Māori
- better prepare for adapting to climate change and risks from natural hazards, and better mitigate emissions contributing to climate change
- improve system efficiency and effectiveness, and reduce complexity while retaining appropriate local democratic input.

Council has had an active voice in this reform to date, and has formally submitted on draft bills. We will continue to be actively involved as the draft legalisation goes through its various stages of drafting.



Review into the Future of Local Government

In 2021, the Government appointed an independent panel to conduct a thorough review into how the system of local democracy and governance needs to evolve to effectively respond to a changing New Zealand and create conditions for communities to thrive. The scope of this review is wide and includes all aspects of local government from our structures and funding right through to iwi and central government relationships. The Panel have identified five key shifts they believe are required:

- Strengthened local democracy
- Stronger focus on wellbeing
- Authentic relationship with hapu/iwi/māori
- Genuine partnership between central government and local government
- More equitable funding

Council has inputted into the draft report due in October this year (which included direct engagement with Panel members on the key issues for Central Otago). Feedback on the draft report is due in February 2023 and we will be talking to you to inform our submission on the proposals early next year. The final report is due to be delivered to the Minister for Local Government in mid 2023.

MAJOR PROJECTS

Council has an extensive programme of work planned across all areas of the business. For the 2022/23 year Council has budgeted \$93.056 million (OPEX \$50.700 million and CAPEX \$42.356 million) and has the equivalent of 164 full time equivalent roles to deliver on the planned projects and services to the community. The full detail can be found in the 2021-31 Long-term Plan. The following section highlights some of the bigger projects across the district.

Alexandra Riverpark

Central Otago District Council is supporting the vision of the Alexandra Riverside Park Trust to rejuvenate lower Tarbert Street in Alexandra, by creating a new public space development at the junction of the Mata-au/Clutha and Manuherekia Rivers.

The Trust has taken inspiration from comparable projects that have reinvigorated and transformed under-utilised or neglected spaces within other centres across New Zealand including Wellington and Picton waterfronts. Walkways, terraces and seating have transformed these areas into attractive spaces that draw locals and visitors there to enjoy the space for family-friendly recreation and for community events. These improved spaces are the building blocks from which businesses and activities can grow and develop.

Following public feedback on this project during the 2021-31 Long-term Plan, Council committed \$650,000 to support its development. Council has also successfully been awarded a Tourism Infrastructure Fund grant of \$325,000 (subject to obtaining consents), which is intended to off-set the ratepayer contribution. The Trust will also be seeking grant funding from some other funding agencies.

The concept design for the development is currently being consulted on with the community. Detailed design work will follow later this year, and the construction will take place during 2023 and 2024.



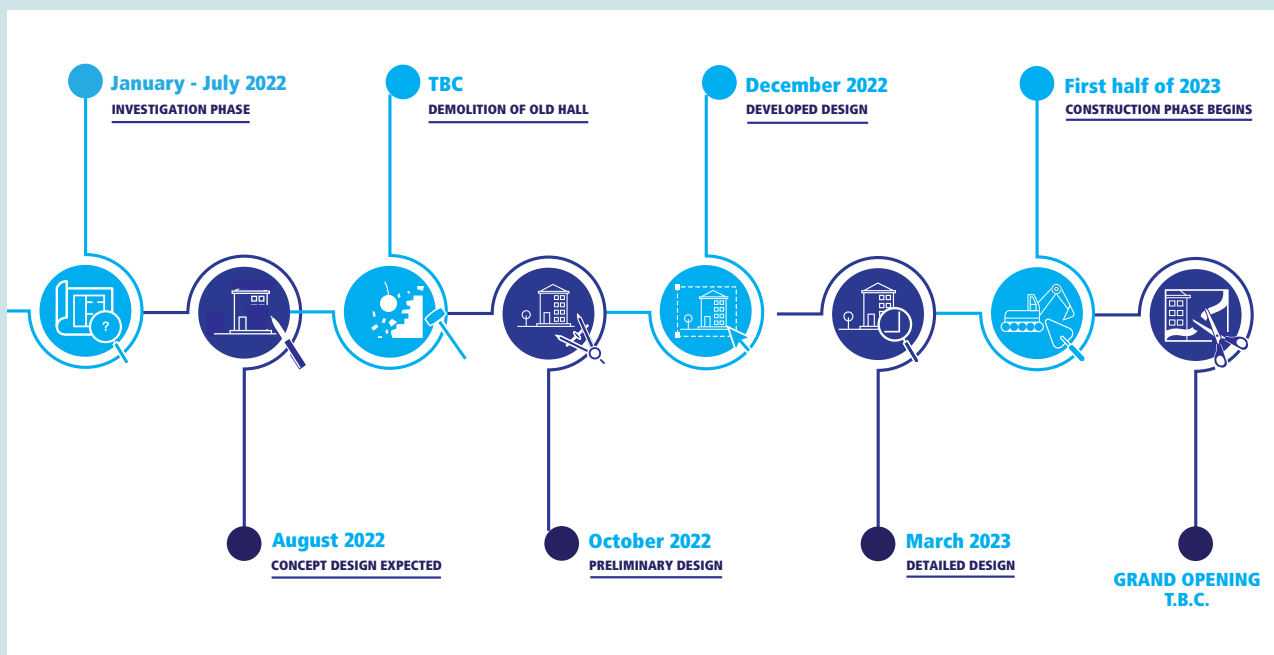
Artist's impression of the proposed concept plan

Cromwell Masterplan

Following the adoption of stage 1 of the Cromwell 'Eye to the Future' masterplan in 2019 (including the spatial plan that provides a co-ordinated approach to growth for the next 30 years), stage 2 which involves the Town Centre Precinct, and the Arts, Culture and Heritage Precinct was developed and consulted on in the 2021-31 Long-term Plan.

The town centre projects include demolition of some existing buildings, new buildings including library, service centre and resource centre, plus hard and soft landscaping. The Arts, Culture and Heritage Precinct includes the building of a new hall/events centre in the proximity of the existing site of the Cromwell Memorial Hall.

The community endorsed the masterplan, and \$73.5 million has been budgeted between 2021 and 2031 to deliver on these projects. A staged approach is being used, with design work well underway for the Arts, Culture and Heritage Precinct and planning for the Town Centre rejuvenation underway.



Lake Dunstan Water Supply

Originally consulted on with the community in the 2018-28 Long-term Plan, the Lake Dunstan Water Supply project is taking shape. The \$16.1 million upgrade to the water supplies of both Alexandra and Clyde recognise our focus on the health and wellbeing of our communities.

The project scope includes the expansion of the Clyde bore field and the construction of a membrane treatment plant and water storage tanks.

The benefit of this upgrade is that it will reduce the lime in Alexandra's water. The membrane treatment provides an additional level of treatment, along with chlorination. The upgrade in treatment process will ensure we continue to provide safe drinking water to the community and we meet our responsibilities against the New Zealand Drinking Water Standards.

Construction for the treatment plant is underway, with earthworks completed and tank construction scheduled in the second half of 2022. The project is scheduled for completion in 2023.



Clyde Wastewater reticulation stage 1

A new reticulated wastewater system will replace Clyde's existing system which relies on septic tanks and disposal fields. The upgraded system will meet environmental and resource consent requirements, significantly improving the quality of Clyde's urban wastewater discharges.

Importantly, it will provide the Clyde community with an environmentally safe wastewater system that will bring significant environmental, health and well-being benefits for decades to come.

The project is being completed in three stages spanning from 2020 - 2043. Stage 1 involves connecting almost 200 properties many of which are in the Heritage precinct. The work includes installing main wastewater pipelines and two pump stations in Miners Lane and the Clyde Campground. Stage 1 is well underway.



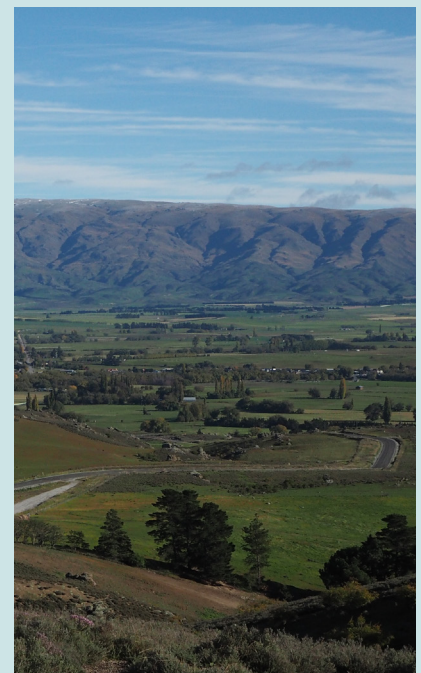
Omakau Hub

In the 2021-31 Long-term Plan, the Omakau Hub project was consulted on and supported by the community. This project will see a purpose-built multi-use community facility at the Omakau Recreation Reserve to cater for the town and surrounding communities built.

Developing a single new community hub facility will have the following benefits:

- Reduces duplication of community facilities
- Provides a main focal point for community activities for a growing community
- Brings together the sport, recreation, cultural and performance arts
- A new building with more energy-efficient systems will cost less to run and maintain
- Replaces the existing Community Hall which is no longer fit for purpose

Council has committed \$1 million to this project, and Council is currently working with the community to develop the concept plans.



OTHER KEY PROJECTS AND INVESTMENTS

CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Water				
Water Supply Improvements Lake Dunstan Water Supply	4,300,000	-	-	15,422,500
Water Supply Improvements Cromwell	1,220,000	4,745,000	4,745,000	12,159,954
Water Supply Renewals Piped Network Renewals	820,721	820,721	820,721	7,619,690
Water Supply Renewals Mechanical and Process Plant	496,974	496,974	496,974	3,581,543
Water Supply Renewals Piped Network Fixtures	342,033	513,865	731,824	4,069,993
Water Supply Improvements Alexandra	280,000	530,000	530,000	1,940,079
Water Supply Improvements Districtwide	150,000	400,000	-	2,156,175
Water Supply Improvements Clyde	-	500,000	-	-
Water Supply Improvements Roxburgh	-	-	300,000	-
Water Supply Improvements Omakau	-	-	-	360,780
Water Supply Improvements Patearoa	-	-	150,000	-
Water Supply Improvements Naseby	-	-	150,000	-
Vehicle Replacement	-	32,175	46,475	153,668
Total Water	7,609,728	8,038,735	7,970,994	47,464,380
Wastewater				
Wastewater Improvements Clyde	3,700,000	-	-	3,711,230
Wastewater Renewals Piped Network Renewals	787,027	820,624	838,484	7,206,700
Wastewater Improvements Alexandra	510,000	510,000	1,570,000	19,915,877
Wastewater Improvements Districtwide	300,000	1,140,000	960,000	3,702,416
Wastewater Improvements Omakau	300,000	-	-	-
Wastewater Improvements Cromwell	270,000	20,000	20,000	6,742,974



CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Wastewater Renewals Mechanical and Process Plant	150,674	191,696	243,090	4,776,776
Wastewater Renewals Piped Network Fixtures	135,785	135,785	135,785	978,562
Wastewater Improvements Lake Roxburgh Village	100,000	800,000	-	-
Wastewater Improvements Roxburgh	-	-	100,000	102,560
Wastewater Improvements Ranfurly	-	-	-	205,120
Wastewater Improvements Naseby	-	-	-	-
Total Wastewater	6,253,486	3,618,105	3,867,359	47,342,215
Stormwater Renewals Piped Network Renewals				
Stormwater Renewals Piped Network Renewals	380,000	380,000	380,000	2,738,546
Total Stormwater Renewals Piped Network Renewals	380,000	380,000	380,000	2,738,546
Roading				
Minor improvements	2,365,000	2,137,000	1,950,000	22,264,531
Gravel Road Renewals	1,836,776	1,830,000	1,830,000	13,071,614
Sealed Road Renewals	1,566,300	1,320,000	1,320,000	10,527,772
Structures Renewal	510,000	510,000	510,000	4,048,227
Drainage Renewals	442,000	440,000	440,000	3,508,463
Roading Traffic Services Renewals	200,000	120,000	120,000	1,587,540
Footpath Renewals	450,000	300,000	300,000	3,571,965
Carpark Renewals	50,000	50,000	250,000	859,585
Roading vehicles	-	-	-	165,929
Total Roading	7,420,076	6,707,000	6,720,000	59,780,925
Environmental Services				
Waste Disposal	382,000	400,000	-	2,554,423
Litter Bins	8,200	8,200	8,200	63,476
Total Environmental Services	390,200	408,200	8,200	2,617,899
Planning and Regulatory				

CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Vehicle Replacement	40,975	133,925	163,900	910,852
Dog Pound	248,250	58,250	58,250	
Total Planning and Regulatory	289,225	192,175	222,150	910,852
Property and Community Facilities				
Cromwell Master Plan	3,095,330	12,659,525	14,741,145	26,115,761
William Fraser Building	807,500	3,500	183,500	47,340
William Fraser Building - Irrigation	22,000	-	-	9,980
Council Offices	80,050	30,000	30,000	528,940
Community Building - Maniototo	264,241	13,000	-	-
Community Building - Cromwell	15,000	5,000	2,500	10,629
Community Building - Roxburgh	5,000	-	30,000	123,055
Alexandra Aerodrome	3,900	1,424,000	-	211,900
Elderly Persons Housing	259,800	145,300	199,300	1,530,304
EPH 16 John Street Ranfurly	31,500	7,000	-	-
EPH Scotland Street Roxburgh	8,950	-	-	33,867
EPH Molyneux Avenue Cromwell	3,500	-	-	-
EPH Ortive Street Cromwell	1,500	1,200	-	-
EPH Shannon & Ventry Streets Alexandra	-	-	-	24,801
EPH Fraser Street Clyde	-	-	-	10,300
Alexandra Public Toilets	360,000	-	11,000	4,078
Cromwell Public Toilets	36,500	5,000	5,000	10,140
Maniototo Public Toilets	14,944	1,200	350,000	-
Roxburgh Public Toilets	-	4,000	1,500	19,577
Tarras Community Centre	140,000	-	5,000	-
Property General Cromwell	5,000	5,000	5,000	38,705
Cromwell Town Centre	8,000	-	-	36,036
Cromwell Memorial Hall	3,000	-	-	-
Cromwell Sports Pavilions	-	-	-	10,679
Clyde Museum	-	71,500	400,000	4,130,300
Molyneux Stadium	-	-	1,380,000	-

CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Alexandra Community Centre	258,500	-	-	216,814
Tarbert Street Building	220,000	-	-	-
Poolburn Hall	15,000	-	57,000	5,150
Property General Vincent	5,000	5,000	5,000	38,705
Clyde Hall	-	10,000	40,000	-
Ophir Hall	-	12,000	-	14,970
Becks Hall	-	-	-	14,970
Maniototo Park Stadium Ranfurly	39,945	97,000	-	-
Maniototo Arts Centre	17,600	4,750	8,500	5,788
Community Halls Maniototo	11,830	10,000	6,000	471,586
Property General Maniototo	10,000	15,000	5,000	38,705
Centennial Milkbar	6,500	-	-	-
Ranfurly Public Hall	6,300	-	-	89,637
Naseby Public Hall	4,165	12,500	3,200	259,560
Pioneer Store Naseby	-	-	21,000	-
Roxburgh Entertainment Centre	-	494,000	-	199,495
Community Halls Teviot	-	55,000	50,000	43,055
Vehicle Replacement	40,975	-	20,955	145,627
Total Property and Community Facilities	5,801,530	15,090,475	17,560,600	34,440,453
Pools Parks and Cemeteries				
Cromwell Master Plan	-	-	-	8,720,034
Roxburgh Pool	500,000	-	-	-
Molyneux Park	208,400	48,800	15,450	120,171
Cromwell Reserves	166,450	210,800	114,500	1,891,193
Maniototo Reserves	143,200	154,000	48,000	161,365
Alexandra Town Centre	96,500	335,500	323,500	94,197
Molyneux Pool	91,720	145,613	127,878	545,567
Anderson Park	66,800	24,800	74,800	275,135
Clyde Recreation Reserve	54,500	47,900	11,500	83,054
Omakau Recreation Reserve	53,000	214,000	40,000	35,620
Other Reserves Alexandra	51,925	33,050	28,200	86,771
Alexandra Cemetery	50,000	50,000	26,000	136,052
Cromwell Pool	41,498	38,935	329,156	244,783
Pioneer Park	28,315	49,470	122,500	319,340

CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Ranfurly Pool	24,660	2,500	27,000	186,948
Clyde Fraser Domain	21,500	49,523	6,134	515,186
Roxburgh Reserves	16,550	30,500	30,000	74,655
Trails Maintenance	16,000	16,000	16,000	77,410
Cromwell Cemetery	15,000	-	-	41,190
Naseby Swimming Dam	7,000	7,000	7,000	-
Oturehua Domain	6,000	2,000	-	-
Omakau Cemetery	5,000	-	-	16,223
Ranfurly Cemetery	5,000	-	-	-
Parks and Recreation Clyde	5,000	5,000	5,000	35,000
Naseby Cemetery	4,000	-	-	59,200
Millers Flat Recreation Reserve	3,000	1,500	1,500	1,497
Teviot Valley Walkways	1,500	1,500	1,500	11,612
Clutha Management	-	-	5,000	5,000
Clyde Cemetery	-	-	-	37,488
Parks and Recreation Omakau	-	-	1,000,000	7,500
Taieri Lake Recreation Reserves	-	5,000	-	8,031
Total Pools Parks and Cemeteries	1,682,518	1,473,391	2,360,618	13,790,221
Service Centres and Libraries				
Cromwell Master Plan - Library	319,000	1,100,000	-	9,703,980
Libraries - District	159,035	159,035	159,035	1,231,090
Library Cromwell	2,652	3,350	2,652	11,223
Library Alexandra	1,800	1,800	1,800	7,618
Library Maniototo	200	200	200	846
Library Roxburgh	-	1,000	-	-
Total Service Centre and Libraries	482,687	1,265,385	163,687	10,954,757
Governance and Corporate Services				
Administration	50,000	50,000	50,000	387,050
Cyber Security	5,000	5,000	26,000	97,231
Enhanced Customer Experience Digital Services	110,000	100,000	50,000	235,750
Enterprise Resource Planning Information Systems	156,020	10,000	-	97,810

CAPITAL EXPENDITURE	LTP Year 1 2021/22	LTP Year 2 2022/23	LTP Year 3 2023/24	LTP Years 4 - 10
Geographic Information Systems	2,500	40,000	95,000	294,648
Information and Records Management	10,000	10,000	1,100	79,886
Internet and Network	17,000	3,000	-	241,798
IS Service Management	2,500	2,500	-	19,353
Server, Storage and Back-up	5,000	5,000	-	1,107,930
Enhanced User Experience	44,000	84,000	29,000	277,879
Vehicle Replacement	122,265	230,864	94,419	1,034,339
Total Governance and Corporate Services	524,285	540,364	345,519	3,873,674
TOTAL CAPITAL EXPENDITURE	30,833,735	37,797,980	39,599,127	224,255,149



FUNDING THE FUTURE

Our financial strategy at a glance:

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. The desired outcome of the financial strategy is that Central Otago District Council's asset base and operational expenditure are managed in a cost-effective way and continue to be funded in a manner that is sustainable for the Council and our communities. In general, operating costs are funded by rates, user fees or subsidies. Capital expenditure for growth is funded through developers' contributions, renewals through rate-funded depreciation and increases in the level of service provided, such as Clyde Wastewater scheme and increased water treatment, are loan funded. In our 10-Year Plan Council set a limit on rates increases of 5% per annum plus 1.9% growth factor for the first five years and decreasing to 1.6% for the final five years, for existing ratepayers.

Financial Reports:

This report is being released in the pre-election period as required by section 99A of the Local Government Act 2002. Special care has been taken to ensure that it is politically neutral. It is not a manifesto, either whole or in part, for any candidate or political grouping taking part in the election campaign.

While this report has not been audited, much of the information presented has been sourced from audited reports. For example, the first two years' retrospective financial data have been audited as they have been taken directly from the respective annual reports.

Forecasts for 2021/2022:

The 2021/2022 forecast information is based on the actual results of the ten months to 30 April 2022 then budgets for the two months to 30 June 2022.

Financials:

The following financial statements show:

- Actual results extracted from the published annual reports for the 2019/20 to 2020/21 financial years.
- Forecast results for 2021/22.
- Budgets from the recently adopted 2022/23 Annual Plan.
- Projections for 2023-2026 from the 2021-2031 Long Term Plan.



Statement of Financial Position as at 30 June:

Actual 2019/20 \$000	Actual 2020/21 \$000	Estimate 2021/22 \$000	Prospective Statement of FINANCIAL POSITION	2022/23 Annual Plan \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000
EQUITY							
397,343	411,812	440,164	Accumulated funds	429,638	420,192	432,132	447,624
483,495	487,465	496,629	Property revaluation reserve	531,926	557,543	584,675	613,044
(20)	(17)	(17)	Fair value through other comprehensive income revenue reserve	(20)	(20)	(20)	(20)
80	80	80	Restricted reserves	80	80	80	80
880,898	899,340	936,856	Total equity	961,624	977,795	1,016,867	1,060,728
REPRESENTED BY:							
Current assets							
6,713	5,014	6,640	Cash and cash equivalents	11,972	17,205	17,436	14,635
10,000	11,500	8,000	Other financial assets	8,000	8,000	8,000	8,000
-	-	-	Investment Bond	625	1,625	2,125	2,675
3,171	4,852	3,231	Receivables	3,171	3,171	3,171	3,171
1,509	5,394	4,873	Inventories	1,509	1,509	1,509	1,509
21,393	26,760	22,744	Total current assets	25,277	31,510	32,241	29,990
Less current liabilities							
273	256	310	Agency and deposits	273	273	273	273
4,706	13,254	13,938	Payables and deferred revenue	4,705	4,706	4,706	4,706
1,010	673	711	Employee entitlements	1,010	1,010	1,010	1,010
5,989	14,183	14,959	Total current liabilities	5,988	5,988	5,988	5,988
15,404	12,577	7,785	Working capital	19,289	25,522	26,253	24,002
Non-current assets							
109	111	111	Available for sale financial assets	109	109	109	109
333	282	236	Loans and receivables	333	333	333	333
845	1,272	899	Intangible assets	937	2,311	2,335	2,359
355	431	431	Forestry assets	469	376	384	393
1,675	5,925	5,929	Investment property	6,452	1,772	1,812	1,853
862,183	878,742	926,464	Property, plant and equipment	981,740	1,006,871	1,062,289	1,127,091
865,499	886,763	934,070	Total non-current assets	990,040	1,011,771	1,067,263	1,132,138
Less non-current liabilities							
5	-	-	Provisions	5	5	5	5
-	-	5,000	Borrowings and other financial liabilities	47,700	59,492	76,644	95,408
5	-	5,000	Total gain on available for sale financial assets	47,705	59,497	76,649	95,413
880,898	899,340	936,856	Total assets (assets minus liabilities)	961,624	977,795	1,016,867	1,060,727

Funding impact statement for year ending 30 June:

Actual 2019/20 \$000	Actual 2020/21 \$000	Estimate 2021/22 \$000	Prospective Funding Impact Statement WHOLE OF COUNCIL	2022/23 Annual Plan \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000
OPERATING							
6,263	4,273	7,659	General rates, uniform annual general charges and rates penalties	8,519	9,274	9,811	11,029
24,877	28,287	26,860	Targeted rates	29,889	32,787	35,209	37,502
2,090	4	4,407	Subsidies and grants for operating purposes	2,415	2,744	2,780	2,865
4,712	5,114	5,474	Fees and charges	5,529	5,723	5,928	6,084
613	467	198	Interest and dividends from investments	500	414	427	440
2,468	2,782	2,195	Local authorities fuel tax, fines, infringement fees, and other receipts	2,693	2,747	2,899	3,211
-	6,236	10,130	Land and property sales	14,930	10,589	10,800	11,076
41,023	47,163	56,923	Total operating funding	64,475	64,277	67,855	72,207
Applications of operating funding							
30,471	34,436	37,174	Payments to staff and suppliers	37,395	38,484	39,411	41,028
-	3,744	7,157	Cost of sales	11,232	6,774	6,910	7,086
31	50	53	Finance costs	600	1,266	1,782	2,130
-	(15)	-	Internal charges and overheads applied	-	-	-	-
1,276	1,613	1,480	Other operating funding applications	1,474	1,565	1,859	2,636
31,778	39,828	45,864	Total applications of operating funding	50,700	48,090	49,962	52,879
9,245	7,335	11,059	Surplus (deficit) of operating funding	13,775	16,188	17,893	19,327
CAPITAL							
Sources of capital funding							
2,619	7,626	12,152	Subsidies and grants for capital expenditure	3,689	3,150	5,002	7,777
1,355	1,488	3,218	Development and financial contributions	2,192	1,717	1,578	1,658
-	-	5,000	Increase (decrease) in debt	22,700	16,492	17,151	18,764
(891)	-	(262)	Gross proceeds from sale of assets	-	-	-	-
-	-	-	Lump sum contributions	-	-	-	-
3,083	9,114	20,107	Total sources of capital funding	28,581	21,359	23,731	28,199
Applications of capital funding							
Capital expenditure							
3,082	4,591	8,361	- to meet additional demand	21,450	2,231	2,231	5,315
8,355	11,358	21,122	- to improve the level of service	17,851	7,072	6,093	15,229
10,259	7,962	14,521	- to replace existing assets	10,978	30,296	32,570	29,232
(9,810)	(7,852)	(13,185)	Increase (decrease) in reserves	(8,280)	(2,494)	289	(2,692)
442	390	348	Increase (decrease) in investments	357	442	442	442
12,328	16,449	31,167	Total applications of capital funding	42,356	37,547	41,624	47,526
(9,245)	(7,335)	(11,059)	Surplus (deficit) of capital funding	(13,775)	(16,188)	(17,893)	(19,327)
-	-	-	Funding balance	-	-	-	-
9,041	9,999	10,479	Depreciation (not included in above FIS)	10,857	11,759	12,533	13,271
PUBLIC EQUITY							
9,245	7,335	11,059	Surplus (deficit) of operating funding from funding impact statement	13,775	16,188	17,893	19,327
(9,041)	(9,999)	(10,479)	Depreciation	(10,857)	(11,759)	(12,533)	(13,271)
2,619	7,626	4,407	Subsidies and grants for capital purposes	3,689	3,150	5,002	7,777
1,355	1,488	3,218	Development and financial contributions	2,192	1,717	1,578	1,658
9,512	6,489	-	Vested assets	-	-	-	-
(1,648)	126	-	Profit (loss) on sale of assets	-	-	-	-
26	(742)	-	Valuation gains (losses)	-	-	-	-
12,070	12,323	8,206	Net surplus (deficit) before tax in statement of financial performance	8,798	9,295	11,940	15,491

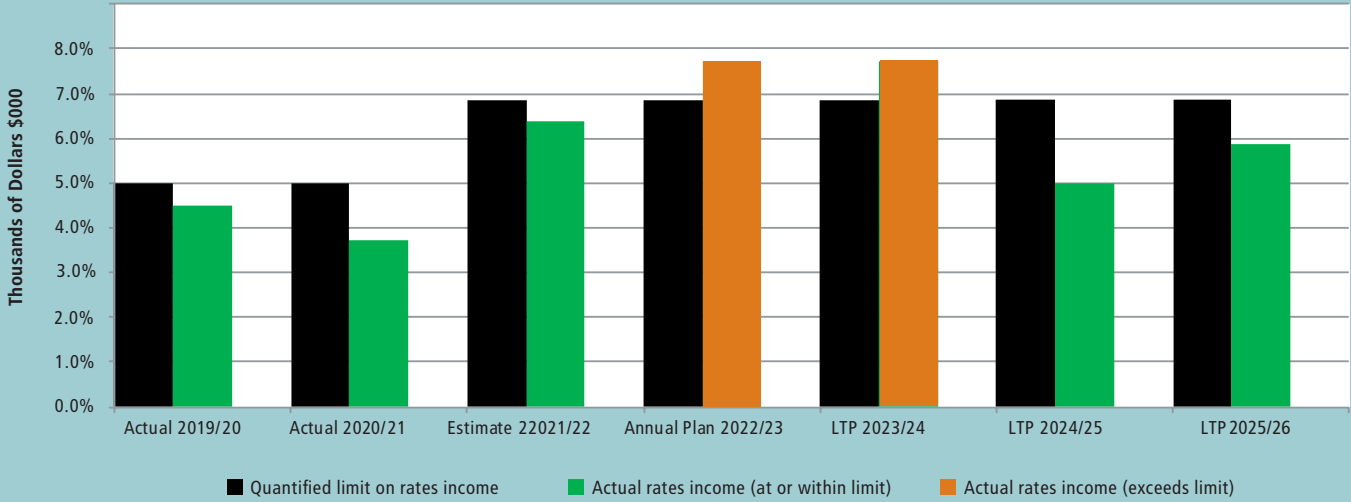
Statement of performance against financial strategy limits and targets:

This statement is required by section 99A of the Local Government Act 2002 and compares some key debt, rates and investment return parameters with the limits and targets set out in the councils’ financial strategy.

The debt and rates parameters have been prepared on the same basis used to prepare the Councils’ annual reports and in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Rates affordability benchmark

Rates (income) Affordability



To maintain an element of affordability, Council has worked towards maintaining a limit on rates increases of 5% per annum for existing ratepayers. This does not include the provision for growth currently projected at an average of 1.9% for growth for the first five years decreasing to 1.6% for the final five years.

This rate cap is an average for the whole district, which means that on an individual basis the combined cap does not apply. These rate increases will go beyond the 10 years, given the level of investment still to occur.

Rates (income) Affordability



The Council meets the rates affordability benchmark if its planned rates income equals or is less than each quantified limit on rates. Council also sets a rate limit based on total expenditure. This limit has been set at 80% of total revenue and is a measure used across all local authorities. For the 10 years of this plan rates income does not breach this limit.

It is important to remember this is an average across the district and that rate increases will vary from property to property, with some individual properties seeing increases above this limit, depending on a range of factors such as property valuations and targeted rates assessed on a ward basis.

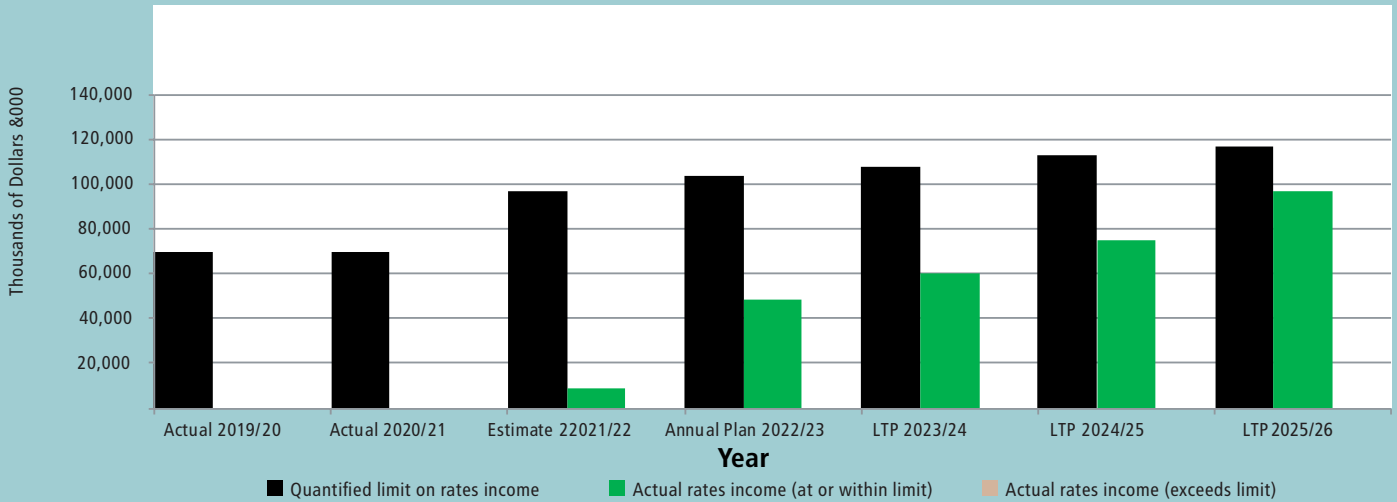
Note the rates limit has been based on an assumed 1.9% annual growth in rateable properties.

Debt Affordability

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 debt with a quantified limit on borrowing contained in the financial strategy included in this LTP. The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The following graph displays the Council's proposed net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Debt Affordability



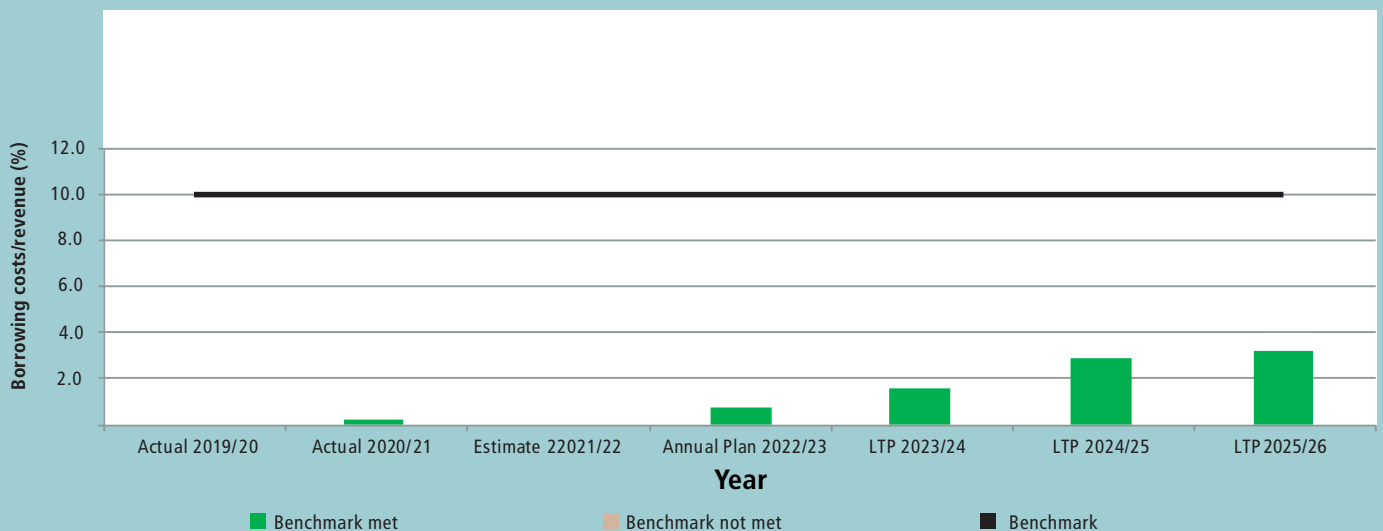
Debt Servicing

A borrowing limit of 10% of total assets has been set to assist in prudently managing borrowing. As the plan has sufficient cash reserves to internally fund any projects that need to be loan funded, debt in this 10-Year Plan will not exceed the 10% of total assets benchmark.

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects that the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Debt Servicing





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