

2013-14
ANNUAL REPORT

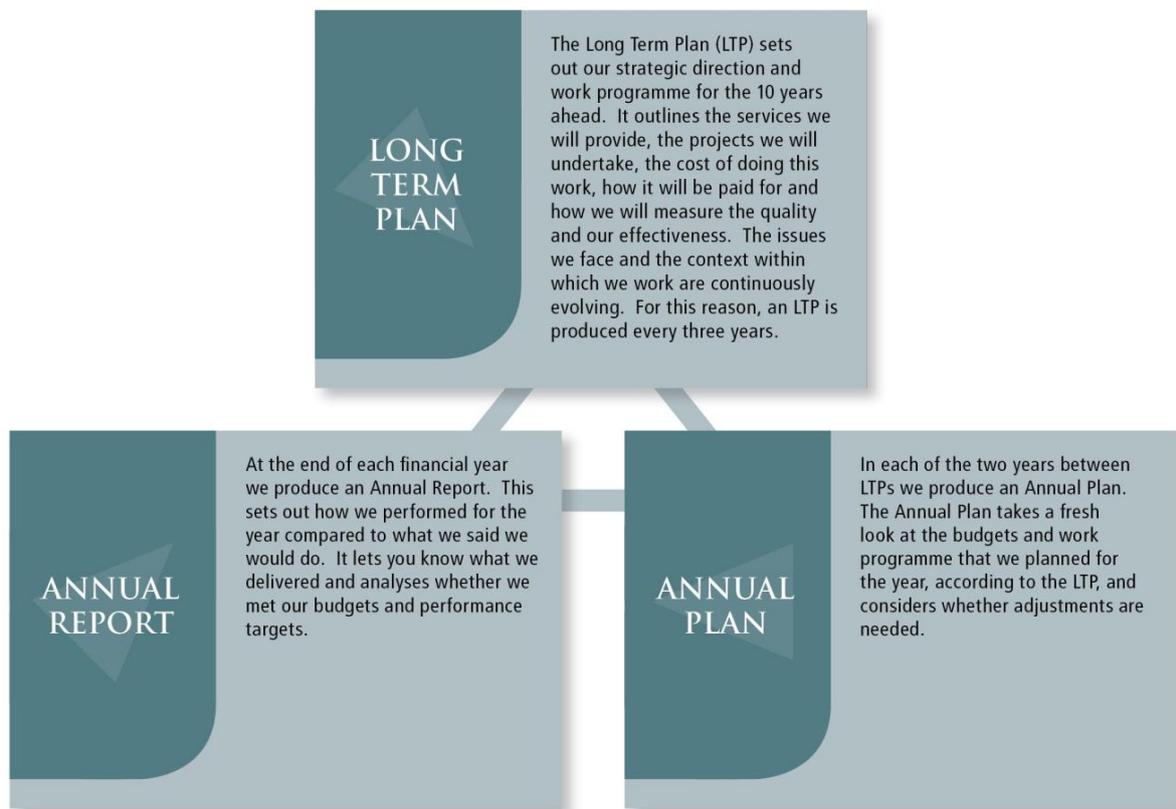
Central Otago District Council

MEASURING
our
progress

improving our community facilities and services
thinking of our environment
planning for the future promoting our place
new look, new efficiencies using resources wisely
working with our community enhancing our engagement
Planning for the future



THE PLANNING CYCLE



CONSULTATION WITH MAORI

Council endeavours to foster the development of Maori capacity to contribute to Council's decision-making. So far Council has:

- Identified and contacted key stakeholders.
- Obtained representation at the Te Roopu Awhina network as a means of being informed about local Maori needs and aspirations and to contribute to meeting these where it is possible.
- Undertaken to work with runanga with an interest in Central Otago to ascertain their needs, explore the ways in which Council can contribute to local Maori aspirations and establish a productive working relationship between Council and Kai Tahu.

Council also intends to:

- Work with iwi and local Maori to establish a relationship-building process.
- Build on the relationship with Kai Tahu ki Otago that was established in 1997 and continue to inform Kai Tahu of decisions of significance that relate to land or bodies of water.
- Develop ongoing processes to deal with future issues; these could be in the form of formal relationship agreements with Kai Tahu.
- Establish communication processes that are appropriate to both Maori and Council.

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Our Space, Our Place

The Central Otago District covers an area of almost 10,000km² and encompasses the electoral wards Vincent (Alexandra and Earnsclough-Manuherikia), Cromwell, Maniototo and Teviot Valley. The main towns include Alexandra, Clyde, Cromwell, Roxburgh, Ranfurly and Naseby. While still awaiting up-to-date Census figures, prior forecasts placed our population at approximately 18,000. We have one of the lowest population densities in New Zealand.

The Central Otago district has a unique and diverse economy. While rural or primary industries still provide the backbone, Central Otago has become a fashionable place to live and visit. This means that industries such as viticulture and tourism are playing an increasing part in local development, while service industries such as construction and business services have grown considerably.



The aspirations of our Central Otago community, and the many smaller communities within our district, are central to our planning. Central Otago District Council helps facilitate community planning and each of these community plans help articulate what it is our communities want and need to ensure this district remains a great place in which to live, work and play. We currently have 12 community plans.

Council also continues to foster closer relations and improved communication channels with local iwi to contribute to Council's decision-making. Council is a signatory to the Te Ropu Taiao Otago governance charter. This charter formalises an agreement between Otago Runanga and Otago local authorities to work together at both a collective and individual council level.

Community outcomes are a high level set of goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental and cultural well-being of our district, now and for the future.

Community outcomes are important to us at Council. They are used to guide and inform the planning process and set out priorities. They also help us focus on a vision for the district.

The community outcomes Council has a key role in are set out below. They will be achieved by working in partnership with the whole community, including individuals, businesses, government agencies and community organisations.

Thriving Economy

A thriving economy would be attractive to both business and residents alike

ECONOMIC DEVELOPMENT
Promote Central Otago as a place to live. Help business get through the legislative requirements when developing business opportunities.

TOURISM
A tourism industry that is well managed, which focuses on our natural environment and heritage with marketing plans that reflect this.

EASE OF DOING BUSINESS
Having easy access to information, friendly business services with streamlined consent processes.

Sustainable Environment

An environment that provides a good quality of life. A community that would also have a healthy balance between its natural and built environment

WATER
Ensuring there is an appropriate allocation of water for irrigation while ensuring sustainable waterways. Provide certainty in the quality and availability of residential water supplies, as well as education on water conservation.

WASTE MINIMISATION
Reduce the waste we generate and increase recycling.

MANAGING DEVELOPMENT IMPACTS ON LANDSCAPE AND NATURAL ECOSYSTEMS
Understand and protect the inherent values of our landscape and natural ecosystems while having well defined areas for growth.

Safe & Healthy Community

A vibrant community with a range of services and facilities. A community that valued and celebrated its rich heritage

MAINTAIN SERVICES IN LOCAL COMMUNITIES
Retain key services and facilities which are appropriate to the local community while retaining volunteer networks.

SAFE COMMUNITY
Retain our safe community.

TRANSPORT & COMMUNICATION
Having a well connected community through a safe roading system and communications network.

RECREATION
Respect landowners' rights, while enjoying access to our lakes and recreational areas. Encourage walking and cycling for the community's health and wellbeing.

ARTS & CULTURE
Provide places and spaces for arts and cultural expressions.

HERITAGE
Clear guidelines for accessing, managing and preserving heritage within Central Otago while also identifying tourism opportunities.

Our Space, Our Progress

It is our pleasure to present this Central Otago District Council (CODC) Annual Report and provide feedback to you on what we achieved in the 2013/14 year.

There is immense value in taking the time to stop, take stock and reflect. This was recognised by our Councillors in a workshop earlier this year when they chose to adopt the Regional Brand values to guide their decision-making. One of these nine values is 'Learning from the Past'.

The 2013/14 year began with the build-up to the triennial elections. The October elections, and subsequent Teviot Valley Community Board by-election, brought an injection of new blood to our Council and Community Boards. Council welcomed six new Councillors and many new faces across the district at Board level.

Inducting new members into the organisation and bringing them up to speed with background information needed for good decision-making is a challenge for elected members and staff alike, but it also presents an opportunity as fresh perspectives get brought into the mix and new sets of eyes and ears scrutinise policies, plans and programmes.

The 2013/14 year saw us consult with our communities on Rooding Policies, a proposal to co-locate the Alexandra ice rink and aquatic centre, an Economic and Business Development Strategy, local policies for alcohol and psychoactive substances, and the Alexandra Water Source upgrade; as well various reserve management plans and community plans, and our annual plan.

We were delighted in this year's Annual Plan submission hearings to welcome to the table our youngest submitters to present – three Clyde Primary School students with their plea for Council to make an underpass at Clyde a reality.

We have tried new ways to engage new audiences to take an interest in what we are doing and planning on your behalf. The new CODC website went live early in September and in 2014 Council has "got social" with a Council Facebook page and a YouTube channel launched in the first quarter of the year. We have also held a number of well-attended public meetings on topics we knew members of our community were passionate about such as "legal highs" and land intensification; and we've gone out actively looking for engagement through exercises such as our Alexandra Water 'consultation roadshow' outside of New World in Alexandra on a busy Saturday in March.

As seems to be par for the course in local government, we've taken our share of flak over some issues that have seen the letters to the editor pages kept full and comments flowing on Facebook. The move to fortnightly refuse collection was one of the year's big talking points in the lead up to 1 July changes. We recognise the change wasn't popular with everyone and is challenging for many, but the decision was made by Council during the adoption of our Waste Minimisation and Management Plan with the environmental vision of moving 'towards zero waste' in mind.

Much of the year has been about rolling up our sleeves and getting on with business as usual, delivering services that most of us take for granted in our daily lives and activity that doesn't make the headlines but keeps our community ticking along.

However when reflecting on the year there have been highlights that stand out, which we should acknowledge and celebrate – projects, activities and initiatives we have undertaken to enhance the well-being of our community. On the next pages we overview some of these highlights and more of these detailed in our activity sections.



While change and challenge is a given, we should take heart in the progress made and celebrate the projects, activities and initiatives we have undertaken to enhance the well-being of our community. On the next pages we overview some of the highlights of our year.

PROMOTING OUR PLACE

Casting the Spotlight on Central

Prime Minister John Key visited Central on 24 October 2013 to officially open two new cycling and walking trails– the Roxburgh Gorge Trail and the Clutha Gold Trail – which join the Nga Haerenga New Zealand Cycle Trail network. A mammoth team effort in the lead-up to the day by Council’s Community Services team working in partnership with the trustees of both trails, plus our neighbouring Clutha District Council, ensured the opening day celebrations were a very special occasion for all those involved and achieved maximum exposure for these great new community and tourism assets.

Following all the great local, regional and national exposure generated by the launch, our two newest trails, plus the iconic Otago Central Rail Trail, were featured on the Australian television show Places We Go in April. Tourism Central Otago, along with local firms Trail Journeys and Bike It Now, hosted the production crew. The travel series has a cumulative reach per series of more than 5 million viewers.

IMPROVING OUR COMMUNITY FACILITIES AND SERVICES

Cromwell Town Centre’s makeover begins

The first stage of Cromwell Mall’s redevelopment – the Northern Edge – was completed by the end of November. An official opening officiated by Cromwell Community Board Chair Neil Gillespie was held on Saturday 30 November 2013.



New facilities for Pisa and Omakau

A new toilet was constructed at Dustin Park in Pisa Moorings to service the boat ramp and playground and Omakau Recreation Reserve got a new amenities building.

Cromwell Pool Retiling

Cromwell Swim Centre's main lap pool was retiled, meaning a temporary full closure of the complex. The disruption in the short-term was chosen in favour of lower maintenance, cost savings and less disruption in future. An official reopening and pool party was held on 30 September.

Alexandra Water and the wider 3 Waters Programme

Following consultation with our community, which included engaging our community via social media and using video for the first time and having a stand outside a local supermarket to rally interest, Council resolved to provide for a new Clutha River or Lake Dunstan source in the 2015 Long Term Plan programme.

Prep-work continued on the development of a 3 Waters Strategy (water supply, wastewater and stormwater) and prioritised programme of projects, which needs to be presented as part of a 30-year capital work plan with next year's LTP. The community will be asked to contribute its views on this important topic during the long term planning process.

WORKING TOGETHER WITH OUR COMMUNITY

Diving on in with Joint Ice Rink & Aquatic Centre Plans

With consultation indicating the community was behind the idea, the Vincent Community Board (VCB) approved a funding contribution of \$1.5m to achieve a co-located ice rink and aquatic centre in Alexandra. Council staff continue to work closely with ice rink representatives as they further develop this project, expected to bring long-term benefits and reduced costs through sharing heating and cooling facilities.

In May VCB approved a registration of interest for a new hockey turf to replace the old ice rink site, subject to the turf committee providing a satisfactory feasibility study for the project.



Community Plans – beginning with O

The first Oturehua Community Plan was developed during the first half of 2014; work got underway on developing Omakau's first Community Plan; and a request was received to develop a plan for the Ophir community too.

And it wasn't exclusively the domain of towns beginning with O - St Bathans Area Community Association is in the process of reviewing its Plan and Naseby has put its hand up to get stuck into its third community plan.

USING RESOURCES WISELY

Watching our Waste Line

Since 2007 the annual tonnage of general waste to landfill has continued to trend down and this year was no exception. With the move to fortnightly refuse collection from July 2014 we hope the results will show a greater move towards zero waste with more recycling and more reducing (e.g. minimising packaging waste) or increased home composting. The total amount of recycling has crept up from previous years and indicates greater participation in the available recycling services.

In the lead-up to the change to fortnightly refuse collection the 'Gearing up for Change' campaign was launched. Central Otago District Council, Central Otago WasteBusters and MAD4CO launched the campaign to tackle the challenge of getting ready for this change together with our communities.

Roading

Work continues within our Roothing team to look to ways to stretch the roading dollar further. In an environment where we have more work on the 'to-do list' than money to do it, much assessment, prioritising and planning is being carried out to ensure greater efficiencies. Central Otago has been recognised for the showing leadership in managing our roading assets, and our Roothing Manager has had a seat at the planning table at a national level on the Road Efficiency Best Practice Asset Management Group. One of the group's projects is the creation of a One Network Road Classification system, which aims to help local government and NZTA to plan, invest in, maintain and operate the road network in a strategic, consistent and affordable way throughout the country. This framework will help define the level of service customers can expect in the future.



CELEBRATING COMMUNITY CONTRIBUTION

Central Otago Awards

Outstanding contributions to the Central Otago community were celebrated at the biennial Central Otago Awards ceremony in September in Roxburgh.

WORKING COLLABORATIVELY

YES Programme

CODC staff and elected members were part of a team including emergency service representatives, local youth workers and high school staff who successfully delivered the first Youth in Emergency Service (YES) programme in Alexandra. Supported by the Ministry of Youth Development and the Ministry of Civil Defence & Emergency Management, the programme was designed to encourage young people to become connected with their community, provide skills to enable them to help others and at some point become volunteers with emergency services.

Enlarged Otago Rural Fire Authority

All six Otago Rural Fire Authorities amalgamated into a single enlarged Otago rural fire authority, effective from 1 July 2014, hence 2014 was a busy year preparing the way for establishment of the Otago Rural Fire Authority. ORFA is now New Zealand's largest rural fire authority with seven full-time equivalent staff and a \$1.8m budget. With a significant fire risk in parts of Otago this new entity is well positioned to provide the fire response, readiness and reduction the community requires.



PLANNING FOR THE FUTURE

Roll out of more Reserve Management Plans

Reserve management plans for Molyneux Park and Teviot Valley Reserves were finalised in December and February respectively; while work got underway on plans for Anderson Park and Alpha Street, and Pioneer Park.

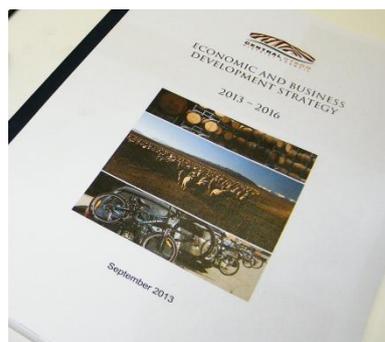
LAP and LAPP

We developed a Draft Local Alcohol Policy (LAP) for our district but, as a number of LAPs have been appealed throughout the country the Council resolved that the item be left to lie on the table pending outcomes of those appeals in order to better understand the direction of the Alcohol Regulatory Authority. Staff will report back to Council later in the year. In the absence of a LAP all new and renewed licences are currently considered and determined in terms of the maximum default hours identified in the Sale and Supply of Alcohol Act 2012.

We had a lot of community interest too as we sought feedback to compile our draft Local Approved Product Policy (that's our LAPP with two Ps) earlier this year.

Economic and Business Development Strategy

The Central Otago Economic and Business Development Strategy 2013-2016 was adopted by Council in September and work has begun implementing items with the strategy's action plan.



OUR RESULTS

Our projects for the 2013/14 year, including those captured in our highlights on the previous pages were achieved without Council going into debt. We are mindful that some projects are still in progress and there are major capital works on the horizon. We will manage these within the limits of our financial strategy.

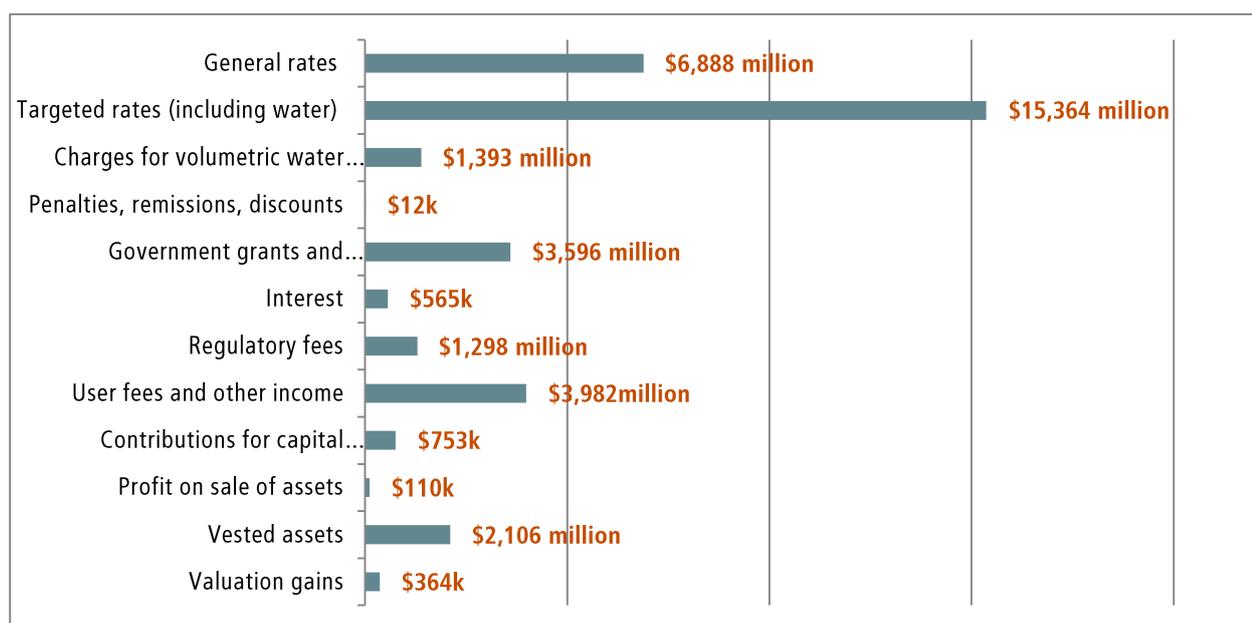
Council ended the year with a surplus of \$3.560m after tax.

Our 5-year financial performance

	2014	2013	2012	2011	2010
	\$000	\$000	\$000	\$000	\$000
Rates revenue	22,264	21,247	21,485	20,567	19,201
Other revenue*	14,167	11,823	10,790	12,683	10,650
Total Revenue	36,431	33,070	32,275	33,250	29,851
Employee benefit expenses	7,142	6,615	6,372	6,129	5,842
Depreciation and amortisation	9,463	9,594	9,302	9,330	8,993
Other expenses	16,553	16,329	16,729	16,038	15,681
Total Expenditure	33,158	32,538	32,403	31,497	30,516
Net surplus (deficit)*	3,273	532	(128)	1,753	(665)
Working capital (net)	11,015	8,977	7,817	8,900	8,943
Total assets	662,771	648,182	639,676	645,757	636,611
Cash flows from operating activities	11,359	10,687	9,226	7,433	8,278
*Note: includes vested assets	2,106	106	573	1,118	425

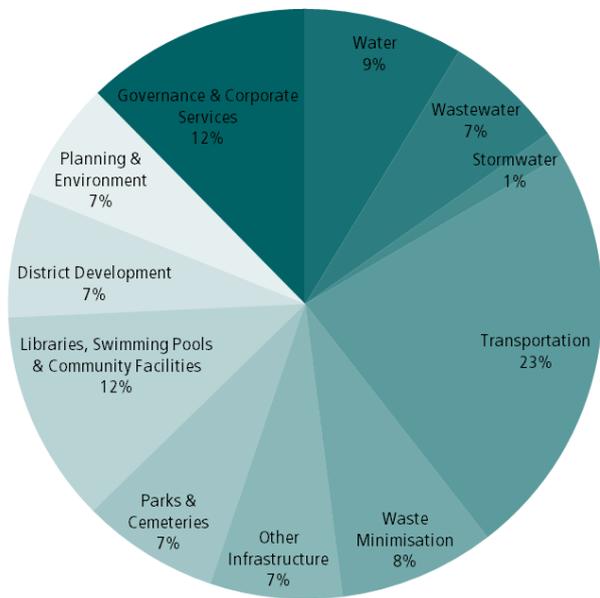
Where our revenue comes from

Total revenue \$36.5 million



How the money is spent by activity

Total expenditure \$33.2 million



KEY FACTS & FIGURES FOR 2013/14

\$36.4million = Council's total operating revenue

\$33.2million = Council's total operating expenditure

\$6.5billion = our ratable capital value at 30 June 2014 (\$6.4 billion in 2012/13)

\$3.2billion = our ratable land value at 30 June 2014 (\$3.2 billion in 2012/13)

\$0 = the district's debt

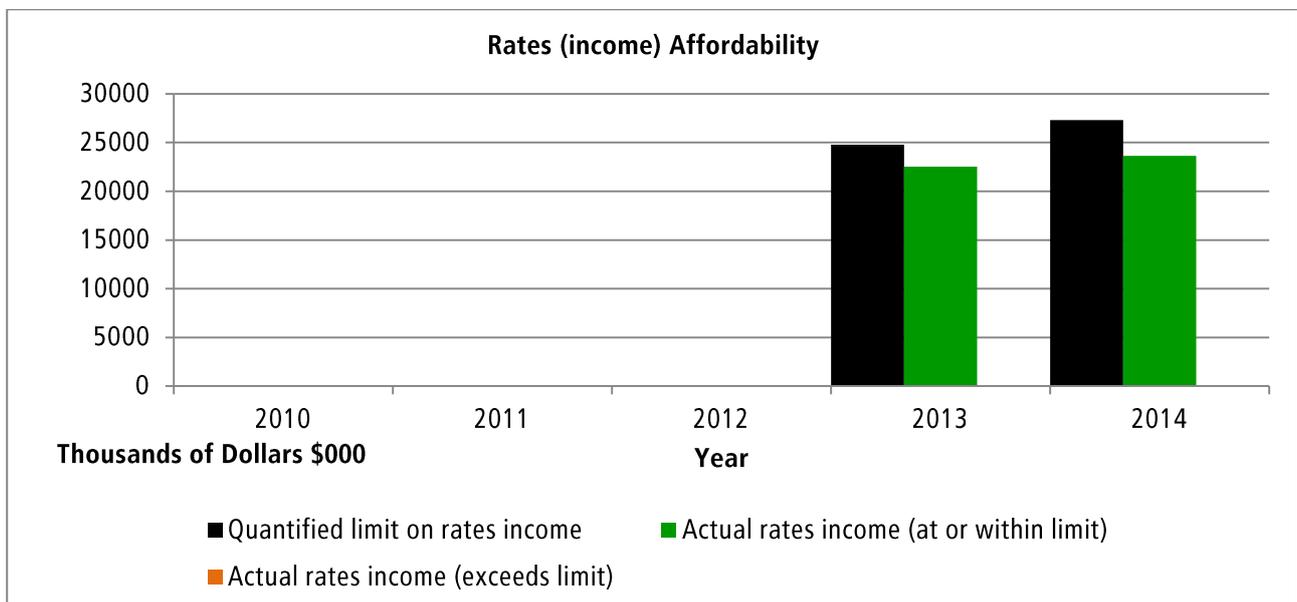
13,552 = the number of rateable properties in our district (13,506 in 2012/13)

\$644million = the current book value of our district's assets

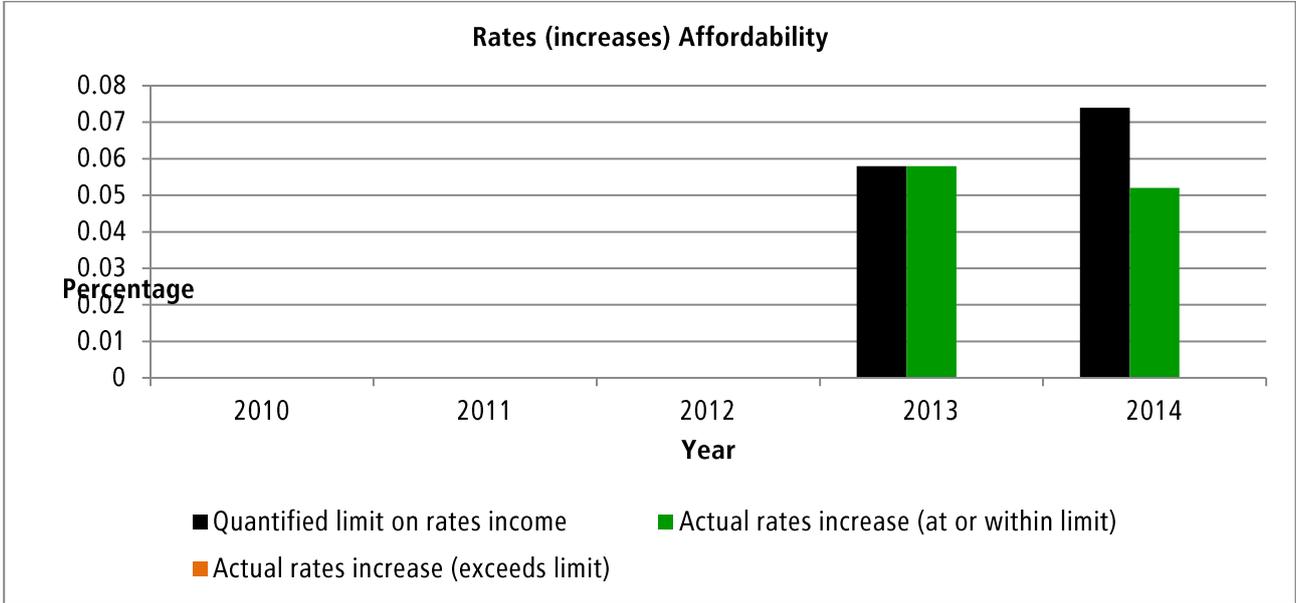
The following graphs highlight various benchmarks indicating whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Rates Affordability

The Rates (income) affordability graph compares the council's actual rates income with a quantified limit on rates contained in our financial strategy. The quantified limit was introduced as part of the 2012/2022 Long Term Plan and was not required in the 2010 to 2012 years. As such the Council now monitors this measure closely to ensure it stays within the limits and has done so in the 2013 and 2014 years. The limit has been set at a maximum of 75% of total council revenue.

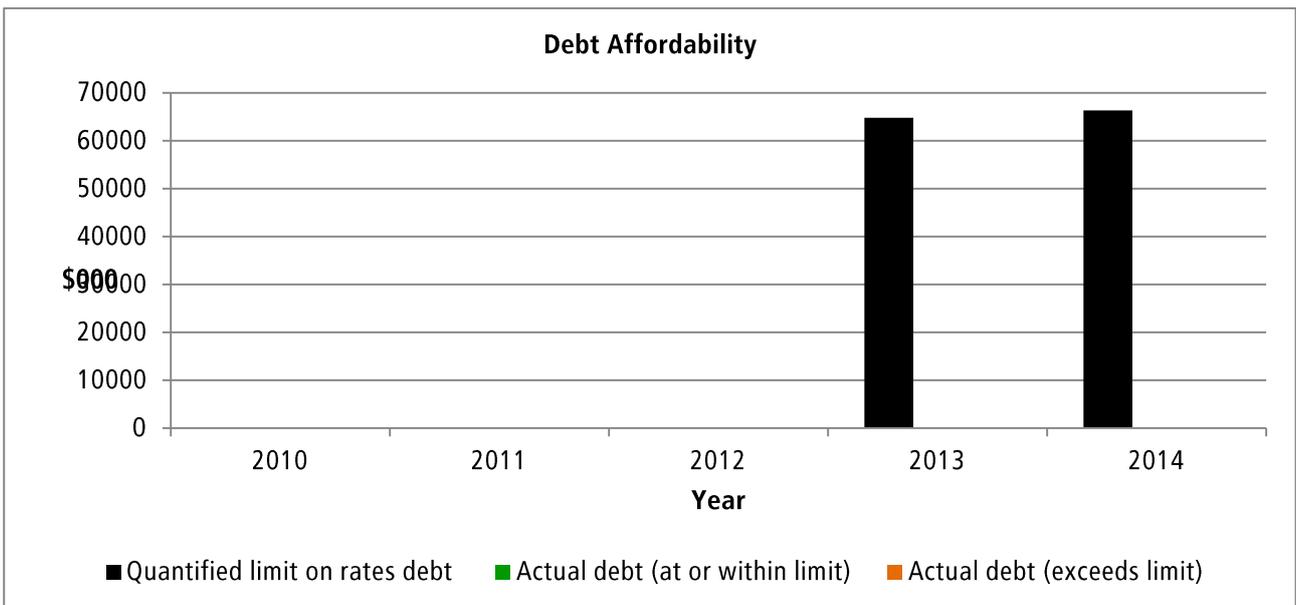


The Rates (income) affordability graph compares the council's actual rate increases with a quantified limit on rates increases included in our financial strategy. The quantified limit on rates measure was introduced as part of the 2012-2022 Long Term Plan (LTP). As such the 2010 to 2012 years were not required. The Council now measures this as part of their financial strategy and will maintain increases within the limits set. The set limit is a maximum of 2.5% over the Local Government Cost Index, other than in Years 2 and 4 of the LTP.



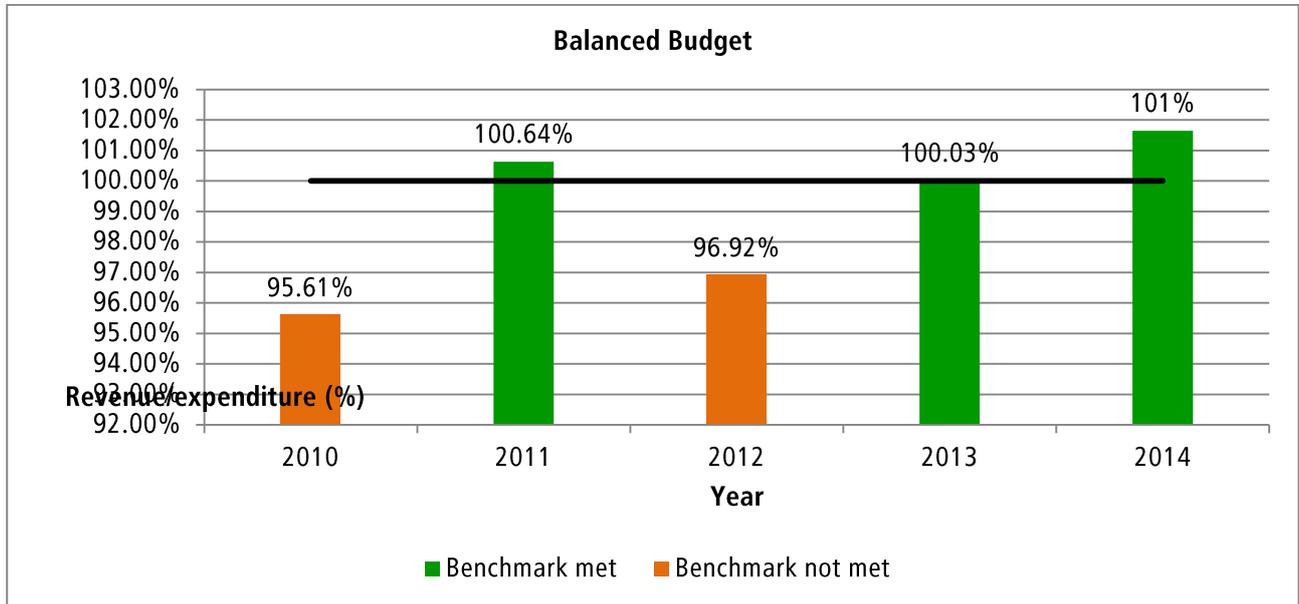
Debts Affordability

To assist with prudently managing borrowing the Council has adopted within its financial strategy a limit of borrowing no more than 10% of the value of total assets. At this point the Council has no external borrowings and is therefore within its debt limits.



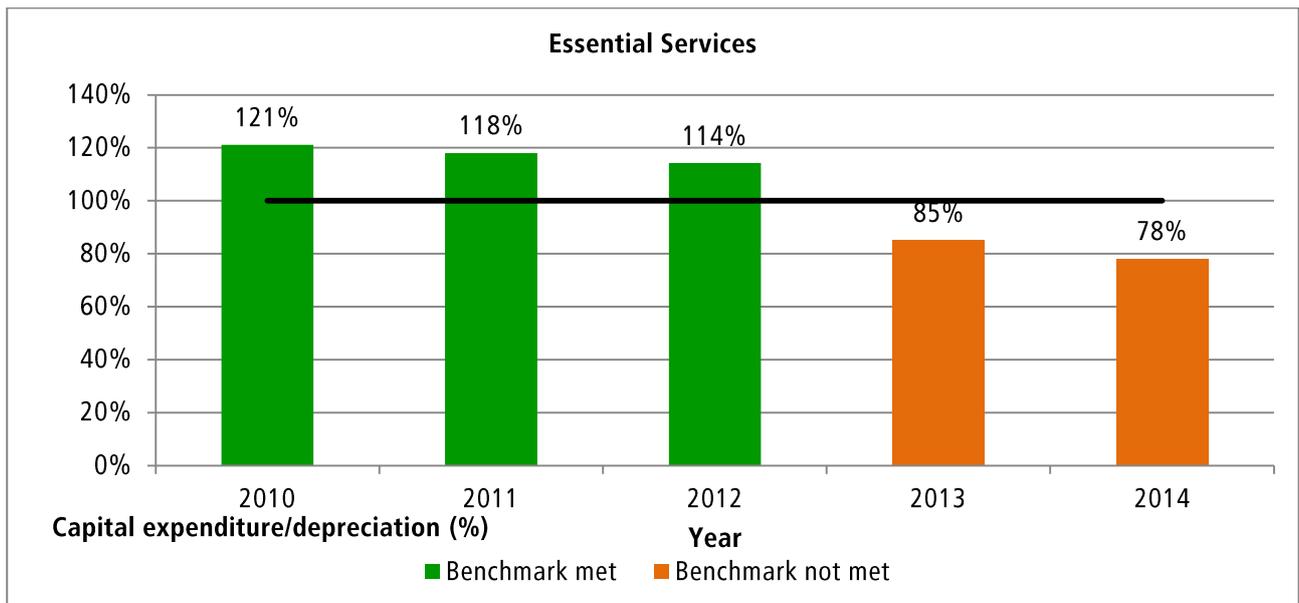
Balanced Budget

In Year 2013/14, 2012/13 and 2010/11 the Council has met the required benchmark as total revenue exceeds operating expenses. While it is the expectation the Council operates a balanced budget, it is likely there will be minor fluctuations either side of the benchmark.



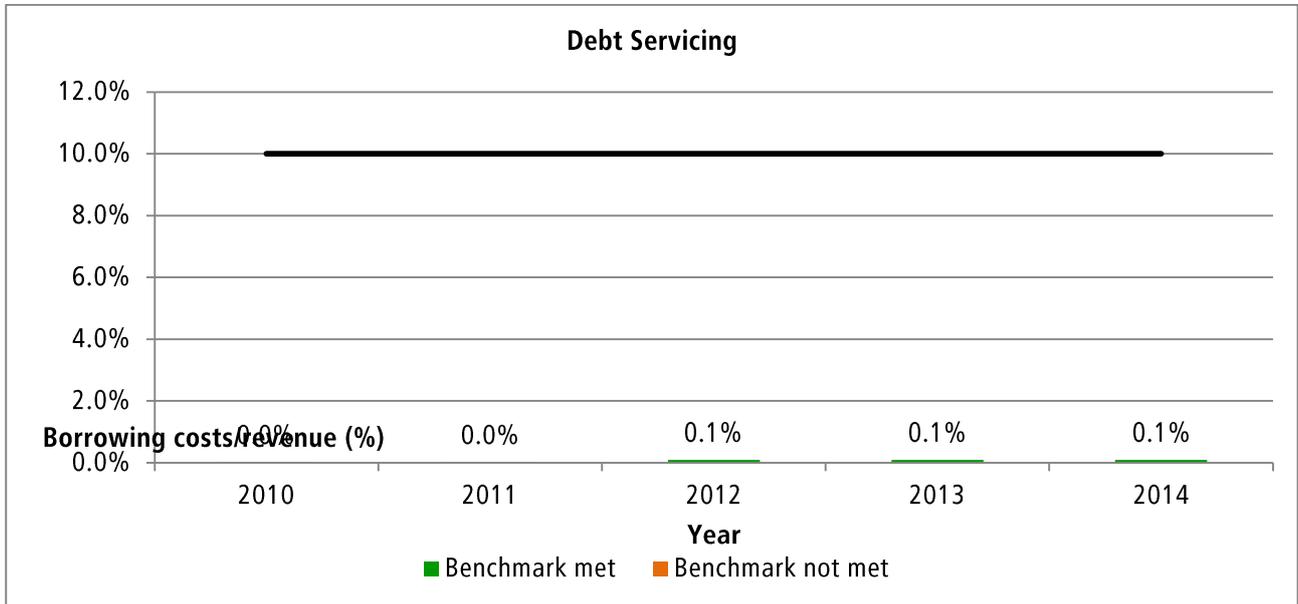
Essential Services

The following graph displays capital expenditure as a proportion of depreciation for network services. The benchmark was not achieved in 2013 and 2014, however overall expenditure for the five years exceeds depreciation. Capital works programmes may span more than one calendar year meaning capital expenditure will not always match or exceed depreciation every year.



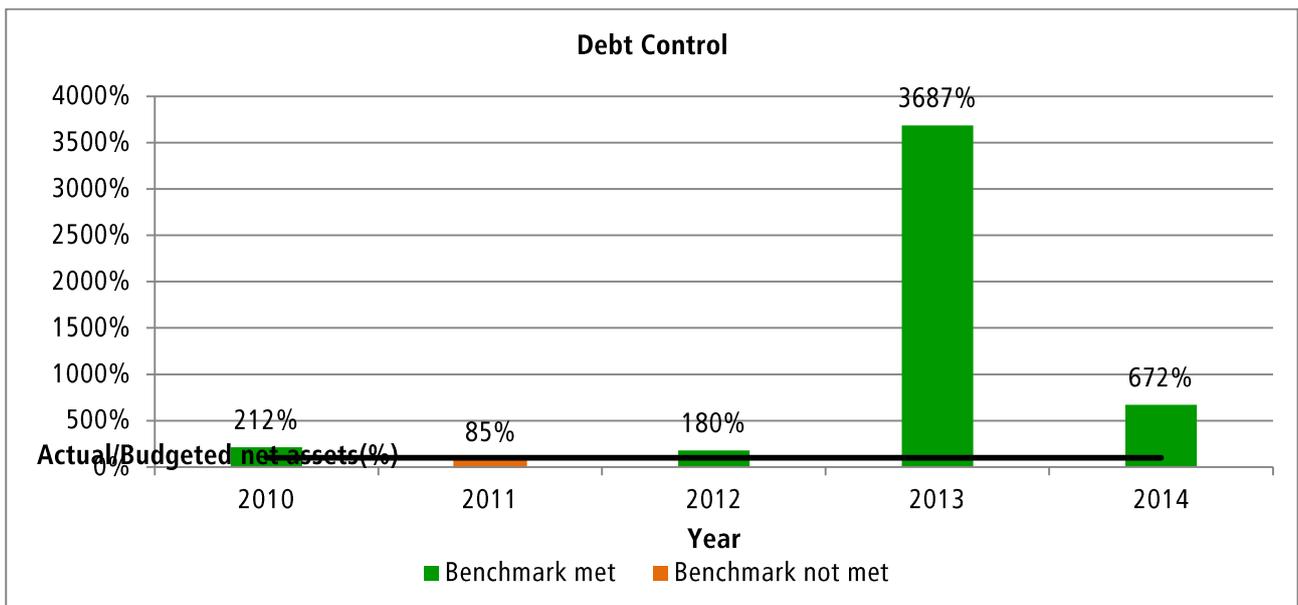
Debt Servicing

Due to no external borrowing the Council has limited debt servicing costs. The small borrowing costs represent bank fees in relation to current banking facilities. While an overdraft facility is in place the council has not utilized this during the current period.



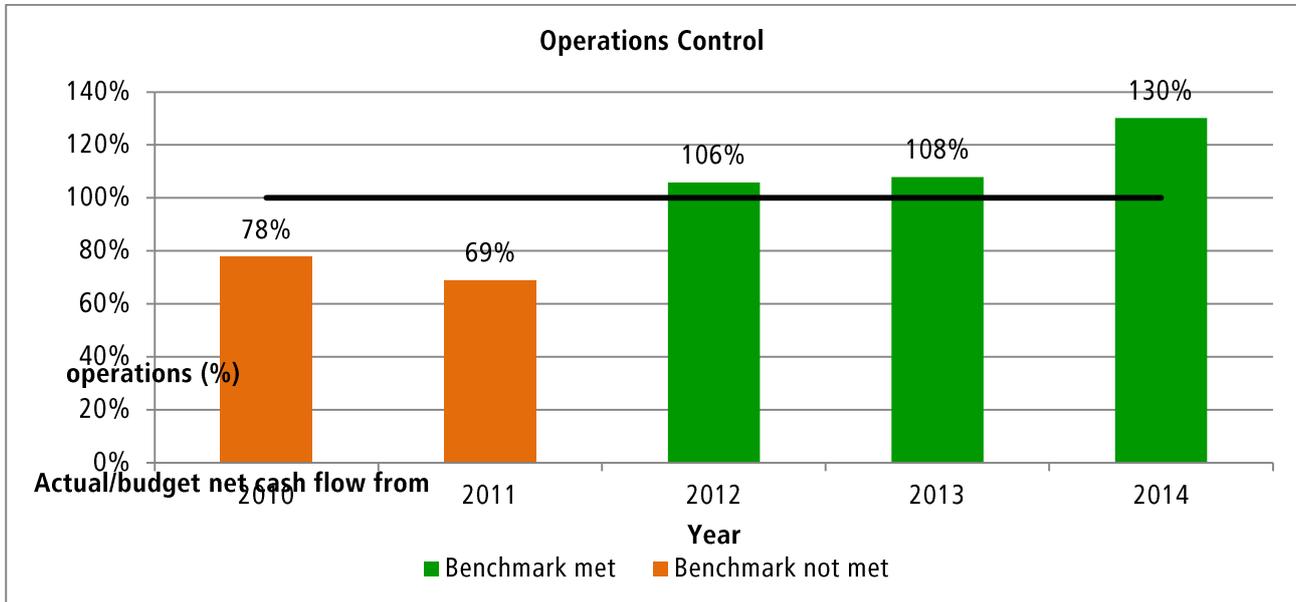
Debt Control

The Council has no debt and has opted to report its actual net assets (excluding trade and other receivables) against budgeted net assets. This approach departs from the Local Government (Financial Reporting and Prudence) Regulations 2014 as the Council has no debt facilities over the reported period. Mathematically, the results shown in the graph below are correct. The graph shows "benchmark met" whenever the Council is better off (either less indebted or with greater net assets) than planned. The net asset position remains strong for the Council.



Operations Control

Operations control measures the net cashflow from operations against planned net cashflow. The Council has maintained positive operational cashflows against budget due to interest revenues on investments being higher than anticipated. This is as a result of higher reserve balances due to deferred capital spend and no external borrowings.



Statement of Compliance

Councillors and management of the Central Otago District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

We thank elected members and Council staff for their commitment and efforts this past year, and thank our community for its support, with special thanks to all of those of you who took the time to make submissions, provide feedback and get involved.

We look forward to the year ahead and the ongoing engagement we will have with the community, in what is sure to be another busy and challenging year with our next Long Term Plan exercise a key focus for our Council team, and one we dearly want all our community to get involved in too.

Chief Executive
Phil Melhopt

Mayor
Tony Lepper



Our Activities

'Our Activities' provides a detailed overview of the activities we have undertaken during the 2012/13 financial year. The groups of activities incorporate the core services that we deliver and we give particular consideration to how these core services contribute to the community in our decision-making process.

While some of the activities relate to legislation such as the Building Act 2004 and the Resource Management Act 1991, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly. Corporate support provides the internal processes and support required for the organisation to carry out its activities.

Within each activity you will find a brief introduction, what we have achieved, how we measure our success and what the activity cost. All operating and capital expenditure is inflated and stated exclusive of GST.

WATER			
WASTEWATER			
STORMWATER			
TRANSPORTATION			
OTHER INFRASTRUCTURE	Waste Minimisation	Elderly Persons' Housing District/Commercial Property Public Toilets Airports	
COMMUNITY SERVICES	Parks & Recreation Cemeteries	Community Facilities Libraries Swimming Pools	<i>District Development</i> Business Development Tourism Community Planning Visitor Information Centres Central Otago Brand Promotions & Grants
PLANNING & ENVIRONMENT	Resource Management Building Control Liquor Licensing Dog Control & Registration Environmental Health Rural Fire Civil Defence		
GOVERNANCE & CORPORATE SERVICES	Elected Members' Support	Administration Buildings Personnel Communications Customer Service & Administration Financial Planning & Reporting Information Systems	

WATER



Water



OUR SPACE, OUR CHALLENGES

We manage 10 public water supply schemes, servicing approximately 14,400 residents. We aim to supply the community with treated water at a suitable pressure and quantity.

As at July 2013 the total replacement cost of our water supply schemes was \$83 million.

The water supply service is a primary contributor to all three of our community outcomes.

Our challenge is to find the right balance between providing sustainable levels of quality and quantity with affordability.

RIISING TO THE CHALLENGES

Three Waters Strategy

The development of a 3 Waters Strategy and prioritised programme of projects continues for the 30-year capital work plan. Central Government has required each local authority to produce a 30-year infrastructure plan as part of the next Long Term Plan (LTP). A project prioritisation tool has been developed to assist with this, which is currently being tweaked and is developing well. Project timing will be developed further in conjunction with LTP.

Capital Works

The capital works programme was not fully delivered in 2013/14. This was largely due to planning and resourcing issues, and partially due to the late commencement of the maintenance contract, which started 1 October 2013.

With the recruitment of a Capital Projects Engineer we will be looking to a three-stage approach to delivering capital works projects. The first stage will involve the investigation and scoping of each project and this will commence two years prior to construction. This will be followed by detailed design and procurement documentation commencing 12 months prior to construction. This approach will enable physical works to commence as soon as practical in the designated year of construction and will eliminate the existing delays to the commencement of physical works.

Our community asked us...

To provide certainty in the quality and availability of residential water supplies, as well as education on water conservation.

Water Services Maintenance Contract

By the end of the 2013/14 financial year Fulton Hogan had completed nine months of its new contract. Fulton Hogan is performing to expectation and is now looking for value-added opportunities.

CODC and Fulton Hogan are working together to improve risk identification and action planning in the planning phase of project work. This is lifting the bar for 3 Waters service delivery.

Alexandra Water Source

Council put background information about historic investigations, the issues and the options on its website as part of a preliminary consultation phase on the Alexandra Water Source. We also produced a short video clip to promote the project and try and spark more community interest, prior to the consultation process in March/April. Part of the process also involved councillors and staff engaging with the community outside New World in Alexandra, and presenting at an Alexandra-Clyde Business Group meeting on the topic.

A pleasing level of interest was shown by the community and a total of 255 submissions were received, with submissions being considered by the Three Waters Committee at a hearing on 30 April.

Council resolved to provide for a new Clutha River or Lake Dunstan source in the 2015 LTP programme. To this end trial bores are being drilled in Lake Dunstan adjacent to the Clyde water bore to confirm the feasibility of using this source for Alexandra's supply.



Molyneux Park Irrigation System

Irrigation Services installed three new storage tanks and associated pipework to supply irrigation water to the Alexandra Bowling Club grounds. This work is part of a wider project designed to eliminate the use of treated water to irrigate our parks and reserves spaces where possible.

Omakau/Ophir Water Working Party

A working group has formed that includes the Water Services Manager, Deputy of the Three Waters Infrastructure Committee and three members of the Omakau/Ophir community. The group has identified and is exploring options available to the community to tackle the water issues the supply faces.

A pump draw down test is being undertaken in a site located in the hills behind Ophir township to understand the suitability of this site for a drinking water source.

HOW WE MEASURE OUR SUCCESS

WATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Thriving Economy (Affordability)	Provide a fully accessible and reliable water network	Time without water per customer per annum (planned and unplanned)	99.9%	99.9%	99.7% system availability	Achieved.
		Flow and pressure at connection	4 complaints	5 complaints	Number of low pressure or flow complaints trending down	Not achieved. These complaints were related to accidentally isolated valves or internal plumbing issues. They are therefore not related to the public supply network.
A Sustainable Environment (Quantity / Sustainability)	Provide an efficient water network	Water consumption per property per annum	336m ³ per annum per connection	331m³ per annum per connection	Water consumption is stable at 450m ³ per annum per connection	Achieved.
		Number of requests for service received from customers	730	727	Number of service requests trending down from 900	Achieved. Total number below target with a static trend. This has reduced from 833 requests in the 2010/11 year.
A Safe and Healthy Community (Quality / Sustainability)	Provide a safe and healthy water network	Percentage of residents who are satisfied with water quality (taste, odour, colour)	55% district wide	50% district wide	90% satisfied or above on community survey scale	Not achieved. Projects to improve water quality have been identified but have not yet been implemented.
		Compliance with the microbiological criteria of the NZ Drinking Water Standards	0 failed results	0 failed results	Zero failed E-coli tests	Achieved.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – WATER				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,781	1,968	2,048	2,044
Subsidies and grants for operating purposes	19	19	19	5
Fees, charges and targeted rates for water supply ¹	1,851	1,803	1,803	1,396
Internal charges, and overheads recovered	67	74	67	68
Local authorities fuel tax, fines, infringement fees, other receipts	-	-	-	(2)
Total Operating Funding	3,718	3,864	3,937	3,511
Applications of Operating Funding				
Payments to staff and suppliers	1,453	1,519	1,690	1,584
Finance costs ²	52	112	89	-
Internal charges, internal interest and overheads applied	763	805	809	776
Other operating funding applications	61	62	56	59
Total Applications of Operating Funding	2,329	2,498	2,644	2,419
Surplus/(Deficit) of Operating Funding	1,389	1,366	1,293	1,092
CAPITAL – WATER				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	100	-	-	-
Development and financial contributions	388	404	208	93
Increase (decrease) in debt ³	1,085	850	860	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	1,573	1,254	1,068	93
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	307	161	157	391
- to improve the level of service	1,375	1,014	876	577
- to replace existing assets	1,139	1,501	1,041	751
Increase(decrease) in reserves ⁴	141	(56)	287	(534)
Increase(decrease) in investments		-	-	
Total applications of capital funding	2,962	2,620	2,361	1,185
Surplus (Deficit) of Capital Funding	(1,389)	(1,366)	(1,293)	(1,092)
Funding Balance		-		-
Depreciation Expense (not included in above FIS)	1,267	1,339	1,272	1,197

Notes

- ¹ Fees, charges and targeted rates for water supply are less than budget as consumption of water has decreased with the introduction of volumetric water charges.
- ^{2, 3, 4} We are yet to borrow externally

WASTE water



Wastewater



OUR SPACE, OUR CHALLENGES

We manage eight public wastewater schemes, servicing approximately 12,500 residents. Each scheme pumps, reticulates and treats the wastewater generated by your household as well as from businesses and industrial processes. In providing your wastewater service we utilise 216km of pipe, almost 2000 manholes and 81 pumps. As at July 2013 the total replacement cost of our wastewater infrastructure was \$69 million. Privately owned septic tanks are used in townships without reticulated schemes.

The wastewater service is a primary contributor to two of our community outcomes. Our challenge is to provide more sustainable wastewater services while maintaining affordability.

RISING TO THE CHALLENGES

Alexandra Wastewater Resource Consent Renewal

Marshall Projects was successful in the tender process to provide UV equipment for the wastewater treatment plant to meet its resource consent conditions. Planning is underway for the civil works component of the UV plant, which is required to be operational by February 2015.

Cromwell Wastewater Resource Consent Renewal

The Cromwell Wastewater upgrade programme is underway and has been divided into four distinct phases:

1. Landscaping and fencing: Work has commenced, completion is planned for 30/10/2014.
2. Sludge removal and disposal: Not started, completion is planned for 30/11/2015.
3. Bannockburn pump station and rising main: Tender for the professional services design and documentation preparation is underway. Physical works is due to be completed 1/1/2019.
4. Treatment Upgrade: Not started, due to be completed 1/1/2019.

HOW WE MEASURE OUR SUCCESS

WASTEWATER							
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results		2013/14 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide an efficient, accessible and reliable wastewater network	Number of requests for service received from customers	78		73	Number of service requests trending down from 115	Achieved. This has reduced from 103 in the 2010/11 year.
A Sustainable Environment	Provide a safe and compliant wastewater network	Compliance with resource consents	42 notifiable events		75 notifiable events	100% compliance	Achieved. Compliant - notifiable events are reported to ORC as part of RC conditions.
			Alexandra	0	5 - Nitrogen		High nitrogen readings, caused by Aerator issues, resolved by refurbishment-Period Jan to March 2014.
			Omakau	7	12 - Flow		Flow consent is exceeded every month, this is related to high inflow to the system, an investigation programme is in place which will identify the source.
			Cromwell	7	0		New consents from Jan 2014.
			Bannockburn	1	18 - Flow		Have exceeded flow consent on 18 occasions, due to high rainfall. Period December to January 2014. There were no records for the first quarter of the year as the data logger was defective.
			Roxburgh	15	11 DO 2 pH		The notifiable events are related to seasonal variation of Dissolved Oxygen (DO) and pH in ponds.
			Lake Rox Village	0	0		No notifiable events.
			Ranfurly	12	20 - Stream Results		The events were related to Upstream/downstream samples, the discharge from WWTP is compliant.

WASTEWATER continued

Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results		2013/14 Results	Our Aim Years 1-3	Comments
			Naseby	0	8 Flow 4 Stream Results		Plant exceeded flow consent on 8 occasions (rainfall). (New equipment was set up in July and as a result no data was collected.) Four events were related to Upstream/downstream samples, the discharge from WWTP is compliant. Period December to January 2014.
A Safe and Healthy Community		Sewage is managed without risk to public health	No properties affected more than twice in this year		1	Frequency of blockages affecting a single property, no more than twice a year	Not achieved. The Caravan dump station suffered 7 blockages over the year caused by foreign objects being discharged into the line.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – WASTEWATER				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	2,822	3,007	2,690	2,686
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	2	2	2	1
Internal charges, and overheads recovered	64	90	122	55
Local authorities fuel tax, fines, infringement fees, other receipts	5	5	5	18
Total Operating Funding	2,893	3,104	2,819	2,760
Applications of Operating Funding				
Payments to staff and suppliers	1,055	1,123	916	928
Finance costs ¹	141	200	172	-
Internal charges, internal interest and overheads applied	398	398	388	416
Other operating funding applications	56	58	58	50
Total Applications of Operating Funding	1,650	1,779	1,534	1,394
Surplus/(Deficit) of Operating Funding	1,243	1,325	1,285	1,366
CAPITAL – WASTEWATER				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	371	386	108	211
Increase (decrease) in debt ²	2,383	1068	1,011	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	2,754	1,454	1,119	211
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	174	194	208	201
- to improve the level of service	838	1,022	696	184
- to replace existing assets	887	860	965	178
Increase(decrease) in reserves ³	2,098	703	535	1,014
Increase(decrease) in investments	0	-	-	-
Total applications of capital funding	3,997	2,779	2,404	1,577
Surplus (Deficit) of Capital Funding	(1,243)	(1,325)	(1,285)	(1,366)
Funding Balance		-		-
Depreciation Expense (not included in above FIS)	1,219	1,284	1,246	1,176

Notes

1, 2, 3 We are yet to borrow externally

STORM water



Stormwater



OUR SPACE, OUR CHALLENGES

The stormwater activity provides for the safe removal of excess rainfall that does not naturally permeate into the ground. We manage and monitor stormwater for 10 townships.

In managing stormwater run-off we utilise over 91km of pipes channels and open drains with more than 800 manholes. As at July 2013 our stormwater infrastructure had a replacement cost of \$29.9 million.

The stormwater activity is a secondary contributor to two of our community outcomes.

With the feedback received from the community it is evident that our level of service needs to be reviewed. We will also undertake catchment management plans and flood surveys across the district.

RISING TO THE CHALLENGES

Maniototo Stormwater

Ranfurly Northland Street stormwater extension comprising of 175m of 375mm diameter concrete pipework was completed and accepted by Council in June 2014.

HOW WE MEASURE OUR SUCCESS

STORMWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	Proportion of our budgeted works programme completed annually	37%	65%	100% of budgeted works completed within the financial year	Not achieved. Ranfurlly Northland Street stormwater extension pipework was completed under budget. The flooding investigations (Maniototo), planned for this year, were postponed.
		Number of requests for service received from customers	15	4	Number of service requests trending down from 10	Achieved. Downward trend from 17 recorded in 2010/11 – highly dependent on frequency of heavy rainfall events.
A Safe and Healthy Community	Provide a safe and compliant stormwater network	Compliance with resource consents in relation to stormwater discharges to water ways	100%	100%	100% compliance	Achieved.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – STORMWATER				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	354	354	352	352
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges, and overheads recovered	26	33	34	33
Local authorities fuel tax, fines, infringement fees, other receipts	-	-	-	-
Total Operating Funding	380	387	386	385
Applications of Operating Funding				
Payments to staff and suppliers	58	60	60	75
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	53	47	47	46
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	111	107	107	121
Surplus/(Deficit) of Operating Funding	269	280	279	264
CAPITAL – STORMWATER				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	-	-	-	-
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	8	1	1	308
- to improve the level of service	45	33	32	73
- to replace existing assets	56	10	80	-
Increase(decrease) in reserves	161	236	166	(117)
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	269	280	279	264
Surplus (Deficit) of Capital Funding	(269)	(280)	(279)	(264)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	394	402	401	376

TRANSPORTATION



Transportation



OUR SPACE, OUR CHALLENGES

The transportation activity is a primary contributor to all three of our community outcomes. It enables the movement of goods, people, and services across our district.

We utilise a significant number of transportation assets to deliver our community outcomes. The largest of this is more than 1850km of roads spreading throughout the district. Most of these, approximately 1360km, are unsealed roads or tracks. We utilise 176 bridges, just under 5000 culverts and close to 12,000 hectares of road reserves. As at 30 June 2014 the gross replacement cost of our roading network was \$521 million.

Our challenge is to manage a vast and ageing roading network within an environment of constrained funding, rising community expectations and changing population demographics.

RISING TO THE CHALLENGES

Roading Policy and Bylaw

The Roading Policy was consulted on late 2013 and adopted in February 2014.

Work then turned to draft the associated bylaw, for which a draft proposal will be presented to Council later in 2014.

The bylaw will be made of the following key components:

1. Enforcement provisions for the Roading Policy
2. Car parking bylaw provisions
3. Heavy Vehicle Restrictions, Cromwell

Heavy Vehicle Loads – 50MAX Rule

The Roading Committee agreed in December 2013 to lower bound High Productivity Motor Vehicle (HPMV) up to a gross weight of 50 tonnes being permitted to use the CODC road network where appropriate and for NZTA to issue permits on CODC's behalf. The move to allow 50MAX vehicles on our local roads is expected to bring economic benefits to the wider community.

Activity Management Plan

There are a number of areas where further work has been undertaken to provide more robust data for preparing the 30-year infrastructure strategy and Council's Long Term Plan.

Bridge inspections were completed in the 2013/14 year and the data is being analysed. Further structural inspections will be required on some of the bridges.

Pavement testing was undertaken to establish what the remaining life is in the sealed roads. Deterioration modeling was also undertaken on the sealed road network to establish the level of investment required over the next 30 years to ensure a fit for purpose level of service is maintained. Funding for sealed road maintenance and renewals makes up approximately a third of Council's roading budgets.

A business case was prepared for changing Council's lights to LED, which will enable sizeable cost savings in the future.

The Roothing team has been investigating using a phone app mounted in a cycle trailer to measure the roughness of footpaths in order to meet the Department of Internal Affairs' requirements for mandatory measures for footpath condition.

The Central Otago District Roothing Network has been reviewed against the National One Network Roothing Classification framework, and we are now working on defining the levels of service at a customer level, and at a technical level for roads in each classification level.

Intersection Improvements, Alexandra

Improvement work was carried out at the intersection of Killarney, Spencer, Bantry and Moa streets. The work was high up on the Roothing team's list of improvement projects due to the crash history at the spot. The intersection layout's redesign was aimed at reducing speed, improving visibility and increasing the separation between the intersections to make it safer.

Our community asked us...

To have a well connected community through a safe roading system.

New Drop Crossings

Extensive improvements have been made to the kerbs at intersections across the district to improve accessibility. The new drop crossings will assist in public access between footpaths, especially for those with prams, wheelchairs and mobility scooters.

Road Safety Programme

Central Otago's Best Young Driver competition ran for the second year with 22 competitors taking part in the driving skills programme and competition held at Highlands Motorsport Park in Cromwell. The competition received great coverage from ONE News this year, an added bonus on top of the competitors learning valuable life-long skills and volunteers pulling together for a worthy initiative.

Many other safety campaigns were run throughout the year with the support of volunteers and partner agencies, including three skills courses run for motorcyclists; fatigue stops timed around busy holiday periods/long weekends with the Lions and Police; and safety belt wearing surveys with Maniototo Area School. Giveaways of winter resources – heavy duty ice scrapers and windscreen soft cloths – were well received by the public, as were the introduction of website and social media daily Winter Road Reports.

HOW WE MEASURE OUR SUCCESS

TRANSPORTATION						
Community Outcomes	Our Objective Level of Service	How we measure success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide a fully accessible roading network	Proportion of customers who are satisfied with the provisions made for cyclists and footpath facilities	Cycling 82% Footpath 81%	Cycling 85% Footpaths 78%	To develop an upward trend in customer satisfaction	Not achieved. Large proportion of comments relate to extent of service and not satisfaction with existing assets.
		Proportion of people making use of alternative transport mechanisms within the district	Cycling 17% Walking 33%	Cycling 14% Walking 30%	3% increase per annum	Not achieved. There has been no promotional campaigns to increase walking and cycling and as a result we are seeing a slight decline.
		Average length of time to issue a consent for access to a road	1 day	1.6 days	To develop a downwards trend in number of days	Not achieved. The average time has increased but is still very low at less than 2 days. This was down from 2.54 days on 2010/11.
A Sustainable Environment	Provide an efficient roading network	Proportion of our budgeted capital works programme completed annually	113% of the projects were completed with 90% of the budget spent	115% of the projects were completed with 96% of the budget spent	100% of budgeted works completed within the financial year	Achieved. We got more work done than was anticipated in the budget. Some Minor Improvement work was deferred to enable the Clyde Underpass to be progressed in 2014/15.
		Number of service requests received from customers	492	509	No more than 650 requests per annum	Achieved.
		Customer satisfaction with car parks	89%	88%	To develop an upward trend in customer satisfaction	Not achieved. Static trend.

TRANSPORTATION continued

Community Outcomes	Our Objective Level of Service	How we measure success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Safe & Healthy Community	Provide a safe roading network	Total number of crashes on district roads reported to Police	-	-	To reverse the upwards trend in crash numbers	No longer measured as police are not consistently reporting this information to be recorded in the national crash database.
		Number of serious injury and fatal crashes on district roads and state highways	District roads – 6 SH – 13 Total – 19	District roads – 6 SH – 12 Total – 18	To reverse the upwards trend in crash numbers	Achieved. Currently a static trend.
		Sealed Roads Roughness, Smooth Travel Exposure (STE) (%), Pavement Integrity Index (PII) Unsealed Roads Roughness	STE = 97% the NZ Av (2011/12) is 86% P I Index = 7.2 NZ Av (2011/12) is 6.3 Unsealed to be developed	STE = 94% the NZ Av (2012/13) is 84% P I Index = 7.1 NZ Av (2012/13) is 6.3 Unsealed to be developed	To maintain the STE % higher than the NZ average and PII lower than NZ average	Achieved for STE which is consistently higher than NZ average. Not achieved for PII. This remains above NZ average due to funding constraints driving prioritisation of works resulting in rougher low volume roads
		Customer satisfaction with condition of sealed roads	90%	96%	To maintain customer satisfaction at or above 90%	Achieved.
		Customer satisfaction with condition of unsealed roads	75%	72%	To develop an upward trend in customer satisfaction	Not achieved. Funding constraints have driven prioritisation works resulting in in rougher low volume unsealed roads.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – TRANSPORTATION				
General rates, uniform annual general charge, rates penalties	3,752	4,059	3,893	3,893
Targeted rates	511	561	547	546
Subsidies and grants for operating purposes	1,523	1,515	1,553	1,526
Fees and charges	15	12	2	35
Internal charges, and overheads recovered	44	51	42	49
Local authorities fuel tax, fines, infringement fees, other receipts	146	146	151	184
Total Operating Funding	5,991	6,344	6,188	6,233
Applications of Operating Funding				
Payments to staff and suppliers	3,261	3,249	3,233	3,189
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	743	748	832	818
Other operating funding applications	28	29	31	45
Total Applications of Operating Funding	4,032	4,026	4,096	4,052
Surplus/(Deficit) of Operating Funding	1,959	2,318	2,092	2,181
CAPITAL – TRANSPORTATION				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	1,891	1,821	1,821	1,917
Development and financial contributions	319	328	120	285
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	5	5	5	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	2,215	2,154	1,946	2,202
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	1	480	470	1,812
- to improve the level of service		537	555	655
- to replace existing assets		2,938	2,930	3,080
Increase(decrease) in reserves	2	219	83	(1,164)
Increase(decrease) in investments		-	-	-
Total applications of capital funding	4,174	4,472	4,038	4,383
Surplus (Deficit) of Capital Funding	(1,959)	(2,318)	(2,092)	(2,181)
Funding Balance	-	-		
Depreciation Expense (not included in above FIS)	4,321	4,435	4,236	4,299

Notes

1.2 \$1.3 million of roading assets were vested in Council

OTHER infrastructure

waste minimisation airports
elderly persons housing public toilets
district/commercial property



Waste Minimisation



OUR SPACE, OUR CHALLENGES

There are two distinct areas of service in providing this activity – waste management and waste minimisation. Waste management collects and disposes of your rubbish, provides access to transfer stations, green waste drop-offs and recycling. Waste minimisation focuses on leading, facilitating and educating the community on wiser use of resources and environmental sustainability.

We provide a weekly kerbside wheelie bin service to approximately 7500 properties (domestic and commercial) across the district, and weekly kerbside recycling in the larger townships of Cromwell, Clyde and Alexandra. We supplement this with five green waste and 10 recycling drop-off sites throughout the district and we support Central Otago WasteBusters to process all recycled materials. All residual waste, that cannot be reused or recycled at our transfer stations, is disposed into the Victoria Flats Landfill in Queenstown.

Waste minimisation is a primary contributor to two of our community outcomes.

Society places no value on rubbish yet it still costs money to collect and dispose of it. The environmental cost of rubbish disposal is beginning to be understood also. The Waste Minimisation Act 2008 recognised that the true cost of waste should be met by the polluter. It shifted our focus from managing waste to minimising it. So we are changing the way we think about rubbish. Producing waste indicates an inefficient use of resources.

RISING TO THE CHALLENGES

Towards Zero Waste

Since 2007 the annual tonnage of general waste to landfill has continued to trend down and this year was no exception. While the tonnage decreases aren't huge, it is hoped that with the move to fortnightly refuse collection from July 2014 the results will show a greater move towards zero waste with more recycling and more 'reducing' (e.g. minimising packaging waste), or increased home composting. The total amount of recycling has again crept up from previous years and indicates greater participation in the available recycling services. The move towards zero waste and reduction in resources used is indicated by the total materials sent to landfill and the total materials sent to the recycling market being less than in previous years.

Sustainable Living and Learning

More than 70 individuals and community organisations helped deliver the annual Alexandra Thyme Festival sharing their skills and knowledge in various aspects of sustainable living and the arts. Waste minimisation and recycling themes complemented several workshops, exhibitions and events. The numbers of bookings managed by Central Otago REAP for the workshops and events increased on previous years.

A wide variety of events were coordinated by MAD4CO during World Environment Week including: native planting on Boundary Road in Alexandra with local schools and KACB volunteers; a grafting workshop at the Graveyard Gully heritage apple tree; a cloth bag campaign at New World Supermarket; lunchbox conversations on 'Gearing up for Change', climate change forums, food forest project; environmental poetry readings; and the premiere screening of the Food Project locally filmed documentary.

Throughout the year events hosted by MAD4CO have also included opportunities to discuss climate change impacts and scenarios with international climate research scientists, including potential climate futures for the district.

The facilitation of the Enviroschools programme to Central Otago primary and area schools grew to include a wider connection to early childhood education centres. This has included greater involvement from parents of young children in the learning of waste minimisation and wider sustainability practices.

MAD4CO Maniototo held a number of sustainable living events including a focus on water and waterways and recycling on the farm.

The annual Keep New Zealand Beautiful Week saw participation from a large number of groups and individuals in clearing litter and promoting responsible litter disposal and recycling.

Our community asked us...

To reduce the waste we generate and increase recycling.

Refuse Collection

The tender process for the new refuse collection saw an eight-year contract awarded to AllWaste, the incumbent contractor. Under the new refuse collection contract 432 new properties were brought into the Council collection area including Pisa Moorings, Bannockburn and the lower part of Letts Gully Road in Alexandra. New wheelie bins were rolled out to the approximately 8500 properties and will be collected on a fortnightly basis. The bins belong to the contractor but will become Council property on termination of the contract.

As a result of the change in frequency of refuse collection to fortnightly the 'Gearing up for Change' campaign was launched. Central Otago District Council, Central Otago WasteBusters and MAD4CO launched the campaign to tackle the challenge of getting ready for this change together with our communities.

Activities included regular columns in The News; media articles; radio interviews; events including Thyme Festival, World Environment Week, the summer A&P show circuit; public workshops and presentations at community meetings on Waste Minimisation; regular composting demonstrations; nappy lady workshops; expanded website information and resources; YouTube videos; Facebook posts and discussions; and a schools' Zero Waste Challenge focused on conducting school or at home waste audits.

A mail-out detailing the change was sent to all ratepayers receiving the collection service and information was delivered to householders with bins in June including a 2014/15 collection calendar, maps of new collection areas and recycling information.

Recycling and Central Otago WasteBusters

A new General Manager started at COWB in March and has implemented improved Health and Safety procedures, including a new yard layout and the establishment of a new H&S committee. COWB's monthly newsletter has been revamped and renamed 'The Recycler', with a new email database and website being launched to improve communications into the future.

An action in the Waste Minimisation and Management Plan to expand the network of recycling drop-off facilities across the district is currently being worked through with the Pisa Moorings, Millers Flat communities and WasteBusters.

Ewaste

Nearly 1400 old style CRT TVs were brought in under the Government subsidised TV Takeback scheme within the Central Otago district. The scheme heightened awareness of the need to deal with ewaste responsibly.

To reduce environmental harm caused by hazardous materials being dumped in landfill, a submission was submitted to the Ministry for the Environment on behalf of the Council. The submission pushed for greater producer responsibility under a mandatory scheme to improve the management of electrical and ewaste, tyres, agrichemicals and farm plastics, refrigerants and other synthetic greenhouse gases.

Closed Landfill Compliance Monitoring

Compliance monitoring and maintenance at the 15 closed landfills across the district has continued with regular walkover and groundwater monitoring undertaken. Due to the late delivery of the annual monitoring report to the Otago Regional Council a minor non-compliance has been noted on the consents. Minor maintenance has been completed at several sites and the groundwater monitoring results have all been compliant and do not indicate any concerns regarding the surrounding environment. Landfill cap maintenance requirements have been identified at some sites and work to maintain the caps integrity will be scheduled for the future.

HOW WE MEASURE OUR SUCCESS

WASTE MINIMISATION						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Engage the community in waste reduction and wiser use of resources	Total quantity to landfill (tonnes pa)	9197 tonnes	8910 tonnes	Incremental year on year reduction	Achieved. Total of general waste to landfill generated in CODC trends down. Total does not include sewage sludge/biosolids.
		Total amount generated per person	893kg	878kg	Incremental year on year reduction (measured as rubbish+recycling)	Achieved. Total materials 'consumed' trends down achieving reduction in stuff used. This is measured per household (based on 12,459 rateable properties with Uniform Annual General Charge) as it is more reliable than available population data. This is measured per household (based on 12,459 rateable properties with Uniform Annual General Charge) as it is more reliable than available population data. 10,795Tonne divided by 12,459 households
		Total quantity diverted by COWB (tonnes p.a.)	1743 tonnes	1885 tonnes	Incremental year on year increase	Achieved. Total amount of materials recycled has increased.
		Average wheelie bin weight (kg/bin collected)	16.7 kg	16.2 kg	Incremental year on year reduction in wheelie bin weight	Achieved. Average weight of wheelie bins has reduced indicating less waste generation on a property by property basis.
		% of wheelie bins set out for collection each week	77.4%	78.8%	Reduce year on year the percentage of bins set out for collection	Not achieved. The average set out rate has increased which indicates a greater participation in refuse collection. This is likely to be influenced by the number of non-permanent residents participating in the refuse collection service.

WASTE MINIMISATION continued

Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
		Percentage of residents satisfied with the execution of waste minimisation and Council's aim of moving towards zero waste	80%	73%	Improve customer satisfaction to 100%	Not achieved. Satisfaction with 'Provision for waste minimisation', 'Information provided about waste minimisation in the district' and 'Action by Council to achieve waste minimisation (zero waste)' is down from previous years. This is likely due to the high level of media interest and communications on the implementation of the fortnightly refuse collection.
A Safe and Healthy Community	Provide compliant waste systems and facilities	Compliance with resource consents for transfer stations, closed and operational landfills	88%	88%	Incremental percentage improvements	Achieved. Non-compliance issues at closed landfills relate to landfill cap maintenance requirement and are considered minor non-compliance. Percentage is based on prior consistent methodology.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – WASTE MINIMISATION				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	2,136	2,371	2,348	2,348
Subsidies and grants for operating purposes	50	52	52	28
Fees and charges	40	41	53	54
Internal charges, and overheads recovered	2	1	1	23
Local authorities fuel tax, fines, infringement fees, other receipts	627	857	627	647
Total Operating Funding	2,855	3,322	3,081	3,100
Applications of Operating Funding				
Payments to staff and suppliers	2,586	2,732	2,572	2,593
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	256	289	276	290
Other operating funding applications	136	248	175	142
Total Applications of Operating Funding	2,978	3,269	3,023	3,025
Surplus/(Deficit) of Operating Funding	(123)	53	58	75
CAPITAL – WASTE MINIMISATION				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	46	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	-	46	-	-
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
- to improve the level of service	217	92	217	32
- to replace existing assets	-	-	-	6
Increase(decrease) in reserves	(340)	7	(159)	37
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	(123)	99	58	75
Surplus (Deficit) of Capital Funding	123	(53)	(58)	(75)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	54	56	57	56

Other Infrastructure



OUR SPACE, OUR CHALLENGES

The other infrastructure activity includes the provision of elderly persons' housing and public toilets. We own and lease a variety of commercial and farm properties, and develop land for sale. The income from commercial property is used to fund other Council costs. We manage the assets at the aerodromes at Alexandra, Cromwell and Roxburgh. We own and manage forestry blocks, which provide an amenity value for the community.

As at July 2012 the total replacement cost of our other infrastructure assets was \$11.1 million, with the land on which they are held valued at \$37 million.

The services provided by other infrastructure are a primary contributor to two of our community outcomes.

Our challenges in this space include: balancing appropriate levels of service while not placing too great a burden on tenants and ratepayers; weighing up our investments in property and land, and the benefit to the community from further investment or sale; and the implications of earthquake prone building legislation.

RISING TO THE CHALLENGES

Property Assessments

All 125 of Council's buildings have been inspected during the year and conditional assessments updated along with estimates for future planned repairs and renewal. This is part of the work to develop the draft Long Term Plan 2015-25.

Public Toilet Facilities

A new toilet was constructed at Dustin Park to service the boat ramp and playground.

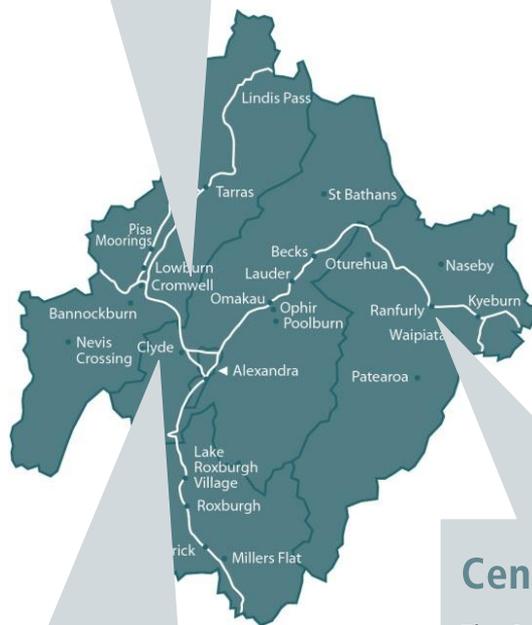
The Teviot Prospects community plan group beautification project, including living wall and artwork installation, was completed outside the Roxburgh toilets in October. The toilets featured on the TV1 programme 7 Sharp.

Our community asked us...

To retain key services and facilities which are appropriate to the local community while retaining volunteer networks.

Cromwell Town Centre Redevelopment

The Northern Edge redevelopment was completed by the end of November. An official opening officiated by the Board Chair was held on Saturday 30 November 2013. Design work for the next stages of development is underway.



Clyde Railway Station

Full funding has been obtained for the urgent restoration work to the Clyde Railway Station through various grants, donations and community fundraising. The Station Working Group has considered recommendations for future use from the Conservation Plan for the Category II historic building, along with suggestions from public meetings and the Clyde Community Plan, and the proposal is for the building to have a mixture of commercial and public activity.

An invitation for Registrations of Interest for contractors to complete the restoration work will be advertised in July followed by a competitive tender process. Registrations of Interest for those wanting to use/lease the building will be sought in August.

Centennial Milkbar

The Centennial Milkbar building in Ranfurly suffered fire damage in January, requiring tenants to move out for a varying periods. The community got behind a working bee that formed part of the remedial repair work for the fire damaged areas.

HOW WE MEASURE OUR SUCCESS

OTHER INFRASTRUCTURE						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
Thriving Economy	Commercial buildings are maintained and upgraded where necessary, the prime driver being to maintain the ability to maximise the economic return and the integrity of the asset	Decreasing number of complaints received from tenants/leaseholders	0	0	Decreasing	Achieved. No complaints received.
	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Full compliance	Full compliance	Full compliance	Achieved. Annual compliance inspections undertaken by building compliance contractor and building warrants of fitness issued.
Safe and Healthy Community	Housing suitable and affordable for elderly is provided in the main townships until such time as the need can be met by other agencies	Number of units available in the district and their location	98 units	98 units	98 units	Achieved.
	Free public toilets are available for the local community and visitors throughout the district at locations set out in the Public Toilet Strategy	Number and location of public toilets	25 available	26 available	27 available	Not achieved. 26 achieved as at the end of year 2 of 3. Dustin Park was commissioned in 2013/14. Tarras toilet partnership project is under negotiation.
	Airports will meet Airways Corporation's four-yearly inspection criteria	Five-yearly inspection and certification by Civil Airways Corporation	Full compliance	Full compliance	Full compliance	Achieved.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – OTHER INFRASTRUCTURE				
General rates, uniform annual general charge, rates penalties	608	652	637	637
Targeted rates	360	316	258	258
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	742	761	733	753
Internal charges, and overheads recovered	17	29	28	46
Local authorities fuel tax, fines, infringement fees, other receipts	48	49	59	192
Total Operating Funding	1,775	1,807	1,715	1,886
Applications of Operating Funding				
Payments to staff and suppliers	1,656	1,660	1,599	1,713
Finance costs	0	0	0	0
Internal charges, internal interest and overheads applied	(287)	(280)	(269)	(255)
Other operating funding applications	388	401	352	344
Total Applications of Operating Funding	1,757	1,781	1,682	1,802
Surplus/(Deficit) of Operating Funding	18	26	33	84
CAPITAL – OTHER INFRASTRUCTURE				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	100	76
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	1 2,362	1,362	3,360	13
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	2,362	1,362	3,460	89
Applications of Capital Funding				
Capital expenditure	-	-	-	-
-to meet additional demand	-	-	115	148
- to improve the level of service	15	4	15	55
- to replace existing assets	2 2,257	1,176	3,369	87
Increase(decrease) in reserves	108	208	(6)	(117)
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	2,380	1,388	3,493	173
Surplus (Deficit) of Capital Funding	(18)	(26)	(33)	(84)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	265	275	281	303

Notes

- 1,2 Council has provided funding of \$2 million for the Cromwell ward for property purchase and/or development. However, this was offset by budgeted income of \$2 million to ensure the net effect of providing an approved budget is zero. The inclusion of these items in the Annual Plan highlight to the Cromwell community that Council will consider opportunities for development should they present.

COMMUNITY services

tourism libraries
swimming pools business development cemeteries
visitor information centres central otago brand
community planning parks
promotion and grants



Parks, Reserves & Cemeteries



OUR SPACE, OUR CHALLENGES

Access to parks, reserves, rivers and recreational facilities are important for our overall well-being. Maintaining high quality open spaces is what makes our district an attractive place to live, work and play. Our overarching goal is to provide recreational facilities that work for the users. In providing this activity we utilise 146 hectares of land and 15 playgrounds.

The provision of cemeteries assists with peace of mind for people, knowing their loved ones will rest in peaceful, well-kept environments. Council is responsible for 11 cemeteries in the district.

Parks, reserves and cemeteries contribute to all three of our community outcomes.

Our challenge in the parks and reserves activity involves ensuring we understand what recreational users really want and provide for that. As we work through Reserve Management Plans we will be involving the community at each stage to ensure we have robust plans for the future.

We have a responsibility to the community, and under the law, for the maintenance of burial records and cemetery grounds, burial of human remains and interment of human ashes. Some of our cemeteries need further development. We have developed a strategy and operational direction to clearly guide us through these challenges.

RISING TO THE CHALLENGES

Reserve Management Plans

The Vincent Community Board adopted the final Molyneux Park Reserve Management Plan at its meeting in December 2013.

A final version of the Teviot Valley Reserves Management Plan was presented to the Teviot Valley Community Board in February and adopted.

Work began in the first quarter of 2014 gathering information for the reserve management plan for Anderson Park and Alpha Street and work on this will continue throughout the year.

The review of the reserve management plan for Pioneer Park is well underway and a draft of this went out for public consultation, closing late July.

Our community asked us...

To respect landowners' rights, while enjoying access to our lakes and recreational areas.

Encourage walking and cycling for the community's health and wellbeing.

New Facility at Omakau Recreation Reserve

The new amenity block at the Omakau Recreation Reserve was opened in March.



Molyneux Park Beautification

The road extension landscaping work has been ongoing at Molyneux Park with the completion of the natural playground down by the netball courts and installation of the irrigation in this area. This has tied in nicely with the netball club's court upgrade and the area now looks very tidy. The entrance signs at Molyneux Park have also been built.

HOW WE MEASURE OUR SUCCESS

PARKS, RESERVES & CEMETERIES							
Community Outcomes	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3		Comments
Thriving Community	Areas are maintained and operated so that they look good and meet the needs of users	% of residents satisfied with maintenance of parks and reserves	95%	96%	Maintain satisfaction with maintenance of parks and reserves at above 90%	Achieved.	Service requests have been trending down in Parks, Reserves and Cemeteries reflecting the proactive management of this activity.
			97%	98%	Maintain satisfaction with maintenance of sportsfields at above 90%	Achieved.	
Sustainable Environment	To provide access to a network of parks and reserves that meets community demand	Proportion of residents satisfied with parks and reserves and cemeteries through the Resident Opinion Survey	99%	98%	Maintain satisfaction with provision of parks and reserves at above 90%	Achieved.	
			99%	99%	Maintain satisfaction with provision of sportsfields at 90%	Achieved.	
			96%	93%	Cemeteries – maintain satisfaction with provision of cemeteries at above 90%	Achieved.	
Safe & Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	% of residents satisfied with maintenance of playgrounds	96%	97%	Maintain satisfaction with maintenance of playgrounds at above 90%	Achieved.	

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – PARKS, RESERVES & CEMETERIES				
General rates, uniform annual general charge, rates penalties	-	-	11	10
Targeted rates	1,969	2,031	1,977	1,977
Subsidies and grants for operating purposes	220	11	124	177
Fees and charges	420	433	433	421
Internal charges, and overheads recovered	18	19	20	41
Local authorities fuel tax, fines, infringement fees, other receipts	16	15	16	28
Total Operating Funding	2,643	2,509	2,581	2,654
Applications of Operating Funding				
Payments to staff and suppliers	1,819	1,875	1,892	1,828
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	191	198	184	190
Other operating funding applications	73	66	59	102
Total Applications of Operating Funding	2,083	2,139	2,135	2,120
Surplus/(Deficit) of Operating Funding	560	370	446	534
CAPITAL – PARKS, RESERVES & CEMETERIES				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	74	6	16	-
Development and financial contributions	40	40	40	152
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	114	46	56	152
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	307
- to improve the level of service	-	-	-	376
- to replace existing assets	830	257	513	221
Increase(decrease) in reserves	(156)	159	(11)	(218)
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	674	416	502	686
Surplus (Deficit) of Capital Funding	(560)	(370)	(446)	(534)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	484	492	462	527

Community Facilities, Libraries & Swimming Pools



OUR SPACE, OUR CHALLENGES

Community facilities, libraries and swimming pools contribute to two community outcomes.

Our community facilities and buildings provide places for social, sporting and cultural interaction. As at July 2011 the total replacement cost of our community facilities buildings was \$47.4 million. The land on which these facilities are located was valued at \$5.1 million. This land is freehold or held in trust.

A significant challenge for this activity is to review our level of service and consider the financial viability of our halls. We also need to balance this with the potential loss of heritage and consider the long-term effects on our smaller rural communities.

Our libraries promote literacy, education and the exchange of information and ideas. We provide libraries under a shared services arrangement with Queenstown Lakes District Council.

The main challenge for libraries is keeping up with technology to ensure the customer experience provided is consistent with modern expectations.

Swimming pools contribute to the health and well-being of the community, add to the attractiveness of the area, and provide a place for people to learn to swim. We manage the Cromwell Swim Centre and Molyneux Aquatic Centre directly, along with a community swimming pool in Ranfurly.

The maintenance and operational costs of providing swimming pools is our biggest challenge in this area, particularly the cost to heat the pools over winter.

RISING TO THE CHALLENGES

Community Halls – Level of Service Review

Considerable work has been done on analysis of the census and use data that was collected as part of the Community Halls Review. Workshops have also been held with community boards to discuss the communities of interest population data, use data and financial information for all halls. This substantial piece of work will contribute to preparation for the draft Long Term Plan 2015-25.

Work has also commenced on preparation of a draft Memorandum of Understanding with Hall Committees to provide consistency and clearly identify Hall Committee and Council's roles with Halls management.

Bannockburn Hall

The Bannockburn Hall was closed to the public in March 2011 due to an engineer's report identifying the earthquake proneness of the building.

However more detailed engineering assessment resulted in the hall being considered to meet about 80% of the national Building standard. In May 2014 the hall was reopened for public use.

The Bannockburn Community Centre Management Incorporation considering options to progress development of the Bannockburn Hall.

Iceline & Molyneux Aquatic Centre Joint Energy Proposal

The community was asked in September 2013 through a standalone consultation to give feedback on the Vincent Community Board (VCB) proposal to contribute up to \$1.5 million to achieve a co-located ice rink and aquatic centre in order to use the waste heat from the rink to heat the pools.

VCB has taken a very considered approach to the proposal, as the upfront investment is significant but so too are the long-term benefits of sharing heating and cooling facilities and reducing costs. The Board approved its funding contribution towards the joint initiative and Council staff continue to work closely with ice rink representatives as they further develop this project.

In early 2014 registrations of interest for alternative uses for the old rink site were invited with only one registration received for a new Hockey Turf. At a meeting in May the Vincent Community Board approved the hockey turf as the preferred option subject to the turf committee providing a satisfactory feasibility study for the project.



Molyneux Stadium Makeover

Molyneux Stadium had a fresh paint job (inside and out) and new signage, as programmed in the Long Term Plan for this year. Interior Designer Sally Smith from Roxburgh donated her services as a colour consultant to help give the Stadium a fresh new look. The makeover included a large banner featuring photographs of the area and the "World of Difference" brand which has pride of place on the wall above the basketball scoreboard.

Libraries

Appointments were made in April to the new positions of District Library Manager (Rebecca McElrea) and Collections Manager (Nikki Williams) for the Central Otago libraries.

A policy regarding school visits has been developed in consultation with Queenstown Lakes Libraries. The policy sets out the benefits of class visits to our libraries and what we have to offer. It also sets out parameters for children checking out books and teachers checking out class sets.

Primary school principals in Cromwell, Alexandra and Clyde have been taken through the policy by the District Library Manager, which was received very positively.

Central Otago Queenstown Lakes Libraries have purchased a software tool called CollectionHQ, which provides guidance on what actions to take to improve the performance of our collections. This is done through evidence-based performance monitoring. Staff members are currently training to use Collection HQ, which has the ability to bring considerable benefits to our libraries.

Central Otago libraries continue to incorporate new technology to keep our district libraries relevant and responding to customer need.

New self-checkout machines were introduced in Alexandra and Cromwell libraries in early 2014 and a new-look online catalogue has been launched, which introduces new functions such as the ability to view charges/fines and your library reading history.

Online digital media services continue to grow through the South Island Downloadable Zone for e-Books and e-Audio and the Bolinda Borrow Box for e-Audio, meaning even when the doors of the local library are closed there's still round the clock access to a growing range of titles.

The Libraries team has been using social media, the website and the rates newsletter to promote these services more widely and promote elements of both the digital and physical library collections.

Swimming Pools

Work was carried out on Centaman with the system merged in the last week of March. This now means that pool users can use their membership cards at both swim centres; the Central Swim School team can now see both Molyneux and Cromwell lessons from the one computer location; and we will be able to move towards electronic newsletters and other types of online promotion.

Cromwell Swim Centre's main lap pool was tiled, with the project complete by the end of September marked by an official reopening and pool party on 30 September.

Our community asked us...

To provide places and spaces for arts and cultural expressions.

HOW WE MEASURE OUR SUCCESS

COMMUNITY FACILITIES, LIBRARIES & SWIMMING POOLS						
Community Outcomes	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
Thriving Community Safe & Healthy Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied	94%	91%	85% satisfied by ward	Achieved. Data from Resident Opinion Poll was a sample of 630 giving a sampling error of 3.19 to 4.5%.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Not achieved	Not achieved	Charging policy in place	This measure cannot be achieved until the level of service review is completed.
	To provide all year round aquatic facilities (with the exception of some public holidays) that are affordable to ratepayers and meet the needs of the majority of users	Percentage of users satisfied as per Resident Opinion Survey results	97%	93%	Maintain user satisfaction at > 90%	Achieved. Retiling of the Cromwell Swim Centre occurred during the period and the pool was closed for an extended period.
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass for both Molyneux Aquatic Centre and Cromwell Swim Centre	Pass for both Molyneux Aquatic Centre and Cromwell Swim Centre	To Pass	Achieved.
	To maximise the number of residents that use the library	The percentage of residents who have used a library in the past 12 months	72%	68%	Maintain % of residents who use the library in the preceding 12 months	Not achieved. With the introduction of new technology we are seeing a change in the way our library services are used.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Report \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – COMMUNITY FACILITIES, LIBRARIES & SWIMMING POOLS				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	3,281	3,670	3,608	3,607
Subsidies and grants for operating purposes	27	90	92	4
Fees and charges	574	586	578	537
Internal charges, and overheads recovered	19	19	19	23
Local authorities fuel tax, fines, infringement fees, other receipts	106	107	108	106
Total Operating Funding	4,007	4,472	4,405	4,277
Applications of Operating Funding				
Payments to staff and suppliers	2,671	2,917	2,979	2,658
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	550	617	624	574
Other operating funding applications	260	373	264	234
Total Applications of Operating Funding	3,481	3,907	3,867	3,466
Surplus/(Deficit) of Operating Funding	526	565	538	811
CAPITAL – COMMUNITY FACILITIES, LIBRARIES & SWIMMING POOLS				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	141	1,553	54	5
Development and financial contributions	-	-	-	12
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	1	-	2	250
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	141	1,553	56	267
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
- to improve the level of service	2	1,174	570	1,392
- to replace existing assets	940	2,180	83	66
Increase(decrease) in reserves	(843)	(1,236)	(59)	(380)
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	667	2,118	594	1,078
Surplus (Deficit) of Capital Funding	(526)	(565)	(538)	(811)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	971	969	922	927

Notes

- 1 The Cromwell Medical Centre was sold
- 2 Work on the Cromwell Town Centre upgrade was budgeted in full during the 2012/13 year, however the work programme was ongoing to the end of the 2013 calendar year.

District Development



OUR SPACE, OUR CHALLENGES

We facilitate economic opportunity indirectly with the provision of infrastructure, recreational and cultural assets. We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund.

The district development activity is a primary contributor to all three of our community outcomes.

Our challenges in District Development include:

- working with community groups, businesses and organisations to build the Central Otago economy, by identifying opportunities, facilitating initiatives and providing support where possible;
- keeping up with changes in industry and technology, and visitor demand;
- responding to the challenges of visitor growth while maintaining affordability, through innovation and improvement of existing facilities;
- continuing to support community planning groups and develop community plans that feed into our Council planning process;
- encouraging the local community to use the regional brand consistent with our regional values; and
- engaging with community groups to build partnerships based on innovation and resourcefulness.

Rising to the challenges

Economic and Business Development Strategy

The Central Otago Economic and Business Development Strategy 2013-2016 was adopted by Council in September. The strategy's key purpose is to help the Central Otago community focus on issues that impact on our economic and social well-being, and to suggest some of the actions we can take to address them. The strategy was developed following community workshops held around the district. The strategy contains an action plan grouped under the four headings of Business Development, Education, Visitors and Recreation, and Infrastructure and Business Support and it identifies those best placed to take the lead with the implementation of the key actions.

Networking and Learning opportunities

The inaugural Central Otago Export Forum took place in March in Cromwell. Sponsored by the SBS Bank the event attracted a 20 plus attendance to hear a presentation by the Head of the Ministry of Foreign Affairs and Trade's Economic Division on the Building Export Markets stream of the Government's Building Growth Agenda. There was encouragement for the programme to be continued on a quarterly basis.

The Council-organised seminar for Central Otago retailers "Retail in the Age of the Internet" held in Alexandra in late May was well attended. Susie Johnson of OOSH gave an inspirational presentation on how she and husband Kiwi have transformed the small Horowhenua town of Shannon into a shopping destination. Other speakers presented on e-commerce and social media, and opportunities and challenges the internet presents for retailing.

Our community asked us...

To promote Central Otago as a place to live. Help business get through the legislative requirements when developing business opportunities.

Ultra-fast Broadband

As part of our effort to ensure the best possible access to ultra-fast broadband for Central Otago residents, Council has been working with the Roxburgh Area and Millers Flat schools and their communities to make the schools' excess broadband capacity available to their local communities.

Manuherikia Catchment Water Strategy Group (MCWSG)

The MCWSG project, which is designed to explore irrigation options for the catchment, moved to full feasibility study stage. The brief is to evaluate five of the identified investment opportunities and to provide detailed technical information, including assessment of environmental effects and economic and environmental benefits to the Manuherikia catchment so that post-feasibility study applications for resource consent can be prepared, and full engineering design completed alongside development of a prospectus. The feasibility study is expected to take a year to complete so the group has reached the 'half-way mark'. The community communications programme has picked up tempo with a series of targeted events on various aspects of the project.

NZTE Regional Investment Initiative

The Economic Development Manager along with counterparts from other Otago local governments has worked with New Zealand Trade and Enterprise (NZTE) to help develop an Otago Region Investment Profile. The Profile identifies sectors NZTE should focus on when seeking to attract foreign investment to this country.

Cromwell i-SITE

At a Council meeting held late 2013 councillors considered a recommendation not to proceed with the project to fund and build a new Visitor Information Centre beside Cromwell's Big Fruit on the highway frontage, voting instead to lease a new building in close proximity.

Councillors accepted an alternative proposal to negotiate an agreement to relocate the Cromwell i-SITE to leased space within a new building to be built beside the Subway restaurant on Murray Terrace. The new site is in a prime location and the leasing option allows flexibility for the i-SITE to move with a changing operating environment. This option also addresses factors the community raised as important during the consultation process, including: good

visibility from State Highway 8B; no large capital expenditure; significantly lower operating costs, compared to the new build option; and a good position to attract people off the Highway into The Mall shopping area.

Adding Unique Local Points of Difference

A Sporting Wall of Fame has been installed in the Ranfurly i-SITE and features articles and photographs of sporting identities of the region. In May Clyde Primary School junior pupils visited the Alexandra i-SITE to present brochures they had made. The brochures, which each child had written and designed, share with young visitors to the Central Otago region things the local children enjoy doing in and around Clyde.

Revenue Up

The Central Otago Visitor Centres saw an increase in revenue generated from bookings, retail sales and event sales for the 2013/2014 year compared to the previous year.

Central Otago Tourism Strategy

The second Central Otago Tourism Strategy "Towards Better Tourism Outcomes for Central Otago" 2014-2019 was developed and put out to the community for feedback in June.

The main themes included sharing information between operators and throughout the region; promoting and packaging Central Otago experiences; utilising Queenstown as a gateway to our region; providing consistent quality service and delivery standards; keeping pace with technology; ensuring Central Otago's infrastructure meets the needs of visitors, community and the environment; and providing a suite of quality visitor experiences by building on existing experiences and developing new ones. . Submissions on the draft strategy will be heard in August

Our community wants...

A tourism industry that is well managed, which focuses on our natural environment and heritage with marketing plans that reflect this.

Digital & Social Media Marketing

Anthony (Antz) Longman joined the Tourism Central Otago (TCO) team in early 2014 as Digital Marketing and Social Media specialist. As part of his role the Central Otago NZ promotional website has been audited for functionality and usability, with improvements made to enhance the user experience. Central Otago's presence on Tourism New Zealand's site has also been reviewed for improvements, additions and updates. The Central Otago NZ website received 141,123 visitors for the year ending June 2014, which was an increase of 41% on the previous year.

TCO manages several accounts on Social Media platforms – the key ones being Facebook, Twitter, Pinterest and Instagram – that showcase our region and promote local attractions and events. These platforms are also monitored to identify information being posted about Central Otago to gauge visitor interest and track travel trends.

Tourism Operators Getting 'China Ready'

TCO held two free Get Ready for China workshops in September 2013 in Alexandra and Cromwell. The keynote presenter was Amy Adams, founding partner of Occam Consulting with 15-plus years' experience working in China and training corporate clients working in the Chinese market.

Great Media Exposure

TCO continues to develop and maintain relationships with targeted domestic and international media outlets. With the support of local businesses TCO hosts and showcases the regions experiences to editors, journalists, film crews, photographers and Tourism New Zealand International Media advisors from key markets. This results in media coverage across a range of platforms and publications. During the 2013-14 year 15 media files were managed by Tourism Central Otago - made up of 12 domestic media (includes Australia) and three international media.

TCO hosted the presenters and crew of Australian television show *Places We Go* in February when they filmed the Otago Central Rail Trail, with local firm Trail Journeys; and the Roxburgh Gorge and Clutha Gold Trails with Bike it Now from Clyde. The *Places We Go* travel series has a cumulative reach per series of more than 5 million viewers.

The region was also very much in the national spotlight when Prime Minister John Key came to open our two newest trails – the Roxburgh Gorge and Clutha Gold trails – in October with fabulous coverage starting with live local radio from the launch day breakfast celebrations, reports broadcast on Radio New Zealand and ONE News later that day, and great coverage from our local dailies and weekly community newspapers in both the lead-up and post-launch.

Eden Hore Collection

In August 2013 Council purchased the Eden Hore Fashion Collection on behalf of the community. The national and regionally significant fashion collection, which once belonged to high country Naseby farmer Eden Hore, is made up of 228 dresses from the 70s and 80s and includes accessories such as hats, shoes and bags. These items were catalogued and packed by a team under the expert guidance of Otago University fashion historian Dr Jane Malthus.

Work is in progress on developing a collections policy to guide the management of the collection; applying for funding for a feasibility study into options for conserving, housing and displaying the collection; and ultimately preparing a business plan for the collection.

Central Stories held an exhibition from 21 March to 4 May offering the community a taste of the Eden Hore Collection. The 'Wool Away' exhibition showcased the history of sheep and sheep stations in Central Otago, and featured a small selection of woollen garments that were among the first pieces Eden collected.

Central Otago Arts Strategy 2013

The second Central Otago Arts Strategy was finalised in September 2013. One of the major themes of the new strategy is developing Central Otago as an Arts Destination. Central Otago District Arts Trust will manage the strategy on behalf of the Central Otago community.

Our community asked us...

To provide places and spaces for arts and cultural expressions.

Community Plans

The first Otarehua Community Plan was developed during the first half of 2014 with the draft released for community comment from 9 May to 20 June 2014. Work also got underway on developing Omakau's first Community Plan with business interviews, community surveys and visitor surveys completed.

The St Bathans Area Community Association is in the process of reviewing its Plan. Community, business and visitor surveys have been completed and analysed. The process of reviewing this Plan will be progressed in October 2014.

Council received a request from the Ophir Welfare Committee to begin the process of developing a community plan for the Ophir community, which will begin later in 2014. The Community Services team has also been approached by the Naseby community to facilitate the development of its third community plan, which has been scheduled for 2015.

Central Otago Awards

Finalists and winners of the 2013 Central Otago Awards were honoured at a special event ceremony held on 13 September in Roxburgh. Winners were presented with a handcrafted recycled glass trophy and certificate. The now biennial Central Otago Awards are built around our regional identity brand values and judging is determined by those entries and nominations that most closely represent those values.

The winners were: James Botting (Youth Award); Ryan Bain and Paul Duncan (Apprentice Award joint winners); BTW South Limited (Business Excellence); and Community Service Award recipients were: Helena Heydelaar, Maureen Davies, Kath Thomas, Russell Lambeth, Russell Fawcett and Ella Davison.

The guest speaker for the evening was New Zealand Breakers basketball general manager Richard Clarke who inspired guests with a message about having a vision and building a winning culture.

Brand Development

Completing all the marketing collateral in time for the 24 October official opening of the Roxburgh Gorge and Clutha Gold Trails was a key focus for the Brand Manager in the first half of this annual report year. This included the content for the passport, information panels and kiosks as well as the presentations screening at the Roxburgh Service Centre.

Defining the qualities unique to Central Otago is important as the more we know and appreciate what we have the more we are inclined to celebrate it and look after it. Already we have defined the unique qualities associated to cycling in Central Otago, as well as for Central Otago fruit and wine. The image set for cycling and for fruit were well developed. A series of photo shoots have helped to build an image library for the wine story.

Additional stories are now in the process of being developed for the Central Otago water story, the Central Otago Maori story and the High Country story.

Licence Renewals

With a condition of renewal now included in the Central Otago regional identity brand application form, a number of businesses and community groups have needed to renew their licence agreement. A key focus for the Brand Manager this year has been meeting businesses and community groups that need to renew their licence agreement.

These one-on-one appointments have been invaluable. It has been an opportunity to reconnect with people and refresh them on the Central Otago brand story and the brand values. It has also been an opportunity to encourage people to think about how they can incorporate the values into their everyday business practices.

Promotions

In 2013/14 our community boards distributed promotion funding to 16 groups/organisations to the value of \$204,000 for a range of events, facilities and activities intended to enhance the experiences of locals and visitors alike.

HOW WE MEASURE OUR SUCCESS

DISTRICT DEVELOPMENT						
Community Outcomes	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Manage the brand applications and process in a timely manner	End to end time in delivery of approving new brand users	7.3 days	8.5 days	Within 15 working days	Achieved. The average is higher than expected. Two new operators took 41 and 44 days respectively. This was due to the need to meet resource consent conditions before final approval could be granted.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – DISTRICT DEVELOPMENT				
General rates, uniform annual general charge, rates penalties	957	974	975	975
Targeted rates	1,415	1,509	1,341	1,344
Subsidies and grants for operating purposes	81	30	30	63
Fees and charges	139	196	201	173
Internal charges, and overheads recovered	6	7	7	10
Local authorities fuel tax, fines, infringement fees, other receipts	130	143	133	112
Total Operating Funding	2,728	2,859	2,687	2,677
Applications of Operating Funding				
Payments to staff and suppliers	1,479	1,534	1,458	1,432
Finance costs	7	10	9	8
Internal charges, internal interest and overheads applied	374	499	442	409
Other operating funding applications	837	833	844	768
Total Applications of Operating Funding	2,697	2,876	2,753	2,617
Surplus/(Deficit) of Operating Funding	31	(17)	(66)	60
CAPITAL – DISTRICT DEVELOPMENT				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	8	8	8	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	8	8	8	-
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	1
- to replace existing assets	1	1,359	187	1,392
Increase(decrease) in reserves	2	(1,320)	(196)	(1,450)
Increase(decrease) in investments	-	-	-	-
Total applications of capital funding	39	(9)	(58)	60
Surplus (Deficit) of Capital Funding	(31)	17	66	(60)
Funding Balance	0	0	0	0
Depreciation Expense (not included in above FIS)	41	67	42	41

Notes

- 1, 2 The new Cromwell i-SITE purpose built facility did not go ahead in the planned form. A new project was rebudgeted in the new financial year.

PLANNING and environment

planning civil defence
rural fire building control
liquor licensing dog control and registration
environmental health



Planning & Environment



OUR SPACE, OUR CHALLENGES

All planning and environment activities contribute to all three of our community outcomes.

In our Resource Management activity we prepare and implement the District Plan under the Resource Management Act (RMA). We provide advice to our customers and monitor conditions of resource consents and District Plan provisions to ensure the environmental effects are managed appropriately.

Our big challenge in this space is that our District Plan must be reviewed by 2018. RMA reforms proposed by Government may also bring changes to our District Plan.

The purpose of Building Control is to help people build in a safe manner through a streamlined and cost-effective process. We issue building consents, carry out building inspections and respond to building-related enquiries. We also issue Land Information Memoranda and monitor Building Warrants of Fitness.

We aim to provide a streamlined, cost-effective process. We are also awaiting and responding to changes in legislation, including around earthquake prone building policy and changes in online consenting.

The Environmental Health activity provides confidence to the community and to our visitors that our food premises, hairdressers, camping grounds and funeral directors are safe and clean. We licence and annually inspect registered premises to manage the public health risks of food and water contamination. We undertake testing of water supplies and respond to complaints such as noise and odour, to minimise nuisance to the community.

We are preparing for new Food Act legislation, which will impact on all food premises.

We maintain the social well-being of the district by monitoring and controlling the sale of alcohol and the number of gaming machines in the district. Our role as District Licensing Agency involves processing and issuing licences.

The Government is phasing in new alcohol licensing rules and we have been keeping on top of these changes and communicating with and supporting stakeholders and our community through this transition period.

The aim of Dog Control is to ensure a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance.

Our challenge is to educate dog owners about their obligations and reduce the number of complaints received.

Central Otago District Council is a rural fire authority (RFA) with jurisdiction over 782,000 hectares of rural land. The RFA's fire plan, policies and procedures are based on the standard 4-R programme of: Reduction, Readiness, Response and Recovery.

Our ongoing challenges include the recruitment and retention of volunteer firefighters; balancing the requirements for sufficient firefighting assets versus the wildfire risks and costs of acquiring and maintaining assets; and our most significant challenge is the climate, topography and land cover that make our district one of the highest fire risk areas in the country.

We have a responsibility to plan and provide for civil defence emergency management within the district. At a local level a number of staff are first line civil defence responders. The emergency management plan, policies and procedures are based on the standard 4-R programme.

Maintaining an appropriate level of readiness for a civil defence emergency is an ongoing challenge. Having the right people in the right place and providing training and development for the local staff responders is a priority.

RISING TO THE CHALLENGES

District Plan Review

Under the Resource Management Act our District Plan must be reviewed by 2018. Mid-2013 we went out and sought comment from the community on resource management issues, and matters we need to address in the District Plan review. This information gathering stage has fed into the creation of an issues and options paper, which will be released for public comment later in 2014.

Resource Consents Processed

During the 13/14 year a total of 318 resource consent applications were received. This was an increase of approximately 8% on the previous financial year.

Building Control

During the 13/14 year a total of 793 building consents were issued with a total value of building work of \$75,675,803. This was an increase of 6% in number of consents, but 14% by value from the previous year.

Our community asked us...

To protect the inherent values of our landscape and natural ecosystems while having well defined areas for growth.

Local Alcohol Policy (LAP)

Following the adoption by Council of the Draft LAP in December, the policy was notified for public submissions until early February 2014.

Twenty submissions were received from a broad range of interested groups with varying views as to the direction Council should take for the district. As a number of Local Alcohol Policies have been appealed throughout the country the Council resolved that the item be left to lie on the table pending outcomes of those appeals in order to better understand the direction of the Alcohol Regulatory Authority. Staff will report back to Council later in the year.

In the absence of a Local Alcohol Policy all new and renewed licences are considered and determined in terms of the maximum default hours identified in the Sale and Supply of Alcohol Act 2012.

District Licensing Committee

A new Central Otago District Licensing Committee (DLC) was established this past year. The committee is responsible for determining all applications for liquor licences within our district under the Sale and Supply of Alcohol Act 2012. Council made appointments to the DLC committee in October 2013: Commissioner Bob McNeil (JP) and Committee members Neil Gillespie (Councillor, Deputy Chair), Dr Michael MacAvoy (JP), Tanya Surrey (solicitor) and Nik Horn (industry trainer).

The Food Act

The Food Act 2014 received Royal Assent on 6 June 2014. While some provisions are effective immediately the main body of the Act does not come into force until 1 March 2016. All food premises will need to operate under the new licensing/audit regime, which will involve additional time and costs for both operators and Council staff. Council will be distributing information and providing detail on the Council website so all operators are aware of their obligations.

Local Approved Products Policy

Work to prepare a Draft Local Approved Products Policy was undertaken early in 2014. This included holding a public meeting in April and conducting an online survey to get community feedback on the issue of psychoactive substances or “legal highs” as they’re more commonly known. The Draft LAPP will be consulted on in the latter half of 2014.

Enlarged Otago Rural Fire Authority

All six Otago Rural Fire Authorities amalgamated into a single enlarged Otago rural fire authority, effective from 1 July 2014, hence 2014 was a busy year preparing the way for establishment of the Otago Rural Fire Authority, while continuing with ‘business as usual’ activities of fire prevention, education, permitting, firefighter training and, as needed, fighting fires.

Emergency Management

The primary focus for the emergency management office for the first quarter was to review the responses to Exercise Te Ripahapa, the severe weather event at the end of June and to develop actions to improve the way that Central Otago manages emergencies. A number of debriefs were held after the exercise and after the severe weather event that focused on different aspects of the emergency; from operations and regional coordination to the community perspective.

A Business Continuity Forum was held in Alexandra in September 2013, organized by the Emergency Management Officer and the Economic Development Manager in conjunction with ACC and the Otago-Southland Employers’ Association.

The forum was relatively successful with a good range of organisations (approximately 20 people). Participants came from Cromwell, Alexandra and Queenstown. Speakers included Jon Mitchell (Emergency Management and Business Continuity) Diane Hudson and Judie Currie (Employment issues in an emergency) and Noah Heath (Insurance).

A display promoting emergency preparedness was established for the Blossom Festival at the Alexandra i-SITE and civil defence mascot Stan helped to increase the awareness by participating in the festival and grand possession.

The Blossom Festival campaign, business continuity forum and a public pamphlet drop to increase understanding of the role of Civil Defence all coincided with the national Get Ready, Get Thru week. The launch of Council’s new website in September has meant a more robust and used platform to deliver public information in an emergency (provided communications networks are unaffected), including the ability to change out the homepage to an emergency default page for a major event.

We are currently recruiting for an Emergency Management Officer who will work across both Queenstown Lakes District Council and CODC in a shared service role.

Our community asked us...

To retain our safe community.

HOW WE MEASURE OUR SUCCESS

PLANNING & ENVIRONMENT						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
Thriving Economy Sustainable Environment	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with resource consent process in Resident Opinion Survey	82%	82%	Maintain customer satisfaction at > 75%	Achieved.
		Resource consents processed within statutory timeframes and in accordance with internal standards	100%	99.6%	Resource consents processed within statutory timeframe 100%	Not Achieved. One consent out of 293 processed = three days over time – discount of 3% applied in accordance with the provisions of the Resource Management Act Regulations 2010.
Thriving Economy Safe & Healthy Community	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with building consent processes in Resident Opinion Survey	82%	92%	Maintain customer satisfaction at > 75%	Achieved.
		Building consents processed within statutory timeframes and in accordance with internal standards	100%	100%	Building consents processed within statutory timeframe 100%	Achieved.

PLANNING & ENVIRONMENT continued

Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
Thriving Economy Safe & Healthy Community	To help people develop appropriately, and assist in the provision of health and well-being in the community by ensuring that food service premises are hygienic	Annual licensing and inspections programme, including audit of food control plans is completed in accordance with legal and internal standards	100% premises registered under the Health Registration of Premises Regulations were inspected. Of the 16 approved Food Control Plans 10 are overdue for an audit.	100% food hygiene regulations	95% of annual licensing programme completed within reporting period	Achieved. At 30 June 2014, 16 food control plan audits were overdue owing to staff resourcing and workload. All audits were completed by 31 July 2014
Thriving Economy Safe & Healthy Community	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction in the Resident Opinion Survey (dog control & registration)	70%	75%	Maintain customer satisfaction at > 60%	Achieved.
Safe & Healthy Community	Community satisfaction with Council performance	Resident Opinion Survey – satisfaction with rural fire services	95%	95%	>95%	Achieved.
	Timely response to call-outs	Dispatch firefighting resources within 30 minutes of a call-out and/or place on standby pending further information	100%	100%	100%	Achieved.
A Safe & Healthy Community	Community satisfaction with Council performance	Resident Opinion Survey – satisfaction with Emergency Management (Civil Defence)	92%	94%	>90%	Achieved.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – PLANNING & ENVIRONMENT				
General rates, uniform annual general charge, rates penalties	1,112	1,161	1,174	1,174
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	13
Fees and charges ¹	1,092	1,099	1,115	1,313
Internal charges, and overheads recovered	7	7	7	10
Local authorities fuel tax, fines, infringement fees, other receipts	248	256	257	287
Total Operating Funding	2,459	2,523	2,553	2,797
Applications of Operating Funding				
Payments to staff and suppliers	1,894	1,978	1,992	1,988
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	362	382	405	395
Other operating funding applications	99	52	54	49
Total Applications of Operating Funding	2,355	2,412	2,451	2,432
Surplus/(Deficit) of Operating Funding	104	111	102	365
CAPITAL – PLANNING & ENVIRONMENT				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	20	12	12	8
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	20	12	12	8
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	297	111	111	51
Increase(decrease) in reserves	(173)	12	3	322
Increase(decrease) in investments		-	-	-
Total applications of capital funding	124	123	114	373
Surplus (Deficit) of Capital Funding	(104)	(111)	(102)	(365)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	105	115	112	124

Notes

¹ Reflects the increased activity in consenting

GOVERNANCE and corporate services

communication
administration buildings



Governance



OUR SPACE, OUR CHALLENGES

The governance activity is at the forefront of everything we do. While the Council provides many different services, it is the governance activity that supports elected members to be effective and responsible decision-makers. This activity facilitates and supports Council and community boards, ensures agendas are published and available to the public and runs local body elections every three years.

The governance activity contributes indirectly to all three main community outcomes.

Our challenges are to ensure accurate and timely information is provided to elected members and, where appropriate, to the community to enable participation in the decision-making process; to develop high-level supporting strategies and policies; and to respond to legislative change.

RISING TO THE CHALLENGES

Communications

Our official Council Facebook page was launched in January this year and has passed 1000 "likes". We are seeing good levels of engagement and discussion on the page and the social media platform has been a great channel for promoting events.

Since our YouTube channel launch in February we have added eight videos as another way to complement our traditional methods of communications. We followed up the success of the Alexandra Water Upgrade video with two videos around the change to fortnightly refuse collection. Between them they have had nearly 800 views, including being played as a "trailer" before film screenings during World Environment Week.

Our community wants...

A well connected community.

Elections

In October 2013 Council processed in-house votes for Central Otago and Queenstown Lakes District councils.

Due to insufficient candidates for the Teviot Valley Community Board, there was a by-election between two candidates held on 11 February 2014. Jenna Stevens won the election with 344 votes of the 508 cast and became the youngest elected member in the board's history at 28 years of age.

Melanie Bell resigned from the Vincent Community Board on 19 May and a by-election is being held to fill the vacant position on the Board.

HOW WE MEASURE OUR SUCCESS

GOVERNANCE							
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments	
A Thriving Economy	Satisfaction with the leadership, representation and decision-making by elected members	Resident Opinion Survey and those satisfied with the performance of elected members of local community boards	86%	83%	>85%	Not achieved.	Local body elections occurred during the year.
A Sustainable Environment							
A Safe and Healthy Community		Resident Opinion Survey and those satisfied with the performance of elected members	85%	82%	>85%	Not achieved.	

Corporate Services



OUR SPACE, OUR CHALLENGES

The corporate services activities provide both direct and indirect support across the organisation that allows Council to function efficiently and effectively. The corporate services activity contributes indirectly to all three main community outcomes.

Our challenges are to provide an efficient and consistent level of customer service; to ensure the community has access to relevant, timely and meaningful information, to create opportunities for the public to influence decision-making; to provide and develop effective monitoring and reporting of the organisation's performance; and to provide the right tools for efficient, effective and prudent management.

RISING TO THE CHALLENGES

Website

Since the launch of Council's new website in September 2013 viewer statistics have continued to trend upwards. We will continue to monitor and analyse statistics such as visitor flow through the site, in tandem with feedback received, to improve the website experience for our users. We have a continual improvement programme running for the website, with introducing online services a key item currently being explored.

Our website was named a finalist in the Association of Local Government Information Management (ALGIM) 2014 Web & Digital Awards in the Best Redevelopment Council Website category. Council's Communications Coordinator gave a well-received presentation at the conference on the website's "extreme makeover".

Our community wants...

To have easy access to information, friendly business services and streamlined consent processes.

HOW WE MEASURE OUR SUCCESS

CORPORATE SERVICES						
Community Outcome	Our Objective Level of Service	How we Measure Success	2012/13 Results	2013/14 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Satisfaction with the initial contact with Council	Resident Opinion Survey – the service was fast and efficient.	93%	94%	>90%	Achieved.
		Resident Opinion Survey – the service was friendly and courteous	96%	97%	>90%	Achieved.
		Resident Opinion Survey – issues dealt with effectively	85%	86%	>80%	Achieved.
A Sustainable Environment	Satisfaction with contact regarding service requests	Resident Opinion Survey – the service was fast and efficient	83%	80%	>80%	Achieved.
		Resident Opinion Survey – the service was friendly and courteous	91%	91%	>90%	Achieved.
		Resident Opinion Survey – issues dealt with effectively	81%	77%	>75%	Achieved.
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Resident Opinion Survey – overall effectiveness of communications	85%	79%	>80%	Not achieved. The timing of this year’s survey overlapped with our communications campaign around the change to fortnightly refuse collection. We suspect that it wasn’t so much people weren’t satisfied with communications as a case of the messages being unpopular.

WHERE DOES THE MONEY GO?

	2012/2013 Long Term Plan \$000	2013/2014 Long Term Plan \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING – GOVERNANCE & CORPORATE SERVICES				
General rates, uniform annual general charge, rates penalties	57	104	177	211
Targeted rates	138	194	201	202
Subsidies and grants for operating purposes	-	-	-	10
Fees and charges	128	131	125	61
Internal charges, and overheads recovered	483	443	376	(358)
Local authorities fuel tax, fines, infringement fees, other receipts	435	478	488	694
Total Operating Funding	1,241	1,350	1,367	820
Applications of Operating Funding				
Payments to staff and suppliers	2,876	3,021	3,284	3123
Finance costs	40	41	41	22
Internal charges, internal interest and overheads applied	(2,652)	(2,931)	(3,015)	(3,659)
Other operating funding applications	374	417	455	462
Total Applications of Operating Funding	638	548	765	(52)
Surplus/(Deficit) of Operating Funding	603	802	602	872
CAPITAL – GOVERNANCE & CORPORATE SERVICES				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	23	10	10	14
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	23	10	10	14
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
- to improve the level of service	8	-	8	297
- to replace existing assets	644	560	510	98
Increase(decrease) in reserves	24	302	144	535
Increase(decrease) in investments	(50)	(50)	(50)	(44)
Total applications of capital funding	626	812	612	886
Surplus (Deficit) of Capital Funding	(603)	(802)	(602)	(872)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	500	606	437	437

FINANCIALS

assumptions
audit opinion
accounting policies
fees and charges



Funding Impact Statement

	2012/2013 Long Term Plan \$000	2012/2013 Annual Report \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
OPERATING				
General rates, uniform annual general charge, rates penalties	6,487	6,508	6,867	6,900
Targeted Rates (other than a targeted rate for water)	14,768	14,739	15,370	15,364
Subsidies and grants for operating purposes	1,920	1,851	1,870	1,826
Fees and charges	5,003	4,523	5,045	4,744
Interest and dividends from investments	-	-	296	565
Local authorities fuel tax, fines, infringement fees, other receipts	1,761	2,221	1,548	1,701
Total Operating Funding	29,939	29,842	30,996	31,100
Applications of Operating Funding				
Payments to staff and suppliers	20,808	20,413	21,675	21,114
Finance costs	242	29	311	30
Other operating funding applications	2,312	2,186	2,348	2,255
Total Applications of Operating Funding	23,362	22,628	24,334	23,399
Surplus/(Deficit) of Operating Funding	6,577	7,214	6,662	7,701
CAPITAL				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	2,206	2,242	1,991	1,998
Development and financial contributions	1,118	363	476	753
Increase (decrease) in debt	3,468	-	1,871	-
Gross proceeds from sale of assets	2,418	244	3,397	285
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	9,210	2,849	7,735	3,036
Applications of Capital Funding				
Capital expenditure				
-to meet additional demand	969	983	951	3,167
- to improve the level of service	3,605	2,060	2,969	3,642
- to replace existing assets	11,346	6,748	10,994	4,538
Increase(decrease) in reserves	(83)	288	(467)	(566)
Increase(decrease) in investments	(50)	(16)	(50)	(44)
Total applications of capital funding	15,787	10,063	14,397	10,737
Surplus (Deficit) of Capital Funding	(6,577)	(7,214)	(6,662)	(7,701)
Funding Balance	-	-	-	-
Depreciation Expense (not included in above FIS)	9,619	9,594	9,467	9,463

RECONCILIATION OF FUNDING IMPACT STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME

	2012/2013 Annual Plan \$000	2012/2013 Annual Report \$000	2013/2014 Annual Plan \$000	2013/2014 Actual \$000
INCOME PER ACTIVITY FUNDING IMPACT STATEMENT				
Water	3,651	3,151	3,870	3,443
Wastewater	2,829	2,839	2,697	2,705
Stormwater	354	353	352	352
Transportation	5,949	5,971	6,146	6,184
Waste Minimisation	2,853	3,020	3,080	3,077
Other Infrastructure	1,758	1,792	1,687	1,840
Parks & Cemeteries	2,625	2,438	2,561	2,613
Libraries, Swimming Pools & Community Facilities	3,988	3,911	4,386	4,254
District Development	2,722	2,717	2,680	2,667
Planning & Environment	2,452	2,717	2,546	2,787
Governance & Corporate Services	758	933	991	1,178
Total Operating Income	29,939	29,842	30,996	31,100
Total Income as per Statement of Comprehensive Income	33,263	33,070	33,463	36,431
Variance made up of:	(3,324)	(3,228)	(2,467)	(5,331)
Subsidies & Grants For Capital Expenditure	2,206	2,242	1,991	1,998
Development Contributions For Capital Growth	1,118	363	476	753
Vested Assets	-	106	-	2,106
Profit on sale of assets	-	242	-	110
Valuation gains	-	275	-	364
	3,324	3,228	2,467	5,331
EXPENDITURE PER ACTIVITY FUNDING IMPACT STATEMENT				
Water	1,566	1,725	1,835	1,643
Wastewater	1,252	1,007	1,146	978
Stormwater	58	40	60	75
Transportation	3,290	3,205	3,264	3,234
Waste Minimisation	2,722	2,614	2,747	2,735
Other Infrastructure	2,044	2,069	1,951	2,057
Parks & Cemeteries	1,892	1,683	1,951	1,930
Libraries, Swimming Pools & Community Facilities	2,931	2,731	3,243	2,892
District Development	2,323	2,066	2,311	2,208
Planning & Environment	1,993	1,986	2,046	2,037
Governance & Corporate Services	3,291	3,502	3,780	3,610
Total Applications of Operating Funding	23,362	22,628	24,334	23,399
Total Expenditure as per Statement of Comprehensive Income	33,007	32,538	33,801	33,158
Variance made up of:	(9,645)	(9,910)	(9,467)	(9,759)
Depreciation	9,619	9,594	9,467	9,463
Loss on disposal of assets	26	251	-	44
Valuation losses	-	65	-	252
Net Surplus/(Deficit) per Statement of Comprehensive Income	9,645	9,910	9,467	9,759
Other Comprehensive Income	256	532	(338)	3,273
Gains on Asset Revaluation	26,059	8,501	23,060	10,209
Total Comprehensive Income for the year	26,315	9,033	22,722	13,482

STATEMENT OF COMPREHENSIVE INCOME

Actual 2012/13 \$000		Notes	Actual 2013/14 \$000	Annual Plan 2013/14 \$000
REVENUE				
6,472	General rates	1	6,888	6,867
14,739	Targeted rates (including water)	1	15,364	15,370
1,306	Charges for volumetric water supply		1,393	1,801
36	Penalties, remissions, discounts	1	12	65
3,923	Grants and subsidies		3,596	3,403
488	Interest		565	296
-	Dividends		-	3
1,157	Regulatory fees		1,298	1,102
3,963	User fees and other income		3,982	3,911
363	Development and financial contributions		753	645
242	Profit on sale of assets		110	-
106	Vested assets	2	2,106	-
275	Valuation gains	3	364	-
33,070	Total Revenue		36,431	33,463
EXPENDITURE				
6,615	Employee benefit expenses	4	7,142	7,021
9,594	Depreciation and amortisation	13,14	9,463	9,467
29	Finance costs		30	311
65	Valuation losses	3	252	-
251	Loss on disposal of assets		44	-
15,984	Other expenses	5	16,227	17,002
32,538	Total Expenditure		33,158	33,801
532	Surplus/(Deficit) before Tax		3,273	(338)
-	Income Tax Expense		-	-
532	Surplus/(Deficit) after Tax		3,273	(338)
Gain on Asset Revaluations				
1,370	Gains (loss) on revaluation of wastewater assets		537	2,349
159	Gains (loss) on revaluation of water assets		1,150	4,717
(81)	Gains (loss) on revaluation of stormwater assets		326	594
7,075	Gains (loss) on revaluation of roading assets		8,221	15,594
1	Gains (loss) on revaluation of property and parks assets		1	(241)
-	Gains (loss) on revaluation of investment properties		-	47
8,524	Total Gain on Asset Revaluations		10,235	23,060
Gain on Available for Sale Financial Assets				
(13)	Gains (loss) on revaluation of investment bonds		(21)	-
(10)	Gains (loss) on revaluation of share equities		(5)	-
(23)	Total Gain on Available for Sale Financial Assets		(26)	-
8,501	Total Other Comprehensive Income		10,209	23,060
9,033	Total Comprehensive Income		13,482	22,722

The accompanying notes form an integrated part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Actual 2012/13 \$000		Notes	Actual 2013/14 \$000	Annual Plan 2013/14 \$000
PUBLIC EQUITY				
634,771	Public Equity 1 July		643,804	641,616
Accumulated Funds				
338,872	Balance at 1 July		339,539	339,093
532	Surplus/(deficit) after tax		3,273	(338)
(3)	Transfer to restricted reserves		(2)	(3)
138	Transfer from property revaluation reserve on disposal		109	-
339,539	Balance at 30 June	7	342,915	338,752
Other Reserves				
Property Revaluation Reserve				
295,776	Balance at 1 July		304,162	302,457
8,524	Revaluation gains/(loss)		10,235	23,060
(138)	Transfer to accumulated funds on disposal on property		(105)	-
304,162	Balance at 30 June	7	314,292	325,517
Available for Sale Financial Assets Revaluation Reserve				
60	Balance at 1 July		37	-
(23)	Revaluation gains/(loss)		(26)	-
-	Reclassification to surplus or deficit on disposal		-	-
37	Balance at 30 June	7	11	-
Restricted Reserves (Trust and Bequest Funds)				
63	Balance at 1 July		66	66
3	Transfer from accumulated funds		2	3
66	Balance at 30 June	7	68	69
304,265	Total Other Reserves		314,371	325,586
643,804	Public Equity 30 June		657,286	664,338

The accompanying notes form an integrated part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Actual 2012/13 \$000		Notes	Actual 2013/14 \$000	Annual Plan 2013/14 \$000
PUBLIC EQUITY				
339,539	Accumulated funds	7	342,915	338,752
304,162	Property revaluation reserve	7	314,292	325,517
37	Available for sale financial assets revaluation reserve		11	-
66	Restricted reserves	7	68	69
643,804			657,286	664,338
REPRESENTED BY:				
Current Assets				
1,117	Cash and cash equivalents	8	2,981	9,194
9,500	Other financial assets	11	10,719	-
2,632	Debtors and other receivables	9	2,727	4,203
63	Inventories		35	37
13,312			16,462	13,434
Less Current Liabilities				
430	Agency and deposits	10	872	419
3,224	Creditors and other payables	10	3,717	4,438
681	Employee Entitlements		858	-
-	Borrowings		-	-
4,335			5,447	4,857
8,977	Working Capital		11,015	8,577
Non-Current Assets				
665	Other financial assets	11	139	-
1,994	Community loans	12	1,977	1,889
273	Intangible assets	14	395	217
926	Forestry assets	16	933	777
1,545	Investment property	17	1,635	1,657
629,467	Property, plant and equipment	13	641,230	655,825
634,870			646,309	660,365
Less Non-Current Liabilities				
43	Provisions	19	38	48
-	Borrowings		-	4,556
43			38	4,604
643,804	Net Assets		657,286	664,338

The accompanying notes form an integrated part of these financial statements.

STATEMENT OF CASHFLOWS

Actual 2012/13 \$000		Notes	Actual 2013/14 \$000	Annual Plan 2013/14 \$000
CASHFLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
32,290	Receipts from rates, fees and other revenue		33,555	33,164
430	Interest received		547	296
-	Dividends received		-	3
176	Net GST		78	-
32,896			34,180	33,463
Cash was applied to:				
22,209	Payments to suppliers and employees		22,821	24,074
-	External interest paid		-	260
22,209			22,821	24,334
10,687	Net Cash Inflow/(Outflow) from Operating Activities	29	11,359	9,129
CASHFLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
471	Sale of property, plant and equipment		358	3,397
500	Withdrawal of investments		500	1,185
47	Repayment of loans and receivables		50	50
1,018			908	4,632
Cash was applied to:				
10,311	Purchase of property, plant and equipment		8,904	14,914
158	Purchase of intangibles		7	-
50	Purchase of forestry		263	-
8,503	Purchase of investments		1,219	-
19,022			10,403	14,914
(18,004)	Net Cash Inflow/(Outflow) from Investing Activities		(9,495)	(10,282)
CASHFLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
-	Loans raised		-	1,930
Cash was applied to:				
-	Loans repaid		-	59
-	Net Cash Inflow/(Outflow) from Financing Activities		-	1,871
(7,317)	Net Cash Increase/(Decrease) in Cash held		1,864	718
8,434	Opening Cash held 1 July		1,117	8,476
1,117	Closing Cash held 30 June		2,981	9,194

The accompanying notes form an integrated part of these financial statements.

RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. Restricted reserves are reserves that have rules that can be set by legal obligation that restrict the use that Council may put the funds to. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates.

Reserves		Opening Balance 2013/14 (\$000)	Transfers In 2013/14 (\$000)	Transfers Out 2013/14 (\$000)	Closing Balance 2013/14 (\$000)
Specific Reserves These reserves are designated from a statute or legal document or are to maintain and provide for improvements to separately identifiable areas.	Other Infrastructure	864	34	(6)	892
	Parks, Reserves and Cemeteries	16	4	(4)	16
	Libraries, Swimming Pools & Community Facilities	25	1	-	26
	Governance & Corporate Services	3,859	139	(67)	3,931
	Total Specific Reserves	4,764	178	(77)	4,865
Development Contributions To provide for growth in identifiable infrastructure assets.	Governance & Corporate Services	(5,393)	557	(444)	(5,280)
	Total Development Contributions	(5,393)	557	(444)	(5,280)
General Reserves These reserves are invested to provide a financial return to ratepayers.	Governance & Corporate Services	10,490	2,302	(1,607)	11,185
	Total General Reserves	10,490	2,302	(1,607)	11,185
Property To provide for the purchase of properties.	Other Infrastructure	(177)	85	(149)	(241)
	Libraries, Swimming Pools & Community Facilities	17	259	-	276
	Governance & Corporate Services	427	33	-	460
	Total Property	267	377	(149)	495
Loss of Service Potential and Development To set aside funds for the replacement or provision of assets in identifiable infrastructure areas.	Water	(2,858)	274	(540)	(3,124)
	Wastewater	256	999	(1)	1,254
	Stormwater	782	247	(60)	970
	Transportation	(277)	1,629	(1,801)	(449)
	Other Infrastructure	4	-	(26)	(21)
	Total Loss of Service Potential & Development	(2,092)	3,149	(2,428)	(1,371)
Amenities To provide funding for ongoing operations and assets in amenity areas.	Waste Minimisation	(129)	3,480	(3,509)	(158)
	Other Infrastructure	(183)	22	(51)	(213)
	Parks, Reserves & Cemeteries	516	284	(191)	609
	Libraries, Swimming Pools & Community Facilities	96	160	(451)	(194)
	Planning & Environment	249	24	-	273
	Total Amenities	549	3,971	(4,202)	318
Governance To provide funding for the elected member activity, specifically the democratic process.	Governance & Corporate Services	120	12	(26)	106
	Total Governance Reserves	120	12	(26)	106
District Development To provide funding for ongoing operations and assets in this activity.	District Development	236	80	(13)	304
	Total District Development Reserves	236	80	(13)	304
		8,942	10,625	(8,945)	10,622

VARIANCE REPORT

	Actual 2013/14 \$000	Annual Plan 2013/14 \$000	Variance 2013/14 \$000	
Revenue				
General rates	6,888	6,867	21	F
Targeted rates (including water)	15,364	15,370	(6)	U
Charges for volumetric water supply	1,393	1,801	(408)	U
Penalties, remissions, discounts	12	65	(53)	U
Grants and subsidies	3,596	3,403	193	F
Interest	565	296	269	F
Dividends	-	3	(3)	U
Regulatory fees	1,298	1,102	196	F
User fees and other income	3,982	3,911	71	F
Development and financial contributions	753	645	108	F
Profit on sale of assets	110	-	110	F
Vested assets	2,106	-	2,106	F
Valuation gains	364	-	364	F
Total Revenue	36,431	33,463	2,968	F
Expenditure				
Water	2,840	3,107	(267)	F
Wastewater	2,154	2,392	(238)	F
Stormwater	451	461	(10)	F
Transportation	7,533	7,500	33	U
Waste Minimisation	2,791	2,804	(13)	F
Other Infrastructure	2,360	2,232	128	U
Parks & Cemeteries	2,457	2,413	44	U
Libraries, Swimming Pools & Community Facilities	3,819	4,165	(346)	F
District Development	2,249	2,353	(104)	F
Planning & Environment	2,161	2,158	3	U
Governance & Corporate Services	4,047	4,216	(169)	F
Total Expenditure	32,862	33,801	(939)	F
Net Surplus (Deficit)	3,569	(338)	3,907	F

Note: "F" = Favourable, "U" = Unfavourable

Explanation of Variances

Revenue

Charges for Volumetric Water Supply

Fees, charges and Targeted rates for volumetric water supply are less than budgeted as consumption of water has decreased with the introduction of volumetric water charges.

Interest and Dividends

Interest income is favourable to the budget as the capital expenditure program has rolled out slower than anticipated. In addition to this we have secured more favourable interest rates.

Regulatory Fees

There has been an increase in consenting activity.

Contributions for Capital Purposes

Development contributions reflect better than anticipated growth.

Other Noted Revenue Variances

Profit on sale of assets is a result of selling the Cromwell Medial Centre. Vested assets are a result of a completed subdivision, whilst valuation gains relate to investment properties. As there is no certainty of realising gains in these areas, no budget is provided for.

Expenditure

Water

Expenditure is less than anticipated due to energy costs – less consumption equates to less production, and therefore lowers energy usage costs. In addition to this there has been no external borrowing therefore no external financing cost.

Wastewater

Expenditure for wastewater is favourable as we are yet to borrow externally for capital projects, so savings in interest/finance costs are reflected in the favourable variance.

Other Infrastructure

Expenditure includes earthquake-prone building assessments.

Community Facilities, Libraries and Swimming Pools

Swimming pool energy costs in both Molyneux Aquatic Centre and Cromwell Swim Centre were less than anticipated and restoration work on the Clyde Railway Station has been delayed (funded by way on donations).

District Development

Some planned projects had commenced prior to year end, but were delayed due to resourcing constraints. These monies will be carried over for the projects to be completed in the 2014/15 year.

Governance and Corporate Services

There was a favourable cash position and therefore interest expenses and bank fees were less than anticipated.

Accounting Policies

1. Reporting Entity

The Central Otago District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled within New Zealand.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Central Otago District Council has designated itself as a public benefit entity for the purposes of the application of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements comprise the activities of the Council. The Council does not have a significant interest in any other entities.

The financial statements of the Council are for the year ended 30 June 2014. The financial statements were authorised for issue by the Council on 29 October 2014. The Council does not have the power to amend the financial statements after issue.

2. Basis of Financial Statement Preparation

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on a historical cost basis, as modified by the revaluation of:

- available for sale financial assets
- forestry assets
- certain classes of property, plant and equipment
- investment property.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

3. Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture. Council currently has jointly controlled operations with Queenstown Lakes District Council in respect to forestry.

4. Revenue

Revenue is measured at the fair value of consideration received or receivable.

i. Rates

Rates are set annually by resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

ii. Goods Sold and Services Rendered

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

iii. Interest Income

Interest income is recognised as it accrues, using the effective interest method.

iv. Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

v. Government Grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

vi. Dividend Income

Dividends are recognised when the right to receive payment has been established.

vii. Water Billing Revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

viii. Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Vested assets are recognised at the point when Council has issued the certificate prescribed under the Resource Management Act 1991 S224(c), relating to the respective subdivisions.

ix. Development Contributions

Development and financial contributions revenue is recognised at the point where Council has issued an invoice in respect of the development demand notice.

5. Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

6. Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

7. Income Tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

8. Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into the following components:

- accumulated funds
- restricted reserves
- property revaluation reserve
- fair value through other comprehensive income reserve.

Restricted and Council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council, and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves created by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

Property revaluation reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive income reserves comprises the cumulative net change in the fair value of financial assets through other comprehensive income.

9. Cash and Cash Equivalents

Cash and cash equivalents include cash balances deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

10. Debtors and Other Receivables

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment policy 19).

11. Inventories

Inventories represent land being developed for resale, and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

12. Financial Assets

Council classifies its financial assets as available-for-sale financial assets, and loans and receivables.

Available-for-Sale Financial Assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Other financial instruments held by Council are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised in other comprehensive income.

Financial instruments classified as available for sale investments are recognised/derecognised by Council on the date it commits to purchase/sell the investments. Available for sale financial assets are derecognised when they mature. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets. They are measured at initial recognition at fair value, and subsequently carried at amortised cost using the effective interest method, subject to a test for impairment. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

13. Property, Plant and Equipment

The following infrastructural assets are shown at fair value, based on annual valuations by external independent valuers:

- Water
- Wastewater
- Stormwater
- Transportation

All of the above were revalued on an optimised depreciation replacement cost basis.

Revaluations of buildings are completed every 3 years and, parks and reserves are completed every 5 years by external independent valuers.

Revaluations will be undertaken by independent valuers, suitably qualified in the category and location of the assets. The valuation process shall include verification of asset registers, application of rates representing current replacement cost or market value (if any), asset optimisation and adjustments for asset condition and performance.

Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases or decreases in the carrying amounts arising on revaluation of a class of assets are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. However, the net revaluation result is recognised in the surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Operational Assets		Infrastructure Assets	
Buildings		Bridges	30-125 yrs
- structures	5-100 yrs	Footpaths and cycle ways	30-100 yrs
- external fabric	5-70 yrs	Kerb and channel	70-100 yrs
- services	5-50 yrs	Roads – sealed	8-17 yrs
- internal fit out	5-52 yrs	Roads – unsealed	3-70 yrs
Equipment, furniture and fittings	3-10 yrs	Roads – land and formation	not depreciated
Motor vehicles and plant	4-12 yrs	Sewerage plant and equipment	15-35 yrs
Library books	10 yrs	Sewerage reticulation networks	60-80 yrs
Parks and reserves	2-50 yrs	Stormwater networks	70 yrs
		Water plant and equipment	10-35 yrs
		Water reticulation networks	60-100 yrs

Restricted Assets are included in the asset register in the same categories as other assets of a similar nature.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Assets under construction are not depreciated. The total cost of the project is transferred to the relevant asset when it is available for use, and then depreciated.

14. Non current Assets (or Disposal Groups) Held for Sale

Non current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of de-recognition.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

15. Intangible Assets

i. Computer Software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years using the straight line method.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

ii. Other Intangible Assets

Other intangible assets that are acquired by Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment policy 19).

Easements are not amortised. Branding assets are amortised over their estimated useful lives of 10 years using the straight line method.

iii. Subsequent Expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

iv. Amortisation

An intangible asset with a finite useful life is amortised over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

16. Forestry Assets

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the statement of financial position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit together with the change in fair value for each accounting period.

The valuation of forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations; that is, based on sustainable forest management plans taking into account growth potential. The yearly harvest from forecast tree growth is multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows.

The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

The forestry assets are revalued annually by D W Guild MNZIF of Guild Forestry as at 30 June.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell, and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

17. Emissions Trading Scheme

New Zealand Units (NZUs) allocated as a result of the company's participation in the Emissions Trading Scheme (ETS) will be treated as intangible assets, and recorded at cost.

The difference between initial cost and the disposal price of the units is treated as surplus or deficit.

Liabilities for surrender of the NZUs (or cash) are accrued as the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

Liabilities are accounted for as settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

18. Investment Property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity. Investment properties are stated at fair value. An external, independent valuer, having an appropriate

recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised in the surplus or deficit. Rental income from investment property is accounted for as described in the Revenue policy (4), above.

19. Impairment of Non-financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 11), forestry assets (see Forestry Assets Policy 16), and investment property (see Investment Property Policy 18) are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

20. Third Party Transfer Payment Agencies

Council collects and distributes monies for other organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

21. Creditors and Other Payables

Creditors and other payables are recognised at cost.

22. Employee Entitlements

Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

i. Short-term Entitlements

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to date, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Liabilities for annual leave are accrued at the full amount owing at the pay period ending immediately prior to the statement of financial position date.

Liabilities for accumulating short-term compensated absences (e.g. sick leave), where material, are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the statement of financial position date, that Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

ii. Long-term Entitlements

Where (for historical reasons) a retirement gratuity entitlement exists, where material, liability is assessed on an actual entitlement basis using current rates of pay taking into account years of service. All remaining staff with this provision in their contracts have completed the qualifying conditions.

Where (for historical reasons) a long service leave entitlement exists in an individual's employment agreement, the value of the entitlement will be recognised on an actual basis for staff who have completed the service entitlement, but not yet taken the leave, and on a discounted basis for the staff members who have not yet completed the qualifying service.

iii. Superannuation Schemes

Defined contribution schemes.

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

23. Borrowings

Borrowings are recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Council has not capitalised borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as required under NZ IAS 23 Borrowing Costs (revised 2007), because it has elected to defer the adoption of the revised standard in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

24. Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

25. Landfill Post Closure Costs

Council has a number of closed landfills. The resource consents for these include a legal obligation to provide ongoing maintenance and monitoring services throughout the life of the consent. The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a rate that reflects the current market assessments of the time value of money and the risks specific to Council.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for post-closure treatment.

26. Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of debtors and other receivables and creditors and other payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

27. Cost Allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the user of a service can be identified, the cost recovery is made by way of a direct charge. Where this has not been possible, the costs are allocated by way of general overhead, on the basis of expenditure incurred within the activity.

28. Estimate Figures

The estimate figures are those adopted at the beginning of the financial year in the Annual Plan or Long Term Plan (LTP). The estimate figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of financial statements.

29. Critical Judgements

Significant assumptions and risks (critical judgements) related to the LTP are identified at various points within the LTP. Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

New Standards, Amendments and Interpretations not yet Adopted

Standards, amendments and interpretations issued but not yet effective for the year ended 30 June 2014, that have not been applied in preparing these financial statements are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2016. The Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, CODC is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Accounting Standards (PAS). CODC is classified as a Tier one entity due to operating expenditure greater than \$30 million. These standards have been developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means CODC has transitioned to the new standards in preparing its 2014-2015 annual plan and will report under these standards for the first time in the 30 June 2015 financial statements. CODC has assessed the implications of the new Accounting Standards Framework.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Notes to the Financial Statements

For the year ended 30 June 2014

1. Rates Revenue

	2013/14	2012/13
	\$000	\$000
General Rates	6,888	6,472
Targeted rates attributable to activities per funding impact statement:		
- Water	2,044	1,777
- Wastewater	2,686	2,814
- Stormwater	352	353
- Transportation	546	511
- Waste Minimisation	2,348	2,137
- Other Infrastructure	258	359
- Parks, Reserves & Cemeteries	1,977	1,968
- Libraries, Swimming Pools & Community Facilities	3,608	3,281
- District Development	1,344	1,415
- Governance and Corporate Services	202	124
Total Targeted Rates	15,365	14,739
Rates penalties	137	145
Rates remissions	(75)	(61)
Rates discount	(51)	(49)
Total Rates Revenue	22,264	21,246

2. Vested Assets

Subdivision developers are required to install services as a condition of resource consent approval. These services, (roading, sewerage, water supply and footpaths) subsequently vest in the Council as part of its infrastructure. The value of these is identified as income (non-cash) in the Statement of Comprehensive Income, and is distributed within the following asset classes.

	2013/14	2012/13
	\$000	\$000
Reserves	60	-
Roading (including footpaths)	1,318	59
Stormwater	308	3
Wastewater	115	14
Water	305	30
	2,106	106

3. Valuation Gains and Losses

	2013/14 \$000	2012/13 \$000
Non-financial Instruments		
Gain (loss) in fair value of forestry assets (Note 15)	(4)	222
Gain (loss) in fair value of investment property	83	(65)
Gain (loss) on fair value of parks and reserves assets	-	-
	79	157
Financial Instruments		
Gain (loss) in fair value of community loans	33	53
Gain (loss) on disposal of available for sale financial assets	-	-
	33	53
Total Gains (Losses)	112	210
Total gains per Statement of Comprehensive Income	364	275
Total losses per Statement of Comprehensive Income	(252)	(65)
	112	210

4. Employee Benefit Expenses

	2013/14 \$000	2012/13 \$000
Salaries and wages	6,952	6,479
Defined contribution plan employer contributions*	145	99
Increase (decrease) in employee benefit liabilities	45	37
Total Employee Benefit Expenses	7,142	6,615

*includes employer contributions to Kiwisaver and Jacques Martin superannuation scheme

5. Other Expenses

	2013/14 \$000	2012/13 \$000
Audit fees:		
- audit fees for financial statement audit	87	83
- audit fees for 2015-25 LTP audit – accrued	45	37
- audit fees disbursements	-	15
Total Audit Fees	132	135
Accounts receivable written off	1	1
Increase (decrease) in provision for bad debts	(8)	19
Interest expense	-	-
Payments under operating lease agreements	133	41
Rates remissions in accordance with Council's policies for rates remissions	75	61
Other operating expenses	15,893	15,727
Total Other Expenses	16,227	15,984

6. Tax

CODC has unused tax losses of \$71,451 with a tax effect of \$20,006 that have not been recognised. (2012/13: tax losses \$62,796; tax effect \$17,583).

	2013/14 \$000	2012/13 \$000
Net surplus (deficit):	3,273	532
- Tax at 28%	916	149
Plus (less) tax effect of:		
- Non-deductible expenditure	-	-
- Non-taxable income	916	149
- Tax loss not recognized	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
	-	-

7. Public Equity

	2013/14 \$000	2012/13 \$000
Accumulated Funds		
Opening balance 1 July	339,539	338,872
Surplus (deficit) for the year	3,273	532
Transfers to restricted reserves	(2)	(3)
Transfers from property revaluation reserve on disposal	105	138
Closing Balance 30 June	342,915	339,539

Property Revaluation Reserves

Property Revaluation reserves for each asset class consist of:

	Opening Balance \$000	2013/14 Net Movement \$000	Closing Balance \$000
Roading	166,768	3,831	170,670
Bridges	22,492	4,389	26,881
Water	29,056	1,150	30,207
Wastewater	24,128	537	24,666
Stormwater	9,308	326	9,634
Land	37,613	-	37,614
Buildings	14,796	(105)	14,691
Parks and Reserves	1	1	2
Total	304,162	10,130	314,292
Revaluation transferred to accumulated funds on realisation		105	
Total Gain on Asset Revaluations		10,235	

Water, wastewater and stormwater infrastructural assets were revalued as at 1 July 2013. Council has revalued these assets each financial year since 2005.

	Opening Balance \$000	2012/13 Net Movement \$000	Closing Balance \$000
Roading	160,742	6,026	166,768
Bridges	21,443	1,049	22,492
Water	28,897	159	29,056
Wastewater	22,758	1,370	24,128
Stormwater	9,389	(81)	9,308
Land	37,711	(98)	37,613
Buildings	14,836	(40)	14,796
Parks and Reserves	-	1	1
Total	295,776	8,386	304,162
Revaluation transferred to accumulated funds on realisation	-	138	-
Total Gain on Asset Revaluations	-	8,524	-

Available for Sale Revaluation Reserve

Available for sale revaluation reserves consist of:

	Opening Balance \$000	2013/14 Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	3	(5)	(2)
Investment bonds	34	(21)	13
Total	37	(26)	11

	Opening Balance \$000	2012/13 Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	13	(10)	3
Investment bonds	47	(13)	34
Total	60	(23)	37

Restricted Reserves

	2013/14 \$000	2012/13 \$000
Trust and Bequest Funds		
Opening balance 1 July	66	63
Transfers to accumulated funds	2	3
Closing Balance 30 June	68	66

8. Cash and Cash Equivalents

Cash and Cash equivalents comprise cash and current accounts, and on call deposits as follows:

	2013/14	2012/13
	\$000	\$000
Cash and current accounts	628	389
On call deposits and deposits maturing within 3 months	2,353	728
	2,981	1,117

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$8,558,000 (2012/13: \$1,117,000), an amount of \$68,000 (2012/13: \$66,000) is restricted in its use.

9. Debtors and Other Receivables

	2013/14	2012/13
	\$000	\$000
Sundry accounts receivable	970	921
Goods and Services Tax	502	553
Rates receivable	529	526
NZ Transport Agency subsidy	630	620
Prepaid expenses	155	80
	2,786	2,700
Less provision for impairment receivables	(59)	(68)
	2,727	2,632

Of the Rates Receivable, Council has within its district certain properties where the owners have formally or informally abandoned the land. Outstanding rates on these properties are treated as being impaired. Other outstanding rates receivables are not impaired as Council has access to various powers under the Local Government (Rating) Act 2002 for collection. The age of rates receivable is detailed below:

	2013/14		
	Gross	Impairment	Net
	\$000	\$000	\$000
Rates Receivable			
Reporting year ended 30 June	416	(13)	403
Unpaid 1 year	46	(12)	34
Unpaid 2 years	23	(10)	13
Unpaid older	44	(22)	22
	529	(57)	472

	2012/13		
	Gross	Impairment	Net
	\$000	\$000	\$000
Rates Receivable			
Reporting year ended 30 June	433	(12)	421
Unpaid 1 year	44	(10)	34
Unpaid 2 years	22	(6)	16
Unpaid older	27	(16)	11
	526	(44)	482

As at 30 June 2014 and 2013, all overdue receivables have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The impairment provision for non-rates receivables has been calculated by a review of specific debtors. There is no concentration of credit risk with respect to receivables due to the dispersed customer base. The age of outstanding sundry accounts receivable is detailed below:

	Gross \$000	2013/14 Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	791	-	1,245
Unpaid 1 month	96	-	96
Unpaid 2 months	14	-	14
Unpaid 3 months and older	69	(2)	67
	970	(2)	968

	Gross \$000	2012/13 Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	736	-	736
Unpaid 1 month	44	-	44
Unpaid 2 months	27	-	27
Unpaid 3 months and older	114	(24)	90
	921	(24)	897

10. Creditors, Other Payables and Agency and Deposits

(Financial liabilities measured at amortised cost)

	2013/14 \$000	2012/13 \$000
Sundry accounts payable	3,581	3,126
Audit fee accruals	136	98
Agency and Deposits	872	430
	4,589	3,654

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

11. Other Financial Assets

Investment bonds were held as corporate and bank bonds, and are valued at fair value. The fair value of the unlisted shares in NZ Local Government Insurance Corporation Ltd was established using a net assets basis from the annual report of the Company for the year ended 31 December 2013. The unlisted shares held in irrigation companies are measured at cost as fair value cannot be reliably measured. Deposits are held with New Zealand registered banks and recorded at amortised cost.

	2013/14 \$000	2012/13 \$000
Current		
Deposits maturing 3-12 months	10,219	9,000
Investment Bonds	500	0
Promissory and floating rate notes	-	500
	10,719	9,500
Add (less) fair value adjustment investment bonds	-	-
	10,719	9,500

	2013/14 \$000	2012/13 \$000
Non Current		
Investment bonds	0	500
Promissory and floating rate notes	-	-
Share investments in unlisted companies	126	131
	126	631
Add (less) fair value adjustment investment bonds	13	34
	139	665

Interest Rates

The weighted average effective interest rates on investments (current and non-current) were:

Corporate and bank bonds	7.75%	7.75%
Short-term deposits, promissory and floating rate notes	4.50%	4.21%

Investment Maturities

The following schedule gives maturities for all current and non-current available for sale financial assets (excluding share investments).

	2013/14			Total \$000
	Short term deposits \$000	Promissory & floating rate notes \$000	Corporate and bank bonds \$000	
	Less than 3 months	-	-	
3 to 12 months	10,219	-	500	10,719
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
	10,219	-	500	10,719

	2012/13			Total \$000
	Short term deposits \$000	Promissory & floating rate notes \$000	Corporate and bank bonds \$000	
	Less than 3 months	3,517	-	
3 to 12 months	5,500	500	-	6,000
1 to 2 years	-	-	500	500
2 to 5 years	-	-	-	-
	9,017	500	500	10,017

12. Community Loans

Community loans consist of lending to recreation and cultural clubs and bodies, vendor mortgages on sale of land and community lending to local clubs and bodies. The fair value of investments is equal to the holding value, apart from community loans which have been determined using the effective interest method for low interest loans (interest rate 2013/14 5.15%; 2012/13 5.15%) or interest free loans.

	2013/14	2012/13
Mortgages and other investments	\$000	\$000
- Interest bearing	1,981	2,031
- Non-interest bearing	58	58
	2,039	2,089
Less provision for impairment community loans	(62)	(95)
	1,977	1,994
Interest Rates		
Mortgages and other investments (interest bearing)	5.30%	5.30%

13. Property, Plant and Equipment

Restricted Assets

Some properties have various restrictions placed on them which affect Council's ability to freely deal with those properties. For example, a number of properties, while having a Certificate of Title on issue in Council's name, have been vested under the Reserves Act and may revert to the Crown should the purpose for which the properties were vested cease to be relevant. It is not currently practical to quantify these properties.

"Endowment" properties can be freely divested. The only known restrictions apply to the purpose to which the proceeds received from such divestments may be utilised. Another example is property held in trust by the Council for particular purposes as a result of bequests.

Heritage Assets

Heritage assets are included in the asset register in the same categories as non-heritage assets of similar nature. The book values of heritage assets have been revalued as at 1 July 2013 and are as follows:

	2013/14	2012/13
	\$000	\$000
Buildings	95	115
Bridges	450	834
Recreation and cultural	10	12
	555	961

Infrastructural assets, water, wastewater and stormwater were revalued with an effective date of 1 July 2013. These valuations were dated 9 September 2014. Infrastructural roading assets were revalued with an effective date of 30 June 2014. These valuations were dated 29 July 2014.

All the above were revalued on an optimised depreciation replacement cost basis and carried out by Rationale Ltd. Edward Guy (Civil), BCom, managing director of Rationale was the principal valuer for Roothing. Tom Lucas BE (Chemical & Process) (Hons) director of Rational was the principal valuer for water, wastewater and stormwater.

The valuations have been completed in accordance with the following standards:

- NZ Equivalent to International Standard NZIAS 16 Property, Plant and Equipment.
- NZ Infrastructure Asset Valuation and Depreciation Guidelines Version 2 2006.
- Local Government (Financial Reporting Prudence) Regulations 2014.

Property, Plant and Equipment as at 30 June 2014

	Cost Revaluation 1-Jul-13	Accumulated Depreciation and Impairment Charges 1-Jul-13	Carrying Amount 1-Jul-13	Transfers of completed or Additional Work	Current Year Additions Council Constructed	Current Year Additions Transferred To Council	Current Year Disposals at Cost	Accum Depn on Disposals	Current Impairment Charges	Current Year Depreciation	Revaluation	Revaluation Depreciation Recovered	Cost/Revaluation 1-Jul-14	Accum Depn and Impairment Charges 1-Jul-14	Carrying Amount 1-Jul-14	Estimated Replacement Cost 30-Jun-14
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
INFRASTRUCTURAL ASSETS																
Bridges	31,764	(652)	31,112	-	-	-	-	-	-	(619)	3,118	1,271	34,882	-	34,882	73,208
Roading	382,675	(3,744)	378,931	7	4,286	1,316	-	-	-	(3,673)	(3,611)	7,417	384,673	-	384,673	438,346
Under Construction	7	-	7	(7)	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	9,683	-	9,683	-	-	-	-	-	-	-	24	-	9,707	-	9,707	9,707
Stormwater																
Treatment Plant & Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	20,354	(369)	19,985	-	73	308	-	-	-	(375)	(43)	369	20,692	(375)	20,317	29,926
Under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply																
Treatment Plant & Facilities	14,375	(357)	14,018	-	124	-	-	-	-	(383)	(477)	378	14,022	(362)	13,660	22,077
Other Assets	44,419	(876)	43,543	28	614	305	-	-	-	(775)	385	855	45,751	(796)	44,955	61,169
Under Construction	219	-	219	(28)	24	-	-	-	-	-	-	-	215	-	215	-
Wastewater																
Treatment Plant & Facilities	10,705	(392)	10,313	2	131	-	-	-	-	(419)	(128)	409	10,710	(402)	10,308	17,682
Other Assets	30,104	(725)	29,379	11	86	115	-	-	-	(722)	(460)	726	29,856	(721)	29,135	51,680
Under Construction	1,698	-	1,698	(13)	105	-	-	-	-	-	-	-	1,790	-	1,790	-
	546,003	(7,115)	538,888		5,443	2,044				(6,966)	(1,192)	11,425	552,298	(2,656)	549,642	703,795
OPERATIONAL ASSETS																
Equipment	1,680	(1,356)	324	-	57	-	1	-	-	(122)	-	-	1,738	(1,478)	260	
Furniture and Fittings	1,167	(842)	325	-	41	-	(5)	-	-	(61)	-	-	1,203	(903)	300	
Parks and Reserves	6,308	(1,773)	4,543		779	60				(404)			7,147	(2,177)	4,970	
Under Construction	382	-	382	-	746	-	-	-	-	-	-	-	1,128	-	1,128	
Other	3,080	(890)	2,190	562	291					(134)			3,933	(1,024)	2,909	
Under Construction	1,242	-	1,242	(562)	261	-	-	-	-	-	-	-	941	-	941	
Plant and Machinery	2,349	(1,181)	1,168		258		(1)			(169)			2,606	(1,350)	1,256	
Motor Vehicles	805	(339)	466		168		(160)	104		(107)			813	(342)	471	
Land	45,020	(85)	44,935										45,020	(85)	44,935	
Buildings	36,368	(2,245)	34,123	61	804		(206)	20		(1,227)			37,027	(3,452)	33,575	
Under Construction	235	-	235	(61)	26	-	-	-	-	-	-	-	200	-	200	
Library Books	2,502	(1,843)	659		115					(131)			2,617	(1,974)	643	
	101,138	(10,554)	90,592		3,546	60	(372)	124		(2,355)			104,373	(12,785)	91,588	
TOTAL FIXED ASSETS	647,141	(17,669)	629,480		8,989	2,104	(372)	124		(9,321)	(1,192)	11,425	656,671	(15,441)	641,230	

Property, Plant and Equipment as at 30 June 2013

	Cost Revaluation 1-Jul-12	Accum Depn and Impairment Charges 1-Jul-12	Carrying Amount 1-Jul-12	Transfers of Completed or Additional Work	Current Year Additions	Current Year Disposals at Cost	Accum Depn on Disposals	Current Impairment Charges	Current Year Depreciation	Revaluation	Revaluation Depn Recovered	Cost/ Revaluation 30-Jun-13	Accum Depn and Impairment Charges 30-Jun-13	Carrying Amount 30-Jun-13
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Infrastructural Assets														
Bridges	31,370	(634)	30,736	-	5	-	-	-	(678)	389	660	31,764	(652)	31,112
Roading	376,937	(3,715)	373,222	-	3,423	(12)	-	-	(3,762)	2,299	3,733	382,647	(3,744)	378,903
Under construction	-	-	-	-	7	-	-	-	-	-	-	7	-	7
Land Under Roads	9,642	-	9,642	-	46	-	-	-	-	(5)	-	9,683	-	9,683
Stormwater	20,761	(369)	20,392	-	43	-	-	-	(369)	(450)	369	20,354	(369)	19,985
Water Supply	57,653	(1,199)	56,454	421	1,863	-	-	-	(1,242)	(1,039)	1,197	58,898	(1,244)	57,654
Under construction	467	-	467	(421)	173	-	-	-	-	-	-	219	-	219
Wastewater	40,138	(1,102)	39,036	(95)	519	-	-	-	(1,139)	247	1,124	40,809	(1,117)	39,692
Under construction	1,443	-	1,443	95	160	-	-	-	-	-	-	1,698	-	1,698
	538,411	(7,019)	531,392	-	6,239	(12)	-	-	(7,190)	1,441	7,083	546,079	(7,126)	538,953
Operational Assets														
Equipment	2,280	(1,802)	478	-	76	(676)	626	-	(180)	-	-	1,680	(1,356)	324
Furniture and Fittings	1,116	(787)	329	-	57	(6)	5	-	(60)	-	-	1,167	(842)	325
Parks and Reserves	6,023	(1,404)	4,619	-	303	(1)	-	-	(370)	-	-	6,325	(1,774)	4,551
Under construction	280	-	280	-	102	-	-	-	-	-	-	382	-	382
Other	2,637	(786)	1,851	14	334	-	-	-	(93)	-	-	2,985	(879)	2,106
Under construction	1,100	(2)	1,098	(14)	156	-	-	-	-	-	-	1,242	(2)	1,240
Plant and Machinery	2,087	(1,024)	1,063	-	262	-	-	-	(157)	-	-	2,349	(1,181)	1,168
Motor Vehicles	743	(381)	362	-	276	(214)	145	-	(103)	-	-	805	(339)	466
Land	44,465	(85)	44,380	-	676	(121)	-	-	-	-	-	45,020	(85)	44,935
Buildings	35,329	(1,160)	34,169	523	868	(352)	125	-	(1,210)	-	-	36,368	(2,245)	34,123
Under construction	675	-	675	(523)	83	-	-	-	-	-	-	235	-	235
Library Books	2,365	(1,714)	651	-	137	-	-	-	(129)	-	-	2,502	(1,843)	659
	99,100	(9,145)	89,955	-	3,330	(1,370)	901	-	(2,302)	-	-	101,060	(10,546)	90,514
Total Fixed Assets	637,511	(16,164)	621,347	-	9,569	(1,382)	901	-	(9,492)	1,441	7,083	647,139	(17,672)	629,467

14. Intangible Assets

	Easements \$000	Computer Software \$000	Branding \$000	Total \$000
Cost				
Balance at 1 July 2013	82	599	144	825
Additions	1	262	-	263
Disposals	-	(183)	-	(183)
Balance at 30 June 2014	83	678	144	905
Balance at 1 July 2012	75	449	144	668
Additions	7	150	-	157
Disposals	-	-	-	-
Balance at 30 June 2013	82	599	144	825
Accumulated Amortisation and Impairment				
Balance at 1 July 2013	-	439	113	552
Amortisation charge	-	127	14	141
Disposals	-	(183)	-	(183)
Balance at 30 June 2014	-	383	127	510
Balance at 1 July 2012	-	352	99	451
Amortisation charge	-	87	14	101
Disposals	-	-	-	-
Balance at 1 July 2013	-	439	113	552
Carrying Amounts				
Balance at 30 June 2012	75	98	45	218
Balance at 30 June and 1 July 2013	82	160	31	273
Balance at June 2014	83	295	17	395

Easements are not cash generating in nature as they give the right to access across private land. As such impairment of easements is determined by considering the future service potential of the easement and its assessed replacement cost. No impairment losses have been recognised for easements, as the carrying amount of the assets has been assessed as less than their replacement cost.

Branding has been amortised over a period of 10 years which reflects the estimated life of the impact of the brand. No impairment losses have been recognised.

Computer software is amortised over 3 years and where appropriate disposed of. No impairment losses have been recognised.

15. Insurance

The Council holds asset insurance with multiple insurance companies including Vero, Lloyds Syndicate, ACE and AIG. As at the 30 June 2014:

- The total value of all assets covered by insurance contracts is \$81 million. The maximum amount for which these assets are insured is \$150 million. Assets insured includes building, water and waste water facilities, plant and equipment, library books, motor vehicles and forestry.
- There are no assets covered by financial risk sharing arrangements
- Assets which are not covered by insurance policies as they are self-funded total \$563 million

16. Forestry Assets

	2013/14	2012/13
	\$000	\$000
Balance as at 1 July	926	654
Increases due to purchases	10	50
Gain (loss) arising from revaluation	(4)	222
Gain (loss) arising from sales	0	0
Balance as at 30 June	933	926
The gain (loss) comprised of:		
Queenstown Joint Venture Forest	(52)	71
Alexandra Forest	8	19
Cromwell Forest	88	93
Naseby Forest	(61)	20
Ranfurly Forest	1	4
Roxburgh Forest	12	15
	(4)	222

Independent registered valuers, Guild Forestry, have valued Council owned forestry assets as at 30 June 2014

As at 30 June the Council owned forests had a 16% increase in value over the value as at the same time last year. The increase is attributable to natural growth, and improving log prices.

There are no carbon liabilities attached to the Council's forest estate.

The following significant valuation assumptions have been adopted in determining the fair value of forests assets

- A real pre tax discount rate of 8% has been used this year
- The value is of the tree crop only
- No volume growth in the old crop trees at Alexandra and Cromwell
- The valuation assumes that the forest will be grown for one rotation only and that no further planting will be undertaken
- The valuation uses current costs and no adjustment has been make for inflation

The Central District Council has forest investments of:

- 32 net stocked hectares in Alexandra
- 73.2 net stocked hectares in Cromwell
- 3.3 net stocked hectares in Ranfurly
- 2.6 net stocked hectares in Naseby
- 10.3 net stocked hectares in Roxburgh

Alexandra – 20.8 ha of Radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 19 – 28 years old.

Cromwell – 15.6 ha of Radiata pine of an undetermined age ready to be harvested with the balance ranging from 28 - 31 years old.

Ranfurly – 2 ha of Corsican pine 23 years old and 1.3 ha of Radiata pine 28 years old.

Naseby – 2.6 ha Corsican pine 33 years. The 31.9 ha block of land and all improvements - hereon (including the trees), was sold during the 2013/14 financial year.

Roxburgh – 10.3 ha of Radiata pine 29 years old.

Assumption: Radiata mature for clear felling at 35 years of age and Corsican pine 60 years.

Central Otago District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

Joint Venture

Central Otago District Council has 25% investment in a joint venture forest with Queenstown Lakes District Council which comprises of a total of 173.10 net stock hectares of Douglas fir from 29 to 18 years old. The forest is planted entirely in Douglas fir.

Valuations

Independent registered valuers Guild Forestry have valued forestry assets as at 30 June 2014. A pre tax discount rate of 8% has been used this year. This is the same discount rate as last year.

The value of the Joint Venture Forest as at 30 June represents a (16%) decrease in value over the same time last year. Falling log prices played the biggest part of this increase.

- The valuation assumes that the forest will be grown for one rotation only and that now further planting will be undertaken
- The valuation uses current costs and no adjustment has been made for inflation

Assumption: Douglas fir mature for clear felling at an average age of 45.

17. Investment Property

	2013/14	2012/13
	\$000	\$000
Balance as at 1 July	1,545	1,610
Additions from acquisitions	7	-
Disposals	-	-
Gains (loss) arising from revaluation	83	(65)
Balance at 30 June	1,635	1,545
Rental income from investment property	120	116
Direct expenses from investment property generating income	6	15
Direct expenses from investment property not generating income	-	-

Central Otago District Council investment properties are valued annually at fair values effective 30 June. All properties were valued on open market evidence. The valuation was performed by QV Valuations who are experienced in property valuation in the local market.

There are no contractual obligations in relation to investment properties at balance date.

18. Joint Venture

Council has a one quarter interest in the Coronet Forest accounted for as a jointly controlled operation with Queenstown Lakes District Council. Council's interests in the jointly controlled operation are as follows:

	2013/14	2012/13
	\$000	\$000
Current assets	-	-
Non-current assets	216	258
Current liabilities	-	-
Non-current liabilities	-	-
Income	-	71
Expenses	56	4

Expenses for Year 2013/14 include a valuation loss of \$52,073.

19. Landfill Aftercare Provision

The Council has a number of resource consents for closed landfills. The Council has a responsibility under these consents to provide ongoing maintenance and monitoring of the landfill sites.

These responsibilities include:-

- treatment and monitoring of leachate
- groundwater and surface monitoring
- monitoring of air quality
- ongoing maintenance of cover and monitoring bores.

The cash outflows are expected to continue through to 2021 when the last of the current resource consents expires. Future monitoring requirements past this date are not quantifiable. No reimbursements are expected.

The long term nature of this liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using existing technology and is discounted at a rate of 6%.

	2013/14	2012/13
	\$000	\$000
Opening Balance	43	48
Less applied to operations	(7)	(7)
Add Interest time adjustment	2	2
Closing Balance	38	43

20. Commitment for Expenditure

	2013/14	2012/13
	\$000	\$000
Capital Expenditure Commitments		
Building alterations	-	-
Water supply	344	-
Wastewater	165	-
Parks and reserves	142	387
	651	387

21. Leases

Leasing Arrangements – Operating Leases as Lessee

Operating leases relate to the rental of office equipment. The Council does not have an option to purchase the leased asset at the expiry of the lease period.

Non-Cancellable Operating Lease Payments

	2013/14	2012/13
	\$000	\$000
No longer than 1 year	136	103
Longer than 1 year and not longer than 5 years	100	105
Longer than 5 years	-	-
	236	208

Leasing Arrangements – Operating Leases as Lessor

Investment properties owned by the Council are leased under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows;

Non-Cancellable Operating Lease Rental Income

	2013/14	2012/13
	\$000	\$000
No longer than 1 year	111	120
Longer than 1 year and not longer than 5 years	352	399
Longer than 5 years	197	261
	660	780

22. Emissions Trading Scheme

The Council is part of the Emissions Trading Scheme (ETS) for its pre 1990 forests (mandatory participation).

Under the ETS the Council is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre 1990 forests.

Under the ETS liabilities can accrue as follows:

Pre 1990 Forests

Liabilities accrue if the pre 1990 forest land is deforested and not replanted. The council does not anticipate any future liabilities will arise in relation to pre 1990 forest land based on the intention to replant trees harvested or removed in any other way.

Due to difficult growing conditions the deforestation of the Naseby Forest was completed and the land later sold. Carbon credits were purchased at a value of \$2,590 to offset the liability.

23. Contingencies

Contingent Liabilities

Council's public liability and professional indemnity cover provider, RiskPool, has advised it will be making calls on Council for a shortfall in the mutual pool's funds. This has been caused predominantly by the leaky building issue which has significantly impacted the sector, including RiskPool. Under the Fund's rules councils are obligated to fund a call. Since the initial payment was made in 2009, \$170,000 has been paid to Riskpool. Future calls were expected to be made in 2013 and 2014 however no calls have been required.

The Council is exposed to potential future weathertightness claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims.

Contingent Assets

Contingent assets comprise the value of lessees' improvements on land leased from Council where a term of the lease provides for the improvements to vest in Council on the dissolution of the community group leasing that part of the reserve. Until this event occurs these assets are not recognised in the Statement of Financial Position. For 2013/14 and 2012/13, an assessment has been made that there is no probability of the community groups dissolving and the improvements vesting in Council, resulting in a disclosure of nil.

24. Remuneration

Remuneration of Elected Members

	2013/14	2012/13
	\$	\$
Mayor		
A B Lepper	77,226	75,992
Councillors		
C R Higginson	21,071	25,501
S J Battrick	16,085	10,878
N J Gillespie *	23,561	27,670
M R McPherson *	19,769	18,846
S A Calvert	11,958	0
S L Duncan	11,958	0
S F Jeffrey	15,259	0
N McKinlay	13,985	0
M C Topliss	11,958	0
Dr B J Wills	14,664	0

*Additional remuneration was provided to N Gillespie and M McPherson due to positions held on hearing panels.

Former Councillors (until October 2013 Elections)

G M Stewart	5,063	17,465
J T Lane	5,119	16,992
T C Emmitt	5,298	17,465
G R Bell	5,344	17,066
B A Becker	5,185	17,488
J R Hill	3,143	10,129

Remuneration of Chief Executive Officer

The Chief Executive Officer of the Central Otago District Council, appointed under section 42 (1) of the Local Government Act 2002, received salaries and benefits as detailed below.

	2013/14	2012/13
	\$	\$
Salary	201,091	194,935
Motor vehicle	15,000	15,000

As at 30 June 2014, the annual cost, including benefits, to the Central Otago District Council of the remuneration package being received by the Chief Executive is calculated at \$216,091 (2013 - \$209,935), while the above figures are the full amount paid to the CEO exclusive of expense claims.

Remuneration of Key Management

	2013/14	2012/13
	\$	\$
Remuneration of Key Management	801,856	812,420

Key management includes the Chief Executive and the four managers, who form the Management Team. The key management remuneration is all short-term benefit and includes the value of motor vehicles assigned to managers.

Council Employees

	2013/14	2012/13
Total annual remuneration by band for employees at 30 June		
<\$60,000	78	79
\$60,000-\$79,999	18	18
\$80,000-\$99,999	10	7
\$100,000-\$199,999	6	6
\$200,000-\$220,000	1	1
Total Employees	113	111

At balance date, the Council employed 72 (2012 68) full-time employees, with the balance of staff representing 39 (2012 35) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance Agreements

Pursuant to Schedule 10 Part 3 (19) of the Local Government Act 2002, the Council is required to disclose the cost of any severance agreement with an employee. No such severance agreements occurred during 2012/13 (2011/12 - Nil).

25. Related Party Transactions

During the year Councillors, Community Board members and key management staff, as part of a normal customer relationship, were involved in minor transactions with the Council, such as payment of rates and transfer station fees. In addition to this a number of elected members are involved with a variety of community groups that may or may not receive small amounts of funding from Council.

Council purchased specific services from current Councillors and Board members, as follows:

Mayor A B Lepper - during the year the council purchased services from Earnscleugh Irrigation Limited, in which Mayor A B Lepper is a Director. These services cost \$160 (2013 \$152).

Mayor A B Lepper - during the year the council provided a grant to Sport Otago, a not for profit organisation in which Mayor A B Lepper was Chairperson up until November 2013. The annual grant was \$39,164 (2013 \$38,023).

Councillor Willis and Jeffery – during the year the council purchased services from the Central Otago Clutha Trails Trust which Cr Willis and Cr Jeffery are Directors. These services cost \$17,360 (2013 Nil) and the balance owing at year end is \$3,616.25.

Councillor Higginson – during the year the council purchased services from Central Otago WasteBusters which Cr Higginson is a Review Group Member. These services cost \$490,794 (2013 \$415,987) and the balance owing at year end is \$185.73.

Within our waste minimisation activity, Reap supply a service to carry out a number of our minimisation initiatives and education programmes up to a value of \$85,000. Councillor Higginson and The Mayors wife are employed by Reap.

Cromwell Community Board member Christiansen – during the year the council purchased services from Super Liquor, Alexandra which Board member Christiansen is the General Manager. These services cost \$5,135 (2013 \$3,117) and the balance owing at year end is \$54.97.

Cromwell Community Board member Pinckney – during the year the council purchased services from Northburn Wine Company which Board member Pinckney is a Director. These services cost \$1,231 (2013 NIL.)

Maniototo Community Board member Hazlett – during the year the council purchased services from D S Hazlett & Sons which Board member Hazlett is a Director. These services cost \$3,090 (2013 \$7,497.)

26. Financial Instruments

The Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established and approved liability management and investment policies, as set out within the 2009-12 Long Term Council Community Plan adopted by Council at its June 2009 meeting.

Credit Risk

Financial instruments which potentially subject the Council to credit risk, principally consist of bank balances, debtors and other receivables, short term investments and other financial assets.

The Council's main bank accounts are held with the Bank of New Zealand. Surplus funds are invested in accordance with Council policy with a number of approved trading banks, building societies, local authorities, state owned enterprises, regional health entities, corporates or in NZ Government stock. Council's investment policy limits the amount of credit exposure to any one financial institution or organisation.

The level and spread of debtors and other receivables minimises the Council's exposure to risk. Collateral held: Rates as a charge on the property pursuant to the Local Government (Rating) Act 2002.

Maximum Exposure to Credit Risk and Fair Values

The maximum exposure to credit risk and fair value of financial instruments is equivalent to the carrying amount in the Statement of Financial Position. Council manages the credit risk by spreading its investments across several institutions that have approved credit ratings.

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Credit Rating	2013/14 \$000	2012/13 \$000
Loans and receivables			
Bank balances and term deposits	BBB and greater. No defaults in the past.	13,200	10,117
Debtors and other receivables	Note 9.	2,727	2,632
Community loans	Not rated. No defaults in the past.	1,977	1,994
Total Credit Risk Loans and Receivables		17,904	14,743
Available For Sale Financial Assets			
Investment bonds	A+. No defaults in the past.	14	534
Promissory and floating rate notes	Not rated. No defaults in the past.	500	500
Total Credit Risk Available for Sale Financial Assets		514	1,034
Total Credit Risk		18,418	15,777

Currency Risk

The Council is not exposed to any direct currency risk as all transactions are in New Zealand dollars.

Interest Rate Risk

The Council manages its investments to minimise interest rate risk, in accordance with its investment policy, by holding investments with differing maturities and fixed returns. The table below illustrates the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

	2013/14		2012/13	
	\$000	\$000	\$000	\$000
Interest Rate Risk	-50bps	+50bps	-50bps	+50bps
	Effect on surplus (deficit)		Effect on surplus (deficit)	
Cash and cash equivalents	(15)	15	(4)	4
Promissory and floating rate notes	(3)	3	(3)	3
Total Sensitivity	(18)	18	(7)	7

The interest rate sensitivity is based on a reasonable possible movement in interest rates measured as a basis points (bps) movement. For example, a decrease in 50bps is equivalent to a decrease in interest rates of 0.5%.

Liquidity Risk

To meet its liquidity requirements, Council maintains a target level of investments to mature with differing maturities in either the short term or long term, after taking into account projected cash flows. Limits are also in place to restrict the total amount invested with any one approved institution. Approved institutions are registered banks which maintain high levels of liquidity.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to price risk in relation to its available for sale investments where the interest rate is fixed. The price risk arises due to interest rate movements. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's investment policy.

27. Internal Loans

The Council has used available cash reserves to finance debt internally rather than using external funding. These loans are a combination of specified and investment account borrowings and are not represented in the Statement of Comprehensive Income.

	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing balance \$000
Water	4,741	457	(195)	5,002
Wastewater	1,056	-	(300)	756
Stormwater	5	-	(5)	0
Transportation	1,956	1,766	(1,529)	2,193
Waste Minimisation	129	1,115	(982)	261
Other Infrastructure	1,347	183	(118)	1,412
Parks, Reserves & Cemeteries	33	107	(83)	57
Community Facilities, Libraries & Swimming Pools	608	296	(68)	835
District Development	97	5	(9)	92
Governance and Corporate Services	6,954	253	(33)	7,174
	16,926	4,182	(3,322)	17,782

In accordance with accounting standards, internal interest is excluded from the Statement of Comprehensive Income. It remains included in the individual Funding Impact Statements to recognise the actual cost to ratepayers of that particular activity. The following table details the amount of internal interest included within the respective Funding Impact Statements.

Internal Interest

	2013/14 \$000 Actual	2013/14 \$000 Estimate	2012/13 \$000 Actual
Water	192	215	142
Wastewater	43	12	53
Stormwater	0	0	2
Transportation	55	63	62
Waste Minimisation	28	13	12
Other Infrastructure	55	70	65
Parks, Reserves & Cemeteries	0	2	-
Community Facilities, Libraries & Swimming pools	25	53	26
District Development	0	9	1
Governance and Corporate Services	284	371	279
	684	808	642

28. Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

29. Statement of Cashflow

Reconciliation of Net Surplus (Deficit) to Net Cash Flows from Operating Activities

	2013/14	2012/13
	\$000	\$000
Net Surplus (Deficit) After Tax	3,273	532
Add (less) non-cash items:		
Depreciation	9,322	9,492
Amortisation of intangible assets	141	102
Vested Assets	(2,106)	(106)
Valuation gains	(365)	(276)
Valuation losses	252	65
Amortisation of landcare liability	5	5
Add (less) movements in working capital items:		
Decrease (increase) in debtors & other receivables	(49)	426
Decrease (increase) in prepayments	(75)	(18)
Increase (decrease) in agency and deposits	442	11
Increase (decrease) in creditors & other payables	669	(533)
Decrease (increase) in net GST receivable	50	118
Add (less) items included in investing activities:		
Net (gain) loss on sale of assets	(110)	9
(Increase) decrease in fixed asset related payables	(85)	865
Add (less) item included in term liabilities		
Decrease in landfill aftercare liability	(5)	(5)
Net Cash Inflow (Outflow) from Operating Activities	11,359	10,687

30. Events Subsequent to Balance Date

There were no events arising since balance date relating to Council activities that require adjustment to these financial statements. Subsequent to balance date Phil Melhopt, Chief Executive resigned from Central Otago District Council to take up a position in Timaru.

31. Reclassification

There have been no changes in the presentation of items within the income or expenditure categories compared to the previous reporting year.

Audit Opinion

To the readers of Central Otago District Council's Annual Report for the year ended 30 June 2014

The Auditor General is the auditor of Central Otago District Council (the District Council). The Auditor General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2014 on page 85;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 83, 84 and 86; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 88 to 123;
- the statement of service provision and each group of activities carried out by the District Council on pages 18 to 79;
- the funding impact statements in relation to each group of activities of the District Council on pages 18 to 79;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 18 to 79;
- the funding impact statement of the District Council on pages 81 and 82; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 13 to 17.

In addition, the Auditor General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 121;
 - reserve funds on page 87;
 - remuneration paid to the elected members and certain employees of the District Council on pages 117 and 118;
 - employee staffing levels and remuneration on page 118;
 - severance payments on page 118;
 - rating base units on page 13; and
 - insurance of assets on page 112.
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 2; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 17.

Opinion

Audited Information

In our opinion:

- the financial statements of the District Council on pages 83 to 123:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
 - the statement of service provision of the District Council on pages 18 to 79:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The funding impact statements in relation to each group of activities of the District Council on pages 18 to 79, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 18 to 79, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's annual plan.
- The funding impact statement of the District Council on pages 81 and 82, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The disclosures on pages 13 to 17 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the Other Requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 29 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported the statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;

- Funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;
- Statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's annual plan;
- A funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- Disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- The other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with, or interests, in the District Council.



Scott Tobin
 Audit New Zealand
 On behalf of the Auditor General
 Christchurch, New Zealand

OUR COUNCIL

elected members
community boards
executive team



Our Spaces, Our Faces

Your Mayor & Councillors



(Back row from left) Malcolm Topliss, Clair Higginson, Stephen Jeffery, Stuart Duncan, Martin McPherson, Barrie Wills, Stephen Battrick, Nigel McKinlay, Shirley Calvert.
(Front) Mayor Tony Lepper and Deputy Mayor Neil Gillespie.

Tony Lepper
His Worship the Mayor
Phone: (03) 449 2413
Mobile: 027 220 6831
Email: mayor@codc.govt.nz

Neil Gillespie (Deputy Mayor)
Cromwell
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Mobile: 027 433 4856
Email: neil.gillespie@codc.govt.nz

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Stuart Duncan
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Stephen Jeffery
Teviot Valley
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Mobile: 027 220 6080
Email: stephen.jeffery@codc.govt.nz

Community Boards

The Council has four community boards covering the entire district. Community boards provide a link between Council and the community. Our Council is one of the few in the country that maintains a comprehensive community board structure with significant delegated powers.

Cromwell Community Board

Chair Neil Gillespie



42 The Mall, Cromwell

t: (03) 445 0211

f: (03) 445 1649



(Back from left) Shirley Calvert, Nigel McKinlay, Glen Christiansen, Gordon Stewart, Tom Pinckney.
(Front) Helen Hucklebridge (Deputy) and Neil Gillespie (Chair).

Vincent Community Board

Chair Clair Higginson



1 Dunorling Street, Alexandra

t: (03) 440 0056

f: (03) 448 9196



(Back from left) Stu Millis, James Armstrong, Malcolm Topliss, Barrie Wills (Deputy), Barry Hambleton.
(Front from left) Mel Bell*, Clair Higginson (Chair), Claire Goudie.

*Mel Bell resigned from the VCB on 19 May 2014. A by-election will be held in September for a new member of the Board.

Maniototo Community Board

Chair Mark Harris



15 Pery Street, Ranfurly

t: (03) 444 9170

f: (03) 444 9166



(Back from left) Sue Evans, Stu Duncan (Deputy), Robert Hazlett.
(Front) Mark Harris (Chair) and Sue Umbers.

Teviot Valley Community Board

Chair Raymond Gunn



120 Scotland Street, Roxburgh

t: (03) 446 8105

f: (03) 446 8113



(Back from left) Stephen Jeffery, Jenna Stevens, Russell Read
(Front from left) Raymond Gunn (Chair) and Cliff Parker (Deputy).

Executive Team

Phil Melhopt Chief Executive Officer			
Susan Finlay Corporate Services Manager	Jon Kingsford Manager, Infrastructure Services	Louise van der Voort Manager, Planning & Environment	Anne Pullar Manager, Community Services
Elected Members' Support Accounting Financial Planning & Reporting Rating / Policy Information Systems Customer Service & Administration	Transportation Water Wastewater Stormwater Waste Minimisation Elderly Persons' Housing Public Toilets District / Commercial Property Airports Community Facilities	Resource Management Building Control Liquor Licensing Dog Control & Registration Environmental Health Rural Fire Emergency Management	Parks & Recreation Cemeteries Libraries Swimming Pools Business Development Tourism Central Otago Visitor Information Centres Community Planning Regional Identity Promotions & Grants

Budgeted staff numbers (FTEs) remain constant at 111.

Administration

Main Office: 1 Dunorling Street
Alexandra

Service Centres: 42 The Mall, Cromwell
120 Scotland Street, Roxburgh
15 Pery Street, Ranfurly

Auditor: Audit New Zealand
Christchurch
on behalf of:
The Auditor General

Privacy Officer: Corporate Services Manager



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