



CENTRAL OTAGO DISTRICT COUNCIL

AR

ANNUAL REPORT

2018 – 2019

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10 10-YEAR PLAN

The 10-Year Plan sets out our strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure the quality and our effectiveness. The issues we face and the context within which we work are continuously evolving. For this reason, a 10-Year Plan is produced every three years.

AR ANNUAL REPORT

At the end of each financial year we produce an Annual Report. This sets out how we performed for the year compared to what we said we would do. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

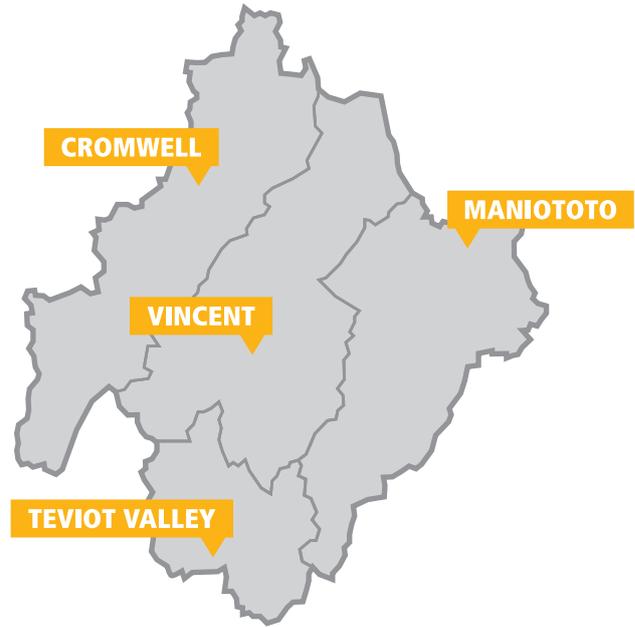
AP ANNUAL PLAN

In each of the two years between 10-Year Plans we produce an Annual Plan. The Annual Plan takes a fresh look at the budgets and work programme that we planned for the year, according to the 10-Year Plan, and considers whether adjustments are needed.

OUR SPACE, OUR PLACE

The Central Otago district covers an area of 9,968.5km² and encompasses the electoral wards Alexandra and Earnsclough-Manuherikia (Vincent from the 2019 elections), Cromwell, Maniototo and Teviot Valley. The main towns include Alexandra, Clyde, Omakau, Cromwell, Roxburgh, Ranfurly and Naseby. StatsNZ estimates our usual resident population at 21,000. 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 an attractive 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.



Community Planning

The aspirations of our Central Otago community are central to our planning.

Central Otago District Council helps facilitate community planning. We currently have 14 community plans 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.

Consultation with Māori

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 Rōpū Taiao Otago governance charter. This charter formalises an agreement between Otago Rūnanga and Otago local authorities to work together at both a collective and individual council level.

Our Community Outcomes

THRIVING ECONOMY

A thriving economy that is attractive to both businesses and residents alike.

Economic Development

Promote Central Otago as a place to live. Help businesses 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

Have easy access to information, friendly business services with streamlined consent processes.

SUSTAINABLE ENVIRONMENT

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

Water

Ensure 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 & 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 values and celebrates 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

Have 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

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

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.

These are the community outcomes Council has a key role in.

They will be achieved by working in partnership with the whole community, including individuals, businesses, government agencies and community organisations.

OUR SPACE, OUR PROGRESS



Tēnā koe,

It is our pleasure to present this Central Otago District Council Annual Report and provide feedback to you on what council has achieved in the 2018/19 year.

The 2018/19 year was year one of our 10-Year Plan 2018-28. That was when we consulted with our community on a “Take 10 for 10” campaign, which saw staff and elected members out and about wearing bumble-bee yellow t-shirts to make sure our efforts were more visible than in the past.

Earlier this year we prepared our Annual Plan for 2019/20 and as it contained no significant changes to what we signalled for year two of the 10-Year Plan the Council decided to forego formal consultation. This was the first time this council has not consulted on an annual plan. This break from tradition signalled an exciting milestone as it shows we produced a robust Long-term Plan and delivered on it over its first year.

Instead of formal consultation we went out with an ‘All Going to Plan’ communications and engagement campaign – letting our community know through print and online media how we were tracking with projects and where our focus was in the year ahead. Some of those achievements, as well as a range of others, are highlighted again here in our Annual Report.

In late November 2018 we celebrated the completion of the Cromwell Wastewater Treatment Upgrade. This project came in on time and under budget. The upgrade has vastly improved the quality of the water discharged into Lake Dunstan and means we're ready to handle the demands of a growing population base now and in the future. In June this year the delivery of this project saw it win the Environmental and Sustainability Award at the IPWEA NZ Annual Excellence Awards.

The ball also got rolling in 2018/19 with investigations and design work for a number of other major infrastructure projects. In May construction got underway to build two major pipelines from Clyde to Alexandra – one that will bring an improved water supply to Alexandra and Clyde, and the other that will transport Clyde's wastewater to the Alexandra Wastewater Treatment Plant.

We've also been busy developing a masterplan for Cromwell to guide the town's development in a way that retains the things its residents love. With fantastic levels of community involvement, and a great many hours over and above ‘business as usual tasks’ by a multidisciplinary project team, Stage 1 of the Cromwell ‘Eye to the Future’ Masterplan – the Spatial Plan was adopted in June this year. The next stages of the Masterplan will be the Town Centre Precinct and the Arts and Culture Precinct, which include a number of significant capital projects.

A strategy and policy function was established at the council this year to help us respond proactively to opportunities and challenges facing Central Otago. The first task of the new team was to conduct a stocktake of strategy and policy work currently underway in the organisation and identify the critical work that needs to be undertaken.

The work programme was presented to Council in February and a package of five priorities were approved as immediate priorities. These were a Central Otago 2050 Plan (a 30-year vision and prosperity plan for the district), Council's approach to housing, a Grants Policy, a Museum Strategy and a Responsible Camping Strategy (pending the development of a national strategy).

In late 2018 we launched a new 10-year strategy to guide the development of tourism in Central Otago and appointed a six-person strong Tourism Advisory Board. The Board was established as part of an effort for us to best leverage our limited resource; stay true to delivering tourism outcomes that are true to our A World of Difference regional identity; and to grow tourism in Central Otago in a way that increases the value of the tourism economy over the volume of people coming here. The Board met for the first time in January this year and has hit the ground running looking at ways we can lift our tourism game to new heights.

In other strategy news the Sustainability Strategy 2018-21 and the Economic Development Strategy 2019-24 were also adopted in this financial year, both significant documents to guide and support the wellbeing of our district.

Our main council offices in Alexandra have been refurbished during the course of this year to drag them out of the 1980s and offer a great new space to welcome customers and for our staff and elected members to work in. We are nearing the final stages with the governance wing set to be completed late 2019.

The refurbishment provided an opportunity for our staff to name the building's meeting rooms in Te Reo Māori. A series of workshops were held with local cultural advisers to come up with meaningful names that recognise the rich, but largely unknown, Māori history of Central Otago, the contribution staff make to the community through their work, and a significant step towards our own cultural maturity as an organisation.

As is the case most years, a good chunk 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 are many projects, activities and initiatives we have undertaken to improve our services and facilities, and enhance the well-being of our community. We should take the time to acknowledge and celebrate these and strive to build on them for a brighter future. Some of these highlights are touched on in the following pages and are detailed within our activity sections in this report.

We remain proud to be of service to the Central Otago community. We thank elected members and staff for their commitment and efforts this past year. We acknowledge the community support, with special thanks to those of you who took the time to make submissions, provide feedback and get involved.

Ngā mihi



Tim Cadogan
Central Otago Mayor



Sanchia Jacobs
Chief Executive Officer

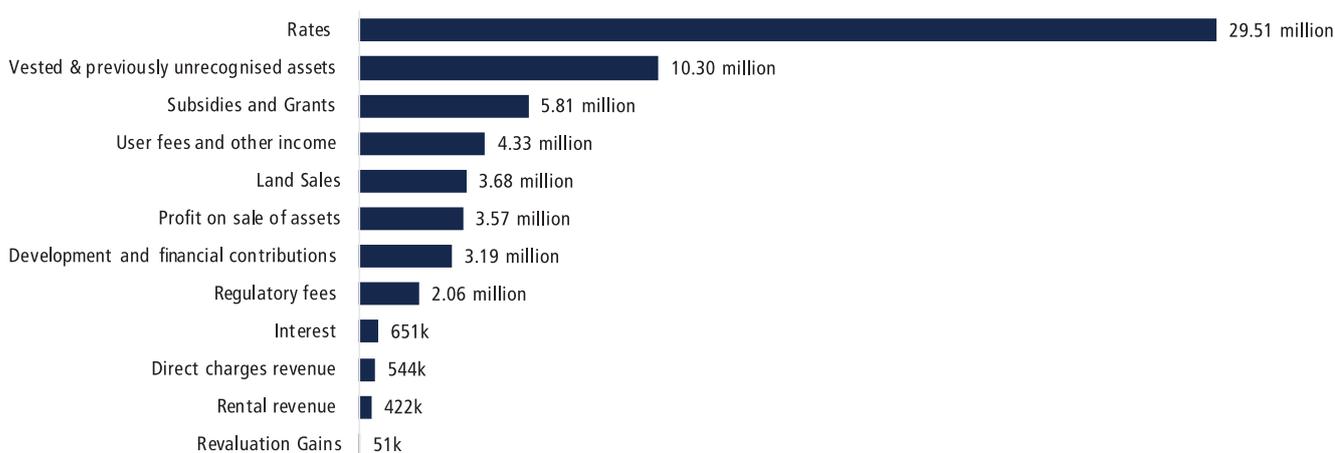
OUR RESULTS

Our projects for the 2018/19 year, including those captured in our highlights on the previous page 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 \$17.429m after tax.

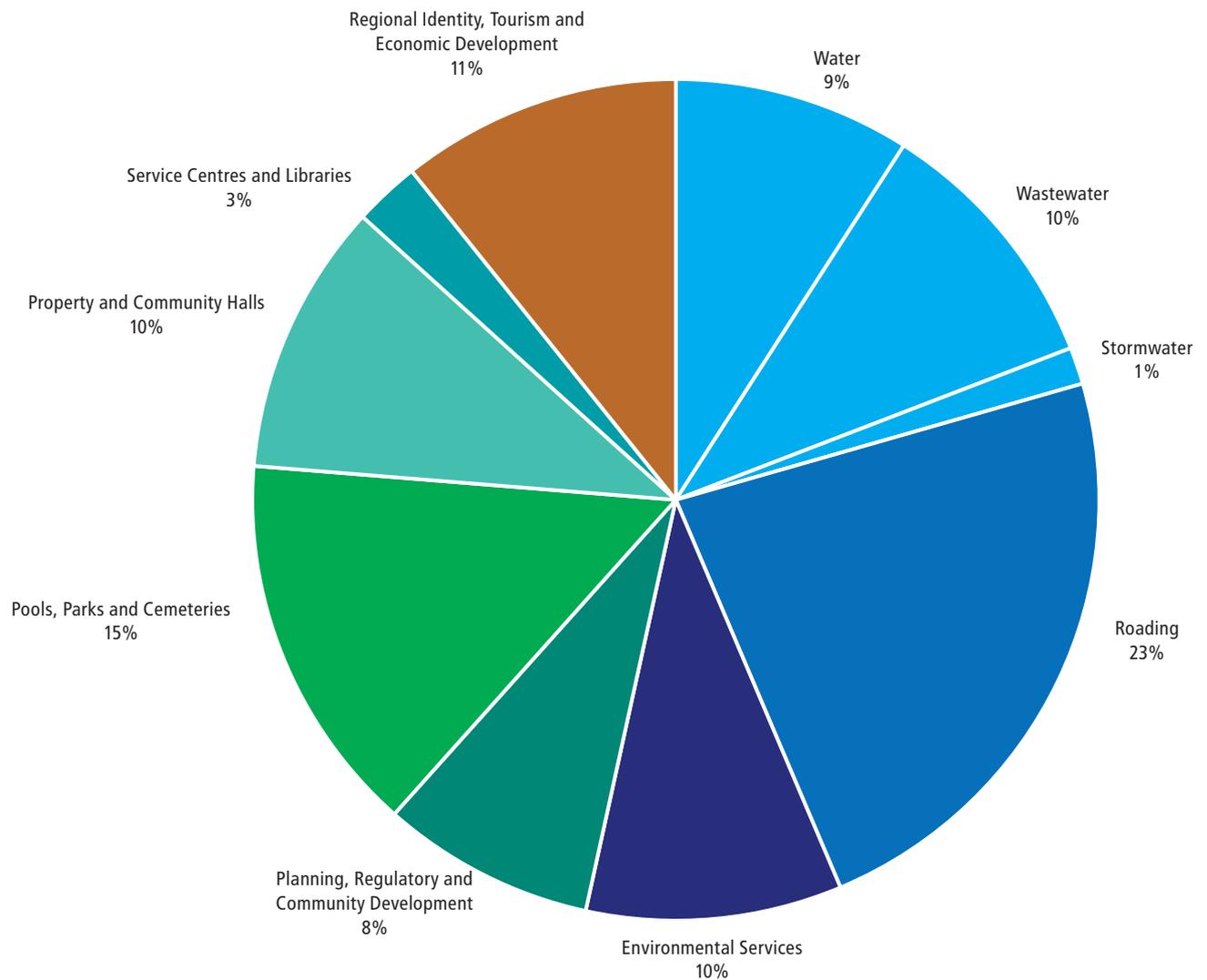
5 - Year Financial Performance	2018/19 \$000	2017/18 \$000	2016/17 \$000	2015/16 \$000	2014/15 \$000
Rates revenue *	29,509	28,300	27,185	26,458	24,957
Other revenue**	34,622	18,830	22,210	16,922	12,835
Total revenue	64,131	47,130	49,395	43,380	37,792
Employee benefit expenses	9,697	8,721	8,326	7,591	7,349
Depreciation and amortisation	11,567	12,114	10,996	10,812	9,668
Other expenses	25,437	21,219	19,292	18,678	18,445
Total expenditure	46,701	42,054	38,614	37,081	35,462
Net surplus (deficit)*	17,429	5,076	10,782	6,299	2,330
Working capital (net)	19,966	18,847	20,107	16,528	14,735
Total assets	841,122	721,531	716,438	705,590	665,039
Cash flows from operating activities	19,428	13,848	13,915	13,546	9,552
* Note: includes revenue from water meter charges					
** Note: includes vested assets and assets found	10,300	1,912	6,345	4,786	1,675

Where our Revenue comes from



How the money is spent by activity

Total expenditure of \$46.7 million.



Key Facts and Figures for 2018/19

\$64.1 million = Council's total revenue

\$46.7 million = Council's total expenditure

\$9.7 billion = our rateable capital value at 30 June 2018

\$4.7 billion = our rateable land value at 30 June 2018

\$0 = the district's debt

13,899 = the number of rateable properties in our district (13,753 in 2017/18)

\$813.1 million = the current book value of our district's non-current assets

FINANCIAL PRUDENCE BENCHMARKS

Disclosure Statement

What is the purpose of this statement?

The purpose of this statement is to disclose the council’s financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

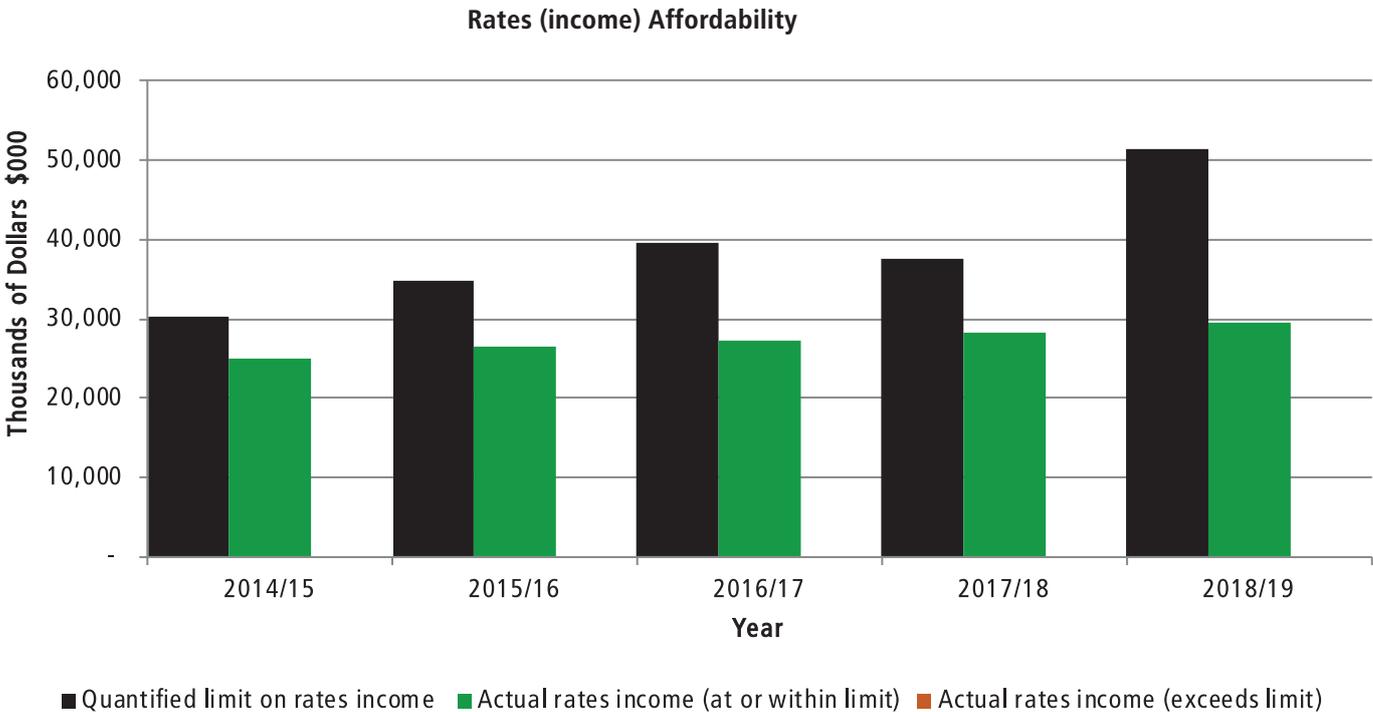
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark—

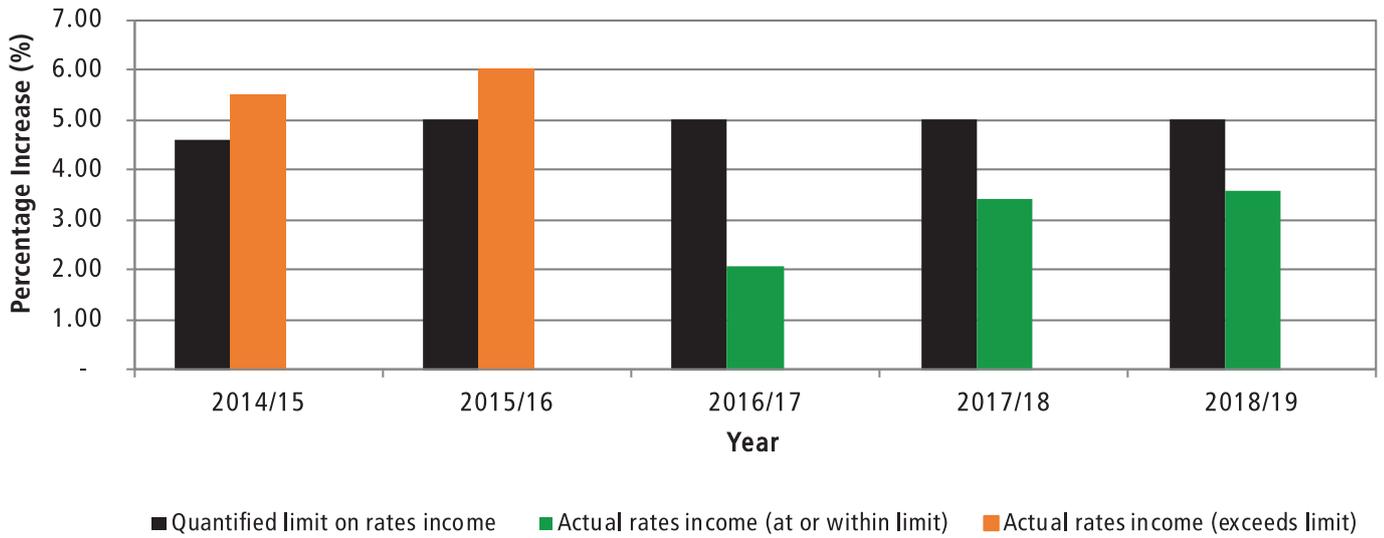
- > if actual or planned rates income for the year equals or is less than each quantified limit on rates; and
- > if actual or planned rates increases for the year equal or are less than each quantified limit on rates increases.

The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s Long-Term Plan. The quantified limit is 80% of total revenue. This is shown in thousands of dollars.



The following graph compares the council’s actual rates increases with a quantified limit on rates increases from the financial strategy included in the council’s long-term plan. The quantified limit is 5% after 0.7% budgeted growth.

Rates (Increases) Affordability



Debt Affordability

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s Long-Term Plan. The quantified limit is 10% of total assets.

A borrowing limit of 10% of total assets will assist in prudently managing borrowing. At this point the council has no external borrowings and is therefore within debt limits.

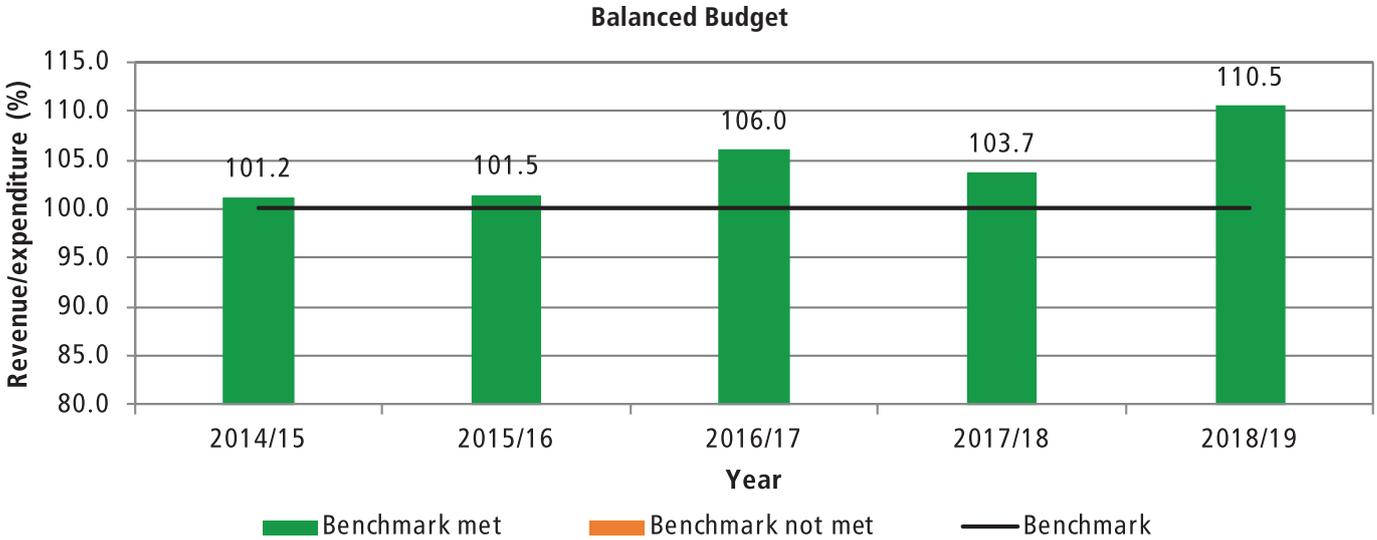
Debt Affordability



Balanced Budget

The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

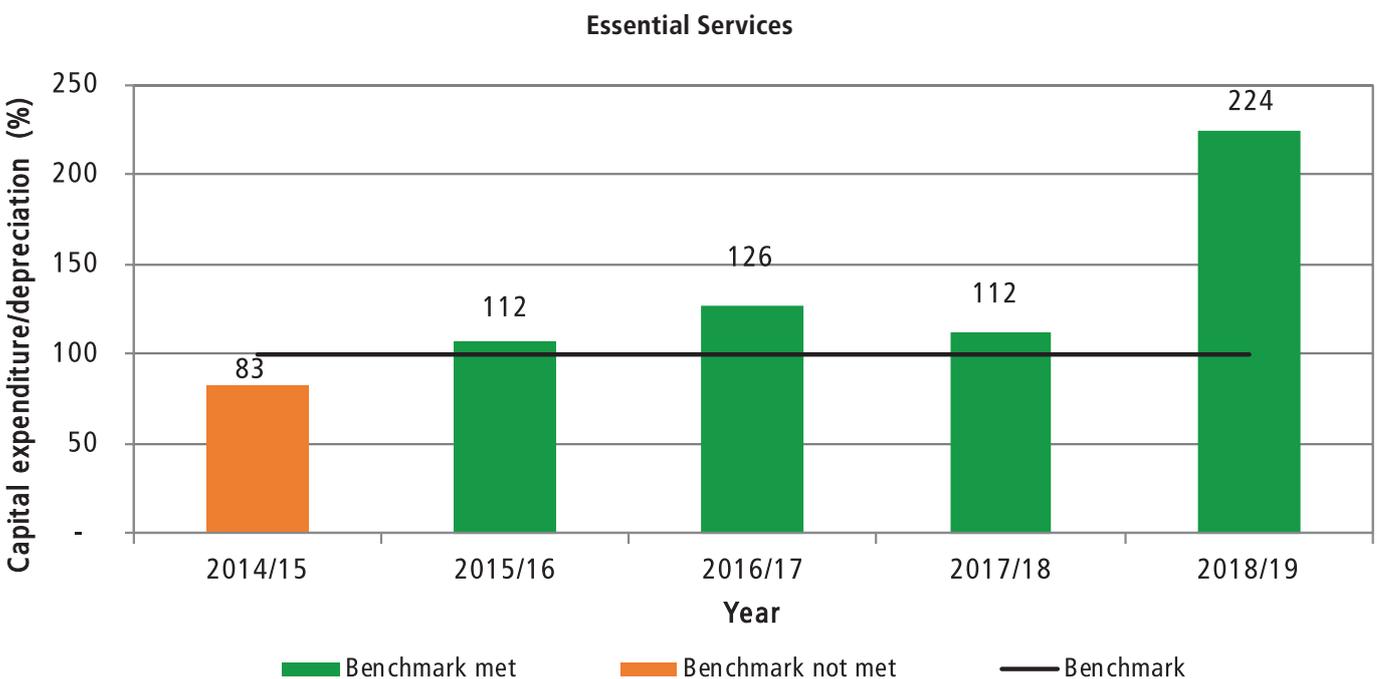
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

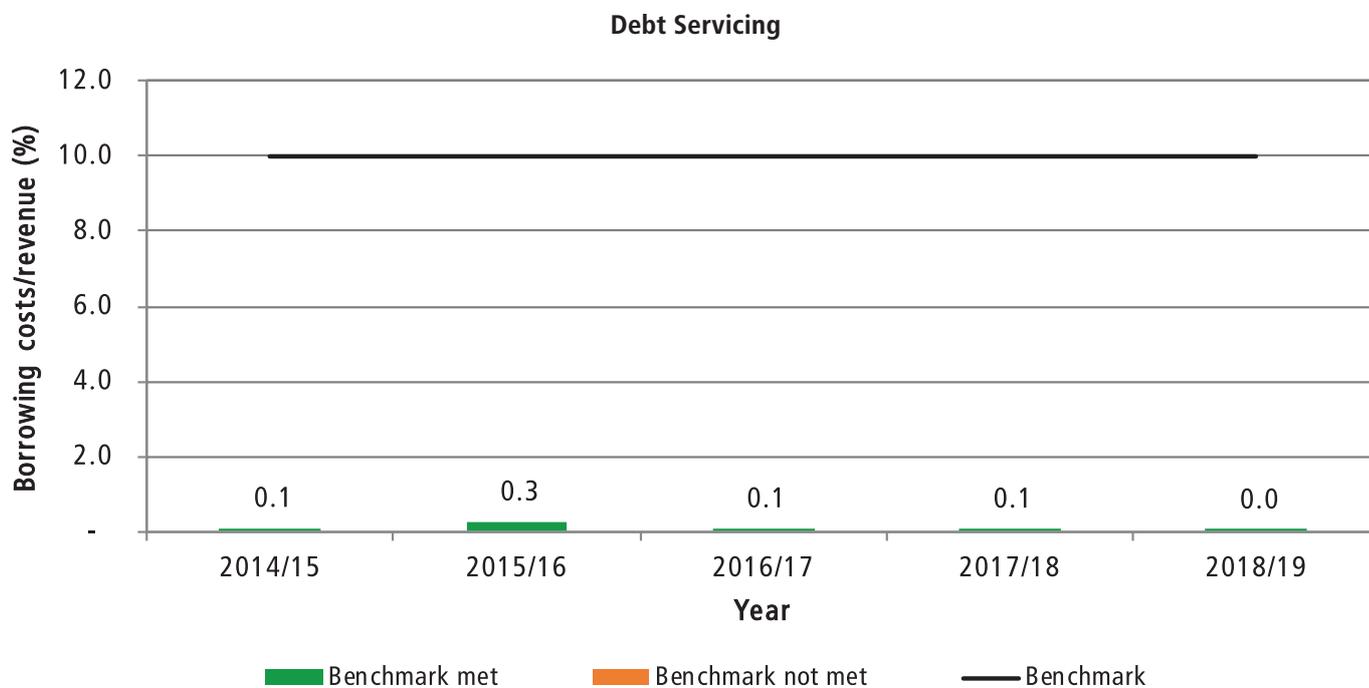
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing

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

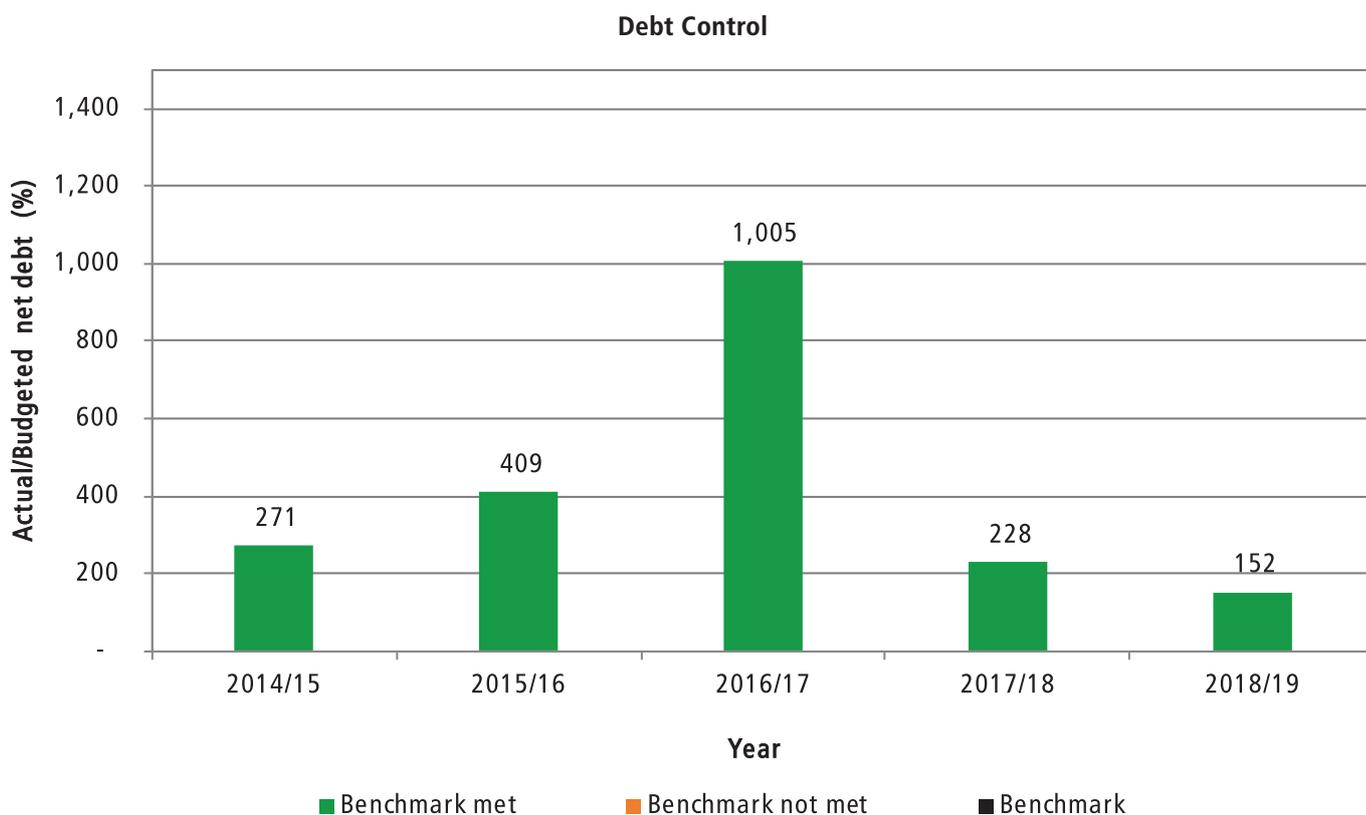
Due to no external borrowing the council has limited debt servicing costs. The small borrowing costs represent bank fees in relation to current banking facilities. The council does not have an overdraft facility.



Debt Control

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

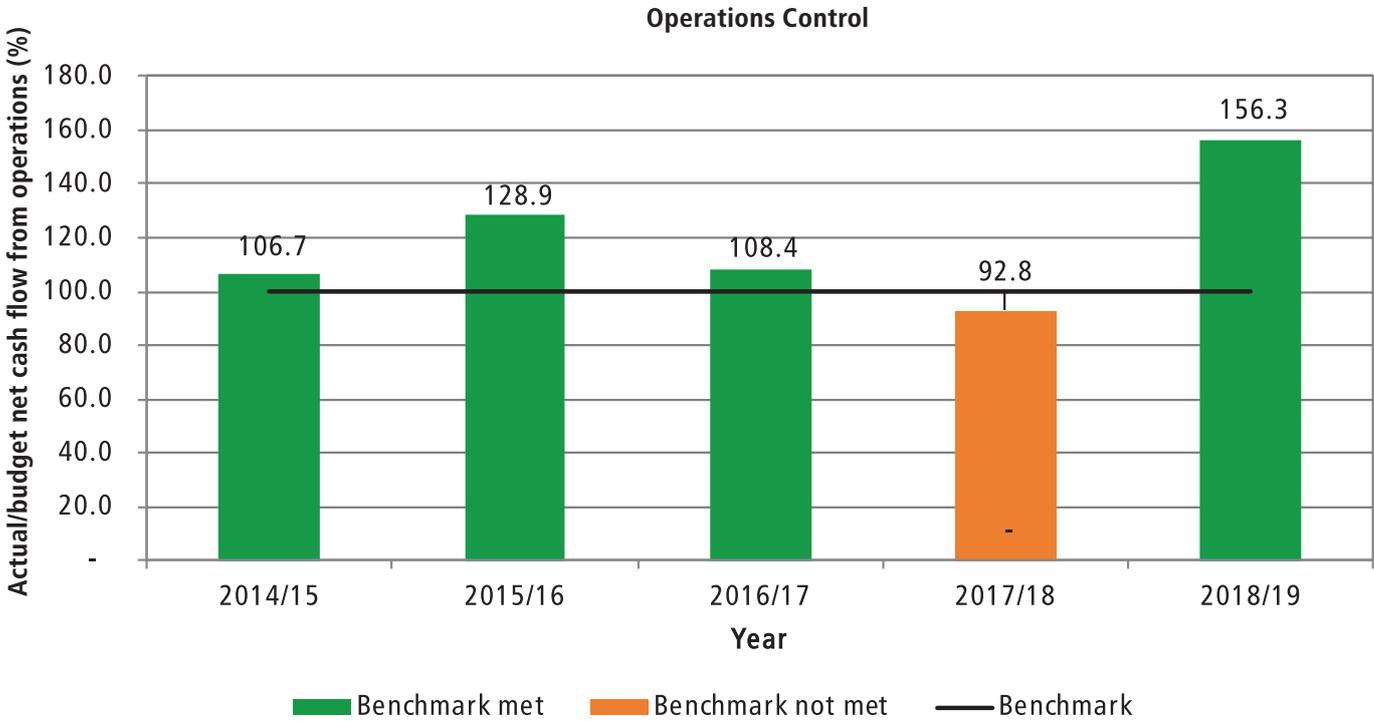
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



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.



Tim Cadogan
Central Otago Mayor



Sanchia Jacobs
Chief Executive Officer

OUR ACTIVITIES

'Our Activities' provides a detailed overview of the activities we have undertaken during the 2018/19 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, 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. Governance and Corporate Services provides the internal processes and support required for the organisation to carry out its activities.

Within each group of activities you will find a description of each activity, our key challenges, what we have planned, what we have achieved, and a breakdown of the costs involved.





WATER



What we do

Central Otago's vision for water services is "to deliver safe and wholesome water supplies which support a healthy community and environment".

Council provides water to properties within nine water schemes, servicing approximately 15,000 residents and 4000 visitors on an average day.

Each scheme operates under the same basic process. Water is drawn from a lake, river or bore before being treated. Treated water is then pumped to elevated storage reservoirs for distribution. The reservoirs ensure sufficient quantities are available for consumption and firefighting while the elevation produces the required pressure.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Roxburgh water supply joins district wide water rate and user pays system

The Roxburgh community is the last council-owned water supply to move to the district wide water rate and user pays system. This was due to a number of issues related to properties being interconnected by one toby tap and access agreements to work inside private property being required. Council contractors worked through the final stages of water meter installations earlier in 2019 and began taking initial reads. Roxburgh residents received their first water account in September 2019. The water billing team worked with the communication team earlier this year to get information out to residents on the town water scheme, including producing an informative little video on how to locate and read your meter.

Water Supply and Wastewater Pipelines

The pipeline construction tender was awarded to Fulton Hogan on 15 May and work began on 20 May. This started in the section of the future Alexandra cemetery and beside the Otago Central Rail Trail on Dunstan Road.

The work through the land earmarked for future use as a cemetery was undertaken first to enable the Salvation Army to move the community garden into this space before spring.

Fulton Hogan will be operating with two separate pipe welding sites, a crew backfilling completed sections and another crew excavating next sections.

A project newsletter called "*In the Pipeline*" has been produced to update and inform the public of the progress and any important notifications regarding the works. There will be pamphlets left at each end of the works on a project billboard adjacent to the Rail Trail.

Lake Dunstan Water Supply project

The filter trial programme has revealed that cartridge filters will be susceptible to rapid blocking. These trials also revealed the presence of lindavia. Lindavia intermedia is an extremely small freshwater algae species that floats in the water of lakes and has the potential to create the algae 'lake snow'.

Although this presents a challenge it is a benefit that Central Otago District Council has early warning of this issue. Further trials of a more sophisticated filtration plant are now being planned for summer.

Lindavia is not a health risk but is a nuisance where it causes blockages in filtration systems both in public utility and domestic situations.

We are working on a Memorandum of Understanding with Queenstown Lakes District Council to share research and design costs and ultimately may be able to reduce procurement costs by economy of scale.

While filtration options are trialled, an interim water treatment scheme will be installed at Lake Dunstan that will connect to the new pipelines. This scheme will temporarily supply water with markedly lower levels of lime to Alexandra customers. Council approved the concept of this scheme and will be presented with options and costs at a later date.

A video was filmed to communicate to the public the Lake Dunstan project and the pipeline installation. The video was put out to the wider community on both council's website and Facebook page and has been very well received.

Omakau Water

A land access agreement for a section of property near the Mawhinney Road site north of Omakau was completed towards the end of the financial year. Three investigation/monitoring bores have been installed at the Mawhinney Road water source site. The results from the drilling and test pumping have been very positive. The project will now progress to testing water for treatability and some further testing to confirm continuity of supply. Initial results are promising and a resource consent will now be sought for further bore testing and filter trials.

Naseby Water

The Naseby water treatment plant upgrade is progressing well. The main parts including the UV treatment device have arrived. Pipework and valves are being prepared for changeover and a hardstand area has been constructed for the relocation of a mixing tank. Changes to the electrical switchboard are being progressed which includes re-programming the control system. Plant commissioning is expected in December 2019.



A section of pipe that will carry a new water supply from Lake Dunstan to Clyde and Alexandra.

What we have achieved - Water

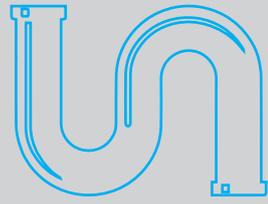
Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible and reliable water network	✓	The percentage of real water loss from the network reticulation system (leaks, metering inaccuracies) Percentage of budgeted capital works completed annually	28% 37%	21% 67%	Target current annual real losses from the networked reticulation system ≤20% of water produced with identified leaks being rectified. To complete more than 90% of budgeted capital works	Target not achieved. Leak detection works already undertaken and continuing with identified leaks being rectified. Target not achieved. Actual expenditure was assessed against the revised annual plan budget and required adjustments including budget carry forwards from previous year. Major projects had some programme delays due to additional design requirements.
			Time with water per customer per annum (planned and unplanned) Average time to process a request to connect to the Council's water supply	99.9% 4 days	99.9% New measure	To maintain supply to customers for ≥99% of the time ≤5 days	Target achieved Target achieved
A Sustainable Environment	Provide an efficient water network	✓	Fault response time to urgent call-outs Attendance: Resolution:	6 hours 22 hours	- - ** **	Target median time to get to site ≤1 hour Target median time to resolve ≤4 hours	Target not achieved Improvements have been made but more work to be done with the contractor to improve this.
		✓	Fault response time to non-urgent call-outs Attendance: Resolution:	26 hours 25 hours	- - ** **	Target median time to get to site ≤8 hours Target median time to resolve ≤24 hours	Target not achieved. Improvements have been made but more work to be done with the contractor to improve this.

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
		✓	The average consumption of water per day per resident	579L/person/day	461 L/person/day	To maintain water demand at <600 L/person/day	Target achieved
		✓	Total number of customer complaints for: - Water clarity - Water taste - Water odour - Water pressure and flow - Continuity of water supply - Responses to water service requests	2.6 per 1,000 connections	5.3 per 1,000 connections	≤13 per 1,000 connections	Target achieved
		✓	Compliance with the NZ Drinking Water Standards Pt4: Bacterial:	Pt4: Bacterial Compliance All treatment plants comply except, Omakau and Roxburgh	Pt 4: Bacterial Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = Yes Omakau/Ophir = No Patearoa = Yes Pisa Village = Yes Ranfurlly = Yes Roxburgh = No	Part 4: Bacterial Compliance All treatment plants to comply All distribution zones to comply	Target not achieved. Pt4: Bacterial Compliance achieved on distribution zones. Naseby, Omakau and Roxburgh treatment plants were subject to rain events where high turbidity was recorded for a short period.
			Pt5: Protozoal:	Part 5: Protozoal Compliance No treatment plants comply.	Pt 5: Protozoal Alexandra = No Clyde = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurlly = No Roxburgh = No	Part 5: Protozoal compliance All schemes to comply – yes Omakau to comply 2019 Nasby to comply 2019 Alexandra/Clyde (Lake Dunstan Water Supply) to comply 2020 Patearoa to comply 2021 Ranfurlly to comply 2021 Cromwell/Pisa to comply 2023	Target not achieved. Part 5: Protozoal Compliance No treatment plants comply. Roxburgh was subject to rain events where high turbidity was recorded for a short period.

* Department of Internal Affairs mandatory non-financial performance measure.

** This has not been measured due to issues relating to the ability to provide real time updates the current customer request system from site. This has meant that updates to the system are date stamped when the system is updated some time later when staff have returned to base. Council is working with the contractor to implement an alternative auditable process for providing real time updates. This will be operational for the second half of the 2018/19 financial year.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 WATER	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	- General rates, uniform annual general charges and rates penalties	-	-
5,365	4,818	Targeted rates	4,391	4,366
22	25	Subsidies and grants for operating purposes	18	21
-	12	Fees and charges	4	3
89	79	Internal charges and overheads recovered	98	42
-	-	- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
5,476	4,934	Total operating funding	4,511	4,432
Applications of operating funding				
1,867	2,106	Payments to staff and suppliers	2,286	2,262
953	-	Finance costs	-	-
901	713	Internal charges and overheads applied	764	493
67	11	Other operating funding applications	38	17
3,788	2,830	Total applications of operating funding	3,088	2,772
1,688	2,104	Surplus (deficit) of operating funding	1,423	1,660
CAPITAL				
Sources of capital funding				
-	-	- Subsidies and grants for capital expenditure	-	-
64	150	Development and financial contributions	731	570
4,008	-	- Increase (decrease) in debt	4,814	-
-	-	- Gross proceeds from sale of assets	-	-
-	-	- Lump sum contributions	-	-
-	-	- Other dedicated capital funding	-	-
4,072	150	Total sources of capital funding	5,545	570
Applications of capital funding				
Capital expenditure				
208	127	- to meet additional demand	1,907	812
941	555	- to improve the level of service	5,487	2,595
1,861	2,376	- to replace existing assets	1,276	2,319
2,750	(804)	Increase (decrease) in reserves	(1,702)	(3,496)
-	-	- Increase (decrease) in investments	-	-
5,760	2,254	Total applications of capital funding	6,968	2,230
(1,688)	(2,104)	Surplus (deficit) of capital funding	(1,423)	(1,660)
-	-	Funding balance	-	-



WASTEWATER



What we do

Central Otago's vision for wastewater services is "to deliver safe and compliant wastewater networks which support a healthy community and environment".

Council's wastewater service enables the collection, conveyance, treatment and disposal of wastewater within seven schemes across the district. These provide service to approximately 13,500 residents and approximately 4000 visitors.

Each scheme pumps, reticulates and treats the wastewater generated by households businesses and industrial processes. Wastewater is then treated and discharged into a nearby water body or onto land.

Townships and rural areas without reticulated schemes generally use septic tanks that are privately owned and maintained.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Risking to the challenges

Cromwell Wastewater

On 28 November 2018 council celebrated the completion of the Cromwell Wastewater Treatment Plant Upgrade Project, which came in under budget and ahead of schedule. The upgrade is the first phase of the council's 10-year plan to improve the quality of the district's urban wastewater discharges.

The key features of the Cromwell Wastewater Treatment Plant Upgrade include:

- New native planting, restoration and reinforcement of surrounding embankments, as well as future proofing against earthquake damage.
- Removal of chemicals from the filtering process and creation of an environment that saw E.coli levels improve by 1,000 times.
- Connection of Bannockburn to the Cromwell treatment plant resulting in the elimination of discharges at Bannockburn, and restoration of land at Bannockburn that contained wastewater ponds.
- The upgraded water treatment method and processes are far more environmentally friendly than other chemical options available. The treated water discharged is immediately swimmable and has improved the quality and environment of the river and lake.

Thanks to the upgrade E. coli levels are 1,000 times better and the Cromwell area is ready to handle the demands of a growing population efficiently and sustainably.

Council's delivery of the Cromwell Wastewater Treatment Plant Upgrade saw it win the Environment and Sustainability Award at the IPWEA (Institute of Public Works Engineering Australasia), NZ Annual Excellence Awards in June this year. The award recognised that the project went "significantly further than simply meeting regulatory requirements" and "set the bar much higher for the integration of sustainable practices into public works projects throughout New Zealand.

Alexandra and Ranfurly Wastewater

New rotary inlet screens to replace the old screens were commissioned and are now in operation. The screens collect solids and debris like wet wipes, sanitary products, clothing, stones and lots of other items that should not be flushed. The material collected is removed from the treatment process and disposed to landfill. This helps improve the rest of the treatment process and provides a higher quality treated effluent discharge.

Clyde Wastewater Reticulation

The Clyde wastewater pump station is currently being designed by Stantec and the wastewater reticulation design is being tendered. This tender is for the design of all three stages of the project with the receipt of construction documents for Stage One due to be ready in October 2019.

Once design services are procured an increase in community engagement will begin. This will provide clarity for the people of Clyde around work programmes and how council and its suppliers will operate.



The new Cromwell Wastewater Treatment Plant and oxidation ponds.

What we have achieved - Wastewater

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible and reliable wastewater network	✓	Total number of complaints for: <ul style="list-style-type: none"> • Odour • Faults • Blockages • Responses to wastewater service requests 	10 per 1,000 connections	13.2 per 1,000 connections	Total number of complaints ≤ 10 per 1,000.	Target achieved
			Percentage of budgeted capital works completed annually	64%	87%	To complete more than 90% of budgeted capital	Target not achieved. Actual expenditure was assessed against the revised annual plan budget and required adjustments including budget carry forwards from previous year. Major Projects had some programme delays due to inclusion of more options to the design of the wastewater reticulation and pump station.
			Average time to process a request to connect to the Council's wastewater network	4	New measure	≤ 5 days	Target achieved
A Sustainable Environment	Provide a safe and compliant wastewater network	✓	Compliance with discharge consents	Abatement notices - Nil Infringement notices - Nil Enforcement Orders - Nil Convictions - Nil	Abatement notices - Nil Infringement notices - Nil Enforcement Orders - Nil Convictions - Nil	Abatement notices - Nil Infringement Orders - Nil Convictions - Nil	Target achieved

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
		✓	Fault response times Attendance: Resolution:	0.75 hours 3.22 hours	88 minutes 745 minutes	Target median time to get to site ≤1 hour Target median time to resolve the problem ≤4 hours	Target achieved Target achieved. Times have improved due to changes in recording processes by the contractor.
A Safe and Healthy Community	Provide a safe and compliant wastewater network	✓	Number of dry weather sewerage overflows from sewerage scheme	1.66 per 1,000 connections	2.3 per 1,000 connections	Number of dry weather sewerage overflows ≤1 per 1,000 connections	Target not achieved. Slight increase due to blockages within the network.

* Department of Internal Affairs mandatory non-financial performance measure.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 WASTEWATER	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	- General rates, uniform annual general charges and rates penalties	-	-
4,097	3,946	Targeted rates	4,194	4,202
-	-	- Subsidies and grants for operating purposes	42	1
-	46	Fees and charges	40	26
146	97	Internal charges and overheads recovered	-	-
-	58	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
4,243	4,147	Total operating funding	4,276	4,229
Applications of operating funding				
1,326	1,049	Payments to staff and suppliers	1,457	1,447
830	-	- Finance costs	-	-
643	459	Internal charges and overheads applied	603	411
72	177	Other operating funding applications	504	1,237
2,871	1,701	Total applications of operating funding	2,564	3,095
1,372	2,446	Surplus (deficit) of operating funding	1,712	1,134
CAPITAL				
Sources of capital funding				
-	(1)	- Subsidies and grants for capital expenditure	-	-
117	360	Development and financial contributions	628	1,222
6,824	-	- Increase (decrease) in debt	1,411	-
-	-	- Gross proceeds from sale of assets	-	-
-	-	- Lump sum contributions	-	-
-	-	- Other dedicated capital funding	-	-
6,941	359	Total sources of capital funding	2,039	1,222
Applications of capital funding				
Capital expenditure				
1,841	1,603	- to meet additional demand	333	963
3,683	4,290	- to improve the level of service	1,056	3,939
2,129	1,671	- to replace existing assets	1,906	1,423
660	(4,759)	Increase (decrease) in reserves	456	(3,969)
-	-	- Increase (decrease) in investments	-	-
8,313	2,805	Total applications of capital funding	3,751	2,356
(1,372)	(2,446)	Surplus (deficit) of capital funding	(1,712)	(1,134)
-	-	Funding balance	-	-



STORMWATER



What we do

Central Otago's vision for stormwater services is "to deliver safe and compliant stormwater networks which support a healthy community and environment".

The stormwater activity enables the collection, conveyance, and disposal of stormwater within the following towns across the district: Cromwell, Alexandra, Roxburgh, Omakau and Ranfurly.

These towns have reticulated stormwater systems to manage drainage and prevent flooding. Stormwater in these towns is conveyed directly to waterways using piped infrastructure, natural water courses and open channels.

The remaining towns have mudtanks connected to soakpits, or open channels, with culverts across roads. This infrastructure is maintained as part of the roading activities.

Flood risks from rivers and large catchments, like the Clutha and Taieri rivers, are managed by the Otago Regional Council.

This activity contributes to the following community outcomes:



Rising to the challenges

Ranfurly Stormwater

Council's maintenance contractor has been busy working on parts of the Ranfurly stormwater network. This has included clearing open drains, which were getting clogged with silt. Stormwater inlet structures have been repaired after some were damaged in heavy rains late in 2018. The large main pipeline that passes through the Ranfurly stadium grounds has been removed and replaced with PVC pipes. This pipeline was badly blocked with roots. Council staff are undertaking inspections of the remaining network. This work will improve stormwater flows through the township.

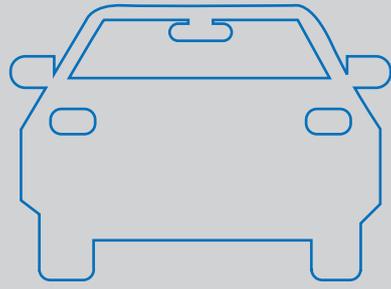


What we have achieved - Stormwater

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Provide an efficient, fully accessible and reliable stormwater network		Percentage of budgeted capital works completed annually	65%	0%	To complete more than 90% of budgeted capital works	Target not achieved. Actual expenditure was assessed against the revised annual plan budget and required adjustments including budget carry forwards from the previous year. Some delays to the programme were required to account for wet weather not allowing the works to be completed.
			Average time to process a request to connect to the Council's stormwater network	Nil	New measure	≤5 days	Target achieved. No applications were received.
A Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	✓	Compliance with discharge consents	Abatement notices - Nil Infringement notices - Nil Enforcement orders - Nil Convictions - Nil	Abatement notices - Nil Infringement notices - Nil Enforcement orders - Nil Convictions - Nil	Abatement notices - Nil Infringement notices - Nil Enforcement orders - Nil Convictions - Nil	Target achieved
A Safe and Healthy Community	Provide a safe and compliant stormwater network	✓	Number of flooding events that occurred	Nil	Nil	Nil.	Target achieved
		✓	Number of habitable floors affected in flooding events	Nil	Nil	Target number of habitable floors affected ≤1 per 1,000 properties per flood	Target achieved
		✓	Response time to attend flood events	N/A	No flood events	Target median time to get to site ≤1 hour	Target achieved
		✓	Number of complaints received about stormwater performance	1.97 per 1,000 connections	2.85 per 1,000 connections	Total number of customer complaints ≤2 per 1,000 properties	Target achieved

* Department of Internal Affairs mandatory non-financial performance measure.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 STORMWATER	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	- General rates, uniform annual general charges and rates penalties	-	-
426	496	Targeted rates	630	632
-	-	- Subsidies and grants for operating purposes	-	-
-	-	- Fees and charges	-	-
66	63	Internal charges and overheads recovered	101	68
-	-	- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
492	559	Total operating funding	731	700
Applications of operating funding				
102	101	Payments to staff and suppliers	104	88
-	-	- Finance costs	-	-
88	35	Internal charges and overheads applied	23	21
-	12	Other operating funding applications	12	13
190	148	Total applications of operating funding	139	122
302	411	Surplus (deficit) of operating funding	592	578
CAPITAL				
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	-	155
14	-	- to improve the level of service	45	494
161	218	- to replace existing assets	233	442
6	193	Increase (decrease) in reserves	314	(513)
121	-	- Increase (decrease) in investments	-	-
-	-		-	-
302	411	Total applications of capital funding	592	578
(302)	(411)	Surplus (deficit) of capital funding	(592)	(578)
-	-	Funding balance	-	-



ROADING



What we do

Central Otago's vision for roads and footpaths is "to ensure an efficient, fully accessible, safe network".

Our roading activity enables the movement of goods, people and services across our district. We have 1,913km of roads within the district. We have 514km of sealed roads, and 1,399km of unsealed roads. We have 177 bridges, 167km of footpaths and close to 12,000 hectares of road reserve.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Consent applications on the rise

Consents processed by the roading team include traffic management plans, corridor access requests, licence to occupy, yard encroachment, vehicle crossings, generic traffic management plans and road closures.

A comparison of the number of consent applications received and processed in 2018/19 and the number received in the same period of 2017/18 shows a continued high growth in demand. The total number of consent applications received in each of the last three years has increased on average by 50% each year.

Average response times throughout 2018/19 have remained within the two-day target, despite the huge growth in application numbers. New systems introduced at the start of the 2018/19 financial year enable the large volumes of traffic management plan and corridor access request approvals to be managed efficiently.

Reseal Programme

Costs of resealing on the Central Otago District Council roading network were lower in 2018/19 than anticipated due to the price of bitumen dropping and the efficient work of the sealing crew.

The Activity Management Plan planned a reseal length of 20km for 2018/19. The length achieved was 26.7km.

Metalling Programme

Due to efficient work programming, elements of the 2019/20 metalling programme were brought forward into the 2018/19 year.



Jedburgh Street Bridge.

Bridge Work

Work was carried out in late 2018 to strengthen the Jedburgh Street Bridge in Roxburgh. Repair work was carried out on the eastern abutment and wing walls to maintain the structural integrity of the bridge. The completion of the work early in 2019 enabled the 20km/h speed limit to be removed and the weight limit changed to enable vehicles complying with the 54 tonne High Productivity Motor Vehicle Loadings to use the bridge. This will improve economic productivity for local businesses and transport companies that use this route.

Bridge 94 on St Bathans Loop Road was also taken out of service and replaced, following partial structural collapse following a flooding event.

The Tweed Street Foot Bridge in Roxburgh, that was damaged during the 2017 flood event, was replaced in June 2019. The new bridge is designed to be removed in the event of future floods. The replacement bridge was fabricated at the Fulton Hogan workshop and craned into place.

Street Lighting completed

Ninety LED units have been installed in Alexandra (Pioneer Park), Clyde and throughout the greenway networks in Cromwell. These 29 watt LED lights have a translucent diffuser to deliver more light to the surrounding area. Recent upgrade installation work includes all the Amberley type lanterns in Tarbert Street, and the four lights in Centennial Avenue near the Brandon Street pedestrian crossing. These are now 27 watt LED units.

These lights complete the current district-wide LED upgrade. Approximately 1,900 of the total network of 2,100 maintained street lights have now been converted to low power LED lights. The remainder are a mixture of community amenity lighting schemes and ornamental street lighting installed on some roads and sub-divisions. These lights are economically unfeasible to convert and will require complete replacement. These special lights would not qualify for the 85% subsidy received from NZTA.

State Highway lighting and Council-owned lighting schemes (such as Cromwell Mall) were not included in the LED streetlight upgrade programme but are expected to be completed by NZTA and others in the next two years.

What you can expect from us - Roading



Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible roading network		Percentage of budgeted capital works completed annually	100% of budgeted works completed and 97% of capital budgets spent	94% of budgeted works completed and 94% of budget spent	100% of the budgeted works completed and 100% of the budget spent	Target achieved – budgeted works completed Target not achieved – > 100% of reported capital work programme completed at lower than anticipated costs, but savings were not used to construct additional renewals. Target achieved
			Average length of time to issue a consent for access to a road	1.6 days	1.7 days	≤ 2 days	Target achieved
			The average quality of ride on the sealed road network, measured by smooth travel exposure	Smooth Travel Exposure = 98.9%	Smooth Travel Exposure = 98.8%	Smooth Travel Exposure ≥ 90%	Target achieved
		✓	Number of journeys impacted by unplanned events	19,141	15,285	< 16,423	Target not achieved. Flood event in November/December 2018 resulted in 16,679 journeys impacted.
			% of network not accessible to heavy vehicles due to bridge capacity	3% of network not accessible to Class 1	New measure	< 3% of network not accessible to Class 1	Target achieved
			• Class 1 heavy vehicles	9% of network not accessible to 50Max		11% of network not accessible to 50Max	Target achieved
			• 50Max heavy vehicles				
A Sustainable Environment	Provide an efficient roading network	✓	Percentage of sealed local road network that is resurfaced	25.3km sealed (4.8%)	18.9km sealed (3.6%)	≥ 20km sealed per annum (≥ 3.9%)	Target achieved
			Number of service requests	853 service requests	724 service requests	< 600 service requests	Target not achieved. 260 calls out of 853 classified as "Road Management" call type.
		✓	Number of service requests from customers responded to within 10 days	87%	91%	≥ 90%	Target not achieved. 113 calls out of 853 outside of statutory timeframe.

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Safe and Healthy Community	Provide a safe roading network	✓	Change from previous year in number of fatalities and serious injury crashes on local roading network	Number of fatal and serious crashes = 8.	Number of fatal and serious crashes = 12 Increase of 4 from previous year	Stable or decreasing trend	Target achieved
	Provide a fully accessible roading network	✓	The percentage of footpaths that fall within the Council's level of service standard for the condition of footpaths Customer satisfaction with condition of unsealed roads	85%	85%	> 70%	Target achieved
				74%	75%	To maintain customer satisfaction at or above 70%	Target achieved

* Department of Internal Affairs mandatory non-financial performance measure.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 ROADING	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
3,855	4,388	General rates, uniform annual general charges and rates penalties	5,009	4,996
870	1,173	Targeted rates	776	779
1,903	1,968	Subsidies and grants for operating purposes	1,888	2,249
10	11	Fees and charges	21	13
45	573	Internal charges and overheads recovered	622	57
174	194	Local authorities fuel tax, fines, infringement fees, and other receipts	278	250
6,857	8,307	Total operating funding	8,594	8,344
Applications of operating funding				
3,566	4,485	Payments to staff and suppliers	3,824	4,471
-	-	Finance costs	-	-
993	1,772	Internal charges and overheads applied	2,020	1,098
28	20	Other operating funding applications	5	5
4,587	6,277	Total applications of operating funding	5,849	5,574
2,270	2,030	Surplus (deficit) of operating funding	2,745	2,770
CAPITAL				
Sources of capital funding				
1,866	2,235	Subsidies and grants for capital expenditure	2,658	2,948
170	372	Development and financial contributions	437	805
-	-	Increase (decrease) in debt	-	-
21	-	Gross proceeds from sale of assets	9	57
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
2,057	2,607	Total sources of capital funding	3,104	3,810
Applications of capital funding				
Capital expenditure				
353	1,119	- to meet additional demand	683	2,129
670	770	- to improve the level of service	1,143	1,601
3,139	3,154	- to replace existing assets	3,942	6,510
165	(406)	Increase (decrease) in reserves	81	(3,660)
-	-	Increase (decrease) in investments	-	-
4,327	4,637	Total applications of capital funding	5,849	6,580
(2,270)	(2,030)	Surplus (deficit) of capital funding	(2,745)	(2,770)
-	-	Funding balance	-	-



ENVIRONMENTAL SERVICES



What we do

Central Otago's vision for waste is "towards zero waste and a sustainable Central Otago".

Through our waste activities we collect and dispose of your rubbish and recycled material and provide access to transfer stations, green waste sites and recycling drop-off facilities. We also provide education initiatives in the community to increase sustainability and minimise waste.

Council has also developed a sustainability vision: "A great place to live, work and play, now and into the future".

Our goals:

- Being customer friendly, having enabling policies and enabling infrastructure
- Support improvement and diversification of skills, industries and experiences
- Providing Council services while managing the associated environmental impacts
- Enabling development while managing the associated environmental effects
- Affordable and equitable provision of services to promote wellbeing
- Managing change while protecting and enhancing our culture, heritage and landscape

This activity contributes to the following community outcomes:

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Rural service extended

AllWaste rolled out the new extended Council kerbside collection service to rural households from the start of 2018/19. The three-bin service is offered as an extension of service on the existing route. Within the first three months almost 200 properties were joined to the Council service.

Educational videos

Filming was undertaken in collaboration with AllWaste and Smart Environmental to tell the story of recycling by Central Otago District Council. The video, created by public relations company Purple Sherbet, will be used as a tool to communicate the steps that Central Otago recycling goes through kerbside to recycling plant with Smart Environmental. The 'Let's Recycle Smarter' video was released in February.

Filming was undertaken in collaboration with AllWaste, Fulton Hogan and Wastebusters to educate the public on glass recycling. It's important to remember that only clean glass bottles and jars can go in the blue bin and if in doubt – leave it out! With our glass bin contamination at 20% we all need to work together to get the contamination level down below 5% to make a glass crushing trial viable. This 'crushed glass' can be repurposed in Council's roading and construction work. This video forms part two of a series giving residents information on our kerbside recycling service.



Toby, one of the Environmental Warriors starring in our educational videos.

Development Engineering

Sub-division engineering is continuing to provide a high workload with lots of development in the region. The environmental engineering team is having more involvement with the hearings panel giving evidence to support planning and help decision-making. It is important Council applies its engineering standards consistently to ensure a high standard of development occurs.

Completing site-inspections internally has provided greater quality assurance for Council for vested assets. The team is conducting more regular inspections throughout the construction phase of the development and ensuring Council's standards are adhered to.

What you can expect from us - Environmental Services

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Sustainable Environment	Improving the Efficiency of Resource Use	Total quantity to landfill (tonnes p.a.)	9,989 tonnes*	9,208 Tonnes	Incremental year on year reduction	Target not achieved. There was an 8% increase in material sent to landfill this year compared to last year. This increase includes growth in demand at the transfer stations and increase in the number of kerbside collection wheelie bins. Glass collected through kerbside collection (858 tonnes) has been sent to landfill due to high levels of contamination. Construction and demolition waste accounts for 949 tonnes of waste sent to landfill. Wastewater sludge and screenings accounts for 814 tonnes of waste sent to landfill this year. *The 2018/19 result excludes 1,489 tonnes of sludge removed from Omakau wastewater treatment plant.
		Total amount generated per rateable property	866 kg*	866 kg	Incremental year on year reduction (measured as rubbish + recycling)	Target not achieved. The total tonnage of waste and recyclables generated per rateable property remained consistent in comparison with the corresponding period of the previous year.
		Total amount recycled (tonnes p.a.)	1,944 tonnes*	2,511 tonnes	Incremental year on year increase	Target not achieved. There was a 23% decrease (567 Tonnes) in the quantity of recycling compared to the same period last year. Glass could not be included this year.
		Residential satisfaction with waste services	80%	94%	Incremental increase	Target not achieved. There was a small sample size of 50.
A Sustainable Environment	Engage the community in waste reduction and wiser use of resources	Percentage of residents satisfied with waste minimisation education	80%	94%	Customer satisfaction $\geq 90\%$	Target not achieved
A Safe and Healthy Community	Provide compliant waste systems and facilities	Compliance with resource consent stations, closed and operational landfills	78%	45%	Incremental percentage improvements	Target achieved. New consent monitoring software allows us to monitor and report on our compliance with our resource consent conditions.

* Waste to landfill 9,989 Tonnes + Recycling 1,944 Tonnes = 11,933 Tonnes divided over 13,787 (estimated) rateable properties = 866kg per property.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 ENVIRONMENTAL SERVICES	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
6	-	General rates, uniform annual general charges and rates penalties	-	-
893	854	Targeted rates	850	853
-	-	Subsidies and grants for operating purposes	-	-
2,139	2,157	Fees and charges	2,183	2,278
70	140	Internal charges, and overheads recovered	159	67
335	501	Local authorities fuel tax, fines, infringement fees, and other receipts	418	624
3,443	3,652	Total operating funding	3,610	3,822
Applications of operating funding				
2,487	2,529	Payments to staff and suppliers	2,825	2,908
-	-	Finance costs	-	-
563	534	Internal charges, and overheads applied	824	707
4	2	Other operating funding applications	2	2
3,054	3,065	Total applications of operating funding	3,651	3,617
389	587	Surplus (deficit) of operating funding	(41)	205
CAPITAL				
Sources of capital funding				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
-	-	Gross proceeds from sale of assets	28	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
-	-	Total sources of capital funding	28	-
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
70	45	- to replace existing assets	25	96
319	542	Increase(decrease) in reserves	(38)	109
-	-	Increase (decrease) in investments	-	-
389	587	Total applications of capital funding	(13)	205
(389)	(587)	Surplus (deficit) of capital funding	41	(205)
-	-	Funding balance	-	-



PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT



What we do

Our planners prepare, review and implement the District Plan under the Resource Management Act. The District Plan is applied through processing of resource consents. We provide advice to our customers seeking to subdivide or develop their land. We also monitor conditions of resource consents and District Plan provisions to ensure any effects on the environment are managed appropriately.

The District Plan is in early stages of review. The community has been consulted and a resulting Discussion Document was prepared and advertised for submission. Feedback to the document has identified a number of work streams required to inform the plan development.

Our Building Control team helps people build in a safe and compliant manner through a streamlined and cost-effective process. We process building consent applications, carry out building inspections, issue building consents and respond to building-related enquiries. We issue Land Information Memoranda for customers who are intending to purchase property, and monitor Building Warrants of Fitness for commercial buildings in accordance with The Building Act 2004.

The Environmental Health activity provides confidence to the community and visitors to our region that our food premises, hairdressers, camping grounds and funeral directors are safe and clean. We register and inspect premises to manage the public health risks of food and water contamination and we provide a 24/7 noise complaint service in response to unreasonable domestic noise.

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, through the District Licensing Committee, involves processing and issuing alcohol licences for hotels, restaurants, liquor stores and for events. We also issue manager's certificates.

We aim to ensure a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance. We register all dogs in the district, and issue infringement notices to those owners who fail to register their dogs or keep them under control. We provide education to dog owners and assist them in meeting their obligations under the Dog Control Act 1996.

We have a responsibility to plan and provide for civil defence emergency management within the district. We work collaboratively with Emergency Management Otago who employ the Regional Manager/Group Controller and Emergency Management Officers for each of the districts. At a local level a number of staff are first line civil defence responders, and undergo training in roles ranging from welfare and logistics coordination through to local controllers.

Community development is about enabling local communities to determine the future direction of their place and the projects that they are passionate about. The aim of community development is to actively involve people in building their own sustainable and resilient communities that reflect the values and vision of those who live in and/or identify with them.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Consent figures

During the 2018/19 year a total of 1,066 building consents were issued with a total value of building work of \$21,540,000. This was an increase of 4% in number of consents and a 13% increase in value from the previous year. During the 2018/19 year a total of 593 resource consent applications were received. This represents a 2.5% increase from the previous year (2017/18).

Cromwell Masterplan

A big focus this year involving many staff throughout the council has been the Cromwell 'Eye to the Future' Masterplan programme. Cromwell is Central Otago's fastest growing town. With fast growth comes challenges and often piecemeal development. The masterplan programme aims to address this with an integrated planning approach to Cromwell's future development and a strategic vision to guide growth and investment decisions.

An initial information gathering phase and then a second 'Let's Talk Options' phase attracted record levels of community engagement, helping the project team create community-led solutions.

Stage 1 of the Cromwell 'Eye to the Future' Masterplan – the Spatial Plan was adopted in June this year. The next stages of the Masterplan will be the Town Centre Precinct and the Arts and Culture Precinct, which include a number of significant capital projects.



Members of the public finding out more about the Cromwell Masterplan options.

Private Plan change work

Plan Change 12 (Wooing Tree) became operative in August 2018.

Public interest in Plan Change 13 (River Terrace) resulted in the biggest agenda ever for a Central Otago private plan change hearing in June this year. When printed and bound to five volumes and more than 2000 pages. The application from River Terrace Developments Ltd for rezoning to allow an 840-house development on 49.8ha on the corner of State Highway 6 and Sandflat Road in Cromwell attracted 417 submissions, 410 of which opposed it.

The hearing for Plan Change 13 was held from 10-14 June and then had to be reconvened for early July due to insufficient time to get through all the submissions.

Significant Resource Consent Applications

Significant Resource Consent applications processed by the team in 2018/19 included the Cromwell to Clyde Cycle Trail, the Cromwell Top 10 Holiday Park subdivision, and construction of water supply infrastructure in Clyde.

New regulatory manager role

With the resignation of the Building Control Team Leader, the new position of Regulatory Services Manager was created to oversee Building Control, Environmental Health, Alcohol Licensing, Dog Control and other regulatory functions, as of 10 December 2018.

Central Stories scoping study presented

A scoping study on current and potential uses of the Central Stories museum and gallery, conducted by McElrea Consulting, was presented to Council in October 2018. Council took over the ownership of the community facility in 2017 and resolved to commission a scoping study to identify the primary purpose of the building, understand current usage, and identify opportunities for future development and occupancy that will enhance the building's value for Alexandra and the wider community. The scoping study included a community survey that gathered public opinion on the future use of the Central Stories building. Over 1,500 responses were received. Feedback indicated a consensus that Central Stories was a good location for the museum, art gallery, i-SITE, and cinema, though there is a need for better (more flexible) use of space. Suggestions were provided for additional services that could complement and enhance the community facility – 44% of

respondents believed the library should be included within Central Stories, while 56% thought the facilities should be kept separate. The report provided a series of development options for Council to consider. Council staff have now been tasked with developing a business case to assess these options. The business case will assist decision makers in selecting the best option for creating a sustainable community facility that the district will continue to be proud of.

New community plan for Patearoa and Upper Taieri developed

A second community plan for the Patearoa and Upper Taieri communities was developed with input from the local community and put out in draft form for community feedback in May.

The draft Plan identifies the things that the community noted are important to them, and provides direction for projects that they would like to achieve in their community over the next three to five years.

Some of the recommendations within the 2019 draft Community Plan include: investigating the development of a cycle trail between Hamiltons and Daisybank; exploring ways to maximize the opportunities for community fundraising through the 2020 Otago Goldfields Heritage Trust Cavalcade; determining the future of the Patearoa Hall; and developing ways to tell and record the area's history and raise awareness of its rich heritage.

New community development officer for Teviot Valley Community Development Scheme

The Teviot Valley Community Development Scheme governance group appointed Jane Casey as the new community development officer in March. Jane has a background in tourism sales and advice. Jane's focus during her six-month contract will primarily be on the Valley's heritage collections and local stories, and she will be working closely with the Roxburgh District Museum Committee and similar community organisations.

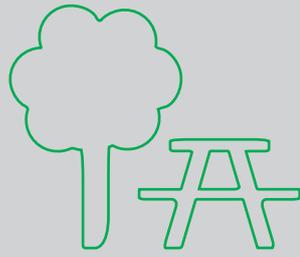


What you can expect from us - Planning Regulatory and Community Development

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and A 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 customer survey	68%	72%	Maintain customer satisfaction $\geq 75\%$	Target not achieved. The processing timeframes may have contributed to the drop-in satisfaction.
A Thriving Economy and A Safe and Healthy Community		Resource consents processed within statutory timeframes	67%	95%	Resource consents processed within statutory timeframe $\geq 99\%$	Target not achieved. 271 of 413 consents processed without a hearing completed within statutory timeframes. 46 of 59 consents that went to a hearing processed within statutory timeframes. Resourcing and workloads reduced percentages. Average number of days for non-notified consents = 18.
		Customer satisfaction with building consent processes in residents' survey	85%	83%	Maintain customer satisfaction $\geq 85\%$	Target achieved
		Building consents processed within statutory timeframes	98%	95%	Building consents processed within statutory timeframe 100%	Target not achieved. This is due to the balancing of competing priorities of resources and the meeting of customer needs for inspections.
	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 inspection programme, including audit of food control plans is completed in accordance with legal and internal standards	-	100%	100% annual licensing programme completed within reporting period	Target not achieved due to resourcing and the transitional requirements of the new food legislation, through providing a stronger customer service to promote a thriving, safe and healthier community.

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction with dog control	77%	83%	Maintain customer satisfaction \geq 75%	Target achieved
A Safe and Healthy Community	Community satisfaction with Council performance	Residents' survey - Satisfaction with Emergency Management (Civil Defence)	83%	92%	> 90%	Target not achieved. Small sample size, 3 comments only.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	- General rates, uniform annual general charges and rates penalties	-	-
2,503	2,492	Targeted rates	2,946	2,983
71	139	Subsidies and grants for operating purposes	-	-
67	160	Fees and charges	155	219
1	26	Internal charges, and overheads recovered	17	42
643	873	Local authorities fuel tax, fines, infringement fees, and other receipts	850	847
3,285	3,691	Total operating funding	3,968	4,091
Applications of operating funding				
2,800	3,402	Payments to staff and suppliers	3,368	3,847
-	-	Finance costs	-	-
315	317	Internal charges, and overheads applied	511	492
185	9	Other operating funding applications	9	13
3,300	3,728	Total applications of operating funding	3,888	4,352
(15)	(37)	Surplus (deficit) of operating funding	80	(261)
CAPITAL				
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	-	-
41	-	- to improve the level of service	-	-
-	213	- to replace existing assets	207	(55)
(56)	(250)	Increase(decrease) in reserves	(127)	(206)
-	-	- Increase (decrease) in investments	-	-
(15)	(37)	Total applications of capital funding	80	(261)
15	37	Surplus (deficit) of capital funding	(80)	261
		Funding balance	-	-



POOLS, PARKS AND CEMETERIES



What we do

Our swimming pools contribute to the health and well-being of our community and add to the attractiveness of the area. They provide a place for people to learn to swim, particularly for our young people, which we recognise as being vitally important when so much of our district is surrounded by water. We manage the Cromwell Swim Centre and Molyneux Aquatic Centre directly, along with a community swimming pool in Ranfurly. Millers Flat swimming pool is operated by a community trust and the Teviot Valley Community Board financially supports the school to facilitate swimming at the Roxburgh Pool.

Access to parks, reserves, rivers and recreational facilities is important for our overall well-being. Maintaining a variety of high quality open spaces for the enjoyment of our community is what makes our district an attractive place to live, work and play.

Council's parks team looks after 13 sports grounds and domains, more than 267 hectares of reserve land, eight cycling and walking tracks, 16 playgrounds, three skateboard facilities, a bike park, three swimming dams/lakes and approximately 7,000 trees.

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 nine cemeteries in our district, and cemetery trusts manage the other cemeteries.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Making a splash

Council partnered with The Central App and Radio Central to host two pool parties on the final weekend of 2018 at Alexandra's Molyneux Aquatic Centre and Cromwell Swim Centre. The events were called "Dive Bomb into 2019" pool parties as the usual pool rule of no dive bombing was dropped for the day for the "wow event" – the Dive Bomb competition. The events were well attended, and planning got underway soon after to make this summer's even bigger and better.



Parks – celebrations, commemorations and contracts

The Big Fruit Reserve junior and senior playgrounds opened in December ready for locals and visiting families to enjoy over the busy summer holiday period.

Ten flowering cherry trees planted as part of an Armistice Memorial at Richards Park at the junction with Tarbert Street and

Shannon Street in Alexandra. Members of the community purchased these trees to remember and honour family members who served in the Great War.

A special Armistice Day Parade and service was held in Pioneer Park on 11 November, organised by the combined RSAs of Alexandra-Clyde, Cromwell and Roxburgh, featuring a "100-horse" parade led by members of the New Zealand Mounted Rifles Charitable Trust on horseback.

In June 2019 the Lowburn Hall Domain's timber adventure playground was removed and a new lantern climbing nest and space shuttle spinner installed in its place. Council parks staff and contractors worked with the Lowburn Community Hall Committee on the upgrade project.

In March Central Otago District Council announced it had awarded its Open Spaces Maintenance Contract to Otago company Delta Utility Services Limited following a competitive procurement process. The contract commenced on 1 July 2019 for a period of five years, and can be extended by a further five years, subject to contract performance.

The contract covers the maintenance and mowing of open spaces, gardens, parks/street trees, interments, playgrounds, Council tracks, operation of irrigation and the emptying of litter bins.

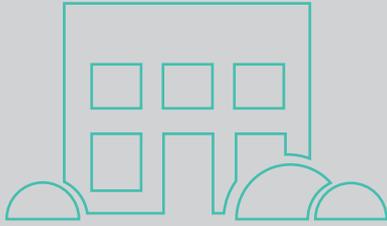


The Big Fruit Reserve (top) and Lowburn playgrounds.

What you can expect from us - Pools, Parks and Cemeteries

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and a Sustainable Environment	Areas are maintained and operated so that they look good and meet the needs of users	Percentage of residents satisfied with parks and reserves in customer survey	89%	91%	Maintain satisfaction with parks and reserves at above 93%	Target not achieved. The Residents' Survey feedback related to inadequate maintenance of public gardens, greenways and reserves.
		Percentage of residents satisfied with sportsfields in customer survey	93%	97%	Maintain satisfaction sportsfields at above 93%	Target achieved
		Percentage of residents satisfied with cemeteries in customer survey	89%	87%	Maintain satisfaction with cemeteries at above 90%	Target not achieved. Inconsistency in maintenance levels from previous open spaces contractor. New contractor now in place.
A Safe and Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	Percentage of residents satisfied with playgrounds in customer survey	90%	92%	Maintain satisfaction with playgrounds at above 90%	Target achieved
A Thriving Economy and a Safe and Healthy Community	To provide aquatic facilities that meet the needs of the majority of the community	Percentage of users satisfied with pools through customer survey results	88%	87%	Maintain user satisfaction at >90%	Target not achieved
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass	Achieved for Cromwell Swim Centre	To pass	Target achieved. Cromwell Swim Centre and Molyneux Aquatic Centre both retained pool safe accreditation

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 POOLS, PARKS AND CEMETERIES	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	General rates, uniform annual general charges and rates penalties	-	-
3,864	4,077	Targeted rates	4,420	4,430
-	1	Subsidies and grants for operating purposes	-	-
924	994	Fees and charges	1,058	1,016
68	39	Internal charges, and overheads recovered	449	38
159	250	Local authorities fuel tax, fines, infringement fees, and other receipts	214	252
5,015	5,361	Total operating funding	6,141	5,736
Applications of operating funding				
3,165	3,892	Payments to staff and suppliers	3,923	4,683
1	-	Finance costs	1	-
810	692	Internal charges, and overheads applied	1,369	749
106	84	Other operating funding applications	84	199
4,082	4,668	Total applications of operating funding	5,377	5,631
933	693	Surplus (deficit) of operating funding	764	105
CAPITAL				
Sources of capital funding				
-	41	Subsidies and grants for capital expenditure	-	410
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
128	-	Gross proceeds from sale of assets	1,435	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
128	41	Total sources of capital funding	1,435	410
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
187	-	- to improve the level of service	78	-
1,713	847	- to replace existing assets	1,227	2,668
(839)	(114)	Increase(decrease) in reserves	894	(2,154)
-	1	Increase (decrease) in investments	-	1
1,061	734	Total applications of capital funding	2,199	515
(933)	(693)	Surplus (deficit) of capital funding	(764)	(105)
-	-	Funding balance	-	-



PROPERTY AND COMMUNITY FACILITIES



What we do

Our community facilities and buildings provide local community hubs for social, sporting and cultural interaction. We provide community housing, predominantly for the elderly. Council owns 98 flats located in Alexandra, Clyde, Cromwell, Ranfurly and Roxburgh.

We provide public toilets in towns across the district and at recreation facilities and parks. We provide a main operational office and customer service centre in Alexandra, Service Centres in Cromwell, Ranfurly and Roxburgh.

We manage the assets at the airports at Alexandra, Cromwell and Roxburgh. The users are generally recreational, private pilots and some commercial users. At Alexandra there has been a strong increase in demand for leases for sites of hangars and hangars with accommodation resulting in the installation of water and power reticulation and construction of taxi ways to service sites. This demand shows good signs of continuing with further development planned. The income from leases funds the cost of development and has created an income stream for future resurfacing of the runway. There is also demand for hangar sites in Cromwell.

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 hold a number of land parcels, currently being used for forestry blocks. These forests also provide amenity value for the community for walking and biking. Some are zoned residential and so have potential for other land uses in the future. As demand for more sections increases, this land is able to be developed for the purposes it is zoned.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Cromwell Youth Art project

On 18 October 2018 an event was held at Alpha Street Reserve in Cromwell to unveil and celebrate three new murals created by Goldfields, Cromwell and Tarras primary schools. The Cromwell Youth Art Project was a joint initiative between the Central Otago District Arts Trust, the Central Otago District Council and the Otago Community Trust that aimed to encourage education, participation and development in the arts for the young people of Central Otago. It also offered an opportunity to beautify public spaces in Cromwell. Central Otago art educator Maxine Williams guided a group of creative young people through a series of weekly workshops. The final phase of the workshops focused on developing a concept and designing a mural that represented the thoughts, feeling and interests of the participants, and how they viewed Central Otago. Students and the public joined together to paint the designs at the 'Across the Bridge' event in Bannockburn in Spring.



William Fraser Building Refurbishment

Central Otago District Council's main offices in Alexandra have been getting a revamp over this year – with the reception area the first area to be refurbished followed by the Planning and Regulatory and Corporate Services areas.

Council acquired the William Fraser building just after the 1989 local government amalgamations. The finance area was refurbished in 2012/13 and Council Chambers in 2015/16. The balance of the building occupied by CODC, mostly unrenovated in 20-30 years, is being refurbished as part of the current renovation programme. This is set to be completed by early 2020.

The aim of the project has been to provide a modern, effective office environment that will alleviate staff congestion and fragmentation. It will provide for future growth should that be required to meet demand from increased development and population growth in the district. Additional meeting rooms have been created and a modern welcoming reception designed to improve customer service.

Clyde Museum feasibility engagement

The Feasibility Study to look at options for the future development of the buildings and collection that form the Clyde Museums, that got underway in early 2018, continued to gather momentum and the working group engaged the community to gather its thoughts and ideas on a way forward.

Public engagement included an 'I love Clyde Heritage' open day at the museums and later a drop-in day to launch and gauge opinion on the options.

In February 2019 the Vincent Community Board held its meeting at Blyth Street Museum in Clyde to sit around the Council table from the original Vincent County Council Chambers. It was an apt setting to discuss recommendations of the Clyde Museums Feasibility Study Report 2019.

The Board resolved to put \$94,000 in the 2019/20 Annual Plan to fund the development of concept plans to progress the redevelopment of the Briar Herb Factory Museum and the costing and re-purposing of the Blyth Street Museum.



The I Love Clyde Heritage open day at the museums.



The Vincent Community Board meeting in the original Vincent County Council Chambers in the Blyth Street Museum.

Maniototo Healthcare Facility

At a meeting on 27 September 2018, the Maniototo Community Board considered a range of options to fund the \$2,000,000 grant to the Maniototo Healthcare Facility and agreed on a preferred option. The preferred option to fund the grant was subject to the Board's ratification following public consultation with Maniototo residents on all options. Consultation took place from 10 October to 12 November and included a direct mailout and drop-in sessions. In total 156 submissions were received. The Maniototo Community Board considered the submissions at their meeting on 6 December and resolved to fund the grant by a mix of land sales income, farm lease income and rates.

Alexandra Airport

Earthworks commenced at the Alexandra Airport in the first week of April for the construction of approximately 450m of chip seal taxiways associated with new sites in the front and back row of the existing hangar precinct. Power and water connections were also installed. The taxiways located in the front and back rows were then sealed in the first week of May.

Water and power connections to the six new sites in front and back rows were completed by the end of May.

As part of planned maintenance, the terminal building was also given a fresh coat of paint.



What we have achieved – Property and Community Facilities

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and A Safe & Healthy Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied with commercial buildings	77%	78%	>90% satisfied	Target not achieved
	A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Achieved	Achieved	Achieved	Fees and charges charging policy in place	Target achieved. The Council adopts a fees and charges schedule which it considers is a fair fee having regard to the fee not being a road block to the community having access to the service being charged for.
A 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	Number of complaints received from tenants/ leaseholders	0	0	<2	Target achieved
	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	Target achieved
	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	98 units	98 units	98 units	Target 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 of free public toilets	29 available	29 available	29 available	Target achieved
	Airports will meet Airways Corporation's four-yearly inspection criteria	Four-yearly inspection and certification by Civil Airways Corporation	Non-compliant	Non-compliant	Full compliance	Target not achieved This compliance is no longer achievable and therefore target not achieved.

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 PROPERTY AND COMMUNITY FACILITIES	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
705	(87)	General rates, uniform annual general charges and rates penalties	(77)	(77)
1,652	1,622	Targeted rates	1,889	1,891
-	147	Subsidies and grants for operating purposes	-	-
1,057	1,258	Fees and charges	1,210	1,351
173	693	Internal charges, and overheads recovered	1,143	234
72	84	Local authorities fuel tax, fines, infringement fees, and other receipts	97	85
3,659	3,717	Total operating funding	4,262	3,484
Applications of operating funding				
2,466	2,553	Payments to staff and suppliers	3,057	3,274
-	-	Finance costs	-	-
643	402	Internal charges, and overheads applied	1,095	34
335	264	Other operating funding applications	258	310
3,444	3,219	Total applications of operating funding	4,410	3,618
215	498	Surplus (deficit) of operating funding	(148)	(134)
CAPITAL				
Sources of capital funding				
2,777	345	Subsidies and grants for capital expenditure	136	127
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
1,107	49	Gross proceeds from sale of assets	12,450	7,735
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
3,884	394	Total sources of capital funding	12,586	7,862
Applications of capital funding				
Capital expenditure				
152	-	- to meet additional demand	341	-
1,186	-	- to improve the level of service	496	-
1,586	16	- to replace existing assets	1,136	2,347
1,175	876	Increase(decrease) in reserves	10,465	5,336
-	-	Increase (decrease) in investments	-	45
4,099	892	Total applications of capital funding	12,438	7,728
(215)	(498)	Surplus (deficit) of capital funding	148	134
-	-	Funding balance	-	-



SERVICE CENTRES AND LIBRARIES



What we do

Council provides a front-line customer services team in its main Alexandra office and its three service centres in Cromwell, Roxburgh and Ranfurly. We are committed to putting our customers first. Our aim is to provide our community with the best customer experience that includes fast, efficient, accurate and friendly results.

We provide a joint library service with Queenstown Lakes District Council. In our district we run libraries in Alexandra, Clyde, Cromwell and Roxburgh, and we have a partnership with schools in Millers Flat, Omakau and Maniototo. We aim to provide our community with the highest quality library service to meet the informational, educational, recreational and cultural needs of the community.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

New look Alexandra reception

Our main council offices in Alexandra have been refurbished during the course of this year with our main reception the first area for a makeover. We now have a great new space to welcome customers and for our customer services staff to work in. We were also excited by the fresh new meeting rooms that were named by staff with the beautiful Te Reo Māori names such as Haehaeata (first to see the light) and Te Ruru (a place of shelter).

Library statistics

With fewer class numbers visiting Alexandra and Maniototo Libraries, visitors to our four main branches were down by 0.9% this year. Visitor numbers increased at Cromwell, Maniototo (main door) and Roxburgh. Staff report an increase in the number of requests for printing and scanning services.

Central Otago welcomed 922 new borrowers over the year and has had 7,325 active borrowers in the 24 months to June 30, 2019.

New Initiatives



Reading to Dogs: In June the team at Alexandra Library launched the Reading to Dogs programme thanks to the support of the Outreach Therapy Pets programme - a joint initiative between St John New Zealand and SPCA New Zealand.

The programme is designed to provide a relaxed environment that encourages children to practice their reading skills and develop a love of reading. The programme will run weekly on a Wednesday from 3.15 to 4.30pm. There will be four 15-minute sessions available each week for children to read a story to a furry companion. The library has two dogs "on its books" for this role. Petal, a placid 8-year old shihtzu-Maltese-wheaten is a fully accredited Outreach Therapy Dog. Bailey, a sprightly spoodle puppy, will take turn about on alternate weeks. He is not an accredited therapy dog as he's far too young (even in dog years) for training, but he is keen to follow in Petal's pawprints one day. Library staff and the dog's owner will be present at all times to help facilitate the sessions, which children are invited to book in for.

Stepping up: A free programme to help adults build their digital skills in small steps has been rolled out in Alexandra. Two series of modules have been run with a third in the planning stages.

Baxter the Mascot: After 297 ideas from children right across the district, our new library mascot was officially launched in December with the name Baxter.

An afterschool club launched in the July School holidays in 2018 that sees children aged between 5 and 12 join together on a weekly basis for an hour-long session of fun and creative building with lego blocks was rebranded in the new year as 'Building with Baxter'. The club runs weekly in Alexandra, Cromwell Maniototo and Roxburgh libraries and children actively seek out the bricks outside the regular sessions.

Clyde Library refresh

In May the Clyde Library closed for a fortnight to allow a mini-makeover and operated a pop-up library from the Clyde Hall foyer. The refresh of new carpet, fresh paint and more display shelves made the cherished community space lighter and brighter.



What we have achieved - Service Centres and Libraries

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and a Safe and Healthy Community	To provide a quality library service through friendly, helpful and knowledgeable staff that enables residents and visitors to have valued library experiences	Percentage of library users satisfied with the quality of library services	95%	96%	> 90%	Target achieved
	Satisfaction with contact regarding service requests	Customer survey – the service was fast and efficient. Customer survey – the service was friendly and courteous	81%	93%	> 80%	Target achieved
A Sustainable Environment		Customer survey – the service was friendly and courteous	98%	95%	> 90%	Target achieved
		Customer survey – issues dealt with effectively	89%	56%	> 75%	Target achieved
A Thriving Economy	Satisfaction with the initial contact with Council	Customer survey – the service was fast and efficient	84%	87%	> 90%	Target not achieved
		Customer survey – the service was friendly and courteous	92%	96%	> 90%	Target achieved
		Customer survey – issues dealt with effectively	77%	78%	> 80%	Target not achieved

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 SERVICE CENTRES AND LIBRARIES	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
-	-	- General rates, uniform annual general charges and rates penalties	-	-
1,078	1,323	Targeted rates	1,233	1,237
-	1	Subsidies and grants for operating purposes	-	-
16	29	Fees and charges	18	28
48	-	Internal charges, and overheads recovered	320	-
7	16	Local authorities fuel tax, fines, infringement fees, and other receipts	9	14
1,149	1,369	Total operating funding	1,580	1,279
Applications of operating funding				
775	913	Payments to staff and suppliers	961	918
-	-	Finance costs	-	-
277	505	Internal charges, and overheads applied	468	81
1	1	Other operating funding applications	1	1
1,053	1,419	Total applications of operating funding	1,430	1,000
96	(50)	Surplus (deficit) of operating funding	150	279
CAPITAL				
CAPITAL				
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	-	-
-	-	- to improve the level of service	-	-
290	146	- to replace existing assets	208	165
(194)	(196)	Increase(decrease) in reserves	(58)	114
-	-	Increase (decrease) in investments	-	-
96	(50)	Total applications of capital funding	150	279
(96)	50	Surplus (deficit) of capital funding	(150)	(279)
-	-	Funding Balance	-	-



REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT



What we do

Tourism Central Otago coordinates and facilitates the marketing of the Central Otago region as a visitor destination both within New Zealand and internationally to increase the spread and spend of visitors in the region and contribute to the strength of the regional economy.

Central Otago Visitor Centres (i-SITES) contribute to the authenticity and quality of the experience that visitors have in Central Otago by providing local advice and booking services for things to do and see in the region. Community grants provide funding to groups wishing to host cultural, creative, sporting and community-based events, or undertake activities that will enhance the experiences of locals and visitors alike, or support community organisations and initiatives.

Council manages the regional identity on behalf of the community. The Central Otago Regional Identity helps define the unique characteristics and values of our region. It's a definition of who we are, what we value and what we want to protect. It also provides a platform to tell the unique stories of Central Otago – www.aworldofdifference.co.nz. The intention is that these special qualities are embraced and celebrated by all sectors of the community.

The vision that drives Council's economic development effort is that Central Otago is a place of dynamic business, creative innovative talent, and where visitors and locals come to experience a world of difference. The Council role in essence is that of an enabler, directly in terms of the various activities Council actually controls, in areas where it can influence through facilitation, coordination, provision of support services, grants and seed funding, and where it is able to apply interest via advocacy, lobbying and education.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

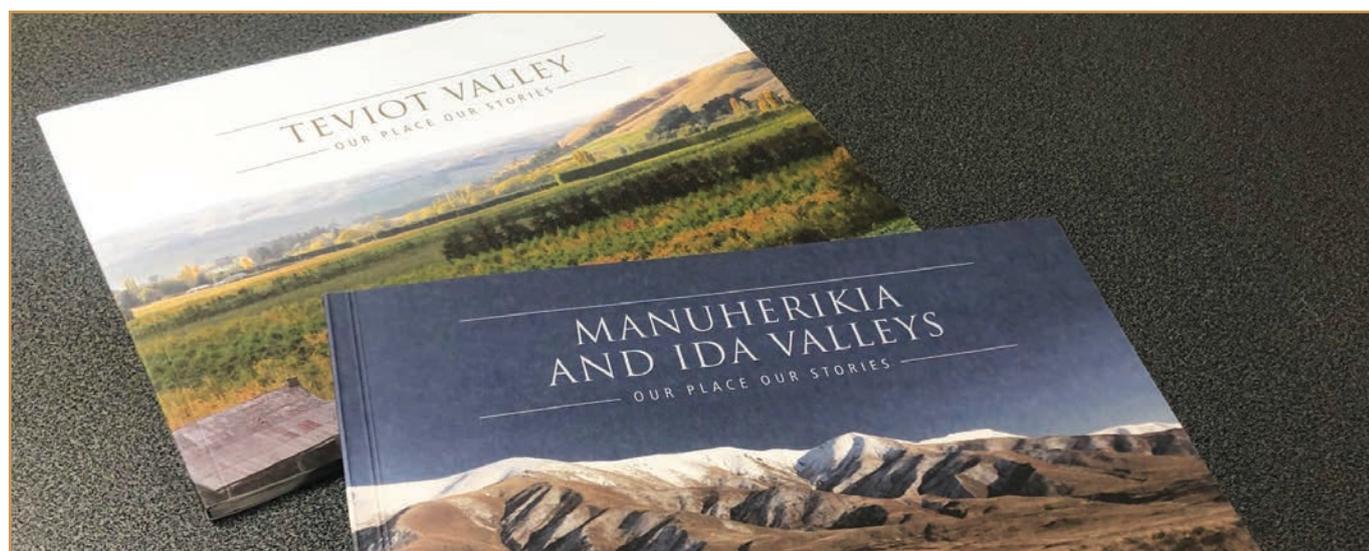
**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Our Communities

The 'Manuherikia and Ida Valleys - Our Place, Our Stories' publication was launched in June with some of the locals at the Becks Hall. The publication is the second in what will become a collection of stories to capture the essence of the communities that make up Central Otago - A World of Difference. This, and the Teviot Valley stories, launched in late 2018 at the Roxburgh Service Centre, are available for purchase at Central Otago i-SITES and selected retail outlets. The overarching story for Maniototo was developed and features on the website www.aworldofdifference.co.nz/our-place. A publication featuring Maniototo's key stories will be published later in the year.



Our Stories

The Central Otago goldmining story was developed this year and now feature on the regional identity website – aworldofdifference.co.nz. This represents one of the rich threads that has shaped our region.

Partner Profiles

Developing the profiles for our regional identity partners is an ongoing piece of work. This year profiles added to the website include Dear Lissy Photography, Lake Roxburgh Lodge, Paulina's Restaurant & Bar, Basil Parsley and Partners and Millers Flat Holiday Park.

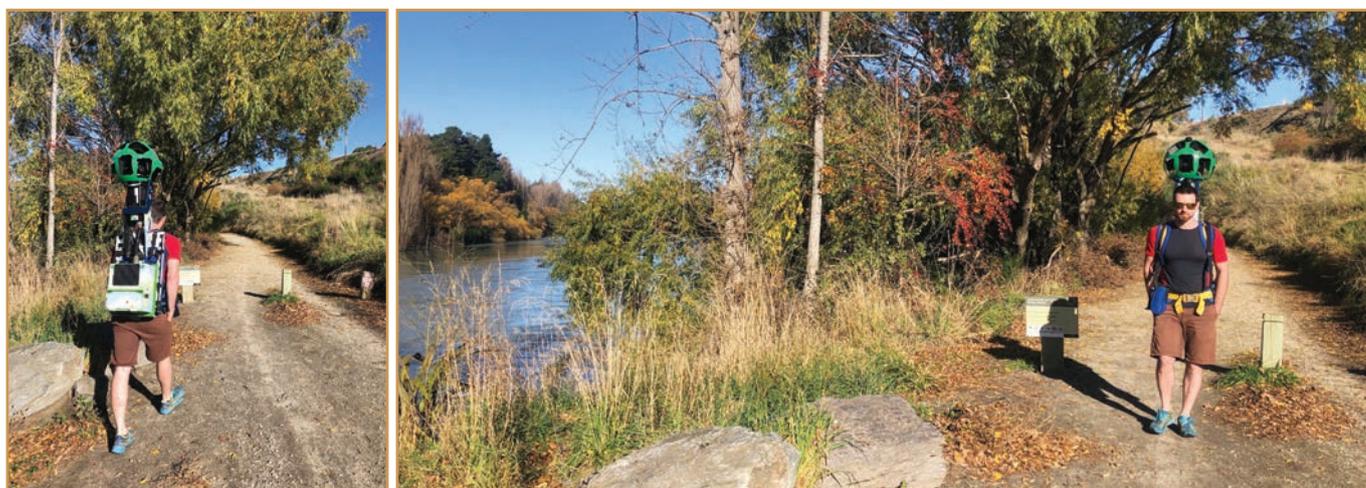
Better work stories

We consider this annual report highlight one for the "better work stories" file and an associated post on council's Facebook page was one of our most popular for the year.

Tourism Central Otago (TCO) Digital Marketing Manager Antz Longman got out in May to enjoy our stunning autumn scenery while carrying an 18kg pack on his back.

The TCO team had been sent a Google Trekker camera to capture a range of Central Otago attractions. The camera had 15 lenses that simultaneously captured photos and GPS data, and created 360-degree imagery that can be viewed online through Google Maps.

TCO has been working with the Google Streetview team to expand the Central Otago destination content to include more of our region's icons. Over the course of his treks and with the support and help of locals and businesses Antz filmed orchards, vineyards, the Alexandra to Clyde river track, the Roxburgh Gorge Trail and Clutha Gold Trail, Bannockburn Sluicings and Bendigo goldfields.



Tourism Strategy and Tourism Advisory Board

In late 2018 Council launched a new 10-year strategy to guide the development of tourism in Central Otago and appointed a six-person strong Tourism Advisory Board. Tourism is a vital part of our region's economy and under the Board will help guide the development of the industry in a way that plays to our assets while delivering value to our communities.

The Tourism Advisory Board have met three times during this financial year. Their time in Central Otago has been filled with product familiarisations, operator forums and Board meetings.

The Board has overseen progress made on key projects as part of the 10-year Tourism Strategy:

- Operator and community engagement through e-newsletters, media releases and drop-in sessions is occurring on a regular basis.
- An annual marketing plan has been completed and subsequently approved by the Board.
- A project co-ordinator has been secured to progress the Central Otago Touring Route project.
- A website request for proposal has been activated.
- Progress is underway on developing an event toolkit to assist groups / organisations seeking to host or hold an event in Central Otago.

- Terms of Reference have been developed to progress the review of Central Otago i-SITES.
- Opportunities have been provided for operators to upskill and learn more about working with travel trade.
- A highly engaged operators group has been initiated with encouragement from the Board, which continues to meet regularly.

Central Otago Visitor Guide and Map

TCO produced and printed a new look visitor guide and map that incorporates the new design elements and copy writing style developed.

The guide features a new map style, and is designed to inspire and motivate people to explore throughout Central Otago and to drive enquiries to the centralotagonz.com website or to Central Otago i-SITES. An initial print run of 55,000 were dispatched to brochure distribution outlets in mid-December with a further 55,000 printed to replenish stocks in April.

Eat.Taste.Central

The second edition of Tourism Central Otago's food and wine campaign Eat.Taste.Central was held between 14 September and 23 October 2018. Central Otago café and restaurant staff baked, roasted, seared, brewed and fermented their way to offer 34 dishes and 32 matching beverages from all over Central Otago, with the theme of 'Slow Cooked and Homegrown, the flavours of Central'.

This year TCO secured a major new event partner MiNDFOOD. Partnering with MiNDFOOD meant that the Eat.Taste.Central 2018 promotion was able to be shared with hundreds of thousands of followers around the world, providing an amazing opportunity to showcase Central Otago's local ingredients, favourite dishes and internationally acclaimed wines, beers and fruit beverages.

The supreme winner was the 48 Hour Braised Short Beef Rib at Olivers Restaurant in Clyde.

Trade & Consumer Marketing, and Media

TCO was twice as busy in the trade and consumer marketing space as the previous year, as a result of earlier work now coming to fruition. Central Otago is a region still to be explored by many trade perspectives and this is starting to happen.

TCO played 'host with the most' on a regular basis throughout 2018/19 with hosted media including: a writer from Kia Ora (Air New Zealand's inflight magazine); the online editor for Qantas magazine; North and South senior writer Mike White; key travel social media influencers such as 'Polkadot Passport' (aka Nicola Easterby); TVNZ's Seven Sharp; and a production company for the Air NZ safety video series.

Cromwell Free Wi-Fi launched

Cromwell District Promotions Group and Central Otago District Council collaborated to bring Free Wi-Fi to the Cromwell Mall. The service went live in December in time for the summer months and increased visitors.

Council had been reviewing Wi-Fi infrastructure for the Cromwell i-SITE and Cromwell Library, while the Promotions Group had been asked by the business community to drive a project for Wi-Fi in the Mall. Rather than have competing services and duplication it made sense to join forces to achieve a better result.

The initiative fitted with the Council's plans to enable better digital access to services for its communities and the libraries vision to 'connect' communities. From the i-SITE and promotions perspective, it is a step to enhance the visitor experience and encourage people into the Mall.

Economic Development Strategy

Central Otago District Council has adopted a four-year Economic Development Strategy. The 2019-2024 Central Otago Economic Development Strategy was endorsed at a Council meeting on 10 April 2019. Seventeen submissions were received to the draft strategy and minor changes were made to the strategy as a result of council consideration.

The Central Otago Economic Development Strategy aims to ensure that Central Otago is a place of dynamic business, creative, innovative talent and where locals and visitors come to experience our distinctive place – a world of difference.

The strategy contains eight key objectives: improving connectivity and infrastructure, being business friendly, developing affordable, accessible and attractive places, protecting and enhancing the landscape and environment, supporting diversity of age, skills and activities, fostering a smart, progressive and collaborative district, increasing prosperity and well-being across the district, and supporting the visitor economy in alignment with the Tourism Strategy. The strategy provides a robust economic profile and strategic framework that will drive economic development in the district until 2024. The final Central Otago Economic Development Strategy is available on council's website and at council service centres.



Ranfurly i-SITE Refurbishment

The Ranfurly i-SITE Refurbishment was completed on time, within budget and is receiving great feedback from visitors, locals and staff. The i-SITE was temporarily relocated to the Art Deco Museum while the renovations took place in late 2018.

Otago Regional Economic Development Framework

The economic development units from Otago’s five local authorities, along with representatives from Otago Regional Council, have come together to form the Otago Regional Economic Development (ORED) Working Group to set a clear intent, and establish a sound basis, for ongoing collaboration. The working group has developed the ORED Strategic Framework (June 2019) to support effective collaboration and help guide decision-making that is in the best interests of, and produces the best outcomes for, the Otago regional economy.



What we have achieved – Regional Identity, Tourism and Economic Development

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	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	2.66	2.30 days	Within 15 working days	Target achieved

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
444	1,022	General rates, uniform annual general charges and rates penalties	531	530
2,371	1,853	Targeted rates	2,147	2,153
50	74	Subsidies and grants for operating purposes	29	74
226	115	Fees and charges	199	87
5	15	Internal charges, and overheads recovered	19	17
135	194	Local authorities fuel tax, fines, infringement fees, and other receipts	178	85
3,231	3,273	Total operating funding	3,103	2,945
Applications of operating funding				
1,759	1,514	Payments to staff and suppliers	1,919	1,598
8	-	Finance costs	12	-
582	557	Internal charges, and overheads applied	541	471
855	531	Other operating funding applications	661	2,714
3,204	2,602	Total applications of operating funding	3,133	4,783
27	671	Surplus (deficit) of operating funding	(30)	(1,838)
CAPITAL				
Sources of capital funding				
-	-	Subsidies and grants for capital expenditure	29	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
10	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
10	-	Total sources of capital funding	29	-
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
42	-	- to replace existing assets	56	46
(5)	688	Increase(decrease) in reserves	(57)	(1,887)
-	3	Increase (decrease) in investments	-	3
37	671	Total applications of capital funding	(1)	(1,838)
(27)	(671)	Surplus (deficit) of capital funding	30	1,838
-	-	Funding balance	-	-



GOVERNANCE AND CORPORATE SERVICES



What we do

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.

Within this activity we facilitate and support Council and community boards, ensure agendas are published and available to the public, and run local body elections every three years. The corporate services activities provide support across the organisation that allows Council to function efficiently and effectively. It includes our accounting, financial planning and reporting, rating, policy, information systems, communications and administration activities.

A new unit within Council, the strategy and policy team works to advance work of organisational and strategic significance.

This activity contributes to the following community outcomes:

**THRIVING
ECONOMY**

**SUSTAINABLE
ENVIRONMENT**

**SAFE & HEALTHY
COMMUNITY**

Rising to the challenges

Community and Engagement

A new Community and Engagement unit was formed at the start of 2019, bringing the community development, communications and regional identity activities together to work more closely.

Council's graphic designer has been working on pulling together a Brand Guidelines document for Council to help CODC achieve a strong visual identity, as well as various templates to help staff contribute to this overall look and feel for Council.

Representation Review

Council underwent a representation review during the latter half of 2018. This resulted in a change to representation arrangements for the upcoming election. The number of councillors elected by the electors of the Cromwell ward will increase from three to four, and the Alexandra and Earnsclough/Manuherikia wards will be amalgamated to create the Vincent Ward. There will be four councillors elected by the electors of the Vincent Ward and four members elected to the Vincent Community Board.

Spotlight on Strategy and Policy

A strategy and policy function was established at the council this year to help us respond proactively to opportunities and challenges facing Central Otago. The first task of the new team was to conduct a stocktake of strategy and policy work currently underway in the organisation and identify the critical work that needs to be undertaken.

The work programme was presented to Council in February and a package of five priorities were approved as immediate priorities. These were a Central Otago 2050 Plan (a 30-year vision and prosperity plan for the district); Council's approach to housing, a Grants Policy, a Museum Strategy and a Responsible Camping Strategy (pending the development of a national strategy).





What we have achieved – Governance and Corporate Services

Community outcome	Our objective level of service	How we measure Success	2018/19 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy A Sustainable Environment	Satisfaction with the leadership, representation and decision-making by elected members	Satisfaction with the performance of elected members of local community boards	68%	75%	>85%	Target not achieved
A Safe and Healthy Community		Satisfaction with the performance of elected members	73%	80%	>85%	Target not achieved
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Customer survey – overall effectiveness of communications	80%	83%	>80%	Target achieved

2017/18 Long-term Plan \$000	2017/18 Actual \$000	Funding Impact Statement For the year ended 30 June 2019 GOVERNANCE AND CORPORATE SERVICES	2018/19 Long-term Plan \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
21	(304)	General rates, uniform annual general charges and rates penalties	282	320
341	201	Targeted rates	213	215
138	-	Subsidies and grants for operating purposes	-	-
4,279	181	Fees and charges	36	46
562	1,399	Internal charges, and overheads recovered	7,563	(591)
-	79	Local authorities fuel tax, fines, infringement fees, and other receipts	74	112
5,341	1,556	Total operating funding	8,168	102
Applications of operating funding				
4,112	5,563	Payments to staff and suppliers	5,612	4,907
38	34	Finance costs	22	31
-	(3,253)	Internal charges, and overheads applied	2,437	(4,557)
490	18	Other operating funding applications	20	104
4,640	2,362	Total applications of operating funding	8,091	485
701	(806)	Surplus (deficit) of operating funding	77	(383)
CAPITAL				
Sources of capital funding				
58	-	Subsidies and grants for capital expenditure	-	35
-	176	Development and financial contributions	1	595
-	-	Increase (decrease) in debt	(6,225)	-
-	-	Gross proceeds from sale of assets	25	4
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
58	176	Total sources of capital funding	(6,199)	634
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	26	-
1,112	406	- to replace existing assets	333	496
(299)	(1,625)	Increase(decrease) in reserves	(6,481)	(756)
(54)	589	Increase (decrease) in investments	-	511
759	(630)	Total applications of capital funding	(6,122)	251
(701)	806	Surplus (deficit) of capital funding	(77)	383
-	-	Funding balance	-	-

FINANCIALS



Loan Comparison

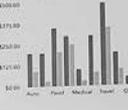
FINANCIAL

BEFORE YOU BEGIN: Enter your budget for each category in the Summary By Category table below. Enter expenditures on the Transactions table to see how your actual spending compares to your budget.

ACTUAL SUMMARY



BUDGET VS. ACTUAL



CATEGORY

- Auto
- Food
- Medical
- Travel
- Other

SAVINGS

BEFORE YOU BEGIN: This sheet calculates how much you will save on the account you want to use each month. Enter your information on the Savings table to see your savings goal and how it will be affected monthly.

SAVINGS CALCULATOR

Enter your current savings goal, the amount you want to save each month, and the interest rate you want to use.

Monthly Savings Goal: \$100.00
Annual Percentage Rate (APR): 5.00%

RESULTS

Enter your goal here

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

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Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

Monthly Savings Goal: \$100.00

Annual Percentage Rate (APR): 5.00%

2017/18 Annual Plan \$000	2017/18 Actual \$000	Funding Impact Statement Whole of Council For the year ended 30 June 2019	2018/19 LTP \$000	2018/19 Actual \$000
OPERATING				
Sources of operating funding				
5,744	5,823	General rates, uniform annual general charges and rates penalties	5,745	5,768
22,255	22,477	Targeted rates	23,689	23,741
2,106	2,430	Subsidies and grants for operating purposes	1,935	2,344
4,573	4,747	Fees and charges	4,926	5,043
496	801	Interest and dividend from investments	351	651
1,902	2,245	Local authorities fuel tax, fines, infringement fees, and other receipts	2,118	2,270
37,076	38,523	Total operating funding	38,764	39,817
Applications of operating funding				
26,906	28,101	Payments to staff and suppliers	29,336	30,404
31	34	Finance costs	35	31
1,247	1,299	Other operating funding applications	1,718	4,616
28,184	29,434	Total applications of operating funding	31,088	35,051
8,892	9,088	Surplus (deficit) of operating funding	7,676	4,766
CAPITAL				
Sources of capital funding				
4,643	2,472	Subsidies and grants for capital expenditure	2,794	3,520
1,833	1,058	Development and financial contributions	1,797	3,192
-	-	Increase (decrease) in debt	-	-
1,235	78	Gross proceeds from sale of assets	13,947	7,795
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
7,711	3,608	Total sources of capital funding	18,538	14,507
Applications of capital funding				
Capital expenditure				
2,356	2,849	- to meet additional demand	3,264	4,059
6,843	5,615	- to improve the level of service	8,285	8,629
14,287	10,352	- to replace existing assets	10,436	16,457
(6,812)	(6,756)	Increase(decrease) in reserves	4,229	(10,431)
(71)	636	Increase (decrease) in investments	-	559
16,603	12,698	Total applications of capital funding	26,214	19,273
(8,892)	(9,089)	Surplus (deficit) of capital funding	(7,676)	(4,766)
-	(1)	Funding balance	-	-

2017/18 Annual Plan \$000	2017/18 Actual \$000	Funding Impact Statement Reconciliation For the year ended 30 June 2019	2018/19 Annual Plan \$000	2018/19 Actual \$000
OPERATING				
8,892	9,088	Surplus / (deficit) of operating funding from funding impact statement	7,676	4,766
(11,823)	(12,114)	Depreciation	(11,748)	(11,567)
4,643	2,472	Subsidies and grants for capital purposes	2,794	3,520
1,833	1,058	Development and financial contributions	1,797	3,192
-	1,912	Vested and previously unrecognised assets	-	10,300
-	2,123	Gain (loss) on sales of assets	12,486	7,168
-	536	Valuation gains / (Losses)	-	51
3,545	5,076	Net surplus (deficit) before tax in statement of financial performance	13,005	17,429

2017/18 Actual \$000	Statement of Comprehensive Revenue and Expense For the year ended 30 June 2019	Notes	2018/19 Annual Plan \$000	2018/19 Actual \$000
REVENUE				
Revenue from non-exchange transactions				
28,300	Rates	1	29,436	29,510
4,718	Subsidies and Grants	2	4,729	5,814
1,948	Regulatory fees	3	2,172	2,061
4,315	User fees and other income	3	3,997	4,336
1,058	Development and financial contributions	3	1,797	3,192
1,912	Vested and previously unrecognized assets	4	-	10,300
441	Gains (losses) on revaluation of forestry assets	5	-	(199)
Revenue from exchange transactions				
500	Direct charges revenue – full cost recovery	6	504	544
414	Rental revenue	6	370	422
801	Interest		351	651
	- Dividends		-	-
2,628	Profit on sale of assets		1,435	3,571
	- Land Sales		11,051	3,680
95	Gains (losses) on revaluation of investment properties	5	-	250
47,130	TOTAL REVENUE		55,842	64,130
EXPENDITURE				
8,721	Employee benefit expenses	7	10,455	9,697
12,114	Depreciation and amortisation	18, 19	11,745	11,567
34	Finance costs		35	31
	- Valuation losses		-	-
505	Loss on disposal of assets		-	83
20,680	Other expenses	8	20,603	25,323
42,054	Total Expenditure		42,838	46,702
5,076	Surplus/(Deficit) before tax		13,005	17,429
	- Income tax expense	9	-	-
5,076	Surplus/(Deficit) after tax		13,005	17,429
	Other Comprehensive Income	10		
	- Gains (loss) on revaluation of wastewater assets		722	3,442
	- Gains (loss) on revaluation of water assets		970	4,387
	- Gains (loss) on revaluation of stormwater assets		-	866
	- Gains (loss) on revaluation of roading assets		5,692	52,041
	- Gains (loss) on revaluation of property and park assets		683	-
	Gains (loss) on revaluations of land assets		4	31,919
	- Gains (loss) on revaluation of building assets		118	7,331
	- Total gain on asset revaluations		8,190	99,986
	Gain on available for sale financial assets		-	-
(1)	Gains (loss) on revaluation of share equities		-	7
(1)	Total gain on available for sale financial assets		-	7
(1)	Total other comprehensive income		8,190	99,993
5,075	Total comprehensive income		21,195	117,422

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

2017/18 Actual \$000	Statement of Changes in Equity For the year ended 30 June 2019	Notes	2018/19 Annual Plan \$000	2018/19 Actual \$000
PUBLIC EQUITY				
710,575	Public equity balance at 1 July		734,783	715,632
Accumulated funds				
362,726	Balance at 1 July		359,575	367,866
5,076	Total comprehensive revenue and expense for the year		13,005	17,429
(2)	Transfer to restricted reserves			-
66	Transfer from property revaluation reserve on disposal			(10)
367,866	Balance at 30 June	10	372,580	385,285
OTHER RESERVES				
Property revaluation reserve				
347,737	Balance 1 July		375,130	347,652
-	Revaluation gains / (loss)		8,190	99,976
(86)	Transfer to accumulated funds on disposal property		-	10
347,652	Balance at 30 June	10	383,320	447,638
Fair value through other comprehensive revenue reserve				
35	Balance at 1 July		-	34
(1)	Revaluation gains / (loss)		-	7
34	Balance at 30 June	10	-	41
Restricted Reserves (trust and bequest funds)				
78	Balance at 1 July		78	80
2	Transfer from accumulated funds			-
80	Balance at 30 June	10	78	80
347,766	Total other Reserves		383,398	447,759
715,632	Public Equity 30 June		755,978	833,044

2017/18 Actual \$000	Statement of Financial Position As at 30 June 2019	Notes	2018/19 Annual Plan \$000	2018/19 Actual \$000
EQUITY				
367,866	Accumulated funds	10	372,580	385,285
347,652	Property revaluation reserve	10	383,320	447,638
34	Fair value through other comprehensive income revenue reserve		-	41
80	Restricted reserves	10	78	80
715,632	Total Equity		755,978	833,044
REPRESENTED BY:				
Current assets				
1,881	Cash and cash equivalents	11	9,165	11,506
18,200	Other financial assets	12	6,702	11,000
4,249	Receivables	13	2,919	3,986
	Non-Current assets held for sale	14	2,038	
399	Inventories	14	532	1,541
24,729	Total current assets		21,356	28,033
Less current liabilities				
249	Agency and deposits	15	309	329
4,776	Payables and deferred revenue	15	5,528	6,804
857	Employee entitlements	16	1,008	934
-	Borrowings and other financial liabilities		-	-
5,882	Total current liabilities		6,845	8,067
18,847	Working capital		14,511	19,966
Non-current assets				
162	Available for sale financial assets	12	156	169
476	Loans and receivables	17	845	390
692,830	Property, plant and equipment	18	737,890	809,682
754	Intangible assets	19	616	844
1,240	Forestry assets	21	723	414
1,340	Investment property	22	1,265	1,590
696,802	Total non-current assets		741,495	813,089
Less non-current liabilities				
17	Provisions	24	28	11
-	Borrowings and other financial liabilities		-	-
17	Total non-current liabilities		28	11
715,632	Net assets (assets minus liabilities)		755,978	833,044

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

2017/18 Actual \$000	Statement of Cash Flow For the year ended 30 June 2019	Notes	2018/19 LTP \$000	2018/19 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
43,142	Receipts from rates, fees and other revenue		43,005	53,084
663	Interest received		351	809
(128)	Net GST		-	(73)
(29,829)	Payments to suppliers and employees		(30,928)	(34,392)
13,848	Net cash flow from operating activities	34	12,429	19,428
CASH FLOWS FROM INVESTING ACTIVITIES				
871	Receipt from sale of property, plant and equipment		13,946	1,124
20,414	Receipt from sale of investments			18,142
51	Receipts from the repayment of loans and receivables		-	58
(16,718)	Purchase of property, plant and equipment		(21,959)	(17,962)
(166)	Purchase of intangibles		-	(165)
(8)	Purchase of forestry		-	-
(18,200)	Purchase of investments		-	(11,000)
-	Investment in loans and receivables		-	-
(13,756)	Net cash inflow (outflow) from investing activities		(8,012)	(9,803)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	Proceeds from borrowings		-	-
-	Repayment of borrowings		-	-
-	Net cash inflow (outflow) from financing activities		-	-
92	Net cash increase (decrease) in cash held		(4,417)	9,625
	Cash at the beginning of the year			
1,789	Opening cash held 1 July		4,748	1,881
1,881	Closing cash held 30 June	11	9,165	11,506

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 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. These reserves are included in note 10.

Reserve Funds	Closing Balance 2017/18 (\$'000)	Adjustment 2017/18 (\$'000)	Opening Balance 2018/19 (\$'000)	Transfers In 2018/19 (\$'000)	Transfers Out 2018/19 (\$'000)	Closing Balance 2018/19 (\$'000)
Specific Reserves						
Other Infrastructure	1,017		1,016	43	(21)	1,038
Parks, Reserves and Cemeteries	23		22	1	0	23
Libraries, Swimming Pools, and Community Facilities	27		27	1	0	27
Self-Insurance funds	2,119		2,119	225	0	2,343
Planning and Environment	1,823		1,823	190	0	2,013
Governance and Corporate Services	2,524		2,535	116	(762)	1,888
Total Specific Reserves	7,533	0	7,542	576	(783)	7,332
Development Contributions						
Governance and Corporate Services	(5,318)		(5,318)	3,020	(653)	(2,951)
Total Development Contributions	(5,318)	0	(5,318)	3,020	(653)	(2,951)
General Reserves						
Governance and Corporate Services	17,902		17,901	1,574	(2,529)	16,946
Total General Reserves	17,902	0	17,901	1,574	(2,529)	16,946
Property						
Other Infrastructure	5,289		5,182	7,039	(63)	12,158
Libraries, Swimming Pools, and Community Facilities	(9)		(9)	0	(51)	(59)
Governance and Corporate Services	650	(107)	650	21	(760)	(88)
Total Property	5,930	(107)	5,823	7,060	(874)	12,011
Loss of Service Potential and Development						
Water	(2,076)	(347)	(2,422)	40	(2,780)	(5,162)
Wastewater	(2,710)	(366)	(3,076)	708	(4,124)	(6,493)
Stormwater	2,129	0	2,129	418	(32)	2,515
Transportation	(3,073)	(17)	(3,089)	889	(2,152)	(4,352)
Other Infrastructure	(29)	(125)	(29)	63	0	33
Total Loss of Service Potential and Development	(5,759)	(855)	(6,487)	2,118	(9,088)	(13,459)

Reserve Funds	Closing Balance 2017/18 (\$000)	Adjustment 2017/18 (\$000)	Opening Balance 2018/19 (\$000)	Transfers In 2018/19 (\$000)	Transfers Out 2018/19 (\$000)	Closing Balance 2018/19 (\$000)
Amenities						
Waste Minimisation	(110)	(202)	(439)	145	(463)	(757)
Other Infrastructure	(1,084)		(1,084)	24	(101)	(1,161)
Parks, Reserves and Cemeteries	816	1	817	138	(210)	745
Libraries, Swimming Pools and Community Facilities	(1,478)		(1,478)	148	(428)	(1,758)
Planning and Environment	464	(2)	464	38	(8)	494
Total Amenities	(1,391)	(203)	(1,720)	493	(1,210)	(2,437)
Governance						
Governance and Corporate Services	70		70	34	0	103
Total Governance	70	0	70	34	0	103
District Development						
District Development	385		385	90	(185)	290
Total District Development	385	0	385	90	(185)	290
Total Reserves	19,361	(1,165)	18,196	14,965	(15,322)	17,836

VARIANCE REPORT	2018/19 Actual	2018/19 Long-term Plan	2018/19 Variance Favourable / (Unfavourable)
for the year ended 30 June 2018	\$000	\$000	\$000
Revenue from non-exchange transactions			
Rates	29,510	29,436	74
Subsidies and Grants	5,814	4,729	1,085
Regulatory fees	2,061	2,172	(111)
User fees and other income	4,336	3,997	339
Assets Found	1,018	-	1,018
Vested assets	9,282	-	9,282
Valuation gains / (losses)	(199)	-	(199)
Development and financial contributions	3,192	1,797	1,395
Revenue from exchange transactions			-
Direct charges revenue – full cost recovery	544	504	40
Rental revenue	422	370	52
Interest	651	351	300
Dividends	-	-	-
Profit on sale of assets	3,571	1,435	2,136
Land Sales	3,680	11,051	(7,371)
Gains on revaluation of investment properties	250	-	250
TOTAL REVENUE	64,131	55,842	8,289
EXPENDITURE			
Water	4,070	4,090	20
Wastewater	4,529	3,969	(560)
Stormwater	637	630	(7)
Roading	10,386	10,102	(284)
Environmental Services	4,395	3,950	(445)
Planning, Regulatory and Community Development	3,668	3,623	(45)
Pools Parks and Cemeteries	6,615	5,911	(704)
Property and Community Halls	4,704	4,431	(273)
Service Centres and Libraries	1,139	1,261	122
Regional Identity, Tourism and Economic Development	4,819	3,144	(1,675)
Governance & Corporate Services	1,656	1,727	71
Loss on disposal of assets	83	-	(83)
TOTAL EXPENDITURE	46,701	42,838	(3,863)
Net surplus (deficit)	17,429	13,005	4,424

EXPLANATION OF VARIANCES

Revenue

Rates

Rates income has exceeded budget with the majority of the variance due to an increase in the 2018/19 ratepayer base plus increased penalty income.

Subsidies and Grants

Subsidies and Grants and Subsidies income of \$5.8 million are favourable to budget by \$1.1 million. This is due to a combination of approved funding programme from NZTA, response claim received for Roxburgh flood event \$35k from Ministry of Civil Defence, Freedom camping tourism grant received of \$237k and the Big Fruit grant of \$125k.

User Fees and Other Income

Income in a number of areas has exceeded expected income. These areas include resource consent fees, recovery of professional fees, fuel tax, greenwaste and waste collection income, unbudgeted donations and contributions; and rentals and hire. All of these increases in income reflect the increased activity across the district.

Assets found

Additional revenue of \$1.0 million has been identified; much of this relates to a better understanding of council assets and the ownership arrangement. An example is the fire building which was removed from council's books as part of the Fire and Emergency New Zealand change process but the asset revaluation process identified it as a council asset.

Vested assets

Additional revenue of \$9.2 million of vested assets relates to infrastructural assets that are passed on to Council from developers as part of the subdivision development process, prior to the titles being issued.

Valuations

Valuation losses are the result of forestry revaluations. This is mainly the result of an issue identified in the indexed log prices applied in the 2018 valuation which resulted in log prices being inflated above the intended level.

Development Contributions

Development Contribution income has exceeded budget. The majority of development contributions received relates mainly to the financial contributions from the development of subdivisions in the Cromwell area.

Interest

Deferral of some major projects has meant that cash reserves are higher than expected. A direct result of this is increased interest revenue.

Profit on sales of assets

Profit on sales of assets has exceed budget by \$2.1 million. \$3.3 million is due to the net settlement proceeds on the sale of lots on the commercial land on McNulty road.

Land sales of assets

Land sales are unfavourable to budget by \$7.3 million. The sale of lots at Gair Ave was projected to be completed by June 2019, the timeline for completion has moved up into the 2019/20 financial year. Under IPSAS 9, section 28, we have recognised the portion of sales income less costs that was received by 30 June 2019 which amounts to \$3.6million.

Expenditure

Water

Plant maintenance, staff costs and technology costs are unfavourable to the full year budget by (\$104k). This unfavourable variance was offset by savings in physical works contract costs.

Waste Water

Wastewater has an unfavourable variance mainly due to Sludge Treatment costs that exceeded the full year budget by (\$798k). This unfavourable variance relates to costs with the desludging of the Omakau wastewater ponds after the 2017 and 2018 floods that deposited significant volume of gravel and silt into the ponds and the cost to transport the sludge to landfill. These costs were unknown and dependant on truck load weights at the landfill.

Roading

Roading is overspent mainly as a result of staff and contract costs. Emergency costs resulting from flood damage sustained in Roxburgh during the 2017 and 2018 flood event (\$423k).

Environmental Services

Refuse and recycling costs have exceeded a full year budget by (\$348k) mainly due to costs related to landfill, transfer station operations, kerbside collections and carbon emission trading scheme shared with Queenstown Lakes District Council, QLDC, that have exceeded the full year budget. A change in management of QLDC's waste services resulted in an increase of charges to Central Otago District Council. Contract and professional fees are ahead of budget; offset by savings in staff related and overhead costs.

Planning, Regulatory and Community Development

The unfavourable variance in this activity is mainly due to recoverable professional fees of (\$223k) due to increased activity however this is offset by income and savings from staff costs.

Pools, Parks and Cemeteries

The unfavourable variance is primarily due to the open space maintenance contract, increased energy costs and unscheduled maintenance costs at the pools.

Property and Community Halls

The unfavourable variance is primarily due to unbudgeted Cromwell Master Plan consultant costs (\$170k) and (\$98k) is from Central Stories contract ordered work that was not recovered.

Regional Identity, Tourism and Economic Development

The unfavourable variance in this activity is mainly due to an unbudgeted \$2m grant payment to Maniototo Health Services Ltd for the development of their Healthcare facility. All other expenses in this activity are ahead of budget

Governance and Corporate Services

Expenditure is favourable to budget mainly due to savings in staff costs and depreciation. These savings are slightly offset by professional fees within this activity.

Loss on Disposal of Assets

Loss on disposal of assets is largely the result of the transfer of ownership of the Lowburn Hall asset to the Lowburn Hall Society and the sale of the Teviot Valley Hall to the committee.

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 tier 1 public benefit entity (PBE) for the purposes of the PBE International Public Sector Authority Standards (IPSAS).

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 2019. The financial statements were authorised for issue by the Council on 23 October 2019. 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). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

The following accounting policies have been applied consistently to all periods presented in these financial statements, except for the annual valuation of infrastructure assets which was not performed as at 1 July 2017 in accordance with the Council's policy. Council considers that the carrying value of infrastructure assets reflected in note 18 are fair value.

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), except for the unused tax loss disclosure in note 9 which is rounded to the nearest dollar.

Changes in Accounting Policies

The accounting policies adopted by the Council are consistent with those of the previous financial year.

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which is relevant to the Council:

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

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 revenue that it earns from the joint venture.

Council's jointly controlled forestry operation with Queenstown Lakes District Council was sold in June 2019.

4. Revenue

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

Revenue from non-exchange transactions:

Includes revenue from subsidised services and goods whereby the council has received cash or assets that do not give approximately equal value to the other party in the exchange.

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 upon rates strike.

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. 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.

iv. Water Billing Revenue

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

v. Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. 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 and when the Council obtains control of the asset.

Revenue from exchange transactions:

Includes revenue where the council has received cash or assets and directly gives approximately equal value to the other party in the exchange.

vi. Direct Charges – full cost recovery

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

vii. Rental Revenue

Rental revenue 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 revenue.

viii. Interest Revenue

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

ix. Development Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged.

Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

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. 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 revenue and expense reserve

Restricted and Council created reserves are a component of equity 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 revenue and expense reserves comprises the cumulative net change in the fair value of financial assets through other comprehensive revenue and expense.

8. Cash and Cash Equivalents

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

9. Debtors and Other Receivables

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment Policy 17).

10. Inventories

Inventories represent land purchased or held 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.

11. 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 revenue and expenditure, except for impairment losses which are recognised on the surplus or deficit.

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 de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised on 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.

12. 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 land and 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 revenue and expenditure 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.

OPERATIONAL ASSETS		INFRASTRUCTURE ASSETS	
Buildings		Bridges	30-125 yrs
- structures	5-100 yrs	Footpaths and cycle ways	30-100 yrs
- external fabric	5-100 yrs	Kerb and channel	70-100 yrs
- services	5-80 yrs	Roads – sealed	8-17 yrs
- internal fit out	5-80 yrs	Roads – unsealed	10-25 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
Other assets	5-100 yrs	Water plant and equipment	10-35 yrs
		Water reticulation networks	60-100 yrs

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.

13. 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 3-10 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 18).

Easements are not amortised.

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.

14. 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 as at 30 June by Laurie Forestry Limited.

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.

15. 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 fair value upon recognition.

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

16. Investment Property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or both. Investment properties generate cash flow largely independent of other assets held by the entity. Investment properties are stated at fair value. The portfolio is valued annually by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. 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 revenue from investment property is accounted for as described in the Revenue Policy (4) above.

17. Impairment of Financial Assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

18. Impairment of Non-Financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 10), forestry assets (see Forestry Assets Policy 14), and Investment Property (see Investment Property Policy 16) 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.

19. 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.

20. Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

21. 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.

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.

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.

22. 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.

23. 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.

24. 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.

25. 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.

26. Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 18

Management has exercised the following critical judgments in applying accounting policies:

- Classification of property –see Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. Rates

Total rates revenue includes income from the sale of volumetric water supply.

	2018/19 \$000	2017/18 \$000
General rates	4,003	4,300
Uniform annual general rate	1,657	1,418
	5,660	5,719
Targeted rates attributable to activities per funding impact statement:		
- Water	4,366	4,818
- Wastewater	4,202	3,946
- Stormwater	632	496
- Roading	779	1,173
- Environmental Services	2,983	2,492
- Planning, Regulatory and Community Development	853	600
- Pools Parks and Cemeteries	4,430	2,212
- Property and Community Facilities	1,891	3,791
- Service Centres and Libraries	1,237	1,853
- Regional Identity, Tourism and Economic Development	2,153	0
- Planning and Environment	-	895
- Governance & Corporate Services	215	201
Total targeted rates	23,741	22,477
Rates penalties	201	191
Rates remissions	(21)	(22)
Rates discount	(72)	(64)
	109	105
Total rates revenue	29,510	28,300

Total rates revenue of \$29.5 million includes revenue of \$1.589 million from targeted water meter supply rates (2018 \$1.763 million).

2. Subsidies and Grants

	2018/19 \$000	2017/18 \$000
New Zealand Transport Agency roading subsidies	5,197	4,202
Creative NZ and SPARC grants	23	26
Central Lakes Trust	109	54
Department of Internal Affairs	51	48
Ministry of Business Innovation & Employment	297	304
Ministry of Civil Defence and Emergency Management	35	-
Other grants	102	84
Total subsidies and grants	5,814	4,718

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2018 nil).

3. User Fees and Other Income

	2018/19 \$000	2017/18 \$000
Regulatory fees - building consent and health charges	1,577	1,552
Regulatory fees - resource management fees	287	225
Regulatory fees – liquor licensing	197	171
User fees – libraries, swimming pools & visitor centres	847	981
User fees - parks, recreation reserves and cemeteries	236	251
User fees – waste collection, minimisation and disposal	1,073	1,043
User Fees - water	-	1
User Fees - wastewater	1	75
User fees – property and land usage	1,067	1,084
User fees – roading and fuel taxes	266	202
User fees – planning	654	526
User fees – district development & corporate services	10	8
User fees – District Development	179	143
Development contributions	3,194	1,058
Sale of inventory	-	-
Total fees and other income	9,589	7,321

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2018 nil).

4. Vested and previously unrecognised 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. In addition, assets have been identified as a result of the annual revaluation process. Much of this relates to a better understanding of our assets and the ownership arrangement. The value of these is identified as income (non-cash) in the Statement of Comprehensive Income and is distributed within the following asset classes.

	2018/19 \$000	2017/18 \$000
Parks & Reserves	835	108
Property and Community Facilities	1,018	-
Roading (including footpaths)	4,303	950
Stormwater	899	218
Wastewater	2,051	322
Water	1,194	314
Total vested assets	10,300	1,912

5. Valuation Gains and Losses

	2018/19 \$000	2017/18 \$000
Non-Financial Instruments		
Gain (loss) in fair value of forestry assets (Note 21)	(199)	441
Gain (loss) in fair value of investment property	250	95
	51	536
Financial Instruments		
Gain (loss) in fair value of community loans	-	-
	-	-
Total Gains (Losses)	51	536

6. Revenue from Exchange Transactions

Revenue from exchange transactions is revenue where the council has received cash or assets and directly gives approximately equal value to the other party in exchange.

	2018/19 \$000	2017/18 \$000
Full cost recovery – dog registration and dog control	186	184
Full cost recovery – camping ground revenue	358	315
Rental revenue – leased premises	422	414
Total revenue from exchange transactions	966	914

7. Employee Benefit Expenses

	2018/19 \$000	2017/18 \$000
Salaries and wages	9,524	8,512
Defined contribution plan employer contributions*	163	213
Increase (decrease) in employee benefit liabilities	10	(5)
Total employee benefit expenses	9,697	8,721

*includes employer contributions to Kiwisaver.

8. Other Expenses

	2018/19 \$000	2017/18 \$000
Audit fees:		
- audit fees for financial statement audit	97	96
- cost recoveries from 2017 financial statements	-	10
- audit of the Long-term Plan	-	79
- cost recoveries from LTP audit	-	20
Total audit fees	97	205
Maintenance contractors	7,228	7,145
Professional fees	1,991	1,679
Fuel and energy	1,209	1,006
Grants	2,751	578
Insurance premiums	383	320
Increase (decrease) in provision for bad debts	35	11
Payments under operating lease agreements	289	205
Other operating expenses	11,340	9,531
Total other expenses	25,323	20,680

9. Tax

Central Otago District Council has unused tax losses of \$94,556 with a tax effect of \$26,476 that have not been recognised (2017/18: tax losses \$90,529; tax effect \$25,348).

	2018/19 \$000	2017/18 \$000
Net surplus (deficit)	17,429	5,076
- Tax at 28%	4,880	1,421
Plus (less) tax effect of:		
- Non-taxable income	4,880	1,421
- Tax loss not recognised	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
Balance at Year End	-	-

10. Public Equity

	2018/19 \$000	2017/18 \$000
Accumulated funds		
Opening balance 1 July	367,867	362,727
Surplus (deficit) for the year	17,429	5,076
Transfers to restricted reserves	-	(2)
Transfers from property revaluation reserve	(10)	66
Closing balance 30 June	385,285	367,867

Property, Plants and Equipment Revaluation Reserves

Property revaluation reserves for each asset class consist of:

	2018/19			Closing Balance \$000
	Opening Balance (\$000)	Net Movement (\$000)	Adjustment for Assets Owned by Council (\$000)	
Roading	183,423	47,725	-	231,150
Bridges	27,003	4,733	-	31,736
Water	40,943	4,382	-	45,326
Wastewater	28,923	3,442	-	32,365
Stormwater	13,612	866	-	14,479
Land	32,091	31,501	-	63,592
Buildings	19,717	7,336	-	27,050
Parks and Reserves	1,940	(1)	-	1,940
Total	347,651	99,986	-	447,638
Transfer to accumulated funds on realisation		-	-	-
Transfer to accumulated funds as property Intended for sale		-	-	-
Total gain on asset revaluation		99,986	-	-

Water, wastewater and stormwater and roading, infrastructural assets were revalued as at 30 June 2019. Parks and reserves were revalued as at 1 July 2015 – These are revalued every 5 years.

	2017/18			Closing Balance \$000
	Opening Balance (\$000)	Net Movement (\$000)	Adjustment for Assets Owned by Council (\$000)	
Roading	183,423	-	-	183,423
Bridges	27,003	-	-	27,003
Water	40,943	-	-	40,943
Wastewater	28,923	-	-	28,923
Stormwater	13,612	-	-	13,612
Land	32,256	(166)	-	32,091
Buildings	19,637	80	-	19,717
Parks and Reserves	1,940	-	-	1,940
Total	347,736	(86)	-	347,651
Transfer to accumulated funds on realisation	-	(86)	-	-
Transfer to accumulated funds as property Intended for sale	-	-	-	-
Total gain on asset revaluation	-	(86)	-	-

Available for Sale Revaluation Reserve

Available for sale revaluation reserves consist of:

	2018/19		
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	34	7	41
Total	34	7	41

	2017/18		
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	35	(1)	34
Total	35	(1)	34

Restricted Reserves

	2018/19 \$000	2017/18 \$000
Trust and bequest funds		
Opening balance 1 July	80	78
Transfers from accumulated funds	-	2
Closing balance 30 June	80	80

11. Cash and Cash Equivalents

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

	2018/19 \$000	2017/18 \$000
Cash at bank and on-hand	2,006	881
Term deposits with maturities of less than 3 months at acquisition	9,500	1,000
Total cash and equivalents	11,506	1,881

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$11,506,000 (2017/18:\$1,881,000), an amount of \$77,000 (2017/18:\$83,000) is restricted in its use.

12. Other Financial Assets

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 2018. 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.

	2018/19 \$000	2017/18 \$000
Current portion		
Deposits maturing 3-12 months	11,000	18,200
Investment bonds	-	-
	11,000	18,200
Add (less) fair value adjustment investment bonds	-	-
Total current portion	11,000	18,200

	2018/19 \$000	2017/18 \$000
Non-current portion		
Share investments in unlisted companies	169	162
Total non-current portion	169	162
Total other financial assets	11,169	18,362

Interest Rates

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

	2018/19 \$000	2017/18 \$000
Short-term deposits, promissory and floating rate notes	3.28%	3.54%

Investment Maturities

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

	2018/19			Total \$000
	Short-term Deposits \$000	Promissory & Floating Rate Notes \$000	Corporate & Bank Bonds \$000	
Less than 3 months	9,500	-	-	9,500
3 to 12 months	11,000	-	-	11,000
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	20,500	-	-	20,500

	2017/18			Total \$000
	Short-term Deposits \$000	Promissory & Floating Rate Notes \$000	Corporate & Bank Bonds \$000	
Less than 3 months	-	-	-	-
3 to 12 months	18,200	-	-	18,200
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	18,200	-	-	18,200

13. Receivables

	2018/19 \$000	2017/18 \$000
Sundry accounts receivable	1,287	1,220
Goods and Services Tax	824	543
Rates receivable	681	558
NZ Transport Agency subsidy	1,111	1,799
Prepaid expenses	245	256
Receivables prior to impairment	4,148	4,376
Less provision for impairment receivables	(162)	(127)
Total receivables	3,986	4,249

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:

	2018/19		
	Gross \$000	Impairment 000	Net 000
Rates receivable			
Reporting year ended 30 June	319	(33)	286
Unpaid 1 year	115	(28)	87
Unpaid 2 years	58	(23)	35
Unpaid older	159	(75)	84
Total rates receivable	651	(159)	492

	2017/18		
	Gross \$000	Impairment 000	Net 000
Rates receivable			
Reporting year ended 30 June	305	(28)	277
Unpaid 1 year	86	(23)	63
Unpaid 2 years	49	(20)	29
Unpaid older	118	(54)	64
Total rates receivable	558	(125)	433

As at 30 June 2019 and 2018, 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.

	2018/19		
	Gross \$000	Impairment 000	Net 000
Sundry Accounts receivable			
Current	954	-	954
Unpaid 1 year	172	-	172
Unpaid 2 years	79	-	79
Unpaid 3 months and older	82	(3)	79
Total sundry accounts receivable	1,287	(3)	1,284

The age of outstanding sundry accounts receivable is detailed below:

	2017/18		
	Gross \$000	Impairment 000	Net 000
Sundry Accounts receivable			
Current	967	-	967
Unpaid 1 year	126	-	126
Unpaid 2 years	56	-	56
Unpaid 3 months and older	71	(2)	69
Total sundry accounts receivable	1,220	(2)	1,218

14. Inventory

Council holds title to surplus land at Alexandra and Cromwell. During the year development costs associated with these properties were transferred from Property, Plant and Equipment to inventory. Inventory is realised at cost.

	2018/19 \$000	2017/18 \$000
Commercial inventory:		
- Land developed and held for sale	1,541	399
Total inventory	1,541	399

15. Trade and Other Payables

	2018/19 \$000	2017/18 \$000
Payables and deferred income	6,644	4,583
Audit fee accruals	49	96
Agency and deposits	329	249
PAYE / Kiwisaver owed to IRD	112	96
Total payables	7,134	5,024

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.

16. Employee Entitlements

	2018/19 \$000	2017/18 \$000
Accrued pay	412	344
Annual and Statutory leave entitlements	522	513
Total employee entitlements	934	857

17. Community Loans

Community loans and receivables 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 2018/19 5%; 2017/18 5%) or interest free loans.

	2018/19 \$000	2017/18 \$000
Mortgages and other investments		
- Interest bearing	298	352
- Non-interest bearing	519	551
	817	903
Less provision for impairment community loans	(427)	(427)
	390	476
Interest Rates		
Mortgages and other investments (interest bearing)	5.60%	5.93%

18. 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 building heritage assets were revalued as at 30 June 2019 and are as follows:

	2018/19 \$000	2017/18 \$000
Buildings	105	109
Bridges	272	284
	377	393

Water, wastewater and stormwater assets were revalued with an effective date of 30 June 2019.

Roading assets were revalued with an effective date of 30 June 2019.

All the above are 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 this work.

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

- Public Benefit Entity International Public Sector Accounting Standard (PBE IPSAS) 17 – Property, Plant and Equipment.
- NZ Infrastructure Asset Valuation and Depreciation Guidelines Version 2, 2006.

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

Land and buildings were revalued with an effective date of 30 June 2019.

Parks and Reserves were revalued with an effective date of 1 July 2015. Due to the movement in the asset values Council booked the revaluation as at 30 June 2019.

Property, Plant and Equipment – as at 30 June 2019

Infrastructural Assets	Cost Revaluation 30-Jun-18 \$000's	Accumulated Depreciation And Impairment Charges 30-Jun-18 \$000's	Carrying Amount 30-Jun-18 \$000's	Current Year Additions Council Constructed \$000's	Current Year Vested Assets & Previously not Recognised \$000's	Current Year Disposals Carrying Value \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Revaluation Depreciation Recovered \$000's	Cost/ Revaluation 30-Jun-19 \$000's	Accumulated Depreciation and Impairment charges 30-Jun-19 \$000's	Carrying Amount 30-Jun-19 \$000's
Bridges	34,384	(1,853)	32,531	-	-	-	-	(619)	2,261	2,472	36,645	-	36,645
Roading	416,752	(13,753)	402,999	5,940	3,607	-	-	(4,426)	29,776	18,180	456,075	-	456,076
<i>Under construction</i>	-	-	-	-	696	-	-	-	-	-	696	-	696
Land Under Roads	11,255	-	11,255	-	-	-	-	-	(231)	-	11,024	-	11,024
Stormwater	25,694	(1,437)	24,257	168	820	-	-	(510)	(1,079)	1,946	25,602	-	25,601
<i>Under construction</i>	-	-	-	25	79	-	-	-	-	-	103	-	103
Water Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Treatment plant & facilities	16,408	(1,232)	15,176	861	-	-	849	(466)	(765)	1,732	17,353	-	17,387
Other assets	61,479	(2,804)	58,675	70	979	-	(849)	(989)	(339)	3,759	62,189	-	62,155
<i>Under construction</i>	849	-	849	2,900	215	-	-	-	-	-	3,115	-	3,115
Wastewater	-	-	-	-	-	-	-	-	-	-	-	-	-
Treatment plant & facilities	11,582	(1,292)	10,290	591	-	-	5,590	(509)	(1,414)	1,886	16,349	-	16,435
Other assets	40,920	(2,739)	38,181	101	1,022	-	812	(978)	(662)	3,632	42,193	-	42,108
<i>Under construction</i>	6,402	-	6,402	4,560	1,029	-	(6,402)	-	-	-	5,589	-	5,589
Operational Assets	625,723	(25,109)	600,614	15,216	8,446	-	-	(8,496)	27,547	33,607	676,932	2	676,934
Equipment	1,989	(1,646)	342	169	-	-	-	(155)	-	-	2,157	(1,801)	356
Furniture and Fittings	2,015	(1,210)	805	248	-	-	-	(118)	-	-	2,263	(1,328)	935
Parks and Reserves	12,168	(1,607)	10,561	877	408	-	243	(613)	-	-	13,696	(2,220)	11,476
<i>Under construction</i>	5	-	5	-	78	-	(5)	-	-	-	78	-	78
Other	6,503	(2,049)	4,455	16	78	-	78	(262)	-	-	6,597	(2,311)	4,287
<i>Under construction</i>	78	-	78	-	-	-	(78)	-	-	-	-	-	-
Plant and Machinery	2,350	(1,363)	987	399	-	-	-	(178)	-	-	2,749	(1,541)	1,208
<i>Under construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	872	(499)	373	29	-	-	-	(127)	-	-	901	(625)	275
Land	38,609	(85)	38,524	776	1,163	(1,585)	(226)	-	31,834	85	70,571	-	70,571
Buildings	40,783	(5,404)	35,379	1,441	204	(83)	108	(1,416)	553	6,778	43,006	(42)	42,964
<i>Under construction</i>	120	-	120	-	-	-	(120)	-	-	-	-	-	-
Library Books	1,754	(1,171)	583	138	-	-	-	(128)	-	-	1,892	(1,300)	593
TOTAL FIXED ASSETS	107,246	(15,034)	92,211	4,093	1,853	(1,668)	-	(2,996)	32,387	6,863	143,910	(11,167)	132,743
	732,969	(40,143)	692,825	19,309	10,299	(1,668)	-	(11,492)	59,933	40,470	820,842	(11,165)	809,677

Property, Plant and Equipment – as at 30 June 2018

Infrastructural Assets	Cost Revaluation 1-Jul-17 \$000's	Accumulated Depreciation And Impairment Charges 1-Jul-17 \$000's	Carrying Amount 1-Jul-17 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Additions Transferred To Council \$000's	Current Year Disposals at Cost \$000's	Accum Depn on Disposals \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation 30-Jun-18 \$000's	Cost/ Accumulated Depreciation and Impairment charges 30-Jun-19 \$000's	Carrying Amount 30-Jun-19 \$000's
Bridges	34,384	(1,236)	33,148	-	-	-	-	-	-	(617)	34,384	(1,853)	32,531
Roading	411,777	(8,642)	403,136	-	4,147	829	-	-	-	(5,111)	416,752	(13,753)	402,999
<i>Under construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	11,133	-	11,133	-	-	122	-	-	-	-	11,255	-	11,255
Stormwater	25,475	(942)	24,532	-	-	218	-	-	-	(495)	25,694	(1,437)	24,257
Water Supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Treatment plant & facilities	15,818	(795)	15,023	-	590	-	-	-	-	(437)	16,408	(1,232)	15,176
Other assets	59,390	(1,824)	57,565	-	1,861	314	-	-	(86)	(980)	61,479	(2,804)	58,675
<i>Under construction</i>	417	-	417	-	345	-	-	-	86	-	849	-	849
Wastewater	-	-	-	-	-	-	-	-	-	-	-	-	-
Treatment plant & facilities	10,863	(837)	10,026	-	719	-	-	-	-	(455)	11,582	(1,292)	10,290
Other assets	39,540	(1,743)	37,797	14	936	322	-	-	107	(996)	40,920	(2,739)	38,181
<i>Under construction</i>	932	-	932	(14)	5,591	-	-	-	(107)	-	6,402	-	6,402
	609,728	(16,019)	593,709		14,188	1,804				(9,090)	625,723	(25,109)	600,614
Operational Assets													
Equipment	1,982	(1,490)	492	-	13	-	(6)	-	-	(157)	1,989	(1,646)	342
Furniture and Fittings	1,738	(1,114)	624	-	277	-	-	-	-	(96)	2,015	(1,210)	805
Parks and Reserves	10,341	(1,001)	9,340	1,024	694	108	-	-	-	(606)	12,168	(1,607)	10,561
<i>Under construction</i>	1,024	-	1,024	(1,024)	5	-	-	-	-	-	5	-	5
Other	6,125	(1,760)	4,365	80	317	-	-	-	(19)	(289)	6,503	(2,049)	4,455
<i>Under construction</i>	14	-	14	(80)	125	-	-	-	19	-	78	-	78
Plant and Machinery	2,143	(1,218)	924		208					(146)	2,350	(1,363)	987
<i>Under construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	817	(379)	438		91		(37)	12		(132)	872	(499)	373
Land	38,763	(85)	38,678		16		(170)				38,609	(85)	38,524
Buildings	39,771	(4,008)	35,763	370	646					(1,396)	40,787	(5,404)	35,383
<i>Under construction</i>	713	-	713	(370)	153	-	(379)	-	-	-	116	-	116
Library Books	1,628	(1,037)	591		126					(134)	1,754	(1,171)	583
	105,060	(12,093)	92,967		2,670	108	(592)	12	(0)	(2,954)	107,246	(15,034)	92,212
TOTAL FIXED ASSETS	714,788	(28,113)	686,675		16,859	1,912	(592)	12	(0)	(12,044)	732,969	(40,143)	692,825

19. Intangible Assets

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 to 10 years and where appropriate disposed of. No impairment losses have been recognised.

	Easements \$000	Computer Software \$000	Branding \$000	Total \$000
Cost				
Balance at 1 July 2018	83	1,372	144	1,599
Adjustments	-	-	-	-
Additions	-	165	-	165
Disposals	-	-	-	-
Balance at 30 June 2019	83	1,536	144	1,763
Balance at 1 July 2017	83	1,423	144	1,395
Adjustments	-	(217)	-	(217)
Additions	-	166	-	166
Disposals	-	-	-	-
Balance at 30 June 2018	83	1,372	144	1,599
Accumulated Amortisation and Impairment				
Balance at 1 July 2018	-	(701)	(144)	(845)
Adjustments	-	-	-	-
Amortisation charge	-	(75)	-	(75)
Disposals	-	-	-	-
Balance at 30 June 2019	-	(776)	(144)	(919)
Balance at 1 July 2017	-	(848)	(144)	992
Adjustment	-	217	-	217
Amortisation charge	-	(70)	-	(70)
Disposals	-	-	-	-
Balance at 30 June 2018	-	(701)	(144)	(845)
Carrying Amounts				
Balance at 30 June 2018		671	0	499
Balance at 30 June 2019	83	761	-	844

20. Insurance

The Council holds asset insurance with multiple insurance companies including Vero, QBE, IAG, AIG and Primacy as at 30 June 2019.

The total value of all assets covered by insurance contracts is \$105 million. The maximum amount for which these assets is insured is \$188 million. Assets insured includes buildings, water and wastewater facilities, plant and equipment, library books, motor vehicles and forestry.

There are no assets covered by financial risk sharing arrangements.

The total value of self-insured assets is \$705 million. These are not covered by insurance policies.

21. Forestry Assets

Independent registered valuers, Laurie Forestry Limited, have valued Council owned forestry assets as at 30 June 2019.

As at 30 June the Council owned forests had a 32% decrease in value over the value as at the same time last year. The decrease in valuation of the forest estate is mainly the result of an issue identified in the indexed log prices applied in the 2018 annual valuation. This issue meant that log prices were inflated above their intended level. This issue has been amended for the indexed log prices applied in the 2019 annual valuation. In addition, Alexandra stand G has been deforested for future subdivision; plus there is a decrease in the 3 year, PPI Indexed, average log prices since the June 2018 valuation.

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 8.5% 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 made for inflation

The Central District Council has forest investments of:

- 27.6 net stocked hectares in Alexandra
- 78.0 net stocked hectares in Cromwell
- 3.0 net stocked hectares in Ranfurly
- 2.6 net stocked hectares in Naseby
- 10.8 net stocked hectares in Roxburgh

Alexandra – 19.2 ha of Radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 25 – 34 years old.

Cromwell – 16.8 ha of Radiata pine of an undetermined age ready to be harvested with the balance ranging from 34 - 37 years old.

Ranfurly – 1.6 ha of Corsican pine 29 years old and 1.4 ha of Radiata pine 34 years old.

Naseby – 2.6 ha Corsican pine 39 years.

Roxburgh – 10.8 ha of Radiata pine 35 years old.

Assumption: Radiata mature for clear felling at 36 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 sold a 25% investment in a joint venture forest with Queenstown Lakes District Council which comprised a total of 172.5 net stock hectares of Douglas fir at book value in June 2019.

Valuations

Independent registered valuers Laurie Forestry have valued forestry assets as at June 2019. A pre tax discount rate of 8.5% has been used this year (2018: 8.5%).

- The valuation assumes that the forest will be grown on for one rotation only and that no further planting will be undertaken.

- The valuation uses current costs and no adjustment has been made for inflation assumption since the 2018 annual valuation.

The Joint Venture Forest was valued as at June 2018.

	2018/19 \$000	2017/18 \$000
Balance as at 1 July	1,239	790
Increases due to purchases	-	8
Gain (loss) arising from revaluation	(199)	441
Decrease arising from sales / harvest	(626)	-
Balance as at 30 June	414	1,240
The gain (loss) comprised of:		
Joint Venture Forest	-	145
Alexandra Forest	(72)	83
Cromwell Forest	(106)	161
Naseby Forest	(6)	12
Ranfurly Forest	(2)	3
Roxburgh Forest	(13)	37
Gain (Loss) arising from revaluation	(199)	441

22. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

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

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

	2018/19 \$000	2017/18 \$000
Balance as at 1 July	1,340	1,245
Gain (loss) arising from revaluation	250	95
Balance as at 30 June	1,590	1,340
Rental income from investment property	103	114
Direct expenses from investment property generating income	20	19

23. Joint Venture

Council owned a one quarter interest in the Coronet Forest accounted for as a jointly controlled operation with Queenstown Lakes District Council. This was sold in June 2019 at book value. Council's interest in the jointly controlled operation for the year is as follows: Expenditure 2018/19 included forestry management costs of \$7,964.

	2018/19 \$000	2017/18 \$000
Current assets	-	-
Non-current assets	-	627
Current liabilities	-	-
Non-current liabilities	-	-
Income	-	144
Expenses	8	-

24. 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.

	2018/19 \$000	2017/18 \$000
Opening Balance	17	23
Less applied to operations	(7)	(7)
Add interest time adjustment	1	1
Closing Balance	11	17

25. Capital Commitments

	2018/19 \$000	2017/18 \$000
Capital Commitments		
Property	253	-
Water System	5,923	739
Wastewater System	3,584	677
Roading	11,807	16,443
Closing Balance	21,567	17,859

The Roothing commitments will attract a subsidy of \$6,021k (2017-18, \$8,561k). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

26. Operating Leases

Leasing Arrangements – Operating Lease as Lessee

Operating leases relate to the rental of buildings, office equipment, and communication facilities. The council does not have an option to purchase the leased assets at the expiry of the lease period.

Non-Cancellable Operating Lease Payments

	2018/19 \$000	2017/18 \$000
No longer than 1 year	274	215
Longer than 1 year and not longer than 5 years	21	77
Longer than 5 years	-	-
Total non-cancellable operating leases	295	292

Leasing Arrangements Operating Leases as Lessor

Investment and commercial 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:

Operating Leases as Lessor

	2018/19 \$000	2017/18 \$000
No longer than 1 year	223	214
Longer than 1 year and not longer than 5 years	226	177
Longer than 5 years	-	-
Total operating leases as Lessor	449	391

Other Commitments

Council has a commitment to pay development costs relating to the Gair Ave subdivision in accordance with the development agreement.

27. 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.

28. Contingencies

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. Council is not aware of any of the community groups dissolving and the improvements vesting in Council, resulting in a disclosure of nil.

Contingent Liabilities

As at the date of these financial statements there were no matters that would indicate a potential liability brought to the council's attention.

29. Remuneration

Remuneration of Elected Members

	2018/19 \$000	2017/18 \$000
Mayor		
T Cadogan	93	89
Current Councillors		
N J Gillespie*	33	31
M R McPherson*	28	27
S A Calvert	22	21
S L Duncan	22	21
S F Jeffrey	30	22
N McKinlay	23	22
M C Topliss	25	22
Dr D J Wills	23	22
V J Bonham	22	21
L J Claridge	21	21
Total elected representatives' remuneration	342	319

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

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 a salary of and benefits respectively of:

	2018/19 \$000	2017/18 \$000
Salary – permanent CEO's	227	199
Motor vehicle	15	15
Total chief executive officer remuneration	242	214

As at 30 June 2019, the annual cost, including benefits, to the Central Otago District Council for the combined remuneration package of the Chief Executive is calculated at \$241,600 (2018 - \$214,026). The above figures are the full amount paid exclusive of expense claims.

	2018/19 \$000	2017/18 \$000
Remuneration of Key Management	819	716

Key management includes the Chief Executive and the four Executive Managers, who form the Executive Team. The Executive Manager for People and Culture was seconded to this role on 13 May 2019. The key management remuneration is all short-term benefit and includes the value of motor vehicles assigned to the Managers.

Total staff numbers by remuneration band

	2018/19 \$000
Total annual remuneration by band for employees at 30 June	
<\$60,000	149
\$60,000-\$79,999	33
\$80,000-\$99,999	13
\$100,000-\$119,999	9
\$120,000-\$179,999	6
\$220,000 - \$240,000	1
Total employees	211

	2017/18 \$000
Total annual remuneration by band for employees at 30 June	
<\$60,000	160
\$60,000-\$79,999	32
\$80,000-\$99,999	17
\$100,000-\$159,999	5
\$160,000-\$240,000	4
Total employees	218

Total remuneration includes non-financial benefits paid to employees.

Total employee numbers include all casual employees who have a current employment contract with the Council. At balance date, the Council employed 116 (2018, 99) full-time employees, with the balance of staff representing 38 (2018, 45) 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. There was one severance payment made during 2018/19. The value was \$45,000 (2017/18 – Nil).

30. Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/receipt relationship on terms and condition on more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

31. 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. These policies do not allow any transactions that are speculative in nature to be entered into.

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	2018/19 \$000	2017/18 \$000
Loans and receivables			
Bank balances and term deposits	AA- and greater No defaults in the past	22,506	20,081
Debtors and other receivables	Note 13	3,986	4,248
Community loans	Not rated, no defaults in the past	390	476
Total credit risk loans and receivables		26,882	24,805
Available for sale financial assets			
Investment bonds	A+ no defaults in the past		-
Promissory and floating rate notes	Not rated, no defaults in the past		
Total credit risk available for sale financial assets			-
Total credit risk		26,882	24,805

Market Risk

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.

	2018/19 \$000	\$000	2017/18 \$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
			Effect on surplus (deficit)	
Cash and cash equivalents	(3)	3	(4)	4
Promissory and floating rate notes	-	-	-	-
Total sensitivity	(3)	3	(4)	4

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.

	2018/19				
	Note	Less than 1 year	1 year	2-5 years	Total 2018/19
Financial Assets					
Cash and cash equivalents	11	11,506	-	-	11,506
Trade and other receivables	13	3,221	287	378	3,986
Other financial assets (excluding shares in companies)	12	11,000	-	-	11,000
Financial Liabilities					
Trade and Other Payables	15	7,134	-	-	7,134
Borrowings	-	-	-	-	-

	2017/18				
	Note	Less than 1 year	1 year	2-5 years	Total 2017/18
Financial Assets					
Cash and cash equivalents	11	1,881	-	-	1,881
Trade and other receivables	13	3,746	295	207	4,248
Other financial assets (excluding shares in companies)	12	18,200	-	-	18,200
Financial Liabilities					
Trade and Other Payables	15	5,024	-	-	5,024
Borrowings	-	-	-	-	-

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.

32. 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.

Internal Loans	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing Balance \$000
Water	3,237	3,211	(33)	6,415
Wastewater	3,077	899	(903)	3,073
Roading	5,364	1,250	(182)	6,432
Environmental Services	1,138	124	(100)	1,162
Other Infrastructure	2,008	161	(120)	2,049
Parks, Reserves and Cemeteries	103	0	(35)	67
Community Facilities, Libraries and Swimming Pools	2,543	456	(75)	2,925
District Development	196	0	(32)	164
Governance and Corporate Services	7,265	16	(2,373)	4,907
Total	24,930	6,117	(3,853)	27,194

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 internal interest rate charged is 2.94% (2017/18 3.54%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2018/19 Actual \$000	2018/19 Estimate \$000	2017/18 Actual \$000
Water	153	323	250
Wastewater	101	273	74
Transportation	182	239	333
Waste Minimisation	50	26	30
Other Infrastructure	66	99	54
Parks, Reserves and Cemeteries	4	17	4
Libraries, Swimming Pools and Community Facilities	77	113	75
District Development	5	9	7
Governance and Corporate Services	235	333	18
Total	873	1,433	845

33. 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.

34. Statement of Cash Flow

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

	2018/19 \$000	2017/18 \$000
Net Surplus (Deficit) After Tax	17,429	5,076
Add (less) non-cash items:		
Depreciation	11,492	12,044
Amortisation of intangible assets	75	70
Vested and previously unrecognised assets	(10,300)	(1,912)
Gains/(Losses) on fair value of investment property	(250)	(95)
Amortisation of landcare liability	6	6
Add (less) movements in working capital items:		
Decrease (increase) in debtors and other receivables	(252)	(1,036)
Decrease (increase) inventory	(1,142)	217
Decrease (increase) in prepayments	11	(65)
Increase (decrease) in agency and deposits	-	-
Increase (decrease) in creditors and other payables	2,280	(59)
Decrease (increase) in net GST receivable	-	(3)
Add (less) items included in investing activities:		
Valuation losses	79	482
Net (gain) loss on sale of assets	(498)	(871)
(Increase) decrease in fixed asset related payables	-	-
Decrease in landfill aftercare liability	(6)	(6)
Net cash inflow (outflow) from operating activities	19,428	13,848

35. Events Subsequent to Balance Date

There were no events arising since balance date relating to Council activities that require adjustment to these financial statements.

Independent Auditor's Report

To the readers of Central Otago District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Central Otago District Council (the District Council). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 23 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 80 to 123:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 78 and 79 presents fairly, in all material respects, 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 activities and services statements on pages 17 to 76:
 - present fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - comply with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 17 to 76, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 17 to 76, presents fairly, in all material respects, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 9 to 13, which represent a complete list of required disclosures and accurately reflect the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activities and services statements, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 8 and 129 to 133, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the District Council.



Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

OUR COUNCIL



Teviot Valley Community Board

120 Scotland Street, Roxburgh Phone: 03 446 8105



Raymond Gunn
(Chair)



Cliff Parker
(Deputy)



Sally Feinerman

Teviot Valley meeting attendance 2018-19	
Name	Attended
S Feinerman	● ● ● ● ● ● ● ●
R Gunn	● ● ● ● ● ● ● ●
S Jeffery	● ● ● ● ● ● ● ●
C Parker	● ● ● ● ● ● ● ●
J Pritchard	● ● ● ● ● ● ● ●



Stephen Jeffery



John Pritchard

Vincent Community Board

1 Dunorling Street, Alexandra Phone: 03 440 0056



Sharleen
Stirling-Lindsay
(Chair)



Dr. Barrie Wills
(Deputy)



James
Armstrong



Victoria Bonham



Brian Fitzgerald



Russell Garbutt



Claire Goudie



Malcolm Topliss

Vincent meeting attendance 2018-19	
Name	Attended
J Armstrong	● ● ● ● ● ● ● ●
B Fitzgerald	● ● ● ● ● ● ● ●
R Garbutt	● ● ● ● ● ● ● ●
C Goudie	● ● ● ● ● ● ● ●
S Stirling-Lindsay	● ● ● ● ● ● ● ●
V Bonham	● ● ● ● ● ● ● ●
M Topliss	● ● ● ● ● ● ● ●
B Wills	● ● ● ● ● ● ● ●

EXECUTIVE TEAM

Sanchia Jacobs
Chief Executive



- Executive Office
- Governance
- Strategy and Policy
- Regional Identity
- Community Development
- Economic Development
- Tourism Central Otago
- Visitor Information Centres
- Communications
- Emergency Management

Leanne Macdonald
Executive Manager - Corporate Services



- Accounting
- Financial Planning and Reporting
- Rating / Policy
- Information Services
- Risk and Procurement

Louise Fleck
Executive Manager - People and Culture



- Customer Services and Administration
- Health and Safety
- Human Resources
- Libraries

Julie Muir
Executive Manager - Infrastructure Service



- Roading
- Water Services
- Environmental Engineering

Louise van der Voort
Executive Manager - Planning & Environment



- Parks and Reserves
- Swimming Pools
- Cemeteries
- Property and Community Facilities
- Elderly Persons' Housing
- Airports
- Public Toilets



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