



CENTRAL OTAGO DISTRICT COUNCIL

# AR

ANNUAL REPORT

2019 - 2020





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## 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.

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## 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.

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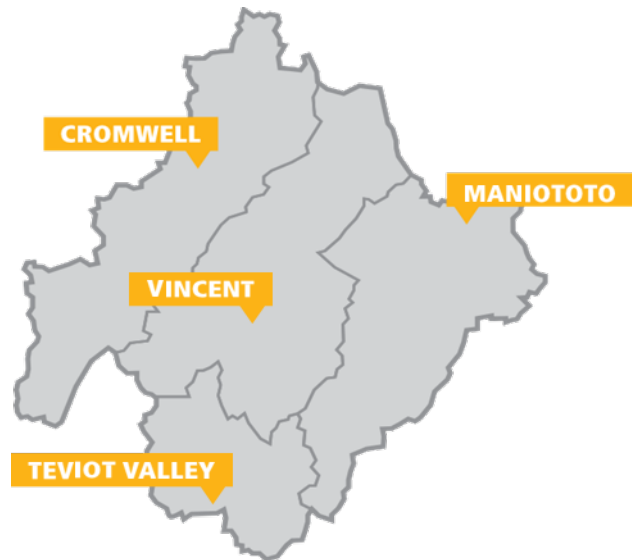
## 10-YEAR PLAN

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.

# Our Space, Our Place

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The Central Otago district covers an area of 9,968.5km<sup>2</sup> and encompasses the electoral wards Vincent, Cromwell, Maniototo and Teviot Valley. The main towns include Alexandra, Clyde, Omakau, Cromwell, Roxburgh, Ranfurly and Naseby. Our usual resident population is 21,558. 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.

## Māori Engagement

Council values the deepening relationship with local iwi, Ngāi Tahu, and to fostering a mutually beneficial partnership with our local rūnanga. These relationships contribute positively to Council's decision-making, cultural confidence and to broader outcomes for Central Otago. Council is also a signatory to the Te Rōpū Taiao Governance Charter, a formal agreement between Otago rūnanga and Otago local authorities to work together at both a collective and individual Council level.

# 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 and do business. Help businesses get through the legislative requirements when developing business opportunities.

### Tourism

A tourism industry that is well managed.

### Ease of Doing Business

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

## SUSTAINABLE ENVIRONMENT

A community that values the sustainability of our environment and holds a healthy balance between its natural and built environment.

### Water

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

### Waste Minimisation

Make thoughtful and conscious purchasing decisions to reduce the waste we generate and increase recycling. Having well defined areas for growth

### Managing Development

Manage development impacts on landscape and natural ecosystems. Understand and protect the inherent values of our landscape and natural ecosystems while having well defined areas for growth.

## SAFE & HEALTHY COMMUNITY

A strong and resilient 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, recognising the changes that new technology brings while retaining volunteer networks.

### Education and Housing

Have a good supply of quality affordable accommodation and accessible range of quality educational services.

### Safe and Healthy Community

Retain our safe community that promotes wellness.

### Transport & Communication

Have a well-connected community through a safe roading system.

### Recreation

Meet recreational needs while protecting and maintaining Central Otago's ecological, scenic and cultural values.

### Arts & Culture

Resource, promote, support and integrate to maximise the social, cultural and economic benefits to the community.

### Heritage

Identify, preserve, protect, manage, respect and celebrate heritage into the future.

Community outcomes are a high-level set of goals that we aim to achieve. They were developed through feedback and discussions with Central Otago communities and are used to guide and inform the project development, planning processes and setting priorities. They also help us focus on what is important to our district and are important to us at Council.

# Community Well-beings

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The purpose of local government changed with the re-introduction of well-being measures into the Local Government Act 2002.

From 2020, rather than just using income and GDP as measures of progress, local authorities will be assessing social, economic, environmental and cultural well-beings. The goal of this process is to create outcomes in our communities that improve people's quality of life, both now and into the future.

## What are the well-beings?



### Social

Involves individuals, their families, whānau, hapu, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.



### Economic

Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.



### Environmental

Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution.



### Cultural

Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.



# We're Stronger Together

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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 2019/2020 year.

What a year it has been. As we prepare Council's Annual Report the world is still very much battling for control over the coronavirus pandemic, at the time of writing New Zealand is experiencing a resurgence of the virus and we are all still getting our heads around the social and economic impacts of COVID-19 and plotting our best course for recovery.

Let's cast our minds back first to July 2019 where this financial year began. We were in the build-up to the triennial local government elections. Coronavirus was not only not on the radar, it wasn't even a thing.

In July 2019, Councils around New Zealand were beginning to make climate change emergency declarations. Our Council had adopted its second Sustainability Strategy earlier in the year and was focussing on getting our "own house in order" so we could lead by example. An internal sustainability working group took part in a field trip to Camp Glenorchy in July and used the opportunity to brainstorm a range of sustainability initiatives to implement ranging from quick wins through to more ambitious longer-term goals.

In August 2019 we had a delegation of St Gerard's School pupils make a presentation to Councillors urging Council to declare a climate emergency. At our following month's meeting, days before a third national climate change march, our Council declared a "climate crisis". As a result, staff will be reporting regularly to Council and to our community on progress.





Climate change was among the top issues local voters wanted to hear about from candidates in the lead up to local elections along with affordable housing, community vision and water.

The October elections saw us welcome four first-time Councillors and five new community board representatives, adding fresh perspectives and enthusiasm to complement the experience and knowledge of returning elected members.

In November 2019 we marked the 30<sup>th</sup> anniversary of the Central Otago District Council by planting a kowhai outside the William Fraser Building, our Alexandra offices.

The symbolism behind the selection of kowhai is that in tangata whenua culture the kowhai wood was proven to be hardy wood and used in making waka paddles. We need to be hardy here sometimes in Central Otago, and that quality has certainly come to the fore this year and will be needed on our road ahead. Our Council is charged with paddling the canoe together and steering the community.

This year also saw us celebrate the 9<sup>th</sup> Central Otago Awards in Roxburgh. These biennial awards are a truly special occasion where we come together and honour some of the incredible, inspirational people whose work and deeds are at the heart of what makes our place special. Strong, thriving communities are held together by good people who go above and beyond.

Strong communities are also ones that come together with a strong voice when change doesn't sit right with what they value.

On 18 December 2019 Council released the Commissioners' decision on Plan Change 13. Plan Change 13 was a private plan change requested by River Terrace Developments Ltd for a residential development on the outskirts of Cromwell with up to 900 residential units. The hearing for the plan change was held before independent commissioners in Cromwell in June/July 2019.

The decision was made by the commissioners in early November 2019 but was withheld by Council for a period as we worked exhaustively to recover outstanding processing costs from the applicant so that ratepayers wouldn't need to foot the bill. The decision was to decline the plan change request by River Terrace Developments Limited. We were pleased that the decision supported the Council's submission and the overwhelming perspective of the community who submitted in large numbers on the application. The Cromwell Spatial Plan was afforded some weight in the decision and Council feels that it is important to continue that work as part of delivering the Cromwell Masterplan. Later this year we will be introducing a suite of plan changes to continue that work.

The 2020 year got off to a colourful start in the Teviot Valley with the making of an intercultural public art piece. The Teviot Valley Community Development Group and the Central Otago Arts Trust commissioned internationally renowned artists Flox and TrustMe to complete a mural that speaks of the Valley's heritage and values.

Four community workshops were held where attendees were encouraged to verbally and visually represent their cultures and what the Valley means to them, as well as learn practicable skills of street art. The result is a stunning piece to instil pride in locals and be admired by visitors right on Roxburgh's main drag.

While that visual delight was taking shape above ground, a great deal of progress was being made up the road in the Vincent ward as two major underground pipelines – one to deliver better quality water for Alexandra and Clyde and the other that's part of a substantial project to construct a new reticulated wastewater system for Clyde – were nearing completion.

A primary focus for our staff and elected members in the first few months of the year was finalising our Annual Plan to go out for consultation. Of course between 11 March 2020 when we approved the consultation document and supporting information to go out for consultation and when Council met remotely via video streaming to consider submissions on 18 May, the world had changed dramatically due to the impact of the COVID-19 pandemic.

The COVID-19 pandemic fundamentally changed the way in which Council operated between late March to late May 2020. In addition to closing all of our public facing facilities, the shift to remote working, like the rest of New Zealand, occurred within the 48 hours announced. All staff worked remotely from home throughout the Alert Level 4 lockdown and to varying degrees into Alert Level 3 and 2 as well.

Despite the changed environment, previous investment in technology enabled much of Council's core business to continue. A silver lining of the situation we found ourselves in is that while some projects had to halt under lockdown other opportunities appeared to either accelerate projects – such as launching digital building and resource consent applications – or explore new ways of working, including online live streamed meetings and Facebook Live sessions.

In response to the COVID-19 pandemic we fully activated our Emergency Operations Centre (EOC). Staff being released from their business as usual activity to support the activity of the EOC is a core civil defence responsibility for Council. Staff worked in a variety of roles, with some juggling busy business as usual work programmes and civil defence work during this time. We had more than 70 staff working in the EOC in rostered shifts throughout our response.

In June 2020 our EOC held a debrief session and we have documented the lessons learned and steps we can make to improve our systems for any future emergency responses. We have appointed a Recovery Manager: COVID-19, who will lead an integrated approach for Council in its recovery plan, working closely with respective parts of the business and external stakeholders, with a special focus on economic development, co-investment and community well-being.

As is the case in most years, a good chunk of the year has been about rolling up our sleeves and getting on with business as usual, delivering the 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. Just as we should take stock of things that didn't go as planned and look for the lessons we can learn from them. Some of these highlights are detailed within our activity sections in this report.

As we sign off, we thank elected members and staff for their commitment and efforts this past year, and we thank our community, who we come to work to serve. We acknowledge the role each and every member of our Central Otago community is playing as bigger national "team of 5 million" unites against COVID-19. Let's continue to #bekind, #staysafe and approach the future with team spirit.

Ngā mihi



Tim Cadogan  
Central Otago Mayor



Sanchia Jacobs  
Chief Executive Officer

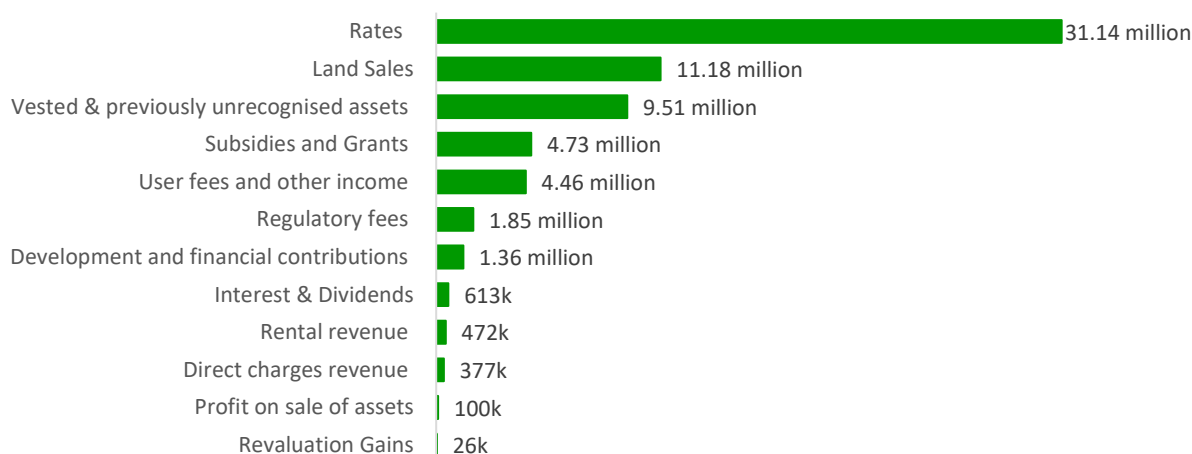
# Our Results

Our projects for the 2019/2020 year, including those captured in our highlights on the previous pages were achieved. 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 \$12.070 million after tax.

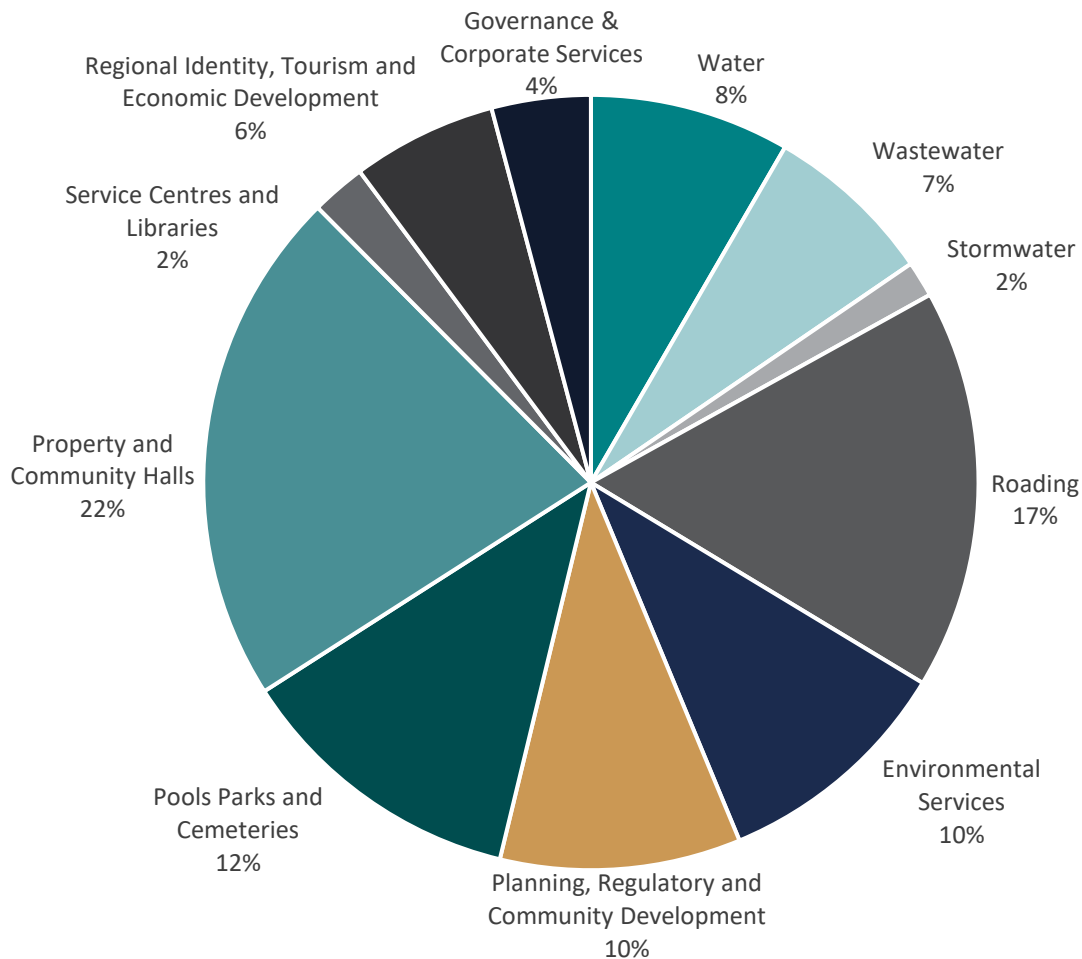
5-Year Financial Performance	2019/20	2018/19	2017/18	2016/17	2015/16
	\$000	\$000	\$000	\$000	\$000
Rates revenue *	31,140	29,509	28,300	27,185	26,458
Other revenue**	34,672	34,622	18,830	22,210	16,922
<b>Total revenue</b>	<b>65,812</b>	<b>64,131</b>	<b>47,130</b>	<b>49,395</b>	<b>43,380</b>
Employee benefit expenses	10,218	9,697	8,721	8,326	7,591
Depreciation and amortisation	9,041	11,567	12,114	10,996	10,812
Other expenses	34,483	25,437	21,219	19,292	18,678
<b>Total expenditure</b>	<b>53,742</b>	<b>46,701</b>	<b>42,054</b>	<b>38,614</b>	<b>37,081</b>
Net surplus (deficit)*	<b>12,070</b>	<b>17,429</b>	<b>5,076</b>	<b>10,782</b>	<b>6,299</b>
Working capital (net)	15,404	19,966	18,847	20,107	16,528
<b>Total assets</b>	<b>886,892</b>	<b>841,122</b>	<b>721,531</b>	<b>716,438</b>	<b>705,590</b>
Cash flows from operating activities	12,024	19,428	13,848	13,915	13,546
* Note: includes revenue from water meter charges					
** Note: includes vested assets	9,512	10,300	1,912	6,345	4,786

## Where our Revenue comes from



## How the money is spent by activity

**Total expenditure of \$53.742 million**



### Key Facts and Figures for 2019/2020

**\$65.8<sup>million</sup>** = Council's total revenue

**\$53.7<sup>million</sup>** = Council's total expenditure

**\$12.5<sup>billion</sup>** = our ratable capital value at 30 June 2020

**\$6.6<sup>billion</sup>** = our ratable land value at 30 June 2020

**\$0** = the district's debt

**14,084** = the number of ratable properties in our district (13,899 in 2018/19)

**\$865.5<sup>million</sup>** = 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.

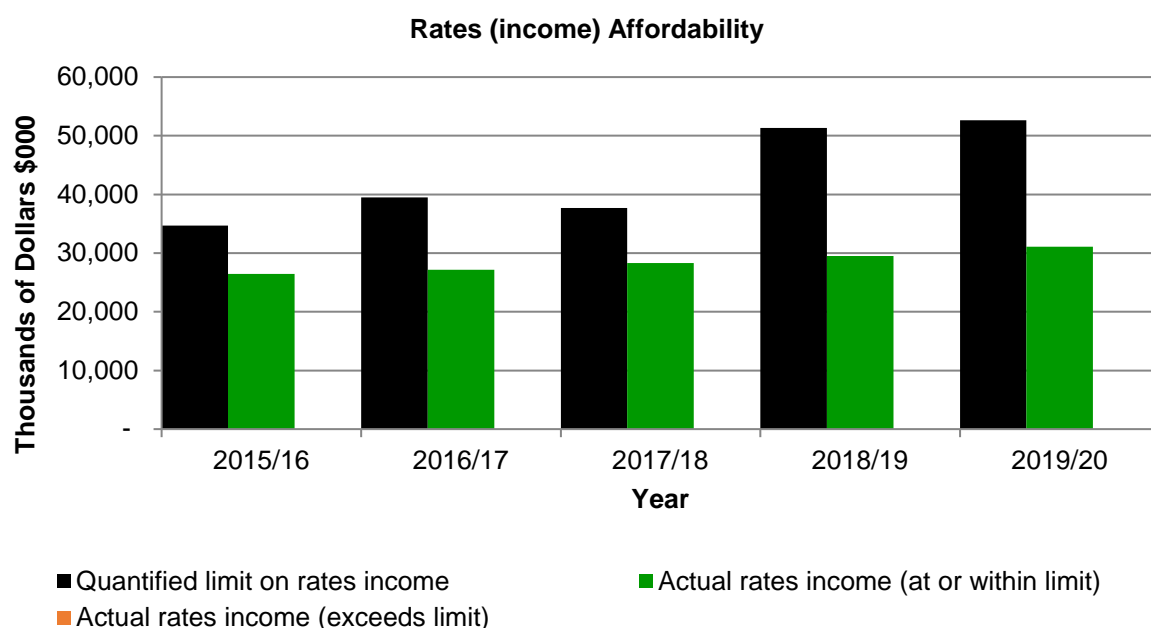
The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Act for more information, including definitions of some of the terms used in this statement.

### Rates affordability

The Council meets the rates affordability benchmark if -

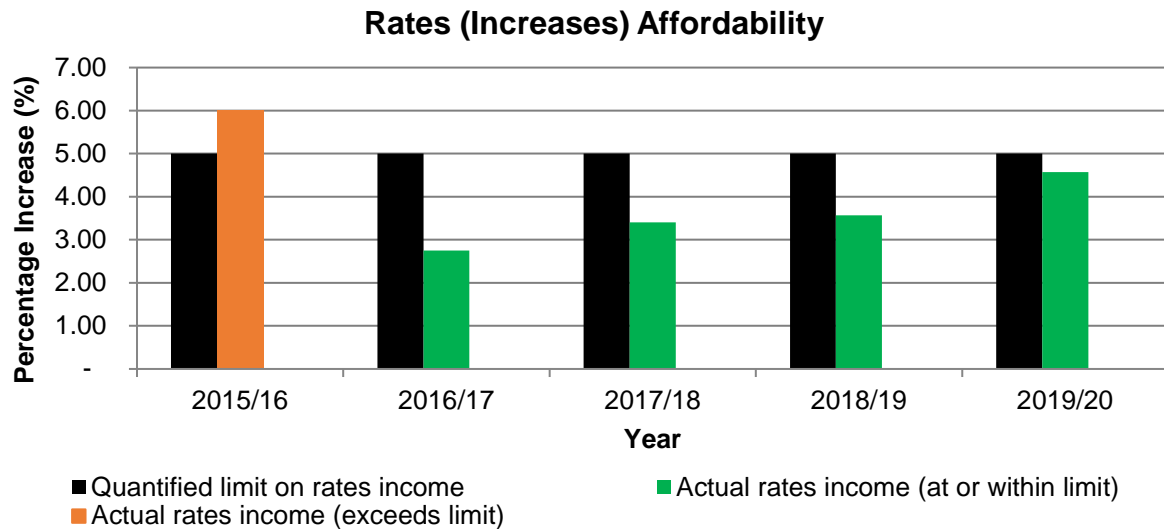
- actual rates income equals or is less than each quantified limit on rates; and
- actual rates increases equal or are less than each quantified limit on rates increases.

The following rates (income) affordability 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 limit has been set at a maximum of 80% of total Council revenue. This is shown in thousands of dollars.





The following rates (increases) affordability graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long-term Plan. The quantified limit was Local Government Cost Index plus 2.5%. From 2015/2016 the limit is set at 5% after deducting 0.8% for growth.

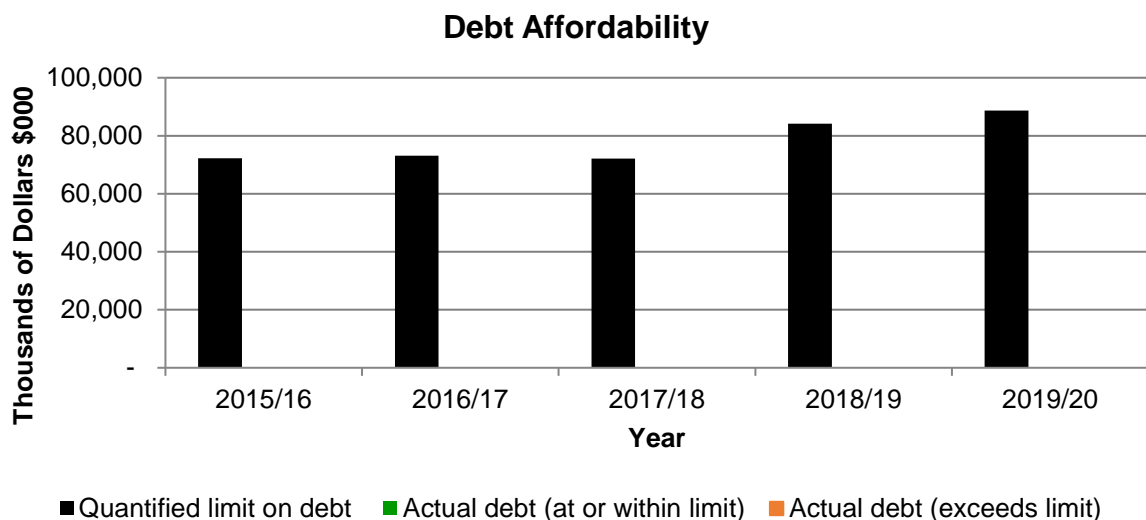


## Debt affordability

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.

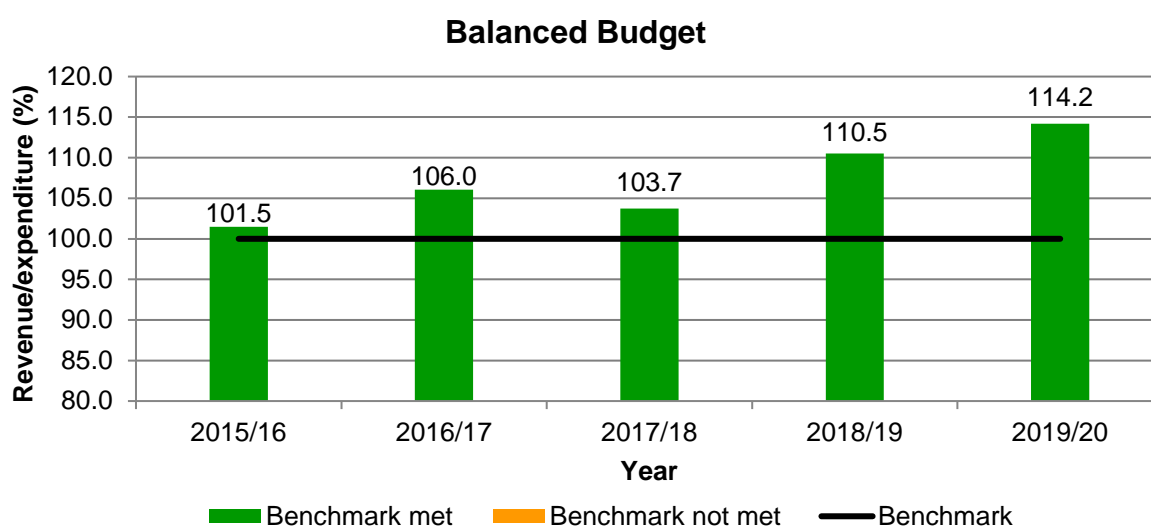
A borrowing limit of 10% of total assets will assist in prudently managing borrowing. At this point the Council has no external borrowings and is therefore within debt limits.



## 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).

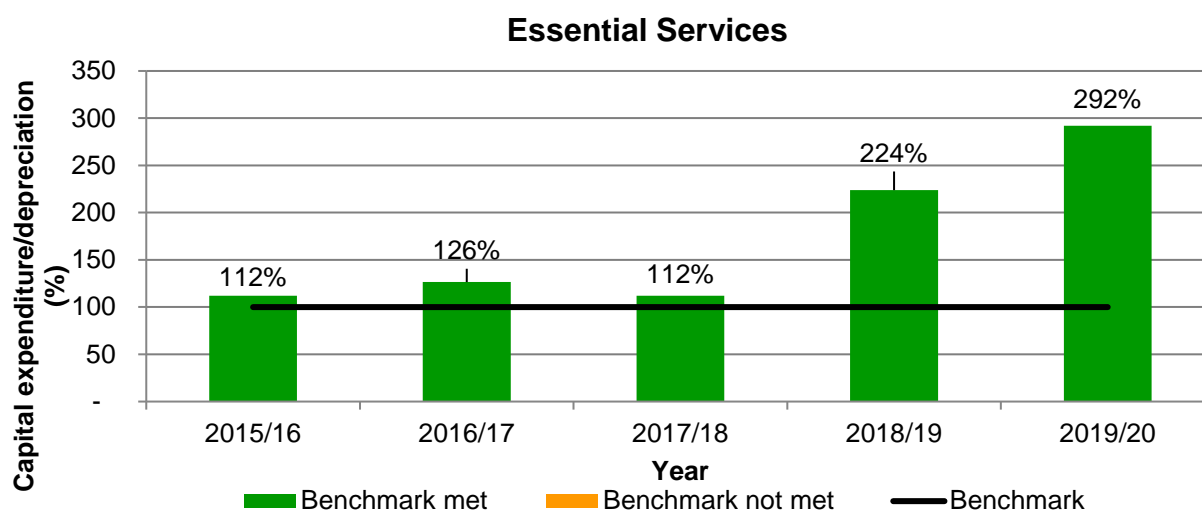
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



## Essential services

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

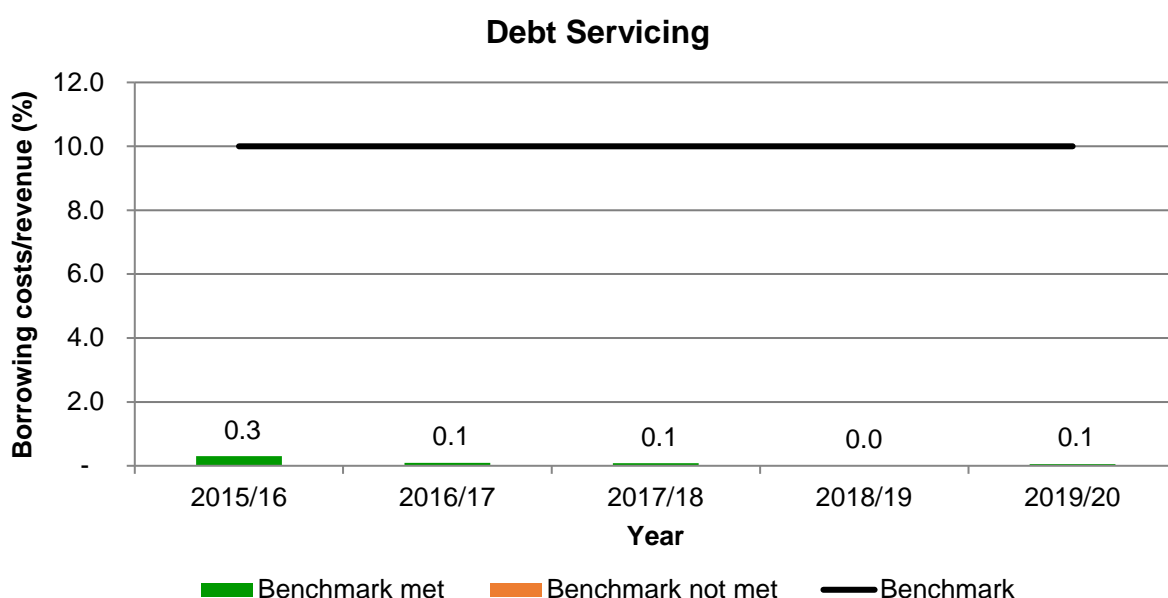
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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) because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

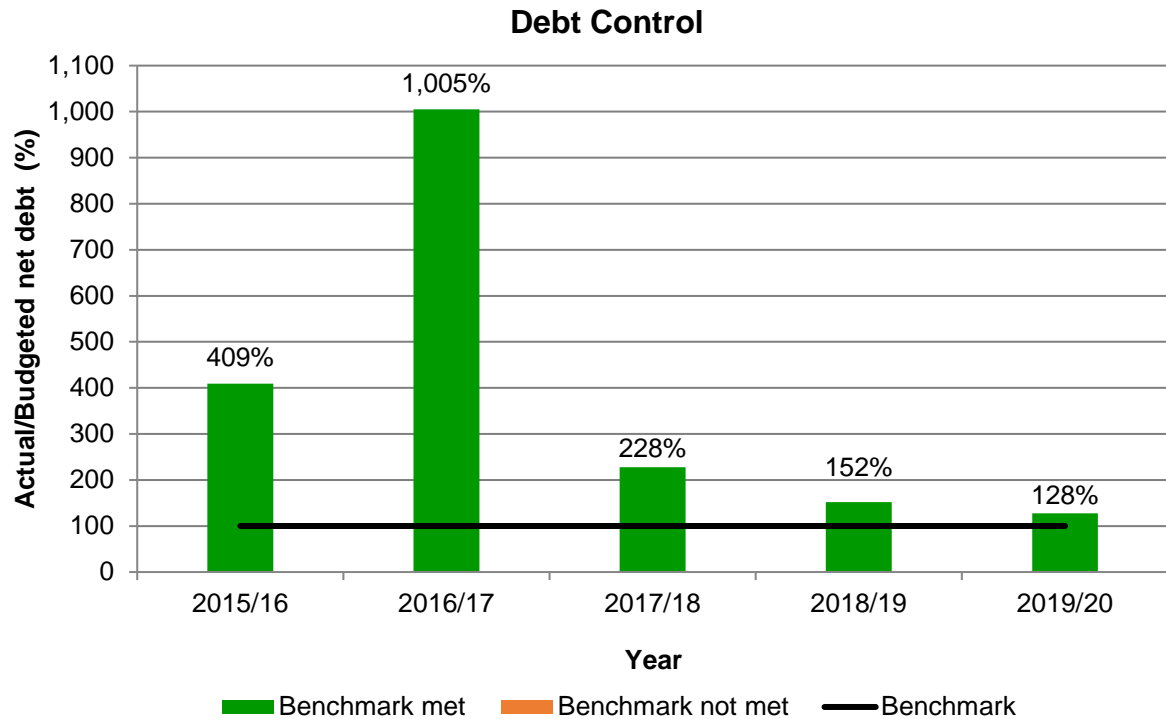
Due to no external borrowing the Council has limited debt servicing costs. The small borrowing costs represent bank fees in relation to current banking facilities. While an overdraft facility is in place the Council has not utilised this during the current period.



## 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.



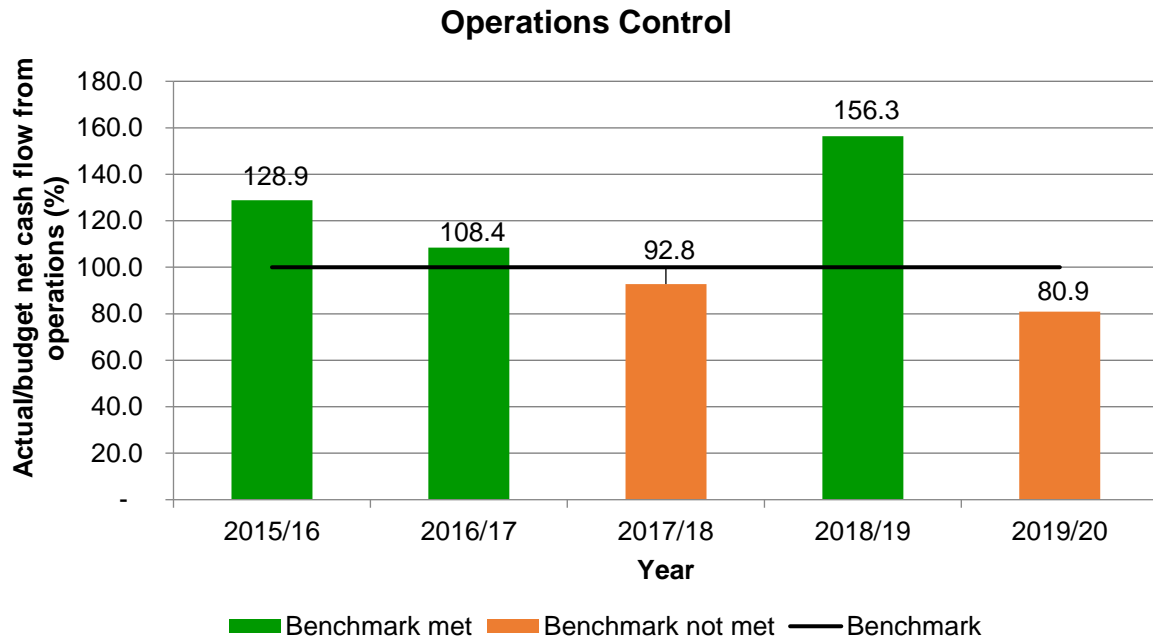
This benchmark reports Council's performance in relation to Net Debt, defined as Financial Liabilities less Financial Assets (excluding Trade and Other Receivables).

Council is in a Net Asset position because financial assets exceed financial liabilities, so the measure is inverted to effectively report performance on a Net Asset basis. The benchmark is met when actual Net Assets equal or exceed planned Net Assets.

## 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.



Our operational cashflow benchmark was not achieved in the 2019/2020 financial year. The actual 2019/2020 operating revenue and expenditure are consistent with the 2019/2020 Annual Plan.

The Council has decreased our 'Payables and Deferred Revenue' liability balance in comparison to both the prior year and budget, which has increased our operating cash outflows, therefore reducing the actual 2019/2020 net operating actual cashflow.

## 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

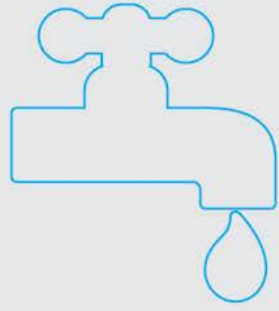
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This section gives a detailed overview of the activities we have undertaken during the 2019/2020 financial year. The groups of activities incorporate the core services we deliver and we give particular consideration to how these contribute to the community 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 our 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, and an overview of what we have achieved in the 2019/2020 year.







# **WATER**

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## 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:**



## Rising to the challenges

### Roxburgh water supply resilience improvements

Changes were made to the Roxburgh water supply bore field to improve resilience of the water supply. The existing number one bore, which had not been used for several years, was flushed out, tested, and plumbed back to the treatment plant for emergency supply should the newer bore have a fault.

### Reservoir monitoring meters

Reservoir monitoring meters have been installed on the Cromwell and Bannockburn water storage reservoirs. These meters help to monitor water usage and demands on the network. The meters also help to inform planning and improvement designs that are required for the Cromwell water treatment plant and future capacity upgrades to meet the demands of growth in our community.

### Lake Dunstan water supply project

By November 2019 about 97% of the water pipeline had been installed and work on installing the technically challenging SH8 Clyde Hill section of the water pipeline was in its final stages. The water pipeline was fully completed on 19 June 2020.

The search has continued to find a filtration solution for the Lake Dunstan Water Supply that will counteract the discovery of *Lindavia intermedia* algae in the lake. Trials have been undertaken in partnership with Queenstown Lakes District Council. *Lindavia* is not a health risk but is a nuisance causing blockages in filtration systems in both public utility and domestic situation.

We have been carrying out water treatment plant trials at Lake Dunstan since February 2020, which concluded in July 2020. These trials, approved by Council in November 2019, will assist us in developing the best design possible with the information available. A report regarding this project will be presented to the Council on 26 August 2020 to determine the way forward on the programme.

## **Omakau water upgrade**

Resource consent for trial bores was approved by Otago Regional Council in late 2019. Bores were put in place during the January to March quarter of 2020. Results indicate this may be a potential source and pre-production trials will now be programmed.

## **Water supply backflow prevention**

Throughout the year we have been assessing and installing backflow devices at higher risk sites throughout the district's water supply networks. These backflow devices protect the network from contamination that could be present in private property, commercial premises and private schemes.

The installation of a backflow devices on large connections at the Cromwell College, Ripponvale Community Water Scheme and at Clyde School have been completed with additional sites being investigated and programmed for the next financial year.

## **Naseby water upgrade**

An upgrade of the Naseby water supply has been started during the 2019/2020 year. This involved electrical switchboard installation, fireproofing the chemical room, and replacement pipework around the treatment plant to connect into the new ultraviolet system. This upgrade means an improved treatment process to meet the drinking water standards and contribute the social and environmental well-being of the Naseby community.

## **Alexandra and Roxburgh boil water notice event**

The December 2019 rainfall event in Queenstown and Wanaka resulted in high river flows and flooding, over 1800 cumecs through the Clyde Dam and over 2000 cumecs through Roxburgh Dam. A cumec is a cubic metre per second. This meant almost one Olympic-sized swimming pool was flowing through the dam every second. These high flows and levels resulted in our treatment plants being inundated with dirty water, binding our filters to the point where a boil water notice was required in both Alexandra and Roxburgh. Water tankers were put in place with safe, clean drinking water from Cromwell for residents to use in food preparation and for drinking. The boil water notice for Roxburgh and Lake Roxburgh Village lasted a total of 8 days and Alexandra stayed on Boil Water Notice for 11 days. Roxburgh was able to be removed from the boil water notice earlier than Alexandra as the treatment plant has filters and an ultraviolet (UV) light system. The water was so dirty that the filters

could not cope and dirty water got into the network. This was quickly addressed as the flows reduced and river levels receded.

## **Council collaboration opportunities being investigated**

In light of the Government's Three Waters Review, Otago and Southland Councils began earlier in 2020 discussing whether a collaborative approach to water services delivery (drinking water, stormwater and wastewater) could benefit Otago and Southland communities and the environment. Government funding has been secured that will enable the 10 participating Councils - Dunedin City Council, Central Otago District Council, Clutha District Council, Queenstown Lakes District Council, Waitaki District Council, Otago Regional Council, Gore District Council, Invercargill City Council, Southland District Council and Environment Southland - to undertake an indicative business case to explore viable options for the future delivery of Three Waters services.

## **Student infrastructure projects visit**

Fourteen students from Dunstan High School with an interest in infrastructure enjoyed checking out how the bores work at Lake Dunstan, getting up close to the pipeline construction and visiting the Alexandra Wastewater Treatment Plant on an Infrastructure Field Trip day in September. The successful visit provided a wonderful opportunity for our infrastructure workers of the future to see and hear first-hand how big projects like this are rolled out. The intention is to do a similar visit with students from the Cromwell area this year.



## What we have achieved - Water

Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	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)	28%	28%	Target current annual real losses from the networked reticulation system ≤20% of water produced	Target not achieved  Project to install flow meters into network in 2020/21. This will enable understanding of where water loss is occurring. Work to identify unmetered connections to be undertaken to improve accuracy of water loss measure
			Percentage of budgeted capital works completed annually	73%	37%	To complete more than 90% of capital works budget.	Target not achieved  Large projects continuing into 2020/21
			Time with water per customer per annum (planned and unplanned)	99.9%	99.9%	To maintain supply to customers for ≥ 99% of the time	Target achieved
			Average time to process a request to connect to the Council's water supply	2.9 days	4 days	≤ 5 days	Target achieved

Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Provide an efficient water network	✓	Fault response time to urgent call-outs Attendance: Resolution:	33 mins  1 hr 22 mins	6 hrs  22 hrs	Target median time to get to site ≤ 1 hour Target median time to resolve ≤ 4 hours	Target achieved  Target achieved
		✓	Fault response time to non-urgent call-outs Attendance: Resolution:	23 hrs 18 mins  32 hrs 20 mins	26 hrs  25 hrs	Target median time to get to site ≤ 8 hours Target median time to resolve ≤ 24 hours	Target not achieved  Councils measures are not aligned to current contract measures, this is being addressed  Target not achieved
		✓	The average consumption of water per day per resident	613L/person/day	579L/person/day	To maintain water demand at < 600 L/person/day	Target not achieved  Water NZ report Central Otago District water consumption at 293litres/person/day. Calculation of the measure to be reviewed and defined for 2021 LTP



Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
		✓	Total number of customer complaints for: <ul style="list-style-type: none"> <li>• Water clarity</li> <li>• Water taste</li> <li>• Water odour</li> <li>• Water pressure and flow</li> <li>• Continuity of water supply</li> </ul>	4.1 per 1,000 connections	2.6 per 1,000 connections	≤13 per 1,000 connections	Target achieved
A Safe and Healthy Community	Provide a safe and healthy water network	✓	Compliance with the NZ Drinking Water Standards  Pt4: Bacterial:	Pt4: Bacterial Compliance All treatment plants comply All distribution zones comply except Lake Roxburgh Village and Bannockburn	Pt4: Bacterial Compliance All treatment plants comply except, Omakau and Roxburgh All distribution zones comply	Part 4: Bacterial Compliance All treatment plants to comply All distribution zones to comply	Target not achieved  Four boil water notices due to flooding

Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
			Pt5: Protozoal:	Part 5: Protozoal Compliance All schemes do not comply	Part 5: Protozoal Compliance No treatment plants comply	Part 5: Protozoal compliance All schemes to comply – yes Omakau to comply 2019 Naseby to comply 2019 Alexandra/Clyde (Lake Dunstan Water Supply) to comply 2020 Patearoa to comply 2021 Ranfurly to comply 2021 Cromwell/Pisa to comply 2023	Target not achieved  Lake Dunstan, Naseby and Omakau treatment upgrades continuing into 2020/21

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

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 WATER	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
4,391	4,366	Targeted rates	4,993	4,559
18	21	Subsidies and grants for operating purposes	18	26
4	3	Fees and charges	4	32
98	42	Internal charges, and overheads recovered	98	111
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
<b>4,511</b>	<b>4,432</b>	<b>Total operating funding</b>	<b>5,113</b>	<b>4,728</b>
<b>Applications of operating funding</b>				
2,286	2,262	Payments to staff and suppliers	2,292	2,188
-	-	Finance costs	-	-
764	493	Internal charges, and overheads applied	1,035	615
38	17	Other operating funding applications	38	25
<b>3,088</b>	<b>2,772</b>	<b>Total applications of operating funding</b>	<b>3,365</b>	<b>2,828</b>
<b>1,423</b>	<b>1,660</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,748</b>	<b>1,900</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	Subsidies and grants for capital expenditure	-	-
731	570	Development and financial contributions	1,091	270
4,814	-	Increase (decrease) in debt	4,004	-
-	-	Gross proceeds from sale of assets	-	(3,796)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>5,545</b>	<b>570</b>	<b>Total sources of capital funding</b>	<b>5,095</b>	<b>(3,526)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
1,907	812	- to meet additional demand	1,718	1,047
5,487	2,595	- to improve the level of service	4,380	3,346
1,276	2,319	- to replace existing assets	1,260	2,990
(1,702)	(3,496)	Increase (decrease) in reserves	(515)	(9,009)
-	-	Increase (decrease) in investments	-	-
<b>6,968</b>	<b>2,230</b>	<b>Total applications of capital funding</b>	<b>6,843</b>	<b>(1,626)</b>
<b>(1,423)</b>	<b>(1,660)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,748)</b>	<b>(1,900)</b>
-	-	<b>Funding balance</b>	-	-



# WASTEWATER

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## 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 14,000 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:**



## Rising to the challenges

### Alexandra wastewater

Aeration improvements to the Alexandra Wastewater Treatment Plant were completed in the first quarter of the year. The new aerators are performing exceptionally well, with dissolved oxygen levels higher than required when running at full speed. The system is fitted with variable speed drive motor control. This reduces speed and provides control of the dissolved oxygen at optimum levels. At reduced speed the system is performing much better when compared to the old aerators which struggled to meet oxygen demands.

### Smoke testing – Alexandra and Cromwell wastewater networks

Smoke testing of the Alexandra and Cromwell wastewater networks took place in Spring 2019. This work helped identify where stormwater could be entering the wastewater network. This can occur when a roof downpipe is directly connected to the wastewater system or where landscaping allows ponding and surface water flows to enter the wastewater system. Council subsequently followed up with property owners where issues were identified.

Addressing these issues and reducing stormwater entering the wastewater network will improve the treatment plant operation and discharge quality. It will also reduce the potential for wastewater overflows.



## Clyde wastewater reticulation

In December 2019 Seipp Construction Ltd, a Christchurch-based engineering company that specialises in pipeline, civil, river and marine projects, was awarded the contract for the physical works to construct the Clyde wastewater reticulation system and pump station.

In March 2020 contractors carried out detailed investigations at over 100 central Clyde properties to determine how pipework will best connect from each property through to main pipes in the design of the town's new wastewater system. The work included identifying septic tank sites and assessing wastewater pipe and ground levels, as well as minor digging works.



Work on the final sections of wastewater pipeline construction was halted during the COVID-19 lockdown but work on the Graveyard Gully section got underway again at level 3 and is inching close to completion and its final destination – the Alexandra wastewater treatment plant.

Work continues to understand the best place for the wastewater pipeline to cross the Manuherekia River, one of the more technically challenging aspects of the project. It's expected that work to take the pipeline across the river will be carried out next year.

On the 26<sup>th</sup> of August Council approved commencement of the physical construction works on Stage 1 of Clyde's new wastewater reticulation system. The contractors, Seipp Construction Ltd will take site possession in November 2020.



## **Naseby wastewater**

Improvement works at the Naseby Wastewater Treatment Plant were commissioned and completed in March 2020. The work included construction of new infiltration beds, installation of valve chambers and controllers to connect each of the beds and associated electrical work. Filtration of the treated wastewater through the 13 beds and an associated wetland cell will improve effluent quality. The filtration media being used is a mix of aggregate and crushed glass, an end product of Council's kerbside glass collection programme.

## **Omakau wastewater**

Te Omakau ponds have been emptied, sludge removed, new lining installed, and a mechanical screen and inflow meter installed. This work will improve the quality of discharge from this site. The site has also had security fencing installed to improve safety.

## What we have achieved - Wastewater

Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide and efficient, accessible and reliable wastewater network	✓	Total number of complaints for: <ul style="list-style-type: none"> <li>• Odour</li> <li>• Faults</li> <li>• Blockages</li> <li>• Responses to wastewater service requests</li> </ul>	12 per 1,000 connections	10 per 1,000 connections	Total number of complaints ≤ 10 per 1,000 connections	Target not achieved  Higher number of complaints due to fibre strike issues
			Percentage of budgeted capital works completed annually	53%	64%	To complete more than 90% of budgeted capital	Target not achieved  Delayed commencement of Clyde wastewater reticulation due to COVID-19
			Average time to process a request to connect to the Council's wastewater network	2.9 days	4 days	≤ 5 days	Target achieved

Community Outcome	Our Objective Level of Service	DIA measure*	How we Measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Provide a safe and compliant wastewater network	✓	Compliance with discharge consents	Abatement notices - Nil Infringement notices - 2 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 not achieved  2 infringement notices due to overflows at Cromwell and Alexandra  Delayed commencement of Clyde wastewater reticulation due to COVID-19
		✓	Fault response times Attendance: Resolution:	14 mins  44 mins	0.75 hours  3.22 hours	Target median time to get to site ≤ 1 hour Target median time to resolve the problem ≤ 4 hours	Target achieved  Target achieved
A Safe and Healthy Community	Provide a safe and compliant wastewater network	✓	Number of dry weather sewerage overflows from sewerage scheme	3 per 1,000 connections	1.66 per 1,000 connections	Number of dry weather sewerage overflows ≤ 1 per 1,000 connections	Target not achieved  Power outages and lack of storage

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

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 WASTEWATER	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
4,194	4,202	Targeted rates	4,342	4,084
-	1	Subsidies and grants for operating purposes	-	-
42	26	Fees and charges	42	49
40	-	Internal charges, and overheads recovered	79	21
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
<b>4,276</b>	<b>4,229</b>	<b>Total operating funding</b>	<b>4,463</b>	<b>4,154</b>
<b>Applications of operating funding</b>				
1,457	1,447	Payments to staff and suppliers	1,463	1,329
-	-	Finance costs	-	-
603	411	Internal charges, and overheads applied	755	501
504	1,237	Other operating funding applications	334	146
<b>2,564</b>	<b>3,095</b>	<b>Total applications of operating funding</b>	<b>2,552</b>	<b>1,976</b>
<b>1,712</b>	<b>1,134</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,911</b>	<b>2,178</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	Subsidies and grants for capital expenditure	-	-
628	1,222	Development and financial contributions	638	474
1,411	-	Increase (decrease) in debt	4,811	-
-	-	Gross proceeds from sale of assets	-	(475)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>2,039</b>	<b>1,222</b>	<b>Total sources of capital funding</b>	<b>5,449</b>	<b>(1)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
333	963	- to meet additional demand	1,081	1,035
1,056	3,939	- to improve the level of service	4,978	4,231
1,906	1,423	- to replace existing assets	1,186	1,529
456	(3,969)	Increase (decrease) in reserves	115	(4,618)
-	-	Increase (decrease) in investments	-	-
<b>3,751</b>	<b>2,356</b>	<b>Total applications of capital funding</b>	<b>7,360</b>	<b>2,177</b>
<b>(1,712)</b>	<b>(1,134)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,911)</b>	<b>(2,178)</b>
-	-	<b>Funding balance</b>	-	-



# STORMWATER

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## 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 mud tanks connected to soak pits, 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

During August and September 2019, a contractor completed CCTV inspections of stormwater pipes around the Ranfurly Stadium and along Pery Street to resolve an ongoing issue with flooding after heavy rainfall. This work identified some sections with root intrusion causing some restrictions to water flows in the pipe. This root growth was removed by high pressure water jets and specialised root cutting equipment in October 2019. Following removal of the root intrusion, the pipes were checked for structural issues and added to maintenance and renewal programmes.

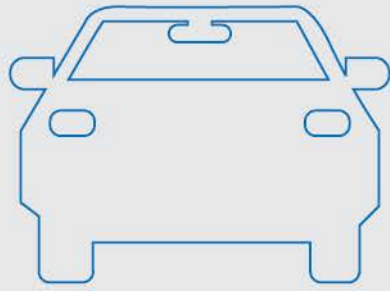
## What we have achieved - Stormwater

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide an efficient, fully accessible and reliable stormwater network		Percentage of budgeted capital works completed annually	33%	65%	To complete more than 90% of budgeted capital works	Target not achieved  Delayed commencement of Clyde wastewater reticulation due to COVID-19
			Average time to process a request to connect to the Council's stormwater network	2.9 days	Nil	≤ 5 days	Target achieved
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



Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
		✓	Number of habitable floors affected in flooding events	Nil	Nil	Target number of habitable floors affected ≤ 1 per 1,000 properties per flood event	Target achieved
		✓	Response time to attend flood events	N/A	N/A	Target median time to get to site ≤ 1 hour	Target achieved
		✓	Number of complaints received about stormwater performance	1.88	1.97	Total number of customer complaints ≤ 2 per 1,000 properties	Target achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 STORMWATER	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
630	632	Targeted rates	695	719
-	-	Subsidies and grants for operating purposes	-	-
-	-	Fees and charges	-	-
101	68	Internal charges, and overheads recovered	123	73
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
<b>731</b>	<b>700</b>	<b>Total operating funding</b>	<b>818</b>	<b>792</b>
<b>Applications of operating funding</b>				
104	88	Payments to staff and suppliers	155	159
-	-	Finance costs	-	-
23	21	Internal charges, and overheads applied	24	24
12	13	Other operating funding applications	12	14
<b>139</b>	<b>122</b>	<b>Total applications of operating funding</b>	<b>191</b>	<b>197</b>
<b>592</b>	<b>578</b>	<b>Surplus (deficit) of operating funding</b>	<b>627</b>	<b>595</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
-	-	Gross proceeds from sale of assets	-	(120)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>-</b>	<b>-</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>(120)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	155	- to meet additional demand	-	10
-	494	- to improve the level of service	-	33
120	442	- to replace existing assets	120	30
472	(513)	Increase (decrease) in reserves	507	402
-	-	Increase (decrease) in investments	-	-
<b>592</b>	<b>578</b>	<b>Total applications of capital funding</b>	<b>627</b>	<b>475</b>
<b>(592)</b>	<b>(578)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(627)</b>	<b>(595)</b>
<b>-</b>	<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>



# ROADING

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## 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 1948km of roads within the district. We have 524km of sealed roads, and 1424km of unsealed roads. We have 184 bridges, 167km of footpaths and close to 12,000 hectares of road reserve.

**This activity contributes to the following community outcomes**



## Rising to the challenges

Our Roothing team has had an urban focus this year for the reseals programme, with a total of 14.1km of roads resealed. A significant amount of capital works was delayed due to COVID-19 putting a halt on all but essential work for a period. A total length of 75.8km of roads were re-metalled during the year.

## Clyde heritage precinct – design work progressing

LandLAB and WSP are the two companies working on the design of the Clyde Heritage Precinct project. LandLAB is covering the aesthetics and architectural components with WSP (formerly Opus) undertaking the traffic design elements to ensure what is created is feasible from a safety and traffic flow point of view.

A developed design was presented to the Project Control Group in November. There are some further elements that need to be confirmed particularly in terms of the river park area.

Council was successful in obtaining more funding from the Government's Tourism Infrastructure Fund to be used as part of the wider works to upgrade Clyde's Heritage Precinct streetscape. This includes the upgrade of the Clyde River carpark and access.

Funding of \$365,000 was announced on 12 December 2019 from the Ministry of Business, Innovation and Employment's Tourism Infrastructure Fund. This is on top of the earlier funding received in June 2019 of \$247,500 for new toilets within the project scope.

## Ophir-Omakau cycle/walkway

A new cycleway/walkway between Omakau and Ophir was completed in May and has been welcomed by the local community.

The track runs alongside the Ida Valley-Omakau Road between the Omakau Bridge and Blacks Hotel in Ophir. The cycle and walkway provides a separate space for pedestrians and cyclists to commute safely between the two townships on a route that has seen increased traffic flow, including heavy stock trucks and milk tankers.

It will be a wonderful asset and of benefit to the two communities as well as the many rail trail cyclists that pedal through the area. The idea for a track was first identified as an action by the community in the 2015 Ophir Community Plan.

## Bannockburn bridge cycleway

Work began in May on a cycleway that will be attached to the Bannockburn Bridge. The cycleway will provide a separate space for pedestrians and cyclists to safely cross the Kawarau River, away from vehicles that are using the bridge. The Bannockburn Bridge Cycleway clip was completed and open for the public to use as of the end of October 2020.

The expected cost of the cycleway is \$550,000, with Central Otago District Council and the Central Otago Queenstown Trail Network Trust each funding \$135,000. The remaining \$280,000 will be funded by New Zealand Transport Agency (NZTA) as part of the Council's roading funding.

The Bannockburn Bridge links the Cromwell to Bannockburn and Bannockburn to Clyde sections of the Lake Dunstan Cycle Trail (currently under construction) and future Kawarau Gorge Trail.



## New footpath programme

A programme to construct more than a kilometre of new asphalt footpaths in Central Otago got underway in the last quarter, slightly delayed due to COVID-19 restrictions. Locations include:

- Lakeview Terrace, Cromwell (to link between Partridge Road and existing path)
- Partridge Road, Cromwell (from end of existing path down past Scott Terrace to McNulty Inlet)
- Ida Valley-Omakau Road, Otarehua (end of existing path to the domain)
- Tyrone Street, Ranfurly (from Fraser Avenue to the new hospital)
- Pisa Moorings - locations currently being finalised

The \$216,000 programme is co-funded by the NZTA and Council via rates and development contributions.

The locations were selected based on requests from the community, to respond to growth areas, and will improve accessibility and safety for pedestrians.

## Touring route

Two pull-over areas were constructed on Blacks Hill (Ida Valley-Omakau Road) as part of the Central Otago Touring Route development, with another one to come near Otarehua. Landscaping and signage of these areas will be carried out in the 2020/21 financial year.





## What you can expect from us – Roading

Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide a fully accessible roading network		Percentage of budgeted capital works completed annually	100% of programmed works completed and 82% of capital budgets spent	100% of budgeted works completed and 97% of capital budgets spent	100% of the budgeted works completed and 100% of the budget spent	Target not achieved  Work committed in the October quarterly work was completed below budget, additional work was unable to be brought forward due to COVID-19 lockdown. This has been re-programmed for 2020-21
			Average length of time to issue a consent for access to a road	1.2 days	1.6 days	≤ 2 days	Target achieved
			The average quality of ride on the sealed road network, measured by smooth travel exposure	98.70%	Smooth Travel Exposure = 98.9%	Smooth Travel Exposure ≥ 90%	Target achieved
		✓	Number of journeys impacted by unplanned events <ul style="list-style-type: none"> <li>and where there is no viable alternative</li> </ul>	1,727	19,141	< 16,423	Target achieved
			% of network not accessible to heavy vehicles due to bridge capacity <ul style="list-style-type: none"> <li>Class 1 heavy vehicles</li> <li>50Max heavy vehicles</li> </ul>	3% of network not accessible to Class 1	3% of network not accessible to Class 1	< 3% of network not accessible to Class 1  11.1% of network not accessible to 50Max	Target not achieved  Reporting method changed identifying target not met for accessibility.



Community outcome	Our objective level of service	DIA Measure*	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
				9% of network not accessible to 50Max	9% of network not accessible to 50Max		Target achieved
A Sustainable Environment	Provide an efficient roading network	✓	Percentage of sealed local road network that is resurfaced	14.1km sealed (2.7%)	25.3km sealed (4.8%)	> 3.9% of sealed road length resurfaced per annum	Target not achieved  Programme was unable to be completed due to COVID-19 lockdown. This has been re-programmed for 2020-21
			Number of service requests	597 service requests	853 service requests	< 600 service requests	Target achieved
		✓	Number of service requests from customers responded to within 10 days	87%	87%	≥ 90%	Target not achieved  Staff vacancies contributed to longer response times
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 = 5	Number of fatal and serious crashes = 8	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	81%	85%	> 70%	Target achieved
			Customer satisfaction with condition of unsealed roads	77%	74%	To maintain customer satisfaction at or above 70%	Target achieved

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

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 ROADING	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
5,009	4,996	General rates, uniform annual general charges and rates penalties	5,082	9,422
776	779	Targeted rates	805	835
1,888	2,249	Subsidies and grants for operating purposes	1,929	1,962
21	13	Fees and charges	21	13
622	57	Internal charges, and overheads recovered	623	522
278	250	Local authorities fuel tax, fines, infringement fees, and other receipts	278	245
<b>8,594</b>	<b>8,344</b>	<b>Total operating funding</b>	<b>8,738</b>	<b>12,999</b>
<b>Applications of operating funding</b>				
3,824	4,471	Payments to staff and suppliers	3,906	3,891
-	-	Finance costs	-	-
2,020	1,098	Internal charges, and overheads applied	2,067	1,893
5	5	Other operating funding applications	5	5
<b>5,849</b>	<b>5,574</b>	<b>Total applications of operating funding</b>	<b>5,978</b>	<b>5,789</b>
<b>2,745</b>	<b>2,770</b>	<b>Surplus (deficit) of operating funding</b>	<b>2,760</b>	<b>7,210</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
2,658	2,948	Subsidies and grants for capital expenditure	2,405	2,276
437	805	Development and financial contributions	437	364
-	-	Increase (decrease) in debt	-	-
9	57	Gross proceeds from sale of assets	18	14
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>3,104</b>	<b>3,810</b>	<b>Total sources of capital funding</b>	<b>2,860</b>	<b>2,654</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
683	2,129	- to meet additional demand	595	990
1,143	1,601	- to improve the level of service	1,099	745
3,942	6,510	- to replace existing assets	3,633	3,028
81	(3,660)	Increase (decrease) in reserves	293	5,101
-	-	Increase (decrease) in investments	-	-
<b>5,849</b>	<b>6,580</b>	<b>Total applications of capital funding</b>	<b>5,620</b>	<b>9,864</b>
<b>(2,745)</b>	<b>(2,770)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(2,760)</b>	<b>(7,210)</b>
-	-	<b>Funding balance</b>	-	-



# ENVIRONMENTAL SERVICES

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## 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

### Increased kerbside recycling pressures

Central Otago District Council has for many years been sending our recycling to the material recovery facility at Frankton. In the first quarter, due to Frankton's capacity, Council had to send recycling to facilities in Timaru and Invercargill for processing. Council agreed in September 2019 to increase the budget by \$278,000 to cover the increased cost of processing material this current annual plan year. The increase in budget allowed for both increased charges at Frankton and the likely costs from continued transportation of recycling further afield.

### Glass crushing at Parkburn Quarry

Fulton Hogan began processing Council's kerbside glass recycling this year using its new crushing plant. Contamination is removed by hand before the bottles and jars are fed into the machine. The glass is crushed and ground into sand with some smooth glass fragments up to 7mm in size still present. The final product can be used in a range of infrastructure applications when blended with gravel.

Over 230,000 glass bottles and jars were re-used as a glass-blended gravel for bulk fill along Sunderland Street on the Clyde Wastewater project.



## Sustainability Working Group

An internal sustainability working group was formed early in 2019/2020 and took part in a field trip to Camp Glenorchy in July 2019. The group was provided a guided tour to view the many sustainability initiatives that have been incorporated into the facility.

The group was then provided with an outline of the sustainability strategy, the carbon zero bill and the impacts this will have on Council, New Zealand emission information, energy consumption across Council activities, and implementation of the Certified Emissions Management and Reduction Scheme (CEMARS) within Council.

Following this a range of sustainability initiatives have been implemented within Council.

## Climate crisis declaration

In August 2019 a delegation of St Gerard's School pupils made a presentation to Council asking it to declare a climate emergency.

At the following month's 25 September 2019 meeting Council declared a "climate crisis" and signalled it planned to walk the talk. Later the same week representatives from local schools and the wider community converged on Council offices, as part of the national climate change demonstrations, to share their views and concerns about climate change and our collective need to do more to protect and sustain our environment.

Central Otago Mayor Tim Cadogan and Council's Infrastructure Executive Manager Julie Muir shared initiatives that Council was working on to enhance environmental sustainability.

## Bokashi workshops

Council staff held free Bokashi composting workshops around the district in February as part of our sustainability education programme to help reduce the amount of organic waste going into our landfill.

Instead of sending organic waste to landfill, Bokashi is a simple technique from Japan that 'pickles' waste to produce a nutrient-rich organic matter. This can then be used in garden or composting systems.

Fifty-nine people attended the workshops held in Alexandra, Cromwell, Ranfurly and Roxburgh, and a dozen staff attended a lunchtime chat held at Council's Alexandra offices.

## Enviroschools activity

Enviroschools has been supporting Dunstan High students to form a sustainability group. The support from Enviroschools was initiated from their students' teacher, who offered the students release time once a week to meet and develop some plans and thinking for projects they wish to implement at school, and potentially with the wider community.

During the national lockdown Enviroschools didn't stop. The regional team worked together developing ways to adjust programme delivery and keep authenticity with our kaupapa in the online world. Central Otago schools were invited to a Zoom hui to check in with one another, prioritising our wellbeing.

Teachers also shared something inspiring from nature and one resource or activity they had used successfully with their class to help students and whānau connect with taiao (nature).

This event was a success, and we plan to continue to utilise Zoom once or twice each term to connect our teachers with one another and the Enviroschools programme.

## Blue and yellow campaign

In late June 2020 recycling restarted after a period of red bin (waste) only collections through Alert Levels 4, 3 and 2. Council's Environmental Engineering and Communications teams put together a comprehensive campaign to ensure people knew collections were back to normal, including some creative thinking. The local Alexandra Lions Club supported our campaign changing the clock to blue and then yellow to signal which bin to put out, and we changed out the lighting on the Cromwell sign too. On radio our adverts played in conjunction with blue and yellow-themed songs.







## What you can expect from us – Environmental Services

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Improving the Efficiency of Resource Use	Total quantity to landfill (tonnes p.a.)	10,190 tonnes*	9,989 tonnes*	Incremental year-on-year reduction	Target not achieved  Volume of material sent to landfill has increased due to growth in the number of rateable properties and bins collected. The material recovery facility closed for 12 weeks due to COVID-19, and there were no recycling services for this period
		Total amount generated per rateable property	834 kg*	866 kg*	Incremental year-on-year reduction (measured as rubbish + recycling)	Target achieved
		Total amount recycled (tonnes p.a.)	1,538 tonnes*	1,944 tonnes*	Incremental year-on-year increase	Target not achieved  The material recovery facility closed for 12 weeks due to COVID-19, and there were no recycling services for this period
		Residential satisfaction with waste services	93%	80%	Incremental increase	Target achieved

\* Waste to landfill 10,190 Tonnes + Recycling 1,538 Tonnes = 11,728 Tonnes divided over 14,063 (estimated) rateable properties = 834kg per property



2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 ENVIRONMENTAL SERVICES	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
2,946	2,983	Targeted rates	2,943	3,056
-	-	Subsidies and grants for operating purposes	-	-
155	219	Fees and charges	155	190
17	42	Internal charges, and overheads recovered	18	16
850	847	Local authorities fuel tax, fines, infringement fees, and other receipts	850	791
<b>3,968</b>	<b>4,091</b>	<b>Total operating funding</b>	<b>3,966</b>	<b>4,053</b>
<b>Applications of operating funding</b>				
3,368	3,847	Payments to staff and suppliers	3,343	4,284
-	-	Finance costs	-	-
511	492	Internal charges, and overheads applied	528	512
9	13	Other operating funding applications	9	12
<b>3,888</b>	<b>4,352</b>	<b>Total applications of operating funding</b>	<b>3,880</b>	<b>4,808</b>
<b>80</b>	<b>(261)</b>	<b>Surplus (deficit) of operating funding</b>	<b>86</b>	<b>(755)</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	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	-	-
-	-	<b>Total sources of capital funding</b>	-	-
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
207	(55)	- to replace existing assets	507	45
(127)	(206)	Increase (decrease) in reserves	(421)	(800)
-	-	Increase (decrease) in investments	-	-
<b>80</b>	<b>(261)</b>	<b>Total applications of capital funding</b>	<b>86</b>	<b>(755)</b>
<b>(80)</b>	<b>261</b>	<b>Surplus (deficit) of capital funding</b>	<b>(86)</b>	<b>755</b>
-	-	<b>Funding balance</b>	-	-



# PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT

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## What we do

Our planners prepare, review and implement the District Plan under the Resource Management Act 1991. 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 and the Council has prioritised work on Cromwell and Alexandra-Clyde to address growth pressures. We also have to prepare for, respond to and implement changes to legislation, including electronic district plan functionality, planning standards, national policy statements and environmental standards.

Our Building Control team assists customers through the building consent process to ensure they build in a safe and compliant manner through a streamlined and cost-effective process. Our functions include pre-application preparation, processing building consents, inspections and responding 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 and carry out residential swimming pool inspections in accordance with the Building Act 2004.

The functions carried out by Environmental Health provides confidence to the community and visitors to our region that our food premises, hairdressers, camping grounds and funeral directors are safe, clean and compliant. 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 excessive 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, e.g. taverns, restaurants and events, as well as processing and issuing manager's certificates.

One of our principal objectives regarding dog control is to ensure a safe environment, free from dangerous and aggressive dogs and to minimise nuisance. We register all dogs in the district and issue infringement notices and undertake other enforcement action 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:**



## Rising to the challenges

### Consent figures

During the 2019/2020 year a total of 955 building consents were issued with a total value of building work of \$181,983,134. This was a decrease of 11% in number of consents and a 4% decrease in value from the previous year. During the 2019/2020 year a total of 520 resource consent applications were received. This represents a 12% decrease from the previous year (2018/19).

### Going digital

We've heard our customer requests to move away from paper, and we've listened. The Building Control Team was excited to launch digital Building Consent applications in April. Just prior to lockdown, there was the ability for people to lodge their Resource Consent applications digitally also.



### Plan changes

Plan Change work kept the Planning Team busy during the 2019/2020 year and plan changes attracted much public interest, particularly Plan Change 13 (River Terrace), which sought to rezone 49.8ha of land to allow an 840-house development on the corner of State Highway 6 and Sandflat Road in Cromwell.

The decision released in December 2019 was not to accept the plan change request. This was appealed but the appeal to the Environment Court was later withdrawn by River Terrace Developments Limited.

The second significant private plan change proposed for the Cromwell ward in just over a year, Plan Change 14, was advertised for public submissions in August 2019. NZ Cherry Corp wants to develop a rural lifestyle community with up to 160 lots in the subdivision on 142ha of land on Ripponvale Road, beside a multimillion-dollar cherry expansion. A hearing was held in May 2020 for Plan Change 14.

Plan Change 15 – a private plan change to rezone 13ha at the southern end of Clyde for residential development was prepared for public notification in early July 2019.

## **Cromwell masterplan**

Work progressed in the 2019/2020 year drafting background material for the rural and industrial plan changes based on the Spatial Plan adopted by the Cromwell Community Board in June 2019. The first of these will be ready for public notification later this year. Release of these was delayed by the impact of COVID-19, as key Council staff were pulled in to help with the local emergency response.

Work around financial modelling for capital projects arising from the Cromwell Masterplan has also been undertaken, and these projects, prioritisation and project costs and funding options will be items for public feedback as part of the 2021 Long-term Plan process.

## **Vincent spatial plan**

The establishment report for the Vincent Spatial Plan was adopted by Council on 11 March 2020. The purpose of the spatial plan is to provide direction for growth and development for the area over the next 30 years. Its development will address a combination of growth and land use in the Alexandra basin, Omakau and Ophir; the provision of infrastructure to accommodate future growth; and a masterplan for the Alexandra Airport.

An online community survey for Vincent Ward residents and property owners to gain insight into what people value most about their place was open from mid-March 2020 through to the end of April 2020.

This was the first stage of community engagement for the Vincent Spatial Plan, with feedback from the survey helping shape local community values.

These will be valuable for a range of Council projects such as the 2021-2031 Long-term Plan, the District Plan, the Central Otago 2050 Plan (30-Year vision and prosperity plan), and community plans.

## **Alcohol Restriction Bylaw 2019**

The Alcohol Restriction Bylaw 2019 was adopted in August 2019 and was successfully implemented for the Blossom Festival.



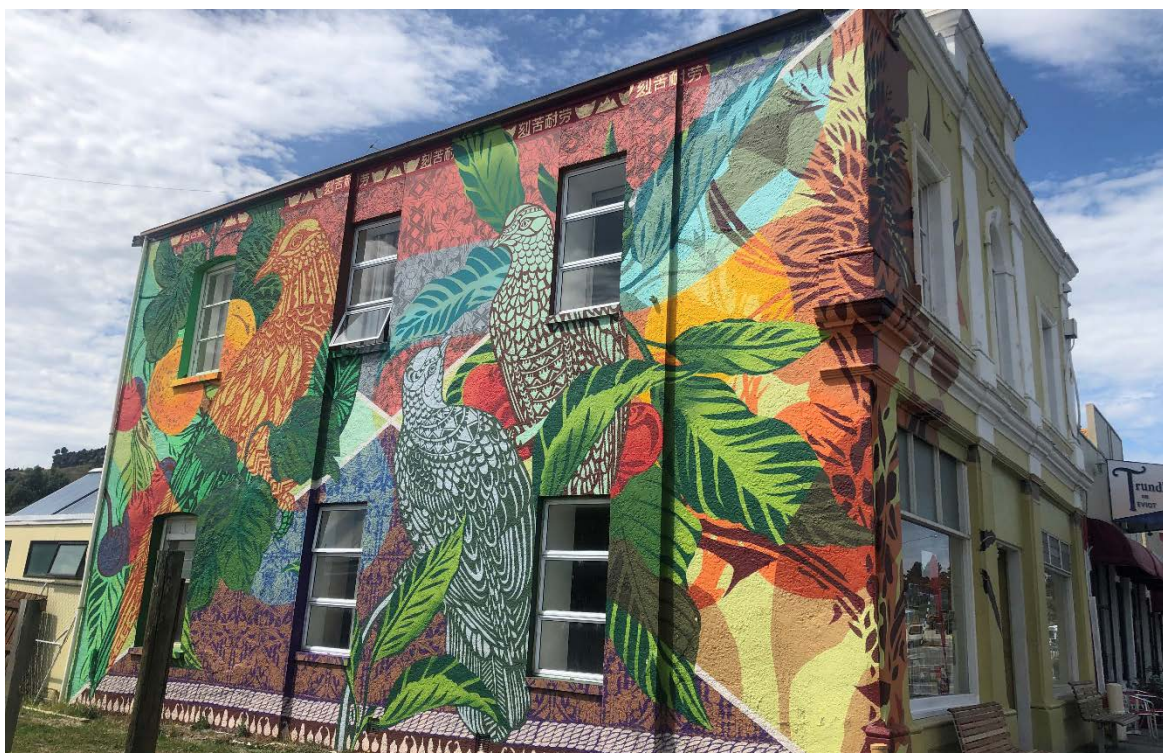
## Dog control bylaw and policy review

We began a review of our Dog Control Policy and Bylaw in late 2019 and kicked off the process with an informal survey. 541 people gave their feedback through the Paws for Thought survey, which helped shape the Draft Dog Control Bylaw and Policy, which went out for formal consultation for a month from 6 June to 6 July. The Hearings Panel will consider submissions on the bylaw in August 2019 and it will go to Council by October for final sign-off.

## Teviot Valley culture and heritage projects

The Teviot Valley Community Development Scheme (TVCDs) held two community workshops in the first quarter, facilitated by Central Otago District Council's Community, Engagement Manager and Community Development Officer. The focus of the workshops was to identify locally significant sites that could be linked together to create a self-guided driving trail throughout the Valley, and a self-guided walking trail throughout Roxburgh. Council's Roading team is now working alongside the group to identify safe pull-off sites at some of the stops along the self-guided driving trail.

The TVCDs and the Central Otago District Arts Trust commissioned internationally renowned artists Flox and TrustMe to complete an intercultural public art piece in Roxburgh, which speaks of the Teviot Valley's heritage, history and values. Four community workshops were held over a weekend in January, where attendees were encouraged to verbally and visually represent their cultures and what the valley means to them, as well as learn practicable skills of street art. The artists' own research combined with the ideas gathered through the community workshops informed the final design of the Scotland Street mural. This project was kindly supported by the Department of Internal Affairs, Central Lakes Trust, Otago Community Trust, Creative New Zealand, and Trustpower Lend a Hand fund.



## Community-led development partnership in Cromwell

Connect Cromwell has been facilitating community-led development initiatives in Cromwell, with regular plogging sessions, a Repair Café, and Crop Swaps. They have also been supporting the community to navigate the feasibility of more ambitious projects, such as a dog park. Council's Community Development Officer has been supporting Connect Cromwell's Community Liaison officer throughout the process. Now nearly two years into their Community-led Development partnership agreement with the Department of Internal Affairs, Connect Cromwell provides an opportunity for Cromwell residents to collaborate on initiatives that are important to them.

## Newly formed Cultural Diversity Group is rearing to go in Alexandra

In September 2019, the Alexandra Council of Social Services held the Manuherekia Whānui Hui to discuss a few key topics in the community. The hui discussed an increase in cultural diversity in Alexandra, and from this a group of individuals working alongside migrants in varying capacities came together to identify how the community can better support our migrant population. Topics up for discussion include better inclusivity and showcasing of different cultural celebrations, breaking down stereotypes, and ensuring wider representation from different cultural groups in the community. The group plans to support cultural events and initiatives, an example being the October celebrations by Alexandra's Sikh community of the 150th birthday of their founder, Guru Nanak Dev Ji.

## Patearoa and Upper Taieri community-led plan

The 2019 Patearoa and Upper Taieri Community-led Plan was finalised, and a community meeting was held over Labour Day weekend to help the community prioritise their actions and sign up to get involved. The Community Development team facilitated this session alongside the community plan group and has supported the group to gather and incorporate community input into the final community plan document. Some of the high priority actions from the Plan include the continuation of community-led events, exploring what camping opportunities are wanted within the township, and determining the future of the Patearoa Hall.

## Community development strategy

This Council has been working in community development for at least 15 years, but there has not yet been a strategy written to guide this work. In 2019, the Community Development Officer began drafting a Community Development Strategy to help define what community development is and how Council is involved. The Community and Engagement Team has now been working their way across the district to engage with the community about this strategy and gather community input. This will contribute towards the final strategy, which is anticipated to be finalised in late 2020.



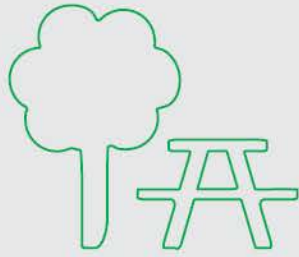


## What you can expect from us – Planning, Regulatory and Community Development

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	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	81%	68%	Maintain customer satisfaction $\geq 75\%$	Target achieved
		Resource consents processed within statutory timeframes	89% non-notified consents 85% notified consents	67%	Resource consents processed within statutory timeframe $\geq 99\%$	Target not achieved  A significant improvement on last year but some workload pressure points lead to some consents being processed overtime
A Thriving Economy and A Safe and Healthy Community		Customer satisfaction with building consent processes in residents' survey	75%	85%	Maintain customer satisfaction $\geq 85\%$	Target not achieved  Increasing regulation, compliance with IANZ requirements, high consent numbers and resourcing issues resulted in not achieving target
		Building consents processed within statutory timeframes	98%	98%	Building consents processed within statutory timeframe 100%	Target not achieved  98% achieved within the statutory time frame. The unpredictability of consents through the year is challenging, and additional contractor and casual resources were implemented to try address this

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
	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	81%	-	100% annual licensing programme completed within reporting period	Target not achieved  Approximately 197 verifications were required at the start of the financial year with 160 undertaken. 16% (37) of the original figure were not undertaken. However, there was an additional 37% (73) re-visits and additional verifications undertaken during the year as a result of the standards observed, in addition to this the effects of COVID-19 prevented premises from being open and verifications from being undertaken. Without these factors the target would have been achievable. This equates to 21% (36) addition verifications and re-visits above the target that have been achieved
	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction with dog control	82%	77%	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)	93%	83%	> 90%	Target achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	<b>Funding Impact Statement</b> For the year ended 30 June 2020 <b>PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT</b>	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
850	853	Targeted rates	1,014	1,045
-	-	Subsidies and grants for operating purposes	-	-
2,183	2,278	Fees and charges	2,183	2,078
159	67	Internal charges, and overheads recovered	166	68
418	624	Local authorities fuel tax, fines, infringement fees, and other receipts	418	844
<b>3,610</b>	<b>3,822</b>	<b>Total operating funding</b>	<b>3,781</b>	<b>4,035</b>
<b>Applications of operating funding</b>				
2,825	2,908	Payments to staff and suppliers	2,828	3,701
-	-	Finance costs	-	-
824	707	Internal charges, and overheads applied	847	720
2	2	Other operating funding applications	2	3
3,651	3,617	<b>Total applications of operating funding</b>	<b>3,677</b>	<b>4,424</b>
(41)	205	<b>Surplus (deficit) of operating funding</b>	<b>104</b>	<b>(389)</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
28	-	Gross proceeds from sale of assets	97	(204)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>28</b>	<b>-</b>	<b>Total sources of capital funding</b>	<b>97</b>	<b>(204)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
25	96	- to replace existing assets	-	159
(38)	109	Increase (decrease) in reserves	201	(752)
-	-	Increase (decrease) in investments	-	-
<b>(13)</b>	<b>205</b>	<b>Total applications of capital funding</b>	<b>201</b>	<b>(593)</b>
<b>41</b>	<b>(205)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(104)</b>	<b>389</b>
-	-	<b>Funding balance</b>	<b>-</b>	<b>-</b>



# POOLS, PARKS AND CEMETERIES

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## 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, three skateboard facilities, a bike park, three swimming dams/lakes and approximately 7000 trees. Throughout the district there are 29 playground sites, of which 21 are managed directly by the Council with the balance being maintained by local communities.

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:**



## Rising to the challenges

Delta Utility Services Limited's contract as Council's open spaces contractor began on 1 July 2019. Their first year has seen a steady consolidation and improvement across Council's open space network.

### Capital projects

A focus for the first half of the year was completing irrigation installations, renewals and improvements. Irrigation was upgraded on Richards Park and Little Valley Road Reserve and installed on Vallance Cottage Reserve to support the recently completed Rotary Trees for Babies Community Orchard. A programme to upgrade irrigation controllers to enable remote management began and we are seeing efficiencies in managing issues.

Two new public toilets were installed at the Bendigo Freedom Camping site and one was installed at Lowburn. The units are to be operated by Land Information New Zealand and were funded through a grant from the Ministry for Business, Innovation and Employment.

In late 2019 the Naseby playground had a makeover to provide some additional play options for pre-schoolers, and to enhance safety. The redevelopment was completed in time for the town's resident children and visitors to enjoy over the summer holidays.

In early 2020 Council renewed the main cricket block at Molyneux Park as the old one was at the end of its useful life. This included the addition of another playing strip which in future will allow for improved programming of scheduled matches. The first matches are scheduled to be played on the new block in November / December 2020. This upgrade builds on other recent investments at Molyneux Park, including the upgrade to the Molyneux Stadium changing facilities, to improve and future-proof the venue.

In Roxburgh Teviot Prospects finalised plans for a small wheels park to be located on King George Park. The preferred location sought the removal of four Cedar trees. The proposal to remove the trees saw divergent views on the merit of doing this within the community. The Board approved the removal of the trees in July.

## Vallance Cottage Reserve

In October 2019 one of the final pieces in the 2019 Vallance Cottage Reserve development project was completed with the installation of a collection of lilacs. The lilacs were selected by New Zealand lilac specialist Beryl Lee from Dunedin. Under her supervision the gardening team from Delta prepared and planted more than 60 plants, which include a number of rare and unnamed lilacs.



Development of the reserve to date has also included installation of irrigation on the reserve for a community orchard and the first planting of orchard trees during the Alexandra Rotary Club's Trees for Babies annual planting.

In terms of the historic Vallance Cottage itself, the working group continues to work towards their ultimate goal of finding a future use for the cottage. The group hope that by developing the reserve grounds as a destination for locals and visitors to come and use it will help bring focus and ultimately a future use of this category two historic cottage.

## Cemetery Bylaw Review

The Cemetery Bylaw was reviewed and a proposed new bylaw prepared for public consultation to open in mid-July 2020. The proposal includes the introduction of a Cemeteries Handbook that sets out more detailed rules for the operation of cemeteries.

## Pools

Steady enrolments for Central Otago Swim School continued during the year. The Swim Skills for Life programme that sees schools participating in water safety programmes was well supported. Council introduced a new pools software programme that will improve communications with our customers via text and email. This has been well-received.

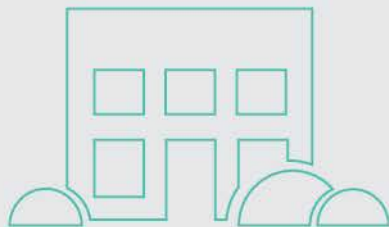


## What you can expect from us – Pools, Parks and Cemeteries

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	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	91%	89%	Maintain satisfaction with parks and reserves at above 93%	Target not achieved  New contractor only completed the first year of contract. The satisfaction level has increased from last year, and more improvements are being made
		Percentage of residents satisfied with sports fields in customer survey	94%	93%	Maintain satisfaction with sports fields at above 93%	Target achieved
		Percentage of residents satisfied with cemeteries in customer survey	88%	89%	Maintain satisfaction with cemeteries at above 90%	Target not achieved  New contractor only completed the first year of contract. The satisfaction level is similar to last year, and more improvements are being made
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	86%	90%	Maintain satisfaction with playgrounds at above 90%	Target not achieved  The score may reflect that the traditional-style play equipment across the district has become less popular. It is well-maintained but may not be as exciting as some of the new play options available in neighbouring authorities. Options for

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
						equipment improvement and upgrade will form part of Council's Long-term Planning
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	83%	88%	Maintain user satisfaction at >90%	<p>Target not achieved</p> <p>It is acknowledged that there have been some adjustments required to ensure all pools are operating effectively and providing programmes to meet community demand. New systems have been put in place to ensure improved customer services and programmes are being delivered across all pools</p>
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Both Molyneux Aquatic Centre & Cromwell Swim Centre have had their Pool Safe Certification reconfirmed for 2020/21	Pass	To pass	Target achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 POOLS, PARKS AND CEMETERIES	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
4,420	4,430	Targeted rates	4,502	4,756
-	-	Subsidies and grants for operating purposes	-	2
1,058	1,016	Fees and charges	1,058	733
449	38	Internal charges, and overheads recovered	431	666
214	252	Local authorities fuel tax, fines, infringement fees, and other receipts	214	171
<b>6,141</b>	<b>5,736</b>	<b>Total operating funding</b>	<b>6,205</b>	<b>6,328</b>
<b>Applications of operating funding</b>				
3,923	4,683	Payments to staff and suppliers	3,905	4,018
1	-	Finance costs	1	-
1,369	749	Internal charges, and overheads applied	1,390	1,416
84	199	Other operating funding applications	84	224
<b>5,377</b>	<b>5,631</b>	<b>Total applications of operating funding</b>	<b>5,380</b>	<b>5,658</b>
<b>764</b>	<b>105</b>	<b>Surplus (deficit) of operating funding</b>	<b>825</b>	<b>670</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	410	Subsidies and grants for capital expenditure	-	255
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
1,435	-	Gross proceeds from sale of assets	1,435	(150)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>1,435</b>	<b>410</b>	<b>Total sources of capital funding</b>	<b>1,435</b>	<b>105</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
78	-	- to improve the level of service	8	-
1,227	2,668	- to replace existing assets	1,623	608
894	(2,154)	Increase (decrease) in reserves	629	166
-	1	Increase (decrease) in investments	-	1
<b>2,199</b>	<b>515</b>	<b>Total applications of capital funding</b>	<b>2,260</b>	<b>775</b>
<b>(764)</b>	<b>(105)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(825)</b>	<b>(670)</b>
-	-	<b>Funding balance</b>	-	-



# PROPERTY AND COMMUNITY FACILITIES

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## 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
- Public toilets in towns across the district and at recreation facilities and parks
- A main operational office and customer service centre in Alexandra, as well as 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:**



**SUSTAINABLE  
ENVIRONMENT**

**SAFE & HEALTHY  
COMMUNITY**

## Rising to the challenges

### William Fraser building refurbishment

Stages 3 and 4 of the renovation programme at Central Otago District Council's main offices in Alexandra were completed in the second half of 2019.

The reception area, Planning and Regulatory, and Corporate Services office areas were revamped in the 2018/19 year – having been largely untouched in 20-30 years. 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 further growth should that be required to meet demand from increased development and population growth in the district.

Stages 3 and 4 included the Infrastructure Services area and the Governance wing.

Property and Facilities Office Christina Martin was awarded the Local Authority Property Association (LAPA) Property Professional Award for 2019. Christina's nomination was a result of completing the Council's William Fraser Building refurbishment project which has involved five stages, relocating every team at one time or another while Council retained full operations.

### Clyde museums redevelopment project

At its February 2019 meeting, the Vincent Community Board resolved to put \$94,000 in the 2019/2020 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.

Work got underway in early 2020 on developing a design brief for the Briar Herb Factory Museum redevelopment. The Clyde Historical Museum Group has worked through a questionnaire to help inform the design and workshops were held with an advisory group of key Council staff and external partners.

A "thyme-line" was developed outlining the key stages in the project plan for letting the community know the milestones along the way, at which the project team will be engaging with the community to keep everyone informed of progress.

### Molyneux Stadium's new 'tenants'

In late June 2019 the Vincent Community Board invited expressions of interest in the future use of the former squash courts at the Molyneux Stadium in Alexandra. This outcome of this process is the ex-squash courts are now rented out to the Rugby Club and a new venture, rock-climbing gym Bolder Inn.

## **Clyde Memorial Hall stage upgrade**

The project to upgrade the Clyde Memorial Hall's lighting bars to meet the required health and safety requirements and to improve user experience has been completed. The Clyde Theatre group, who donated \$2,000 towards the project, said they are thrilled to have the potential for easier set-up and a greater scope for increased lighting.

## **Alexandra Men's Shed purchase of Boundary Road property**

Council resolved at its meeting on 11 March 2020 to support the various agreements to achieve a sale of the building at 69 Boundary Road (opposite Alexandra Wastebusters) to the Alexandra Men's Shed. The settlement occurred on 19 May 2020.

The Alexandra Lions remain in the building under a long-term lease to the Alexandra Men's Shed.

Fire and Emergency New Zealand (FENZ), who have until 30 March 2021 to vacate the building, advise Council staff that while in a lockdown they have continued to make good progress towards finding a temporary location for their Dunstan Brigade. If they do find a location sooner than March 2021 under their lease agreement with the Men's Shed, FENZ can give one month's notice.

It is great to have an outcome for the Men's Shed whose development project has been on the cards for the best part of a decade. The new site for the group promises synergies and opportunities with the co-location with the Alexandra Lions and proximity to WasteBusters.

FENZ Dunstan Brigade's move will enable them to be closer and potentially share resources with the Alexandra Brigade.g94

## **Gair Avenue residential development**

Sixty-two out of 78 available sections in the Gair Ave residential subdivision in Cromwell were sold as of 30 June 2020 with 44 sections selling in the 2019/2020 financial year.

## **Alexandra pines residential subdivision**

Resource consent was approved just before Christmas in December 2019 for the 71-lot residential subdivision in Alexandra Pines, which is a Council developer partnership. Engineering drawings were being finalised and construction not far from starting just prior to the COVID-19 lockdown. The project was then included in a government funding application for shovel ready projects. As we were unsuccessful with the shovel ready funding application, work on the subdivision will continue and some sections are expected to be on the market by the end of the year.



## Alexandra airport master plan

The development of an Alexandra Airport Master Plan is included as part of the Vincent Spatial Plan project. An aviation consultant was appointed to start the process in June 2020. The masterplan will provide a clear vision for future use and development of the airport.

## Elderly persons' housing

The occupancy rate within our Elderly Persons' Housing units across the district for 2019/2020 was 96%, up 3% from the previous financial year.

The internal battening and insulation over internal concrete block walls is ongoing with 28 units completed and 27 units to go. Tenders for the double-glazing projects have been received, but further clarification is being sought from the tenderers.

A new off-street tenant carpark at Molyneux Avenue in Cromwell was completed with a capacity of one car park per tenant. Modifications were completed at the Goodger Court carparks to allow for one car park per tenant and a visitors' car park.

The Goodger Court replacement fence project has been completed.

Four full internal refurbishments were completed, with part internal refurbishments as required to prepare tenancies for new tenants.

## Buddy system

During the COVID-19 emergency response a "buddy call" system was set up for Council's elderly persons' housing tenants. Elected members volunteered to act as buddies and paired up with one or more tenants, calling them regularly on the phone to check on their welfare and make sure they were aware of services available to them locally and via central government.



## What you can expect from us – Property and Community Facilities

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Safe and Healthy Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied with community buildings	79%	77%	> 90% satisfied	Target not achieved.  Survey respondents mentioned issues particularly around halls, which we have taken into consideration going forwards.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Achieved	Achieved	Fees and charges charging policy in place	Target achieved
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	Full compliance
	Housing suitable and affordable for elderly is provided in the main townships until such time	Number of units available in the district	98 units	98 units	98 units	Target achieved

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
	as the need can be met by other agencies					
	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	No longer a certification requirement by Civil Airways Corporation. This compliance is no longer achievable and therefore target not achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 PROPERTY AND COMMUNITY FACILITIES	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
(77)	(77)	General rates, uniform annual general charges and rates penalties	(102)	(91)
1,889	1,891	Targeted rates	2,226	2,217
-	-	Subsidies and grants for operating purposes	-	1
1,210	1,351	Fees and charges	1,270	1,451
1,143	234	Internal charges, and overheads recovered	1,187	1,494
97	85	Local authorities fuel tax, fines, infringement fees, and other receipts	90	111
<b>4,262</b>	<b>3,484</b>	<b>Total operating funding</b>	<b>4,671</b>	<b>5,183</b>
<b>Applications of operating funding</b>				
3,057	3,274	Payments to staff and suppliers	2,684	2,445
-	-	Finance costs	-	-
1,087	34	Internal charges, and overheads applied	1,190	1,184
266	310	Other operating funding applications	266	269
<b>4,410</b>	<b>3,618</b>	<b>Total applications of operating funding</b>	<b>4,140</b>	<b>3,898</b>
<b>(148)</b>	<b>(134)</b>	<b>Surplus (deficit) of operating funding</b>	<b>531</b>	<b>1,285</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
136	127	Subsidies and grants for capital expenditure	73	8
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
12,450	7,735	Gross proceeds from sale of assets	9,527	3,797
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>12,586</b>	<b>7,862</b>	<b>Total sources of capital funding</b>	<b>9,600</b>	<b>3,805</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
341	-	- to meet additional demand	-	-
495	-	- to improve the level of service	1,030	-
1,136	2,347	- to replace existing assets	2,180	933
10,466	5,336	Increase (decrease) in reserves	6,921	4,112
-	45	Increase (decrease) in investments	-	45
<b>12,438</b>	<b>7,728</b>	<b>Total applications of capital funding</b>	<b>10,131</b>	<b>5,090</b>
<b>148</b>	<b>134</b>	<b>Surplus (deficit) of capital funding</b>	<b>(531)</b>	<b>(1,285)</b>
<b>-</b>	<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>



# SERVICE CENTRES AND LIBRARIES

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## 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



## Rising to the challenges

### Reading challenges and holiday activity programmes

Our libraries' mascot Baxter led the way in this year's winter reading challenge, which was developed at Cromwell Library. "Baxter's Bunting Bonanza" enticed children to join the challenge, colour in bunting featuring Baxter and rewarded progress with incentives. Over 100 children took part and some of the colourful bunting was used to decorate the libraries.

A science-based holiday programmes developed by the team at Roxburgh Library was run in Roxburgh, Cromwell, Maniototo and Alexandra libraries during the winter holiday programme. Each branch ran four sessions, which were well attended with 172 children taking part across the district. Children loved making weathervanes, musical instruments, hovercraft and CD spinners, woodpeckers and sundials.

In Spring Baxter celebrated the season with a focus on nature and craft activities for the holiday programme centred on creating flower bombs, planting seeds and other animal crafts.

In late July 2019 Cromwell Library was involved in the Light Up Winter celebrations for the second time. The library opened after hours and more than 500 people came through the door to enjoy face painting, a craft cave and two story-time sessions.



## Book chat groups launch

Both Cromwell and Maniototo Libraries launched “Book Chat” in the first quarter, an informal club to discuss what is new in the world of books and what people have been reading lately. “Book Chat” is intended as a relaxed way to meet and share a love of reading. Both groups are developing a regular following.

## Human library

This event, held in Alexandra Library for the third year and ably coordinated by librarian Helen Rendall, goes from strength to strength. Three sessions were held, with 105 people attending to “read” the wide variety of human books on offer. The 11 titles included such diverse topics as *Behind the Badge* by Senior Constable Neil Calder, *Death Denial: What you want to know but are too afraid to ask* - Lynette Hodge, funeral director, *It's not About the Tofu* - Martyn Williamson and *Accidentally Fabulous: a Transition Memoir* by author Kyle Mewburn.

## Simultaneous storytime online

Central Otago Libraries took part in National Simultaneous Storytime this year but adapted our approach due to COVID-19 and offered a special storytime online via Council's Facebook and YouTube platforms. Library Collections Manager Nikki Williams dressed up in tiara and boa to oh-so glamorously read “Whitney and Britney Chicken Divas” and the video was expertly filmed and edited by Cromwell Library Team Leader Moniza Fenton.

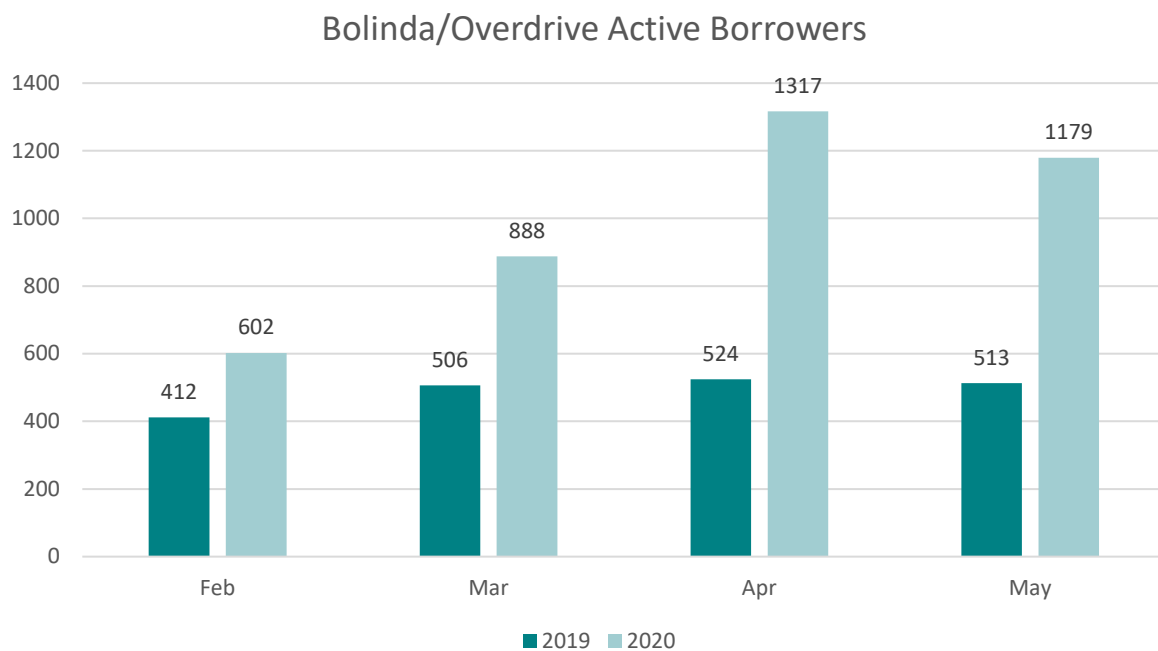
The video even attracted high praise from the book's Australian author Lucinda Gifford who left a comment on Council's Facebook video post.



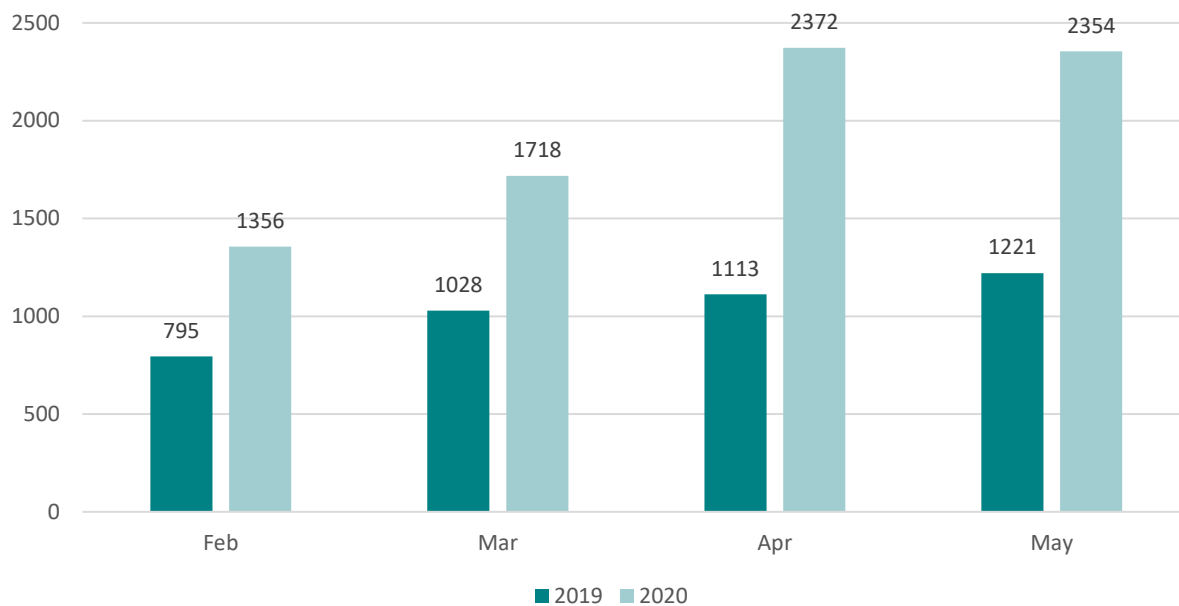
## Library statistics

During the 2019/2020 year we had 128,177 people through the doors at our four main branches with counters. We had 141,398 physical items issued from our 7 Central Otago libraries and welcomed 452 new borrowers.

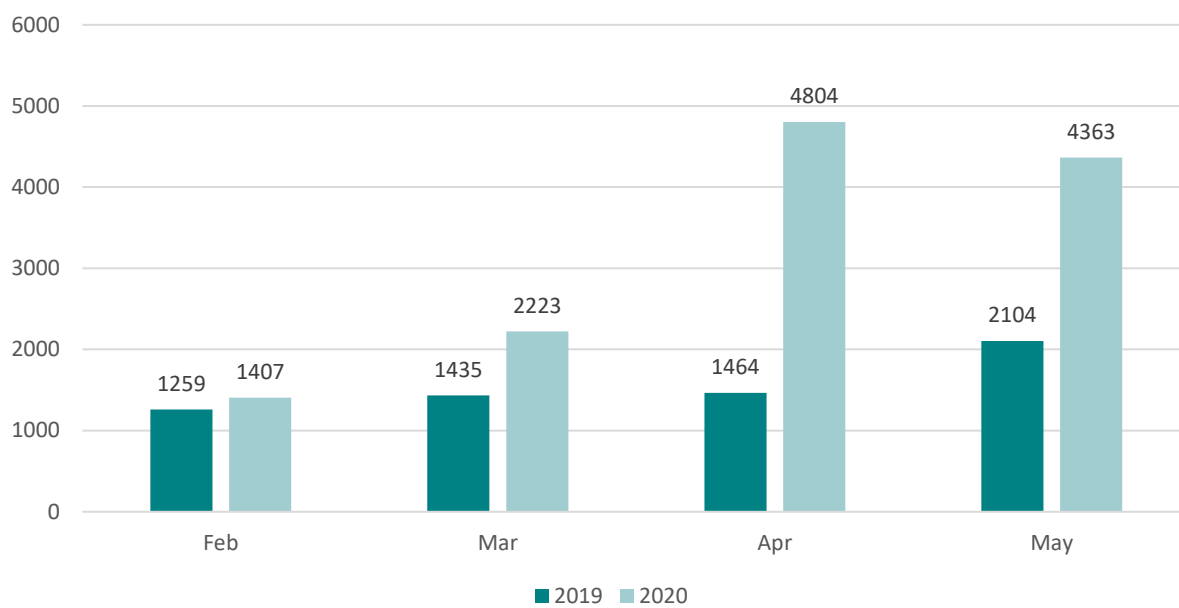
Our e-Library statistics for this year are particularly interesting. For the full 2019/2020 year there were 28,053 eBooks loaned, 20,195 eAudio loans and 75,314 PressReader issues read across the CQ Libraries shared digital collections. But the following graphs showing the period March-May illustrates the dramatic effect the COVID-19 closure of our physical libraries had on digital loans.



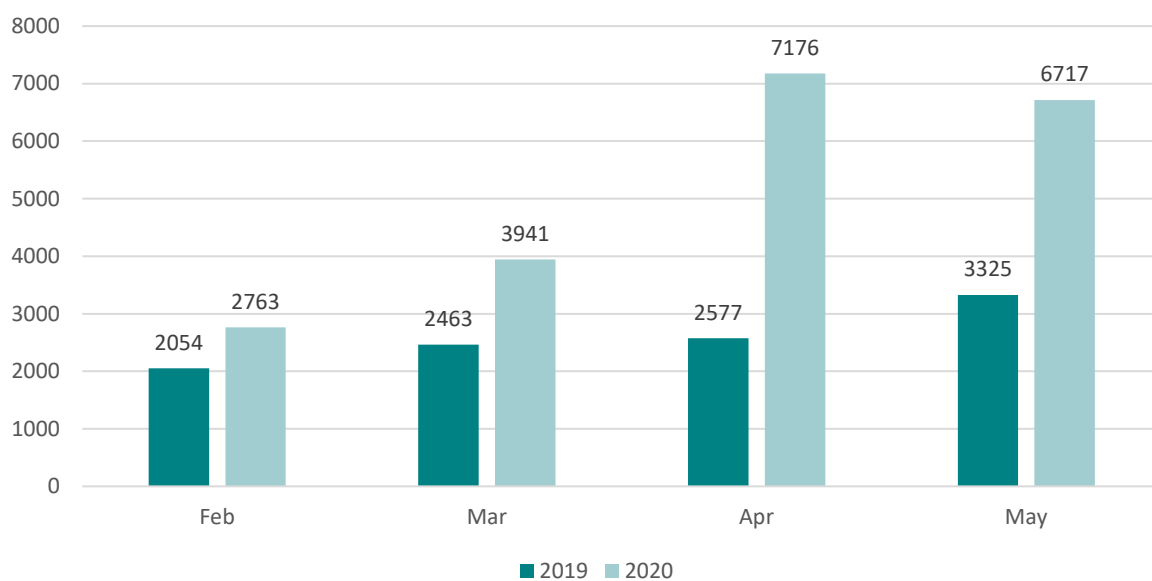
### eAudio Checkouts



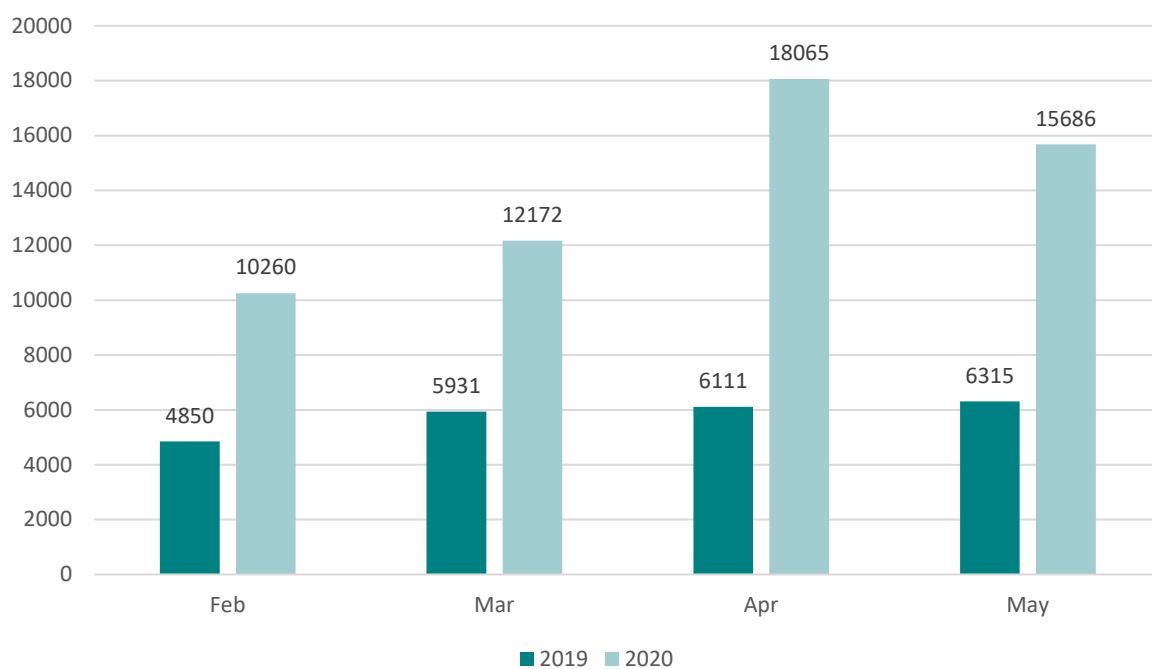
### eBook checkouts



### Total eLending



### PressReader titles read



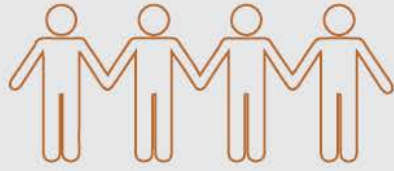


## What you can expect from us Service Centres and Libraries

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	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	97%	95%	>90%	Target achieved
A Sustainable Environment	Satisfaction with contact regarding service requests	Customer survey – the service was fast and efficient	73%	81%	>80%	Target not achieved
		Customer survey – the service was friendly and courteous	98%	98%	>90%	Target achieved
		Customer survey – issues dealt with effectively	71%	89%	>75%	Target not achieved
A Thriving Economy	Satisfaction with the initial contact with Council	Customer survey – the service was fast and efficient	83%	84%	>90%	Target not achieved
		Customer survey – the service was friendly and courteous	91%	92%	>90%	Target achieved
		Customer survey – issues dealt with effectively	74%	77%	>80%	Target not achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 SERVICES CENTRES AND LIBRARIES	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
-	-	General rates, uniform annual general charges and rates penalties	-	-
1,233	1,237	Targeted rates	1,254	1,266
-	-	Subsidies and grants for operating purposes	-	-
18	28	Fees and charges	18	21
320	-	Internal charges, and overheads recovered	332	339
9	14	Local authorities fuel tax, fines, infringement fees, and other receipts	9	9
<b>1,580</b>	<b>1,279</b>	<b>Total operating funding</b>	<b>1,613</b>	<b>1,635</b>
<b>Applications of operating funding</b>				
961	918	Payments to staff and suppliers	968	858
-	-	Finance costs	-	-
468	81	Internal charges, and overheads applied	486	437
1	1	Other operating funding applications	1	1
<b>1,430</b>	<b>1,000</b>	<b>Total applications of operating funding</b>	<b>1,455</b>	<b>1,296</b>
<b>150</b>	<b>279</b>	<b>Surplus (deficit) of operating funding</b>	<b>158</b>	<b>339</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	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	-	-
-	-	<b>Total sources of capital funding</b>	-	-
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
208	165	- to replace existing assets	161	173
(58)	114	Increase (decrease) in reserves	(3)	166
-	-	Increase (decrease) in investments	-	-
<b>150</b>	<b>279</b>	<b>Total applications of capital funding</b>	<b>158</b>	<b>339</b>
<b>(150)</b>	<b>(279)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(158)</b>	<b>(339)</b>
-	-	<b>Funding balance</b>	-	-





# REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT

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## What we do

Tourism Central Otago manages the development and marketing of the Central Otago region as a visitor destination. The organisation aims to bring visitors who want truly authentic Central Otago experiences, increasing the spread and spend of visitors throughout the region and contributed to the strength of the regional economy.

Council managed i-SITES in partnership with the planned private Information Centres 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 Central Otago World of Difference regional identity on behalf of the community. The 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. 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's 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**



## Rising to the challenges

### Maniototo stories

An A5 'Maniototo – Our Place, Our Stories' publication was produced late 2019. The book is the third in what will become a collection of stories to capture the essence of the communities that make up Central Otago – A World of Difference. In the previous year the Manuharekia and Ida Valleys, and the Teviot Valley editions were produced. Workshops

were held in November 2019 to begin developing the stories that capture the essence of the wider Alexandra Basin. These will feed in to an A5 'Alexandra basin – Our Place, Our Stories' publication.

## Central Otago awards

The biennial Central Otago Awards Ceremony was held at the Roxburgh Entertainment Centre on 6 September 2019. The Awards are an opportunity to recognise both individuals and businesses who are making an outstanding contribution to our community and epitomise our regional identity values in practice. Before the award winners were announced at the ceremony, invited guests were inspired by one of New Zealand's outstanding innovators, Ian Taylor CNZM. All award recipients and winners were presented with a hand-sculpted Totara trophy and a certificate.

The Award winners for 2019 were: Youth Award – Abby Golden, Highly Commended for the Youth Award – Finlay Russel, Young Professional Award – Annabel Bulk, Business Excellence Award – Misha's Vineyard.

The Community Award recipients for 2019 were Rose Jefcoate of Alexandra, Alex Gordon of Roxburgh, Barry Becker of Otarehwa and Brigitte Paterson of Roxburgh.



## Tourism focus

Prior to COVID-19 the Central Otago district was the fastest growing region in terms of visitor spend for Otago, with year on year growth in 2019 at 4%. The Otago average was 2% for the same period. Much of the district's success came down to having a clear strategy and key projects to focus on through the 2018-28 Central Otago Tourism Strategy. Another key to the success was the implementation and deployment of the Tourism Central Otago Advisory Board, who meet four times during the year and provide strategic support and advice to Council.

Key strategic projects identified in the strategy for the year were:

- i-SITE review
- Website development
- Central Otago Touring Route
- Operator and community engagement

## Good morning world from Central Otago

Tourism New Zealand's year-long campaign [#GoodMorningWorld](#) filmed seven segments in Central Otago in mid-October. The videos were scheduled on TNZ's online channels between December 2019 and February 2020.

## Film central

Just prior to Christmas the movie *Only Cloud Knows*, starring our very own town of Clyde, had its global release. The love story was produced by Matt Noonan (Hunt for the Wilderpeople) and Feng Xiaogang – considered to be China's equivalent to Steven Spielberg.

A collaborative project between the New Zealand Film Commission, producers of the film, local operators and Council saw a community screening held in Clyde of *Only Cloud Knows* ahead of the official release date. The screening was to acknowledge the contribution that the community had made to the film.

Following the movie's release in China in December, Tourism Central Otago worked with the Tourism NZ China Trade and PR teams to develop operator resources and visitor information. The visitor collateral was translated and has been made available through a range of online channels. NZ Chinese are a regular visitor market to the South Island. This new collateral hopes to assist visitors to explore more widely and book more activities while they are in region.



## Central Otago New Zealand website

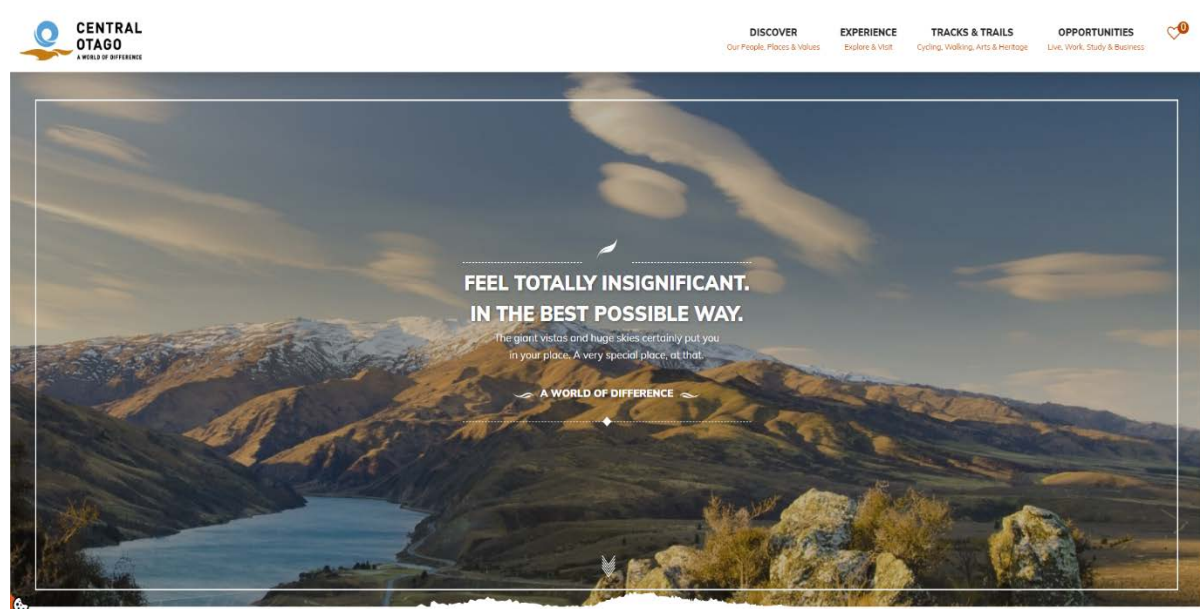
The Central Otago New Zealand website update was identified as a key project within the Central Otago Tourism Strategy. The new site brings together into one place the stories of Central Otago, its communities, people and experiences in a way that inspires people to value all that is special about the region. It brings to life the vision of a single digital shopfront for the region, with inspiring and useful information for visitors, businesses and local communities.

As part of Council's focus on destination management and community engagement the site features content on living, working and studying in Central Otago and developing content for these sections was supported by the Council's economic and community development teams. The site was also designed to better incorporate and highlight the Regional Identity stories and positioning.

Christchurch-based web development company Time Zone One successfully tendered for the redevelopment and migration of the website to a new content management system. The project was due to be completed in mid-April 2020 but was slightly delayed due to COVID-19 and was launched in July 2020.

The site now showcases user generated social content through embedded galleries, and business listings will integrate with Tourism New Zealand's newzealand.com platform, Google Places and Trip Advisor.

As with all projects of this scale, the launch of the site is just the beginning – and now the focus is firmly on continual improvement.



## COVID-19

The tourism sector has been particularly hard hit by the pandemic. A key focus for the Tourism Central Otago team since March 2020 has been recovery planning and wider regional recovery planning (working in conjunction with the economic development staff).

Key activity has included:

- Publication of a weekly update to the industry (joint with economic development)
- Developed and implemented a new marketing plan in response to a changed market
- Regular contact with key local and national operators
- Continuing development of a marketing alliance between Otago and Southland regional tourism operators
- Planning for a revamped version of Eat.Taste.Central
- Continuing work on the Central Otago Touring Route
- And, as mentioned above, development and deployment of the new website

## i-SITEs review

In December 2019 Tourism Central Otago conducted a review of its i-SITE operations to ensure the service was fit for purpose and met the future needs of tourism in Central Otago. The review looked into the commercial viability of i-SITEs given their decreasing revenue generation over the last five years, and as more and more people use online resources for gathering information and making bookings.

In late May 2020, Council announced a restructure of its i-SITE service delivery. The changes included permanently closing its i-SITE visitor centre in Alexandra, closing Council's i-SITE in the Cromwell Mall and relocating Cromwell i-SITE services to be delivered by a private vendor, and rationalising service delivery in Ranfurly. The service provided in Roxburgh will continue under its current arrangements. In making the announcement Council's CEO Sanchia Jacobs said the decision had not been made lightly but in the current COVID-19 environment, and as part of supporting the Council's commitment to lower the rates burden in Central Otago, tough decisions had to be made.

The commercial viability of those operations took a further hit as a result of COVID-19, with visitor numbers predicted to take five years to recover.

Essential i-SITE services will still be delivered in the community, albeit in a new way.



## Submission on Otago Regional Councils plan change 7

A submission was made on the Otago Regional Council's proposed plan change (PPC7) to the regional plan on how water use is managed. PPC7 will facilitate the transitioning of water users' historic water rights which are due to expire in 2021 to new consents, as a proposed interim step, while the Otago Regional Council develops a new Land and Water Regional Plan. Under this proposed change, water users would apply for interim consents under the existing Regional Plan (with changes) for water and then reapply for water consents when the new Land and Water Plan is adopted in 2025. This concerns Council itself as a water user (community drinking water) and relates to the values of our communities (economic, environmental, recreational, social and cultural) associated with the waterways.

## Sector snapshot report

Six sector-specific focus groups of representatives for various key industries and sectors in Central Otago met twice each to discuss the issues and opportunities each were currently facing and likely to face in a post-COVID-19 environment. The output of the focus group meeting was the Sector Snapshot Report informed Council Economic Recovery Plan and was circulated to industry and government agencies to raise awareness of the specific issues our facing our industry and the opportunities to support.

## Think drinks

A monthly event, *Think Drinks*, was launched in September 2019. The event rotates between Alexandra and Cromwell and is targeted at people who have recently, or are looking to, start a business. *Think Drinks* is about connecting like-minded entrepreneurial people so that they can support and take inspiration from each other in a supportive environment. Each *Think Drinks* has a guest speaker, typically someone who has started their own business, and can share their story. The events are attracting between 20-30 attendees.

Nine Think Drinks were held during 2019/2020 and these continued throughout Lockdown and alert levels 3 and 2 moving to online sessions streamed on Facebook Live.

## Remote worker research

In late 2019 Council embarked on a research project to develop an understanding of remote workers in Central Otago. Remote workers are individual residents who live and work in Central Otago but their income comes primarily from outside of the district. A remote worker works outside a traditional office, often from home, or in a co-working or public spaces, and connects to customers or colleagues via technology and travel.

An understanding of the needs and desires of the remote working community is of interest as these workers are in the unique position of contributing to the local economy through living here, while exporting their skills and knowledge outside the district. While remote working as a trend is growing globally, the workforce in Central Otago has to date been poorly understood. Greater engagement with this cohort was required to understand the opportunities to expand this knowledge-based community to both further diversify and grow the economy.

Research was conducted via an online survey and face-to-face interviews. The report, available on Council's website, examines a broad range of metrics including motivations, issues and opportunities.

This research has relevance to our economic recovery as the popularity of remote working is likely to increase as a result of COVID-19 and many businesses would have implemented remote working measures through Alert Levels 3 and 4. Economic uncertainty also means firms are more likely to engage staff on casual contracts rather than permanent employment which can offer more flexibility on where and how the work is performed.

Central Otago also has the opportunity to attract those remote workers looking to return home to New Zealand or a move away from the city. The opportunity to leverage the lifestyle benefits of living in Central Otago and the findings of this report will inform future economic development work.

## Technology to help with harvesting cherries

CamperMate, an app used by independent travellers, joined forces with Council and Seasonal Solutions to help find staff for the summer 2019/2020 season's cherry harvest. The app, used by more than 80% of independent travellers, is usually used to find toilets, camping grounds and other facilities. However, the app's developers were looking to trial ways that they could add value to both users of the app and local communities. The trial was conducted over December 2019 and January 2020 in Central Otago. It promoted available roles that included on-site accommodation or camping options to reduce pressure on free campsites within the district. Results of the trial will inform whether this function becomes a permanent feature of the app.

## Provincial Growth Fund

Funding was secured through the Provincial Growth Fund (PGF) by the Otago Regional Economic Development group for the creation of two advisor roles across Otago to support PGF applications and cross-district economic development projects. One of the advisor roles covers Central Otago and Queenstown Lakes districts and is based primarily at the Alexandra office of the Central Otago District Council. Recruitment was conducted late 2019 and the successful candidate started in late January 2020.

Two Central Otago businesses received PGF investment to support economic growth and employment opportunities in the region in November 2019. Alexandra-based sheet metal business Central Custom Engineering and Cromwell-based New Zealand Structural and Insulated Panels Ltd both received funding to purchase game-changing equipment.

Central Custom Engineering received \$156,000 towards a water jet cutter to help the business increase production and meet current demands for its industrial quality trailers, alloy dog boxes and truck decks. New Zealand Structural and Insulated Panels Ltd received \$110,000 towards equipment to manufacture their six-metre long structural insulated panels for large houses and small commercial buildings.

Council helped the businesses secure the funding through connecting them with the Provincial Development Unit and assisting them through the application process.

Council also facilitated groups to present projects to Provincial Growth fund representatives for feedback on project suitability for application to the fund.

## What you can expect from us – Regional Identity, Tourism and Economic Development

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Manage the brand applications and process in a timely manner	End to end time in delivery of approving new brand users	2	2.66	Within 15 working days	Target achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
531	530	General rates, uniform annual general charges and rates penalties	558	667
2,147	2,153	Targeted rates	2,148	2,194
29	74	Subsidies and grants for operating purposes	29	100
199	87	Fees and charges	214	106
19	17	Internal charges, and overheads recovered	20	16
178	85	Local authorities fuel tax, fines, infringement fees, and other receipts	180	169
<b>3,103</b>	<b>2,945</b>	<b>Total operating funding</b>	<b>3,149</b>	<b>3,252</b>
<b>Applications of operating funding</b>				
1,919	1,598	Payments to staff and suppliers	1,930	1,824
12	-	Finance costs	12	-
541	471	Internal charges, and overheads applied	562	557
661	2,714	Other operating funding applications	661	558
<b>3,133</b>	<b>4,783</b>	<b>Total applications of operating funding</b>	<b>3,165</b>	<b>2,939</b>
<b>(30)</b>	<b>(1,838)</b>	<b>Surplus (deficit) of operating funding</b>	<b>(16)</b>	<b>313</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
-	-	Gross proceeds from sale of assets	-	(1)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
-	-	<b>Total sources of capital funding</b>	-	<b>(1)</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
56	46	- to replace existing assets	-	34
(86)	(1,887)	Increase (decrease) in reserves	(16)	275
-	3	Increase (decrease) in investments	-	3
<b>(30)</b>	<b>(1,838)</b>	<b>Total applications of capital funding</b>	<b>(16)</b>	<b>312</b>
<b>30</b>	<b>1,838</b>	<b>Surplus (deficit) of capital funding</b>	<b>16</b>	<b>(313)</b>
-	-	<b>Funding balance</b>	-	-



# GOVERNANCE AND CORPORATE SERVICES

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## 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.

Within this group, the strategy and policy function is responsible for developing and articulating direction on key strategic issues, and ensures that the organisation has robust and meaningful policies in place to guide organisational decision making.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



## Rising to the challenges

### Elections 2019

During the first quarter we ramped up our Elections 2019 public engagement campaign – through both the end of the ‘candidate phase’ inspiring people to stand for office, and then the ‘voter phase’ to encourage our community to vote. We pushed out a further two videos during this period – in early August and late September 2019. The final ‘It’s Voting Time!’ video featured our CEO in a bright orange skin-tight suit starring as “Elections Gal” – the lengths we’ll go to in order to capture the attention of our public!

The communications team attended a Meet the Candidates event with our #mayor4aminute display and invited those attending the event to share what were the big issues for them for this year’s local body elections, as a way to seed further conversations, raise awareness and encourage civic participation.

Council’s Customer Services Team Leader filled the role of Deputy Elections Officer for the 2019 Elections and was supported by the Governance Manager to ensure a smooth local elections process. Central Otago District Council was 9<sup>th</sup> in the country in terms of voter turnout with a 56.2% voter return (excluding special votes).



Post-election the Governance team coordinated a range of induction activities for elected members. In November 2019 we produced a special edition of *The FlipSide* residents' newsletters to introduce and profile Council's new elected members.

## Youth expo and instagram

In August 2019 the communications team coordinated Central Otago District Council having a presence at the first Central Otago Youth Expo in Alexandra. Our stall promoted our cadetships and careers at Council, invited youth to discover more about what our pools and libraries have to offer, plus offered the opportunity for expo-goers to become 'Mayor for a minute'. Our #mayor4aminute initiative was based on inviting youth to pop on the Mayoral chains and complete one of these phrases: "If I was Mayor my top priority would be...." or "The coolest thing this Council could do for Central Otago youth is..." From this we created both an online album and a physical display that captured the ideas and values of our youth.

We also used the Youth Expo as an opportunity to officially launch @codccadets on Instagram, a page that will be managed by our two Council cadets. The primary intention of the page is for it to act as a youth-to-youth platform to engage on issues of interest to youth, as well as giving an insight into life at Council and what's involved in a Council cadetship.





## Gets ready promotion

In September 2019 the Central Otago Gets Ready platform went live and the communications team worked with the Emergency Management Officer to produce a communications campaign to encourage our community to sign up at [www.centralotago.getsready.net](http://www.centralotago.getsready.net). 'Gets Ready' is a tool that will allow Council to send real-time alerts during an emergency, lets people register friends or whānau that may need extra assistance in an emergency, lets people register skills, resources or aid that they can provide during an emergency, and helps prepare neighbourhoods to be part of a coordinated community response.

## Clyde wastewater drop-ins and project comms

The community and engagement team helped organise three Clyde Wastewater drop-in sessions in October and November 2019, where residents and business people could talk with project team members and view displays. The first stage of the project—to construct a new reticulated wastewater system that replaces Clyde's septic tanks and disposal fields—is scheduled to get underway in central Clyde later this year.

## e-Newsletter updates

Project communications stepped up a gear in the second half of 2019. In June 2019 we launched the first edition of *In the Pipeline*, a monthly e-newsletter the community can subscribe to for updates on the project to construct two pipelines that will bring much improved infrastructure for Alexandra and Clyde. Limited number of print copies of the newsletter are also made available at various locations including our Alexandra service centre, and Alexandra and Clyde public libraries. In December 2019 we also added an e-newsletter for those keen for updates on *Clyde Projects*, including the wastewater project, Clyde Heritage Precinct Upgrade and Clyde museums redevelopment.

## COVID-19 public information and welfare

From March through to May 2020 a key focus for the Community and Engagement team was working in the remotely-operated emergency operations centre in Public Information Management, Welfare and Operations roles.

## Governance in an online world

The focus of the Governance team's work during the COVID-19 lockdown shifted from supporting the delivery of physical meetings to upskilling themselves and elected members to meet remotely, and then scheduling political meetings to resume in a remote live-streamed format including annual plan submission hearings.

On 14 April 2020 Council held its first ever live-streamed meeting. The Executive Committee of Council met via Microsoft Teams video-conferencing to consider remission of rates penalties and Hearing Panels delegations and this was streamed live.

This came a week after Mayor Tim Cadogan held his first Facebook Live Session via his mayoral Facebook page. These were launched as a way to fill the gap left by not being able to hold his regular coffee and chat sessions during lockdown, but the ability for people to tune in for updates and ask questions from wherever they are has proven popular so these have become a weekly fixture.

## Strategy and Policy

### Policy programme

A number of pieces of work have been completed in the 2019/2020 financial year. In August 2019 Council signed off a new grants policy that provides greater clarity around what contestable funds can be used for. A register of all Council's policies and strategies has been created and this is presented to each Audit and Risk Committee meeting to provide greater organisational oversight of the policies and strategies we have and their review dates. This team has assisted with progressing a number of organisational and external policies during this period, as well as advancing work on a number of policies to be considered in the first part of the 2020/21 financial year.

### Strategy programme

Three strategy pieces of work were advanced during this financial year. Stakeholder workshops were held for the museum strategy, and the proposed approach has been developed. The proposal will be presented to Council early in the 2020/21 financial year. Council has considered and given direction on the work on Council's role in housing, with modelling work and an updated housing market analysis to be provided in the next financial year. The direction of the responsible camping strategy has been agreed by Council and the agreed approach will be implemented from the 2020/21 summer season.

## Information Services

Council's Information Services team were the enablers whose support was absolutely vital in helping Council move to remote working in late March 2020. This included:

- Support to operationalise the Emergency Operations Centre – enabling staff without allocated devices to work remotely
- Increased support to staff with the challenges of transitioning the entire business to working remotely and connecting to the required systems
- Deploying Microsoft Teams across the organisation, enabling chat and video collaboration between customers, elected members, staff and partners
- The digitisation of Building and Planning business processes
- Working with Finance to reduce the need for printing and analogue processing of a range of business processes from customer invoices to journals and payroll approvals. Digital invoices, an active project gained momentum, with sundry invoices and statements being emailed

## Reworking annual plan budgets in response to COVID-19

Between the time Council met to approve this year's proposed 2020/21 Annual Plan to go out for consultation on 11 March 2020 and when it met remotely via video streaming to consider submissions on 18 May 2020, the world changed dramatically due to the impact of the COVID-19 pandemic.

As our country went into a national lockdown and we began to realise the economic impact COVID-19 would have on our community, the Executive Committee of Council directed staff to review the Annual Plan budgets and search for ways Council could continue to deliver great service while lessening the impact of rates increases.

Council's Finance team and other key staff put in some long hours – they worked hard, researched hard, spoke to other Councils, listened to economists, and applied all of that thinking to the specifics of our place. The final Annual Plan budget had an average rates increase of just 0.7% (down from where it sat pre-consultation at 4.9%), but that still delivered a plan that kept Council work programmes moving forward.



## What you can expect from us – Governance and Corporate Services

Community outcome	Our objective level of service	How we measure Success	2019/20 Results	2018/19 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Satisfaction with the leadership, representation and decision-making by elected members	Satisfaction with the performance of elected members of local community boards	74%	68%	>85%	Target not achieved
A Sustainable Environment						
A Safe and Healthy Community		Satisfaction with the performance of elected members	76%	73%	>85%	Target not achieved
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Customer survey – overall effectiveness of communications	78%	80%	>80%	Target not achieved

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement For the year ended 30 June 2020 GOVERNANCE AND CORPORATE SERVICES	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of operating funding</b>				
282	320	General rates, uniform annual general charges and rates penalties	307	(3,735)
213	215	Targeted rates	197	144
-	-	Subsidies and grants for operating purposes	-	-
36	46	Fees and charges	36	41
7,563	(591)	Internal charges, and overheads recovered	8,622	3,974
74	112	Local authorities fuel tax, fines, infringement fees, and other receipts	74	125
<b>8,168</b>	<b>102</b>	<b>Total operating funding</b>	<b>9,236</b>	<b>549</b>
<b>Applications of operating funding</b>				
5,612	4,907	Payments to staff and suppliers	5,573	5,773
22	31	Finance costs	22	31
2,437	(4,557)	Internal charges, and overheads applied	2,924	(559)
20	104	Other operating funding applications	20	20
<b>8,091</b>	<b>485</b>	<b>Total applications of operating funding</b>	<b>8,539</b>	<b>5,265</b>
<b>77</b>	<b>(383)</b>	<b>Surplus (deficit) of operating funding</b>	<b>697</b>	<b>(4,716)</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
-	35	Subsidies and grants for capital expenditure	-	80
1	595	Development and financial contributions	1	248
(6,225)	-	Increase (decrease) in debt	(8,815)	-
25	4	Gross proceeds from sale of assets	100	45
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>(6,199)</b>	<b>634</b>	<b>Total sources of capital funding</b>	<b>(8,714)</b>	<b>373</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
-	-	- to meet additional demand	-	-
26	-	- to improve the level of service	-	-
333	496	- to replace existing assets	931	730
(6,481)	(756)	Increase (decrease) in reserves	(8,948)	(5,467)
-	511	Increase (decrease) in investments	-	394
<b>(6,122)</b>	<b>251</b>	<b>Total applications of capital funding</b>	<b>(8,017)</b>	<b>(4,343)</b>
<b>(77)</b>	<b>383</b>	<b>Surplus (deficit) of capital funding</b>	<b>(697)</b>	<b>4,716</b>
-	-	<b>Funding balance</b>	-	-

# FINANCIALS



2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement Whole of Council for the year ended 30 June 2020	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>Sources of capital funding</b>				
5,745	5,768	General rates, uniform annual general charges and rates penalties	6,234	6,263
23,689	23,741	Targeted rates	24,835	24,877
1,935	2,344	Subsidies and grants for operating purposes	2,270	2,090
4,926	5,043	Fees and charges	5,043	4,712
351	651	Interest and dividend from investments	328	613
2,118	2,270	Local authorities fuel tax, fines, infringement fees, and other receipts	2,084	2,468
<b>38,764</b>	<b>39,817</b>	<b>Total operating funding</b>	<b>40,794</b>	<b>41,023</b>
<b>Applications of operating funding</b>				
29,336	30,404	Payments to staff and suppliers	29,468	30,471
35	31	Finance costs	38	31
1,718	4,616	Other operating funding applications	1,278	1,276
31,088	35,051	<b>Total applications of operating funding</b>	<b>30,784</b>	<b>31,778</b>
<b>7,676</b>	<b>4,766</b>	<b>Surplus (deficit) of operating funding</b>	<b>10,010</b>	<b>9,245</b>
<b>CAPITAL</b>				
<b>Sources of capital funding</b>				
2,794	3,520	Subsidies and grants for capital expenditure	2,517	2,619
1,797	3,192	Development and financial contributions	2,167	1,355
-	-	Increase (decrease) in debt	-	-
13,947	7,795	Gross proceeds from sale of assets	8,554	(891)
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>18,538</b>	<b>14,507</b>	<b>Total sources of capital funding</b>	<b>13,238</b>	<b>3,083</b>
<b>Applications of capital funding</b>				
<b>Capital expenditure</b>				
3,264	4,059	- to meet additional demand	2,360	3,082
8,285	8,629	- to improve the level of service	9,919	8,355
10,436	16,457	- to replace existing assets	12,004	10,259
4,229	(10,431)	Increase (decrease) in reserves	(1,035)	(9,810)
-	559	Increase (decrease) in investments	-	442
<b>26,214</b>	<b>19,273</b>	<b>Total applications of capital funding</b>	<b>23,248</b>	<b>12,328</b>
<b>(7,676)</b>	<b>(4,766)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(10,010)</b>	<b>(9,245)</b>
-	-	<b>Funding balance</b>	<b>12,396</b>	-

2018/19 LTP Yr 1 \$000	2018/19 Actual \$000	Funding Impact Statement Reconciliation for the year ended 30 June 2020	2019/20 LTP Yr 2 \$000	2019/20 Actual \$000
<b>OPERATING</b>				
<b>7,676</b>	<b>4,766</b>	<b>Surplus (deficit) of operating funding from funding impact statement</b>	<b>10,010</b>	<b>9,245</b>
(11,748)	(11,567)	Depreciation	(12,396)	(9,041)
2,794	3,520	Subsidies and grants for capital purposes	2,517	2,619
1,797	3,192	Development and financial contributions	2,167	1,355
-	10,300	Vested and previously unrecognised assets	-	9,512
12,486	7,168	Gain (loss) on sales of assets	4,015	(1,648)
-	51	Valuation gains / (Losses)	-	26
<b>13,005</b>	<b>17,429</b>	<b>Net surplus (deficit) before tax in statement of financial performance</b>	<b>6,313</b>	<b>12,070</b>



2018/19 Actual \$000	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2020	Notes	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>REVENUE</b>				
<b>Revenue from non-exchange transactions</b>				
29,510	Rates	1	31,069	31,140
5,814	Subsidies and Grants	2	4,787	4,732
2,061	Regulatory fees	3	2,170	1,854
4,336	User fees and other income	3	4,083	4,455
3,192	Development and financial contributions	3	2,167	1,355
10,300	Vested assets	4	-	9,512
(199)	Gains (losses) on revaluation of forestry assets	5	-	(59)
<b>Revenue from exchange transactions</b>				
544	Direct charges revenue – full cost recovery	6	490	377
422	Rental revenue	6	384	472
651	Interest		328	537
-	Dividends		-	76
3,571	Profit on sale of assets		4,015	100
3,680	Land Sales		-	11,177
250	Gains (losses) on revaluation of investment properties	5	-	85
64,130	<b>TOTAL REVENUE</b>		<b>49,494</b>	<b>65,812</b>
<b>EXPENDITURE</b>				
9,697	Employee benefit expenses	7	10,575	10,218
11,567	Depreciation and amortisation	18, 19	12,396	9,041
31	Finance costs		38	31
83	Loss on disposal of assets	18, 19	-	5,530
-	Cost of Sales	8	-	7,394
25,323	Other expenses	8	20,172	21,528
46,702	<b>Total Expenditure</b>		<b>43,182</b>	<b>53,742</b>
17,429	<b>Surplus/(Deficit) before tax</b>		<b>6,313</b>	<b>12,070</b>
-	<b>Income tax expense</b>	9	-	-
17,429	<b>Surplus/(Deficit) after tax</b>		<b>6,313</b>	<b>12,070</b>
<b>Gain on asset revaluations</b>				
3,442	Gains (loss) on revaluation of wastewater assets		726	25
4,387	Gains (loss) on revaluation of water assets		545	734
866	Gains (loss) on revaluation of stormwater assets		132	-
52,041	Gains (loss) on revaluation of roading assets		5,975	-
-	Gains (loss) on revaluation of property and park assets		28	35,098
31,919	Gains (loss) on revaluations of land assets		1	-
7,331	Gains (loss) on revaluation of building assets		13	-
99,986	<b>Total gain on asset revaluations</b>		<b>7,419</b>	<b>35,856</b>
	Gain on available for sale financial assets		-	-
-	Gains (loss) on revaluation of investment bonds		-	-
7	Gains (loss) on revaluation of share equities		-	(61)
7	<b>Total gain on available for sale financial assets</b>		<b>-</b>	<b>(61)</b>
99,993	<b>Total other comprehensive income</b>		<b>7,419</b>	<b>35,796</b>
117,422	<b>Total comprehensive income</b>		<b>13,732</b>	<b>47,866</b>

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

2018/19 Actual \$000	CHANGES IN EQUITY for the year ended 30 June 2020	Notes	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>PUBLIC EQUITY</b>				
<b>715,632</b>	Public equity balance at 1 July		755,978	833,043
<b>Accumulated funds</b>				
<b>367,866</b>	Balance at 1 July		372,580	385,285
<b>17,429</b>	Surplus/(Deficit)		6,313	12,070
<b>(10)</b>	Transfer from property revaluation reserve on disposal		-	(12)
385,285	<b>BALANCE AT 30 JUNE</b>	<b>10</b>	<b>378,893</b>	<b>397,343</b>
<b>OTHER RESERVES</b>				
<b>Property revaluation reserve</b>				
<b>347,652</b>	Balance 1 July		383,320	447,638
<b>99,976</b>	Revaluation gains/(loss)		15,698	35,845
<b>10</b>	Transfer to accumulated funds on disposal on property		-	12
<b>447,638</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>399,018</b>	<b>483,495</b>
<b>Fair value through other comprehensive revenue reserve</b>				
<b>34</b>	Balance at 1 July		-	41
<b>7</b>	Revaluation gains/(loss)		-	(61)
<b>41</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>-</b>	<b>(20)</b>
<b>Restricted Reserves (trust and bequest funds)</b>				
<b>80</b>	Balance at 1 July		78	80
<b>-</b>	Transfer from accumulated funds		-	-
<b>80</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>78</b>	<b>80</b>
<b>447,759</b>	<b>Total other reserves</b>		<b>399,096</b>	<b>483,555</b>
<b>833,044</b>	<b>Public Equity 30 June</b>		<b>777,989</b>	<b>880,898</b>

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

2018/19 Actual \$000	STATEMENT OF FINANCIAL POSITION As at 30 June 2020	Notes	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>EQUITY</b>				
385,285	Accumulated funds	10	378,893	397,343
447,638	Property revaluation reserve	10	399,018	483,495
41	Fair value through other comprehensive income revenue reserve	10	-	(20)
80	Restricted reserves	10	78	80
<b>833,044</b>	<b>Total equity</b>		<b>777,989</b>	<b>880,898</b>
<b>REPRESENTED BY:</b>				
<b>Current assets</b>				
11,506	Cash and cash equivalents	11	8,295	6,713
11,000	Other financial assets	12	6,702	10,000
3,986	Receivables	13	2,919	3,171
1,541	Inventories	14	532	1,509
<b>28,033</b>	<b>Total current assets</b>		<b>18,448</b>	<b>21,393</b>
<b>Less current liabilities</b>				
329	Agency and deposits	15	309	273
6,804	Payables and deferred revenue	15	5,528	4,706
934	Employee entitlements	16	1,008	1,010
<b>8,067</b>	<b>Total current liabilities</b>		<b>6,845</b>	<b>5,989</b>
<b>19,966</b>	<b>Working capital</b>		<b>11,603</b>	<b>15,404</b>
<b>Non-current assets</b>				
169	Available for sale financial assets	12	156	109
390	Loans and receivables	17	845	333
809,682	Property, plant and equipment	18	762,809	862,183
844	Intangible assets	19	616	845
414	Forestry assets	21	723	355
1,590	Investment property	22	1,265	1,675
<b>813,089</b>	<b>Total non-current assets</b>		<b>766,414</b>	<b>865,499</b>
<b>Less non-current liabilities</b>				
11	Provisions	23	28	5
<b>11</b>	<b>Total non-current liabilities</b>		<b>28</b>	<b>5</b>
<b>833,044</b>	<b>Net assets (assets minus liabilities)</b>		<b>777,989</b>	<b>880,898</b>

The accompanying notes form an integrated part of these financial statements

2018/19 Actual \$000	STATEMENT OF CASH FLOW For the year ended 30 June 2020	Notes	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>53,084</b>	Receipts from rates, fees and other revenue		45,151	45,079
<b>809</b>	Interest received		328	537
-	Dividends received		-	76
<b>(73)</b>	Net GST		-	325
<b>(34,392)</b>	Payments to suppliers and employees		(30,619)	(33,993)
<b>19,428</b>	<b>Net cash flow from operating activities</b>	<b>33</b>	<b>14,859</b>	<b>12,024</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>1,124</b>	Receipt from sale of property, plant and equipment		8,554	11,275
<b>18,142</b>	Receipt from sale of investments		-	24,000
<b>58</b>	Receipts from the repayment of loans and receivables		-	-
<b>(17,962)</b>	Purchase of property, plant and equipment		(24,283)	(29,092)
<b>(165)</b>	Purchase of intangibles		-	-
<b>(11,000)</b>	Purchase of investments		-	(23,000)
<b>(9,803)</b>	<b>Net cash inflow (outflow) from investing activities</b>		<b>(15,729)</b>	<b>(16,817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
-	Proceeds from borrowings		-	-
-	Repayment of borrowings		-	-
-	<b>Net cash inflow (outflow) from financing activities</b>		-	-
<b>9,625</b>	<b>Net cash increase (decrease) in cash held</b>		<b>(870)</b>	<b>(4,793)</b>
	Cash at the beginning of the year			
<b>1,881</b>	Opening cash held 1 July		9,165	11,506
<b>11,506</b>	<b>Closing cash held 30 June</b>	<b>11</b>	<b>8,294</b>	<b>6,713</b>

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

## Reserve Funds

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. Restricted reserves are reserves that have rules that can be set by legal obligation that restrict the use that Council may put the funds to. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates. These reserves are included in note 10.

RESERVE FUNDS	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
<b>SPECIFIC RESERVES</b>				
Other Infrastructure	1,038	95	(34)	1,099
Parks, Reserves and Cemeteries	23	1	0	24
Libraries, Swimming Pools, and Community Facilities	27	1	0	28
Self-Insurance fund	2,343	190	0	2,533
Planning and Environment	2,013	59	(184)	1,888
District Development	0	0	0	0
Governance and Corporate Services	1,888	113	(108)	1,893
<b>Total Specific Reserves</b>	<b>7,332</b>	<b>459</b>	<b>(326)</b>	<b>7,465</b>
<b>Development Contributions</b>				
Governance and Corporate Services	(2,951)	5,289	(7)	2,331
<b>Total Development Contributions</b>	<b>(2,951)</b>	<b>5,289</b>	<b>(7)</b>	<b>2,331</b>
<b>General Reserves</b>				
Governance and Corporate Services	16,946	935	(5,083)	12,798
<b>Total General Reserves</b>	<b>16,946</b>	<b>935</b>	<b>(5,083)</b>	<b>12,798</b>
<b>Property</b>				
Other Infrastructure	12,158	4,220	(182)	16,196
Libraries, Swimming Pools, and Community Facilities	(59)	100	(29)	12
Governance and Corporate Services	(88)	34	(122)	(176)
<b>Total Property</b>	<b>12,011</b>	<b>4,354</b>	<b>(333)</b>	<b>16,032</b>
<b>Loss of Service Potential and Development</b>				
Water	(5,162)	853	(6,322)	(10,631)
Wastewater	(6,493)	1,137	(5,759)	(11,115)
Stormwater	2,515	857	(334)	3,038
Transportation	(4,352)	1,549	(573)	(3,376)
Other Infrastructure	33	38	0	71
<b>Total Loss of Service Potential and Development</b>	<b>(13,459)</b>	<b>4,434</b>	<b>(12,988)</b>	<b>(22,013)</b>
<b>Amenities</b>				
Waste Minimisation	(757)	52	(843)	(1,548)
Other Infrastructure	(1,161)	0	(149)	(1,310)
Parks, Reserves and Cemeteries	745	190	(134)	801
Libraries, Swimming Pools, and Community Facilities	(1,758)	286	(162)	(1,634)
Planning and Environment	494	135	(313)	316
<b>Total Amenities</b>	<b>(2,437)</b>	<b>663</b>	<b>(1,601)</b>	<b>(3,375)</b>
<b>Governance</b>				
Governance and Corporate Services	103	3	1	107
<b>Total Governance Reserves</b>	<b>103</b>	<b>3</b>	<b>1</b>	<b>107</b>
District Development	290	135	(28)	397
<b>Total District Development Reserves</b>	<b>290</b>	<b>135</b>	<b>(28)</b>	<b>397</b>
<b>Total Reserves</b>	<b>17,836</b>	<b>16,272</b>	<b>(20,365)</b>	<b>13,742</b>

<b>VARIANCE REPORT</b> for the year ended 30 June 2020	<b>2019/20</b> <b>Actual</b> <b>\$000</b>	<b>2019/20</b> <b>Annual Plan</b> <b>\$000</b>	<b>2019/20</b> <b>Variance</b> <b>Favourable /</b> <b>(Unfavourable)</b> <b>\$000</b>
<b>Revenue from non-exchange transactions</b>			
Rates	31,140	31,069	71
Subsidies and Grants	4,732	4,787	(55)
Regulatory fees	1,854	2,170	(316)
User fees and other income	4,456	4,083	373
Previously unrecognised assets	5,572	-	5,572
Vested assets	3,940	-	3,940
Valuation gains / (losses)	(59)	-	(59)
Development and financial contributions	1,355	2,167	(812)
Revenue from exchange transactions			
Direct charges revenue – full cost recovery	377	490	(113)
Rental revenue	472	384	88
Interest	537	328	209
Dividends	76	-	76
Profit on sale of assets	100	4,015	(3,915)
Land Sales	11,176	-	11,176
Gains on revaluation of investment properties	85	-	85
<b>TOTAL REVENUE</b>	<b>65,812</b>	<b>49,493</b>	<b>16,319</b>
<b>EXPENDITURE</b>			
Water	4,028	4,081	53
Wastewater	3,424	3,573	149
Stormwater	721	708	(13)
Roading	8,051	10,783	2,732
Environmental Services	4,864	4,038	(826)
Planning, Regulatory and Community Development	4,840	3,681	(1,159)
Pools Parks and Cemeteries	5,869	6,050	181
Property and Community Halls	10,413	4,076	(6,337)
Service Centres and Libraries	1,097	1,270	173
Regional Identity, Tourism and Economic Development	2,913	3,105	192
Governance & Corporate Services	1,992	1,817	(175)
Loss on disposal of assets	5,330	-	(5,330)
<b>TOTAL EXPENDITURE</b>	<b>53,742</b>	<b>43,182</b>	<b>(10,562)</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>12,070</b>	<b>6,313</b>	<b>5,757</b>

# Explanation of Variances

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As with all other Councils within New Zealand, Central Otago has also experienced the effects of COVID-19. While the Council has been able to largely function as per usual, it is also not possible to find a part of the Council that was not affected by the lockdown. Due to these unusual circumstances, there have been some expected decreases due to our closures of pools and libraries, and a reprioritisation of our priorities away from tourism and towards community development.

## Revenue

### Rates

Rates income is on par with the annual plan, with the small increase of \$71k due to an increase in the 2019/2020 ratepayer base plus increased penalty income.

### Subsidies and grants

Subsidies and Grants income was unfavourable against budget due to Council receiving less NZTA subsidies than anticipated. This was owing to reduced roading and footpath maintenance performed, specifically an underspend of minor improvements, pavement reconstruction, sealed road renewals and network maintenance.

### User fees and other income

User Fees revenue of \$4.456M is favourable variance of \$373k compared to the 2019/2020 Annual Plan. This variance includes \$245k of professional fee recoveries in excess of what was budgeted in the Annual Plan, for which there will be a corresponding legal fees expense. In addition, the Planning Department have been more efficient in on-charging recovery costs.

### Previously unrecognised assets

Central Stories represents \$4.96 million of this total variance. This building was not included in the QV building valuation list when the building was first transferred to Council in 2018. The remaining balance is Three Waters infrastructure network which has been added to the Fixed Asset Register.

### Vested assets

Additional revenue of \$3.940 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.



## Development contributions

Growth within the Cromwell township has been higher than anticipated. However, outside of Cromwell, this development has been predominantly in rural areas (in comparison to urban areas). Rural growth requires less water connectivity, which is reflected in the decrease in Alexandra Water and Alexandra Wastewater (compared to the budgeted growth in the 2019/2020 Annual Plan).

## Profit on sale of assets

The 2019/2020 Annual Plan included the net profit on the sale of land of \$4.02 million.

On advice from Audit New Zealand, we have itemised revenue and cost of sales separately in our 2019/2020 actuals and included land sales of \$11.176 million as a separate revenue line item. After cost of sales, a profit of \$4.14 million, a difference of \$120k which is in line with the 2019/2020 Annual Plan budget.

## Land sales

As detailed above – we have itemised land sales separately in our 2019/2020 Annual Report.

## Expenditure

### Three Waters

Water, Wastewater and Stormwater expenditure is in line with the 2019/2020 Annual Plan, with an overall difference of only 1.0%.

### Roading

Roading has decreased by \$2.732 million from the annual plan budget.

It has been identified the depreciation rate has been overstated on our roading assets, resulting in roads being fully depreciated on the asset register earlier than necessary. Extending the useful life on the asset register has decreased the annual roading depreciation from \$3.629 to \$1.451 million per annum. This explains \$2.179 million of the movement. The useful life is still within the specified range set in the 2018-2028 Long-term Plan.

Programmes to upgrade the roading and footpath network have been unable to proceed due to the COVID-19 lockdown, specifically an underspend of minor improvements, pavement reconstruction, sealed road renewals and network maintenance. This work has been rescheduled for the 2020-21 year.

### Environmental Services

The increase in Environmental Services costs is largely due to the increased waste management costs, specifically transfer station operating costs and kerbside collection.

## **Planning, Regulatory and Community Development**

Professional fees relating to the housing stocktake and affordability that were not included in the Annual Plan 2020-21 budget have since been included in this activity. There are higher legal costs due to Plan Change 13, judicial review and other matters. Much of the overspend in budget has been offset by higher fee recoveries.

There was also increased Civil Defence work against budget, due to the Civil Defence response to the Alexandra / Roxburgh boiling water notice, as well as the current COVID-19 pandemic.

## **Property and Community Halls**

An unfavourable variance of \$6.337 million includes the cost of sales on land sold which was not budgeted separately in the 2019/2020 Annual Report. Refer the 'Profit on Sale of Assets' on the previous page.

## **Loss on sales of assets**

The unfavourable loss is due to infrastructure assets which have been replaced or upgraded with a remaining book value on the fixed asset register.

# Accounting Policies

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## **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 new 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 2020. The financial statements were authorised for issue by the Council on 18 November 2020. 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 the 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 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

There is a presumption of going concern in the preparation of financial statements.

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

### **Standards issued and not yet effective, and not early adopted**

There has been no early adoption of any new accounting standards and amendments issued but not yet effective in the financial year.

#### *Financial instruments*

Currently reporting under PBE IPSAS 29 until PBE IFRS 9 becomes compulsory on periods beginning on or after 1 January 2021.

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 does not currently have any Joint Ventures.

### **4. Revenue Recognition**

Revenue is measured at a fair value of consideration received or receivable. Revenue has been classified as prescribed in PBE IPSAS 1 which requires revenue to be categorised as arising from either non-exchange transactions or exchange transactions.

#### **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. User fees**

The Council charges users for the use of some Council services, such as libraries, swimming pools and visitor services. The Council also sets reasonable charges for regulatory services, such as waste collection and disposal, parks and reserves, property and land usage. All user fees are invoiced in the accounting period when the service was provided.

##### **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. 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.

vi. Development Contributions

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

**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.

vii. Direct Charges at Fair Value – full cost recovery

Revenue from direct charges sold at a fair value are recognised when the significant risk and rewards of ownership have been transferred to the buyer. Direct charges include revenue from dog registration, dog control and recreational reserves.

viii. 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.

ix. Interest Revenue

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

x. Dividend Revenue

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

**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 due to no substantive conditions attached.

## **7. Income Tax**

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

## **8. Equity**

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

Public equity is disaggregated and classified into the following components:

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

## **9. Cash and Cash Equivalents**

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

## **10. Debtors and Other Receivables**

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

## **11. Inventories**

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.

## **12. Financial Assets**

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

### **Available-For-Sale Financial Assets**

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

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

## **13. Property, Plant and Equipment**

The following infrastructural assets are shown at fair value, based on 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 assets 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 life.

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	Roads – sealed	8-17 yrs
- internal fit out	5-80	Roads – unsealed	10-25 yrs
Equipment, furniture and	3-10	Roads – land and formation	not depreciated
Motor vehicles and plant	4-12	Sewerage plant and	15-35 yrs
Library books	10 yrs	Sewerage reticulation	60-80 yrs
Parks and reserves	2-50	Stormwater networks	70 yrs
Other assets	5-100 yrs	Water plant and equipment	10-35 yrs
		Water reticulation networks	60-100 yrs

Assets to be depreciated include:

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

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

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

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

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

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

## **15. Intangible Assets**

### **i. Computer Software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3-10 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 19).

Easements are not amortised.

Branding assets are amortised over their estimated useful lives of 10 years using the straight-line method.

### **iii. Subsequent Expenditure**

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

### **iv. Amortisation**

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

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

## **16. Forestry Assets**

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

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

The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental,

operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

The forestry assets are revalued annually as at 30 June.

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

#### **17. Emissions Trading Scheme**

New Zealand Units (NZUs) allocated as a result of Council'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.

#### **18. Investment Property**

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Investment properties are stated at fair value. 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.

#### **19. 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.

## **20. Impairment of Non-Financial Assets**

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets 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.

## **21. 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.

## **22. 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.

## **23. Employee Entitlements**

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

### **i. Short-Term Entitlements**

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to date, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

### **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.

## **24. Borrowings**

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

Council has not capitalised borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, in line with PBE IPSAS 5.

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

## **25. 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.

## **26. 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.

## **27. 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.



## **28. 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.

## **29. Critical Judgements**

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 2020.

## 1. Rates

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

	2019/20 \$000	2018/19 \$000
General Rates	3,861	4,003
Uniform Annual General Charge	2,326	1,657
	<b>6,187</b>	<b>5,660</b>
Targeted Rates attributable to activities per Funding Impact Statement:		
– Water	4,559	4,366
– Wastewater	4,084	4,202
– Stormwater	719	632
– Roading	835	779
– Environment Services	3,056	2,983
– Planning, Regulatory and Community Development	1,045	853
– Pools, Parks and Cemeteries	4,758	4,430
– Property and Community Facilities	2,217	1,891
– Service Centres and Libraries	1,266	1,237
– Regional Identity, Tourism and Economic Development	2,194	2,153
– Governance and Corporate Services	144	215
<b>Total Targeted Rates</b>	<b>24,877</b>	<b>23,741</b>
Rates Penalties	177	201
Rates Remissions	(40)	(21)
Rates Discount	(61)	(72)
	<b>76</b>	<b>109</b>
<b>Total Rates Revenue</b>	<b>31,140</b>	<b>29,510</b>

Total rates revenue of \$31.140 million includes revenue of \$1.415 million from targeted water meter supply rates (2019 \$1.589 million).

## 2. Subsidies and Grants

	2019/20 \$000	2018/19 \$000
New Zealand Transport Agency roading subsidies	4,239	5,197
Creative NZ and SPARC	38	23
Central Lakes Trust	-	109
Department of Internal Affairs	61	51
Ministry of Business Innovation & Employment	255	297
Ministry of Civil Defence and Emergency Management	-	35
Other grants	139	102
<b>Total Subsidies and Grants</b>	<b>4,732</b>	<b>5,814</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2019 nil).

## 3. Regulatory Fees, User Fees and Other Income

	2019/20 \$000	2018/19 \$000
Regulatory fees – building consent and health charges	1,472	1,577
Regulatory fees – resource management fees	163	287
Regulatory fees – liquor licensing	219	197
User fees – libraries, swimming pools & visitor centres	766	847
User fees – parks, recreation reserves and cemeteries	177	236
User fees – waste collection, minimisation and disposal	982	1,073
User fees – water	1	-
User fees – wastewater	45	1
User fees – property and land usage	1,096	1,067
User fees – roading and fuel taxes	268	266
User fees – planning	863	654
User fees – district development & corporate services	12	10
User fees – District Development	245	179
Development contributions	1,355	3,194
<b>Total Regulatory Fees, User Fees and Other Income</b>	<b>7,664</b>	<b>9,589</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2019 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 vested 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.

	2019/20 \$000	2018/19 \$000
Parks & Reserves	-	835
Property and Community Facilities	4,960	1,018
Roading (including footpaths)	2,593	4,303
Stormwater	43	899
Wastewater	392	2,051
Water	1,524	1,194
<b>Total vested and previously unrecognised assets</b>	<b>9,512</b>	<b>10,300</b>

#### 5. Valuation Gains and Losses

	2019/20 \$000	2018/19 \$000
<b>Non-financial Instruments</b>		
Gain (loss) in fair value of forestry assets (Note 21)	(59)	(199)
Gain (loss) in fair value of investment property	85	250
	<b>26</b>	<b>51</b>
<b>Financial Instruments</b>		
Gain (loss) in fair value of community loans	-	-
Gain (loss) on disposal of available for sale financial assets	-	-
<b>Total Gains (Losses)</b>	<b>26</b>	<b>51</b>

#### 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.

	2019/20 \$000	2018/19 \$000
Full cost recovery – dog registration and dog control	204	186
Full cost recovery – camping ground revenue	172	358
Rental Revenue – leased premises	472	422
<b>Total revenue from exchange transactions</b>	<b>848</b>	<b>966</b>

## 7. Employee Benefit Expenses

	2019/20 \$000	2018/19 \$000
Salaries and wages	9,898	9,524
Defined contribution plan employer contributions*	243	163
Increase (decrease) in employee benefit liabilities	77	10
<b>Total employee benefit expenses</b>	<b>10,218</b>	<b>9,697</b>

\*includes employer contributions to Kiwisaver.

## 8. Cost of Sales and Other Expenses

	2019/20 \$000	2018/19 \$000
<b>Audit fees:</b>		
Audit fee financial statement	98	97
Fees to Audit New Zealand for other services	-	-
Disbursements	9	
Maintenance contractors	7,237	7,228
Professional fees	2,330	1,991
Fuel and energy	1,249	1,209
Grants	584	2,751
Insurance premiums	451	383
Increase (decrease) in provision for bad debts	51	35
Payments under operating lease agreements	338	289
Cost of land sold	7,394	-
Other operating expenses	9,181	11,340
<b>Total Cost of Sales and Other Expenses</b>	<b>28,922</b>	<b>25,323</b>

## 9. Tax

Central Otago District Council has unused tax losses of \$97,658 with a tax effect of \$27,344 that have not been recognised (2018/19: tax losses \$94,556; tax effect \$26,476).

	2019/20 \$000	2018/19 \$000
<b>Net surplus (deficit)</b>	<b>12,829</b>	<b>17,429</b>
- Tax at 28%	3,592	4,880
Plus (less) tax effect of:		
- Non-taxable income	3,592	4,880
- Tax loss not recognised	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>
Current tax	-	-
Deferred tax	-	-
<b>Balance at Year End</b>	<b>-</b>	<b>-</b>

## 10. Public Equity

	2019/20	2018/19
	\$000	\$000
<b>Accumulated funds</b>		
Opening balance 1 July	385,285	367,867
Surplus (deficit) for the year	12,070	17,429
Transfers from property revaluation reserve	(12)	(10)
<b>Closing balance 30 June</b>	<b>397,343</b>	<b>385,285</b>

## Property, Plants and Equipment Revaluation Reserves

Property revaluation reserves for each asset class consist of:

	Opening Balance	2019/20 Net Movement	Adjustment for Assets Owned by Council	Closing Balance
	\$000	\$000	\$000	\$000
Roading	231,150	-	-	231,150
Bridges	31,736	-	-	31,736
Water	45,326	759	-	46,085
Wastewater	32,365	-	-	32,365
Stormwater	14,479	-	-	14,479
Land	63,592	(428)	-	63,164
Buildings	27,050	17,146	-	44,196
Parks and Reserves	1,941	18,379	-	20,319
<b>Total</b>	<b>447,638</b>	<b>35,856</b>	<b>-</b>	<b>483,495</b>
Transfer to accumulated funds on realisation		-	-	-
Transfer to accumulated funds as property		-	-	-
<b>Total gain on asset revaluation</b>		<b>35,856</b>	<b>-</b>	<b>-</b>

Parks and reserves were revalued as at 30 June 2020; these are revalued every 5 years.

	2018/19			
	Opening Balance	Net Movement	Adjustment for Assets Owned by Council	Closing Balance
	\$000	\$000	\$000	\$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
<b>Total</b>	<b>347,651</b>	<b>99,986</b>	<b>-</b>	<b>447,638</b>
Transfer to accumulated funds on realisation		-	-	-
Transfer to accumulated funds as property		-	-	-
<b>Total gain on asset revaluation</b>		<b>99,986</b>	<b>-</b>	<b>-</b>

## Available for sale revaluation reserve

Available for sale revaluation reserves consist of:

2019/20			
	Opening Balance	Net Movement	Closing Balance
	\$000	\$000	\$000
Shares in unlisted companies	41	(61)	(20)
<b>Total</b>	<b>41</b>	<b>(61)</b>	<b>(20)</b>

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



## Restricted reserves

	2019/20 \$000	2018/19 \$000
<b>Trust and bequest funds</b>		
Opening balance 1 July	80	80
Transfers to accumulated funds	-	-
<b>Closing balance 30 June</b>	<b>80</b>	<b>80</b>

### 11. Cash and cash equivalents

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

	2019/20 \$000	2018/19 \$000
Cash at bank and on-hand	4,713	2,006
Term deposits with maturities of less than 3 months at acquisition	2,000	9,500
<b>Total cash and equivalents</b>	<b>6,713</b>	<b>11,506</b>

The carrying value of cash and cash equivalents approximates their fair value. The cash balance includes an amount of \$23,308 (2018/19: \$77,216) which is restricted in its use.

### 12. Other Financial Assets

The fair value of the unlisted shares in New Zealand 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 2019. 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 costs.

	2019/20 \$000	2018/19 \$000
<b>Current portion</b>		
Deposits maturing 3-12 months	10,000	11,000
<b>Non-current portion</b>		
Share investments in unlisted companies	109	169
<b>Total other financial assets</b>	<b>10,109</b>	<b>11,169</b>

## Interest rates

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

	2019/20 \$000	2018/19 \$000
Short-term deposits	2.81%	3.28%

## Investment maturities

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

2019/20		
	Short-term Deposits \$000	Total \$000
Less than 3 months	2,000	2,000
3 to 12 months	10,000	10,000
1 to 2 years	-	-
2 to 5 years	-	-
<b>Total investments</b>	<b>12,000</b>	<b>12,000</b>

2018/19		
	Short-term Deposits \$000	Total \$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	-	-
<b>Total investments</b>	<b>20,500</b>	<b>20,500</b>

## 13. Receivables

	2019/20 \$000	2018/19 \$000
Sundry accounts receivable	1,326	1,287
Goods and Services Tax	499	824
Rates receivable	766	681
NZ Transport Agency subsidy	415	1,111
Prepaid expenses	378	245
Receivables prior to impairment	3,384	4,148
Less provision for impairment receivables	(213)	(162)
<b>Total receivables</b>	<b>3,171</b>	<b>3,986</b>

In a non-exchange transaction, an entity receives value from another entity without directly giving approximately equal value in exchange. Non exchange receivables for the Council includes outstanding amounts for rates, grants, local authority petrol taxes, infringements and fees and charges that are partly subsidised by rates. Non-exchange receivables as at 30 June 2020 is \$815,862 (2019: \$709,822).

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 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 outstanding sundry accounts receivable is detailed below:

Rates receivable	2019/20			2018/19		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Reporting year ended 30 June	431	(39)	392	319	(33)	286
Unpaid 1 year	102	(31)	71	115	(28)	87
Unpaid 2 years	63	(26)	38	58	(23)	35
Unpaid older	170	(92)	77	159	(75)	84
<b>Total</b>	<b>766</b>	<b>(187)</b>	<b>578</b>	<b>651</b>	<b>(159)</b>	<b>492</b>

All overdue receivables have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The impairment provision for non-rates receivables has been calculated by a review of specific debtors.

There is no concentration of credit risk with respect to receivables due to the dispersed customer base.

The age of outstanding sundry accounts receivable is detailed below:

	2019/20			2018/19		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Sundry Accounts receivable</b>						
Current	1,085	-	1,085	954	-	954
Unpaid 1 months	74	-	74	172	-	172
Unpaid 2 months	16	-	16	79	-	79
Unpaid 3 months and older	151	(26)	129	82	(3)	79
<b>Total</b>	<b>1,326</b>	<b>(22)</b>	<b>1,300</b>	<b>1,287</b>	<b>(3)</b>	<b>1,284</b>

#### 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.

	2019/20 \$000	2018/19 \$000
Land held for resale:	1,459	1,541
Merchandise at cost	50	-
<b>Total inventory</b>	<b>1,509</b>	<b>1,541</b>

## 15. Trade and Other Payables

	2019/20 \$000	2018/19 \$000
Payables and deferred income	4,503	6,644
Audit fee accruals	79	49
Agency and deposits	273	329
PAYE / Kiwisaver owed to IRD	124	112
<b>Total payables</b>	<b>4,979</b>	<b>7,134</b>

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.

Non-exchange payables include grants received in advance, rates received in advance, and levies collected on behalf of third parties. Non-exchange payables total \$1,068k in the 2020 financial year (2019: \$614k).

## 16. Employee Entitlements

	2019/20 \$000	2018/19 \$000
Accrued Pay	410	412
Annual and Statutory Leave entitlements	600	522
	<b>1,010</b>	<b>934</b>

## 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 2019/2020 5.63%; 2018/19 5.60%) or interest free loans.

	2019/20 \$000	2018/19 \$000
<b>Mortgages and other investments</b>		
Interest bearing	241	298
Non-interest bearing	92	519
<b>Total</b>	<b>333</b>	<b>817</b>
Less provision for impairment	-	(427)
<b>Total</b>	<b>333</b>	<b>390</b>

## Interest rates

Interest Rates		
Mortgages and other investments (interest bearing)	5.63%	5.60%

## 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:

	2019/20	2018/19
	\$000	\$000
Buildings	243	105
Bridges	269	272
	<b>512</b>	<b>377</b>

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.

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 were revalued with an effective date of 30 June 2019.

Parks and reserves valuations are completed every 5 years by external independent valuers. Parks and reserves were valued with an effective date 30 June 2020 and were carried out by Rationale Ltd. Edward Guy, managing director of Rationale.

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

## Property, Plant and Equipment – as at 30 June 2020

Infrastructural Assets	Cost / Revaluation 30-Jun-19 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-19 \$000's	Carrying Amount 30-Jun-19 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Assets Previously Not Recognised \$000's	Current Year Additions Transferred To Council \$000's	Current Year Disposals at Cost \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Revaluation Depreciation Recovered \$000's	Cost/ Revaluation 30-Jun-20 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-20 \$000's	Carrying Amount 30-Jun-20 \$000's
Bridges	36,645	-	36,645	-	90	-	-	-	-	(337)	-	-	36,735	(337)	36,398
Roading	465,075	1	456,076	696	3,896	-	2,593	-	-	(2,605)	-	-	463,261	(2,604)	460,657
Under construction	696	-	696	(696)	467	-	-	-	-	-	-	-	467	-	467
Land Under Roads	11,024	-	11,024	-	-	-	-	-	-	-	-	-	11,024	-	11,024
Stormwater	25,602	(1)	25,601	94	314	120	(77)	(120)	-	(520)	-	-	25,932	(521)	25,411
Under construction	103	-	103	(94)	-	-	-	-	-	-	-	-	9	-	9
<b>Water Supply</b>															
Treatment plant & facilities	17,353	34	17,387	-	-	-	-	-	-	(1,477)	-	-	17,387	(1,443)	15,944
Other assets	62,189	(33)	62,155	1,277	1,442	142	1,382	(3,796)	-	-	-	-	62,602	(33)	63,432
Under construction	3,115	-	3,115	(1,277)	5,932	-	-	-	-	-	-	-	7,770	-	7,770
<b>WasteWater</b>															
Treatment plant & facilities	16,349	85	16,435	-	23	-	-	(23)	-	(1,576)	-	-	16,435	(1,490)	14,840
Other assets	42,193	(84)	42,108	1,479	41	350	42	(452)	-	-	-	-	43,568	(84)	43,587
Under construction	5,589	-	5,589	(1,479)	6,775	-	-	-	-	-	-	-	10,885	-	10,885
<b>Total infrastructure assets</b>	<b>676,933</b>	<b>2</b>	<b>676,935</b>	<b>-</b>	<b>18,980</b>	<b>612</b>	<b>3,940</b>	<b>(4,392)</b>	<b>-</b>	<b>(6,514)</b>	<b>-</b>	<b>-</b>	<b>696,075</b>	<b>(6,512)</b>	<b>689,563</b>
<b>Operational Assets</b>															
Equipment	2,157	(1,801)	356	-	45	-	-	(1)	-	(160)	-	-	2,201	(1,961)	240
Furniture and Fittings	2,263	(1,328)	935	-	151	-	-	-	(97)	(159)	-	-	2,316	(1,487)	829
Parks and Reserves	13,696	(2,220)	11,476	-	268	-	-	-	420	(655)	15,908	2,401	30,291	(474)	29,817
Under construction	78	-	78	-	360	-	-	-	(73)	-	-	-	365	-	365
Other	6,597	(2,311)	4,287	-	4	-	-	-	(214)	(248)	(36)	36	6,351	(2,523)	3,828
Under construction	-	-	-	-	152	-	-	-	-	-	-	-	152	-	152
<b>Plant and Machinery</b>	<b>2,749</b>	<b>(1,541)</b>	<b>1,208</b>	<b>-</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(121)</b>	<b>(213)</b>	<b>12,637</b>	<b>136</b>	<b>15,614</b>	<b>(1,618)</b>	<b>13,996</b>
Under construction	-	-	-	-	102	-	-	-	-	-	-	-	102	-	102
<b>Motor Vehicles</b>	<b>901</b>	<b>(625)</b>	<b>275</b>	<b>-</b>	<b>483</b>	<b>-</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>(189)</b>	<b>-</b>	<b>-</b>	<b>1,352</b>	<b>(815)</b>	<b>537</b>
<b>Land</b>	<b>70,571</b>	<b>-</b>	<b>70,571</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>(449)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,192</b>	<b>-</b>	<b>70,192</b>
<b>Buildings</b>	<b>43,006</b>	<b>(42)</b>	<b>42,964</b>	<b>-</b>	<b>538</b>	<b>4,960</b>	<b>-</b>	<b>(656)</b>	<b>92</b>	<b>(704)</b>	<b>4,732</b>	<b>42</b>	<b>52,672</b>	<b>(703)</b>	<b>51,969</b>
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Library Books</b>	<b>1,892</b>	<b>(1,300)</b>	<b>593</b>	<b>-</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>2,021</b>	<b>(1,428)</b>	<b>593</b>
<b>Total Operational Assets</b>	<b>143,910</b>	<b>(11,167)</b>	<b>132,743</b>	<b>-</b>	<b>2,653</b>	<b>4,960</b>	<b>-</b>	<b>(1,137)</b>	<b>7</b>	<b>(2,456)</b>	<b>33,242</b>	<b>2,615</b>	<b>183,629</b>	<b>(11,008)</b>	<b>172,620</b>
<b>TOTAL FIXED ASSETS</b>	<b>820,842</b>	<b>(11,165)</b>	<b>809,677</b>	<b>-</b>	<b>21,633</b>	<b>5,572</b>	<b>3,940</b>	<b>(5,529)</b>	<b>7</b>	<b>(8,970)</b>	<b>33,242</b>	<b>2,615</b>	<b>879,704</b>	<b>(17,520)</b>	<b>862,183</b>

## 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
<b>Bridges</b>	34,384	(1,853)	32,531	-	-	-	-	(619)	2,261	2,472	36,645	-	36,645
<b>Roading</b>	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
<b>Land Under Roads</b>	11,255	-	11,255	-	-	-	-	-	(231)	-	11,024	-	11,024
<b>Stormwater</b>	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
<b>Water Supply</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Treatment plant &amp; facilities</b>	16,408	(1,232)	15,176	861	-	-	849	(466)	(765)	1,732	17,353	-	17,387
<b>Other assets</b>	61,479	(2,804)	58,675	70	979	-	-	(989)	(339)	3,759	62,189	-	62,155
<i>Under construction</i>	849	-	849	2,900	215	-	(849)	-	-	-	3,115	-	3,115
<b>Wastewater</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Treatment plant &amp; facilities</b>	11,582	(1,292)	10,290	591	-	-	5,590	(509)	(1,414)	1,886	16,349	-	16,435
<b>Other assets</b>	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
	<b>625,723</b>	<b>(25,109)</b>	<b>600,614</b>	<b>15,216</b>	<b>8,446</b>	<b>-</b>	<b>-</b>	<b>(8,496)</b>	<b>27,547</b>	<b>33,607</b>	<b>676,932</b>	<b>2</b>	<b>676,934</b>
<i>Operational Assets</i>													
<b>Equipment</b>	1,989	(1,646)	342	169	-	-	-	(155)	-	-	2,157	(1,801)	356
<b>Furniture and Fittings</b>	2,015	(1,210)	805	248	-	-	-	(118)	-	-	2,263	(1,328)	935
<b>Parks and Reserves</b>	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
<b>Other</b>	6,503	(2,049)	4,455	16	-	-	78	(262)	-	-	6,597	(2,311)	4,287
<i>Under construction</i>	78	-	78	-	-	-	(78)	-	-	-	-	-	-
<b>Plant and Machinery</b>	2,350	(1,363)	987	399	-	-	-	(178)	-	-	2,749	(1,541)	1,208
<i>Under construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Motor Vehicles</b>	872	(499)	373	29	-	-	-	(127)	-	-	901	(625)	275
<b>Land</b>	38,609	(85)	38,524	776	1,163	(1,585)	(226)	-	31,834	85	70,571	-	70,571
<b>Buildings</b>	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)	-	-	-	-	-	-
<b>Library Books</b>	1,754	(1,171)	583	138	-	-	-	(128)	-	-	1,892	(1,300)	593
	<b>107,246</b>	<b>(15,034)</b>	<b>92,211</b>	<b>4,093</b>	<b>1,853</b>	<b>(1,668)</b>	<b>-</b>	<b>(2,996)</b>	<b>32,387</b>	<b>6,863</b>	<b>143,910</b>	<b>(11,167)</b>	<b>132,743</b>
<b>TOTAL FIXED ASSETS</b>	<b>732,969</b>	<b>(40,143)</b>	<b>692,825</b>	<b>19,309</b>	<b>10,299</b>	<b>(1,668)</b>	<b>-</b>	<b>(11,492)</b>	<b>59,933</b>	<b>40,470</b>	<b>820,842</b>	<b>(11,165)</b>	<b>809,677</b>



## 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	Computer Software	Branding	Total
	\$000	\$000	\$000	\$000
<b>Cost</b>				
Balance at 1 July 2019	83	1,536	144	1,763
Additions	-	72	-	72
Disposals	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>83</b>	<b>1,608</b>	<b>144</b>	<b>1,835</b>
Balance at 1 July 2018	83	1,372	144	1,599
Additions	-	165	-	165
Disposals	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>83</b>	<b>1,536</b>	<b>144</b>	<b>1,763</b>
<b>Accumulated Amortisation and Impairment</b>				
Balance at 1 July 2019	-	(776)	(144)	(919)
Amortisation charge	-	(71)	-	(71)
Disposals	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>(846)</b>	<b>(144)</b>	<b>(990)</b>
Balance at 1 July 2018	-	(701)	(144)	(845)
Amortisation charge	-	(75)	-	(75)
Disposals	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>(776)</b>	<b>(144)</b>	<b>(919)</b>
<b>Carrying Amounts</b>				
<b>Balance at 30 June 2020</b>	<b>83</b>	<b>762</b>	<b>-</b>	<b>845</b>
<b>Balance at 30 June 2019</b>	<b>83</b>	<b>761</b>	<b>-</b>	<b>844</b>

## 20. Insurance

The Council holds asset insurance with multiple insurance companies including Vero, QBE, AIG and XL Catlin and Primacy as at 30 June 2020.

The total value of all assets covered by insurance contracts is \$95 million (2019: \$105m). The maximum amount for which these assets is insured is \$166 million (2019: \$188m). 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 \$770 million (2019: \$705m). 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 2020.

As at 30 June the Council owned forests had a 16% decrease in value over the value as at the same time last year. The decrease in valuation of the forest estate is predominantly due to the volatility and overall decrease in average log prices during the 12 months.

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 26 – 35 years old.

**Cromwell** – 16.8 ha of Radiata pine of an undetermined age ready to be harvested, with the balance ranging from 35 - 38 years old.

**Ranfurly** – 1.6 ha of Corsican pine 30 years old and 1.4 ha of Radiata pine 35 years old.

**Naseby** – 2.6 ha Corsican pine 40 years.

**Roxburgh** – 10.8 ha of Radiata pine 36 years old.

*Assumption: Radiata mature for clear felling at 36 years of age and Corsican pine 60 years.*

## Valuations

Independent registered valuers Laurie Forestry have valued forestry assets as at June 2020.

A pre tax discount rate of 8.5% has been used this year (2019: 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 2019 annual valuation.

	2019/20 \$000	2018/19 \$000
Balance as at 1 July	414	1,239
Increases due to purchases	-	-
Gain (loss) arising from revaluation	(59)	(199)
Decrease arising from sales / harvest	-	(626)
<b>Balance as at 30 June</b>	<b>355</b>	<b>414</b>
<b>The gain (loss) comprised of:</b>		
Alexandra Forest	(23)	(72)
Cromwell Forest	(30)	(106)
Naseby Forest	(1)	(6)
Ranfurly Forest	-	(2)
Roxburgh Forest	(5)	(13)
<b>Gain (Loss) arising from revaluation</b>	<b>(59)</b>	<b>(199)</b>

## 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. Central Otago District Council's investment properties are revalued annually at fair value effective 30 June. The valuation was performed by Greg Simpson, Registered Valuer, SPINZ, ANZIV from Quotable Value Limited. The valuer has stated that due to COVID-19 normal operation of the economy and property market has been disrupted resulting in significant market uncertainty and a lack of recent comparable market transactions. Market risk has also increased as a result of future uncertainties. This current valuation has been based on the most recent available market information available at the time.

	2019/20 \$000	2018/19 \$000
Balance as at 1 July	1,590	1,340
Gains (loss) arising from revaluation	85	250
<b>Balance at 30 June</b>	<b>1,675</b>	<b>1,590</b>
Rental income from investment property	107	103
Direct expenses from investment property	28	20

## 23. 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.

	2019/20 \$000	2018/19 \$000
Opening Balance	11	17
Less applied to operations	(7)	(7)
Add interest time adjustment	1	1
<b>Balance as at 30 June</b>	<b>5</b>	<b>11</b>

## 24. Capital Commitments

	2019/20 \$000	2018/19 \$000
Property	142	253
Information Technology	437	-
Water System	703	5,923
Wastewater System	1,007	3,584
Stormwater system	-	-
Roading	7,206	11,807
<b>Total capital commitments</b>	<b>9,495</b>	<b>21,567</b>

The Rooding commitments will attract a subsidy of \$3,675k (2018-19 \$6,021k). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

## 25. 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

	2019/20 \$000	2018/19 \$000
No longer than 1 year	229	274
Longer than 1 year and not longer than 5 years	206	21
Longer than 5 years	-	-
<b>Total non-cancellable operating leases</b>	<b>435</b>	<b>295</b>

### Leasing arrangements operating leases as lessor

The Council leases land and buildings for retail, office space, farming and the airport. The Council also has operating leases with community focussed activities, such as sport facilities, community halls and residential housing for the elderly.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2019/20 \$000	2018/19 (revised) \$000	2018/19 (audited) \$000
No longer than 1 year	656	608	223
Longer than 1 year and not longer than 5 years	1,843	1,606	226
Longer than 5 years	11,201	10,593	-
<b>Total operating leases as Lessor</b>	<b>13,700</b>	<b>12,808</b>	<b>449</b>

Note that the 2018/19 annual report lease payments were calculated based on a defined number of investment properties - and omitted other operating lessor agreements.

The scope has now been expanded to include other lessor agreements (such as farming land, airport hangars and commercial carpark areas).

The table above includes the revised prior year comparatives to reflect the actual operating leases as lessor in the 2018/19 financial year.

## Other commitments

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

### 26. 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.

### 27. 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

The Council has a contingent liability relating to legal proceedings from the sale of land which contained fill which allegedly was not adequately disclosed. The maximum damages are \$578,650 plus interest, however, Council has a defence and has agreed to enter the mediation process.

There were no contingent liabilities in the prior year.

## 28. Remuneration

### Remuneration of Elected Members

	2019/20 \$000	2018/19 \$000
<b>Mayor</b>		
T Cadogan	111	93
<b>Current Councillors</b>		
N J Gillespie*	36	33
M R McPherson*	30	28
S F Jeffrey*	28	30
N McKinlay	24	23
L J Claridge	24	21
S L Duncan	23	22
S A Calvert	21	22
IG Cooney	17	-
CA Laws	17	-
T N Alley	15	-
TA Paterson	15	-
M C Topliss	7	25
Dr D J Wills	7	23
V J Bonham	7	22
<b>Total elected representatives' remuneration</b>	<b>382</b>	<b>342</b>

\* This includes additional remuneration paid to Neil Gillespie, Stephen Jeffrey and Martin McPherson due to positions held on the hearing panel.

### 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:

	2019/20 \$000	2018/19 \$000
Salary – permanent CEO's	260	227
Motor vehicle	12	15
<b>Total chief executive officer remuneration</b>	<b>272</b>	<b>242</b>

As at 30 June 2020, the annual cost, including benefits, to the Central Otago District Council for the combined remuneration package of the Chief Executive Officer is calculated at \$272,380 (2019 - \$241,600). The above figures are the full amount paid exclusive of expense claims.



	2019/20 \$000	2018/19 \$000
Remuneration of Key Management	938	819

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

#### Total staff numbers by remuneration band

	2019/20 \$000s	2018/19 \$000s
Total annual remuneration by band for employees at 30 June		
<\$60,000	143	149
\$60,000-\$79,999	30	33
\$80,000-\$99,999	16	13
\$100,000-\$119,999	6	9
\$120,000-\$179,999	6	6
\$220,000 - \$259,999	0	1
\$260,000 - \$280,000	1	0
<b>Total employees</b>	<b>202</b>	<b>211</b>

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 112 (2019: 116) full-time employees, with the balance of staff representing 35 (2019: 38) 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 (33) 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 (2018/19: 1) made during 2019/2020 totalling \$50,000 (2018/19: \$45,000).

#### 29. 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.

### 30. 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 New Zealand 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	2019/20 \$000	2018/19 \$000
<b>Loans and receivables</b>			
Bank balances and term deposits	A and greater, no defaults in the past	16,714	22,506
Debtors and other receivables	Note 13	3,171	3,986
Community loans	Not rated, no defaults in the past	333	390
<b>Total credit risk loans and receivables</b>		<b>20,218</b>	<b>26,882</b>

## 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.

	2019/20		2018/19 (Adjusted)	
	\$000	\$000	\$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
Effect on surplus (deficit)				
Term deposits	-86	86	-99	99
Promissory and floating rate notes	-	-	-	-
<b>Total sensitivity</b>	<b>-86</b>	<b>86</b>	<b>-99</b>	<b>99</b>

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%.

Note that due to a calculation error, the 2018/19 financial year incorrectly reported an interest rate sensitivity of +/- \$3k. This error has been corrected in the table above.

### 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.

	2019/20					Total 2019/20
	Note	Less than 1 year	1 year	2-5 years	5+ years	
<b>Financial Assets</b>						
Cash and cash equivalents	11	6,714	-	-	-	6,714
Trade and other receivables	13	2,704	147	270	50	3,171
Other financial assets (excluding shares in companies)	12	10,000	-	-	-	10,000
<b>Financial Liabilities</b>						
Trade and Other Payables	15	4,979	-	-	-	4,979

	2018/19					Total 2018/19
	Note	Less than 1 year	1 year	2-5 years	5+ years	
<b>Financial Assets</b>						
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
<b>Financial Liabilities</b>						
Trade and Other Payables	15	7,134	-	-	-	7,134

### **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.

### **31. Internal Loans**

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

	Opening Balance	New Advances	Principal Paid	Closing Balance
	\$000	\$000	\$000	\$000
Water	7,870	6,504	(1,035)	13,339
Wastewater	6,975	5,073	(1,149)	10,899
Stormwater	32	29	(0)	61
Transportation	7,843	140	(4,992)	2,991
Waste Minimisation	1,080	84	(20)	1,144
Parks, Reserves, Cemeteries	2,782	49	(203)	2,628
Community Facilities, Libraries and Swimming Pools	5,596	403	(375)	5,625
District Development	264	0	(78)	186
Governance and Corporate Services	2,686	1,905	(2,066)	2,525
<b>TOTAL</b>	<b>35,128</b>	<b>14,187</b>	<b>(9,918)</b>	<b>39,397</b>

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 3.14% (2018/19, 2.94%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2019/20 Actual \$000	2019/20 Estimate \$000	2018/19 Actual \$000
Water	232	554	225
Wastewater	196	530	130
Stormwater	1	-	-
Roading	227	298	235
Environmental Services	31	65	50
Planning, Regulatory and Community Development	-	-	-
Pools Parks and Cemeteries	79	142	76
Property and Community Halls	174	287	151
Service Centres and Libraries	-	4	-
Regional Identity, Tourism and Economic Development	72	75	5
Governance and Corporate Services	20	16	0
<b>TOTAL</b>	<b>1,032</b>	<b>1,970</b>	<b>873</b>

### 32. 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 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.

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

	2019/20	2018/19
	\$000	\$000
Net Surplus (Deficit) After Tax	12,070	17,429
<b>Add (less) non-cash items:</b>		
Depreciation	8,970	11,492
Amortisation of intangible assets	71	75
Vested and previously unrecognised assets	(9,512)	(10,300)
(Gains)/Losses on fair value of investment property	(85)	(250)
Amortisation of landfill liability	6	6
<b>Add (less) movements in working capital items:</b>		
Decrease (increase) in debtors and other receivables	948	252
Decrease (increase) inventory	31	(1,142)
Decrease (increase) in prepayments	(133)	11
Increase (decrease) in agency and deposits	(56)	-
Increase (decrease) in creditors and other payables	(2,228)	2,280
<b>Add (less) items included in investing activities:</b>		
Valuation losses	199	79
Net (gain) loss on sale of assets	5,530	(498)
Net (gain) on sale of land	(3,782)	-
Decrease in landfill aftercare liability	(6)	(6)
<b>Net cash inflow (outflow) from operating activities</b>	<b>12,024</b>	<b>19,428</b>

### 34. Events subsequent to balance date

Subsequent to the end of the financial year, Council has entered into a Memorandum of Understanding with Central Government to support the progress of three water reform in principle. This agreement is to advance the centralisation of three water assets into a Central Government ownership model. At this stage, Council is not able to estimate the financial effect of this event.

### 35. COVID-19 disclosure

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3, thereafter, until 13 May.

COVID-19 represents a significant and ongoing concern for people's health and livelihood. The changing landscape means that the Council had to be agile and make the necessary changes to continue to operate the necessary Council services. In line with Government advice, all front facing roles (customer services, transfer stations, i-SITEs, pools and libraries etc) during the lockdown levels were closed or operated under restricted capacity. As NZ moved down the alert levels, Council improved customer access and efficiency of their services.

Council's workplace has changed to allow employees to work from home, and then to manage the number of people in the workplace as we navigated down the alert levels. Council has been able to continue to offer all services such as consents, invoicing, and the payment of suppliers.

Council engaged a fixed term Recovery Manager for six months to ensure that resources and adequate systems were in place to maximise recovery across our community. One casualty of the COVID-19 response was the closure of two i-SITEs permanently, which resulted in 8 staff losing their jobs.

While COVID-19 affected the whole of the way that the Council operates, Council staff have been able to assess the long-term impact and believe it to be reasonably minimal. In coming to this conclusion, the following factors have been considered:

Collectability of rates – Council has considered our ability to collect rates, but there is little feedback thus far that our ratepayers are unable to pay rates as they fall due. Council has also reviewed the Extreme Financial Hardship policy to reflect a transparent criterion and set of expectations. There have been no Extreme Financial Hardship applications received as at September 2020.

The impact on rates is less than expected and we have decided not to make any changes to impairment, although we will continue to monitor the situation. We have not had any evidence that debtors require further impairment.

Valuations – Council's investment properties are revalued annually at fair value effective 30 June. The valuation was performed by Greg Simpson, Registered Valuer, SPINZ, ANZIV from Quotable Value Limited. The valuer has stated that due to COVID-19 normal operation of the economy and property market has been disrupted resulting in significant market uncertainty and a lack of recent comparable market transactions. Market risk has also increased as a result of future uncertainties. This current valuation has been based on the most recent available market information available at the time.



Property, Plant and Equipment - Some capital projects have had delays due to COVID-19 due to the lockdown period, but the majority of work was able to continue in some form as the lockdown levels were relaxed. There are many capital programmes of work yet to be completed that have been carried forward to be completed during the 2020/2021 financial year.

Service performance measures – We have reviewed our core service performance measures. The measures that are vital to the performance of the Council have been largely unaffected. There are a number of measures relating to our capital programme of work that have not been achieved directly because of COVID-19. These performance targets can be explained in the context of the COVID-19 response.

Finally, we have assessed the likely impact on subsequent revenue streams:

- We anticipate that any potential recession due to COVID-19 will likely slow growth-related revenue streams (such as development contributions and vested assets), as well as other revenue (such as consents and user fees). We have assessed that there is sufficient 'bounce' in the economy that any impact will be minimal, and able to be managed through the Annual Plan and Long-term Plan budgeting process. As over 70% of our revenue is rates revenue, along with a significant amount from New Zealand Transport Agency subsidies, we do not see this as a risk. Our reserves will help us mitigate this over the first few years, and by 2025 it is expected that we will return to normality.
- When reviewing the BERL Local Government Cost Adjusted forecasts, we have selected the mid-scenario of the three possible scenarios presented. While there is a possibility that the Central Otago district may fall within the faster rebuild scenario due to the robust horticulture, viticulture and agriculture industries, Council is electing to pursue a conservative approach.

The Council currently holds no debt and is in a good position to borrow to fund any revenue shortfalls if needed.

On the basis of our analysis above, we are cautiously optimistic that the Council will operate as 'business as usual', with any short-term impacts managed through the annual plan and long-term plan budgeting process.

## Independent Auditor's Report

To the readers of Central Otago District Council's annual report  
for the year ended 30 June 2020

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 18 November 2020. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 107 to 156:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2020;
    - the results of its 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; and
- the funding impact statement on page 106 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 annual plan;
- the activities and services statements on pages 20 to 104; and
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2020, 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

- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 20 to 104, 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 annual plans; and
- the funding impact statement for each group of activities on pages 20 to 104, 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 14 to 19, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

## **Emphasis of matter – impact of Covid-19**

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in note 35 to the financial statements.

## **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 annual 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 statement of service performance, 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 4 to 13 and 161 to 166, but does not include the audited information and the disclosure requirements.

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: International 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  
Dunedin, New Zealand

# OUR COUNCIL

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# Mayor and Councillors



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Ian Cooney  
**Vincent Ward**  
Mobile: 027 241 4177  
[ian.cooney@codc.govt.nz](mailto:ian.cooney@codc.govt.nz)

Council meeting attendance 2019-2020									
Name	Attended								
T Alley <sup>2</sup>									
V Bonham <sup>1</sup>									
T Cadogan									
S Calvert									
L Claridge									
I Cooney <sup>2</sup>									
S Duncan									
N Gillespie									
S Jeffery									
C Laws <sup>2</sup>									
N McKinlay									
M McPherson									
T Paterson <sup>2</sup>									
M Topliss <sup>1</sup>									
B Willis <sup>1</sup>									

<sup>1</sup> Ended term October 2019

<sup>2</sup> Commenced term October 2019



# Community Boards

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

## Cromwell Community Board

42 The Mall, Cromwell Phone: 03 445 0211



Anna Harrison (Chair)



Werner Murray (Deputy)



Tony Buchanan



Robin Dicey



Neil Gillespie



Cheryl Laws



Nigel McKinlay

Cromwell meeting attendance 2019-2020									
Name	Attended								
A Blaikie <sup>1</sup>	●	●	●						
T Buchanan <sup>2</sup>				●		●	●		● ●
S Calvert <sup>1</sup>	●	●	●						
R Dicey	●	●	●	●		●	●		● ●
N Gillespie	●	●	●	●		●	●		● ●
A Harrison	●	●	●	●		●	●		● ●
C Laws <sup>2</sup>				●		●	●		● ●
N McKinlay	●	●	●	●		●	●		● ●
W Murray	●	●	●	●		●			● ●

<sup>1</sup> Ended term October 2019

<sup>2</sup> Commenced term October 2019

## Maniototo Community Board

15 Pery Street, Ranfurly, Phone: 03 444 9170



Robert Hazlett (Chair)



Mark Harris (Deputy)



Stu Duncan



Duncan Helm



Sue Umbers

Maniototo meeting attendance 2019-2020									
Name	Attended								
S Duncan	●	●	●	●	●	●	●	●	●
S Evans <sup>1</sup>	●	●							
M Harris <sup>2</sup>			●				●	●	
R Hazlett	●	●	●	●	●	●	●	●	●
D Helm		●	●	●	●	●	●	●	●
S Umbers	●	●	●	●	●	●	●	●	●

<sup>1</sup> Ended term October 2019

<sup>2</sup> Commenced term October 2019

## Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: 03 446 8105



Raymond Gunn (Chair)



Sally Feinerman (Deputy)



Cushla Browning (Aitchison)



Norman Dalley



Stephen Jeffery

Teviot Valley meeting attendance 2019-2020									
Name	Attended								
C Browning <sup>2</sup>			●	●				●	
N Dalley <sup>2</sup>			●	●		●		●	
S Feinerman	●	●	●	●	●	●	●	●	●
R Gunn	●	●	●	●	●	●	●	●	●
S Jeffery	●	●	●	●	●	●	●	●	●
C Parker <sup>1</sup>	●	●	●						
J Pritchard <sup>1</sup>	●	●	●						

<sup>1</sup> Ended term October 2019

<sup>2</sup> Commenced term October 2019

## Vincent Community Board

1 Dunorling Street, Alexandra, Phone: 03 440 0056



Martin McPherson (Chair)



Russell Garbutt (Deputy)



Dr Roger Browne



Lynley Claridge



Ian Cooney



Anna Robinson




Sharleen Stirling-Lindsay

Vincent meeting attendance 2019-2020				
Name	Attended			
J Armstrong <sup>1</sup>	●	●	●	
V Bonham <sup>1</sup>	●	●	●	
R Browne <sup>2</sup>		●	●	●
L Claridge <sup>2</sup>		●	●	●
I Cooney <sup>2</sup>		●	●	●
B Fitzgerald <sup>1</sup>	●	●	●	
R Garbutt <sup>2</sup>		●	●	●
C Goudie <sup>1</sup>	●	●	●	
M McPherson <sup>2</sup>		●	●	●
A Robinson <sup>2</sup>		●	●	●
S Stirling-Lindsay	●	●	●	●
M Topliss <sup>1</sup>	●	●	●	
B Willis <sup>1</sup>	●	●	●	

<sup>1</sup> Ended term October 2019

<sup>2</sup> Commenced term October 2019

# Executive team

Sanchia Jacobs		
Chief Executive Officer		
	<ul style="list-style-type: none"><li>• Governance</li><li>• Strategy and Policy</li><li>• Regional Identity</li><li>• Community Development</li></ul>	<ul style="list-style-type: none"><li>• Economic Development</li><li>• Tourism and Visitor Centres</li><li>• Communications</li><li>• Emergency Management</li></ul>
Leanne Macdonald		
Executive Manager – Corporate Services		
	<ul style="list-style-type: none"><li>• Accounting</li><li>• Financial Planning and Reporting</li><li>• Rating / Policy</li><li>• Information Services</li></ul>	
Louise Fleck		
Executive Manager – People and Culture		
	<ul style="list-style-type: none"><li>• Customer Services</li><li>• Libraries</li><li>• Health and Safety</li><li>• People and Culture</li></ul>	
Julie Muir		
Executive Manager – Infrastructure Services		
	<ul style="list-style-type: none"><li>• Roading</li><li>• Water Services</li><li>• Environmental Engineering</li></ul>	
Louise van der Voort		
Executive Manager – Planning and Environment		
	<ul style="list-style-type: none"><li>• Planning</li><li>• Building Control</li><li>• Alcohol Licensing</li><li>• Environmental Health</li><li>• Dog Control and Registration</li></ul>	<ul style="list-style-type: none"><li>• Parks and Recreation</li><li>• Cemeteries</li><li>• Swimming Pools</li><li>• Property and Community Facilities</li><li>• Elderly Persons' Housing</li><li>• Airports</li></ul>





03 440 0056

[info@codc.govt.nz](mailto:info@codc.govt.nz)

[www.codc.govt.nz](http://www.codc.govt.nz)

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PO Box 122, Alexandra

