

# ANNUAL REPORT

2021 - 2022



**FRAMING OUR FUTURE**

*Cover Images:*

Council's Team Leader – Enforcement and Animal Control Blair Ridgley, with the new animal control van  
Alexandra Northern Reservoir water supply  
Competitors at the Crankworx mountain biking event in Alexandra  
Enjoying the new playground at Clyde  
Leadership Teams of Council and Aukaha at their first formal meeting

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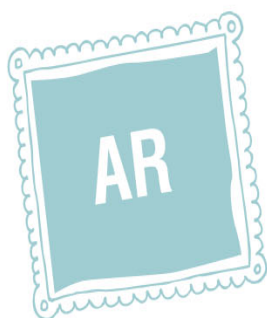
# The planning and reporting cycle

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## LONG-TERM PLAN

The Long-term Plan sets out our strategic direction and work programme for the 10 years ahead. It outlines the service 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 Long-term Plan is produced every three years.



## 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.



## ANNUAL PLAN

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



**FRAMING  
OUR**

**FUTURE**



**TOGETHER**



# Our space, our place

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The Central Otago district, New Zealand's most inland region, covers an area of 9,969km<sup>2</sup>. Our district is further split into four electoral wards: Cromwell, Mānīatoto, Teviot Valley and Vincent.

We have one of the lowest population densities per square kilometre in New Zealand. In June 2022 our estimated usual resident population was 25,500 people.

So, what about those people, the people this Council serves? Who are they?

In Central Otago we are a diverse group of people sparsely spread over a wide, remote, rugged region. That sense of remoteness has shaped the way we live our lives.

We are a collection of communities fiercely independent and competitive yet united in our love for Central Otago, its landscapes, people, climate, its stories and its vision.



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

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

**Making a Difference:** We will inspire and lead others with our special point of difference.

**Respecting Others:** We will respect our culture and personal differences.

**Embracing Diversity:** We will recognise differences and embrace diversity.

**Adding Value:** We will always ask ourselves if there is a better way – one that achieves a premium status.

**Having Integrity:** We will seek to be open and honest.

**Learning From the Past:** We will learn from past experiences with future generations in mind.

**Making a Sustainable Difference:** We will make decisions in business with the community in mind and in harmony with the natural environment.

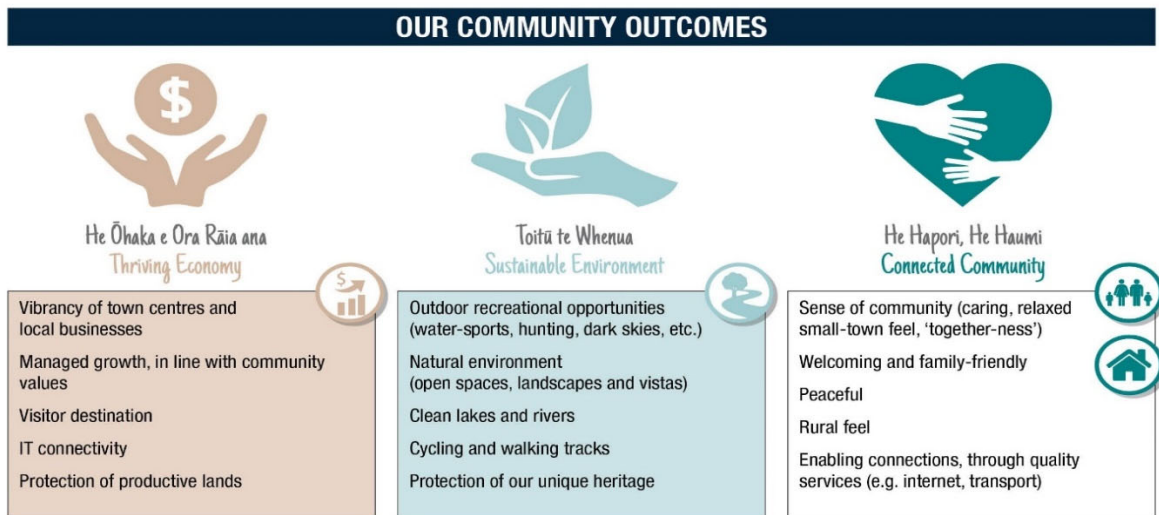
**Protecting our Rich Heritage:** We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.

**Meeting Obligations:** We will meet legal obligations at both a local and national level.



# Community outcomes

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



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

These three Community Outcomes provide a high-level set of goals for all our services and activities. By aiming for these as we frame our future through plans, strategies and work programmes, we seek to improve the social, cultural, economic and environmental well-being of the people in our district, now and for the future.



Council values the deepening relationship with local iwi, Ngāi Tahu, and is 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.



# Working for the best outcomes for Central Otago

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Tēnā koe

It has been another year where Central Otago District Council has delivered to the people of our district. We are proud to have continued to provide a high level of service for our community.

We are in the midst of the largest capital works programme in our history, with numerous large-scale projects in train. By May 2023, Alexandra should have more aesthetically pleasing and legally compliant water thanks to the Lake Dunstan Water Supply project. An improvement to the Clyde water supply bringing it up to full compliance is also included in the project. Within a few short months after that, the Clyde Wastewater project will get a significant portion of our third-largest town off septic tanks. Clyde has also benefitted from more parking and a new playground in Miners Lane alongside the completion of the piazza-styled development of Lodge Lane, both of which have been welcomed by the incredible number of cyclists enjoying the Lake Dunstan Trail.

These are just the bigger projects amongst a range of initiatives across the district.

We are actively addressing some of our infrastructure challenges – things like the replacement and moving of the Omakau sludge ponds, which the Manuherekiā River recently breached causing wastewater spillage into the river. The management of the ponds will be handed over to a new entity as part of the Three Waters reform, and we want to make sure that we have done right by the community with that piece of infrastructure before then.

Also pressing in the infrastructure space is the development of our bridge strategy to identify the most effective path forward to replacing our aged bridges across our network as they reach the end of their lives and/or fall victim to greater flooding events brought on by climate change.

Speaking of climate change, Council continues to work well toward its target set in June 2021 of reducing its carbon footprint by 55% in five years. Two big steps along that path have been achieved with the coal-fired burner at the main office in Alexandra being replaced with a more sustainable wood chip model and the LPG fired heating system at the Cromwell Pool being replaced with a system that uses heat taken from the town water supply. The next big initiative in this space, being the introduction of a green waste/organics wheelie bin collection, will get underway next year.

Financially, this last year has been in some ways business as usual, but in other ways that is not at all the case. As this was year two of the Long-term Plan with no significant changes

being proposed from that Plan, Council was not required to, and did not, consult with the community. That is the business as usual part. Council did however enter into new territory with taking on debt through the Local Government Funding Agency. There has been a sense of some pride at times that this council has been debt free, but the sense in taking on long-term debt to fund long-term infrastructure, so the future users of that infrastructure pay their share makes perfect sense. It needs to be remembered that much of this debt is attached to Three Waters projects and that debt will transfer with the assets when the reforms kick in on 1 July 2024. Council continues to maintain a fiscally prudent hand on the finances, a vitally important practice in times of such uncertainty.

Like every other part of the community, CODC has found the last 12 months to have been very challenging – we have had to continue to navigate our way through Covid, deal with supply chain issues and staffing shortages, grapple with inflation, and witness the horror and consequences of the largest war in Europe since World War Two. Despite all of this, your Council has strived to keep a high level of service and delivery of key projects. We are proud to have achieved so much even in an environment of such uncertainty.

We will continue to put you, our community, first as we navigate the year ahead. This is particularly so in the face of the reform the local government sector is facing. Because Three Waters Reform has been mandated by Central Government, all decisions made regarding wastewater, drinking water and stormwater, need to be done through a lens that says Council will not be handling these functions in less than two years' time. When decisions need to be made on infrastructure, they are made with 30 to 50-year timeframes, so everything we do in this space is impacted by the reforms. We do not have the option of behaving as if these reforms will not go ahead as the law to make them happen is drafted and before a Parliament where the majority appears determined to pass it. Council has, while voicing its opposition, maintained a position of working hard from inside the tent to try to achieve the best outcome for the Central Otago of the future when these, or some other replacement Three Waters reform, happen.

The same applies to the reform of the Resource Management Act which is ongoing as well as the Future for Local Government review that is presently underway. There has not been so much change in Local Government since the reforms of 1989-1990 and having your voice heard through these changes is, and remains, a priority.

We look forward to working with a new Council over the next three years to ensure the best outcomes for Central Otago, today, tomorrow and for many years into the future.

Ngā mihi

A blue ink signature, appearing to be 'Tim Cadogan', written in a cursive style.

Tim Cadogan  
Central Otago Mayor

A black ink signature, appearing to be 'Louise van der Voort', written in a cursive style.

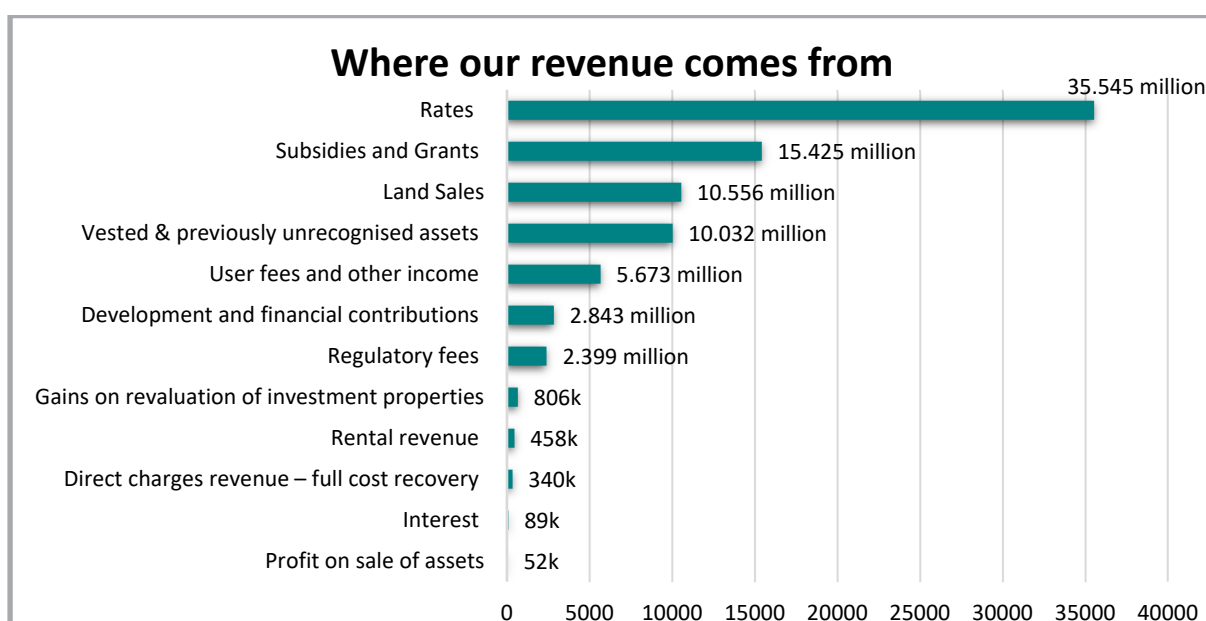
Louise van der Voort  
Acting Chief Executive Officer

# Our results

Our projects for the 2021/2022 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.

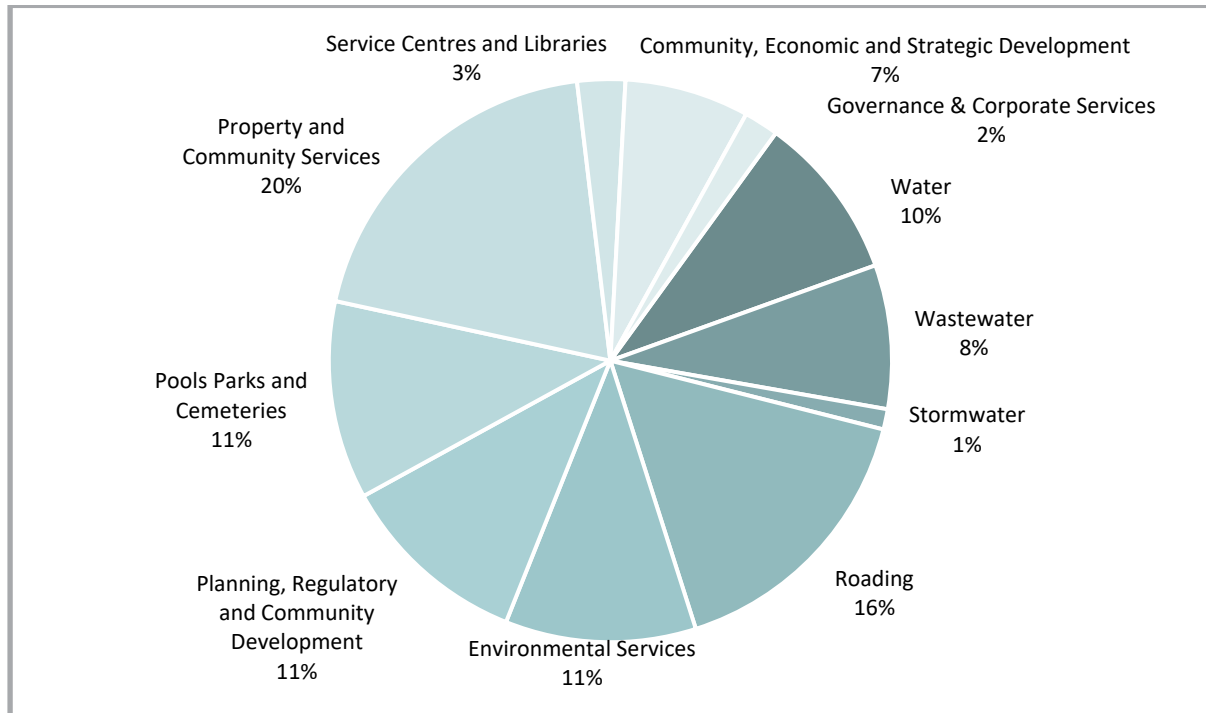
Council ended the year with a surplus of \$28.396 million after tax.

5-Year Financial Performance	2021/22 \$000	2020/21 \$000	2019/20 \$000	2018/19 \$000	2017/18 \$000
Rates revenue *	35,545	32,561	31,140	29,509	28,300
Other revenue**	48,536	29,679	34,672	34,622	18,830
<b>Total revenue</b>	<b>84,081</b>	<b>62,240</b>	<b>65,812</b>	<b>64,131</b>	<b>47,130</b>
Employee benefit expenses	12,491	11,109	10,218	9,697	8,721
Depreciation and amortisation	10,629	9,999	9,041	11,567	12,114
Other expenses	32,565	28,809	34,483	25,437	21,219
<b>Total expenditure</b>	<b>55,685</b>	<b>49,917</b>	<b>53,742</b>	<b>46,701</b>	<b>42,054</b>
Net surplus (deficit)*	28,396	12,323	12,070	17,429	5,076
Working capital (net)	5,600	12,577	15,404	19,966	18,847
<b>Total assets</b>	<b>1,110,883</b>	<b>893,523</b>	<b>886,892</b>	<b>841,122</b>	<b>721,531</b>
Cash flows from operating activities	22,192	12,577	12,024	19,428	13,848
* Note: includes revenue from water meter charges					
** Note: includes vested assets	10,032	6,489	9,512	10,300	1,912



## How the money is spent, by activity

Total expenditure of \$55.7 million



### Key Facts and Figures for 2021/22

**\$84.0 million** = Council's total revenue

**\$55.7 million** = Council's total expenditure

**\$12.8 billion** = our rateable capital value at 30 June 2022

**\$6.7 billion** = our rateable land value at 30 June 2022

**\$5.0 million** = the district's debt

**14,568** = the number of rateable properties in our district (14,429 in 2020/21)

**\$1.110 billion** = the current book value of our district's non-current assets

## Borrowing Limits

Item	Borrowing Limit/ LGFA Lending Covenant	Actual Results
Net external debt as a percentage of total revenue	<175%	6%
Net external debt as a percentage of total value of assets	<10%	0%
Net external interest as a percentage of total revenue	<20%	0%
Net external interest as a percentage of annual rates revenue (debt secured under debenture)	<25%	0%
liquidity (term debt + committed loan facilities + available cash or cash equivalents) over existing external debt	>10% above projected peak borrowing over ensuing 12-month period	235%

# 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.

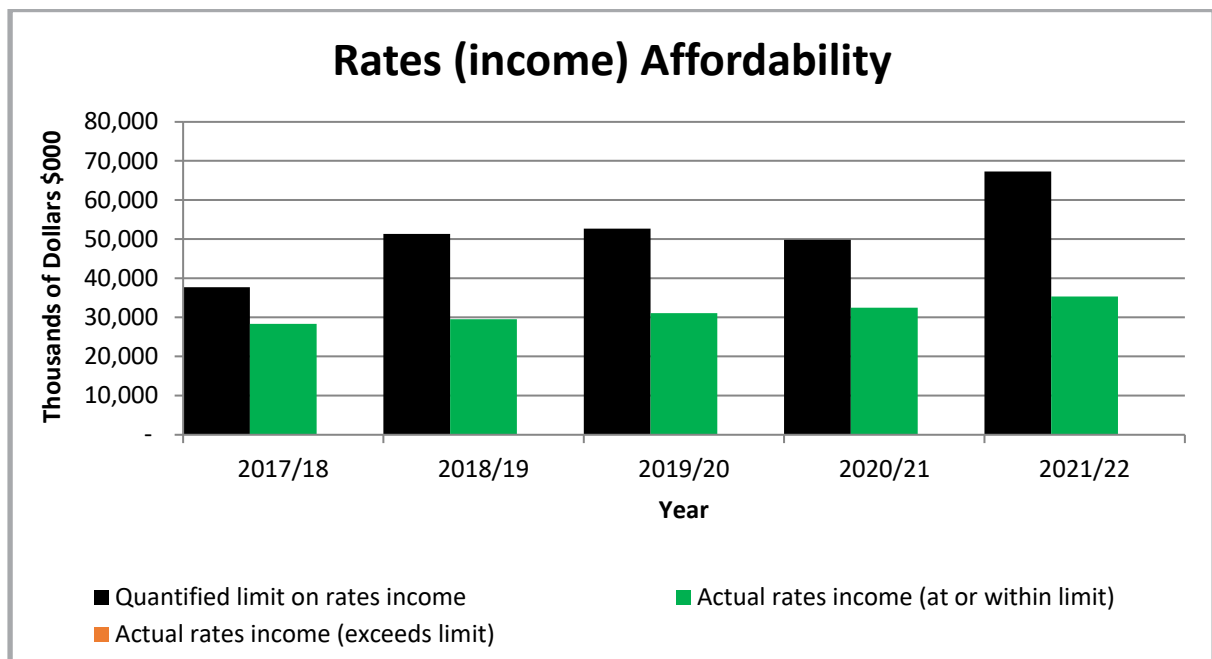
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). You can refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Rates affordability

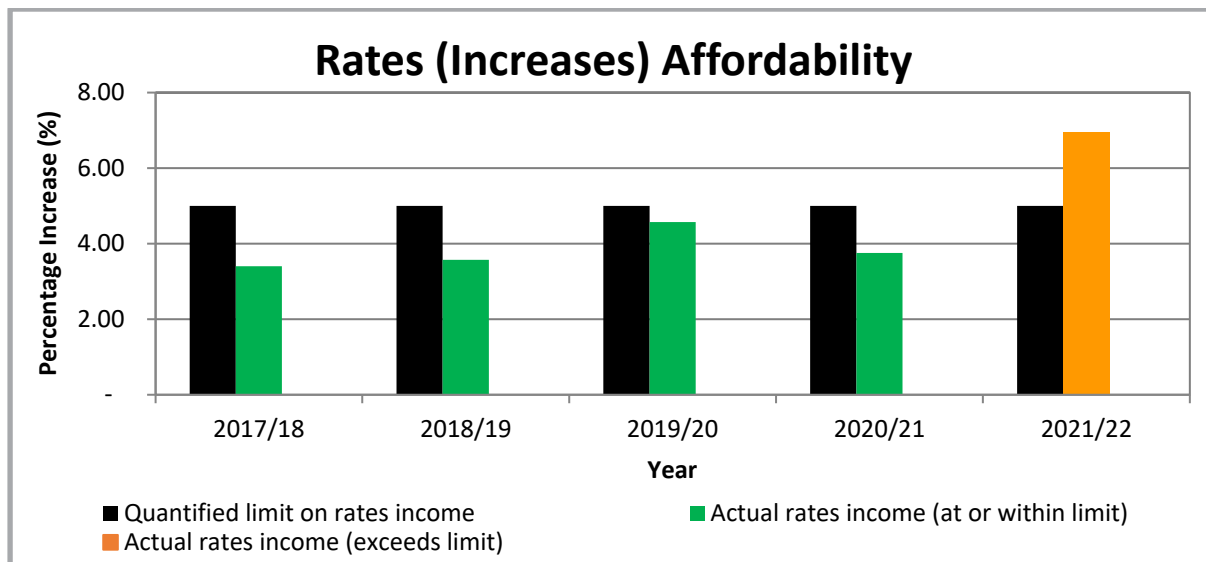
The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increase 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 contained within Council's long-term plan. The quantified limit was Local Government Cost Index plus 2.5%. From 2021/22 the limit is set at 5% plus 1.90% growth from years 1 to 5 and 1.60% years 6 onwards.

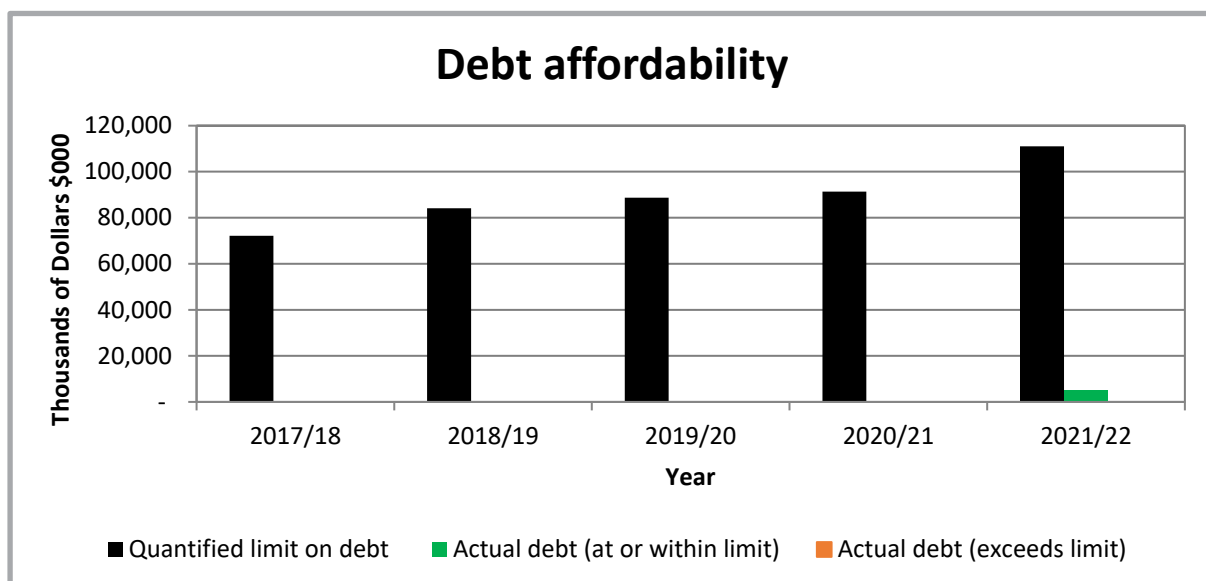


## Debt affordability

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. The Council has an external borrowing from Local Government Funding Agency (LGFA) and is therefore within debt limits.

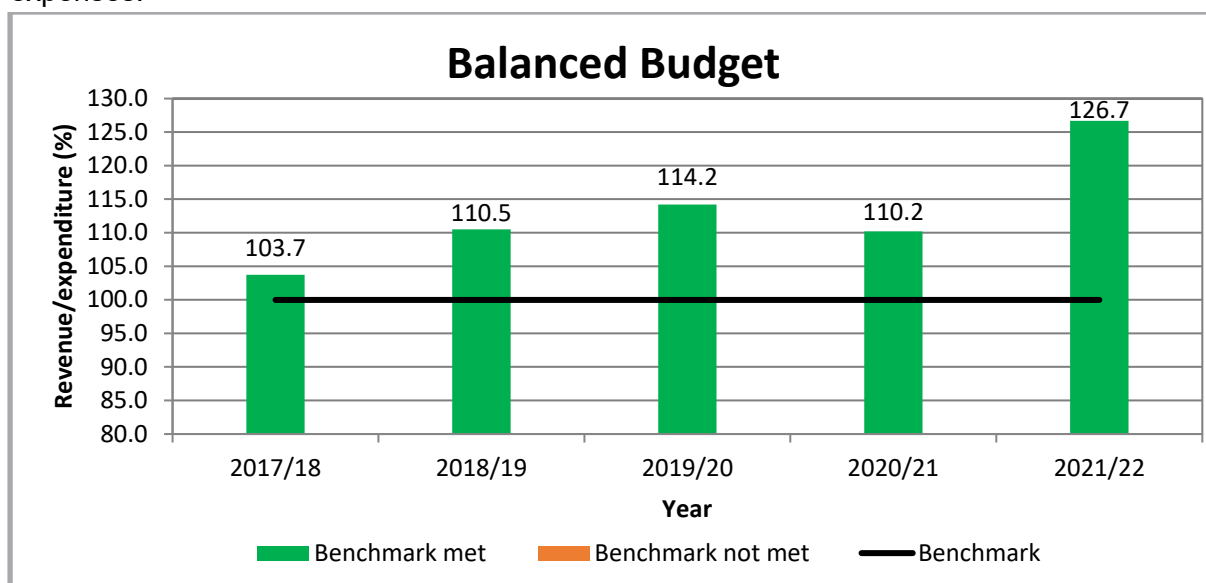




## Balanced budget

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).

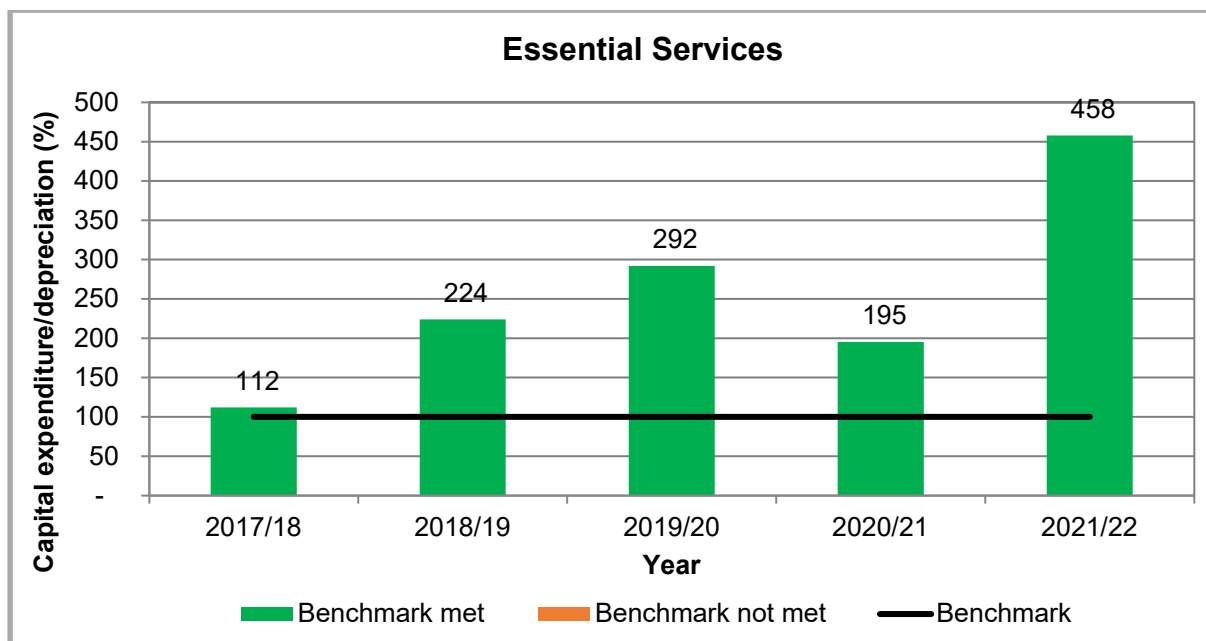
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



## Essential services

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

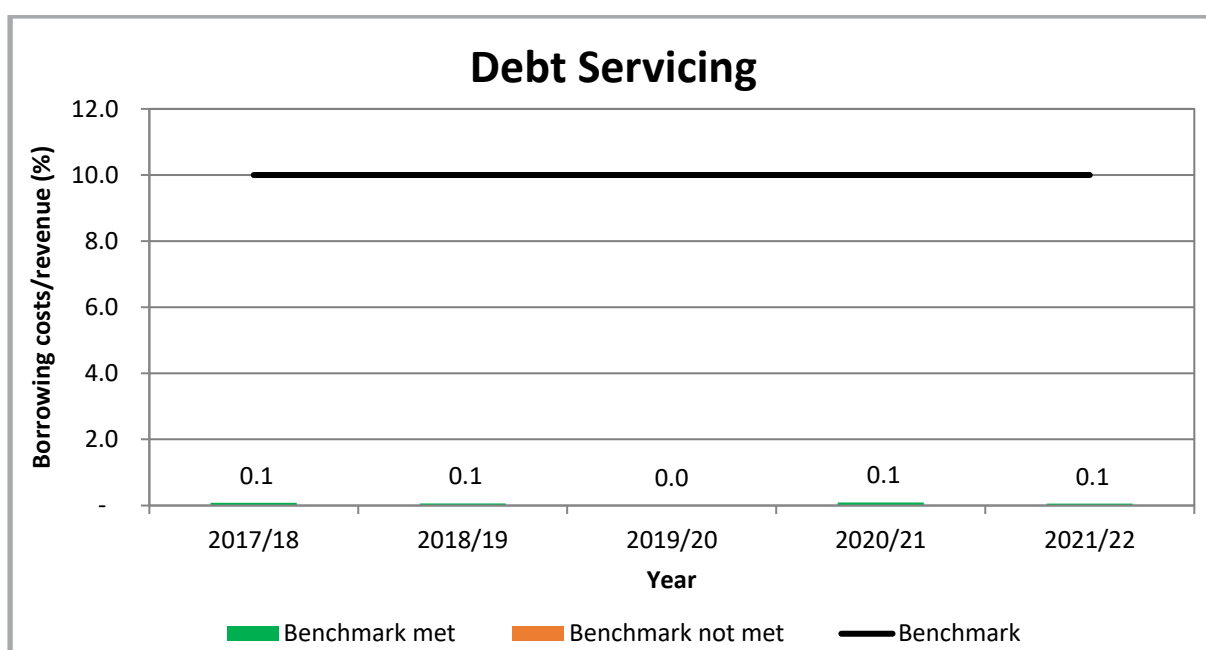
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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.

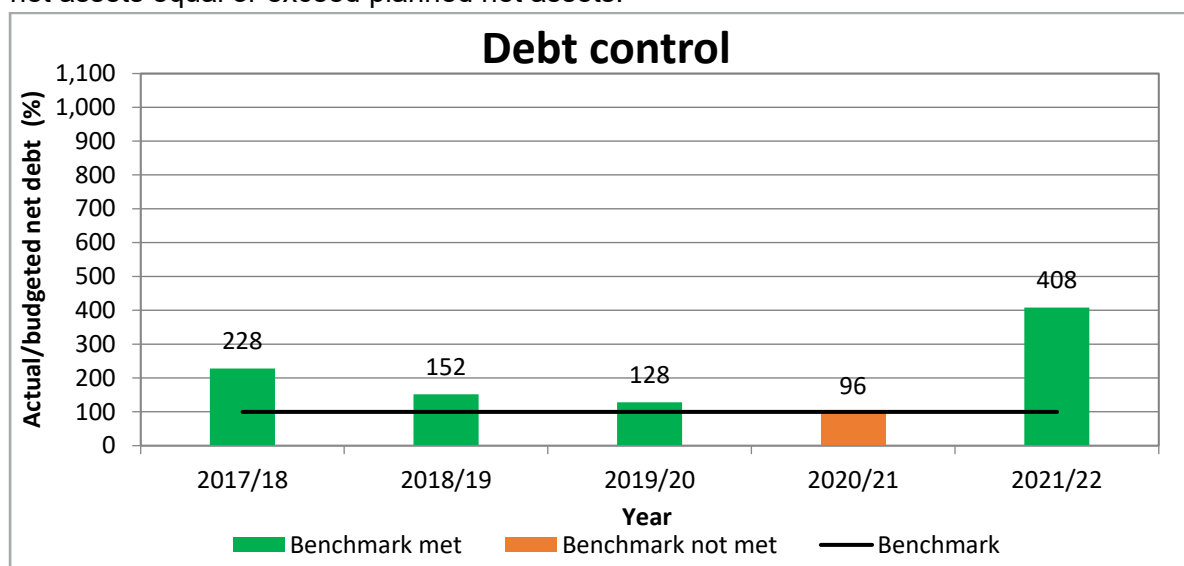
The small borrowing costs represent bank fees in relation to current banking facilities. An overdraft facility is in place. The Council has not utilised this during the current period.



## 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).

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.

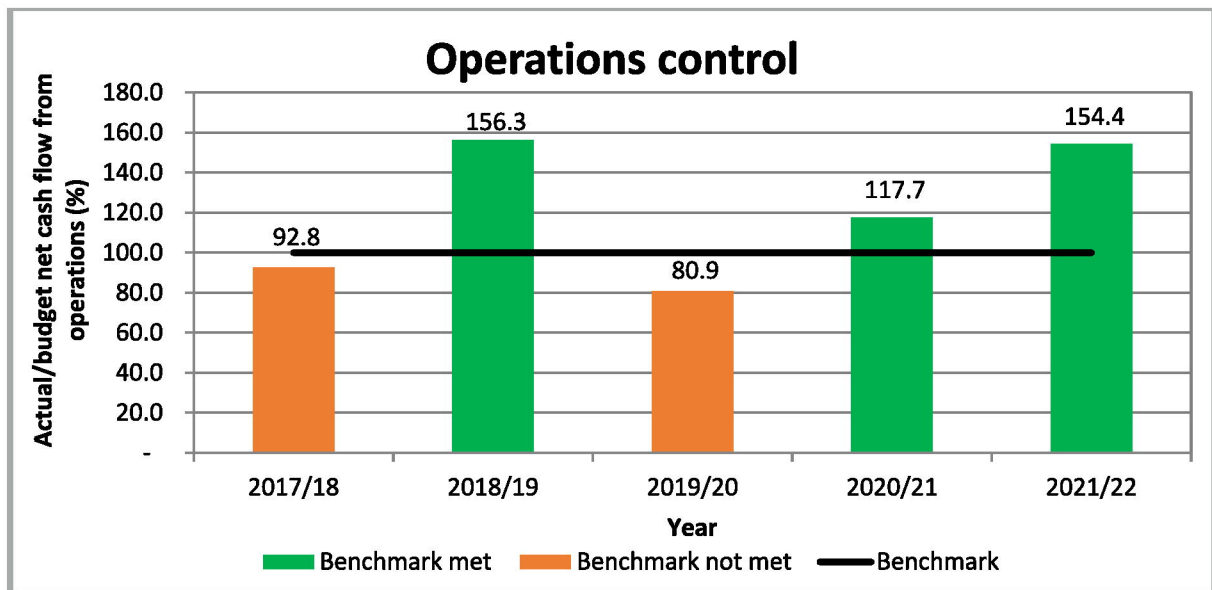


Note: mathematically, the results shown in the graph above are correct. The graph shows “benchmark met” whenever the Council is better off (either less indebted or with greater net assets) than planned. Conversely it shows “benchmark not met” whenever the Council is either more indebted or has less net assets than planned.

## Operations control

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

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



## Statement of compliance

Councillors and management of 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

**Louise van der Voort**  
Acting Chief Executive Officer

# Our activities

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This section provides an overview of the activities we have undertaken during the 2021/22 financial year. The groups of activities incorporate the core services we deliver. We give consideration to how these services contribute to community well-being 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 provide 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 2021/22 year.







# Three Waters

Water, Wastewater and Stormwater





# Water

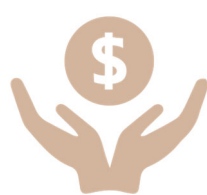
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## About our activity

Our vision for water services is to deliver safe and wholesome water supplies that support a healthy community and environment.

Council provides potable water to properties within nine water schemes.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

Continuing water treatment upgrades to meet the New Zealand Drinking Water Standards remained a key focus of the 2021/22 year.

### Alexandra northern reservoir

A new 4,000m<sup>3</sup> bolted steel water reservoir has been designed and constructed at the existing site, which is accessed off Gilligan's Gully Road.

The new reservoir will be leak tested in September 2022 and then commissioned when the Lake Dunstan Water Treatment Plant is finished in May 2023.



## Lake Dunstan water supply water treatment plant

The construction of a new water treatment plant and borefield in Clyde is underway and the estimated completion date is May 2023. The key objective is to provide the Alexandra and Clyde areas with a safe and reliable potable water supply that meets New Zealand Drinking Water Standards.



## Clyde falling main replacement

A new Clyde falling main was installed in March 2022 using Water Stimulus Delivery funding of \$2.8 million for water resilience projects such as replacing aging assets.

The Clyde Water Supply relies on a falling main to supply water from the reservoir downhill to water mains at Sunderland Street. The existing falling main had several issues that presented a risk to a resilient water supply in Clyde, and the same issue is currently being resolved in Roxburgh.





### **Ripponvale community water supply**

The first stage of the Ripponvale community water supply project has been completed, which included installation of a new main through the Kawarau Gorge, installation of basic telemetry to two pump stations, and purchase of key critical spares.

Future improvements include installation of meters and the further upsizing of pipework to possibly also feed the supply from Pearson Road, as well as the current feed from Waenga Drive - which will add more resilience to the scheme.

### **Naseby water supply**

Following the weather event of January 2021 that affected large parts of the Mānīatoto, work has been ongoing to understand what can be done to build in further resilience to those towns. One particular piece of work involved the Naseby Water Supply, which struggles to cope with the highly turbid waters from the source that feeds the town.

As a result, Council purchased two clarifiers for the plant, which were installed ahead of the sand filter, and provides additional treatment by removing some of the particulate matter that would otherwise have blocked the filter. The plant will be further optimised by the addition of pH correction, which will improve the efficiency of the filters.

## What we have achieved - Water

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2021/22 Results	2020/21 Results	Comments
Thriving Economy	Provide a fully accessible and reliable water network	✓	The percentage of real water loss from the network reticulation system (leaks, metering inaccuracies)	Target current annual real losses from the networked reticulation system $\leq$ 30% of water produced	25%	24.3%	Target achieved.
Sustainable Environment	Provide an efficient water network	✓	Fault response time to urgent callouts Attendance:	Target median time to get to site $\leq$ 1 hour	12 minutes	49 minutes	Target achieved.
			Resolution:	Target median time to resolve $\leq$ 4 hour	2hrs 29 mins	2hrs 48 mins	Target achieved.
		✓	Fault response time to non-urgent callouts Attendance:	Target median time to resolve to site $\leq$ 8 hours	6hrs 25 mins	4hrs 24 mins	Target achieved.
			Resolution:	Target median time to resolve $\leq$ 24 hours	23hrs 12 mins	20hrs 26 mins	Target achieved.
		✓	The average consumption of water per day per resident	To maintain water demand at $<$ 600L/person/day	585.6 L/person/day	655L/person/day	Target achieved.
		✓	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> <li>Responses to water service requests</li> </ul>	$\leq$ 13 per 1,000 connections	4.31 per 1,000 connections	5.3 per 1,000 connections	Target achieved.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2021/22 Results	2020/21 Results	Comments
Connected Community	Provide a safe and healthy water network	✓	Compliance with the NZ Drinking Water Standards  Pt4: Bacterial:	Part 4: Bacterial compliance. All schemes to comply	Compliance not met	All treatment plants comply except Roxburgh, Ranfurly, Omakau and Naseby. All distribution zones comply except Ranfurly	Target not achieved. All distribution zones comply. Alexandra, Cromwell and Patearoa treatment plants were compliant. Roxburgh, Naseby, Clyde, Omakau/Ophir, Pisa Village, Ranfurly were not compliant due to periods where the clarity of the treated water exceeded guidelines.
			Pt5: Protozoal:	Part 5: Protozoal compliance All schemes to comply.  Omakau to comply 2022 Naseby to comply 2022  Alexandra/Clyde (Lake Dunstan Water Supply) to comply 2022  Patearoa to comply 2023 Ranfurly to comply 2023 Cromwell/Pisa to comply 2023	All schemes do not comply.	All schemes do not comply.	Targets not achieved. A business case for Omakau and Naseby is currently being prepared to consider alternative options for treatment.  Target not achieved. COVID-19 related delays and supply chain interruptions to the Lake Dunstan Water Supply have pushed the completion of the upgrade into 2023.  Targets not achieved. Targets for Patearoa, Ranfurly and Cromwell/Pisa not due to be met until 30 June 2023.

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

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 WATER	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	-
5,554	5,519	5,868	Targeted rates	4,851	5,055
18	18	-	Subsidies and grants for operating purposes	499	-
4	4	2	Fees and charges	30	4
159	168	166	Internal charges, and overheads recovered	1,507	813
-	-	11	Local authorities fuel tax, fines, infringement fees, and other receipts	-	21
<b>5,735</b>	<b>5,709</b>	<b>6,047</b>	<b>Total operating funding</b>	<b>6,886</b>	<b>5,893</b>
<b>Applications of operating funding</b>					
2,358	2,665	3,152	Payments to staff and suppliers	3,251	3,319
-	-	-	Finance costs	-	-
1,217	980	708	Internal charges, and overheads applied	2,006	1,039
38	38	25	Other operating funding applications	3	32
<b>3,613</b>	<b>3,683</b>	<b>3,885</b>	<b>Total applications of operating funding</b>	<b>5,260</b>	<b>4,390</b>
<b>2,122</b>	<b>2,026</b>	<b>2,162</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,626</b>	<b>1,503</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	475	Subsidies and grants for capital expenditure	-	6,443
1,104	809	477	Development and financial contributions	1,030	1,120
225	-	-	Increase (decrease) in debt	7,192	-
-	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>1,329</b>	<b>809</b>	<b>952</b>	<b>Total sources of capital funding</b>	<b>8,222</b>	<b>7,563</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
307	1,361	380	- to meet additional demand	1,520	915
1,108	6,347	1,781	- to improve the level of service	4,331	10,657
1,719	735	214	- to replace existing assets	1,760	2,665
317	(5,609)	739	Increase (decrease) in reserves	2,238	(5,171)
-	-	-	Increase (decrease) in investments	-	-
<b>3,451</b>	<b>2,834</b>	<b>3,114</b>	<b>Total applications of capital funding</b>	<b>9,847</b>	<b>9,066</b>
<b>(2,122)</b>	<b>(2,026)</b>	<b>(2,162)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,626)</b>	<b>(1,503)</b>
-	-	-	<b>Funding balance</b>	-	-



# Wastewater

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## About our activity

Our vision for wastewater services is to deliver safe and compliant wastewater networks that 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. Each scheme pumps, reticulates and treats the wastewater generated by households, businesses and industrial processes.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



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Sustainable Environment



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## Rising to the challenges

### Clyde wastewater reticulation

All stage one properties involved in the new reticulated wastewater system to replace Clyde's existing system will be commissioned by the beginning of 2023.

The upgraded system replacing septic tanks will meet environmental and resource consent requirements, significantly improving the quality of Clyde's urban wastewater discharges.



### Clyde main pump station

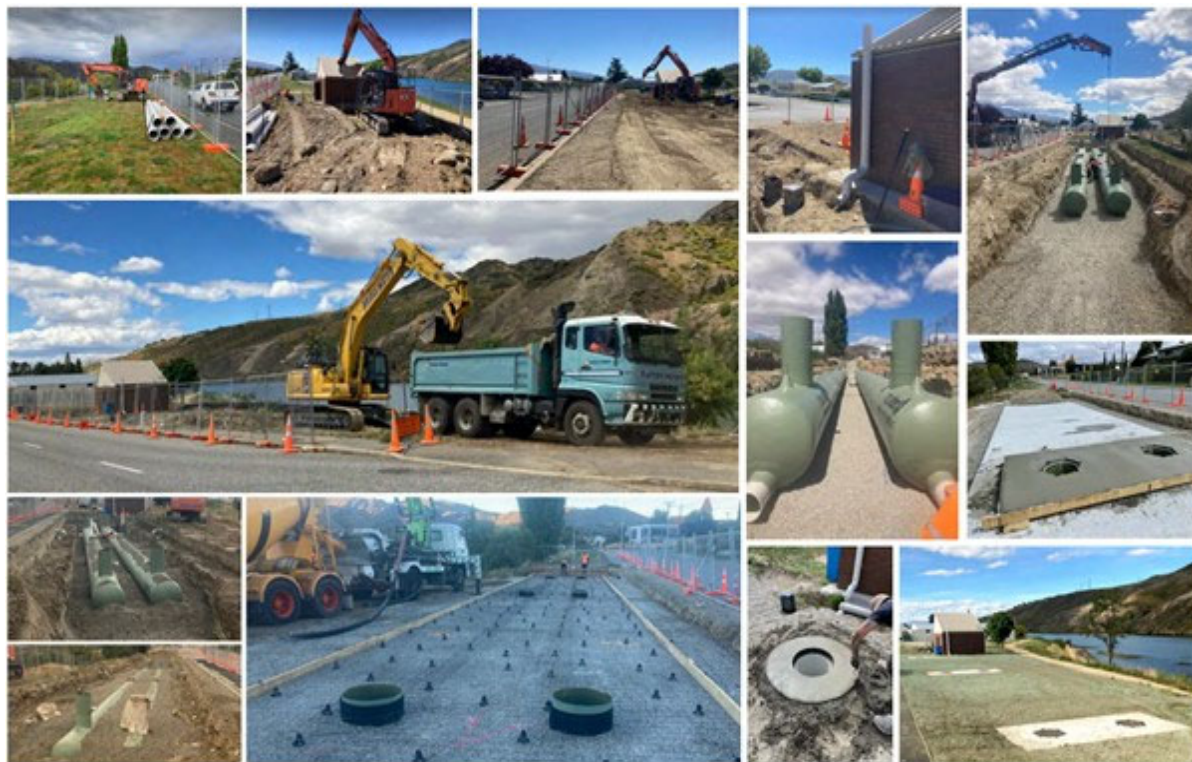
A new main pump station and associated emergency storage tanks is under construction on reserve land south of the Clyde golf course. A new local wastewater reticulation network will connect the community to the pump station. This pump station will convey the wastewater water through a new 10.5km-long rising main to Alexandra's Wastewater Treatment Plant, (WWTP) and provide emergency storage to reduce sewer overflows into the Clyde network, as well as providing additional functionality and ease of operation for Alexandra's WWTP.





## Cromwell pump station emergency storage

Improved storage capacity to minimise wastewater overflows from pump stations at Alpha Street and Melmore Terrace were completed in March 2022, using the Water Stimulus Delivery funding of \$1.8 million for the wastewater resilience improvement project.



## Wrightsons pump station upgrades

Storage tanks have been completed and will be commissioned shortly to improve the resilience of Alexandra's Wastewater Treatment Plant by attenuating flows (through increased storage capacity) from the Clyde and Alexandra wastewater inflows. This will allow Clyde and Alexandra's wastewater to be conveyed in a more controlled manner during high flow intervals.

## Wastewater inlet screens

Over the past year, screens have been installed at the inlet of our oxidation ponds at Ranfurly, Naseby and Roxburgh. A power supply was also taken into the Roxburgh sites to enable the screen to operate. The screens are a common feature on wastewater treatment plants, and help protect ponds and pumps by screening out larger particulate matter that could otherwise damage our assets.

## Online monitoring

Online monitors have been installed at the inlet and outlet of our wastewater treatment plants at Alexandra and Naseby. Cromwell previously had similar monitoring installed. The monitors allow real time monitoring of wastewater quality, and are a valuable tool in helping us understand the performance of our plants, and manage compliance in a more effective manner.

## What we have achieved - Wastewater

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2021/22 Results	2020/21 Results	Comments
Thriving Economy	Provide an 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</li> </ul>	Total number of complaints ≤ 10 per 1,000 connections.	10.17 per 1,000 connections	9.26 per 1,000 connections	Target not achieved.  The incorrect flushing of wet wipes and fat flushed into the wastewater system.
Sustainable Environment	Provide a safe and compliant wastewater network	✓	Compliance with discharge consents	Abatement notices - 0 Infringement notices - 0 Enforcement Orders - 0 Convictions - 0	Abatement notices - 3 Infringement notices - 0 Enforcement Orders - 0 Convictions - 0	Abatement notices - 1 Infringement notices - 1 Enforcement Orders - 0 Convictions - 0	Target not achieved.  Alexandra abatement notice has been cancelled by Otago Regional Council on 27 May 2022. Cromwell Wastewater Treatment Plant - Significant non-compliance for nitrogen levels recorded in the treated discharge. Omakau Wastewater Treatment Plant - Significant non-compliance for consented volume limits and two occurrences of exceeding the bacterial limits in the treated discharge. The Omakau Abatement notice was cancelled on 5 October 2022.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2021/22 Results	2020/21 Results	Comments
							Roxburgh Wastewater Treatment Plant - Significant non-compliance for nitrogen levels recorded in the treated discharge.
		✓	Fault response times Attendance:	Target median time to resolve to site ≤ 1 hour	23 minutes	1hr 5 mins	Target achieved.
			Resolution:	Target median time to resolve the problem ≤ 4 hours	4hrs 08 mins	2hrs 30 mins	Target not achieved.  Some complicated repairs resulted in the resolution target being exceeded. Alternative sanitary services were provided to impacted customers where this occurred.
Connected Community	Provide a safe and compliant wastewater network	✓	Number of dry weather sewerage overflows from sewerage scheme	Number of dry weather sewerage overflows ≤ 1 per 1,000 connections	1.49 per 1,000 connections	2.26 per 1,000 connections	Target not achieved. The incorrect flushing of wet wipes, fat and oil flushed into the water system.

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

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 WASTEWATER	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	-
5,002	4,748	4,769	Targeted rates	3,780	3,754
-	-	-	Subsidies and grants for operating purposes	-	-
42	46	22	Fees and charges	61	44
124	46	18	Internal charges, and overheads recovered	46	(716)
-	-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	4
-	-	-	Land sales	750	-
<b>5,168</b>	<b>4,840</b>	<b>4,809</b>	<b>Total operating funding</b>	<b>4,637</b>	<b>3,086</b>
<b>Applications of operating funding</b>					
1,479	1,571	1,775	Payments to staff and suppliers	1,393	1,602
-	-	-	Finance costs	100	-
-	-	-	Cost of sales	-	-
1,010	918	561	Internal charges, and overheads applied	994	212
334	289	331	Other operating funding applications	263	249
<b>2,823</b>	<b>2,778</b>	<b>2,667</b>	<b>Total applications of operating funding</b>	<b>2,751</b>	<b>2,063</b>
<b>2,345</b>	<b>2,062</b>	<b>2,142</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,886</b>	<b>1,023</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	102	Subsidies and grants for capital expenditure	-	2,420
648	1,037	413	Development and financial contributions	678	767
2,608	-	-	Increase (decrease) in debt	5,808	5,000
-	-	-	Gross proceeds from sale of assets	-	-
717	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>3,973</b>	<b>1,037</b>	<b>515</b>	<b>Total sources of capital funding</b>	<b>6,486</b>	<b>8,187</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
723	30	41	- to meet additional demand	811	-
3,513	3,045	2,984	- to improve the level of service	4,097	14,961
1,149	1,105	1,063	- to replace existing assets	1,346	521
933	(1,081)	(1,431)	Increase (decrease) in reserves	2,118	(6,272)
-	-	-	Increase (decrease) in investments	-	-
<b>6,318</b>	<b>3,099</b>	<b>2,657</b>	<b>Total applications of capital funding</b>	<b>8,372</b>	<b>9,210</b>
<b>(2,345)</b>	<b>(2,062)</b>	<b>(2,142)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,886)</b>	<b>(1,023)</b>
-	-	-	<b>Funding balance</b>	-	-



# Stormwater

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## About our activity

Our vision for stormwater service is to deliver safe and compliant stormwater networks that 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 watercourses 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.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



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## Rising to the challenges

### Stormwater Infiltration Project

The new Water Services enforcement team has been underway with its stormwater infiltration project, to resolve issues with non-compliant stormwater drainage entering the wastewater system.

This project concerns a significant number of properties across the district that have stormwater drains connected to wastewater infrastructure.

The first tranche of the work has focused on Cromwell and Alexandra, as these townships contain the most properties with cross connections. Future work will also focus on Ranfurly township, within the next year.

### Stormwater

Killarney Street in Alexandra received a stormwater extension and upgrade to assist stormwater disposal into the existing reticulation in June 2022.

Stormwater channels were also created on the Naseby Gimmerburn Road in February 2022, by pushing excess gravel to create a bank and direct stormwater through culverts, rather than down the road.

## What we have achieved - Stormwater

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	✓	Compliance with discharge consents	Abatement notices - 0	Abatement notices - 0	Abatement notices - 0	Target achieved.
				Infringement notices - 0	Infringement notices - 0	Infringement notices - 0	Target achieved.
				Enforcement orders - 0	Enforcement orders - 0	Enforcement orders - 0	Target achieved.
				Convictions - 0	Convictions - 0	Convictions - 0	Target achieved.
Connected Community	Provide a safe and compliant stormwater network	✓	Number of flooding events that occurred.	Nil	Nil	Nil	Target achieved.
			Number of habitable floors affected in flooding events	Nil	Nil	Target number of habitable floors affected ≤ 1 per 1,000 properties per flood event	Target achieved.
			Response time to attend flood events	Nil	N/A	Target median time to resolve to site ≤ 1 hour	Target achieved.
			Number of complaints received about stormwater performance	2.1	1.4	Total number of customer complaints ≤ 2 per 1,000 properties	Target not achieved.  33 service requests were logged in relation to the stormwater network.

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

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 STORMWATER	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	-
661	691	694	Targeted rates	544	552
-	-	-	Subsidies and grants for operating purposes	-	-
-	-	-	Fees and charges	-	-
-	-	-	Interest and Dividends from Investments	1	-
146	80	45	Internal charges, and overheads recovered	55	(49)
-	-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
<b>807</b>	<b>771</b>	<b>739</b>	<b>Total operating funding</b>	<b>600</b>	<b>503</b>
<b>Applications of operating funding</b>					
105	122	65	Payments to staff and suppliers	77	83
-	-	-	Finance costs	-	-
27	33	32	Internal charges, and overheads applied	75	2
12	12	13	Other operating funding applications	13	22
<b>144</b>	<b>167</b>	<b>110</b>	<b>Total applications of operating funding</b>	<b>165</b>	<b>107</b>
<b>663</b>	<b>604</b>	<b>629</b>	<b>Surplus (deficit) of operating funding</b>	<b>436</b>	<b>396</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	-	-
120	120	399	- to replace existing assets	380	448
543	484	230	Increase (decrease) in reserves	56	(52)
-	-	-	Increase (decrease) in investments	-	-
<b>663</b>	<b>604</b>	<b>629</b>	<b>Total applications of capital funding</b>	<b>436</b>	<b>396</b>
<b>(663)</b>	<b>(604)</b>	<b>(629)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(436)</b>	<b>(396)</b>
-	-	-	<b>Funding balance</b>	-	-





# Roading





# Roading

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## About our activity

We work to ensure an efficient, fully accessible, safe network of roads and footpaths for our Central Otago community.

Our roading activity enables the movement of goods, people and services across our district, essential for our social, cultural and economic well-being, and we are committed to being innovative and environmentally-conscious in our service delivery.

We currently have 1,924km of maintained roads, with 1,758km of rural roads and 166km of urban streets. Seventy-two percent (72%) of our roads are unsealed, a total length of 1,387km. We have 179 bridges, 179km of formed footpaths, and approximately 6.5 hectares of formed car parks across the district that are owned and maintained by Council.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



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## Rising to the challenges

### Roadworks

Rock armouring of the bank at Kyeburn River Road was completed in May 2022 in order to protect a sealed section of the road. Recent flooding had washed away a large section of willows, exposing the riverbank to excessive erosion (*pictured over the page*).



### **Bridge maintenance work**

Conroys Bridge Road #33 had some maintenance works undertaken in March 2022, such as rock armouring to support the structure, and eliminating any undermining of the abutments. Vegetation clearance was also completed to minimise any debris getting caught during flood events.



**Conroys Bridge #33 – post work**



The McIntosh Road Bridge was repaired in May 2022 following scouring under both ends of the box culvert. The new concrete footing reinforcement will secure the culvert from slumping and getting damaged.



**McIntosh Road Bridge**



Bridge approach maintenance was carried out on Bridge #163 on McNally Road in Poolburn in March 2022. Rock protection was completed on Bridge #92 on St Bathans Downs Road to protect its piers from debris damage and undermining during high flows.

**Bridge 92 - before**



**Bridge 92 - after**



Minor welding repairs were required on the fence railing on the Jedburgh bridge in Roxburgh in September 2021, following a recent project upgrading the water main on the underside of the bridge.

## Bridge Strategy

In June 2022 Council gave approval for the development of a bridge strategy proposal that will include comprehensive details about the extent of the repair, maintenance and replacement work required to ensure the ongoing integrity of the district's crucial bridge network.

Like many Councils across New Zealand, our region has an aging bridge network. This, combined with the impacts of climate change, earthquake risk, regulatory changes and increasing volumes of heavy vehicles means many of our bridges will need to be replaced or undergo significant work over the next decade.

Council committed to collecting the evidence required to support a robust investment application to Waka Kotahi in July 2023 for replacement and upgrading of substandard bridges. This will also inform community consultation regarding increasing community funding for bridge renewal work in the 2024 Long Term Plan.

The June report included data collected from 187 structural inspections undertaken on Central Otago bridges between February 2021 and May 2022 by Council and external engineers.

Key findings included: 8 bridges that are expected to require replacement in the next few years and 17 bridges requiring high priority repairs.

## Footpaths maintenance and renewals

Sections of footpaths were replaced on Stafford Street in Ranfurly and Horace Street in Cromwell in May 2022. This addressed issues such as trip hazards from tree roots and old broken asphalt.

The gravel footpath on the corner of Bannockburn Road and Domain Road received repairs while the crew were in the area in February 2022, and the handrail on the new footpath on Matau Street was installed near the end of 2021.

A new footpath and small footbridge were built on Earnsclough Road, near the Red Bridge in July 2021. This has provided a safe passage for pedestrians and cyclists away from the busy and narrow section of Earnsclough Road. This work was initiated by a petition and letter from Clyde Primary School pupils.

A new footpath has also been built alongside the extension of the Miners Lane recreational area, which leads up onto Matau Street in Clyde, as part of the Heritage Precinct work.



## Resealing

The St Bathans Loop Road and Ida Valley Road were resealed and completed in February 2022.

## Roxburgh street upgrades

Scotland Street in Roxburgh had new kerbing installed in July 2021. This will improve road safety and create more space for community activities in the heart of Roxburgh, and will accommodate new street furniture.

## Miners Lane

The Miners Lane reserve area had a new road constructed in June 2022, which involved a significant retaining structure and native planting, to blend in with the associated earthworks in the surrounding environment. The upper and lower portions of Stage 1 were connected by the new path winding down the hill.



## Parking improvements, Cornish Point Road

Cornish Point Road has seen an increase in traffic since the opening of the new Lake Dunstan Trail track in early 2021. To accommodate the large volume of vehicles now parking at the end of Cornish Point Road to enjoy the trail, Council's contractor modified an existing truck turnaround area at the end of the road, to create a suitable parking area. The road has also been re-metalled, along with some drainage work completed as part of the unsealed road renewal programme, and a new culvert has been installed under the cycle trail.



## What you can expect from us – Roothing

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Thriving Economy	Provide an efficient roading network		Average length of time to issue a consent for access to a road	0.7 days	1.3 days	≤ 2 days	Target achieved.
		✓	The average quality of ride on the sealed road network, measured by smooth travel exposure	97%	98%	Smooth travel exposure ≥ 90%	Target achieved.
		✓	Percentage of sealed local road network that is resurfaced	3.6%	24.5km sealed (4.6%)	> 3.9% of sealed road length resurfaced per annum	Target not achieved.  19.55km of sealed road network was resurfaced. The resurfacing distance is consistent with other years. However, a growing total sealed road network distance results in a lower percentage overall.
		✓	Number of service requests from customers responded to within 10 days	81%	90%	≥ 90%	Target not achieved.  Staff vacancies contributed to longer response times.
Connected 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 = 9	Number of fatal and serious crashes = 10	Stable or decreasing trend	Target achieved.



Community outcome	Our objective level of service	DIA Measure*	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Sustainable Environment	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	84%	81%	> 70%	Target achieved.
			Customer satisfaction with condition of unsealed roads	66%	69%	To maintain customer satisfaction at or above 70%	Target not achieved.  Theme from customer survey comments - gravel roads need grading more often.

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

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 ROADING	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
5,056	4,426	4,716	General rates, uniform annual general charges and rates penalties	4,465	4,562
834	470	471	Targeted rates	226	229
1,901	2,168	-	Subsidies and grants for operating purposes	2,670	2,392
21	21	8	Fees and charges	22	27
-	-	-	Interest and Dividends from Investments	-	-
650	584	518	Internal charges, and overheads recovered	1,443	31
278	284	235	Local authorities fuel tax, fines, infringement fees, and other receipts	241	370
-	-	-	Land and Property Sales	-	-
<b>8,740</b>	<b>7,953</b>	<b>5,948</b>	<b>Total operating funding</b>	<b>9,066</b>	<b>7,611</b>
<b>Applications of operating funding</b>					
3,850	3,991	4,536	Payments to staff and suppliers	4,697	4,526
-	-	-	Finance costs	-	-
2,167	2,191	1,973	Internal charges, and overheads applied	2,182	657
-	-	4	Cost of sales	-	1
5	5	5	Other operating funding applications	6	6
<b>6,022</b>	<b>6,187</b>	<b>6,518</b>	<b>Total applications of operating funding</b>	<b>6,884</b>	<b>5,190</b>
<b>2,718</b>	<b>1,766</b>	<b>(570)</b>	<b>Surplus (deficit) of operating funding</b>	<b>2,182</b>	<b>2,421</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
2,785	2,877	6,094	Subsidies and grants for capital expenditure	3,529	2,446
437	500	325	Development and financial contributions	397	646
-	-	-	Increase (decrease) in debt	-	-
-	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>3,222</b>	<b>3,377</b>	<b>6,419</b>	<b>Total sources of capital funding</b>	<b>3,926</b>	<b>3,092</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
721	583	662	- to meet additional demand	443	1,039
1,633	1,672	1,987	- to improve the level of service	1,327	659
3,633	3,986	4,709	- to replace existing assets	5,650	3,863
(47)	(1,098)	(1,509)	Increase (decrease) in reserves	(1,312)	(48)
-	-	-	Increase (decrease) in investments	-	-
<b>5,940</b>	<b>5,143</b>	<b>5,849</b>	<b>Total applications of capital funding</b>	<b>6,108</b>	<b>5,513</b>
<b>(2,718)</b>	<b>(1,766)</b>	<b>570</b>	<b>Surplus (deficit) of capital funding</b>	<b>(2,182)</b>	<b>(2,421)</b>
-	-	-	<b>Funding balance</b>	-	-





# Environmental Services





# Environmental Services

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## About our activity

Central Otago's vision for waste is to move towards zero waste and a sustainable Central Otago. Our goals are to improve the efficiency of resource use and reduce the harmful effects of waste. Working together with our community we can achieve more effective and efficient waste management and minimisation in our district.

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

Council has developed a sustainability vision:

*A great place to live, work and play, now and into the future*

Our Environmental Services team takes the lead in this space, supporting our wider organisation in activity to help us achieve the following goals:

- Being customer friendly, having enabling policies and appropriate infrastructure
- Supporting 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 well-being
- Managing change while protecting and enhancing our culture, heritage and landscape.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



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## Rising to the challenges

### Education to divert organic waste from landfill

A mixed green waste and food scraps bin will be a highly welcome addition to the new kerbside collection service being rolled out in July 2023.

With 47% of the kerbside general waste bin contents being made up of organic waste, diversion of this material from landfill is a priority. Not only is this the heavy, smelly and methane-producing component of waste, it can also be reused to return nutrients to soils.

Other projects this year have also focused on successfully diverting this organic material. The subsidised purchase of a bokashi composting bin system for Central Otago residents was raised from 30% to 50% of the purchase price, resulting in a 300% increase in sales. This was supported by Alexandra Wastebusters partnering with us to provide educational workshops with the Waste Minimisation Officer.



Our Waste Minimisation Officer also partnered with Central Otago REAP to run a series of home composting workshops in both Alexandra and Cromwell over 18 months, in the build-up to the new kerbside collection contract. Based at the Salvation Army Alexandra Community Gardens, the first of these workshops were very popular and highly enjoyable. Central Otago REAP is developing a teaching garden in Cromwell to hold future courses.





Organic scraps have continued to be collected from the Council Dunorling Street offices and processed using a bokashi system. Since this process was introduced at the end of 2020, over half a tonne of organic waste has been diverted from landfill.

## Enviroschools Education

The Enviroschool programme, funded through a Waste Levy, is running in all schools in Central Otago. Schools design their own projects based on their own sustainability journey.

Cromwell Primary School is one of the many secondary providers that has made this programme an integral part of school life, including pupils, staff, whānau and the board. It has also been written into the school strategic plan.

This year Cromwell Primary School has undertaken a variety of projects, including a large community native replanting programme, as well as several that focus on waste minimisation. A group of students have set up a Food Pantry for the community to reduce food waste, as well as share kai grown in their school garden. Year 6 students studied the lifecycle of aluminium from bauxite mining, to highlight the value of recycling this valuable material.

This image from the Lake Dunstan planting has been chosen by the Ministry for the Environment for publication.





*Students stocking the 'Cromwell Community Pantry' located in the heart of the Village*

## Waste Collection Contract Awarded

The new waste services contract was awarded to EnviroWaste on 30 June 2022, bringing more sustainable and efficient waste management services to Central Otago households from July 2023. This includes the introduction of a new organic kerbside waste collection. Other services include a transfer station operation, glass crushing plant operation, organics facility operation, and the servicing of drop-off containers for rural recycling and waste.

The new contract is a significant step forward for Central Otago's commitment towards sustainable waste management and will see approximately 1,400 tonnes of waste that was otherwise destined for landfill converted into compost. EnviroWaste will be responsible for collecting the district's organic waste from kerbside collections, processing the waste into compost using aerated static pile composting technology, then supplying it to local end markets. The compost will also be available to be used by Council's parks and reserves team, and in small quantities for local, domestic purchase.

From 1 July 2023, EnviroWaste will take up responsibility for the district's waste management services and the following kerbside waste collection changes will take place:

- The existing 240L (red lid) rubbish bin will be repurposed as the organics bin with a green lid and be collected weekly. This will be achieved by swapping the lids on the bins in service.
- The red lid rubbish bin will still be collected fortnightly, but residents will be moved to a smaller 140L rubbish bin.
- The 240L glass (blue) bin will be retained but collected every four weeks.
- The 240L mixed recycling (yellow) bin will continue to be collected fortnightly. Bin clips will be installed on all mixed recycling bins.

The Redruth Resource Recovery Park in Timaru will be used for processing organics temporarily, until a new organics processing facility can be constructed in Central Otago. The Council is also currently engaging with the Queenstown Lakes District Council as a potential user of the new organics processing facility.



## What you can expect from us – Environmental Services

Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Sustainable Environment	Improving the efficiency of resource use	Total amount of waste to landfill per rateable property	685kg	751kg	Incremental year-on-year reduction (measured as rubbish + recycling)	Target achieved.
	Customer satisfaction with waste services measured through customer survey		59%	86%	Incremental increase	Target not achieved.
	Carbon footprint reduction	Annual carbon footprint measurement using CEMARS process.	0.85 tCO <sub>2</sub> e per rateable property	0.86 tCO <sub>2</sub> e per rateable property	Incremental reduction or set annual reduction target.	Target achieved.
Connected Community	Provide compliant waste system and facilities	Compliance with resource consents for transfer stations, closed and operational landfills.	66%	-	Incremental percentage improvements.	Target not achieved.  Minor non-compliance on all closed landfill consents due to annual monitoring report submitted to Otago Regional Council late.

\* Waste to landfill = 9,991 tonnes divided over 14,568 rateable properties = 685 kg per property

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 ENVIRONMENTAL SERVICES	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	-
3,005	3,701	3,716	Targeted rates	4,126	4,193
-	-	-	Subsidies and grants for operating purposes	-	-
155	150	182	Fees and charges	290	188
19	3	2	Internal charges, and overheads recovered	-	1
850	1,275	1,086	Local authorities fuel tax, fines, infringement fees, and other receipts	1,214	1,175
<b>4,029</b>	<b>5,129</b>	<b>4,986</b>	<b>Total operating funding</b>	<b>5,630</b>	<b>5,557</b>
<b>Applications of operating funding</b>					
3,384	4,489	4,807	Payments to staff and suppliers	5,147	5,468
-	-	-	Finance costs	-	-
548	649	617	Internal charges, and overheads applied	509	457
9	9	24	Other operating funding applications	14	17
<b>3,941</b>	<b>5,147</b>	<b>5,448</b>	<b>Total applications of operating funding</b>	<b>5,670</b>	<b>5,942</b>
<b>88</b>	<b>(18)</b>	<b>(462)</b>	<b>Surplus (deficit) of operating funding</b>	<b>(40)</b>	<b>(385)</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	-	350
-	200	394	- to improve the level of service	-	36
8	8	16	- to replace existing assets	390	11
80	(226)	(872)	Increase (decrease) in reserves	(430)	(782)
-	-	-	Increase (decrease) in investments	-	-
<b>88</b>	<b>(18)</b>	<b>(462)</b>	<b>Total applications of capital funding</b>	<b>(40)</b>	<b>(385)</b>
<b>(88)</b>	<b>18</b>	<b>462</b>	<b>Surplus (deficit) of capital funding</b>	<b>40</b>	<b>385</b>
-	-	-	<b>Funding balance</b>	-	-





# Planning and Regulatory





# Planning and Regulatory

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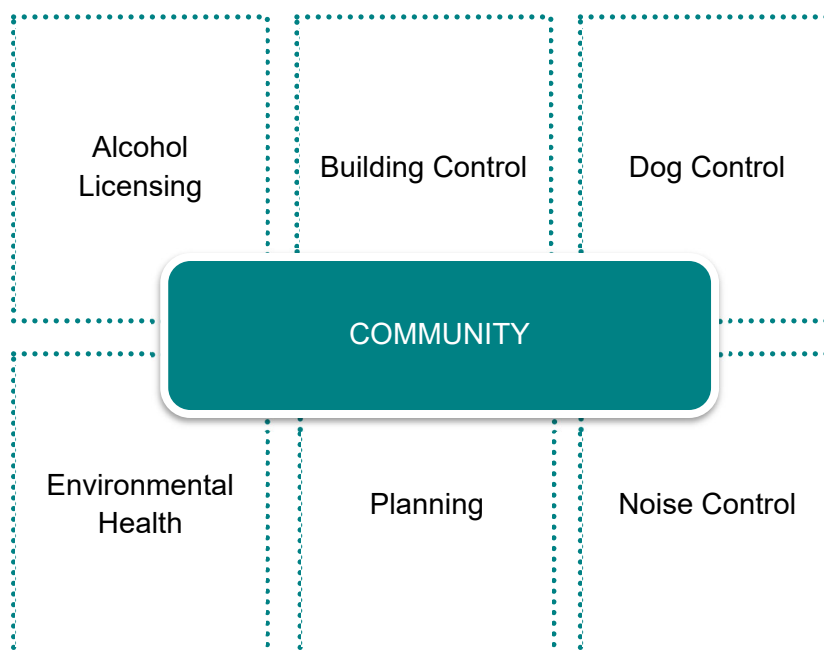
## About our activity

Our regulatory service is important to help protect public safety and the environment, minimise the risk of nuisance and ensure customers meet their statutory requirements.

We deliver the regulatory service in a variety of ways, including processing building consents and alcohol licence applications. We also monitor and audit registered food businesses, and ensure dogs are registered and kept under control.

Our planning function includes the preparation, review and administration of the District Plan. The District Plan is the framework used for the processing of resource consents. We monitor conditions of resource consents and compliance with District Plan provisions to ensure any effects on the environment are managed appropriately.

The activities of the service include:



## THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

### Building consent figures

During the 2021/2022 year, a total of 1170 building consents were issued, with the building work valued at \$244,511,023. This was an increase of 18% in the number of consents, and a 30% increase in value from the previous year. During the same period, a total of 592 resource consents were processed, which also represents a 23% increase from 2020/2021.

### Alcohol/Environmental Health

Our Alcohol Licensing inspector carried out her first night-time surveillance and alcohol compliance checks with Police. She now also conducts a site visit for every renewal and new alcohol licence applications. Alcohol licensing application forms can now be created online.

Our Environmental Health team carried out inspections of all Health Act registered premises and campgrounds, hairdressers, offensive trades and funeral directors. This work was previously outsourced to contractors, and our in-house team provides a better service at a reduced cost.

The Council also has its quality management system approved by International Accreditation New Zealand, allowing Council to retain verification authority recognition.

All our food verifications are up to date, after previous delays due to COVID-19, and we appreciate how difficult a time this has been for operators. There has been a reduction in food enforcement required, which has improved food safety compliance.

Formal statutory templates have been set for excessive noise directions, seizures and noise reports – this has improved the process, and enhanced our service to the customer. Warning letters are now given to repeat noise offenders, and first noise abatement notices are served under the under RMA 1991, including an Infringement fine for breaching excessive noise.

### Planning

The planning team has had success in continuing to process consents during COVID-19, and despite significant resourcing challenges.

## Dogs

A huge improvement has been made to our dog control service since it was brought back in house, with faster response times and an increased visibility through a new sign written van.

There has also been a significant reduction in barking and roaming dog complaints, and our dog control officer is working to address the issue through increased patrols.

A review of dog registrations has also ensured that all animals registered as working dogs meet the definition under the Dog Control Act 1996.







## What you can expect from us – Planning and Regulatory

Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
<b>PLANNING</b>						
Thriving economy Sustainable environment	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with resource consent process in customer survey	44%	69%	Maintain customer satisfaction $\geq 75\%$	Target not achieved.  Theme from customer survey comments - issues with time taken to get a resource consent.
		Resource consents processed within statutory timeframes	82.47% (land use consents) and 81.6% (sub-divisions)	95% non-notified consents, 84% notified consents	Resource consents processed within statutory timeframe $\geq 95\%$	Target not achieved.  This result for land use consents is due to significant resourcing challenges i.e. the resignation of key personnel. While consultants have been used to assist in the processing of applications, these too have been at capacity and unable to assist as needed over the year.
<b>BUILDING SERVICES</b>						
Thriving economy Connected community	To maintain the ability to issue building consents	Through maintaining the Building Consent Authority accreditation	Pass	-	To maintain under Building Consent Authority accreditation	Target achieved.  International Accreditation New Zealand confirmed, now every two years.

Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
	To enable customers to build in an appropriate way through a timely consent process	Percentage of building consents issued within the statutory timeframe.	95%	98%	To achieve ≥ 97% of building consents issued within the statutory timeframes.	Target not achieved.  This is due to an 11% increase overall in building consent applications and COVID-19.
	To provide customers with LIM reports and a timely service	Percentage of LIMs issued within the statutory timeframe	100%	-	To achieve ≥ 99% of LIMs issued within the statutory timeframes.	Target achieved.

#### ENVIRONMENTAL SERVICES

Thriving economy Connected community	To assist food business operators to meet their obligation of selling safe and suitable food. This will be achieved through education and verifying and enforcing the requirements of the Food Act 2014.	Percentage of applications for the registration of food businesses completed within 10 working days.	100%	-	≥ 90% of applications for the registration of food businesses are completed within 10 working days.	Target achieved.
		Percentage of food business verifications carried out within the required Food Act 2014 performance-based verification frequency.	97%	-	To achieve ≥ 90% of food business verifications being carried out within the required Food Act 2014 performance-based verification frequency.	Target achieved.
		Percentage of corrective action requests and improvement notices resulting from non-conformances/compliances are completed within the specified period.	92%	-	To achieve ≥ 90% of corrective action requests and improvement notices resulting from non-conformances/compliances being completed within the specified period.	Target achieved.

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 PLANNING AND REGULATORY	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	-
1,040	2,096	2,104	Targeted rates	2,343	2,431
-	-	-	Subsidies and grants for operating purposes	2,167	-
2,228	2,360	2,313	Fees and charges	-	2,628
175	72	34	Internal charges, and overheads recovered	15	23
418	581	907	Local authorities fuel tax, fines, infringement fees, and other receipts	776	1,075
<b>3,861</b>	<b>5,109</b>	<b>5,358</b>	<b>Total operating funding</b>	<b>5,300</b>	<b>6,157</b>
<b>Applications of operating funding</b>					
2,884	4,050	3,742	Payments to staff and suppliers	4,377	4,673
-	-	-	Finance costs	-	-
877	951	947	Internal charges, and overheads applied	1,200	1,088
-	-	5	Cost of sales	-	-
2	2	3	Other operating funding applications	3	2
<b>3,763</b>	<b>5,003</b>	<b>4,697</b>	<b>Total applications of operating funding</b>	<b>5,579</b>	<b>5,763</b>
<b>98</b>	<b>105</b>	<b>661</b>	<b>Surplus (deficit) of operating funding</b>	<b>(279)</b>	<b>394</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	15	-
-	-	-	- to improve the level of service	87	-
-	115	237	- to replace existing assets	187	1
98	(10)	424	Increase (decrease) in reserves	(568)	393
-	-	-	Increase (decrease) in investments	-	-
<b>98</b>	<b>105</b>	<b>661</b>	<b>Total applications of capital funding</b>	<b>(279)</b>	<b>394</b>
<b>(98)</b>	<b>(105)</b>	<b>(661)</b>	<b>Surplus (deficit) of capital funding</b>	<b>279</b>	<b>(394)</b>
-	-	-	<b>Funding balance</b>	-	-





# **Pools, Parks and Cemeteries**





# Pools, Parks and Cemeteries

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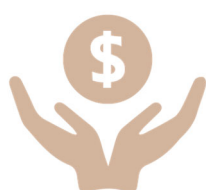
## About our activity

Access to parks, reserves and recreational facilities is important for our communities' well-being and maintaining a variety of high-quality open spaces helps to make our district an attractive place to live, work and play. Our swim centres provide a place for people to recreate and learn to swim, particularly for our young people. We manage the Cromwell Pool and Alexandra Pool directly, along with a summer pool in Ranfurly.

Council's parks and recreation team also looks after 13 sports grounds and domains, eight cycling and walking tracks, three skateboard facilities, a bike park, approximately 7,000 trees, 31 playgrounds, and we maintain 268 hectares of reserve land.

The provision of cemeteries is an important function which we undertake on behalf of the community. We are responsible for nine cemeteries in our district, and cemetery trusts manage the other cemeteries.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

### Swimming pools

The Alexandra and Cromwell pools were closed for a total of 22 days during COVID-19 Alert Levels (4 and 3), from 17 August to 7 September 2021. When Alert Level 2 restrictions came into place, we had to work with a maximum of four people per lane in the 25m pool, 32 in the therapeutic pool and four in the spa, from 7 September to 2 December - a total of two months and 25 days.

From 10 December 2021 vaccine pass requirements were then introduced, and removed again on 5 April 2022.

From Wednesday 16 March 2022, all school children, regardless of whether they were vaccinated, were able to access swim and water safety classes under the government health order for education outside the classroom. For the safety of other users, Central Otago

District Council pools were closed to the public during the Swim Skills sessions in March and April 2022.

New inflatables have been purchased for the Alexandra Pool to provide more recreation choices for children, and an old storage room has been converted into a meeting room.

In July 2022, the Alexandra Pool hosted the International Ice Swimming Championships for the first time, which was a huge success.

The installation of the water sources heat pump at the Cromwell Pool was completed in August 2021, which will reduce Council's carbon footprint.

### **Alexandra Riverside Park**

Preliminary background work has started on the Alexandra River Park in a community initiated project to rejuvenate lower Tarbert Street by creating a new public space at the junction of the Clutha Mata-au and Manuherekia rivers. Council has partnered with the Alexandra Riverside Park Trust and has received a grant from the Tourism Infrastructure Fund to assist with the provision of toilets and a cycle hub in the area.

### **Cromwell Big Fruit**

The iconic Big Fruit sculpture was cleaned and repainted in the middle of 2022, with Naylor Love awarded the contract, and a specialised painter from Southland, Danny Owens, carried out the job. The sculpture was primed, repainted and sealed with a UV clear coat to rejuvenate the fruit, and completed in just 14 days.

### **Clyde and Ranfurly Playgrounds**

The Clyde River Park playground was also completed in mid-2022, and engagement is underway with the Ranfurly community on the John Street Reserve playground.



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

Community outcome	Our objective level of service	How we measure Success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Thriving Economy Sustainable environment	Parks and reserves are maintained and operated so that they look good and meet the needs of users.	Percentage of customer survey respondents satisfied with parks and reserves.	87%	92%	Maintain satisfaction with parks and reserves ≥ 85%	Target achieved.
		Percentage of customer survey respondents satisfied with cemeteries and the burial process.	90%	85%	Maintain satisfaction with cemeteries and the burial process ≥ 90%	Target achieved.
Connected community	Playgrounds in the district have equipment that is fun and educational	Percentage of customer survey respondents satisfied with playgrounds.	81%	92%	Maintain satisfaction with playgrounds ≥ 85%	Target not achieved.  No themes in the comments in customer survey to determine why target may not have been met.
	Central Otago playgrounds are maintained to meet the NZ Playground Safety Standards	Annual "Playground Safety Standards" audit	Pass	-	To pass	Target achieved.
Thriving Economy Connected Community	To provide aquatic facilities including a range of programmes that meet the needs of the majority of the community	Percentage of customer survey respondents satisfied with pools and the programmes offered	75%	-	Maintain user satisfaction ≥ 90%	Target not achieved.  Theme from customer survey comments - issues with cost, temperature and cleanliness.
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass	Pass	To pass	Target achieved.  Both Cromwell and Alexandra pools have passed the "Pool Safe" standard for 2022/23.

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 POOLS, PARKS AND CEMETERIES	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	(2)	-	General rates, uniform annual general charges and rates penalties	(3)	-
4,595	5,224	5,249	Targeted rates	6,044	6,134
-	1	3	Subsidies and grants for operating purposes	2	4
1,058	928	886	Fees and charges	891	788
432	468	459	Internal charges, and overheads recovered	562	11
214	197	200	Local authorities fuel tax, fines, infringement fees, and other receipts	197	196
<b>6,299</b>	<b>6,816</b>	<b>6,797</b>	<b>Total operating funding</b>	<b>7,693</b>	<b>7,133</b>
<b>Applications of operating funding</b>					
3,893	4,194	4,255	Payments to staff and suppliers	4,370	4,178
1	1	2	Finance costs	1	1
1,430	1,623	1,412	Internal charges, and overheads applied	1,445	747
94	94	260	Other operating funding applications	242	256
<b>5,418</b>	<b>5,912</b>	<b>5,929</b>	<b>Total applications of operating funding</b>	<b>6,058</b>	<b>5,182</b>
<b>881</b>	<b>904</b>	<b>868</b>	<b>Surplus (deficit) of operating funding</b>	<b>1,635</b>	<b>1,951</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	214	Subsidies and grants for capital expenditure	-	253
-	-	-	Development and financial contributions	-	-
-	-	-	Increase (decrease) in debt	-	-
2,291	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>2,291</b>	<b>-</b>	<b>214</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>253</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	- to meet additional demand	18	1,260
3	396	263	- to improve the level of service	46	408
1,142	1,211	789	- to replace existing assets	1,619	530
2,027	(703)	30	Increase (decrease) in reserves	(49)	6
-	-	-	Increase (decrease) in investments	1	-
<b>3,172</b>	<b>904</b>	<b>1,082</b>	<b>Total applications of capital funding</b>	<b>1,635</b>	<b>2,204</b>
<b>(881)</b>	<b>(904)</b>	<b>(868)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(1,635)</b>	<b>(1,951)</b>
-	-	-	<b>Funding balance</b>	<b>-</b>	<b>-</b>





# Property and Community Facilities



# Property and Community Facilities

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## About our activity

Our community facilities and buildings provide local community hubs for social, sporting and cultural interaction.

We provide community housing, predominantly for the elderly. The Council owns 98 flats located in Alexandra, Clyde, Cromwell, Ranfurly and Roxburgh.

We provide public toilets in towns across the district and at recreation facilities and parks, to meet the needs of the community and visitors to our district.

We provide a main operational office and customer service centre in Alexandra, and 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. There is also an increasing interest in private hangars with a residential annexe. In Alexandra, 26 hangar or hangar and residential leases have been issued with five sites still to be built on and building underway on another two. A draft Alexandra Airport Masterplan is nearing completion, which will provide direction for future types of activity on the aerodrome and appropriate locations for development. Thirteen leases are also in place for hangar only sites at Cromwell Aerodrome with potential for another 7 to 10 sites.

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 as forestry blocks. These forests also provide an amenity value for the community for walking and biking. Some have potential for other land use in the future as recognised by their zonings in the District Plan.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community



## Rising to the challenges

### Alexandra Airport Masterplan

The next planned stage of development at the airport is a hangar precinct for 20-30 sites, due to be completed in the 2022/23 year.

A Masterplan for the airport was completed to provide guidance for decision making and planning for future development, and long-term protection of the airport as a local aviation asset. The Masterplan contains technical details about the airport and airport users, and also a development plan to guide the location of development sites and activities.

### New Clyde toilets

Two new toilets were installed at Lodge Lane and Miners Lane as part of the Clyde town centre upgrade and riverside development.

### Dunstan Park residential subdivision

Stages 1 and 2 of the Council's residential subdivision in Alexandra were completed in 2021/22, with 32 sections sold. Stage 3 is nearing completion with 16 sections under contract.





## Cemetery Road industrial subdivision

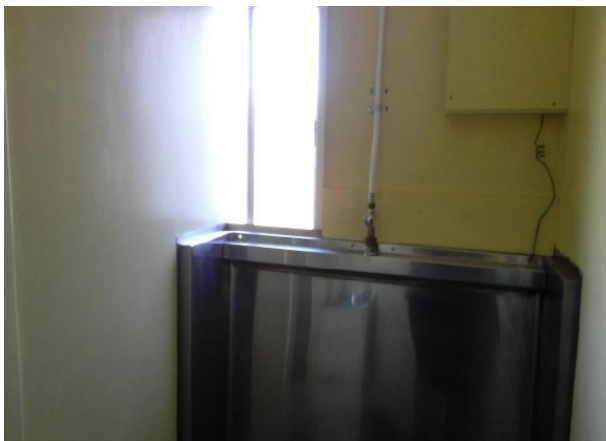
Stage 1 of the Council's industrial subdivision at Cemetery Road, Cromwell was completed with all four sections sold. Three sections were sold as part of a land swap for land purchased by the Council at 9 Murray Terrace.

A project engineer was appointed to design and project manage Stage 2 of the subdivision and construction is now underway. Twenty one out of the 32 sections are already under contract.

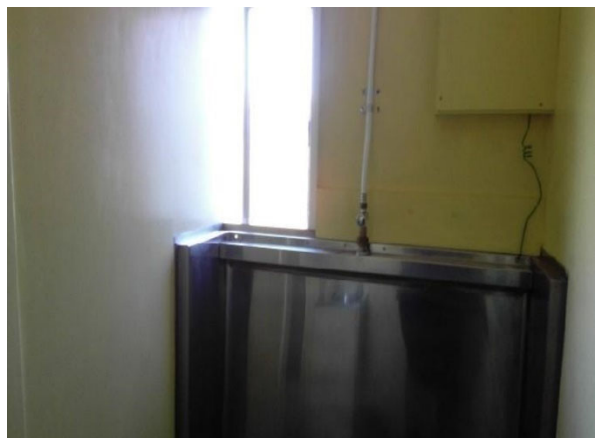
## Ophir Hall – IRG bathroom renovation project

Using \$210,000 from the Ministry of Business, Innovation, and Employment (MBIE) for COVID-19 Community Stimulus funding, this community-driven project involved replacing the old bathrooms at the back of the Ophir Hall. Thirteen individuals from the community were involved in the completion of this project, and it is estimated that volunteers worked approximately 200 hours including the time spent preparing the funding application, assisting with design and negotiations, and co-ordinating the volunteers. Without this significant contribution by volunteers, the project would not have been possible. The head contractor, Breen Construction, provided significant discounts, and a funding contribution from the Ophir Welfare Committee, the Ophir Hall Committee and the Ophir community meant they could paint the interior themselves – Council contributing with staff time to project manage the work.

### Photos of volunteer involvement



## Before photos



## After photos







### **Becks Hall**

As part of this financial year's programmed maintenance schedule for the Becks Hall, the exterior of the building has been repainted. With the help of a colour consultant, the Becks Hall Committee chose the exterior colours, and everyone is very happy with the result.



### **Roxburgh Entertainment Centre**

As part of this year's programmed maintenance for the theatre, the exterior is to be repainted. The Roxburgh Entertainment Centre Improvements and Promotions group has worked with a colour consultant to bring a fresh new white and black theme to the front of the building, which will be offset by the red bricks. The group has also decided to remove the canopy over the front door.



## Central Stories

Repair work was carried out to Central Stories after the concrete beam above the garage doors failed. The beam suffered frost damage which exposed the reinforcing steel, so Cockburn Construction took away the concrete beam face and underside, exposing the compromised reinforcing. This work was overseen by WSP Opus. The new beam was boxed and poured in situ, and is now completed.

## Tarbert Street – Office Renovation

Part of the upstairs offices have undergone a renovation which included flooring, a new staffroom kitchen, and painting throughout. The resulting look is fresh, modern and spacious. As the majority of these offices are currently vacant, the upgrade will help to attract new lessees.

### Before photos



## After photos





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

Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Thriving Economy Sustainable Environment Connected Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of customer survey respondents satisfied with community buildings	74%	76%	>90% satisfied	Target not achieved.  Theme from customer survey comment - cost to hire.
		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.
	Free public toilets are available for the local community and visitors throughout the district at locations set out in the Public Toilet Strategy	Percentage of customer survey respondents satisfied with public toilets	81% (new measure)	31 available	>90% satisfied	Target not achieved.  Theme from customer survey comment - lack of facilities and/or out of service.
Thriving Economy Connected Community	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Non-compliant, 98%	Full Compliance	Full compliance	Target not achieved.  Delay in contractor compliance requirements.
	Housing suitable and affordable for elderly is provided in the main townships until such time as the need can be met by other agencies	Percentage of EPH tenancy survey respondents satisfied with their unit.	98% (new measure)	98 units	>90% satisfied	Target achieved.
	To meet all Civil Aviation Authority (CAA) requirements for uncertified airports	No complaints from Airport users or notifications from CAA of non-compliance.	Full compliance	Non-compliant	Full compliance	Target achieved.



2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 PROPERTY AND COMMUNITY FACILITIES	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
(120)	(257)	(240)	General rates, uniform annual general charges and rates penalties	349	355
2,269	2,380	2,332	Targeted rates	1,991	1,668
-	-	2	Subsidies and grants for operating purposes	-	-
1,298	1,430	1,592	Fees and charges	1,595	1,885
-	-	251	Interest and Dividends from Investments	-	3
1,260	1,575	1,904	Internal charges, and overheads recovered	1,366	149
92	134	133	Local authorities fuel tax, fines, infringement fees, and other receipts	65	187
-	-	6,236	Land and Property Sales	16,536	10,556
<b>4,799</b>	<b>5,262</b>	<b>12,210</b>	<b>Total operating funding</b>	<b>21,902</b>	<b>14,803</b>
<b>Applications of operating funding</b>					
2,629	2,857	3,394	Payments to staff and suppliers	2,835	2,553
-	-	-	Finance costs	-	-
1,290	1,502	1,378	Internal charges, and overheads applied	1,513	355
-	-	3,733	Cost of sales	13,826	6,833
266	265	321	Other operating funding applications	328	321
<b>4,185</b>	<b>4,624</b>	<b>8,826</b>	<b>Total applications of operating funding</b>	<b>18,502</b>	<b>10,062</b>
<b>614</b>	<b>638</b>	<b>3,384</b>	<b>Surplus (deficit) of operating funding</b>	<b>3,401</b>	<b>4,741</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
1	1	254	Subsidies and grants for capital expenditure	55	313
-	-	-	Development and financial contributions	-	-
-	-	-	Increase (decrease) in debt	-	-
-	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>1</b>	<b>1</b>	<b>254</b>	<b>Total sources of capital funding</b>	<b>55</b>	<b>313</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	3,507	- to meet additional demand	-	753
754	1,154	3,799	- to improve the level of service	40	276
506	1,265	-	- to replace existing assets	5,762	810
(645)	(1,780)	(3,668)	Increase (decrease) in reserves	(2,391)	3,215
-	-	-	Increase (decrease) in investments	45	-
<b>615</b>	<b>639</b>	<b>3,638</b>	<b>Total applications of capital funding</b>	<b>3,456</b>	<b>5,054</b>
<b>(614)</b>	<b>(638)</b>	<b>(3,384)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(3,401)</b>	<b>(4,741)</b>
-	-	-	<b>Funding balance</b>	-	-





## Service Centres and Libraries



# Service Centres and Libraries

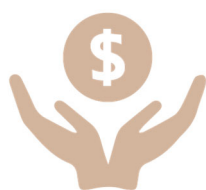
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## About our activity

We aim to give our community the best customer experience: one where they are put first and provided with fast, efficient, accurate and friendly results. Council provides a front-line customer services team in its main Alexandra office and its three service centres in Cromwell, Roxburgh and Ranfurly.

We aim to deliver the highest quality library service to meet our community's informational, educational, recreational and cultural needs. 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 Mānīatoto.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

### Alexandra Library Renovation Project

On 6 July 2022, Council approved the Chief Executive to progress the concept plan through to detailed design, construction partner and quotation project phases.

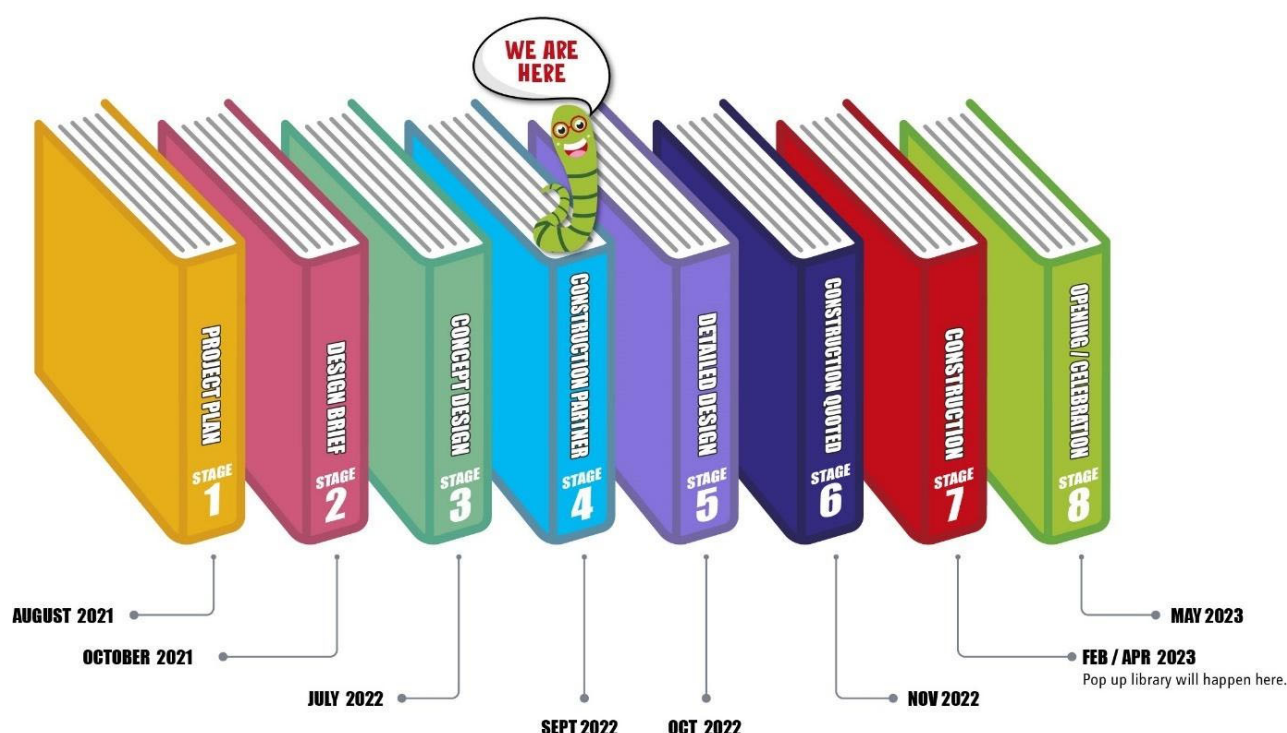
We are also awaiting the outcome of a funding application from the Three Waters Better Off Support Package, to meet a budget shortfall for an enhanced design.

The aim is to create a modern future-proofed space – a space that not only provides traditional library services, but offers a flexible space for the community to use to come together to connect, create and collaborate.

The project is estimated to cost \$1,035,000, including a 30% contingency (common in the current environment). Additional budget of \$611,500 is required from the Three Waters Better Off Support Package. This is contestable Government funding that allows councils to invest in projects for their local communities' wellbeing. The change of scope would deliver a more fit-for-purpose and modern library environment. Additional items included internal toilets, a separate staff room, and double glazing. Particular attention was paid to ensuring that the design provided flexibility within the current building for potential alternative uses in the future.



# Alexandra Library Refurbishment Timeline



## Library Services

COVID-19 restrictions made for an interesting year with most programmes and group activities being suspended or held off site for several months.

We introduced a number of programmes to help people remain active in the library, including click and collect, augmented reality scavenger hunts, take home activities packs for holiday programmes, “pop-up” visits to schools and virtual story times, as well as promoting our digital services.

Home services remained busy with 401 visits in a year (contactless pickups and deliveries). Central Otago now has 7489 borrowers – up 31% on the previous year, with 872 new borrowers – the highest number in over five years.

Several events were celebrated throughout the year including Worldwide Knit in Public Day, Light Up Cromwell, and Matariki. Both Alexandra and Cromwell hosted a book launch of Margaret McHugh's *The Real McHugh*, in April. The Successful Summer Reading Challenge had 100 children participating, and we partnered with Paper Plus Alexandra to provide the main prizes of vouchers. We also had community presentations including the Central Otago Youth Expo Programmes. Re-introduced into the libraries were class visits, Storytime, Yarn2gether and crafternoons, as well as brick clubs.





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

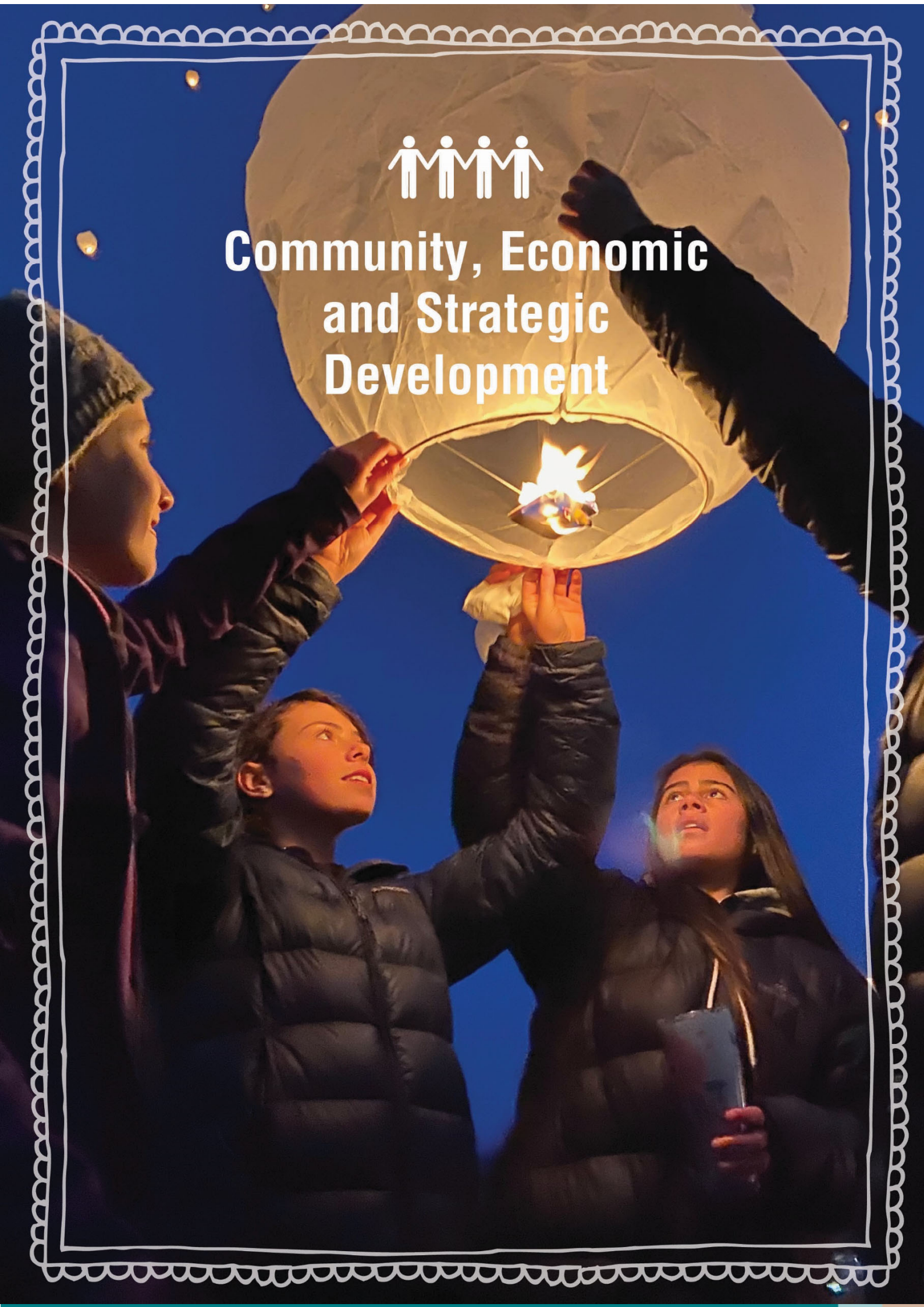
Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
Thriving Economy Connected community Sustainable environment	To provide a quality library service through friendly, helpful and knowledgeable staff that enables residents and visitors to have valued library experiences	Percentage of library users satisfied with the quality of library services	91%	96%	>90%	Target achieved.
	Satisfaction with contact regarding service requests	Customer survey – the service was fast and efficient	76%	73%	>80%	Target not achieved.  Theme from phone survey - issues have not yet been resolved or took a long time to get resolved.
		Customer survey – the service was friendly and courteous	100%	96%	>90%	Target achieved.
		Customer survey – issues dealt with effectively	64%	63%	>75%	Target not achieved.  Theme from phone survey - issues have not yet been resolved or took a long time to resolve. Or if they have been resolved the customer has not been made aware.
	Satisfaction with the initial contact with Council	Customer survey – the service was fast and efficient	77%	78%	>90%	Target not achieved.
		Customer survey – the service was friendly and courteous	87%	90%	>90%	Target not achieved.
		Customer survey – issues dealt with effectively	64%	68%	>80%	Target not achieved.



2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 SERVICES CENTRES AND LIBRARIES	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
-	-	-	General rates, uniform annual general charges and rates penalties	-	331
1,290	1,243	1,247	Targeted rates	1,464	1,154
-	-	-	Subsidies and grants for operating purposes	147	-
18	18	24	Fees and charges	18	19
349	322	323	Internal charges, and overheads recovered	(22)	1
9	9	10	Local authorities fuel tax, fines, infringement fees, and other receipts	9	8
<b>1,666</b>	<b>1,592</b>	<b>1,604</b>	<b>Total operating funding</b>	<b>1,616</b>	<b>1,513</b>
<b>Applications of operating funding</b>					
996	986	994	Payments to staff and suppliers	1,073	982
-	-	-	Finance costs	-	-
513	557	547	Internal charges, and overheads applied	458	410
1	1	1	Other operating funding applications	1	1
<b>1,510</b>	<b>1,544</b>	<b>1,542</b>	<b>Total applications of operating funding</b>	<b>1,532</b>	<b>1,393</b>
<b>156</b>	<b>48</b>	<b>62</b>	<b>Surplus (deficit) of operating funding</b>	<b>84</b>	<b>120</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	59	Subsidies and grants for capital expenditure	-	152
-	-	-	Development and financial contributions	-	-
-	-	-	Increase (decrease) in debt	-	-
-	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
-	-	<b>59</b>	<b>Total sources of capital funding</b>	-	<b>152</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	- to meet additional demand	-	4
-	495	149	- to improve the level of service	-	173
166	5	2	- to replace existing assets	483	-
(10)	(452)	(30)	Increase (decrease) in reserves	(398)	95
-	-	-	Increase (decrease) in investments	-	-
<b>156</b>	<b>48</b>	<b>121</b>	<b>Total applications of capital funding</b>	<b>84</b>	<b>272</b>
<b>(156)</b>	<b>(48)</b>	<b>(62)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(84)</b>	<b>(120)</b>
-	-	-	<b>Funding balance</b>	-	-



# Community, Economic and Strategic Development



# Community, Economic and Strategic Development

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## About our activity

Our community, economic and strategic development activities support a thriving and resilient community. We are out there connecting and having conversations – listening, understanding and shaping our future in partnership with our community.

*Central Otago A World of Difference* regional identity values define the unique characteristics of our region. It's a definition of who we are, what we value and what we want to protect. Council manages the regional identity on behalf of the community, providing a platform to tell the unique stories of people and place. We encourage our community to embrace, celebrate and demonstrate the special place-based qualities we share.

Council's community development programme supports and enables our local communities to define what is important to them and to drive the projects they are passionate about. Our community development team also assists groups to connect with each other and links Council with community-driven activities.

Council provides a helping hand to a number of community-driven initiatives each year by issuing grants. These are allocated to groups wishing to host cultural, creative, sporting and community-based events or initiatives that meet identified community needs and strengthen community well-being.

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.

Tourism Central Otago manages the development and marketing of Central Otago as a visitor destination. We focus on delivering value: value to visitors, value to our host communities, value to the businesses that invest in the products and services purchased by visitors, and value to our natural environment. We aim to attract visitors who want truly authentic Central Otago experiences, increasing the spread and spend of visitors throughout the district.

Our 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.



We want to make sure our communities are involved in these decisions and activities – that people are kept up to date and are able to easily take part in Council engagement processes. Our communications team provides timely and accurate information, and works to create meaningful opportunities for community involvement.

#### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

### Community engagement

Council's Communications team implemented the web-based *Let's Talk* consultation platform. Let's Talk *Korero Mai* Central Otago has been introduced to enhance the visibility of Council's community engagement processes and create a more user-friendly experience. The online site is where users can register to share ideas, discuss important topics and provide feedback to Council. The site will address shortcomings of Council's Long-term Plan consultation process, such as users being unable to save draft submissions.

Council also ran 18 formal and informal community engagement processes this financial year. Restrictions in person-to-person contact over the past 12 months has meant that many of Council's engagement processes were limited to online processes.

### Eden Hore Central Otago

A dedicated Eden Hore Central Otago website has been established. The website [www.edenhorecentralotago.com](http://www.edenhorecentralotago.com) offers an introduction to the collection and stories, as well as detailed information about past and future activities, plus how to purchase limited edition photographs of the collection by renowned photographer Derek Henderson.

In October 2021, Council hosted an evening for the community to describe the opportunities being explored with the Eden Hore Central Otago programme. The evening included a first viewing of a series of photographs by Henderson, with the Eden Hore collection and Central Otago landscapes as the focal point. The event was attended by over 85 key stakeholders, who gained a behind the scenes update on the project, as presented by the Eden Hore Central Otago steering group.



The Dowse Art Museum in Lower Hutt showcased the Eden Hore Central Otago collection at an exhibition entitled '*Eden Hore: High Fashion/High Country*'. The exhibition was held between 4 December 2021 and 20 March 2022 and attracted more than 36,000 visitors. A selection of 25 garments and images from the Eden Hore Central Otago Collection were displayed. The Dowse Museum is one of New Zealand's leading contemporary art galleries, and it hosted the exhibition as part of the museum's full-year 50<sup>th</sup> anniversary programme.

Manatū Taonga (Ministry for Culture and Heritage) provided a \$20,000 grant to the Eden Hore Central Otago project, through the Te Urungi Innovating Aotearoa programme in July 2021. This funding has been utilised to develop a business case for a transportable visitor experience. 'The tractor shed' (affectionately named after the tractor shed on Eden's farm that he converted into a fashion museum back in the 1980s) will contain a selection of garments in purpose-built cases, alongside stories of Eden Hore, in-depth details of the collection and its colourful history, all showcased against the cornerstone of the Central Otago regional identity model. It is envisaged that the tractor shed will be the catalyst for many and varied immersive experiences involving creative practitioners, design students, the local community and visitors to the region.

A charitable trust is in the process of being established for Eden Hore Central Otago. The trust will operate independently of Council. Its main purpose is to hold funds raised for the collection's preservation and display, and to drive fundraising opportunities.

## **Teviot Valley Community Hub**

Council is supporting Teviot Valley growers to secure external funding and setup of a committee to attract and retain staff and improve well-being.

## **Labour Market report**

Council acted on behalf of the Central Otago Labour Market group for horticulture and viticulture and managed the production of the labour market report.

## **Welcoming Communities**

An Advisory Group was formed in November 2021 and 11 members were selected, as well as two members of the Youth Council who will attend on an ad hoc basis.

The Mayor and CEO were invited to sign the Statement of Commitment to the Welcoming Communities programme at a ceremony in December 2021, with Council's Executive Team, key staff and Welcoming Communities Advisory Group members present. The ceremony provided an opportunity to acknowledge the Advisory Group and indicate Council's leadership support for the programme.

In March 2022 Welcoming Communities partnered with Neighbourhood Support to celebrate Neighbours Day Aotearoa-Kai Connections. The first initiative was designed to show the Council's appreciation for our neighbours. The Council offices are in a residential neighbourhood and as a result, we park daily in front of private homes. To recognise our neighbour's patience with living nearby the Council offices, we put together a small parcel to deliver to the neighbours, including the Mayor's mum's fudge recipe, including a photo of the Mayor making the fudge, and gave it to the neighbours – along with information about the other Neighbours Day initiatives, and a wooden spoon to help make the fudge.

The second initiative involved standing outside Paper Plus in Alexandra with samples of the Mayor's Mum's fudge recipe lovingly made by Neighbourhood Support volunteers. We provided the recipe along with a recipe card for them to complete and give to a neighbour. We also went door-to-door and provided local businesses with fudge samples and a recipe card. It was nice to be able to give people something to smile about, and we hope that they passed that smile along to their neighbour.

In May 2022, Welcoming Communities partnered with Business South to sponsor the Newcomer Leadership Scholarship to attend the Central Otago Leadership Academy. We based this initiative on a similar one that was successful in Southland. This initiative built important links with Business South through developing this scholarship, and we hope to continue working together in the future. Business South provided the funding for the scholarship, but both Welcoming Communities and Business South were involved in the selection of the candidate, and the press related to that selection. The groundwork has been laid for future co-ordination on this, and potentially other initiatives. The recipient of the scholarship, a newcomer and small business owner, had the opportunity to not only be part of the Leadership Academy, but she was also invited to attend an important Business South networking event, where she was acknowledged as the recipient of the scholarship.





## Relationship with Mana Whenua

In April 2022, the Council voted to formalise its relationship with mana whenua, which for Central Otago are the four Otago-based papatipu rūnaka, Te Rūnanga o Moeraki, Kāti Huirapa ki Puketeraki, Te Rūnanga o Ōtakou, and Hokonui Rūnanga (kā rūnaka). The Council had been building on its relationship with mana whenua for the previous five years and this resulted in kā rūnaka submitting to the Council's 2021-31 Long-term Plan seeking a Treaty partnership arrangement, facilitated through Aukaha, a regional agency that supports kā rūnaka. For the Council, this marked a significant milestone in the Central Otago District Council's partnership journey with mana whenua, and helps to ensure that Council meets its obligations under the Local Government Act 2002 and other legislation.

## Waitangi Day 2022 - Wahi Tipuna presentation

Central Otago was set to host the official southern Kai Tahu Waitangi Day celebrations in February 2022. However, COVID-19 protection measures at the time meant that hosting a physical event at that time was impossible. Instead, Kaumātua Edward Ellison (Ōtakou, Kāi Tahu) very generously hosted a special online presentation about significant Central Otago landmarks and traditional stories which are an important part of Kāi Tahu history, culture and traditions. The presentation was recorded and is available on the Council's website. It provides an amazing resource for the local community and to date has received over 700 views.

## Contestable grants process

Following the adoption of the Grants Policy in 2019, the first fully contestable funding round for Council and the community boards took place in 2021. The new policy allowed Council to understand what projects were being considered in the community and what the community required from Council to make them happen. The new policy also created greater transparency and showed how funding decisions were made. The community was patient with the Council as it embedded the new process.

## Otago Regional Council well-being framework

Early in 2022, the Otago Regional Council embarked on developing a regional well-being monitoring framework and invited staff from the Central Otago District Council to be involved. Staff have participated in both the working group and the advisory committee on this project to ensure that the Central Otago district is considered in the development of the framework. Involvement in the project also ensures synergies are made across the region, and encourages collaboration across the councils involved.

## Central Government support for tourism recovery

In 2021 Tourism Central Otago received \$1,000,000 from the Government's Tourism Communities: Support, Recovery and Re-set Plan. Funding provided in 2021 was to support the Regional Tourism Organisations (RTOs) in leading and co-ordinating activities in their regions, alongside the tourism industry, stakeholders, Māori/iwi and communities. In particular, developing and implementing destination management. The funding of these projects was in addition to, and not a substitution for local government funding for tourism.

The programme of activity submitted and approved by the Ministry of Business, Innovation and Employment fits across three strategic categories: destination management and planning, industry capacity building and product development, and domestic marketing.

## Destination management plan

In partnership with Kāi Tahu a new Central Otago Destination Management Plan was developed after extensive research and engagement with communities, visitors, tourism operators and other local and national stakeholders. The plan was presented to and approved by Council in late April 2022, and focuses on the future that our community aspires to for its place, and how tourism can help achieve these ambitions.

## Trails marketing activity

Tourism Central Otago has continued to lead a collaborative marketing group alongside neighbouring RTOs and local trail trusts to drive clear and co-ordinated messaging and trail related promotions that increase visitation and utilisation of the trails network.

Key projects have included seasonal trail-tips campaigns, awareness campaigns for the local drive market, and national media hosting.

## Events

A project to identify Tourism Central Otago and Council's role in promoting, supporting and attracting visitor events to the district has progressed to a draft stage, with stakeholder consultation due to take place in the second quarter of 2022/2023.

The Regional Events Fund has supported several existing local events and attracted new events to the region including: Alexandra Blossom Festival, Nevis 1200, Light Up Cromwell, Spirited Women's Adventure Race, The Prospector MTB Race and the Crankworx Summer Series.



New event infrastructure has been secured for use by local events including gazebos, marquees, a timing clock and a start/finish gantry.

A new event organisers' toolkit was released as a resource for event organisers, clubs and individuals to plan, run and enhance events in Central Otago - <https://centralotagonz.com/experience/events/toolkit/>

Alexandra and Matangi Station were included in Stage 1 of the inaugural Crankworx Summer Series, a subsidiary of Crankworx which is the world's largest multi-stop mountain bike event. The event brought together our local talented riders and internationally acclaimed athletes. Funding support from the Central Otago District Council, the Southern Lakes Event Investment Panel, and the regional tourism organisations of Queenstown and Wanaka helped secure the event in the region for this year, with support also offered in principle to secure the event for 2022 and 2023 in the region.



## Food, wine and beverage tourism

The 5<sup>th</sup> edition of Eat.Taste.Central regional food celebration was held in September-October 2022, and the development of a new regional food, wine and beverage (A World of Flavour) storytelling proposition has been developed and workshopped with local industry. This will be launched early in the 2022/2023 year.

A food and beverage-focused workshop on telling your food story was also held in Alexandra in May 2022, with a guest presentation from leading travel and food writer Alexia Santamaria.

## Central Otago business events

The Central Otago Business Events (COBE) team within Tourism Central Otago continued to work closely with Business Events Industry Aotearoa to raise the profile of Central Otago as a suitable destination for corporate and business events to be held.

MEETINGS22, New Zealand's only national tradeshow for Business Events was held in Christchurch over two days in June this year. The COBE team met with over 30 qualified buyers to create business leads and opportunities for venues within the region.

The COBE team hosted key business events buyers on a famil in April, with buyers from 16 major New Zealand companies. This was a collaborative effort between COBE, Destination Queenstown, Air New Zealand and Tourism New Zealand Business Events. The buyers were in Central Otago for half a day and experienced premium motorsport activities, viewed a conference venue and executive retreat facility, connected with a short section of the Lake Dunstan Trail, and were guided through an organic vineyard and lunch at a Bannockburn-based winery.

## Public relations and media

Tourism Central Otago and Tourism New Zealand recently partnered with Stuff to deliver a wide range of travel content on the region. As a result, at least eight travel features were published across its digital and print mediums over the past year, including a 'how to' guide, cycle trails in Central Otago, New Zealand's first floating burger bar, the world's best cherries, Ranfurly's art deco gallery, charming tiny towns, and a first person story on the Otago Central Rail Trail.

## Trade

Tourism Central Otago staff attended an inbound tour operator event showcasing the regions of Aotearoa. The team connected with over 30 travel trade representatives along with Tourism New Zealand to ensure Central Otago's values and proposition is understood and shared with prospective travellers. The team focused on ensuring that those selling the region understood the importance of destination management and attracting visitors who share our values.

Tourism Central Otago's Trade Marketing Manager also participated in an online TRENZ Connect Tradeshow meeting with travel wholesalers. A total of 72 appointments were held to educate and inspire the international travel trade on Central Otago experiences and introduce trade-ready product.



## What you can expect from us – Community, Economic and Strategic Development

Community outcome	Our objective level of service	How we measure success	2021/22 results	2020/21 results	Our aim years 1-3	Comments
<b>COMMUNICATIONS AND ENGAGEMENT</b>						
Connected community	Community feel they are informed about Council activities	Percentage of respondents to customer survey who feel they are informed about Council activities.	68%	-	>75%	<p>Target not achieved.</p> <p>The response rate to this year's resident opinion survey was lower than usual. There are a range of potential reasons for this lower rate: Council is using the <i>Let's Talk</i> survey platform for the first time and this requires respondents to register before completing the survey; Council has run numerous community surveys over the past 12 months and we could be experiencing survey fatigue; Council decision-making has not consistently reflected community voice from survey responses and this, combined with controversial programmes such as the Three Waters debate, may be causing disgruntlement in the community.</p>

Community outcome	Our objective level of service	How we measure success	2021/22 results	2020/21 results	Our aim years 1-3	Comments
	Community believe they have adequate opportunities to have their say in Council activities.	Percentage of respondents to customer survey believe they have adequate opportunities to have their say in Council activities.	70%	-	>75%	Target not achieved.  New measure. Themes from survey are that there are opportunities to have a say but perception that community views are not considered.
<b>COMMUNITY DEVELOPMENT</b>						
Connected community	Connect and support people involved in community-led development initiatives.	Council to facilitate a hui for local people involved in community-led development.	One hui achieved	-	Two hui held per year	Target not achieved.  Change of staff and conflicting project priorities meant that our second hui did not proceed.
<b>ECONOMIC DEVELOPMENT</b>						
Thriving economy Connected community Sustainable environment	Council's economic development projects and activities are adding value relevant for Central Otago communities.	Percentage of respondents to customer survey who are satisfied with the type of economic development activity that Council is involved in.	37%	-	75%	Target not achieved.  New measure. 43% of respondents to the question selected unsure/don't know. Themes from the survey suggest a lack of understanding in the community of Council's role in economic development.



Community outcome	Our objective level of service	How we measure success	2021/22 results	2020/21 results	Our aim years 1-3	Comments
<b>TOURISM</b>						
Thriving economy Connected community Sustainable environment	Council's tourism activity enhances the quality of life for Central Otago residents.	Percentage of respondents to customer survey who are satisfied that visitors to the district enrich the quality of life for residents.	62%	-	75%	Target not achieved.  Themes from the survey includes, needing a way to quantify the impact of visitors, lack of i-SITES and questioning whether we have the infrastructure for lots of visitors.
<b>POLICY AND STRATEGY</b>						
Thriving Economy Connected Community Sustainable Environment	Council administered documents in the policy and strategy register are current and have been reviewed within specified timeframes.	Percentage of Council administered documents in the policy and strategy register are current and have been reviewed within specified timeframes.	89%	-	>80%	Target achieved.

2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 COMMUNITY, ECONOMIC AND STRATEGIC DEVELOPMENT	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
532	757	1,118	General rates, uniform annual general charges and rates penalties	1,600	1,606
2,198	1,608	1,608	Targeted rates	1,608	1,808
29	130	-	Subsidies and grants for operating purposes	404	-
208	65	31	Fees and charges	72	14
22	21	9	Internal charges, and overheads recovered	11	7
183	43	142	Local authorities fuel tax, fines, infringement fees, and other receipts	80	147
<b>3,172</b>	<b>2,624</b>	<b>2,908</b>	<b>Total operating funding</b>	<b>3,775</b>	<b>3,582</b>
<b>Applications of operating funding</b>					
1,877	1,454	1,998	Payments to staff and suppliers	2,324	2,605
12	1	-	Finance costs	2	-
583	488	583	Internal charges, and overheads applied	812	719
-	-	-	Cost of sales	-	2
661	557	609	Other operating funding applications	574	527
<b>3,133</b>	<b>2,500</b>	<b>3,191</b>	<b>Total applications of operating funding</b>	<b>3,712</b>	<b>3,853</b>
<b>39</b>	<b>124</b>	<b>(283)</b>	<b>Surplus (deficit) of operating funding</b>	<b>63</b>	<b>(271)</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	427	Subsidies and grants for capital expenditure	-	989
-	-	-	Development and financial contributions	-	-
-	-	-	Increase (decrease) in debt	-	-
-	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>-</b>	<b>-</b>	<b>427</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>989</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	- to meet additional demand	-	-
-	-	-	- to improve the level of service	-	-
-	-	-	- to replace existing assets	-	-
39	124	143	Increase (decrease) in reserves	60	625
-	-	-	Increase (decrease) in investments	3	93
<b>39</b>	<b>124</b>	<b>143</b>	<b>Total applications of capital funding</b>	<b>63</b>	<b>718</b>
<b>(39)</b>	<b>(124)</b>	<b>284</b>	<b>Surplus (deficit) of capital funding</b>	<b>(63)</b>	<b>271</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>



# **Governance and Corporate Services**





# Governance and Corporate Services

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## About our activity

Activities in this group enable democratic local decision-making, and to meet the current and future needs of our communities in a cost-effective manner.

The governance team 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.

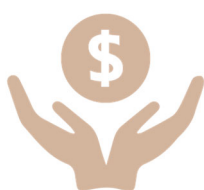
Our strategy and policy function are responsible for developing and articulating direction on key strategic issues, and ensures that the organisation has robust and meaningful policies in place to guide organisational decision making.

We want to make sure our communities are involved in these decisions and activities – that people are kept up to date and are able to easily take part in Council engagement processes. Our communications team provides timely and accurate information and works to create meaningful opportunities for community involvement.

The corporate services activities provide support across the organisation which allows Council to function efficiently and effectively. It includes our accounting, financial planning and reporting, rating, policy, information services, audit, risk and procurement, and administration activities.

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 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 being local controllers.

### THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana  
Thriving Economy



Toitū te Whenua  
Sustainable Environment



He Hapori, He Haumi  
Connected Community

## Rising to the challenges

### Council meetings livestreamed

In keeping up with the digital age, as well as COVID-19 restrictions and the impact of the ongoing virus in our communities, Council now has a new internal reporting system, InfoCouncil.

The system is fully embedded into the organisation, with all meetings livestreamed to the community. This service has improved process efficiencies and reaches a far greater audience given our vast district.

### Local body elections

The key item coming up on the Governance team agenda in 2022 is the triennial local body elections. Our Governance activity has a core role to play in helping ensure a smooth elections process, providing information for potential candidates, and implementing a comprehensive induction for the newly elected council and community boards after Election Day in October.

### Digitisation of services

The 'My CODC' digital customer portal is now live and accessible through the Council's website, with initial online services available for a number of Council's activities. This will enable our customers to better engage with us online via various online forms. The goal is to continue rolling out more over the coming year <https://mycodc.codc.govt.nz/> provides 24/7 access, including cemeteries, alcohol, events, grants, and elements of the building forms. We have also improved our online payments functionality, and ongoing digitisation of physical property files is now 37% complete (of the 15,000 properties).

You can now also access the operative district plan through the Geospatial Information System: <https://data.codc.govt.nz/>.



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

Community outcome	Our objective level of service	How we measure success	2021/22 Results	2020/21 Results	Our Aim Years 1-3	Comments
<b>GOVERNANCE</b>						
Thriving economy Sustainable environment Connected community	A community that is satisfied with the leadership, representation and decision-making by its elected members	Percentage of customer survey respondents satisfied that elected members are making a positive difference	59%	65%	>75%	Target not achieved.
	Central Otago District Council democratic processes enable participation in Council's decision-making processes	The number of complaints regarding Council democratic processes upheld by the Ombudsman or Privacy Commissioner	Nil	-	Nil	Target achieved.
<b>CORPORATE SERVICES</b>						
Thriving economy Connected community	Adoption of annual plans, long-term plans and amendments, and annual reports by Council within statutory timeframes	Percentage of annual reports and long-term and annual plans are adopted by Council within the specified legislative timeframes	100%	-	100%	Target achieved.
	To protect the privacy of individuals dealing with Council	Number of upheld complaints relating to breaches of privacy	Nil	-	Nil	Target achieved.



2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement For the year ended 30 June 2022 <b>GOVERNANCE AND CORPORATE SERVICES</b>	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
322	(720)	(1,321)	General rates, uniform annual general charges and rates penalties	1,248	1,201
207	221	229	Targeted rates	266	510
-	-	-	Subsidies and grants for operating purposes	-	-
36	36	53	Fees and charges	36	49
-	-	215	Interest and Dividends from Investments	388	86
9,552	6,250	3,401	Internal charges, and overheads recovered	6,439	(271)
74	80	57	Local authorities fuel tax, fines, infringement fees, and other receipts	83	41
<b>10,191</b>	<b>5,867</b>	<b>2,634</b>	<b>Total operating funding</b>	<b>8,459</b>	<b>1,616</b>
<b>Applications of operating funding</b>					
5,627	6,864	5,717	Payments to staff and suppliers	7,090	6,350
22	72	47	Finance costs	72	37
3,335	341	(1,894)	Internal charges, and overheads applied	314	(5,687)
20	20	20	Other operating funding applications	23	20
<b>9,004</b>	<b>7,297</b>	<b>3,890</b>	<b>Total applications of operating funding</b>	<b>7,499</b>	<b>720</b>
<b>1,187</b>	<b>(1,430)</b>	<b>(1,256)</b>	<b>Surplus (deficit) of operating funding</b>	<b>960</b>	<b>896</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
-	-	-	Subsidies and grants for capital expenditure	-	17
2	2	274	Development and financial contributions	-	310
(2,833)	-	-	Increase (decrease) in debt	-	-
6	-	-	Gross proceeds from sale of assets	-	-
-	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>(2,825)</b>	<b>2</b>	<b>274</b>	<b>Total sources of capital funding</b>	<b>-</b>	<b>327</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	- to meet additional demand	77	100
-	-	-	- to improve the level of service	9	144
250	858	533	- to replace existing assets	439	174
(1,888)	(2,287)	(1,515)	Increase (decrease) in reserves	128	599
-	-	-	Increase (decrease) in investments	309	206
<b>(1,638)</b>	<b>(1,429)</b>	<b>(982)</b>	<b>Total applications of capital funding</b>	<b>960</b>	<b>1,223</b>
<b>(1,187)</b>	<b>1,430</b>	<b>1,256</b>	<b>Surplus (deficit) of capital funding</b>	<b>(960)</b>	<b>(896)</b>
-	-	-	<b>Funding balance</b>	<b>-</b>	<b>-</b>



# FINANCIALS

NEW ZEALAND

MY FIRST  
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2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement Whole of Council for the year ended 30 June 2022	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>Sources of operating funding</b>					
5,790	4,204	4,273	General rates, uniform annual general charges and rates penalties	7,659	8,055
26,655	27,901	28,287	Targeted rates	27,241	27,489
1,948	2,317	4	Subsidies and grants for operating purposes	3,720	2,396
5,068	5,058	5,114	Fees and charges	5,180	5,647
401	403	467	Interest and dividend from investments	389	89
2,118	2,604	2,782	Local authorities fuel tax, fines, infringement fees, and other receipts	2,666	3,223
		6,236	Land and Property Sales	17,286	10,556
<b>41,980</b>	<b>42,486</b>	<b>47,163</b>	<b>Total operating funding</b>	<b>64,141</b>	<b>57,455</b>
<b>Applications of operating funding</b>					
29,082	33,245	34,436	Payments to staff and suppliers	36,634	36,352
35	74	50	Finance costs	74	38
-	-	(15)	Internal charges, and overheads applied	-	-
-	-	3,744	Cost of sales	13,926	6,837
1,553	1,936	1,613	Other operating funding applications	1,555	1,440
<b>30,670</b>	<b>35,255</b>	<b>39,828</b>	<b>Total applications of operating funding</b>	<b>52,189</b>	<b>44,667</b>
<b>11,310</b>	<b>7,231</b>	<b>7,335</b>	<b>Surplus (deficit) of operating funding</b>	<b>11,953</b>	<b>12,788</b>
<b>CAPITAL</b>					
<b>Sources of capital funding</b>					
2,786	2,878	7,626	Subsidies and grants for capital expenditure	3,584	13,032
2,191	2,347	1,488	Development and financial contributions	2,104	2,843
-	-	-	Increase (decrease) in debt	13,000	5,000
2,297	-	-	Gross proceeds from sale of assets	-	-
717	-	-	Lump sum contributions	-	-
-	-	-	Other dedicated capital funding	-	-
<b>7,991</b>	<b>5,225</b>	<b>9,114</b>	<b>Total sources of capital funding</b>	<b>18,689</b>	<b>20,875</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
1,751	1,974	4,591	- to meet additional demand	2,305	4,424
7,011	13,309	11,358	- to improve the level of service	8,075	27,312
8,693	9,407	7,962	- to replace existing assets	20,453	9,021
1,846	(12,234)	(7,852)	Increase (decrease) in reserves	(634)	(7,391)
-	-	390	Increase (decrease) in investments	442	296
<b>19,301</b>	<b>12,456</b>	<b>16,449</b>	<b>Total applications of capital funding</b>	<b>30,641</b>	<b>33,662</b>
<b>(11,310)</b>	<b>(7,231)</b>	<b>(7,335)</b>	<b>Surplus (deficit) of capital funding</b>	<b>(11,953)</b>	<b>(12,787)</b>
-	-	-	<b>Funding balance</b>	-	<b>1</b>



2020/21 LTP Yr 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000	Funding Impact Statement Reconciliation for the year ended 30 June 2022	2021/22 LTP Yr 1 \$000	2021/22 Actual \$000
<b>OPERATING</b>					
<b>11,310</b>	<b>7,231</b>	<b>7,335</b>	<b>Surplus (deficit) of operating funding from funding impact statement</b>	<b>11,953</b>	<b>12,787</b>
(12,618)	(10,209)	(9,999)	Depreciation	(9,997)	(10,629)
2,786	2,878	7,626	Subsidies and grants for capital purposes	3,584	13,032
2,191	2,347	1,488	Development and financial contributions	2,104	2,843
2,291	-	6,489	Vested Assets	-	10,032
-	-	126	Gain (loss) on sales of assets	-	(335)
-	-	(742)	Valuation gains / (Losses)	-	666
<b>5,960</b>	<b>2,247</b>	<b>12,323</b>	<b>Net surplus (deficit) before tax in statement of financial performance</b>	<b>7,644</b>	<b>28,396</b>

2020/21 Actual \$000	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2022	Notes	2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000
<b>REVENUE</b>				
<b>Revenue from non-exchange transactions</b>				
32,561	Rates	1	34,900	35,545
7,626	Subsidies and Grants	2	7,303	15,428
2,111	Regulatory fees	3	1,937	2,399
4,991	User fees and other income	3	5,095	5,673
1,488	Development and financial contributions	3	2,104	2,843
6,489	Vested and previously unrecognised assets	4	-	10,032
76	Gains (losses) on revaluation of forestry assets	5	-	(140)
<b>Revenue from exchange transactions</b>				
321	Direct charges revenue – full cost recovery	6	383	340
476	Rental revenue	6	432	458
467	Interest		388	89
-	Dividends		-	-
216	Profit on sale of assets		-	52
6,236	Land Sales		17,286	10,556
(818)	Gains (losses) on revaluation of investment properties	5	-	806
<b>62,240</b>	<b>TOTAL REVENUE</b>		<b>69,829</b>	<b>84,081</b>
<b>EXPENDITURE</b>				
11,109	Employee benefit expenses	7	12,891	12,491
9,999	Depreciation and amortisation	19,20	9,997	10,629
50	Finance costs		74	38
-	Valuation losses		-	-
90	Loss on disposal of assets		-	387
3,744	Cost of Sales	8	13,926	6,837
24,925	Other expenses	8	25,296	25,303
<b>49,917</b>	<b>Total Expenditure</b>		<b>62,185</b>	<b>55,685</b>
<b>12,323</b>	<b>Surplus/(Deficit) before tax</b>		<b>7,644</b>	<b>28,396</b>
-	Income tax expense	9	-	-
<b>12,323</b>	<b>Surplus/(Deficit) after tax</b>		<b>7,644</b>	<b>28,396</b>
<b>Gain on asset revaluations</b>				
(1,473)	Gains (loss) on revaluation of wastewater assets		(2,118)	15,820
3,016	Gains (loss) on revaluation of water assets		(2,946)	32,848
(3,402)	Gains (loss) on revaluation of stormwater assets		(953)	5,387
7,136	Gains (loss) on revaluation of roading assets		4,065	59,479
-	Gains (loss) on revaluation of property and park assets		1,180	-
(2,104)	Gains (loss) on revaluations of land assets		-	42,944
800	Gains (loss) on revaluation of building assets		36	10,567
<b>3,973</b>	<b>Total gain on asset revaluations</b>		<b>(736)</b>	<b>167,045</b>
2,146	Gain on available for sale financial assets		-	-
-	Gains (loss) on revaluation of investment bonds		-	-
-	Gains (loss) on revaluation of share equities		-	6
<b>2,146</b>	<b>Total gain on available for sale financial assets</b>		<b>-</b>	<b>6</b>
<b>6,119</b>	<b>Total other comprehensive income</b>		<b>(736)</b>	<b>167,051</b>
<b>18,442</b>	<b>Total comprehensive income</b>		<b>6,908</b>	<b>195,447</b>

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

2020/21 Actual \$000	CHANGES IN EQUITY for the year ended 30 June 2022	Notes	2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000
<b>PUBLIC EQUITY</b>				
880,898	Public equity balance at 1 July		891,344	899,340
	Accumulated funds			
397,343	Balance at 1 July		393,920	411,812
12,323	Surplus/(Deficit)		7,644	28,396
-	Transfer to restricted reserves		-	-
2,146	Transfer from property revaluation reserve on disposal		-	99
<b>411,812</b>	<b>BALANCE AT 30 JUNE</b>	<b>10</b>	<b>401,564</b>	<b>440,307</b>
	OTHER RESERVES			
	Property revaluation reserve			
483,495	Balance 1 July		497,365	487,468
3,973	Revaluation gains/(loss)		(736)	167,045
-	Transfer to accumulated funds on disposal on property		-	-
<b>487,468</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>496,629</b>	<b>654,513</b>
	Fair value through other comprehensive revenue reserve			
(20)	Balance at 1 July		(20)	(20)
-	Revaluation gains/(loss)		-	6
<b>(20)</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>(20)</b>	<b>(14)</b>
	Restricted Reserves (trust and bequest funds)			
80	Balance at 1 July		80	80
-	Transfer from accumulated funds		-	-
<b>80</b>	<b>Balance at 30 June</b>	<b>10</b>	<b>80</b>	<b>80</b>
<b>487,528</b>	<b>Total other reserves</b>		<b>496,689</b>	<b>654,579</b>
<b>899,340</b>	<b>Public Equity 30 June</b>		<b>898,253</b>	<b>1,094,886</b>



2020/21 Actual \$000	STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2022	Notes	2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000
<b>EQUITY</b>				
411,812	Accumulated funds	10	401,564	440,307
487,465	Property revaluation reserve	10	496,629	654,513
(17)	Fair value through other comprehensive income revenue reserve	10	(20)	(14)
80	Restricted reserves	10	80	80
<b>899,340</b>	<b>Total equity</b>		<b>898,253</b>	<b>1,094,886</b>
	REPRESENTED BY:			
	Current assets			
5,014	Cash and cash equivalents	11	19,896	6,735
11,500	Other financial assets	12	8,000	-
4,852	Receivables	13	625	4,743
-	Non Current assets held for sale		3,171	-
5,394	Inventories	14	1,509	5,119
<b>26,760</b>	<b>Total current assets</b>		<b>33,201</b>	<b>16,597</b>
	Less current liabilities			
256	Agency and deposits	15	273	273
13,254	Payables and deferred revenue	15	4,706	9,963
673	Employee entitlements	16	1,010	761
-	Borrowings and other financial liabilities		-	5,000
<b>14,183</b>	<b>Total current liabilities</b>		<b>5,988</b>	<b>15,997</b>
<b>12,577</b>	<b>Working capital</b>		<b>27,212</b>	<b>600</b>
	Non-current assets			
111	Available for sale financial assets	12	109	114
282	Loans and receivables	17	333	231
26,032	Work in Progress	19	26,032	48,471
852,710	Property, plant and equipment	19	865,260	1,037,093
1,272	Intangible assets	20	2,271	1,351
431	Forestry assets	22	357	291
5,925	Investment property	23	1,683	6,735
<b>886,763</b>	<b>Total non-current assets</b>		<b>896,045</b>	<b>1,094,286</b>
	Less non-current liabilities			
-	Provisions	24	5	-
-	Borrowings and other financial liabilities	18	25,000	-
-	<b>Total non-current liabilities</b>		<b>25,005</b>	<b>-</b>
<b>899,340</b>	<b>Net assets (assets minus liabilities)</b>		<b>898,253</b>	<b>1,094,886</b>

2020/21 Actual \$000	STATEMENT OF CASH FLOW for the year ended 30 June 2022	2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
47,805	Receipts from rates, fees and other revenue	52,160	63,492
467	Interest received	388	89
	Dividends received	-	-
123	Net GST	-	(678)
(31,607)	Payments to suppliers and employees	(38,175)	(40,711)
<b>16,788</b>	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>14,373</b>	<b>22,192</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
6,452	Receipt from sale of property, plant and equipment	3,360	3,771
26,000	Receipt from sale of investments	-	25,500
(23,264)	Purchase of property, plant and equipment	(30,834)	(40,528)
(175)	Purchase of intangibles	-	(214)
(27,500)	Purchase of investments	-	(14,000)
<b>(18,487)</b>	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(27,474)</b>	<b>(25,471)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
-	Proceeds from borrowings	24,375	5,000
-	Repayment of borrowings	(40)	-
-	<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>24,335</b>	<b>5,000</b>
<b>(1,699)</b>	<b>Net cash increase (decrease) in cash held</b>	<b>11,234</b>	<b>1,721</b>
6,713	Opening cash held 1 July	8,662	5,014
<b>5,014</b>	<b>Closing cash held 30 June</b>	<b>19,896</b>	<b>6,735</b>

## 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. Interest is credited to surpluses held in reserves. Restricted reserves have rules that can be set by legal obligation that restrict the use that Council may put the funds to. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates. These reserves are included in note 10.

Statement of RESERVE MOVEMENTS	Opening Balance 2021/22 \$000	Transfers In 2021/22 \$000	Transfers Out 2021/22 \$000	Closing Balance 2021/22 \$000
<b>GENERAL RESERVES</b>				
General Reserves	811	3,230	(2,565)	1,477
Uniform Annual General Charge Reserves	173	41	(62)	152
<b>Total General Reserves</b>	<b>985</b>	<b>3,271</b>	<b>(2,626)</b>	<b>1,629</b>
<b>TARGETED RESERVES</b>				
Planning and Environment Rate	2,374	358	(6)	2,726
Economic Development Rate	-	-	-	-
Tracks and Waterways Charge	477	80	-	557
Tourism Rate	251	213	(5)	459
Waste Management and Collection Charge	(2,203)	14	(818)	(3,007)
District Library Charge	66	60	(21)	105
Molyneux Park Charge	(79)	-	(4)	(83)
District Works and Public Toilets Rate	4,427	103	(282)	4,248
District Water Supply	(11,562)	2,366	(7,406)	(16,601)
District Wastewater	(11,768)	1,355	(7,763)	(18,177)
<b>Total Targeted Reserves</b>	<b>(18,018)</b>	<b>4,549</b>	<b>(16,304)</b>	<b>(29,774)</b>
Specific and Other Reserves	344	8	(23)	329
<b>Total Specific and Other Reserves</b>	<b>344</b>	<b>8</b>	<b>(23)</b>	<b>329</b>
<b>WARD TARGETED RESERVES</b>				
<b>Vincent Community Board Reserves</b>				
Vincent Promotion Rate	-	-	-	-
Vincent Recreation and Culture Charge	(1,386)	762	(236)	(860)
Vincent Ward Services Rate	2,504	3,187	(622)	5,069
Vincent Ward Services Charge	(10)	64	-	54
Vincent Ward Specific Reserves	1,187	35	(12)	1,210
Vincent Ward Development Fund	508	157	-	665
Alex Town Centre Upgrade	(110)	0	(47)	(157)
<b>Total Vincent Community Board Reserves</b>	<b>2,692</b>	<b>4,205</b>	<b>(917)</b>	<b>5,980</b>



<b>Statement of RESERVE MOVEMENTS</b>	<b>Opening Balance 2021/22 \$000</b>	<b>Transfers In 2021/22 \$000</b>	<b>Transfers Out 2021/22 \$000</b>	<b>Closing Balance 2021/22 \$000</b>
<b>Cromwell Community Board Reserves</b>				
Cromwell Promotion Rate	-	-	-	-
Cromwell Recreation and Culture Charge	(682)	279	(926)	(1,328)
Cromwell Ward Services Rate	18,142	1,444	(295)	19,292
Cromwell Ward Services Charge	2	14	-	16
Cromwell Ward Specific Reserves	(329)	20	(7)	(317)
Cromwell Ward Development Fund	1,771	172	(44)	1,898
<b>Total Cromwell Community Board Reserves</b>	<b>18,903</b>	<b>1,929</b>	<b>(1,272)</b>	<b>19,560</b>
<b>Maniototo Community Board Reserves</b>				
Maniototo Promotion Rate	-	-	-	-
Maniototo Recreation and Culture Charge	839	45	(177)	707
Maniototo Ward Services Rate	(274)	660	(384)	2
Maniototo Ward Services Charge	11	102	(9)	105
Maniototo Ward Specific Reserves	236	23	(6)	253
Maniototo Ward Development Fund	-	-	-	-
<b>Total Maniototo Community Board Reserves</b>	<b>813</b>	<b>830</b>	<b>(576)</b>	<b>1,067</b>
<b>Teviot Valley Community Board Reserves</b>				
Teviot Valley Promotion	15	-	-	15
Teviot Valley Recreation and Culture	304	70	(16)	352
Teviot Ward Services Rate	909	124	(8)	1,021
Teviot Ward Services Charge	-	-	-	-
Teviot Ward Specific Reserves	-	-	-	-
Teviot Ward Development Fund	90	13	(2)	102
<b>Total Teviot Valley Community Board Reserves</b>	<b>1,317</b>	<b>208</b>	<b>(25)</b>	<b>1,489</b>
<b>Total Reserves</b>	<b>7,035</b>	<b>15,000</b>	<b>(21,744)</b>	<b>281</b>

The purpose of the reserve funds is to ring fence the revenue received for each rate funded activity to the rate group itself. This keeps surpluses/deficits in each activity separate from the other activities. This is broken down into general reserves, targeted reserves, and ward targeted reserves. Transfers to and from these reserves are made at Council discretion.

Specific reserves include McArthur Book Committee, Anderson Trust Facilities and A. George Trust. Other reserves include Chatto Creek, Clyde, Omakau, Taieri Lake recreation reserve committee reserves. All such funds are available only for the purpose specified.

<b>VARIANCE REPORT for the year ended 30 June 2022</b>	<b>2021/22 Actual \$000</b>	<b>2021/22 LTP1 Yr 1 \$000</b>	<b>2021/22 Variance Favourable / (Unfavourable) \$000</b>
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
Rates	35,545	34,900	645
Subsidies and Grants	15,428	7,303	8,125
Regulatory fees	2,399	1,937	462
User fees and other income	5,673	5,095	578
Assets Found	-	-	-
Vested assets	10,032	-	10,032
Valuation gains / (losses)	(140)	-	(140)
Development and financial contributions	2,843	2,104	739
<b>Revenue from exchange transactions</b>			
Direct charges revenue – full cost recovery	340	383	(43)
Rental revenue	458	432	26
Interest	89	388	(299)
Dividends	-	-	-
Profit on sale of assets	52	-	52
Land Sales	10,556	17,286	(6,730)
Gains on revaluation of investment properties	806		806
<b>TOTAL REVENUE</b>	<b>84,081</b>	<b>69,829</b>	<b>14,253</b>
<b>EXPENDITURE</b>			
Community, Economic and Strategic Development	3,983	3,738	(245)
Environmental Services	6,100	5,736	(364)
Governance and Corporate Services	1,096	1,635	538
Planning and Regulatory	6,108	5,660	(448)
Pools Parks and Cemeteries	6,341	7,120	779
Property and Community Facilities	10,970	17,560	6,591
Roading	9,004	9,191	188
Service Centres and Libraries	1,539	1,638	99
Stormwater	652	545	(107)
Wastewater	4,602	3,954	(648)
Water	5,291	5,406	115
<b>TOTAL EXPENDITURE</b>	<b>55,685</b>	<b>62,185</b>	<b>6,498</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>28,396</b>	<b>7,644</b>	<b>20,751</b>

# Explanation of variances

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## Revenue

### Rates

Rates income is on par with the LTP Year 1 with an increase of \$645k due to the timing of the LTP Year 1 and the setting of the rates giving a total \$397k. Additional increases are for penalties and metered water charges.

### Subsidies and grants

Subsidies and grants income has \$8.125M favourable against budget. The bulk of the additional income was from the Stimulus funding for Three Waters infrastructure amounting to \$8.098M. Additional grants were received from Strategic Tourism Assets Protection Programme (STAPP), Ministry of Business, Innovation and Enterprise (MBIE). The New Zealand Transport and Authority (NZTA) grant was lower than expected by (\$1.626M).

### User fees and other income

User fees revenue of \$5.673M has a favourable variance of \$578k compared to the LTP Year 1. The budget included the Tourism Infrastructure Funding (TIF) for the new Clyde toilet and Miners Lane carparks. Metered water revenue has a favourable variance of \$61k.

### Vested assets

Additional revenue of \$10.032M has been received from vested assets. The bulk of the assets attributed to this include the subdivisions at Cromwell and Alexandra being Terrace Park, Wooing Tree and Dunstan Park.

### Development contributions

Development contributions has a favourable variance of \$739k. Greater than expected contributions are linked to Cromwell and Vincent water and wastewater along with district roading contributions.

### Land sales

The 2021/22 land sales were lower than expected budget by (\$6.730M). This is due to the timing of land sales for the Dunstan Park and Cemetery Road subdivisions. Dunstan Park has released the titles for stage one and two of the subdivision. Cemetery Road stage one sections have all been sold.



## **Expenditure**

### **Community, Economic and Strategic Development**

Community, Economic and Strategic Development has an unfavourable variance of (\$245k). This is due to spending on tourism projects as a result of increased funding received from Strategic Tourism Assets Protection Programme (STAPP) and Ministry of Business, Innovation and Enterprise (MBIE).

### **Environmental Services**

The increase in Environmental Services costs of (\$364k) is largely due to the volume of waste being processed and the fluctuations associated with this.

### **Governance and Corporate Services**

Expenditure has a favourable variance of \$538k. This is due to underspends in promotions and tourism, governance, community development, visitor centres and regional identity. The promotions and tourism variance relates to the phasing schedule for the Tourism Central Otago projects.

### **Planning and Regulatory**

There is an unfavourable variance of (\$448k), mainly due to increased costs in resource management, dog control and enforcement.

### **Pools, Parks and Cemeteries**

Expenditure has a favourable variance of \$779k. A large portion of this is due to depreciation being much lower than budget. The remaining favourable variance is due to the timing of workplans and staffing requirements with underspends in contracts and other costs.

### **Property and Community Halls**

The cost of sales associated with the Cemetery Road (Harvest Road) land sales, along with the land and development costs for the Gair Avenue subdivision, has resulted in reduced expenditure to budget by \$6.591 million.

### **Three Waters**

Stormwater and water are in line with budget, with wastewater being over budget by \$648k. This is mainly due to higher expenses associated with contracts and depreciation.

# 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 relevant legislation governing the Council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002.

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 Council provides local infrastructure, local public services, and provides regulatory functions to the community. The Council does not operate to make a financial return.

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 2022. The financial statements were authorised for issue by the Council on 21 December 2022. Council does not have the power to amend the financial statements after issue.

## 2. Basis of Financial Statement Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

### Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply 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

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 reported under PBE IPSAS 29 until PBE IPSAS 41 becomes compulsory on periods beginning on or after 1 January 2022.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements.

While the Council has not assessed the effects of the new standard, due to the nature of the Council's financial assets, investments and liabilities Council do not see this as a material change in our financial statements.

### **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

## **3. 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. Goods Sold and Services Rendered**

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

#### **iii. Government Grants**

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

#### **iv. Water Billing Revenue**

Water billing revenue is recognised on an accrual basis. 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 are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such a time as the Council provides, or is able to provide, the service.

**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. 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.

viii. Direct Charges at Fair Value

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.

ix. 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.

x. Interest Revenue

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



xi. Dividend Revenue

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

#### **4. 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.

#### **5. 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.

#### **6. Income Tax**

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting surplus nor taxable surplus.

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

## **7. Equity**

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

- accumulated funds
- restricted reserves
- property revaluation reserve
- fair value through other comprehensive revenue and expense reserve

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

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

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

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

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

## **8. Cash and Cash Equivalents**

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

## **9. Debtors and Other Receivables**

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment Policy 18).

## **10. Inventories**

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

## **11. Financial Assets**

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

**Available-For-Sale Financial Assets**

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

Other financial instruments held by Council are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised in other comprehensive revenue and expenditure, except for impairment losses which are recognised on the surplus or deficit.

Financial instruments classified as available for sale investments are recognised / derecognised by Council on the date it commits to purchase / sell the investments. Available-for-sale financial assets are derecognised when they mature. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised on the surplus or deficit.

**Loans and Receivables**

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

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

**12. Property, Plant and Equipment**

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

- Water
- Wastewater
- Stormwater
- Transportation

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

Revaluations of land and buildings are completed every 3 years with the parks, reserves and swimming pools 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.

### **Additions**

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

### **Disposals**

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in 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.

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



Assets to be depreciated include:

OPERATIONAL ASSETS		INFRASTRUCTURE ASSETS	
Buildings		Bridges	30-125 years
- structures	5-100 years	Footpaths and cycle	30-100 years
- external fabric	5-100 years	Kerb and channel	70-100 years
- services	5-80 years	Roads – sealed	8-100 years
- internal fit out	5-80 years	Roads – unsealed	10-100 years
Equipment, furniture and fittings	3-10 years	Roads – land and formation	Not depreciated
Motor vehicles and plant	4-20 years	Sewerage plant and equipment	15-35 years
Library books	10 years	Sewerage reticulation	60-80 years
Parks and reserves	2-100 years	Stormwater networks	70 years
Other assets	5-100 years	Water plant and	10-35 years
Parks, reserves and other assets – passive areas and land formation	Not depreciated	Water reticulation networks	60-100 years

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

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

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

### 13. 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.

#### **14. Intangible Assets**

##### **i. Computer Software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3-10 years using the straight-line method. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

##### **ii. Other Intangible Assets**

Other intangible assets that are acquired by Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy 18).

Easements are not amortised.

##### **iii. Subsequent Expenditure**

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

##### **iv. Amortisation**

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

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

#### **15. 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.

## **16. 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.

## **17. 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 (see Revenue Policy 3), above.

## **18. 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.

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

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 10), forestry assets (see Forestry Assets Policy 15), and Investment Property (see Investment Property Policy 17) 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.

## **20. Third Party Transfer Payment Agencies**

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

## **21. Creditors and Other Payables**

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

## **22. Employee Entitlements**

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

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

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

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.

## **23. Borrowings**

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

Council has 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.

## **24. Provisions**

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

## **25. Landfill Post Closure Costs**

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

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

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

## **26. Goods and Services Tax**

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

## **27. Cost Allocations**

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

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

## **28. Critical Accounting Estimates and Assumptions**

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

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 19.

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

- Classification of property – see Note 19.

## **29. Reporting of Financial Instruments**

Financial instruments are currently reported under PBE IPSAS 29 until PBE IPSAS 41 becomes compulsory on periods beginning on or after 1 January 2022.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements.

While the Council has not assessed the effects of the new standard, due to the nature of the Council's financial assets, investments and liabilities Council do not see this as a material change in our financial statements.

## **30. Impacts of COVID-19**

COVID-19 continues to remain an unknown. There are ongoing outbreaks of the five variants of interest, and there is no certainty that Central Otago District will not face future lockdowns over the next 12-months. However, based on the 2021/22 financial year, Council has not seen a significant impact on our revenue streams or our activities.

# Notes to the financial statements

For the year ended 30 June 2022.

## 1. Rates

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

	2021/22 \$000	2020/21 \$000
General Rates	6,771	2286
Uniform Annual General Charge	1,057	1,873
	<b>7,828</b>	<b>4,159</b>
<b>Targeted Rates attributable to activities per Funding Impact Statement</b>		
- Water	5,225	5,869
- Wastewater	3,754	4,769
- Stormwater	552	694
- Roading	229	471
- Environment Services	4,193	3,716
- Planning, Regulatory and Community Development	2,261	2,104
- Pools, Parks and Cemeteries	6,134	5,249
- Property and Community Facilities	1,668	2,332
- Service Centres and Libraries	1,154	1,247
- Regional Identity, Tourism and Economic Development	1,808	1,608
- Governance and Corporate Services	510	228
<b>Total Targeted Rates</b>	<b>27,489</b>	<b>28,288</b>
Rates Penalties	266	238
Rates Remissions	(38)	(38)
Rates Discount	-	(86)
	<b>227</b>	<b>114</b>
<b>Total Rates Revenue</b>	<b>35,545</b>	<b>32,561</b>

Total rates revenue of \$35.5 million includes revenue of \$1.78 million from targeted water meter supply rates (2021: \$2.0 million).



## 2. Subsidies and grants

	2021/22 \$000	2020/21 \$000
Waka Kotahi roading subsidies	4,573	5,977
Creative NZ and SPARC Grants	49	41
Central Lakes Trust	-	-
Department of Internal Affairs Grant	8,863	492
Ministry of Business Innovation & Employment Grant	842	210
Ministry of Civil Defence and Emergency Management	-	-
Other grants	1,102	906
<b>Total Subsidies and Grants</b>	<b>15,428</b>	<b>7,626</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2021 nil).

## 3. Regulatory fees, user fees and other income

	2021/22 \$000	2020/21 \$000
Regulatory fees - building consent and health charges	2,028	1,773
Regulatory fees - resource management fees	168	124
Regulatory fees – liquor licensing	203	214
User fees – libraries, swimming pools & visitor centres	683	820
User fees - parks, recreation reserves and cemeteries	217	200
User fees – waste collection, minimisation and disposal	1,345	1,269
User fees - Water	21	11
User fees - Wastewater	48	18
User fees – property and land usage	1,611	1,233
User fees – roading and fuel taxes	296	248
User fees – planning	1,087	927
User fees – district development & corporate services	1	6
User fees - District Development	364	259
Development and financial contributions	2,843	1,488
Non-refundable land sale deposit	-	-
Sales of Inventory	-	-
<b>Total User Fees and Other Income</b>	<b>10,915</b>	<b>8,590</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2021 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) are 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.

	2021/22 \$000	2020/21 \$000
Parks and Reserves	384	433
Property and Community Facilities	-	-
Planning, Regulatory and Community Development	-	-
Roading (including footpaths)	5,984	3,861
Stormwater	881	525
Wastewater	1,281	1,229
Water	1,502	441
<b>Total vested and previously unrecognised assets</b>	<b>10,032</b>	<b>6,489</b>

#### 5. Valuation gains and losses

	2021/22 \$000	2020/21 \$000
<b>Non-financial Instruments</b>		
Gain (loss) in fair value of forestry assets (Note 22)	(140)	76
Gain (loss) in fair value of investment property	806	(818)
	<b>666</b>	<b>(742)</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>666</b>	<b>(742)</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.

	2021/22 \$000	2020/21 \$000
Full cost recovery – dog registration and dog control	216	182
Full cost recovery – camping ground revenue	124	139
Rental Revenue – leased premises	458	476
<b>Total revenue from exchange transactions</b>	<b>798</b>	<b>797</b>

## 7. Employee benefit expenses

	2021/22 \$000	2020/21 \$000
Salaries and wages	12,146	10,773
Defined contribution plan employer contributions*	346	300
Increase (decrease) in employee benefit liabilities	-	36
<b>Total employee benefit expenses</b>	<b>12,491</b>	<b>11,109</b>

\*Includes employer contributions to Kiwisaver.

## 8. Cost of sales and other expenses

	2021/22 \$000	2020/21 \$000
<b>Audit fees</b>		
- Fees to Audit NZ – audit of financial statements	117	107
- Fees to Audit NZ – audit of Long-term Plan for 2021-31	-	90
- Fees to Audit NZ – for other services	9	9
- Fees to Audit NZ – audit of financial statement 2021	-	19
Maintenance contractors	9,172	9,175
Professional fees	3,252	2,844
Fuel and energy	1,046	1,264
Grants	607	698
Insurance premiums	455	398
Increase (decrease) in provision for bad debts	68	32
Payments under operating lease agreements	466	279
Cost of land sold	6,837	3,744
Other operating expenses	10,113	10,010
<b>Total Cost of Sales and Other Expenses</b>	<b>32,140</b>	<b>28,669</b>

## 9. Tax

Central Otago District Council has unused tax losses of \$207,101.16 with a tax effect of \$57,988.32 that have not been recognised (2020/21: tax losses \$203,753; tax effect \$57,051).

	2021/22 \$000	2020/21 \$000
<b>Net surplus (deficit)</b>	<b>28,396</b>	<b>12,323</b>
- Tax at 28%	7,950	3,450
Plus (less) tax effect of:		
- Non-taxable income	7,950	3,450
- 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

	2021/22 \$000	2020/21 \$000
<b>Accumulated funds</b>		
Opening balance 1 July	411,812	397,343
Surplus (deficit) for the year	28,396	12,323
Transfers to restricted reserves	-	-
Transfers from property revaluation reserve	99	2,146
<b>Closing balance 30 June</b>	<b>440,307</b>	<b>411,812</b>

### Property, plant and equipment revaluation reserves

Property revaluation reserves for each asset class consist of:

	2021/22			
	Opening Balance	Net Movement	Adjustment for Assets Owned by Council	Closing Balance
	\$000	\$000	\$000	\$000
Roading	237,121	56,115	-	293,236
Bridges	32,902	3,363	-	36,265
Water	48,343	32,848	-	81,191
Wastewater	30,892	15,821	-	46,713
Stormwater	11,077	5,387	-	16,464
Land	61,488	42,944	-	104,432
Buildings	45,326	10,567	-	55,893
Parks and Reserves	20,319	-	-	20,319
<b>Total</b>	<b>487,468</b>	<b>167,045</b>	<b>-</b>	<b>654,513</b>
Transfer to accumulated funds on realisation	-	-	-	-
Transfer to accumulated funds as property	-	-	-	-
<b>Total gain on asset revaluation</b>	<b>487,468</b>	<b>167,045</b>	<b>-</b>	<b>654,513</b>

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



		2020/21		
	Opening Balance	Net Movement	Adjustment for Assets Owned by Council	Closing Balance
	\$000	\$000	\$000	\$000
Roading	231,151	5,970	-	237,121
Bridges	31,736	1,166	-	32,902
Water	46,085	3,016	(758)	48,343
Wastewater	32,365	(1,473)	-	30,892
Stormwater	14,479	(3,402)	-	11,077
Land	63,164	(2,104)	428	61,488
Buildings	44,196	800	330	45,326
Parks and Reserves	20,319	-	-	20,319
<b>Total</b>	<b>483,495</b>	<b>3,973</b>	<b>-</b>	<b>487,468</b>
Transfer to accumulated funds on realisation	-	-	-	-
Transfer to accumulated funds as property	-	-	-	-
<b>Total gain on asset revaluation</b>	<b>483,495</b>	<b>3,973</b>	<b>-</b>	<b>487,468</b>

### Available for sale revaluation reserve

Available for sale revaluation reserves consist of:

	2021/22		
	Opening Balance	Net Movement	Closing Balance
	\$000	\$000	\$000
Shares in unlisted companies	(20)	6	(14)
<b>Total</b>	<b>(20)</b>	<b>6</b>	<b>(14)</b>

	2020/21		
	Opening Balance	Net Movement	Closing Balance
	\$000	\$000	\$000
Shares in unlisted companies	(20)	-	(20)
<b>Total</b>	<b>(20)</b>	<b>-</b>	<b>(20)</b>

### Restricted reserves

	2021/22 \$000	2020/21 \$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:

	2021/22 \$000	2020/21 \$000
Cash at bank and on-hand	3,735	2,014
Term deposits with maturities of less than 3 months at acquisition	3,000	3,000
<b>Total cash and equivalents</b>	<b>6,735</b>	<b>5,014</b>

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$3,735,452 (2020/21: \$2,014,442), an amount of \$69,765 (2020/21: \$77,129) 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 2020. 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.

	2021/22 \$000	2020/21 \$000
<b>Current portion</b>		
Deposits maturing 3-12 months	-	11,500
Investment bonds	-	-
<b>Non-current portion</b>		
Share investments in unlisted companies	114	111
<b>Total other financial assets</b>	<b>114</b>	<b>11,611</b>

### Interest rates

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

	2021/22 \$000	2020/21 \$000
Short-term deposits	0.68%	1.30%

## Investment maturities

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

2021/22		
	Short-term Deposits \$000	Total \$000
Less than 3 months	3,000	3,000
3 to 12 months	-	-
1 to 2 years	-	-
2 to 5 years	-	-
<b>Total investments</b>	<b>3,000</b>	<b>3,000</b>

2020/21		
	Short-term Deposits \$000	Total \$000
Less than 3 months	-	-
3 to 12 months	11,500	11,500
1 to 2 years	-	-
2 to 5 years	-	-
<b>Total investments</b>	<b>11,500</b>	<b>11,500</b>

## 13. Receivables

	2021/22 \$000	2020/21 \$000
Sundry accounts receivable	1,988	2,382
Goods and Services Tax	1,054	376
Rates receivable	949	841
Waka Kotahi subsidy	590	1,026
Prepaid expenses	474	472
<b>Total receivables prior to impairment</b>	<b>5,055</b>	<b>5,097</b>
Less provision for impairment receivables	(312)	(245)
<b>Total receivables</b>	<b>4,743</b>	<b>4,852</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 include 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 2022 is \$933,262 (2021: \$834,854).

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	2021/22			2020/21		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Reporting year ended 30 June						
Current	500	(56)	443	517	(46)	471
Unpaid 1 year	136	(46)	89	83	(39)	45
Unpaid 2 years	72	(39)	34	48	(31)	17
Unpaid 3 years and older	242	(149)	93	160	(118)	42
<b>Total</b>	<b>949</b>	<b>(290)</b>	<b>659</b>	<b>810</b>	<b>(234)</b>	<b>576</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:

	2021/22			2020/21		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Sundry Accounts receivable</b>						
Current	1,836	-	1,836	2,159	-	2,159
Unpaid 1 months	30	-	30	56	-	56
Unpaid 2 months	23	-	23	12	-	12
Unpaid 3 months and older	98	(22)	76	154	(22)	133
<b>Total</b>	<b>1,988</b>	<b>(22)</b>	<b>1,965</b>	<b>2,382</b>	<b>(22)</b>	<b>2,360</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.

	2021/22 \$000	2020/21 \$000
Land held for resale:	5,082	5,355
Merchandise at cost	37	39
<b>Total inventory</b>	<b>5,119</b>	<b>5,394</b>

#### 15. Trade and other payables

	2021/22 \$000	2020/21 \$000
Payables and deferred income	9,566	12,804
Audit fee accruals	125	183
PAYE / Kiwisaver owed to IRD	272	267
Agency and deposits	273	256
<b>Total payables</b>	<b>10,236</b>	<b>13,510</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 \$1,660k in the 2022 financial year (2021: \$6,533k).

#### 16. Employee entitlements

	2021/22 \$000	2020/21 \$000
Accrued pay	(6)	25
Annual and statutory leave entitlements	767	648
<b>Total</b>	<b>761</b>	<b>673</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 2021/22 5.69%; 2020/21 5.65%) or interest free loans.

	2021/22 \$000	2020/21 \$000
<b>Mortgages and other investments</b>		
Interest bearing	134	190
Non-interest bearing	97	92
<b>Total</b>	<b>231</b>	<b>282</b>
Less provision for impairment	-	-
<b>Total</b>	<b>231</b>	<b>282</b>

## Interest rates

<b>Interest Rates</b>		
Mortgages and other investments (interest bearing)	5.69%	5.65%

## 18. Borrowing and other financial liabilities

The council's borrowings are secured through a debenture trusted deed over rates. Long term borrowings are at market rates, therefore carrying amounts approximate their fair value.

At balance date the current weighted average effective interest rate on the LGFA borrowing is 2.76% (2021: 0%).

<b>Borrowings and Other Financial Liabilities</b>	2021/22 \$000	2020/21 \$000
<b>Current</b>		
Secured Loans	5,000	-
<b>Non-current</b>		
Secured Loans	-	-
<b>Total Borrowings</b>	<b>5,000</b>	<b>-</b>

## 19. 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, several 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 if 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 2022 and are as follows:

	2021/22 \$000	2020/21 \$000
Buildings	336	239
Bridges	255	249
	<b>591</b>	<b>488</b>

Water, wastewater and stormwater assets were revalued with an effective date of 30 June 2022. Roading assets were revalued with an effective date of 30 June 2022.

The most recent valuation of water, wastewater, stormwater, waste and roading was performed by an independent registered valuer Edward Guy of Rationale Limited.

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.

Land and buildings are revalued every 3 years by external independent valuers. Land and Buildings were revalued with an effective date of 30 June 2022 and carried out by Quotable Value Limited.

Parks and reserves, including swimming pools, 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.

All the above are revalued on an optimised depreciation replacement cost basis. Land is valued at market value and some buildings as well.

## Property, Plant and Equipment – as at 30 June 2022

	Cost Revaluation 30-Jun-21 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-21 \$000's	Carrying amount 30-Jun-21 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Additions Transferred to Council \$000's	Current Year Disposals at Cost \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Disposals/ Revaluation Depreciation Recovered \$000's	Cost / Revaluation 30-Jun-22 \$000's	Accumulated Depreciation & Impairment Charges 30-Jun-22 \$000's	Carrying Amount 30-Jun-22 \$000's
<b>Infrastructural Assets</b>														
Bridges	38,615	(741)	37,874	-	-	-	-	-	(402)	2,221	1,143	40,836	-	40,836
Roading	479,762	(5,603)	474,159	514	4,038	5,983	-	20	(3,391)	46,918	8,994	537,235	(22)	537,213
Under construction	515	-	515	(514)	1,398	-	-	-	-	-	-	1,399	-	1,399
Land Under Roads	11,294	-	11,294	-	125	-	-	-	-	204	-	11,623	-	11,623
Stormwater	22,785	(968)	21,817	438	448	881	-	-	(458)	3,962	1,426	28,514	-	28,514
Under construction	360	-	360	(438)	-	-	-	78	-	-	-	-	-	-
<b>Water Supply</b>							-							
Treatment plant & facilities	17,814	(915)	16,899	883	316	-	-	-	(501)	8,041	1,416	27,054	-	27,054
Other assets	66,388	(2,164)	64,224	255	602	1,502	-	-	(1,165)	20,064	3,329	88,811	-	88,811
Under construction	9,390	-	9,390	(1,138)	13,162	-	-	636	-	-	-	22,050	-	22,050
<b>WasteWater</b>														
Treatment plant & facilities	18,687	(1,382)	17,305	4,345	296	-	-	-	(748)	(1,327)	2,130	22,001	-	22,001
Other assets	42,565	(1,874)	40,691	878	406	1,281	-	-	(1,001)	12,145	2,875	57,275	-	57,275
Under construction	13,231	-	13,231	(5,223)	14,918	-	-	(636)	-	-	-	22,290	-	22,290
<b>Total infrastructure assets</b>	<b>721,397</b>	<b>(13,647)</b>	<b>707,750</b>	<b>-</b>	<b>35,709</b>	<b>9,647</b>	<b>-</b>	<b>98</b>	<b>(7,666)</b>	<b>92,228</b>	<b>21,313</b>	<b>859,088</b>	<b>(22)</b>	<b>859,066</b>
<b>Operational Assets</b>														
Equipment	2,267	(2,035)	232	-	41	-	(428)	(14)	(90)	-	415	1,866	(1,710)	156
Furniture and Fittings	2,438	(1,590)	848	-	26	-	(152)	(64)	(165)	-	85	2,248	(1,670)	578
Parks and Reserves	47,886	(1,409)	46,477	324	719	384	-	(7)	(864)	-	-	49,306	(2,273)	47,033
Under construction	405	-	405	(324)	283	-	-	(82)	-	-	-	282	-	282
<b>Other</b>	<b>6,999</b>	<b>(2,701)</b>	<b>4,298</b>	<b>20</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(263)</b>	<b>332</b>	<b>-</b>	<b>7,367</b>	<b>(2,964)</b>	<b>4,403</b>
Under construction	427	-	427	(20)	407	-	-	19	-	-	-	833	-	833
<b>Plant and Machinery</b>	<b>15,869</b>	<b>(1,980)</b>	<b>13,889</b>	<b>55</b>	<b>1,072</b>	<b>-</b>	<b>(34)</b>	<b>22</b>	<b>(512)</b>	<b>(64)</b>	<b>34</b>	<b>16,920</b>	<b>(2,458)</b>	<b>14,462</b>
Under construction	-	-	-	(55)	-	-	-	55	-	-	-	-	-	-
<b>Motor Vehicles</b>	<b>1,343</b>	<b>(704)</b>	<b>639</b>	<b>-</b>	<b>140</b>	<b>-</b>	<b>(72)</b>	<b>-</b>	<b>(184)</b>	<b>-</b>	<b>71</b>	<b>1,411</b>	<b>(817)</b>	<b>594</b>
<b>Land</b>	<b>65,843</b>	<b>-</b>	<b>65,843</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,944</b>	<b>-</b>	<b>108,791</b>	<b>-</b>	<b>108,791</b>
<b>Buildings</b>	<b>37,083</b>	<b>(1,450)</b>	<b>35,633</b>	<b>1,530</b>	<b>783</b>	<b>-</b>	<b>(298)</b>	<b>41</b>	<b>(621)</b>	<b>10,388</b>	<b>1,696</b>	<b>47,831</b>	<b>(375)</b>	<b>47,456</b>
Under construction	1,690	-	1,690	(1,530)	1,194	-	-	(83)	-	-	-	1,271	-	1,271
<b>Library Books</b>	<b>2,166</b>	<b>(1,555)</b>	<b>611</b>	<b>(11)</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125)</b>	<b>-</b>	<b>-</b>	<b>2,323</b>	<b>(1,680)</b>	<b>643</b>
<b>Total Operational Assets</b>	<b>184,417</b>	<b>(13,426)</b>	<b>170,992</b>	<b>(7)</b>	<b>4,849</b>	<b>384</b>	<b>(984)</b>	<b>(113)</b>	<b>(2,824)</b>	<b>53,600</b>	<b>2,301</b>	<b>240,451</b>	<b>(13,949)</b>	<b>226,502</b>
<b>TOTAL FIXED ASSETS</b>	<b>905,815</b>	<b>(27,073)</b>	<b>878,742</b>	<b>(7)</b>	<b>40,558</b>	<b>10,031</b>	<b>(984)</b>	<b>(15)</b>	<b>(10,490)</b>	<b>145,828</b>	<b>23,614</b>	<b>1,099,539</b>	<b>(13,971)</b>	<b>1,085,568</b>



## Property, Plant and Equipment – as at 30 June 2021

	Cost Revaluation 30-Jun-20 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-20 \$000's	Carrying amount 30-Jun-20 \$000's Prior to adjustments	Adjusted from 2019-20 Restated WIP	Adjusted opening balance Amount 30-Jun-20 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Additions Transferred to Council \$000's	Current Year Disposals at Cost \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Disposals/ Revaluation Depreciation Recovered \$000's	Cost / Revaluation 30-Jun-21 \$000's	Accumulated Depreciation & Impairment Charges 30-Jun-21 \$000's	Carrying Amount 30-Jun-21 \$000's
<b>Infrastructural Assets</b>																
Bridges	36,735	(337)	36,398	-	36,398	412	303	-	-	-	(404)	1,165	-	38,615	(741)	37,874
Roading	463,261	(2,604)	460,657	-	460,657	124	6,605	4,049	-	-	(2,999)	5,723	-	479,762	(5,603)	474,159
Under construction	467	-	467	245	712	(536)	339	-	-	-	-	-	-	515	-	515
Land Under Roads	11,024	-	11,024	-	11,024	-	25	-	-	-	-	245	-	11,294	-	11,294
Stormwater	25,932	(521)	25,411	(192)	25,219	44	(77)	525	-	(44)	(447)	(3,403)	-	22,785	(968)	21,817
Under construction	9	-	9	(48)	(39)	(44)	399	-	-	44	-	-	-	360	-	360
<b>Water Supply</b>																
Treatment plant & facilities	15,753	(459)	15,295	-	15,295	715	176	12	-	-	(457)	1,158	-	17,814	(915)	16,899
Other assets	64,229	(1,018)	63,211	(277)	62,934	1,280	34	429	-	(1,165)	(1,146)	1,858	-	66,388	(2,164)	64,224
Under construction	7,770	-	7,770	286	8,056	(1,995)	2,165	-	-	1,165	-	-	-	9,390	-	9,390
<b>WasteWater</b>																
Treatment plant & facilities	18,292	(676)	17,616	-	17,616	625	-	-	-	(32)	(706)	(207)	-	18,687	(1,382)	17,296
Other assets	41,711	(899)	40,812	1,657	42,469	1,108	34	1,042	-	(1,720)	(975)	(1,267)	-	42,565	(1,874)	40,691
Under construction	10,885	-	10,885	(1,717)	9,168	(1,732)	4,075	-	-	1,720	-	-	-	13,231	-	13,231
<b>Total infrastructure assets</b>	<b>696,068</b>	<b>(6,514)</b>	<b>689,555</b>	<b>(46)</b>	<b>689,509</b>	<b>-</b>	<b>14,078</b>	<b>6,057</b>	<b>-</b>	<b>(31)</b>	<b>(7,134)</b>	<b>5,272</b>	<b>-</b>	<b>721,397</b>	<b>(13,647)</b>	<b>707,750</b>
<b>Operational Assets</b>																
Equipment	2,183	(1,940)	242	-	242	-	84	-	-	-	(95)	-	-	2,267	(2,035)	232
Furniture and Fittings	2,260	(1,431)	829	-	829	-	178	-	-	-	(158)	-	-	2,438	(1,590)	848
Parks and Reserves	46,595	(641)	45,954	-	45,954	144	774	433	-	-	(828)	-	-	47,886	(1,409)	46,477
Under construction	365	-	365	(150)	215	(144)	339	-	-	(5)	-	-	-	405	-	405
<b>Other</b>	<b>6,351</b>	<b>(2,523)</b>	<b>3,827</b>	<b>-</b>	<b>3,827</b>	<b>8</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>(110)</b>	<b>(279)</b>	<b>735</b>	<b>-</b>	<b>6,999</b>	<b>(2,701)</b>	<b>4,298</b>
Under construction	152	-	152	(141)	11	(8)	426	-	-	(3)	-	-	-	427	-	427
<b>Plant and Machinery</b>	<b>15,614</b>	<b>(1,618)</b>	<b>13,995</b>	<b>-</b>	<b>13,995</b>	<b>157</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>(133)</b>	<b>(495)</b>	<b>82</b>	<b>-</b>	<b>15,869</b>	<b>(1,980)</b>	<b>13,889</b>
Under construction	102	-	102	(102)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Motor Vehicles</b>	<b>1,352</b>	<b>(815)</b>	<b>537</b>	<b>-</b>	<b>537</b>	<b>-</b>	<b>319</b>	<b>-</b>	<b>(27)</b>	<b>(301)</b>	<b>(191)</b>	<b>-</b>	<b>-</b>	<b>1,343</b>	<b>(704)</b>	<b>639</b>
<b>Land</b>	<b>70,192</b>	<b>-</b>	<b>70,192</b>	<b>-</b>	<b>70,192</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>(4,361)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,843</b>	<b>-</b>	<b>65,843</b>
<b>Buildings</b>	<b>36,372</b>	<b>(540)</b>	<b>35,832</b>	<b>-</b>	<b>35,832</b>	<b>28</b>	<b>429</b>	<b>-</b>	<b>(64)</b>	<b>5</b>	<b>(597)</b>	<b>-</b>	<b>-</b>	<b>37,083</b>	<b>(1,450)</b>	<b>35,633</b>
Under construction	-	-	-	102	102	(72)	1,558	-	-	102	-	-	-	1,690	-	1,690
<b>Library Books</b>	<b>2,021</b>	<b>(1,428)</b>	<b>593</b>	<b>-</b>	<b>593</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(126)</b>	<b>-</b>	<b>-</b>	<b>2,166</b>	<b>(1,555)</b>	<b>611</b>
<b>Total Operational Assets</b>	<b>183,559</b>	<b>(10,936)</b>	<b>172,620</b>	<b>(291)</b>	<b>172,329</b>	<b>114</b>	<b>4,427</b>	<b>433</b>	<b>(4,452)</b>	<b>(445)</b>	<b>(2,769)</b>	<b>817</b>	<b>-</b>	<b>184,417</b>	<b>(13,426)</b>	<b>170,991</b>
<b>TOTAL FIXED ASSETS</b>	<b>879,627</b>	<b>(17,450)</b>	<b>862,175</b>	<b>(337)</b>	<b>861,838</b>	<b>114</b>	<b>18,505</b>	<b>6,490</b>	<b>(4,452)</b>	<b>(476)</b>	<b>(9,903)</b>	<b>6,089</b>	<b>-</b>	<b>905,815</b>	<b>(27,073)</b>	<b>878,742</b>

## 20. Intangible assets

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

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

Computer software is amortised over 3 to 10 years and where appropriate disposed of. No impairment losses have been recognised.

	Easements \$000	Computer Software \$000	Branding \$000	Total \$000
<b>Cost</b>				
Balance at 1 July 2021	83	2,131	144	2,358
Adjustment	-	-	-	-
Additions	-	214	-	214
Disposals	-	-	-	-
Under construction	-	350	-	350
<b>Balance at 30 June 2022</b>	<b>83</b>	<b>2,347</b>	<b>144</b>	<b>2,574</b>
Balance at 1 July 2020	83	1,608	144	1,835
Adjustment	-	-	-	-
Additions	-	175	-	175
Disposals	-	-	-	-
Under construction	-	348	-	348
<b>Balance at 30 June 2021</b>	<b>83</b>	<b>2,131</b>	<b>144</b>	<b>2,358</b>
<b>Accumulated Amortisation and Impairment</b>				
Balance 1 July 2021	-	(942)	(144)	(1,086)
Adjustment	-	-	-	-
Amortisation charge	-	(137)	-	(137)
Disposals	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>(1,079)</b>	<b>(144)</b>	<b>(1,223)</b>
Balance 1 July 2020	-	(846)	(144)	(990)
Amortisation charge	-	(96)	-	(96)
Disposals	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>(942)</b>	<b>(144)</b>	<b>(1,086)</b>
<b>Carrying Amounts</b>				
<b>Balance at June 2022</b>	<b>83</b>	<b>1,268</b>	<b>-</b>	<b>1,351</b>
<b>Balance at 30 June 2021</b>	<b>83</b>	<b>1,190</b>	<b>-</b>	<b>1,272</b>

## 21. Insurance

The Council holds asset insurance with multiple insurance companies including QBE, NZI and AIG as at 30 June 2022.

The total value of all assets covered by insurance contracts is \$83 million (2021: \$90m). The maximum amount for which these assets is insured is \$165 million (2021: \$162m). 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 \$1.005 million (2021: \$776m). These are not covered by insurance policies.

## 22. Forestry assets

Independent registered valuer, K Stuart RMNZIF of Laurie Forestry Limited, have valued Council owned forestry assets as at 30 June 2022.

As at 30 June the value of the Council owned forests decreased by 33% compared to the value over the value as at the same time last year. The increase in valuation of the forest estate is predominately due to log prices having significantly increased since the 2020 valuation.

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 Otago District Council has forest investments of:
  - 27.6 net stocked hectares in Alexandra
  - 77.6 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 - harvested and awaiting replanting

**Alexandra** – 19.2 ha of Radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 28 – 37 years old.

**Cromwell** – 16.8 ha of Radiata pine of an undetermined age ready to be harvested, with the balance ranging from 39 - 40 years old.

**Ranfurly** – 1.6 ha of Corsican pine 32 years old and 1.4 ha of Radiata pine 37 years old.

**Naseby** – 2.6 ha Corsican pine 42 years.

**Roxburgh** – 10.8 ha of Radiata pine harvested and awaiting replanting.

*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 2022. A pre-tax discount rate of 8.5% has been used this year (2021: 8.5%).

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

	2021/22 \$000	2020/21 \$000
<b>Balance as at 1 July</b>	<b>431</b>	<b>355</b>
Increases due to purchases	-	-
Gain (loss) arising from revaluation	(140)	76
Decrease arising from sales / harvest	-	-
<b>Balance as at 30 June</b>	<b>291</b>	<b>431</b>
<b>The gain (loss) comprised of:</b>		
Alexandra Forest	(35)	17
Cromwell Forest	(18)	46
Naseby Forest	(4)	3
Ranfurly Forest	-	2
Roxburgh Forest	(83)	8
<b>Gain (Loss) arising from revaluation</b>	<b>(140)</b>	<b>76</b>

## 23. 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.

Independent registered valuer G Simpson SPINZN, ANZIV of Quotable Value Limited, have valued Council owned Investment property assets as at 30 June 2022.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit. The Council's investment properties are revalued annually at fair value effective 30 June. The valuation was performed by Quotable Value Limited.

Land is valued at market and some buildings as well.



	2021/22 \$000	2020/21 \$000
<b>Balance as at 1 July</b>	5,925	<b>1,675</b>
Additions from acquisitions	4	5,068
Gains (loss) arising from revaluation	806	(818)
<b>Balance as at 30 June</b>	<b>6,735</b>	<b>5,925</b>
Rental income from investment property	245	166
Direct expenses from investment property	94	38

## 24. Landfill aftercare provision

The Council has several 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 finished during the 2021 financial year. Future monitoring requirements past this date are not quantifiable. No reimbursements are expected.

	2021/22 \$000	2020/21 \$000
<b>Opening Balance</b>	-	<b>5</b>
Less applied to operations	-	(5)
Add interest time adjustment	-	-
<b>Balance as at 30 June</b>	-	-

## 25. Capital commitments

	2021/22 \$000	2020/21 \$000
Property	3,434	241
Open Spaces	175	23
Information Technology	168	301
Environmental Engineering	25	373
Water System	9,107	2317
Wastewater System	2,844	7823
Stormwater system	-	-
Roading	-	-
<b>Total capital commitments</b>	<b>15,752</b>	<b>11,078</b>

The Roothing commitment will attract a subsidy of nil (2021 \$000: nil). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

## 26. Operating leases

### Leasing arrangements – operating lease as lessee

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

### Non-cancellable operating lease payments

	2021/22 \$000	2020/21 \$000
No longer than 1 year	494	479
Longer than 1 year and not longer than 5 years	336	579
Longer than 5 years	-	31
<b>Total non-cancellable operating leases</b>	<b>830</b>	<b>1,089</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:

	2021/22 \$000	2020/21 \$000
No longer than 1 year	929	861
Longer than 1 year and not longer than 5 years	1,818	1,777
Longer than 5 years	11,052	10,933
<b>Total operating leases as Lessor</b>	<b>13,799</b>	<b>13,571</b>

## Other commitments

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

### 27. Emissions Trading Scheme

The Council is part of the Emissions Trading Scheme (ETS) for its pre 1990 forests (mandatory participation). Under the ETS the Council is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre 1990 forests. Under the ETS liabilities can accrue as follows:

#### Pre 1990 forests

Liabilities accrue if the pre 1990 forest land is deforested and not replanted. The Council does not anticipate any future liabilities will arise in relation to pre 1990 forest land based on the intention to replant trees harvested or removed in any other way. Due to the development of the Dunstan Park subdivision, the Council will not be replanting the trees that were removed at the Alexandra Pines. The Roxburgh Pines were logged in 2021/22 and are being planned to be replanted.

### 28. Contingencies

#### Contingent assets

Contingent assets comprise the value of lessees' improvements on land leased from Council where a term of the lease provides for the improvements to vest in Council on the dissolution of the community group leasing that part of the reserve. Until this event occurs these assets are not recognised in the Statement of Financial Position. Council is not aware of any of the community groups dissolving and the improvements vesting in Council, resulting in a disclosure of nil.

#### Contingent liabilities

The Council has no contingent liabilities as at 30 June 2022.

#### Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+ as at 22 February 2021.

As at 30 June 2021, the Council is one of 30 local authority shareholders and 54 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2022, the LGFA had borrowings totalling \$15.789 billion (2021: \$14.220 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required

## 29. Remuneration

### Remuneration of Elected Members

	2021/22 \$000	2020/21 \$000
<b>Mayor</b>		
T Cadogan	107	108
<b>Current Councillors</b>		
NJ Gillespie*	41	47
MR McPherson*	35	34
SF Jeffrey*	32	33
N McKinlay	28	28
SL Duncan	26	26
LJ Claridge	25	24
IG Cooney	25	24
CA Laws	25	24
SA Calvert	22	21
TA Paterson	22	21
TN Alley**	22	-
<b>Total elected representatives' remuneration</b>	<b>410</b>	<b>390</b>

*This table has rounding (±1)*

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

\*\* TN Alley was an elected member in the 2020/21 year and was remunerated at \$21k.



## Remuneration of Chief Executive Officer

The Chief Executive Officer of the Council, appointed under section 42 (1) of the Local Government Act 2002, received a salary of and benefits respectively of:

	2021/22 \$000	2020/21 \$000
Salary – permanent CEO's	321	280
Motor vehicle	15	25
<b>Total chief executive officer remuneration</b>	<b>336</b>	<b>305</b>

As at 30 June 2022, the annual cost, including benefits, to the Council for the combined remuneration package of the Chief Executive Officer is calculated at \$336,639 (2021 - \$305,371). The above figures are the full amount paid exclusive of expense claims.

	2021/22 \$000	2020/21 \$000
Remuneration of Key Management	1,170	1,054

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

	2021/22 \$000
Total annual remuneration by band for employees at 30 June	
<\$60,000	126
\$60,000-\$79,999	60
\$80,000-\$99,999	21
\$100,000-\$119,999	9
\$120,000-\$139,999	5
\$140,000-\$320,999	8
\$320,000-\$339,999	1
<b>Total employees</b>	<b>230</b>

	2020/21 \$000
Total annual remuneration by band for employees at 30 June	
<\$60,000	113
\$60,000-\$79,999	51
\$80,000-\$99,999	15
\$100,000-\$139,999	13
\$140,000-\$199,999	5
\$200,000 - \$309,999	1
<b>Total employees</b>	<b>198</b>

Total employee numbers include all casual employees who have a current employment contract with the Council. At balance date, the Council employed 130 (2021, 118) full-time employees, with the balance of staff representing 37 (2021, 32) 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 2021/22 (2020/21, 0) made during 2021/22 year totalling \$8,000 (2020/21, 0).

## 30. Related Party Transactions

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

## 31. Financial Instruments

The Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established and approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Credit risk

Financial instruments that 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 several 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 minimise 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	2021/22 \$000	2020/21 \$000
<b>Loans and receivables</b>			
Bank balances and term deposits	Rating 'A' and greater, no defaults in the past	6,735	16,514
Debtors and other receivables	Note 13	4,743	4,852
Community loans	Not rated, no defaults in the past	231	282
<b>Total credit risk loans and receivables</b>		<b>11,709</b>	<b>21,648</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.

	2021/22		2020/21	
	\$000	\$000	\$000	\$000
<b>Interest rate risk</b>	-50bps	+50bps	-50bps	+50bps
Effect on surplus (deficit)				
Cash and cash equivalents	-62	62	-85	85
Promissory and floating rate notes	-	-	-	-
Borrowings and Other Financial Liabilities	-25	25	-	-
<b>Total sensitivity</b>	<b>-62</b>	<b>62</b>	<b>-85</b>	<b>85</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%.

### **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 that maintain high levels of liquidity.

	Note	2021/22				Total 2021/22
		Less than 1 year	1 year	2-5 years	5+ years	
<b>Financial assets</b>						
Cash and cash equivalents		6,735	-	-	-	6,735
Trade and other receivables		4,164	166	270	143	4,7430
Other financial assets (excluding shares in companies)		-	-	-	-	-
<b>Financial liabilities</b>						
Trade and other payables		9,963	-	-	-	9,963
Borrowings and Other Financial Liabilities		5,000	-	-	-	5,000

	Note	2020/21				Total 2020/21
		Less than 1 year	1 year	2-5 years	5+ years	
<b>Financial assets</b>						
Cash and cash equivalents	11	5,014	-	-	-	5,014
Trade and other receivables	13	4,337	140	60	315	4,852
Other financial assets (excluding shares in companies)	12	11,500	-	-	-	11,500
<b>Financial liabilities</b>						
Trade and other payables	15	13,254	-	-	-	13,254

### **Price risk**

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



### 32. Internal loans

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

	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing Balance \$000
Community, Economic and Strategic Development	178	1,888	(45)	2,020
Environmental Services	2,285	762	(5)	3,042
Governance and Corporate Services	2,308	4	(2,214)	98
Planning and Regulatory	(160)	166	-	6
Pools Parks and Cemeteries	1,858	2,459	(320)	3,997
Property and Community Facilities	6,265	1,228	(331)	7,162
Roading	6,325	3,125	(171)	9,279
Service Centres and Libraries	-	39	-	39
Stormwater	280	5	-	285
Wastewater	14,673	7,763	(2,193)	20,243
Water	12,039	7,647	(1,362)	18,324
<b>TOTAL</b>	<b>46,050</b>	<b>25,087</b>	<b>(6,642)</b>	<b>64,497</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 2.25% (2020/2021, 1.48%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2021/22 Actual \$000	2021/22 Estimate \$000	2020/21 Actual \$000
Community, Economic and Strategic Development	66	68	89
Environmental Services	20	51	21
Governance and Corporate Services	4	15	2
Planning and Regulatory	-	1	2
Pools Parks and Cemeteries	36	85	50
Property and Community Facilities	89	242	114
Roading	64	153	65
Service Centres and Libraries	-	10	-
Stormwater	2	-	1
Wastewater	121	227	164
Water	138	272	205
<b>TOTAL</b>	<b>541</b>	<b>1,125</b>	<b>712</b>

### **33. Capital management**

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations.

Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

The Council has the following Council-created reserves:

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

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

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

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

### 34. Reconciliation of net surplus (deficit) to net cash flows from operating activities

	2021/22 \$000	2020/21 \$000
<b>Net Operating Surplus/(Deficit) after tax</b>	28,396	12,323
<b>Add/(Less) Non cash items:</b>		
Depreciation/Amortisation of intangible asset	10,629	9,999
Net (profit)/loss on sale of fixed assets	335	90
Net (gains)/loss on fair value of Investment	(806)	818
Vested Asset	(10,032)	(6,489)
Valuation losses	140	(76)
Increase/(decrease) in deferred taxation	-	-
<b>Add/(Less) Movements in working capital items</b>		
(Increase)/decrease in receivables	789	(1,752)
(Increase)/decrease in prepayments	(3)	(94)
(Increase)/decrease in Inventory	275	(3,885)
Increase/(Decrease) in accounts payable and accruals	(3,291)	8,548
Increase/(Decrease) in agency and deposits	17	(17)
Increase/(Decrease) in employee entitlements	88	(337)
Increase/(Decrease) in GST/taxation	(678)	123
<b>Add (less) items included in investing activities:</b>		
Cost of land sales	(3,719)	(2,492)
Sale of fixed assets	52	-
<b>Cash inflow (outflows) from operating activities</b>	<b>22,192</b>	<b>16,759</b>

### 35. Events subsequent to balance date

There were no subsequent events arising since the balance date.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## Independent Auditor's Report

To the readers of Central Otago District Council's annual report  
for the year ended 30 June 2022

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 21 December 2022. This is the date at which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 106 to 156:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2022; and
    - the results of its operations and cash flows for the year ended on that date.
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 104 to 105, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;



the activities and services statements on pages 23 to 96:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service.
- complies with generally accepted accounting practice in New Zealand.
- the statement about capital expenditure for each group of activities on pages 23 to 96, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 28, 34, 38, 48, 56, 63, 68, 78, 84, 97, and 102 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 15 to 20, 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 - The Government's three waters reform programme**

- Without modifying our opinion, we draw attention to note 35 on page 156, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## **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 District Council for the audited information**

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

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

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

## **Responsibilities of the auditor for the audited information**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the District 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 District 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 District 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 District Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 7 to 14, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

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

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

## **Independence**

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

Other than these engagements we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to read 'Dereck Ollsson', with a stylized, flowing script.

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



# OUR COUNCIL



# Mayor and Councillors



Tim Cadogan  
**His Worship the Mayor**  
Mobile: 021 639 625  
[mayor@codc.govt.nz](mailto:mayor@codc.govt.nz)



Neil Gillespie  
**Deputy Mayor**  
**Cromwell Ward**  
Phone: 03 445 0669  
Mobile: 027 433 4856  
[neil.gillespie@codc.govt.nz](mailto:neil.gillespie@codc.govt.nz)



Tamah Alley  
**Vincent Ward**  
[tamah.alley@codc.govt.nz](mailto:tamah.alley@codc.govt.nz)



Shirley Calvert  
**Cromwell Ward**  
Mobile: 021 252 6916  
[shirley.calvert@codc.govt.nz](mailto:shirley.calvert@codc.govt.nz)



Stephen Jeffery  
**Teviot Valley Ward**  
Mobile: 027 220 6080  
[stephen.jeffery@codc.govt.nz](mailto:stephen.jeffery@codc.govt.nz)



Lynley Claridge  
**Vincent Ward**  
Phone: 03 448 6942  
Mobile: 027 289 1551  
[lynley.claridge@codc.govt.nz](mailto:lynley.claridge@codc.govt.nz)



Stuart Duncan  
**Maniototo Ward**  
Mobile: 021 224 2320  
[stuart.duncan@codc.govt.nz](mailto:stuart.duncan@codc.govt.nz)



Cheryl Laws  
**Cromwell Ward**  
Mobile: 027 303 0455  
[cheryl.laws@codc.govt.nz](mailto:cheryl.laws@codc.govt.nz)



Tracey Paterson  
**Vincent Ward**  
Mobile: 027 493 4422  
[tracey.paterson@codc.govt.nz](mailto:tracey.paterson@codc.govt.nz)



Nigel McKinlay  
**Cromwell Ward**  
Phone: 03 445 4262  
Mobile: 027 474 1961  
[nigel.mckinlay@codc.govt.nz](mailto:nigel.mckinlay@codc.govt.nz)



Martin McPherson  
**Vincent Ward**  
Phone: 03 448 9114  
Mobile: 021 879 849  
[martin.mcpherson@codc.govt.nz](mailto:martin.mcpherson@codc.govt.nz)



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

Council meeting attendance 2021-2022									
Name	Attended								
	A	S	N	D	J	M	A	J	
T Alley	●	●	●		●	●	●	●	
T Cadogan	●	●	●	●	●	●	●	●	
S Calvert		●	●	●	●	●	●	●	
L Claridge	●	●		●	●				●
I Cooney	●	●		●		●			●
S Duncan	●	●	●		●	●	●	●	
N Gillespie	●	●	●	●	●	●	●		
S Jeffery	●	●	●	●	●	●	●	●	
C Laws	●	●	●		●	●	●	●	
N McKinlay	●	●	●	●	●	●	●	●	
M McPherson	●	●	●		●	●	●	●	
T Paterson	●	●	●		●	●	●	●	

# 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



Bob Scott



Neil Gillespie



Cheryl Laws



Nigel McKinlay

Cromwell meeting attendance 2021-2022									
Name	Attended								
	J	S	O	N	F	M	M	J	
T Buchanan	●	●				●		●	
N Gillespie	●	●	●	●	●	●	●	●	●
A Harrison	●	●	●		●	●	●	●	●
C Laws	●	●	●	●	●	●	●	●	●
N McKinlay	●	●		●	●	●	●	●	●
B Scott	●	●	●	●	●	●	●	●	●
W Murray	●	●	●	●	●		●		



## Māniatoto Community Board

15 Pery Street, Ranfurly, Phone: 03 444 9170



Robert Hazlett (Chair)



Mark Harris (Deputy)



Stu Duncan



Duncan Helm



Sue Umbers

Māniatoto meeting attendance 2021-2022								
Name	Attended							
	J	S	O	N	F	M	M	J
S Duncan	●	●	●	●	●	●	●	●
M Harris	●	●	●	●	●	●	●	●
R Hazlett	●	●	●	●	●	●	●	●
D Helm	●		●	●	●		●	
S Umbers	●	●	●	●	●	●	●	●

## Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: 03 446 8105



Raymond Gunn (Chair)



Sally Feinerman (Deputy)



Cushla Aitchison



Norman Dalley



Stephen Jeffery

Teviot Valley meeting attendance 2021-2022								
Name	Attended							
	J	S	O	N	F	M	M	J
C Aitchison	●	●		●		●	●	
N Dalley	●	●		●	●	●	●	●
S Feinerman	●	●	●	●	●	●	●	●
R Gunn	●	●	●	●	●	●	●	●
S Jeffery	●	●	●	●	●	●	●	●

## 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 2021-2022								
Name	Months attended							
	J	A	O	N	F	M	M	J
R Browne	●	●	●	●	●	●	●	●
L Claridge		●	●	●	●	●	●	●
I Cooney	●	●	●	●	●	●		●
R Garbutt	●	●	●	●	●	●		
M McPherson	●	●	●	●	●	●	●	●
A Robinson	●	●	●	●	●		●	●
S Stirling-Lindsay		●	●	●	●	●	●	



# Executive team

## Sanchia Jacobs

Chief Executive Officer



- Governance
- Strategy and Policy
- Regional Identity
- Community Development
- Economic Development
- Tourism and Visitor Centres
- Communications
- Emergency Management

## Leanne Macdonald<sup>1</sup>

Executive Manager – Corporate Services



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

## Louise Fleck

Executive Manager – People and Culture



- Customer Services
- Libraries
- Health and Safety
- People and Culture

## Julie Muir<sup>2</sup>

Executive Manager – Infrastructure Services



- Rooding
- Water Services
- Environmental Engineering

## Louise van der Voort

Executive Manager – Planning and Environment



- Planning
- Building Control
- Alcohol Licensing
- Environmental Health
- Dog Control and Registration
- Parks and Recreation
- Cemeteries
- Swimming Pools
- Property and Community Facilities
- Elderly Persons' Housing
- Airports

<sup>1</sup> Replaced by Saskia Righarts as at 5 September 2022

<sup>2</sup> Appointed as Regional Three Waters Director as at 18 July 2022



03 440 0056

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

1 Dunorling Street, PO Box 122, Alexandra