

# SUMMARY ANNUAL REPORT

2023 – 2024



**FRAMING OUR FUTURE**

*Cover Images: Top left clockwise: Laying pipe along Neplusultra for the Cromwell Rising Main project; Alexandra drinking water reservoir, Lake Dunstan Water Supply; Wastewater pump station emergency storage tanks at Linger and Die Reserve, Alexandra; Remetalling Waipiata-Kyeburn Road; Lake Dunstan Water Supply open day, Alexandra.*

# Contents

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The Mayor and CEO message .....	5
Our services and facilities .....	7
Our results .....	16
How we measure success .....	18
Summary Financials for the year ended 30 June 2024.....	22
Notes to the Summary Financial Statements .....	24
Independent Auditor's Report.....	28



# The Mayor and CEO message

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## The Mayor

As an organisation, having a new CEO take the helm is of massive consequence. Former Chief of the New Zealand Army Major General Peter Kelly took over the role in September 2023, quickly fitting into his role at the head of the business. I want to express my gratitude on behalf of the governance arm of the organisation for the hard mahi Peter has put in to becoming familiar with not just the council but the community. I also note with thanks the way the Executive Leadership Team and all staff have taken Peter into the CODC whanau.

Peter is not the only person to have moved to Central Otago of late. The preliminary 2023 Census figures were released toward the end of May, and they told us what we already knew; that the population growth in Central Otago in the 5 years since the last census has been huge. With our population sitting around 26,707 people, we remain as one of the fastest growing territorial authorities in the country.

With the population growth has also come growth in our diversity across the district. I have had the pleasure of attending a number of cultural events through the last 12 months that would simply have not been on the calendar not that many years ago. These have included a bright and harmonious Pasifika Christmas celebration and the Santacruzian celebration with our Filipino community on a very cold May day in Cromwell. I am proud that our council and community continues to support the Welcoming Communities programme, designed to, as the name suggests, welcome new people to our special part of the world.

The continued growth has continued to put pressure on our housing market. Council has responded to that through Plan Change 19, which looks to enable increased densification within Cromwell, Alexandra, Clyde and Omakau while increasing somewhat the size of these town's footprints. This change to our District Plan has taken several years, starting with the Cromwell Masterplan which was adopted by the Cromwell Community Board back in May 2019 through to the Vincent Spatial Plan adopted by Council in January 2022. I look forward to its completion later in 2024.

For both Council and the public in general, this financial year has been a very challenging one. While the district as a whole has been somewhat sheltered from the harder economic realities being faced in other places through the noted continued population growth, there is no doubt a general downturn in farming is having its effect, especially in our smaller, rural towns. Increased costs that have come from inflation (especially build inflation) and continued requirements out of Wellington have put significant pressure on council and the community.

This year we would, under normal circumstances, have been working toward our Long-term Plan to kick in as the financial year this report covers starts off. However, due to the government changing direction on the previous Three Waters plans but remaining light on detail, an option was given and taken to delay the Long-term Plan by a year and do an enhanced Annual Plan for the 2024-25 year. The decision to take the enhanced Annual Plan path has lessened Council's ability to respond to the economic pressures in the ways that we will be able to consider in the Long-term Plan next year.

## CEO Peter Kelly

**A mihi whakatau was held on 11 September 2023 to welcome new Chief Executive Peter Kelly. Louise van der Voort, Group Manager Planning and Infrastructure, acted as CEO prior to his commencement.**

I was delighted to join the team at Central Otago District Council in September 2023. What attracts me to local government is that the values are based around serving one's community. In many ways it is not too dissimilar to the Army which is all about service. I was immediately impressed by the quality of team here and feel fortunate to now be a part of it serving the community of Central Otago.

There were similarities to where I have come from, but all communities are different and understanding the nuances and how localism plays out here has been an important part of the first year.

There was no slowing down in moving to the country. We immediately began assessing all budgets and activities to provide choices and options as the community simply could not afford the projected level of uplift in their rates. This work continues, as we factor in a range of investment and divestment options for councillors to consider, facing hard choices around levels of service, budgets, trade-offs, and outcomes.

Through everyone's hard work we continued to deliver for our community whilst at the same time transitioning from developing a Long-term Plan to completing an enhanced Annual Plan. With the recent adoption of that plan, the Council landed on the highest rates in the district's history - even after finding \$10 million in savings. It was far from ideal and reflects the very high inflationary environment that we are operating in. Unfortunately, this contributes to the already high cost of living that many within our community are struggling with.

Our work must continue to prioritise relieving that pressure. It is timely that we recalibrate as a council team to step off and start work on the next 2025-34 Long-term Plan. This significant body of work will touch all of us here at council and require input at all layers to work through in a disciplined manner to put those options up in front of our community to make informed choices.

We remained dedicated to serving the community in our day-to-day interactions, proudly reflecting on the result that 89% of respondents in the residents opinion survey, felt we were friendly and courteous and 76% found us to be fast and efficient. This outstanding result really exemplifies our core value: service.

Through our mahi we ensure Central Otago is a great place to live and everyone continues to enjoy the world of difference we have to offer.

**Nā tō rourou, nā taku rourou ka ora ai te iwi**

*With your food basket and my food basket the people will thrive.*

Ngā mihi



**Tamah Alley**  
Central Otago Mayor



**Peter Kelly**  
CEO

# Our services and facilities

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## Three Waters services

Continuing water treatment upgrades to meet the New Zealand Drinking Water Standards remained a key focus of the 2023/24 year.

### Waters

Our water activity was focused on increasing both capability and capacity to effectively manage water operations. We recruited additional staff to increase the capacity of the team, undertook modelling of the Cromwell water network to identify future choke points, and held business case workshops relating to upgrades at our water and wastewater plants, catering for growth without compromising compliance.

Water supply management was a key activity in the operations space during the drier months of summer. The introduction of Lutra's Infrastructure Data software provided greater oversight of operations during this time which allowed CODC to better manage water demand.

Significant progress was made on the construction of the new Cromwell rising main pipe, which is nearing completion.

Council are in the design phase of building a new water treatment plant and adding a new bore to meet the required drinking water standards and meet growth needs. The construction for this is scheduled to begin December 2024.



### Wastewater

Backup generators were installed at crucial pump station and wastewater treatment locations, improving the resilience of the network and reducing the risk of emergency overflows.



Two wastewater ponds at Roxburgh underwent desludging with extracted sludge pumped into geo bags on site. Desludging of the ponds is an important maintenance activity for waste stabilisation ponds, as sludge accumulation reduces treatment capacity and can result in non-compliant discharges and odour emissions.

## Stormwater

Stormwater drainage pipelines, sumps, and soak pits along Centennial Ave were upgraded in conjunction with the water main replacement. This will improve drainage during high rainfall events.

## Roading services

The final stages of the Clyde Heritage Precinct Upgrade Project focus was on the replacement of below-ground services and significant above-ground improvements to Holloway and Sunderland Streets. Work on Holloway Street began in May 2022 and was completed during the 2023/24 year.

Meanwhile, work on Sunderland Street is ongoing and will continue into the 2024/25 year.



Road safety is a key focus for Council, and in February 2024, we welcomed a new Road Safety Advisor to lead initiatives aimed at enhancing safety across the district. To support this, Council launched a new initiative called "Wheels Up," designed to raise awareness and provide education on safe road use. The tagline, "Share, care, and get there," reflects our commitment to ensuring safer behaviours for everyone who uses the roads.

## Environmental services

In line with the new kerbside collection services, Central Government introduced new regulations for the materials which would be accepted in yellow mixed recycling, blue glass recycling and green organics bins in February 2024. These regulations have been put into place to provide consistency in kerbside collection services across the country.

**Standardising what can go in kerbside recycling bins**

The Government has set national standards for materials collected in kerbside recycling in an effort to standardise recycling nationwide, effective from 1 February 2024. The alterations to Central Otago's kerbside collection in July 2023 have placed our district ahead of the national curve in waste minimisation, so these standards will not bring significant changes to our kerbside service.

**From 1 February 2024:**

**The yellow bin will continue to accept:**

- Clean flat paper & cardboard, including pizza boxes free of food residue
- Clean, empty steel food tins
- Clean, empty aluminium drink cans
- Clean, empty grocery and household plastic bottles and containers of any colour with a number 1, 2, or 5 – without lids.

**The blue bin will continue to accept:**

- Clean, empty glass bottles and jars – without lids.

**The green bin will see a minor change, accepting:**

- All types of food scraps, including meat, fish, small bones, fruit and vegetable peelings, cores, skins, and leftover cooked food.
- Greenwaste from the garden, excluding flax, cabbage tree, or tottoi leaves.
- Newspaper solely for lining bins and wrapping food scraps.

**The most noticeable change from 1 February is that animal droppings, fur, and hair will no longer be accepted in the green bin.**



## New transfer station services

In addition to the new kerbside collection services, new services have also been introduced at the transfer stations to provide more ways to divert material from landfill. These new services include:

- Household battery recycling
- Waste oil recycling
- Electronic waste recycling

Since the introduction of each service:

- 381 kg of household batteries recycled
- 2000L of waste oil recycled
- 360 items of electronic waste recycled



## Planning and Regulatory services

### Building

896 Building consents were granted, with an average of 12 working days, with 95.65% processed within the statutory timeframes (20 working days).

953 Code of Compliance applications were processed, in an average of 12 working days, with 92% processed within the statutory timeframe (20 working days).

### Dog control

In partnership with Emergency Management Otago, the Animal Control Team contributed to a dog safety stand at the Annual 'Clued Up Kids' programme. This provided approximately 90, year six aged school children with the appropriate skills and information to be safe around dogs.

The dog safety stand achieved second out of nine stands regarding what significant learnings were achieved by the children post the presentations.

### Environmental Health

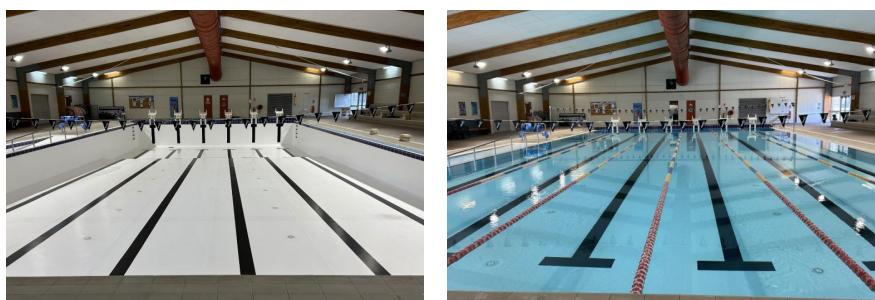
Environmental Health highlights included renewal of status as a Recognised Agency in delivering Food Act requirements, continued quality assurance system accreditation (with zero non-conformances) enabling National Programme auditing, recognised person warrant renewals for two Food Safety Officers and Verifiers, and provision of a trainee Environmental Health Officer role.

## Pools, Parks and Cemeteries services

### Better Off Funding utilised to enhance and maintain aquatic facilities

Significant maintenance was undertaken to enhance our aquatic facilities, in part funded through the Government's Better Off Funding scheme.

The liners for both the 25-meter pool and the Therapeutic pool at Alexandra, as well as the Therapeutic pool at Cromwell, were replaced.



Alexandra Pool



Digitisation of Council cemeteries records continued, future-proofing public records, and ensuring the community and wider public can search for relatives and people of interest online.

### Libraries

The Alexandra Library temporarily moved into Central Stories while refurbishment takes place. The cosmetic internal renovation and enhancements to shelving and office equipment were planned for almost 15 years. The project utilised Government's Better Off Funding, which provided 60% of the total \$1,035,000 cost.

The Libraries team converted the entire collection to Radio Frequency Identification barcodes – which means issuing and returning books can happen much faster. To issue books and other items, people will be able to stack them on an RFID pad and so that they are all issued to them. They will be automatically returned once popped through the return slot, placed on a special RFID returns bookshelf, or stacked on an RFID pad.

This project was made possible with Central Government funding.

## Property, Property Statutory and Community Facilities services

### Community Facilities updated and upgraded

#### Clyde Hall

A much-needed upgrade to the Clyde Hall was completed to provide accessible compliant facilities. The work also included an upgrade of the fire system to meet compliance regulations.

#### Alexandra Community Centre

The earthquake strengthening of the stage and the building compliance upgrade has been completed and within budget.

The Omakau Hall has been officially closed and will be going to market for sale. The Vincent Community Board resolved any profit from the sale will go towards the Omakau Community Hub project.

Maintenance of the Vallance cottage is challenging; it was found that the footpath around building was trapping moisture and causing quick deterioration of mud bricks. Remedial work has been undertaken to draw moisture away from the mud bricks and moisture levels continue to be monitored.

### Cromwell Memorial Hall Rebuild

The Cromwell Memorial Hall rebuild has commenced. The overall cost of the project rebuild is \$45.8 million. Funding for the rebuild is as follows:

- \$6,700,000 from land sales
- \$2,500,000 from external funders
- \$18,000,000 from reserves
- \$18,640,000 to be loan funded with interest paid from rates and principal to be repaid by land sales.

The old Cromwell Memorial Hall was demolished in April 2024 and construction for the new build commenced in June 2024.



Expected build time is two years with an opening date forecast of June 2026

## Residential Developments

Resource Consent for Gair Avenue were lodged in 2023 for the five-stage 100 plus section residential subdivision but the decision process was delayed due to changes to stormwater requirements. Resource Consent is expected to be approved in July 2024 allowing civil construction for Stage 1 to start later in 2024.



Stages 1,2,3 at Dunstan Park are completed and sold out. Stage 4 is due for civil construction to be completed in November 2024.

Land and house packages for Stage 4 are being marketed but subject to certificate of title being issued.

The Naseby Swimming Dam not only provides a ready, easily accessible source of water should it be required for firefighting purposes during high fire risk days, but a popular, relaxing spot for locals and visitors to enjoy during the summer season. Another concrete section has been completed on the floor of the Naseby Swimming Dam. The voluntary labour for this project is provided by the Naseby Volunteer Fire Brigade and the cost of the concrete is funded from the Naseby Endowment Fund.



Current concrete base



Remaining area to be concreted



## Community Economic and Strategic Development

### Supporting the Community

\$310,737 was distributed in Community Grants by Council and Community Boards to 20 different community groups and organisations across the district.

Staff worked alongside other key stakeholders to create huddl – a new initiative established to help support, connect and strengthen community groups across Central Otago and Queenstown lakes.

Welcoming Communities ensures newcomers are welcomed to the district, leading to better social outcomes, greater social cohesion, and stronger economic growth. 19 different events were held across the year, celebrating different cultures and experiences, connecting new residents with volunteer organisations and groups who could use their assistance, assisting people with English as a second language in learning how to drive on Central Otago roads, promoting diverse perspectives to business leaders, and inviting newcomers to meet their neighbours.

Funding was secured from Local Government NZ for the Mayor's Taskforce for Jobs programme, helping to find local employment for youth between the ages of 16-24 who are not currently in employment, education, or training.

### Economic development and promotion

Other economic development initiatives included:

- Unlocking value from food waste – stage three
- Life in Central Otago videos
- Central Mahi 2.0
- Central Lakes Pathways Breakfast
- Otago Regional Economic Development (ORED)
- Digital connectivity

### Destination management and promotion

Central Otago's Destination Management Plan is now firmly embedded, with staff delivering upon the objectives.

Highlights include:

- Successful promotion of Central Otago as a destination for international tourists.
- The Otago Trails Marketing initiative saw increasing awareness of the five Great Rides Ngā Haerenga NZ Cycle Trail.
- Central Otago Business Events has built on its membership to promote the region as a destination for small-medium conference and incentive groups.

- The team also secured features promoting Central Otago in more than 27 local and international publications.
- Although launched one day into July 2024, the end of the year saw the team work on the Southern Way project (formally 45 South) - a collaborative marketing campaign with Air New Zealand the Southern Airports Alliance.

## Regional Identity

A second and more ambitious in-location photoshoot of Eden Hore Central Otago garments was completed by internationally renowned fashion photographer Derek Henderson and a team of specialist experts. The team spent seven days in-location photographing over 80 garments within the stunning Central Otago landscape.

## Governance and Corporate Services

In line with recommendations from the Ombudsman, open Council workshops are live-streamed. The links to these meetings are provided on Council's website <https://www.codc.govt.nz/your-council/meetings>.

The My CODC digital customer portal project is now complete with a total of 42,468 interactions since its inception at June 2024. This has been expanded with the change from Reg the Dog to My Animals during this dog registration period. My CODC will be continually improved.

## Planning for our future

### District Vision

*Shaping Tomorrow Together* was a districtwide community engagement campaign that sought people's opinions what they value most about living, working and/or visiting Central Otago, and what needs to be retained and enhanced to ensure that Central Otago remains the special place that it is.

Just under 1000 registered to participate in the project, with over 100 attending focus group and stakeholder workshops, and over 500 participating in a comprehensive survey. The results were provided to Council in June 2024. Work is now focussed on ensuring that our community's vision for Central Otago is reflected in future planning and decision-making for our region, including Council plans for future activity.

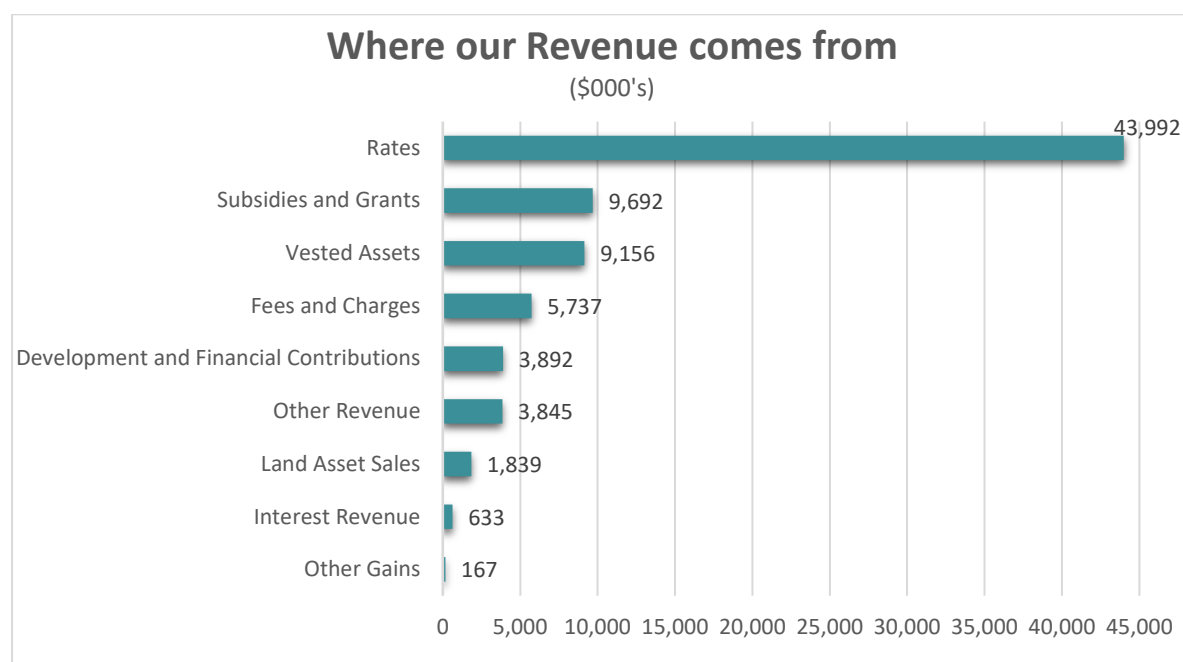
### Aukaha partnership

The partnership with Aukaha, the consultancy firm supporting Te Rūnanga o Ōtakou, Kāti Huirapa Rūnaka ki Puketeraki, Te Rūnanga o Moeraki and Hokonui Rūnanga continued to strengthen. This was seen through the September 2023 mihi whakatau held for the new CEO, the first-time mana whenua had travelled inland to do this; the first ever noho marae for elected members and council staff at Puketeraki Marae in Karitane in February; and staff accompanying the Mayor to Te Rau Aroha Marae in Bluff to attend the official Ngāi Tahu Waitangi Day commemorations.

# Our results

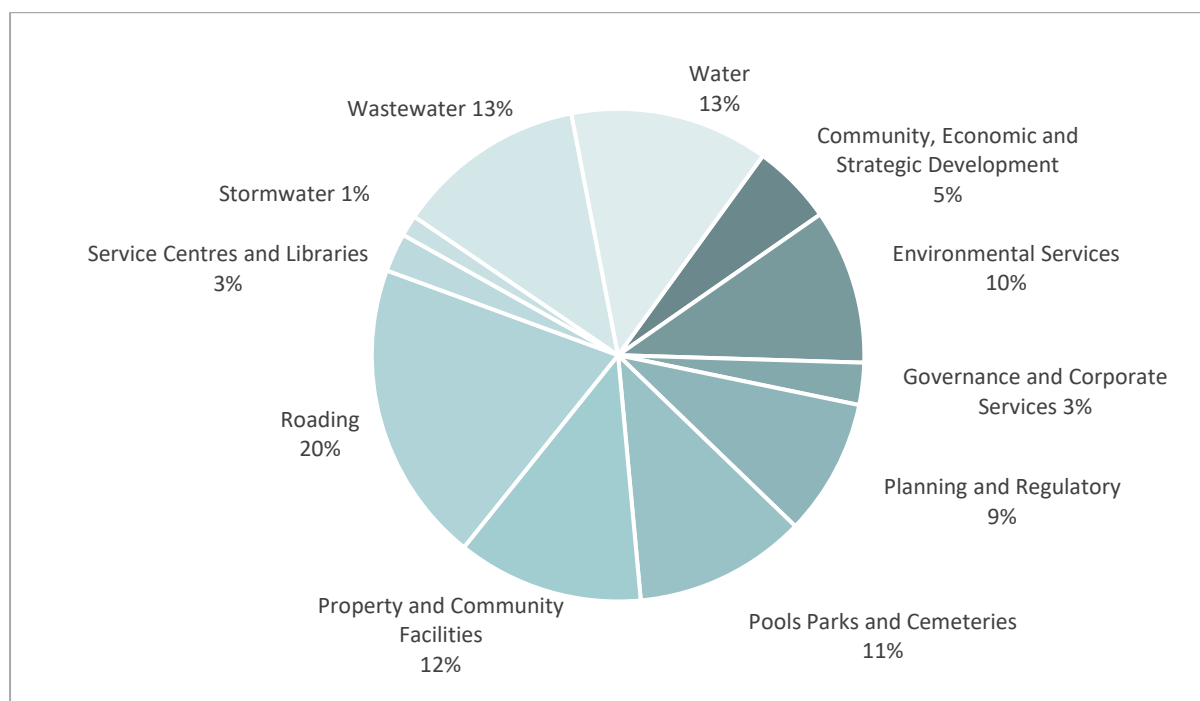
Council ended the year with a surplus of \$8.756 million after tax. This is driven mainly by vested assets and development contributions.

5-Year Financial Performance	2023/24 \$000	2022/23 \$000	2021/22 \$000	2020/21 \$000	2019/20 \$000
Rates revenue *	43,992	38,522	35,545	32,561	31,140
Other revenue**	34,961	48,251	48,536	29,679	34,672
<b>Total revenue</b>	<b>78,953</b>	<b>86,773</b>	<b>84,081</b>	<b>62,240</b>	<b>65,812</b>
Employee benefit expenses	15,154	12,896	12,491	11,109	10,218
Depreciation and amortisation	19,495	17,396	10,629	9,999	9,041
Other expenses	35,548	35,648	32,565	28,809	34,483
<b>Total expenditure</b>	<b>70,197</b>	<b>65,940</b>	<b>55,685</b>	<b>49,917</b>	<b>53,742</b>
Net surplus (deficit)*	8,756	20,833	28,396	12,323	12,070
Working capital (net)	4,931	(4,678)	5,600	12,577	15,404
<b>Total assets</b>	<b>1,200,485</b>	<b>1,180,333</b>	<b>1,110,883</b>	<b>893,523</b>	<b>886,892</b>
Cash flows from operating activities	16,955	18,002	22,192	12,577	12,024
* Note: includes revenue from water meter charges. For a more detailed explanation on the surplus, refer to page 122 of the full Annual Report for Explanation of variances.					
** Note: includes vested assets	9,156	12,759	10,032	6,489	9,512



## How the money is spent, by activity

Total expenditure of \$70.197 million



### Key Facts and Figures for 2023/24

- \$78.9 million - Council's total revenue
- \$70.2 million - Council's total expenditure
- \$18.4 billion - District rateable capital value as at 30 June 2024
- \$10.1 billion - District rateable land value as at 30 June 2024
- \$35 million – Council debt
- 15,232 - The number of rateable properties in our district
- \$1.2 billion - The current book value of our district's non-current assets

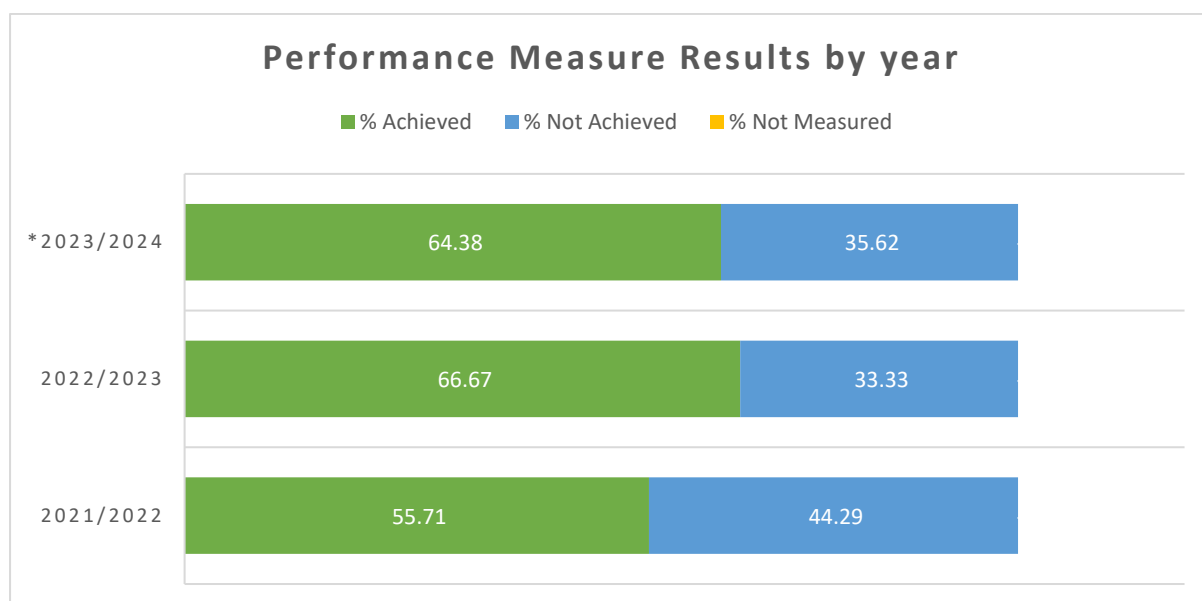
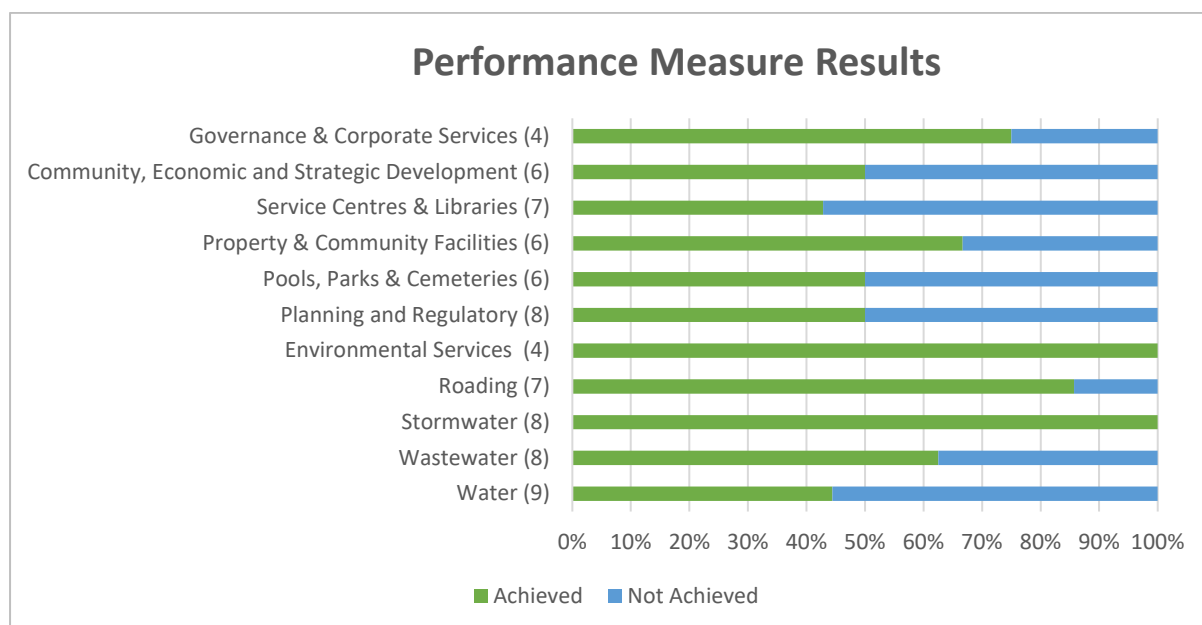
## Borrowing Limits

Item	Borrowing Limit/ LGFA Lending Covenant	Actual Results
Net external debt as a percentage of total revenue*	<175%	29%
Net external debt as a percentage of total value of assets	<10%	2%
Net external interest as a percentage of total revenue*	<20%	1%
Net external interest as a percentage of annual rates revenue (debt secured under debenture)	<25%	2%
liquidity (term debt + committed loan facilities + available cash or cash equivalents) over existing external debt	>110%	142%

# How we measure success

Council has 11 activity groups and each of these has its own section in the full Annual Report. This is snapshot of our results. The graphs below provide a summary of the results, showing the percentage of targets achieved and not achieved.

We use a range of measures to monitor our service performance. The measures cover attributes relating to our service delivery such as timeliness, responsiveness, accessibility, safety, statutory compliance and sustainability.



*\*Refer to pages 23 - 27 in the full Annual Report 2023/24 document where we have documented the changes in the service performance measures.*

## WATER

The number of performance measures achieved in 2023/2024 increased from the previous financial year.

- Annual real losses from the network reticulation system (leaks, metering and inaccuracies) met target.
- Average consumption of water per day met target.
- Water network callouts did not meet target. Due to size of the district, Operations and Maintenance contract allows for a 2 and 4 hr response time for urgent callouts when the issue is more than 40km from Alexandra to allow for travel time

## WASTEWATER

The number of performance measures remained the same in 2023/24 compared to the previous year.

- The number of complaints increased from 10 per 1,000 connections in 2022/23 to 10.6 per 1,000 connections in 2023/24.
- Compliance with discharge consents for abatement notices, infringement notices, enforcement orders and convictions all met target. Prior period abatement notices include Alexandra, Cromwell, Roxburgh, Naseby and Ranfurly wastewater treatment plants, with Alexandra abatement notice lifted on the 1 August 2024.
- A decrease in the number of dry weather sewerage overflows from the sewerage scheme compared to the previous year, with 2.73 per 1,000 connections compared to 2.75 in the previous year. This was due to non-flushable items being incorrectly flushed into the wastewater system. Tree roots caused 32% of the 25 overflows.

## STORMWATER

All performance measures for stormwater remained the same target in 2023/24 compared to the previous year.

- Response times to attend flood events remained on target. There were no flooding events during 2023/24.
- Public complaints relating to stormwater declined by 0.6 per 1,000 properties against a target of < 2 per 1,000 connections.

## ROADING

The number of performance measures achieved remained the same for 2023/24 compared with the previous year.

- The average quality of sealed roads measured by smooth travel exposure remained the same with 97%, exceeding the target of 90%.
- Customer satisfaction with the condition of unsealed roads met target of 70%.
- During the financial year, 2.40% of sealed roads were resurfaced, this is a decline from the previous year of 3.0% per annum target for resurfacing. The decline was due to the 2023/24 Programme included a number of higher-cost urban sites. Inflationary increases in labour, plant and material costs also contributed.
- Customer service request response times within 10 days met target compared with the previous year. This resulted in 92% of customer service requests responded to within 10 days.

## ENVIRONMENTAL SERVICES

The number of performance measures achieved in 2023/24 remained the same compared to 2022/23.

- An increase in customer satisfaction by residents satisfied with waste services in 2023/24 with an 81% target achieved compared to 73% in the previous year.
- Overall performance in total amounts of material sent to landfill decreased with 7,602 tonnes of waste to landfill.
- A decrease in the total amount of waste to landfill per rateable property achieved target 509kg compared to the previous year of 662kg per rateable property.

## PLANNING AND REGULATORY

The number of performance measures for Environmental Services decreased in 2023/24.

- Resource consents processed within statutory timeframes did not meet the target of  $\geq 95\%$ , while increasing to 63% compared with 58.39% in the previous year. Resourcing challenges and workloads have prevented the targets being achieved.
- Building consents issued within the statutory timeframe of 98% decreased to 96%.
- Customer satisfaction with resource consent improved year-on-year however declined against a target of 75% compared to 51% of actual result.

## POOLS, PARKS AND CEMETERIES

- Residential survey results with playgrounds in customer satisfaction decreased from 90% in 2022/2023 to 87% in 2023/2024.
- Across the pools and programmes offered, customer satisfaction declined against target of 90% compared to 80% in 2023/24. The team plans to focus on introducing more programmes to cater to community needs in the 2024/25 year. Past staffing shortages made delivering programmes challenging.
- Parks and reserves customer satisfaction decreased slightly from the previous year from 89% to 88%, while meeting the target of 85%.
- Customer satisfaction in the process of cemeteries and burials decreased to 82% in 2023/24 compared to the previous year of 85%. The target of  $\geq 90\%$  was not achieved. There were no comments made in the resident's survey regarding cemeteries, making it challenging to comprehend why the aim was not achieved.

## PROPERTY AND COMMUNITY FACILITIES

- The percentage of residents satisfied with community buildings resulted in the  $>90\%$  target not being met. Actual result was 71% , an increase on the previous year by 2%. Comments from the resident's survey included, better maintenance at council facilities, improvements required for Tarras Hall.
- Full compliance with building WOF requirements were met in 2023/24. This target remains the same compared to 2022/23.
- There were no complaints from airport users or notifications from Civil Airways Corporation resulting in full compliance for this target.

## SERVICE CENTRES AND LIBRARIES

- Library users satisfied with the quality of services saw a slight decrease from 95% in 2022/23 to 94% in 2023/24.
- Customer service request satisfaction with fast and efficient and issues dealt with increased from 67% in 2022/23 to 76% in 2023/24. Customer Services have seen a 9% increase in this area due to efficiencies achieved with fine tuning processes and learnings along with knowledge and experience increasing over time in the Customer Service role.
- Satisfaction with initial contact presented increased slightly in fast and efficient service. Customer Services have seen a 1% increase in these area as new technologies/programmes have been implemented.

## COMMUNITY, ECONOMIC AND STRATEGIC DEVELOPMENT

- The number of performance measures achieved declined in 2023/24 in comparison to 2022/23.
- The percentage of council administered documents in the policy and strategy register are current and have been reviewed within specified timeframes met target with increase of 90%, an increase on 2022/23 measures.
- The percentage of respondents to customer survey who are satisfied with the type of economic development activity Council is involved in was 59%, a decrease on the previous year. Respondents from the 2023-24 Residents' Opinion Survey did not provide a reason for their dissatisfaction.
- Five hui were facilitated by council for local people involved in community-led development. This number increased by 1 from the previous year.

## GOVERNANCE AND CORPORATE SERVICES

- The percentage of respondents satisfied with the performance of elected members declined to 40% from 62% last survey. Respondents from the 2023-24 Residents' Opinion Survey did not provide a reason for their dissatisfaction.
- Council met target with no complaints regarding council's democratic processes.
- Targets in the Corporate Services area have all been met with continued success in the percentage of annual reports and long-term and annual plans adopted by Council within statutory timeframes.
- No complaints have been upheld relating to the protection of individuals privacy when dealing with council.

# Summary Financials for the year ended 30 June 2024

2022/23 Actuals \$000	Summary Financials	2023/24 Annual Plan \$000	2023/24 Actuals \$000
<b>SUMMARY STATEMENT OF COMPREHENSIVE REVENUE &amp; EXPENSES</b>			
86,773	Total revenue	73,916	78,953
<b>86,773</b>	<b>Total Revenue</b>	<b>73,916</b>	<b>78,953</b>
65,268	Total Expenditure	66,430	68,632
	(excluding finance costs and valuation losses)		
672	Finance Costs	1,456	1,565
<b>65,940</b>	<b>Total expenditure</b>	<b>67,886</b>	<b>70,197</b>
-	Tax Expense	-	-
20,833	<b>Surplus/(Deficit) before tax</b>	<b>6,030</b>	<b>8,756</b>
28,459	Total gains on asset revaluations	32,547	1,763
(31)	Gain on disposal realised	-	87
(8)	Gains (losses) on revaluation of share equity	-	3
<b>49,253</b>	<b>Total comprehensive income</b>	<b>38,577</b>	<b>10,609</b>
<b>SUMMARY STATEMENT OF CHANGES IN EQUITY</b>			
<b>1,094,886</b>	<b>Opening Public Equity 1 July</b>	<b>1,049,173</b>	<b>1,144,139</b>
49,253	Total comprehensive income	38,577	10,609
<b>1,144,139</b>	<b>Closing Public Equity 30 June</b>	<b>1,087,751</b>	<b>1,154,748</b>
	Closing public equity comprises of:		
<b>461,109</b>	<b>Accumulated funds</b>	<b>400,704</b>	<b>470,030</b>
<b>683,030</b>	<b>Revaluation reserve</b>	<b>687,047</b>	<b>684,718</b>
<b>SUMMARY STATEMENT OF FINANCIAL POSITION</b>			
1,144,139	Total ratepayers equity	1,087,751	1,154,748
	Represented by:		
26,536	Total current assets	21,063	25,668
1,153,797	Total non-current assets	1,148,220	1,174,817
<b>1,180,333</b>	<b>Total assets</b>	<b>1,169,283</b>	<b>1,200,485</b>
	Less:		
31,194	Total current liabilities	10,997	20,737
5,000	Total non-current liabilities	70,535	25,000
36,194	<b>Total liabilities</b>	<b>81,532</b>	<b>45,737</b>
<b>1,144,139</b>	<b>Net assets</b>	<b>1,087,751</b>	<b>1,154,748</b>

<b>2022/23 Actuals \$000</b>	<b>Summary Financials</b>	<b>2023/24 Annual Plan \$000</b>	<b>2023/24 Actuals \$000</b>
<b>Summary Statement of Cash Flows</b>			
18,002	Net cash inflow (outflow) from operating activities	12,410	16,955
(27,228)	Net cash inflow (outflow) from investing activities	(40,504)	(29,679)
20,000	Net cash inflow (outflow) from financing activities	22,835	10,000
<b>10,774</b>	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,259)</b>	<b>(2,724)</b>
6,735	Opening cash 1 July	11,972	17,510
<b>17,510</b>	<b>Closing cash 30 June</b>	<b>6,713</b>	<b>14,786</b>

# Notes to the Summary Financial Statements

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The information included in this summary financial report has been extracted from Council's full audited Annual Report and authorised for use by the Chief Executive Officer on 12 December 2024. The full Annual Report was adopted by Council on 27 November 2024, and the full Annual Report and this summary received an unmodified audit opinion with an emphasis of matter relating to the inherent uncertainties in the measurement of greenhouse gas emissions.

The Council has adopted the Annual Report 30 June 2024 outside of statutory deadlines.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Central Otago District Council has designated itself as a tier 1 Public Benefit Entity (PBE) for the purposes of the PBE International Public Sector Accounting Standards (IPSAS). The information in this summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements.

The full financial statements complies with PBE IPSAS.

The accounting policies have been applied consistently to all periods presented in these financial statements. Council considers the carrying value of infrastructure assets reported reflect their fair value. The financial statements are presented in NZ dollars and all values are rounded to the nearest thousand dollars (\$000).

For information on the reclassification of notes to the financial statements, see Note 28 Reconciliation of financial statements notes reclassified on pages 176-177 of the full Annual Report 30 June 2024.

For information on the service performance judgements and assumptions, see pages 24-27 of the full Annual Report 30 June 2024. This includes further information on measuring emissions. There is a level of uncertainty in reporting greenhouse gas emissions, which is due to inherent scientific uncertainty in measuring emissions factors as well as estimation uncertainty in the measurement of activity quantity data.

The Council has prepared this summary financial report in order to provide users with a succinct overview of Council performance. Users of the summary financial report should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full Annual Report of the Council. Users who require additional information are encouraged to access Council's full Annual Report on our website [www.codc.govt.nz](http://www.codc.govt.nz).

Users who do not have access to the website can request a printed version from the following:

Central Otago District Council  
PO Box 122  
Alexandra 9340

## Financial Summary

Council ended the year with an after-tax surplus of \$8.756 million compared to the budgeted surplus of \$6.030 million.

Revenue was \$5.037 million higher than planned. This is mainly due to assets that were vested to Council, development and financial contributions and subsidies and grants. Planned income from land sales from Council subdivisions have not commenced development. Vested assets are transferred to the Council as non-cash income as part of the terms of subdivisions resource consent development contribution. Development and financial contributions are received from developers as part of resource consent terms and are used to contribute to capital projects that have a growth impact. Additional grants income has come for Better off Funded projects, along with funding from the Ministry for the Environment for the organic bin rollout.

Overall expenditure for the financial year was higher than anticipated by \$2.311 million. This is an increase in personnel costs and depreciation and amortisation costs. Depreciation and amortisation increase due to the roading and three waters valuation from June 2023. There has been increases in insurance, personnel cost, three waters compliance costs and the reclassification of consultants cost from capital to operating. This has been offset by the delay of council subdivision where there have been no costs of sales recognised against the Annual Plan budget.

Capital expenditure is behind schedule with uncompleted work being rescheduled for the 2024/25 year. Projects that are underway are in a mixture of design and implementation planning, under construction or consenting stages.

Vested assets and development contributions have been received from large subdivisions in the Cromwell and Alexandra. Including, Wooing Tree and Clyde developments.

## Related Parties

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 no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

## Events Subsequent to Balance Date

### Disclosures – Local Water Done Well

The Coalition Government is implementing changes to legislation relating to the delivery of water services.

The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 2 September. This requires councils to prepare a water services delivery plan which sets out how council will deliver high-quality, financially sustainable water services in the long run. It

must include information on councils' water services, how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model.

Council intends to have prepared its Water Services Delivery Plan and have identified its preferred model for future delivery of three waters by early 2025. This will be included in consultation on the 2025/34 Long-term Plan, in accordance with current legislation.

The three water reforms have no effect on the 2023/24 financial statements or statement of service performance measures.

### **Resignation of Mayor**

Mayor Tim Cadogan has advised the Council of his intention to resign as mayor of the Central Otago District Council on Saturday 26 October 2024. As the appointment of the mayor will be made from the existing Council members, a vacancy in the office of member will be created and under sec 117(3), the Council will decide whether or not to fill that vacancy.

### **Customised Average Rate Loan (CARL) Facility**

Council has entered into an arrangement with the council's bank for a customised average rate loan (CARL) facility of \$5M. This facility is utilised for working capital requirements to ensure short term cashflow. This facility became available on the 1st July 2024 with term of 3 years. Non-utilisation fee of 0.35% p.a is payable quarterly. Interest rates are confirmed on draw down requests.

## **2 (i) Rates**

Council resolved to adopt the Annual Plan 2023/24 on the 28th June 2023 which contained the correct version of the councils rating policy. It then set rates by reference to an incorrect rating policy and the adopted annual plan rating policy. Council has assessed the rates based on the rating policy in the adopted 2023/24 Annual Plan. Legal advice has confirmed that the incorrect reference is to be treated as having no legal effect. Therefore, considers it has adopted the rates for the 2023/24 year correctly. The potential for any financial impact is remote.

# Independent Auditor's Report

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To the readers of Central Otago District Council's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of the Central Otago District Council (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 18 to 27:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as "How we measure success").

## Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

## Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### **The full annual report and our audit report thereon**

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 27 November 2024.

Our auditor's report on the full annual report also included an emphasis of matter paragraph drawing attention to the following matter in the full annual report:

### **Inherent uncertainties in the measurement of greenhouse gas emissions**

The District Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to the "measuring emissions" disclosure on page 25 of the full annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Information about this matter is disclosed on page 24 of the summary of the annual report.

### **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

### **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.



Chantelle Gernetzky  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
12 December 2024



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