

ANNUAL REPORT

2022 - 2023



FRAMING OUR FUTURE

Cover Images:

Children enjoying the replacement Ranfurly John Street Playground

Three Waters Director Julie Muir and Mayor Tim Cadogan (centre) and Capital Projects Manager Patrick Keenan taking the first sip

Leadership Teams of Council and Aukaha at their first formal meeting

South East Asian festival dancer

New waste collection truck

Contents

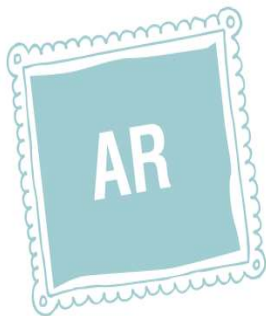
The planning and reporting cycle	5
Our space, our place.....	8
Community outcomes	9
Keeping pace with change and growth.....	11
Our results	16
- Financial prudence benchmarks.....	18
Our activities	25
- Water	32
- Wastewater	42
- Stormwater.....	50
- Roading	54
- Environmental Services.....	63
- Planning and Regulatory	70
- Pools, Parks and Cemeteries	77
- Property, Property Statutory and Community Facilities.....	82
- Service Centres and Libraries	95
- Community, Economic and Strategic Development.....	103
- Governance and Corporate Services	117
Finance	121
- Explanation of variances	132
- Accounting policies	134
- Notes to the financial statements	150
Our Council.....	189
- Community Boards.....	191
- Executive Team	195

The planning and reporting cycle



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

The Central Otago district, New Zealand's most inland region, covers an area of 9,969km². 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 2023 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.

OUR COMMUNITY OUTCOMES		
 <p>He Ōhaka e Ora Rāia ana Thriving Economy</p>	 <p>Toitū te Whenua Sustainable Environment</p>	 <p>He Hapori, He Haumi Connected Community</p>
<ul style="list-style-type: none"> Vibrancy of town centres and local businesses Managed growth, in line with community values Visitor destination IT connectivity Protection of productive lands 	<ul style="list-style-type: none"> Outdoor recreational opportunities (water-sports, hunting, dark skies, etc.) Natural environment (open spaces, landscapes and vistas) Clean lakes and rivers Cycling and walking tracks Protection of our unique heritage 	<ul style="list-style-type: none"> Sense of community (caring, relaxed small-town feel, 'together-ness') Welcoming and family-friendly Peaceful Rural feel Enabling connections, through quality services (e.g. internet, transport)

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><small>(Source: Cromwell Spatial Plan, Infrastructure Strategy)</small></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><small>(Source: Central Otago A World of Difference Regional Identity Values, Infrastructure Strategy)</small></p>	<p>Our community facilities are fit for purpose and cost effective.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></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><small>(Source: Sustainability Strategy)</small></p>	<p>Infrastructural development is environmentally conscious: environmental implications have been considered, legal requirements met, and consent requirements upheld.</p> <p><small>(Source: Infrastructure Strategy)</small></p>	<p>Our relationship with Ngāi Tahu is strengthened.</p> <p><small>(Source: Sustainability Strategy)</small></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><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Infrastructural services and information support safe and healthy communities.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Newcomers into the district are supported and events and projects which celebrate inclusive communities are encouraged.</p> <p><small>(Source: Community Development Strategy)</small></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><small>(Source: Tourism Strategy & Economic Development Strategy)</small></p>	<p>Development of culture and heritage opportunities throughout the district continues to be developed.</p> <p><small>(Source: Infrastructure Strategy, Sustainability Strategy)</small></p>	<p>Community-driven initiatives, experiences and events that promote local and visitor well-being are encouraged.</p> <p><small>(Source: Community Development Strategy; Grants Policy; Sustainability Strategy)</small></p>
<p>We have improved digital connectivity throughout the district – i.e. mobile coverage and broadband roll-out.</p> <p><small>(Source: Economic Development Strategy)</small></p>	<p>Our landscape and environment are protected and enhanced through the coordination and promotion of activities that strengthen their significance.</p> <p><small>(Source: Economic Development Strategy)</small></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><small>(Source: Infrastructure Strategy, Economic Development Strategy)</small></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><small>(Source: Economic Development Strategy, Infrastructure Strategy)</small></p>	<p>Visitors are engaged in activities that benefit our environment and build an appreciation for this region's remarkable qualities.</p> <p><small>(Source: Tourism Strategy)</small></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><small>(Source: Tourism Strategy, Infrastructure Strategy)</small></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 (Kāi 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.

Keeping pace with change and growth

Tēnā koe

Thank you for having a look at our Annual Report. We know that not many people do, so we are grateful for your interest. And there is some interesting stuff in here!

The 12 months that this report covers have been a hectic, challenging and ultimately successful time for your Council. Where to begin with the highlights reel? It would be wrong of me not to recognise first and foremost the departure of Sanchia Jacobs from the role of CEO in April of this year. Sanchia had been with us just over five years and in that time, whilst leading the organisation through the biggest capital works programme it's ever undertaken, two local elections and a pandemic, she also led a significant and welcome cultural change within the organisation.

Sanchia picked up the reins from her first day to bring Council not only much more into its legal role as a genuine Treaty Partner, but as a genuine and willing participant in getting knowledge and understanding of te ao Māori (the Māori world view). Her leadership in this space has greatly enriched the people and place that is Central Otago District Council. Needless to say, our new CEO Peter Kelly was greeted with a mihi whakatau (a traditional Māori welcome) on his first day in mid-September.

In the interim, I recognise the work of the senior leadership team, and in particular Interim CEO Louise van der Voort for steering a steady course in the five months between CEOs.

Greater engagement with iwi has not just been happening at management level. Councillors were officially welcomed onto the Ōtākou Marae on the Otago Peninsula in June, which was a first in Council history. This visit did much to increase understanding from both sides of the partnership and is just one of many steps that will be taken on the journey together.

This has also been a year of seeing some big projects completed.

Lake Dunstan Water and Clyde Wastewater programmes

We had the great pleasure of opening the Lake Dunstan Water Supply in June, our biggest ever project that has finally brought lower-lime water to Alexandra and fully compliant water to both Alexandra and Clyde.

On top of that, Stage One of bringing reticulated sewerage to Clyde is also complete. This has not just removed the environmental threat of septic tanks, particularly in the historic and commercial part of town, but also has allowed development such as the significant subdivision and retirement village being built at the Alexandra end of Clyde, which will in part meet the high demand for housing.

Planning to address growth

Central Otago remains one of the fastest growing districts in New Zealand which, while positive in many ways, continues to put pressure on our housing stock. To help meet this and future demand, Council has initiated Plan Change 19 which is currently (as I write) most of the way through the hearing process heading toward a final decision. This is a Council-initiated plan change for Cromwell, Alexandra, Clyde and Omakau, designed to address the shortage of sections (amongst other things) in these high-growth areas. I am looking forward to seeing it completed.

Reducing Emissions

Looking at what has happened, in terms of natural disasters across the country and around the world, very few people now deny that the effects of generations of putting carbon dioxide and other harmful gases into our atmosphere are with us here and now. To drive our sustainability efforts forward, we adopted our Sustainability Strategy in February 2019. This strategy describes concrete steps we will take to enhance sustainability, including measuring and reducing our emissions through the Toitū “Carbonreduce” programme.

Our strategy places a strong emphasis on addressing issues we can directly influence. In September 2019, we declared a climate crisis, recognising the urgency and magnitude of the challenge before us. We are taking decisive action in response to the climate crisis. We set targets to reduce our organisational carbon emissions, aiming for a 52 per cent reduction from our 2019/20 baseline over a five-year period. In the first three years of assessment, we have already achieved a 60 per cent reduction in emissions compared to our base year. Key projects that influenced the reduction in emissions include Cromwell Pool’s LPG boiler replacement with a low-emission alternative, Alexandra office coal-fired boiler replacement with a low-emission alternative, continued transition to hybrid vehicles and the introduction of gas-capture at Victoria Flat landfill.

By leading through example and making significant strides in reducing our own carbon footprint and environmental impact, we aim to inspire and engage our community in broader sustainability discussions. Further reductions can be expected with the introduction of the new kerbside organics service.

Community Placemaking

Work has continued on the design for the new Cromwell Memorial Hall with many from the community taking advantage of drop-in sessions to virtually walk through the current plans. Discussions on how the Cromwell Mall could be reinvigorated continue, and we are all looking forward to the opening of the new Roxburgh Pool in Spring, which although not a Council project, has had financial assistance through the last Long-term Plan and Government Better-Off funding.

Better-Off grant funding will also be utilised for projects including Radio Frequency Identification installed at libraries, Alexandra and Cromwell pool liners, the Cromwell Pool sand filter, Alexandra Community Centre earthquake strengthening and stage upgrades, Clyde Hall facility upgrades, seismic assessments and other compliance reporting for Council-owned buildings, Alexandra Library renovation, and new public toilets at the Cromwell Bike Park.

Speaking of Parks, May saw the opening of the fabulous new John Street Playground in Ranfurly, much to the joy of kids in the community. By the time you read this, the new public toilets at Ranfurly should be up and running too.

Other highlights for the past year are:

Grants Expenditure

The 2022/23 financial year saw further improvements to the CODC grants processes as it continues to embed fair and transparent processes. A total of \$342,313 was distributed to 28 grant recipients across the district and wards.

District Vision (Shaping tomorrow together)

Much of the behind the scenes work was completed in 2022/23 for an exciting new project that will be launched later this year. This project will articulate the 50 year vision for Central Otago and ensure the district is well placed to respond to opportunities that come to it.

Tarras Community Plan

A draft community plan was developed for Tarras. Two surveys, along with two workshops were held to gather feedback and ideas for the community to build its own plan on shared values and planned actions.

Chorus Boxes

The relationship with Chorus continued in the 2022/23 year, with three murals being added to chorus utility boxes across the district. Cabinets in Alexandra, Clyde and Cromwell were adorned with new art works for all to enjoy.

Teviot Valley Spatial Plan

Workshops were held across the Teviot Valley to gather input into the Teviot Valley Spatial Plan with the draft consultation document being approved by Council at its August meeting. Consultation with the Teviot community on whether we got the thoughts of the people of the Valley right, will commence in September.

Seasonal Staff Manaaki

In 2022, Seasonal Solutions and the Central Otago District Council's Welcoming Communities recognised the need to coordinate efforts to support and integrate seasonal staff into the local communities where they live. A new working group, Seasonal Staff Manaaki was created to help seasonal staff adjust to life in Central Otago and connect with the local community. The group, which is co-chaired by Seasonal Solutions and Welcoming Communities, recognises that improvements in staff wellbeing contributes to recruitment and retention. Other members include seasonal staff, growers, police, as well as education and wellbeing providers.

This group supported the following initiatives:

- Seasonal staff string band participated in the Blossom Festival parade
- Welcome bags with contributions from the group provided to new seasonal staff

- Welcome seasonal staff posters created by local schools and posted at shops most frequented by seasonal staff
- Summerdaze international football festival held in Wanaka (collaboration with QLDC Welcoming Communities). Four football teams (which included seasonal staff) from throughout Central Otago participated.
- VANZET1 concert at Monteiths in Alexandra to support the Vanuatu RSE Cyclone Disaster Relief Fund. \$1,909 raised from the event.

Welcome Workshops/Welcoming Plan

A series of workshops were held throughout the District to get feedback from communities about their priorities for Welcoming Communities. Those priorities were taken into consideration when drafting the Welcoming Plan. The plan explored each of the eight Welcoming Communities standards and identified specific goals and timeframes for achieving those goals. The Welcoming Plan established the programme framework for the future.

South Asian Festival

This event was a collaboration with Arasan NZ Trust, with the purpose being to expose smaller communities like Alexandra to cultural events that are normally only accessible in large, urban areas. There were a variety of cultural performances, food, henna painting, and South Asian books on display from the library. A secondary school poster competition was held, and prizes were awarded by local celebrity judges.

Cromwell Multicultural Mural

Welcoming Communities and Central Otago District Arts Trust collaborated with a renowned street artist “Ling” to create a multicultural mural on the Alpha Street Pavilion. The mural was designed to be a catalyst to welcome cultural diversity in our community and recognise the power of sport and recreation to facilitate, encourage and embrace unity and social cohesion.

Service Request Survey

For the first time this year we conducted a Service Request Survey via email, using a sample compiled of those who submitted service requests in the past year. This process ensured that those who answered the questions were those who have had recent experience with the process and were more likely to have valuable input. The result of that survey was promoted internally with the hope that it will be used to inform change in the future.

Long-term Brainstorm

Pre-consultation on the Long-term Plan involved the use of a new public engagement “ideas tool” in the Let’s Talk platform. This tool allowed the public to provide ideas for the Long-term Plan through an informal process that had the look and feel of social media.

Participants were able to post ideas, including photos and like or comment on other ideas that were posted. Council staff consulted with elected members and identified ideas that met the required criteria for continued consideration. Those ideas will be progressed for consideration in the Long-term Plan. All participants, regardless of whether their ideas met

Council criteria, received a personal response posted on the Let's Talk page, which was emailed directly to the participant.

Residents' Opinion Survey

There was an increased number of responses from 183 to 440 giving a sample that more accurately captured the demographic and geographic spread of the district. A marked increase in the under 40 age group (from 15 to 30 per cent) is worth noting as this is an age group that is sometimes difficult to engage. Additional efforts were made to involve parts of the community that may be less likely to participate, including youth, adult learner, migrants and recipients of social services.

There is so much to celebrate in our special place in the world; the pages that follow contain the nuts and bolts about how your council has operated over the last year to keep this place so special.

Thank you for taking the time to read it.

Ngā mihi

A handwritten signature in blue ink, appearing to read 'Tim Cadogan', with a long horizontal flourish extending to the right.

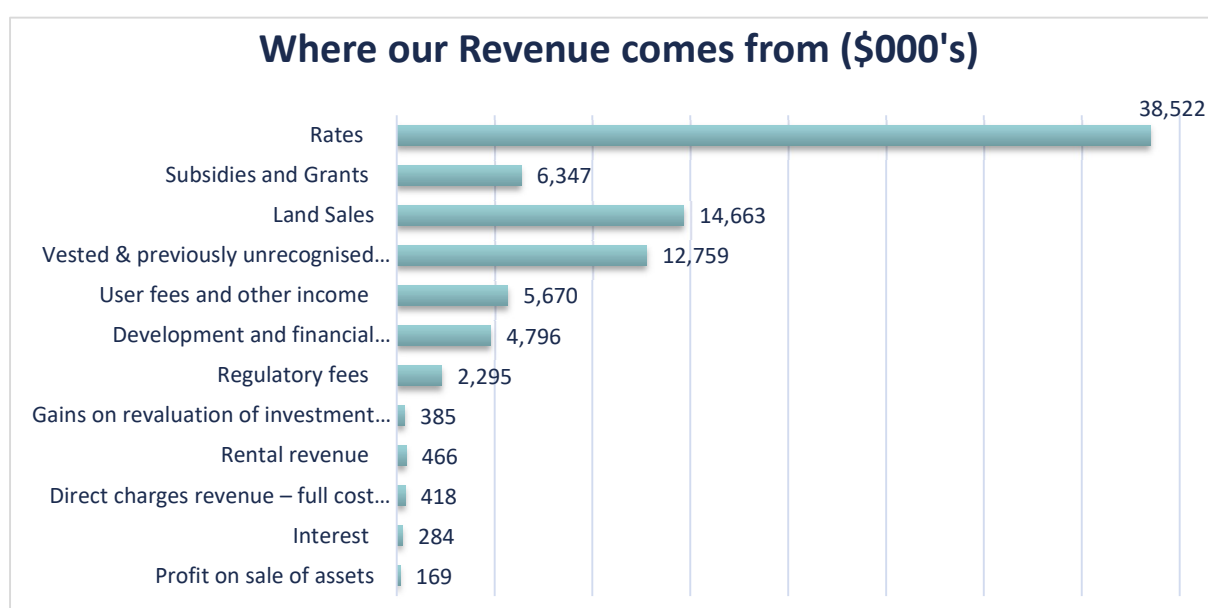
Tim Cadogan
Central Otago Mayor

Our results

Our projects for the 2022/23 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.

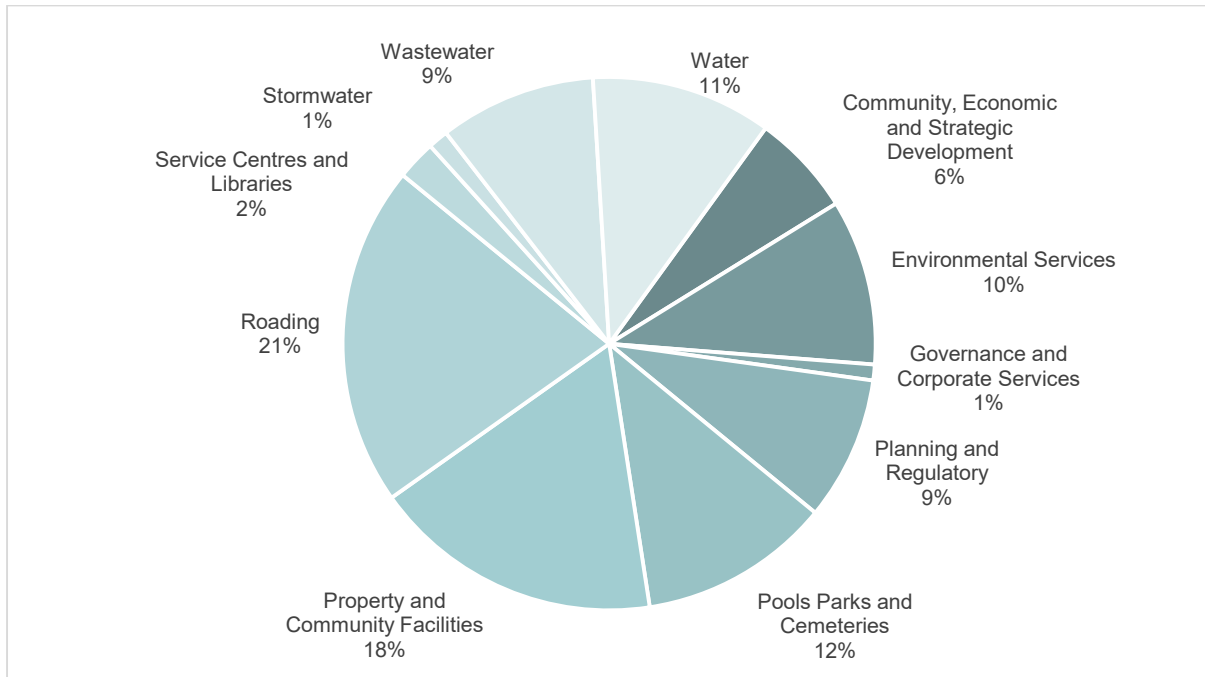
Council ended the year with a surplus of \$20.833 million after tax.

5-Year Financial Performance	2022/23 \$000	2021/22 \$000	2020/21 \$000	2019/20 \$000	2018/19 \$000
Rates revenue *	38,522	35,545	32,561	31,140	29,509
Other revenue**	48,251	48,536	29,679	34,672	34,622
Total revenue	86,773	84,081	62,240	65,812	64,131
Employee benefit expenses	12,896	12,491	11,109	10,218	9,697
Depreciation and amortisation	17,396	10,629	9,999	9,041	11,567
Other expenses	35,648	32,565	28,809	34,483	25,437
Total expenditure	65,940	55,685	49,917	53,742	46,701
Net surplus (deficit)*	20,833	28,396	12,323	12,070	17,429
Working capital (net)	(4,678)	5,600	12,577	15,404	19,966
Total assets	1,180,333	1,110,883	893,523	886,892	841,122
Cash flows from operating activities	18,002	22,192	12,577	12,024	19,428
* Note: includes revenue from water meter charges					
** Note: includes vested assets	12,759	10,032	6,489	9,512	10,300



How the money is spent, by activity

Total expenditure of \$65.9 million



Key Facts and Figures for 2022/23

- 86.8 million - Council's total revenue
- 65.9 million - Council's total expenditure
- 18.1 billion - District rateable capital value as at 30 June 2023
- 6.7 billion - District rateable land value as at 30 June 2023
- 25 million – Council debt
- 14,933 - 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%	11%
Net external debt as a percentage of total value of assets	<10%	1%
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%	1%
Liquidity (term debt + committed loan facilities + available cash or cash equivalents) over existing external debt	>110%	170%

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.

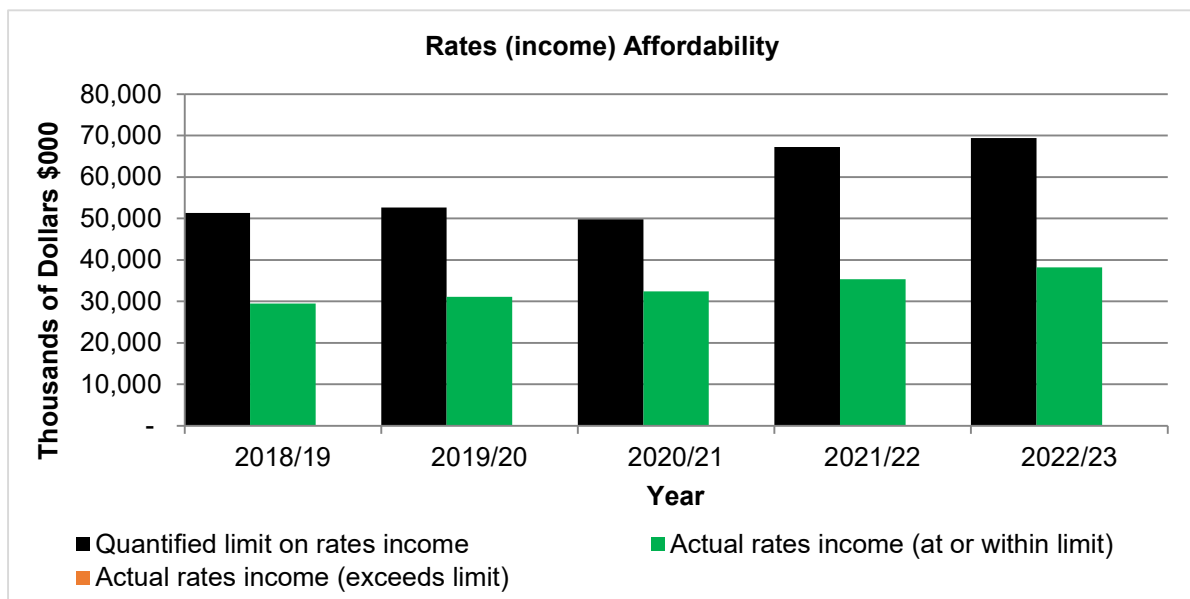
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). You can refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability

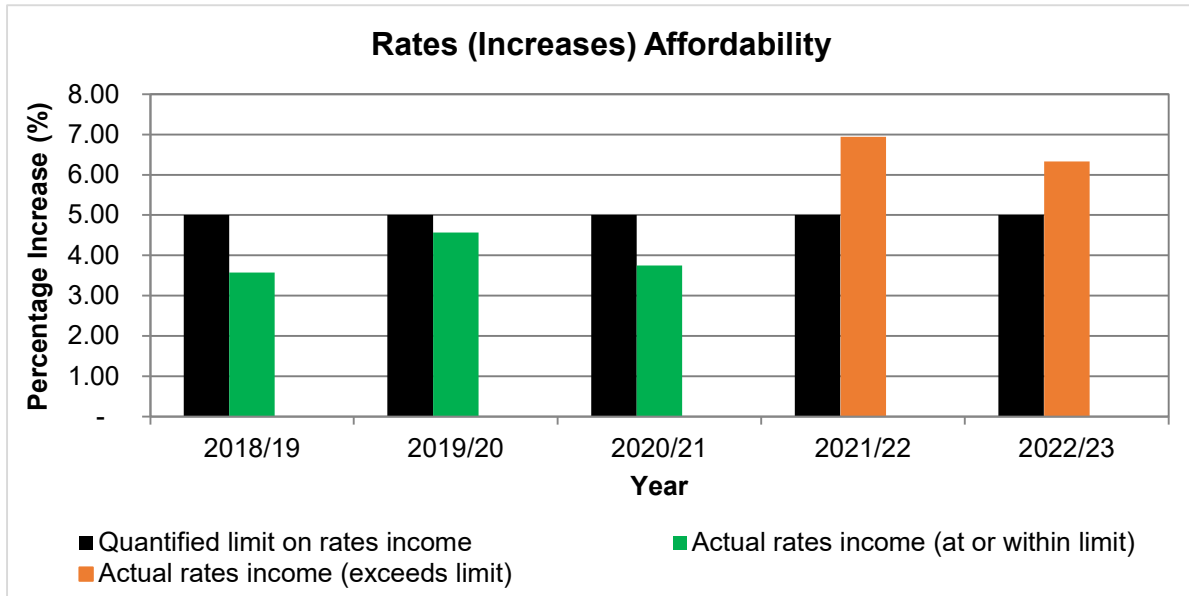
The council meets the rates affordability benchmark if—

- 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%. For 2022/23 the limit is set at 5% plus 1.90% growth. For years 1 to 5 of the 2021-31 Long term Plan 1.60% years 6 to 10.

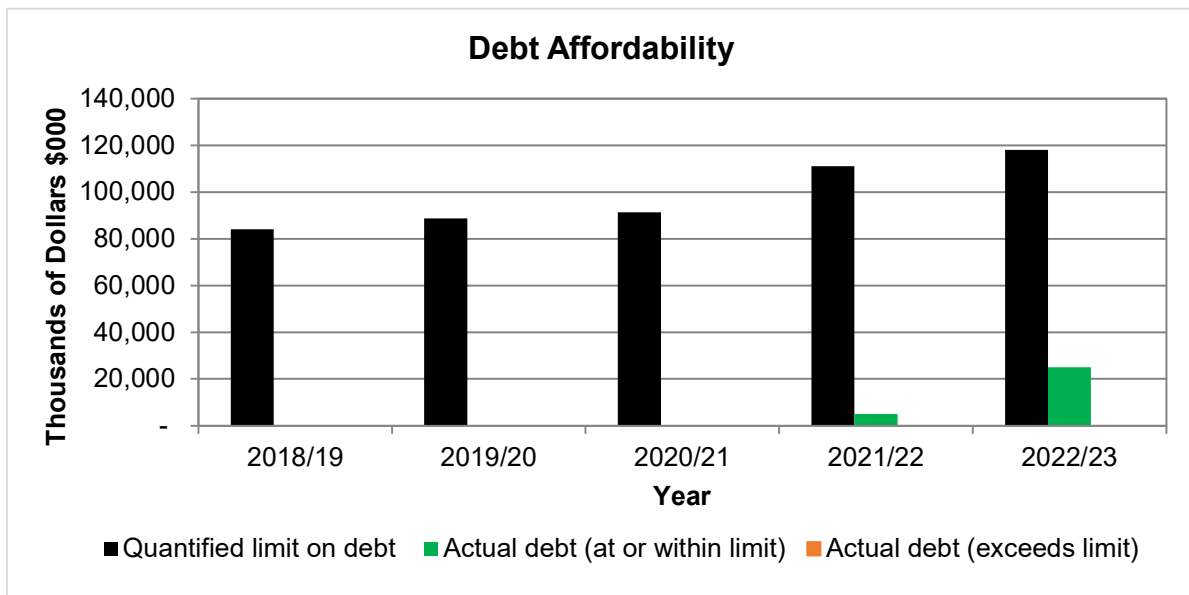


Debt affordability

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.

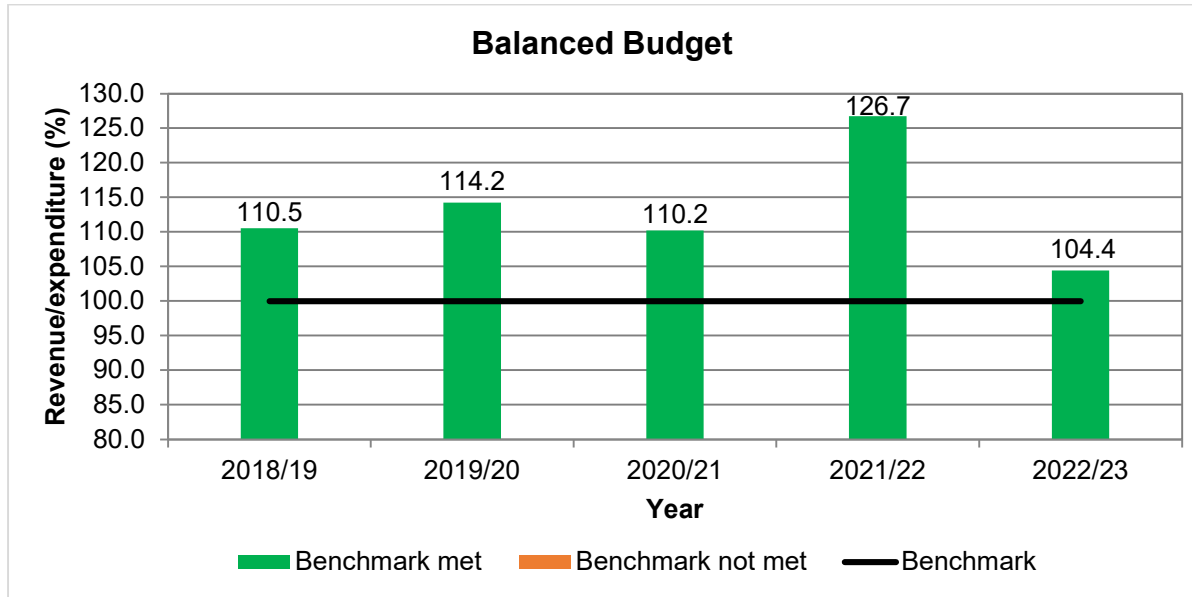
A borrowing limit of 10% of total assets will assist in prudently managing borrowing. The Council has an external borrowing from Local Government Funding Agency (LGFA) and is therefore within debt limits.



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).

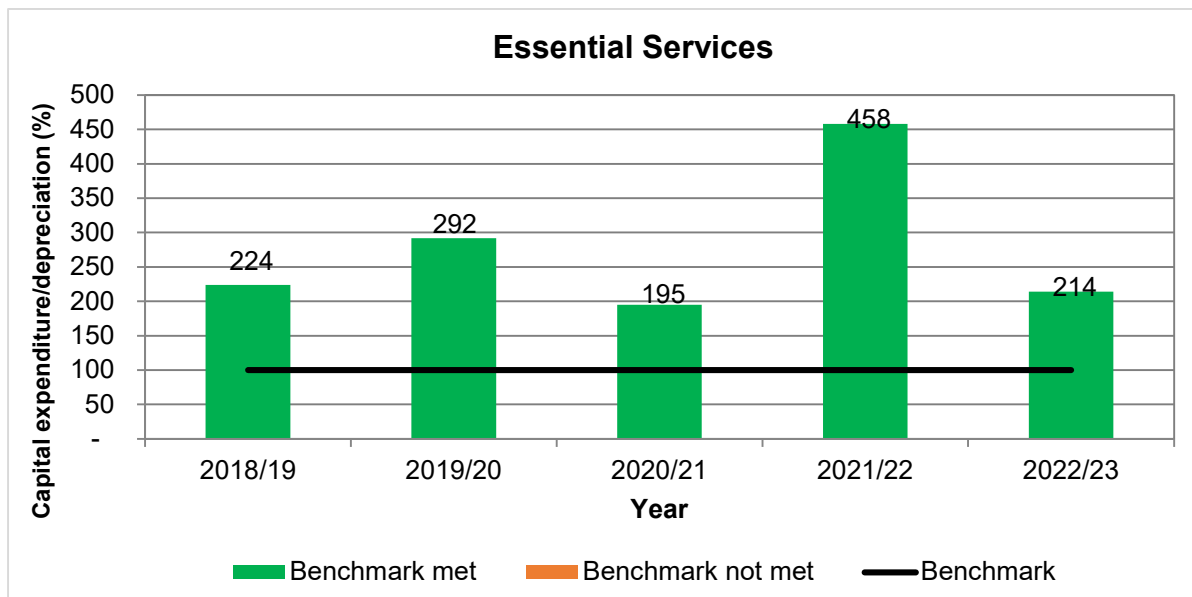
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



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.

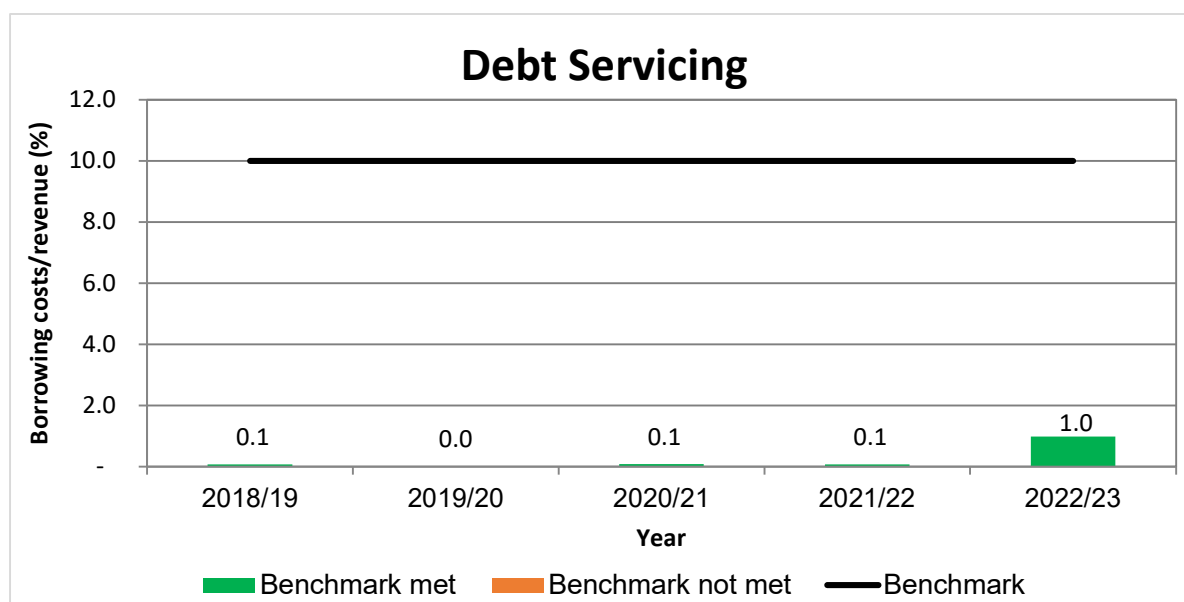


Debt servicing

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 borrowing costs represent bank fees in relation to current banking facilities and external interest that has arisen from external debt funding through Local Government Funding Agency. 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).

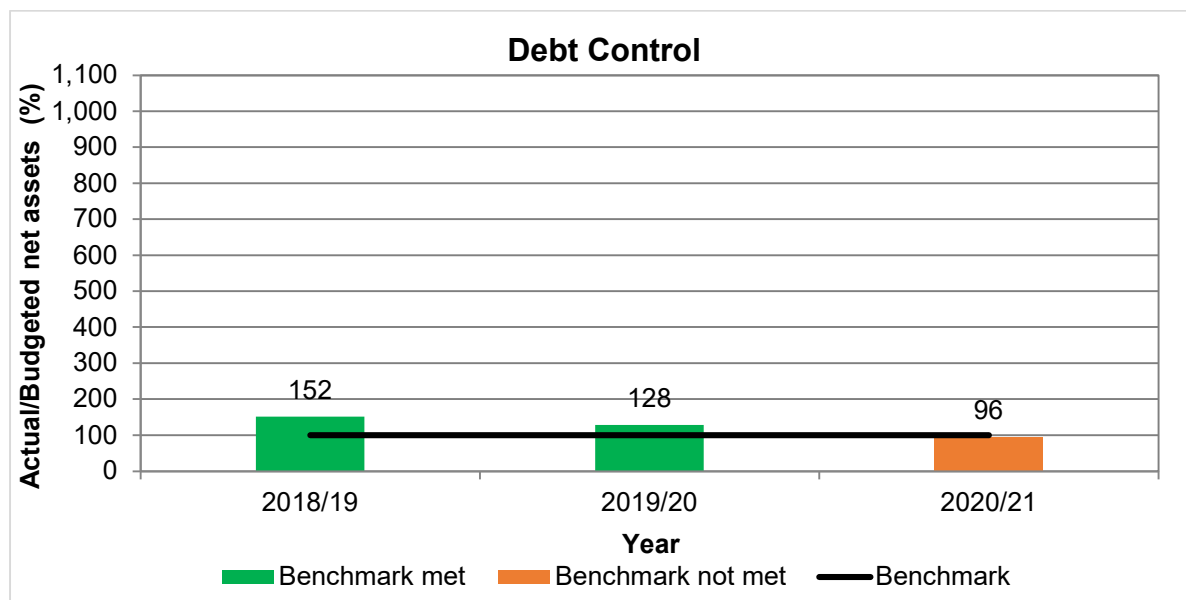
This benchmark reports Council's performance in relation to net debt, defined as financial liabilities less, financial assets (excluding trade and other receivables).

Below are two sets of tables:

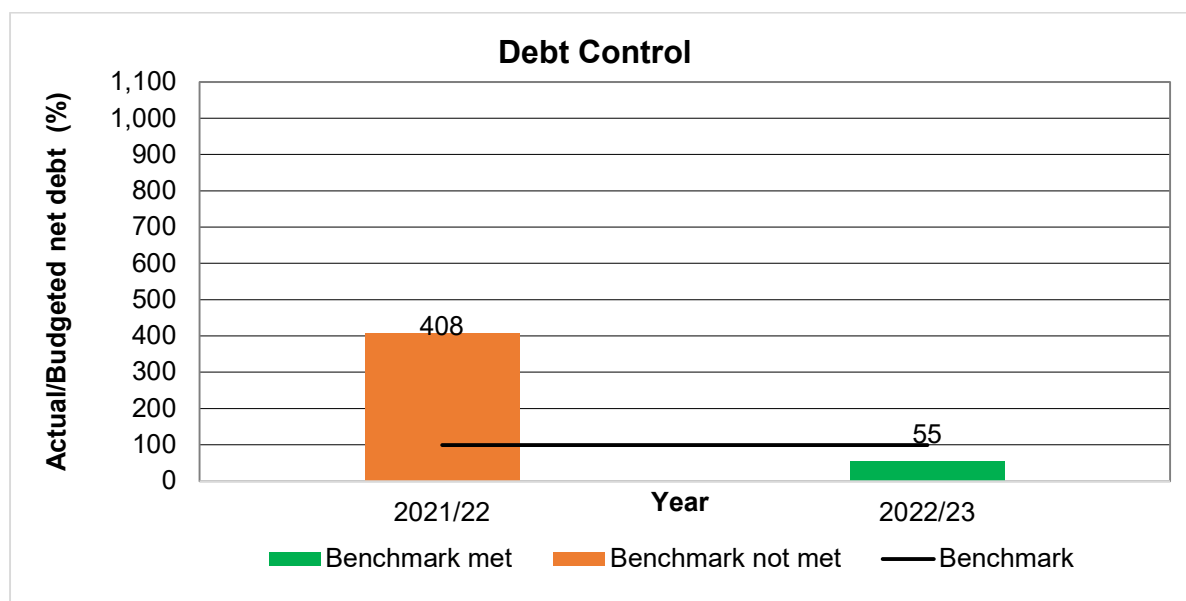
2018/19 to 2020/21 the Council was in a net asset position because financial assets exceed financial liabilities, so the measure is inverted to effectively report performance on a net asset basis. The benchmark is met when actual net assets equal or exceeds planned net assets.

2021/22 to 2022/23 the Council is in a net debt position because financial liabilities exceed financial assets. The benchmark is met when actual net debt equals or exceeds planned net debt.

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. The council planned to have net assets – which is the financial assets (excluding trade and other receivables) - exceeding its financial liabilities.



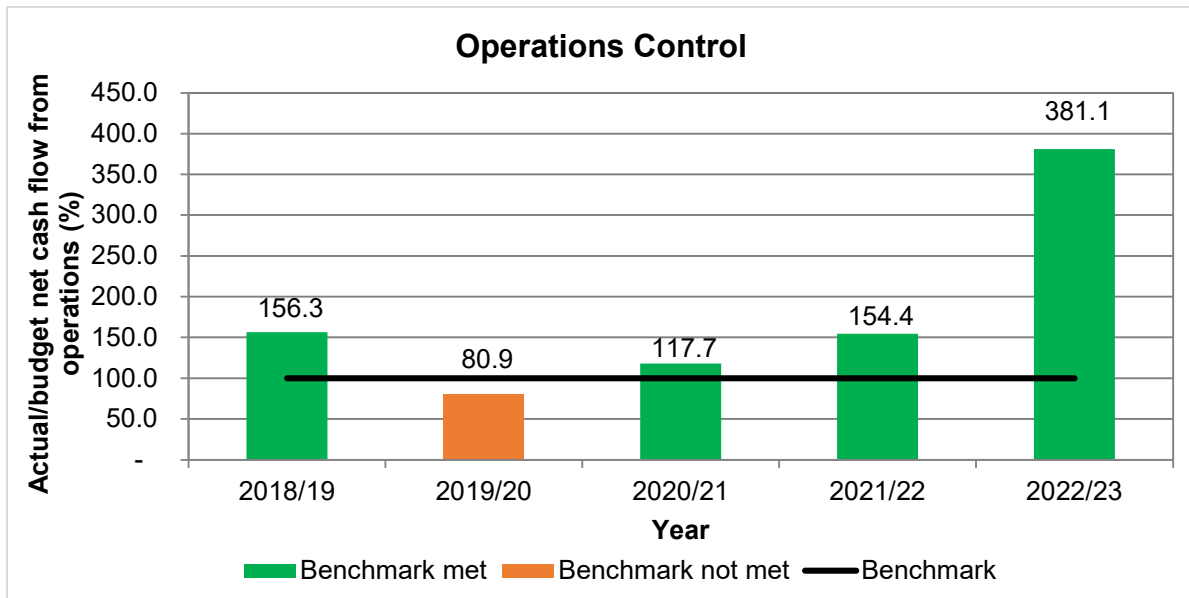
2021/22 onwards the Council is uplifting external debt. This changes the Council's net asset position - which is the financial assets (excluding trade and other receivables) - exceeding its financial liabilities, to a net debt position - which is the financial liabilities exceeding its financial assets (excluding trade and other receivables). The measure was previously inverted to effectively report performance on a net asset basis is now reversed to report performance on a net debt basis.



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



Peter Kelly
Chief Executive Officer

Our activities

This section provides an overview of the activities we have undertaken during the 2022/23 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 2022/23 year.

The Statement of Service Performance measures are reported in the following activities.



Service Performance Judgements and Assumptions

When preparing the Statement of Service Performance in the 2021-2031 Long-term Plan, the following judgements in the selection of our service performance measures:

- Reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Consideration has been given to the views expressed by our community, community boards and elected members. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.
- We have ensured that the performance measures adequately inform progress towards delivering the our community outcomes.

Relevant measurement judgements have been included within each group of activity section which the judgment relates.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water, wastewater, and stormwater. Department of Internal Affairs guidance has been followed in measuring performance against all mandatory measures.

Material judgements have been applied as follows

Surveys

Council carries out an annual survey to:

- measure its performance with respect to the services it provides during the year
- identify issues for the coming year
- identify priorities for the coming year

The 2023 survey was conducted using the Let's Talk Kōrero Mai consultation software. Respondents were required to register to participate, which may have been a barrier. The survey was promoted throughout the district through media channels, elected members and community outreach efforts. This survey used self-selection sampling.

Estimating roading roughness

Council uses RoadRoid testing to measure for road roughness.

Measuring water quality

Department of Internal Affairs guidance has been followed in measuring performance against all mandatory measures. An external contractor is used to review the data collected to ensure these measures have been accurately recorded. From 1 July 2022 to 31 October 2022 the Council recognised the DIA measures for the drinking water compliance under the New Zealand Drinking Water Standards . From 1 November 2022 to 30 June 2023 was the DIA introduction to the drinking water quality assurance rules set by legislation from the 14 November 2022. The Council has opted to use these new standards from the 1 November 2022.

Measuring emissions

The Central Otago District Council uses Toitū Envirocare to assess and prepare the Greenhouse Gas Emissions Inventory and Management Report for the Toitū carbonreduce programme. This report is prepared on an annual basis using information from the previous years audited Annual Report. This means that the council is reporting on the prior year emission reduction targets of incremental reduction or set annual reduction for tCO₂e . This report is prepared in accordance with ISO 14064-1:2018 and the technical requirements of the programme. 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.

Greenhouse gas emissions activity data collection methods:

- Category 1: Direct emissions and removals: stationary combustion (LPG and Coal); Mobile combustion (Diesel, LPG, Petrol); Wastewater treatment; Leakage of refrigerants; fertiliser use (non-Urea sources).
- Category 2: Indirect emissions from imported energy: Electricity.
- Category 3: Indirect emissions from transportation: Business travel – transport (Rental car, air travel domestic); Downstream freight.
- Category 4: Indirect emissions from products used by organisation: Disposal of solid waste to landfill; Sludge waste to landfill, electricity T&D losses.

Excluded emissions sources and sinks: Office supplies; freight (from inventory); employee personal travel; fugitive refrigerant (council cars); fuel (parks - mowing and maintenance); fuel (roading activity); lifecycle of sold products; electricity (tenanted facilities).

Changes to Service Performance Measures

Per the requirements of FRS 48 guidance issued in 2023, Central Otago District Council are required to disclose any alterations in the content or presentation of their service information and provide a summary of these changes, along with providing a clear explanation regarding the rationale for these changes. This disclosure requirement ensures transparency and accountability in the reporting process. By summarising the modifications and explaining the rationale behind them, stakeholders and users of the financial information can gain a comprehensive understanding of how the entity's service information has evolved over time. We also note there are no prior period errors that required adjustment in the current year.

Adopted LTP 2021-31 (Y2)		Change in Annual Plan 2022/23		Rationale for Change
Measure	Aim	Measure	Aim	
Water				
The percentage of real water loss from the network reticulation system (leaks, metering inaccuracies)	Target current annual real losses from the networked reticulation system ≤ 30% of water produced	No Change	Target current annual real losses from the networked reticulation system ≤ 20% of water produced	Annual Report adjusted to reflect LTP measure to ensure consistency.
Compliance with Drinking Water Quality Assurance Rules 1 November 2022 to 30 June 2023	Bacterial Compliance - All schemes to comply Protozoal Compliance - All schemes to comply	Compliance with Drinking Water Quality Assurance Rules 1 November 2022 to 30 June 2023	Bacterial Compliance - All schemes to comply Protozoal Compliance - All schemes to comply	New measure required as part of the new Drinking Water Quality Assurance Rules (Department of Internal Affairs measure)
Roading				
Not included	Not included	% of network not accessible to heavy vehicles due to bridge capacity • Class 1 heavy vehicles • 50Max heavy vehicles	<3% of network not accessible to Class 1. 11.1% of network not accessible to 50Max	New measure carried through from the 2020/21 Annual Plan. Not included in the LTP.
Planning and Regulatory				
Resource consents processed within statutory timeframes	Resource consents processed within statutory timeframe ≥ 95%	Resource consents processed within statutory timeframes	Resource consents processed within statutory timeframe ≥ 99%	Annual Report adjusted to reflect LTP measure to ensure consistency.

Adopted LTP 2021-31 (Y2)		Change in Annual Plan 2022/23		Rationale for Change
Measure	Aim	Measure	Aim	
Percentage of building consents issued within the statutory timeframe	To achieve ≥ 97% of building consents issued within the statutory timeframes	Building consents processed within statutory timeframes	Building consents processed within statutory timeframe 100%	Annual Report adjusted to reflect LTP measure to ensure consistency.
Not included	Not included	Customer satisfaction with dog control	Maintain customer satisfaction ≥ 75%	New measure carried through from the 2020/21 Annual Plan. Not included in the LTP.
Pools, Parks and Cemeteries				
Percentage of customer survey respondents satisfied with parks and reserves	Maintain satisfaction with parks and reserves ≥ 85%	Percentage of residents satisfied with parks and reserves in customer survey	Maintain satisfaction with parks and reserves at above 93%	Annual Report adjusted to reflect LTP measure to ensure consistency.
Percentage of customer survey respondents satisfied with playgrounds	Maintain satisfaction with playgrounds ≥ 85%	Percentage of residents satisfied with playgrounds in customer survey	Maintain satisfaction with playgrounds ≥ 90%	Annual Report adjusted to reflect LTP measure to ensure consistency.

Adopted LTP 2021-31 (Y2)		Change in Annual Plan 2022/23		Rationale for Change
Measure	Aim	Measure	Aim	
Property and Community Facilities				
Percentage of customer survey respondents satisfied with public toilets	> 90% satisfied	Number of free public toilets	29 available	Annual Report adjusted to reflect LTP measure to ensure consistency. Annual Report adjusted to reflect LTP measure to ensure consistency. Annual Report adjusted to reflect LTP measure to ensure consistency.
Percentage of EPH tenancy survey respondents satisfied with their unit	> 90% satisfied	Number of units available in the district	98 units	
No complaints from Airport users or notifications from CAA of noncompliance	Full compliance	Four yearly inspection and certification by Civil Airways Corporation.	Full compliance	
Governance and Corporate Services				
Percentage of customer survey respondents satisfied that elected members are making a positive difference	> 75%	Satisfaction with the performance of elected members of local community boards Satisfaction with the performance of elected members	>85% >85%	Annual Report adjusted to reflect LTP measure to ensure consistency.



Three Waters

Water, Wastewater and Stormwater



Water

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 2022/23 year.

Lake Dunstan Water Supply water treatment plant

The 2018 Long-term Plan project, the Lake Dunstan Water Supply water treatment plant was opened at the end of June 2023. The \$16.1 million upgrade to the water supplies of both Alexandra and Clyde reflect our focus on the health and wellbeing of our communities. It provides the community with not only safe water but has the added benefit of reducing lime content.

The project scope included the expansion of the Clyde bore field and the construction of a membrane treatment plant and water storage tanks on the hill above the Clyde township.



Figure 1: Lake Dunstan Water Supply

Like any major project, it was not without major challenges; the discovery of the algae *Lindavia* in Lake Dunstan, and the onslaught of the COVID-19 pandemic in 2020 caused delays. The plant opening date was at the end of May 2023.

With the unexpected presence of *Lindavia*, trials were undertaken to ensure that the algae did not compromise drinking water standards. Adjustments were made to the filtration system so it could cope and not experience blockages from algae as had been the case in parts of the Queenstown Lakes district.



Figure 2: The three membrane racks at the water treatment plant

Considerable efforts have been made to future-proof the project; in January, a large generator was delivered to the site. Council's generators will kick in within two minutes of any power outage, ensuring a reliable water supply, no matter what the conditions.

Aesthetics of the water treatment site was also a major consideration. Council staff, contractors, elected members, and community got involved in a planting project, with 500 native trees and shrubs established during a working bee in April. The bunds at the water treatment plant have also been hydroseeded with silver tussock seed mix. Hydroseeding involves combining water, premium grass seed, fertiliser and wood mulch fibre to provide a microclimate that encourages germination and helps to prevent soil erosion and bird damage.



Figure 3: Pictured during planting are Water Services Team members

Irrigation work is being carried out around the treated water tank site. Water will be reused from the treatment process, which gives the plants - natives having been used - the best chance to thrive, while softening up of the bund area.

The public have been invited to an open day which will be held in spring/early summer 2023.



Figure 4: Three Waters Director Julie Muir and Mayor Tim Cadogan (centre) and Capital Projects Manager Patrick Keenan taking the first sip

Clyde falling main replacement

The completion of the renewal of the Clyde Falling Main through April and May was an important achievement.

Funded by the Central Government Water Stimulus package, the \$1,050,000 project replaced the existing gravity-pressured water main, a critical piece of infrastructure for the Clyde water network. The falling main supplies water from the reservoir, at the top of the hill, down to water mains at Sunderland Street.

The original falling main constructed in 1987, was identified as having several issues that presented a risk to a resilient water supply in Clyde. The pipe material was identified as having poor seismic resilience and due to the steep terrain, effective maintenance and repair on the aging pipe was difficult.

This work will ensure that Council continue to provide safe and reliable water to Clyde.

To create efficiencies across projects, three other pipelines were installed in conjunction with the falling main upgrade. Two pipes from the Lake Dunstan Water Supply and one from the Clyde Wastewater Reticulation project. Council invested the ratepayers' money effectively at the right time to ensure a positive outcome for the community.



Figure 5: Helicopter working near the pipeline

Roxburgh falling main replacement

All project outputs have been delivered with the new falling main, booster pump station and a connection at Edinburgh / Branxholm streets being constructed, commissioned and currently in active service. The final claim was received 23 June 2022 for a final project completion price of \$881,199.37.

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	2022/23 Results	2021/22 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 ≤ 30% of water produced	26%	25%	Target not achieved. A 1% change between financial years. In 2021/22 the target was 30%, in the Annual Plan 2022/23 the target was adjusted to 20%, if this target was not adjusted, the target would
Sustainable Environment	Provide an efficient water network	✓	Fault response time to urgent callouts Attendance:	Target median time to get to site ≤ 1 hour	2 hrs 3 mins	12 mins	Target not achieved. The automated data collection system failed during the year and as a result data has been collected manually. This has resulted in delays to the close-out of our callouts.
			Resolution:	Target median time to resolve ≤ 4 hour	12 hrs 57 mins	2hrs 29 mins	
		✓	Fault response time to non-urgent callouts Attendance:	Target median time to resolve to site ≤ 8 hours	21 hrs 46 mins	6 hrs 25 mins	Target not achieved. The automated data collection system failed during the year and as a result data has been collected manually. This has resulted in delays to the close-out of our callouts.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
			Resolution:	Target median time to resolve ≤ 24 hours	17 hrs 44 mins	23 hrs 12 mins	Target achieved.
		✓	The average consumption of water per day per resident	To maintain water demand at < 600L/person/day	515.89 L/person/day	585.6 L/person/day	Target achieved.
		✓	Total number of customer complaints for: <ul style="list-style-type: none"> • Water clarity • Water taste • Water odour • Water pressure and flow • Continuity of water supply • Responses to water service requests 	≤ 13 per 1,000 connections	8 per 1,000 connections	4.31 per 1,000 connections	Target achieved.
Connected Community	Provide a safe and healthy water network	✓	Compliance with the NZ Drinking Water Standards 1 July 2022 to 31 October 2022	Part 4: Bacterial compliance. All schemes to comply All distribution zones to comply	Compliance not met	Compliance not met	Target not achieved. Boil Water Notices in Omakau (July 2022).

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
				<p>Part 5: Protozoal compliance All schemes to comply</p> <p>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 Roxburgh to comply by 2022</p>	Compliance not met	Compliance not met	<p>Target not achieved.</p> <p>Business cases for Omakau, Ranfurly, Patearoa and Naseby are currently being prepared to consider alternative options for treatment and source.</p> <p>Lake Dunstan Water Supply has reached completion in May 2023 and is able to treat for Protozoal going forward.</p> <p>Cromwell is in design phase. Once construction is completed, will meet compliance. It is unknown what the completion date of this project will be.</p>
			Compliance with the Drinking Water Quality Assurance rules*	Bacterial Compliance All schemes to comply	Compliance not met	New measure* ¹	<p>Target not achieved.</p> <p>Boil Water Notices in Ranfurly (Feb 2023), Patearoa (Apr 2023)</p>
			1 November 2022 to 30 June 2023 Introduction to the drinking water quality assurance rules was by	Protozoal compliance All schemes to comply	Compliance not met	New measure* ¹	Target not achieved.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
			legislation from the 14 November 2022. The Council has opted to use these new standards from the 1 November 2022.	<p>Omakau to comply 2022 Naseby to comply 2022</p> <p>Alexandra/Clyde (Lake Dunstan Water Supply) to comply 2022</p> <p>Patearoa to comply 2023 Ranfurly to comply 2023 Cromwell/Pisa to comply 2023 Roxburgh to comply by 2022</p>			<p>Business cases for Omakau, Ranfurly, Patearoa and Naseby are currently being prepared to consider alternative options for treatment and source.</p> <p>Lake Dunstan Water Supply has reached completion in May 2023 and is able to treat for Protozoal going forward.</p> <p>Cromwell is in design phase. Once construction is completed, will meet compliance. It is unknown what the completion date of this project will be.</p>

* Department of Internal Affairs mandatory non-financial performance measure

*1 New measure comparative cannot be determined due to changes in systems and processes

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 WATER	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	-	General rates, uniform annual general charges and rates penalties	-	-	-
4,851	5,055	Targeted rates	5,329	5,486	5,161
499	-	Subsidies and grants for operating purposes	514	-	283
30	4	Fees and charges	30	31	7
1,507	813	Internal charges, and overheads recovered	1,542	2,081	971
-	21	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	13
6,886	5,893	Total operating funding	7,415	7,599	6,435
Applications of operating funding					
3,251	3,319	Payments to staff and suppliers	3,275	3,287	3,866
-	-	Finance costs	325	270	399
2,006	1,039	Internal charges, and overheads applied	1,955	2,306	1,264
3	32	Other operating funding applications	5	5	87
5,260	4,390	Total applications of operating funding	5,560	5,869	5,616
1,626	1,503	Surplus (deficit) of operating funding	1,855	1,730	819
CAPITAL					
Sources of capital funding					
-	6,443	Subsidies and grants for capital expenditure	-	-	-
1,030	1,120	Development and financial contributions	1,070	1,070	1,756
7,192	-	Increase (decrease) in debt	5,000	7,000	9,972
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	89
8,222	7,563	Total sources of capital funding	6,070	8,070	11,817
Applications of capital funding					
Capital expenditure					
1,520	915	- to meet additional demand	1,424	7,357	10,665
4,331	10,657	- to improve the level of service	4,251	5,600	1,942
1,760	2,665	- to replace existing assets	2,364	2,364	1,764
2,238	(5,171)	Increase (decrease) in reserves	(114)	(5,521)	(1,735)
-	-	Increase (decrease) in investments	-	-	-
9,847	9,066	Total applications of capital funding	7,925	9,800	12,636
(1,626)	(1,503)	Surplus (deficit) of capital funding	(1,855)	(1,730)	(819)
-	-	Funding balance	-	-	-

Wastewater

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



He Ōhaka e Ora Kāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Clyde wastewater reticulation

The project is being completed in three stages spanning from 2020 - 2043. Stage 1 involves connecting almost 200 properties many of which are in the Heritage precinct. The work included installing main wastewater pipelines and two pump stations in Miners Lane and the Clyde Campground.

On 19 December 2022, Stage 1 of the Clyde Wastewater project went live. Following connection to the reticulation system, septic tanks were decommissioned and could be removed or backfilled. Council appointed Seipp to carry out final reinstatement work on private and council property following the completion of Stage and SJ Allen Ltd for the decommissioning. As of August 2023, 96% of septic tanks have been decommissioned and 50% have already received their Certificate of Compliance. The small number of tanks left to be decommissioned are typically unusual designs (e.g., Oasis tanks) so require a more complex approach. SJ Allen is still working on these, and Seipp has only a small number of reinstatements and pipe remediations to attend to.

Construction of the wastewater pipeline carries Clyde's wastewater from the town's new reticulated wastewater system through a 10.5km-long rising main to Alexandra's Wastewater Treatment Plant.



Figure 6: Pictured in his 'poo suit', Mayor Tim Cadogan, celebrates the Clyde wastewater project going live at the Miners Lane toilets in Clyde

The Clyde Wastewater project dates back to the business case and subsequent Long-term Plan public engagement of 2018. The upgraded system will meet environmental and resource consent requirements, and significantly improve the quality of Clyde's urban wastewater discharges. Most importantly, it will provide the Clyde community with an environmentally safe wastewater system that will bring significant environmental, health and well-being benefits for decades to come. It will also allow for future growth in a managed and sustainable manner.



Figure 7: Pump station at Clyde Camping ground

Clyde main pump station

The Clyde Main Wastewater Pump Station was fully commissioned on 13 December 2022. This \$3.4 million project is a key component of the Clyde wastewater reticulation system. Clyde's wastewater will be gravity feed from the township through two smaller pump stations before reaching this main pump station off Sunderland Street adjacent to the Clyde dog exercise area. This pump station will then transport the waste through to Alexandra for treatment.

This project provides infrastructure to support growth and will contribute to improved water quality in the Clutha Mata-au.



Figure 8: Commissioning of the Clyde main wastewater pump station.
Pumps being installed into the 6m deep wells

Cromwell pump station emergency storage

Water Stimulus Delivery funding of \$1.8 million was used to improve storage capacity and minimise wastewater overflows from pump stations at Alpha Street and Melmore Terrace in Cromwell which were completed in March 2022.

In July 2023, these two stations, along with Alexandra Wastewater Treatment Plant, and the Tarbert Street and Bridge Hill pump station sites got a further boost with installation of backup generators for the Council's wastewater network. This project will start as soon as possible to guarantee increased resilience at these crucial pump station and wastewater treatment locations.



Wrightsons and Dunorling Street pump station Emergency Storage upgrades

Having completed the Wrightsons Pump Station in the Linger and Die Reserve, the Water Services Team moved on to install a similar emergency storage unit at the Dunorling Street Pump Station.

The Dunorling Street pump station takes wastewater from the entire Alexandra and Clyde network (including Wrightsons pump station) and pumps it to the Alexandra Wastewater Treatment Plant. The emergency storage units ensure that we have storage capacity within the stations during any unplanned outages.

Prior to the installation of the storage unit, should the pump station go fully offline, there was only approximately a one-hour response time before wastewater would flow into the Clutha River/Mata-Au. However, the Dunorling Street storage unit increases the response time to eight hours, thus adding further resilience to the wastewater network. Additionally, this capability adds another layer of safety to perform maintenance works at the pump station and downstream Alexandra Treatment Plant by redirecting the wastewater to the emergency storage unit when necessary.



Figure 9: Drone photo of storage installation



Figure 10: Dunorling Street final stages

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.

Significant progress had also been made in the Water Stimulus Work Programme, with wastewater screens installed at Ranfurly, Naseby and Roxburgh, influent and effluent monitoring installed at Alexandra and Omakau, and good progress on valves and flowmeters. These projects were funded from the stimulus fund up to the available budget, with the remaining coming from Long-term Plan budgets.

What we have achieved – Wastewater

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
Thriving Economy	Provide an efficient, accessible and reliable wastewater network	✓	Total number of complaints for: <ul style="list-style-type: none"> • Odour • Faults • Blockages • Responses to wastewater service 	Total number of complaints ≤ 10 per 1,000 connections.	10 per 1,000 connections	10.17 per 1,000 connections	Target achieved
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 - 5 Infringement notices - 2 Enforcement Orders – 0 Convictions - 0	Abatement notices - 3 Infringement notices - 0 Enforcement Orders – 0 Convictions - 0	Target not achieved. Due to non-compliance with resource consents Wastewater treatment plants operating under abatement notices include Alexandra, Naseby, Omakau, Cromwell, Roxburgh and Ranfurly. Omakau abatement notice was cancelled in October 2022, due to a new resource consent being issued. Wastewater treatment plants that have received infringement notices which include Naseby and Ranfurly.
		✓	Fault response times Attendance:	Target median time to resolve to site ≤ 1 hour	54 mins	23 minutes	Target achieved.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
			Resolution:	Target median time to resolve the problem ≤ 4 hours	2 hrs 46 mins	4hrs 08 mins	Target achieved.
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	2.75 per 1,000 connections	1.49 per 1,000 connections	Target not achieved. The incorrect flushing of wet wipes, fat, oil and miscellaneous items flushed into wastewater system.

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

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 WASTEWATER	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	-	General rates, uniform annual general charges and rates penalties	-	-	-
3,780	3,754	Targeted rates	4,297	4,687	4,748
-	-	Subsidies and grants for operating purposes	-	-	-
61	44	Fees and charges	61	26	107
46	(716)	Internal charges, and overheads recovered	51	55	(792)
-	4	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	2
750	-	Land sales	-	-	-
4,637	3,086	Total operating funding	4,409	4,768	4,065
Applications of operating funding					
1,393	1,602	Payments to staff and suppliers	1,443	1,433	1,738
100	-	Finance costs	308	256	233
-	-	Cost of sales	-	-	4
994	212	Internal charges, and overheads applied	939	1,250	418
263	249	Other operating funding applications	265	265	267
2,751	2,063	Total applications of operating funding	2,955	3,214	2,660
1,886	1,023	Surplus (deficit) of operating funding	1,454	1,554	1,405
CAPITAL					
Sources of capital funding					
-	2,420	Subsidies and grants for capital expenditure	-	-	-
678	767	Development and financial contributions	709	709	1,515
5,808	5,000	Increase (decrease) in debt	2,000	4,700	10,000
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	717	-	-
-	-	Other dedicated capital funding	-	-	-
6,486	8,187	Total sources of capital funding	3,426	5,409	11,515
Applications of capital funding					
Capital expenditure					
811	-	- to meet additional demand	279	-	-
4,097	14,961	- to improve the level of service	2,161	7,170	8,659
1,346	521	- to replace existing assets	1,178	1,148	572
2,118	(6,272)	Increase (decrease) in reserves	1,260	(1,356)	3,689
-	-	Increase (decrease) in investments	-	-	-
8,372	9,210	Total applications of capital funding	4,879	6,962	12,920
(1,886)	(1,023)	Surplus (deficit) of capital funding	(1,453)	(1,554)	(1,405)
-	-	Funding balance	-	-	-

Stormwater

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



He Ōhaka e Ora Rāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Stormwater

The focus for this period has been on the assessment of current assets and performing of maintenance to ensure that the current system will operate as attended.

This consisted of condition assessments as well as the maintenance activities such as vegetation and debris removal to prevent blockages are reduce the likelihood of overflows/surface flooding in rain events.

Additionally, stormwater manhole inspections have been performed, this information is essential for future planning of maintenance and renewal programmes. We are currently developing an improvement programme for our stromwater assets.



What we have achieved - Stormwater

Community outcome	Our objective level of service	DIA Measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	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		
				Enforcement orders - 0	Enforcement orders - 0	Enforcement orders - 0		
				Convictions - 0	Convictions - 0	Convictions - 0		
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	Target number of habitable floors affected ≤ 1 per 1,000 properties per flood event	Nil	Nil	Target achieved.
				Response time to attend flood events	Target median time to resolve to site ≤ 1 hour	Nil	Nil	Target achieved.
				Number of complaints received about stormwater performance	Total number of customer complaints ≤ 2 per 1,000 properties	0.9	2.1	Target achieved.

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

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 STORMWATER	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	-	General rates, uniform annual general charges and rates penalties	-	-	-
544	552	Targeted rates	531	590	597
-	-	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	-	-	-
1	-	Interest and Dividends from Investments	1	-	-
55	(49)	Internal charges, and overheads recovered	56	23	(1)
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
600	503	Total operating funding	588	613	596
Applications of operating funding					
77	83	Payments to staff and suppliers	77	77	83
-	-	Finance costs	-	-	-
75	2	Internal charges, and overheads applied	76	113	7
13	22	Other operating funding applications	13	13	16
165	107	Total applications of operating funding	166	203	106
436	396	Surplus (deficit) of operating funding	422	409	490
CAPITAL					
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	-	Total sources of capital funding	-	-	-
Applications of capital funding					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	-
380	448	- to replace existing assets	380	380	376
56	(52)	Increase (decrease) in reserves	42	29	114
-	-	Increase (decrease) in investments	-	-	-
436	396	Total applications of capital funding	422	409	490
(436)	(396)	Surplus (deficit) of capital funding	(422)	(409)	(490)
-	-	Funding balance	-	-	-



Roading



Roading

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 1,926km of maintained roads, with 1,759km of rural roads and 167km 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



He Ōhaka e Ora Kāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Flooding Events

Flooding featured again as an issue at the start of 2022/23 with damage on the network including a number of scouring issues on both Council's roads and structures requiring remedial works affecting our rural communities.



Figure 11: Flood Event July 2022

Drainage

Drainage works are one of the team's most effective asset management interventions. Targeted drainage investment improves both network resilience and overall life of Council's roading assets. 2022/23 again saw a focus in this area with a number of culvert replacements and drainage improvements completed prior to both our sealed and unsealed renewals programmes being undertaken.



Figure 12: Installing a New 800mm Culvert on Wallington Road

Sealed Roads - Resurfacing

In 2022/23 16.2km of sealed road network was resurfaced.

The resurfacing programme was lower than recent years due to both affordability and network need.



Figure 13: Resealing Alexandra 2023

Footpath Works

The team's footpath repair and renewals programme this year focussed on high use footpaths in both Alexandra and Cromwell with renewals also completed in Naseby and Ranfurly townships.



Figure 14: Footpath renewals

Unsealed Roads - Renewals

With over 70% of our roading network being unsealed our gravel renewals programme is a significant portion of the team's annual roading spend. The 2022/23 programme included a focus on the Teviot Ward with a significant section of the Nevis Road also completed.

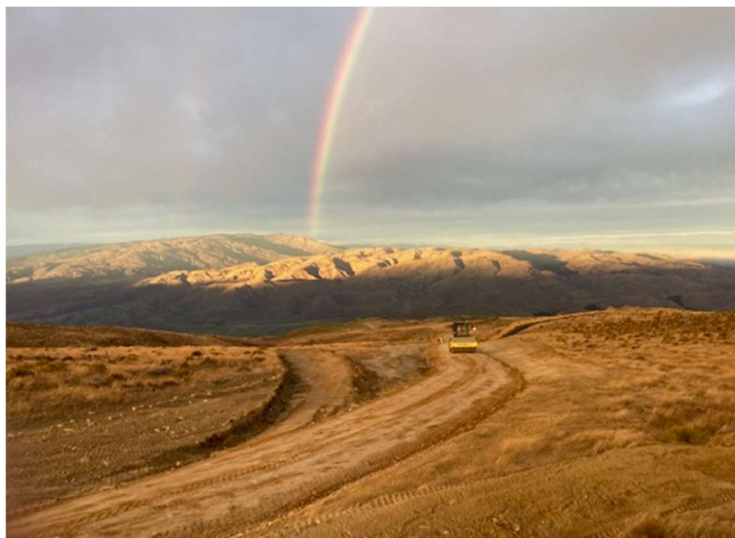


Figure 15: Nevis Road Gravel Renewal April 2023

Clyde Heritage Precinct Upgrade Project - Stage

Stage 2 of this project commenced in May 2022. This work involves replacement of below ground services on both Holloway and Sunderland Streets in Clyde with significant above ground improvements including road carriageways, footpaths, street furniture and streetlighting. Work continues through 2023 with an estimated final project completion in 2024.



Figure 16: Holloway Street Clyde- Upgrade works

Speed Limit Review

Speed limits in Central Otago are reviewed periodically to ensure they remain appropriate through changes to road use, align with national and local objectives, and meet the needs of the local community.

In response to community requests, speed limits across the district were reviewed and changes were recommended. All roads have been assessed against the criteria in the Waka Kotahi Speed Management Guide.

Central Otago has had a strong period of growth since speed limits were last set. Areas that were a rural speed environment have seen an increase in usage and accessways, becoming rural-residential in nature. Some new developments have been designed as lower speed environments.

The Government Policy Statement for Land Transport, released in June 2018, included a direction to reduce road trauma on New Zealand roads through road safety improvements and ensuring safe and appropriate speed limits are in place. The new bylaw aligns with this objective.

New speed limits were proposed for 70 roads, parts of roads, or areas in the Central Otago district. This included residential zones, rural roads and town centres.

In August 2022. Speed limit changes were made to 64 roads in the Central Otago district. This included residential zones, rural roads and town centres.

Looking forward to 2023/24 a number of further speed limit changes are proposed around schools in the Central Otago District.

What you can expect from us – Roading

Community outcome	Our objective level of service	DIA Measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
Thriving Economy	Provide an efficient roading network		% of network not accessible to heavy vehicles due to bridge capacity <ul style="list-style-type: none"> Class 1 heavy vehicles 	<3% of network not accessible to Class 1.	3.9% (New measure *1)	-	Target not achieved. Inaccessibility due to bridge weight restrictions on Upper Taieri Paerau Road, Danseys Pass Road, Mundell Road and Little Valley Road. A review of bridge weight restrictions is planned for 2023/24.
			<ul style="list-style-type: none"> 50Max heavy vehicles 	11.1% of network not accessible to 50Max	3.9% (New measure*1)	-	Target achieved.
		✓	Average length of time to issue a consent for access to a road	≥ 2 days	0.7 days	0.7 days	Target achieved
		✓	The average quality of ride on the sealed road network, measured by smooth travel exposure	Smooth travel exposure ≥ 90%	97%	97%	Target achieved
		✓	Percentage of sealed local road network that is resurfaced	> 3.9% of sealed road length resurfaced per annum	3.0%	3.6%	Target not achieved. The resurfacing distance is lower than recent years due to both affordability and network needs.

Community outcome	Our objective level of service	DIA Measure*	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
							A growing total of sealed road network distance, contributes to a lower percentage
		✓	Number of service requests from customers responded to within 10 days	≥ 90%	91%	81%	Target achieved.
Connected community	Provide a safe roading network	✓	Change from previous year in number of fatalities and serious injury crashes on local roading network	Stable or decreasing trend	Number of fatal and serious crashes = 4	Number of fatal and serious crashes = 9	Target achieved.
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	> 70%	84%	84%	Target achieved.
			Customer satisfaction with condition of unsealed roads	To maintain customer satisfaction at or above 70%	74%	66%	Target achieved.

* Department of Internal Affairs mandatory non-financial performance measure

*1 New measure comparative cannot be determined due to changes in systems and processes

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 ROADING	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
4,465	4,562	General rates, uniform annual general charges and rates penalties	4,780	5,058	5,241
226	229	Targeted rates	554	235	238
2,670	2,392	Subsidies and grants for operating purposes	2,233	2,167	2,784
22	27	Fees and charges	22	22	295
1,443	31	Internal charges, and overheads recovered	1,488	1,557	106
241	370	Local authorities fuel tax, fines, infringement fees, and other receipts	241	241	224
-	-	Land and Property Sales	-	-	-
9,066	7,611	Total operating funding	9,318	9,279	8,888
- Applications of operating funding					
4,697	4,526	Payments to staff and suppliers	4,512	4,493	4,955
-	-	Finance costs	-	-	-
2,182	657	Internal charges, and overheads applied	2,276	2,355	1,008
-	1	Cost of sales	-	-	-
6	6	Other operating funding applications	6	6	7
6,884	5,190	Total applications of operating funding	6,794	6,854	5,970
2,182	2,421	Surplus (deficit) of operating funding	2,524	2,425	2,918
CAPITAL					
Sources of capital funding					
3,529	2,446	Subsidies and grants for capital expenditure	3,242	3,649	2,330
397	646	Development and financial contributions	413	413	889
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	22
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
3,926	3,092	Total sources of capital funding	3,655	4,062	3,241
Applications of capital funding					
Capital expenditure					
443	1,039	- to meet additional demand	349	-	-
1,327	659	- to improve the level of service	1,527	2,630	668
5,650	3,863	- to replace existing assets	4,666	4,659	4,186
(1,312)	(48)	Increase (decrease) in reserves	(362)	(802)	1,305
-	-	Increase (decrease) in investments	-	-	-
6,108	5,513	Total applications of capital funding	6,180	6,487	6,159
(2,182)	(2,421)	Surplus (deficit) of capital funding	(2,525)	(2,425)	(2,918)
-	-	Funding balance	-	-	-



Environmental Services



Environmental Services

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. This began in earnest this year with the roll out of our new kerbside collection service.

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



He Ōhaka e Ora Rāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Education to divert organic waste from landfill takes next vital steps

An audit of kerbside rubbish bins in 2020 showed that 47% of contents comprised of organic waste, therefore diversion of this material from landfill has been a priority. Organic waste is the heavy, smelly and methane-producing component of waste, that could be reused to return nutrients to soils. Central government has signalled a focus on this part of our waste with the new New Zealand Waste Strategy released earlier this year, which puts in place the requirement for all councils to offer at least a kerbside food scraps collection service by 2030.

With changes to the new kerbside service, which features the addition of a green organics bin for the collection of greenwaste and food scraps, the Waste Minimisation Team are pleased that the district now have a kerbside solution to divert this material from landfill. 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.



- The 240L (red lid) rubbish bin was repurposed as the organics bin with a green lid and is collected weekly.
- The smaller 140L rubbish bin with the red lid is still collected fortnightly.
- The 240L glass (blue) bin has been retained and is collected every four weeks.
- The 240L mixed recycling (yellow) bin has continued to be collected fortnightly. Bin clips have been installed on all mixed recycling bins.

The roll out to deliver the new 4-bin configuration began on 22 May 2023 ahead of the new service delivered by the new provider Enviro NZ (rebranded from Envirowaste this year), which began on 1 July. This coincided with the introduction of five sign-written Mercedes-Benz trucks, which are all capable of collecting organics, mixed recycling, glass recycling and general household rubbish. Four are on the road every week and a fifth on standby.



Figure 17: New waste collection truck

The Waste Team produced a booklet *Your guide to Central Otago's new kerbside collection*, which was delivered with the bins. The team streamlined the calendars into two calendars, Calendar 1 (Alexandra, Bridge Hill and Clyde, Fruitlands and Teviot); and Calendar 2 (Cromwell, Bannockburn and Pisa Moorings, Omakau and Ophir, Ranfurly and Naseby).



Introducing your new bins

Your new standard set of kerbside collection bins:



- Your GREEN bin will be collected every week.
- YELLOW and RED bin collections will alternate each week, for example, week 1 yellow, week 2 red, week 3 yellow, and so on...
- Your BLUE bin will be collected once every four weeks alongside your yellow bin.



The back cover of this booklet has a tear off and keep collection calendar to put on your fridge.

PRO TIP
If any of your bins are only half full you don't have to put them out - just don't let them get too heavy!

What happens once my bins are emptied?

- Organics:** This material is shredded in Central Otago before being loaded up and taken to the commercial composting facility in Redruth, Timaru. This will happen while we develop our own commercial composting facility in Central Otago, which is a few years away. Diverting food scraps and greenwaste from the landfill helps waste minimisation, reduces our greenhouse gases, returns nutrients to the soil and reduces the amount of landfill charges we pay.
- Mixed Recycling:** This material is collected together to be transported to the state-of-the-art Materials Recovery Facility (MRF) in Timaru. A combination of machinery and hard-working people sort and separate the different materials before being baled up to go to recycling specialists. Plastics from your recycling bin are transformed into new products used by the likes of food producers, farmers and the building industry. Aluminium and steel go to Timaru Metal Recyclers. Paper and cardboard are offered first to local papermills, otherwise it is shipped overseas.
- Glass:** Glass is taken to our glass crushing plant at Parkburn Quarry, where it is blended with aggregate for roading and construction.
- Rubbish:** Landfill: Waste from Central Otago is sent to the Victoria Flats landfill in the Gibbston Valley. This landfill has a new gas capture system fitted to reduce greenhouse gas emissions and minimise effects on the environment. Every item sent to the landfill takes valuable resources out of our economy and requires new natural materials to make more products. So let's keep resources in circulation through our recycling!

The new collection also introduced the CODC Bin App, which among several features, will remind you when to put out your bin. Council has updated the online form part of the Council website to include requests for service for wheelie bins, covering the ability to order additional bins, request assistance putting your bins out, and reporting missed bins. The team have received funding from the Ministry for the Environment for kitchen caddies, which are designed to sit on your bench, to make it easier to collect your food scraps to put in the green bin.

When Enviro NZ took over the new contract, they also took over the management of Council's transfer stations and recycling drop off locations, which are being upgraded.

Over the past year, the majority of the Waste Services Team's time has been spent educating the public about the kerbside collection change, which included setting up information tents at major events in the district including A&P shows, and running drop-in sessions at the major centres, as well as producing the promotional material that has been appearing in print and online over the past six to eight months.



Figure 18: Pictured Waste Services Team at the Central Otago A&P Show

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. Through the Enviroschools programme there has been a real focus on waste that aligns with the changes to the kerbside service. Many schools have been learning about composting, how a Material Recovery Facility works, and understanding the concept of waste.

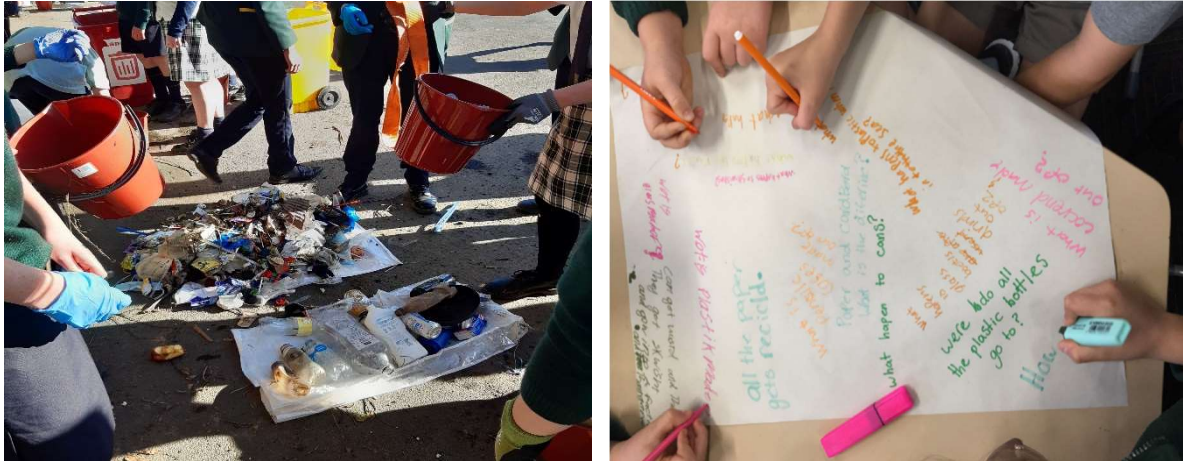


Figure 19: What goes in a landfill? Where does waste go?

Planning for the upgrades at the Cromwell Transfer Station are underway with actual expenditure scheduled in the 2024-34 Long-term Plan.



What you can expect from us – Environmental Services

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
A Sustainable Environment	Improving the efficiency of resource use	Total amount of waste to landfill per rateable property	Incremental year-on-year reduction (measured as rubbish + recycling)	662 kg*	685 kg	Target achieved.
	Customer satisfaction with waste services measured through customer survey	Residential satisfaction with waste services	Incremental increase	73%	59%	Target achieved. Communication has increased with our community.
	Carbon footprint reduction	Annual carbon footprint measurement using CEMARS process. *1	Incremental reduction or set annual reduction target.	0.36 tCO ₂ e per rateable property	0.85 tCO ₂ e per rateable property	Target achieved.
Connected Community	Provide compliant waste system and facilities	Compliance with resource consents for transfer stations, closed and operational landfills.	Incremental percentage improvements.	93%	66%	Target achieved.

* Waste to landfill = 9,706 tonne divided over 14,933 rateable properties = 650 kg per property (rounding ±1)

*1 The result for this measure refers to the final inventory figure relying on information from the Annual Report from the prior year. 2022/23 results from July 2021 to June 2022, 2021/22 results from July 2020 to June 2021.

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 ENVIRONMENTAL SERVICES	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	-	General rates, uniform annual general charges and rates penalties	-	-	-
4,126	4,193	Targeted rates	4,426	4,510	4,540
-	-	Subsidies and grants for operating purposes	-	-	-
290	188	Fees and charges	390	390	284
-	1	Internal charges, and overheads recovered	(1)	-	1
1,214	1,175	Local authorities fuel tax, fines, infringement fees, and other receipts	1,230	1,230	1,348
5,630	5,557	Total operating funding	6,045	6,130	6,173
Applications of operating funding					
5,147	5,468	Payments to staff and suppliers	5,484	5,518	5,824
-	-	Finance costs	-	-	-
509	457	Internal charges, and overheads applied	521	537	594
14	17	Other operating funding applications	15	15	31
5,670	5,942	Total applications of operating funding	6,020	6,070	6,449
(40)	(385)	Surplus (deficit) of operating funding	25	60	(276)
CAPITAL					
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	-	Total sources of capital funding	-	-	-
Applications of capital funding					
Capital expenditure					
-	350	- to meet additional demand	-	-	-
-	36	- to improve the level of service	40	200	54
390	11	- to replace existing assets	368	208	92
(430)	(782)	Increase (decrease) in reserves	(383)	(384)	(422)
-	-	Increase (decrease) in investments	-	-	-
(40)	(385)	Total applications of capital funding	25	60	(276)
40	385	Surplus (deficit) of capital funding	(25)	(60)	276
-	-	Funding balance	-	-	-



Planning and Regulatory



Planning and Regulatory

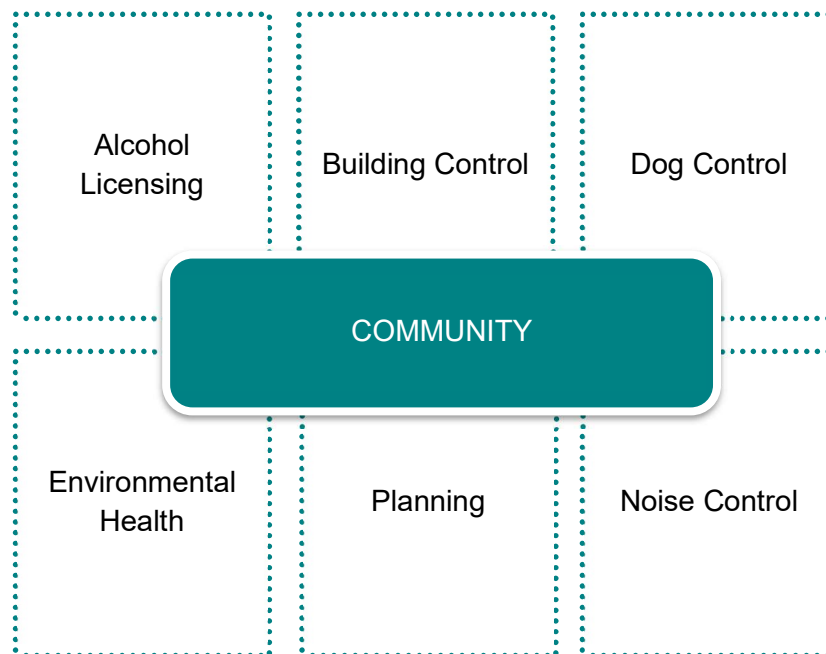
About our activity

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

We deliver the regulatory service in a variety of ways, including processing building consents, resource 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

Alcohol / Environmental Health

The team has achieved:

- Recognised Agency renewal recognition for council to deliver Food Act requirements.
- International Accreditation New Zealand (IANZ) accredited audit approved.
- Recognised person warrant renewals for two Food Safety Officers and Verifiers.
- 100% processing of all new food registration applications with statutory 10-day timeframe.
- Verifications of all registered food businesses with Food Act 2014 timeframe frequencies.
- Applied the appropriate use of graduated compliance tools including Corrective Action Reports, Improvement Notices, Notices of Direction and Closure.

Planning

Planning received 619 consents for the year and issued 524 consents for the year. These were made up of 341 Land Use Consents and 116 Subdivisions and 67 other consents.



District Plan Changes

- *Plan Change 18 (industrial zoning)* - To extend the industrial zoning in Cromwell, giving effect to the outcomes of the Cromwell Spatial Plan.
- *Plan Change 19 (residential zoning)* - The residential chapter of the District Plan has been re-written to give effect to the outcomes of the Cromwell and Vincent Spatial Plan, introducing large lot, low density and medium density zoning, along with design guidelines for development.

- *Plan Change 20 (Heritage)* - To introduce Heritage Guidelines for development in Heritage Precincts throughout the District.
- *Private Plan Change 21* - Parkburn Quarry, Cromwell was initiated and development of a spatial plan for the Teviot Valley underway.

Building

In the 2022/23 financial year, 1027 building consents were issued compared to 1264 in the previous year, with an average of 12 working days.

Over the last 12 months we have completed 136 residential pool barrier inspections and issued 116 pool barrier licences.

15 buildings have been added to the national earthquake prone buildings register and have an 'undetermined' notice while we await Initial Evaluation Procedure reports.

Dogs

Early this year the team welcomed their new Team Leader for Enforcement and Animal Control who has been active in the community by offering supportive education on how to be a responsible dog owner.

A review of dogs registered as working dogs instead of pet dogs was initiated to ensure they met the definition under the Dog Control Act 1996. This work will continue through the coming year.

The dog control team have been working towards collecting the microchip numbers from all registered pet dogs in Central Otago as required by the Dog Control Act. This work is on-going.



What you can expect from us – Planning and Regulatory

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
Thriving Economy and a Sustainable Environment	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with resource consent process in customer survey	Maintain customer satisfaction \geq 75%	53%	44%	Target not achieved. As a result of resourcing challenges.
		Resource consents processed within statutory timeframes	Resource consents processed within statutory timeframe \geq 95%	58.39%	82.47% (land use consents) and 81.6% (sub-divisions)	Target not achieved. As a result of resourcing challenges.
Thriving Economy and a Safe and Health Community	To maintain the ability to issue building consents	Through maintaining the Building Consent Authority accreditation	To maintain under Building Consent Authority accreditation	Pass	Pass	Target achieved.
	To enable customers to build in an appropriate way through a timely consent process	Percentage of building consents issued within the statutory timeframe.	To achieve \geq 97% of building consents issued within the statutory timeframes.	98%	95%	Target achieved.
	To provide customers with LIM reports and a timely service	Percentage of LIMs issued within the statutory timeframe	To achieve \geq 99% of LIMs issued within the statutory timeframes.	100%	100%	Target achieved.
Thriving Economy and a Safe	To provide a safe and healthy environment in which people may	Customer satisfaction with dog control	Maintain customer satisfaction \geq 75%	77% (New measure*)	-	Target achieved.

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
and Health Community	live and travel without fear of dangerous dogs					
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.	≥ 90% of applications for the registration of food businesses are completed within 10 working days.	100%	100%	Target achieved.
		Percentage of food business verifications carried out within the required Food Act 2014 performance-based verification frequency.	To achieve ≥ 90% of food business verifications being carried out within the required Food Act 2014 performance-based verification frequency.	100%	97%	Target achieved.
		Percentage of corrective action requests and improvement notices resulting from non-conformances/compliances are completed within the specified period.	To achieve ≥ 90% of corrective action requests and improvement notices resulting from non-conformances/compliances being completed within the specified period.	100%	92%	Target achieved.

* New measure comparative cannot be determined due to changes in systems and processes

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 PLANNING AND REGULATORY	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	-	General rates, uniform annual general charges and rates penalties	-	-	-
2,343	2,431	Targeted rates	2,617	2,656	2,678
2,167	-	Subsidies and grants for operating purposes	-	-	-
-	2,628	Fees and charges	2,244	2,244	2,535
15	23	Internal charges, and overheads recovered	12	38	70
776	1,075	Local authorities fuel tax, fines, infringement fees, and other receipts	776	776	876
5,300	6,157	Total operating funding	5,649	5,714	6,159
Applications of operating funding					
4,377	4,673	Payments to staff and suppliers	4,636	4,680	4,446
-	-	Finance costs	-	-	-
1,200	1,088	Internal charges, and overheads applied	1,235	1,262	1,216
-	-	Cost of sales	-	-	-
3	2	Other operating funding applications	3	-	1
5,579	5,763	Total applications of operating funding	5,874	5,945	5,663
(279)	394	Surplus (deficit) of operating funding	(225)	(231)	496
CAPITAL					
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	-
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	-	Total sources of capital funding	-	-	-
Applications of capital funding					
Capital expenditure					
15	-	- to meet additional demand	-	-	-
87	-	- to improve the level of service	-	-	-
187	1	- to replace existing assets	192	192	13
(568)	393	Increase (decrease) in reserves	(418)	(423)	483
-	-	Increase (decrease) in investments	-	-	-
(279)	394	Total applications of capital funding	(226)	(231)	496
279	(394)	Surplus (deficit) of capital funding	226	231	(496)
-	-	Funding balance	-	-	-



Pools, Parks and Cemeteries



Pools, Parks and Cemeteries

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, 33 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 eleven cemeteries in our district, and cemetery trusts manage the other eleven 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 Pool had new pool analysers installed for all the pools. These analysers are key to keeping the pool water to the required standard for safe swimming and greatly improve the facilities' ability to automatically maintain water quality.

Sodium Bisulphate dosing systems have been installed in both the Cromwell and Alexandra facilities. Sodium Bisulphate is used to help control the pools pH levels and it replaces the costly Carbon Dioxide system used previously. The new systems are more reliable, reduce the Council's carbon footprint, and results in significant savings.

Central Swim School admissions for both Alexandra and Cromwell have doubled this past year compared to the previous year. We are now also offering swim lessons on Saturday in Cromwell as well.

Central Swim School is actively engaged in becoming a certified Water Skills for Life provider. By receiving this accreditation, our swim school will be established as a trusted learn to survive water safety specialists.



A new supervision policy has been introduced that will increase the safety of our aquatic environment.

Children now must be 10 years old to come to the pools by themselves, and children younger than 10 must be accompanied by an adult (16 or older) and wear a corresponding wristband based on their age.

Under 5-year-olds must be within arm's reach of an adult and wear an orange wristband. Children aged 5 – 9 years old must be actively always supervised and wear a purple wristband.

Parks

- Ranfurly John Street Playground replacement was completed and officially opened with a community celebration at the end of May.
- Molyneux Park and Cromwell sports ground demand analysis reports were completed to enable Council to better understand future demand for sports grounds in the future so they can be planned well in advance.
- Pioneer Park swing set replacement was completed, replacing an aging piece of play equipment.
- Cromwell garden upgrades continues to refresh and revitalise the amenity gardens within Cromwell town centre area.
- New irrigation and turf renovation on Jollys Road Reserve Cromwell
- Alexandra – Clyde River track tree maintenance was undertaken to ensure the track remains safe for users.
- Council's Open Spaces Maintenance contract continues to deliver facilities fit for purpose within the allocated budgets.

Open Spaces and Play Strategies

Work has continued on Council's first Open Space Strategy and first Play Strategy. A survey was sent out to the community mid-2022 to determine what the community want from open spaces for the next 30 years and how the community want Council to facilitate play in the community. Further consultation will be undertaken in late 2023.

Bannockburn Domain Reserve Management Plan

This policy document was approved by Council during the financial year.



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

Community outcome	Our objective level of service	How we measure Success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	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.	Maintain satisfaction with parks and reserves $\geq 85\%$	89%	87%	Target achieved.
		Percentage of customer survey respondents satisfied with cemeteries and the burial process.	Maintain satisfaction with cemeteries and the burial process $\geq 90\%$	85%	90%	Target not achieved. The only comment on this service was a concern about the black smoke from the crematorium.
Connected community	Playgrounds in the district have equipment that is fun and educational	Percentage of customer survey respondents satisfied with playgrounds.	Maintain satisfaction with playgrounds $\geq 85\%$	90%	81%	Target achieved.
	Central Otago playgrounds are maintained to meet the NZ Playground Safety Standards	Annual "Playground Safety Standards" audit	To pass	Pass	Pass	Target achieved.
A Thriving Economy and a Safe and Healthy 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	Maintain user satisfaction $\geq 90\%$	77%	75%	Target not achieved. Comments indicate that the primary concerns regarding pools were the temperature, cleanliness and need for improvement of the facilities. Others mentioned the need for extended hours.
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	To pass	Pass	Pass	Target achieved.

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 POOLS, PARKS AND CEMETERIES	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
(3)	-	General rates, uniform annual general charges and rates penalties	(2)	(2)	-
6,044	6,134	Targeted rates	6,219	6,300	6,385
2	4	Subsidies and grants for operating purposes	2	2	-
891	788	Fees and charges	1,045	1,045	785
562	11	Internal charges, and overheads recovered	568	585	35
197	196	Local authorities fuel tax, fines, infringement fees, and other receipts	176	176	208
7,693	7,133	Total operating funding	8,008	8,106	7,413
Applications of operating funding					
4,370	4,178	Payments to staff and suppliers	4,381	4,381	4,577
1	1	Finance costs	1	1	1
1,445	747	Internal charges, and overheads applied	1,484	1,512	920
242	256	Other operating funding applications	268	268	805
6,058	5,182	Total applications of operating funding	6,134	6,163	6,303
1,635	1,951	Surplus (deficit) of operating funding	1,874	1,944	1,110
CAPITAL					
Sources of capital funding					
-	253	Subsidies and grants for capital expenditure	-	-	138
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	175
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	253	Total sources of capital funding	-	-	313
Applications of capital funding					
Capital expenditure					
18	1,260	- to meet additional demand	8	330	96
46	408	- to improve the level of service	1	221	317
1,619	530	- to replace existing assets	1,464	922	875
(49)	6	Increase (decrease) in reserves	400	469	135
1	-	Increase (decrease) in investments	1	1	-
1,635	2,204	Total applications of capital funding	1,874	1,944	1,423
(1,635)	(1,951)	Surplus (deficit) of capital funding	(1,874)	(1,944)	(1,110)
-	-	Funding balance	-	-	-



Property and Community Facilities



Property, Property Statutory and Community Facilities

About our activity

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

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

We provide and service 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.

We manage Council's portfolio of Commercial leases and licences and oversee the management of Community leases and licences. Managing applications for new leases and licences, to ensure they are granted in accordance with the relevant legislation such as the Property Law Act, the Reserves Act, and Reserves Management Plans.

We deal with the acquisition and disposal of property, including the granting of easements, road stoppings and legalisations, and other processes associated with Council owned or administered property, in accordance with the Reserves Act, Local Government Act, and Public Works Act.

We work with other Council departments, providing solutions to solve complex property problems, and to assist with strategic planning and decision making related to Council owned or administered property.

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

The Alexandra Airport Masterplan has been completed, providing direction for future types of activity on the aerodrome and appropriate locations for development. There has been increasing interest in private hangars with a residential annexe. 26 hangar or hangar and residential leases have been issued with potential for another 4 sites to be leased in the existing hangar site area.

Cromwell Aerodrome

At Cromwell Aerodrome there is now 23 leases in place for hangar only sites with no further available sites.

New Toilet Blocks or Additions

Ranfurlly

A new 6 pan unisex toilet block that includes 2 fully accessible, family friendly toilet cubicles has been started in Ranfurlly and will be completed in 2023/24.

The project picked up a grant from the Tourism Infrastructure Fund for 50% of the costs enabling the project to start in 2022/2023.



Figure 20: Toilet Block – post-production at the factory – artwork specific to Ranfurlly reflecting the art deco heritage.

Note: Extended roof option to protect users from adverse weather, especially users of the disability car park that will be available on either side of the toilet block.

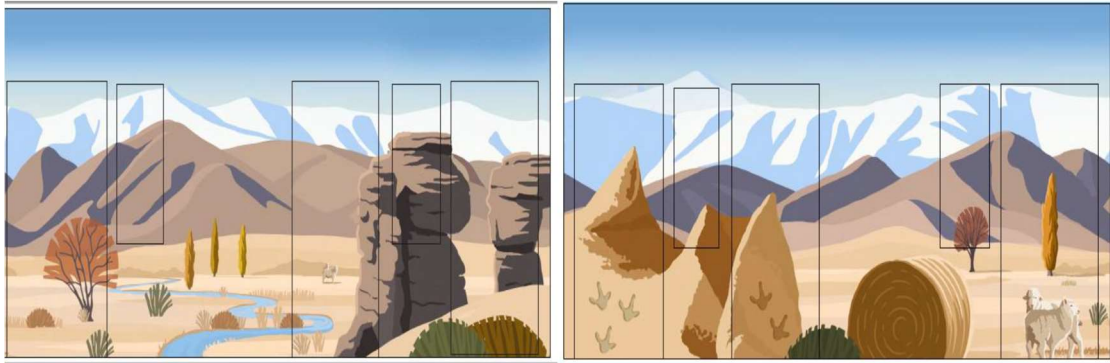


Figure 21: Artwork on the two sides reflecting Ranfurly's rural unique landscape vista.

Old Cromwell Town - Toilets

The Tourism Infrastructure Fund also funded the installation of an additional pan in each of the men's and ladies' toilets to cater for the increasing number of visitors.



Figure 22: Inside men's Old Cromwell toilets - before new toilet installation



Figure 23: Inside men's Old Cromwell toilets - after new toilet installation



Figure 224: Before new toilet installation



Figure 245: After installation in the ladies toilet



Neplusultra Street Bike Park Reserve

Planning started on the Neplusultra Street Bike Park Reserve for the installation of a new double bay public toilet. Council liaised with Cromwell Bike Park Inc. for the best location and the team created a design for a unique wrap to finish the building. The toilets are planned to be operational by Christmas 2023.

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. In 2022/23, stage 3 is completed with 1 titled section remaining to be sold.

Stage 4 is progressing with certificate of titles expected in 2023/24 where land and house packages are currently being marketed.



Figure 25: Dunstan Park subdivision 2021/22



Figure 26: Dunstan Park subdivision 2022/23

Cromwell - Gair Avenue subdivision

Council is undertaking a five-stage residential subdivision on approximately 5.3 hectares of land at Gair Ave Cromwell. The project is anticipated to become an exemplar residential development for Central Otago providing opportunities to intensify some areas as medium density residential typologies. These typologies are intended to accommodate diverse housing demands and offer cost effective and innovative housing solutions. The aim is to achieve high-quality urban design that creates a sense of community within the development, integrating the site into the wider neighbourhood, while respecting and enhancing the existing character of Cromwell. Preliminary design has been approved by the Cromwell Community Board and first stage is expected to be completed in 2023/24.



Figure 1

Cemetery Road industrial subdivision

Stage 2 of the Council's industrial subdivision at Cemetery Road, Cromwell was completed with 23 sections sold at the end of the financial year. Five sections remain which will put on market once boundary adjustment process completed.

Cromwell Memorial Hall and Event Centre



Figure 27: Artists impression of Cromwell Hall and Event Centre

Work continues the Cromwell Memorial Hall and Events Centre providing a place that respects its Memorial status delivering a modern, contemporary space for all of the community and visitors to feel welcome.

Discussion and consultation with the external stakeholder group made up of representatives from the Cromwell Town and Country Club, Cromwell Museum, Cromwell Cultural Centre Trust, Cromwell RSA, Old Cromwell Inc. and Fine Thyme Theatre continues. There has also been regular check-ins and discussion with the Project Advisory Group.

We have been partnering with Aukaha, the consultancy company for Ngāi Tahu (Kāi Tahu), to confirm the key values of this work for mana whenua and to refine the cultural conceptual overlay for the design phases with Jasmax and Council.

With this stakeholder involvement and expert advice, the Jasmax consultancy team have been able to find clever and efficient design outcomes that represent the best functionality and size of the spaces within the building. The building will cater for both our community needs and commercial uses, and ensure we get the most out of the facility.

Plans for this project have progressed from concept design (broad parameters of the project are established) to developed design (final design is shaped) and is now in the final stages of detailed design (high level of detail is reached with contractor specifications). Even though this design work is largely out of sight from the public, there is a lot going on behind the scenes to reach each of these critical design stages.

The existing hall will be demolished later this year with construction planned to commence in early 2024.

Cromwell Town Centre and Civic Facilities

Work continues on the Cromwell Town Centre and Civic Facilities where the intent is to plan an attractive, vibrant heart that is Cromwell's principal commercial area, celebrating local identity, where people congregate, spend time and business engages and invests.

Discussion and consultation with the external stakeholder group made up of representatives from the Mall continues. There has also been regular check-ins and discussion with the Project Advisory Group.

Design consultants partnered with commercial strategists have been engaged to work with Council and the business community to understand the needs (and risks) associated with an active, thriving town centre for the here but also the future.

Indicative planning has design continuing through 2024. There are sensitivities around the potential acquisition of private properties. Council and private property owners have been working cohesively on this and once secured more information will be provided.

Alexandra Library Refurbishment

The property team have been hard at work finalising the designs to refurbish our library. With feedback from the community, library staff and specialist we have now moved onto the quoting stage.

Millers Flat Hall – Heat Pumps

The Millers Flat Hall is run by a passionate committee and supports the community, creating a hub for locals. The original heating has now been replaced with 5 heat pumps throughout the building helping to provide year-round comfort.



Figure 28: Millers Flat Hall

Maniototo Stadium

The change rooms and external toilets had a face lift. The intention was to clean and seal the bricks. It became apparent that they were beyond that treatment, so a decision was made to paint them. This produced a much better outcome for ease of cleaning.



Before



After

Maniototo Arts Centre

The building was externally painted with the new colour palette selected by the Maniototo Arts Council to reflect the purpose of the building, but also art deco colours.



Before



After

Oturehua Pavilion

The changing rooms were brightened up with a coat of paint and worn carpet tiles were replaced in the meeting room/kitchen with vinyl planking, for ease of cleaning by the dedicated committee members.



Before



After

Elderly Persons Housing

The annual occupancy rate for the units was 98% - the highest occupation rate since 2002 when occupancy rates started to be recorded. The high occupancy rate made it extremely difficult to undertake full interior refurbishments. Despite that, two units in Ranfurly were refurbished including installing wet floor bathrooms. A Roxburgh unit was internally refurbished and a couple of units in Alexandra and two shared laundry areas in Ranfurly were repainted.

Spouting was replaced on the Pery St units in Ranfurly and in Leitholm Place Roxburgh.

Replacement of rotten cladding was carried out at a block of Roxburgh units followed by external painting using a modern colour palette.



Before



After

External painting at Shannon St Alexandra



Before



After

A project to replace lights at the units with LED button lighting has been completed at 53 units. This will save on power for the tenants - LED lights are more efficient, and they have a much longer life expectancy. The balance of the units will be completed over the next financial year.

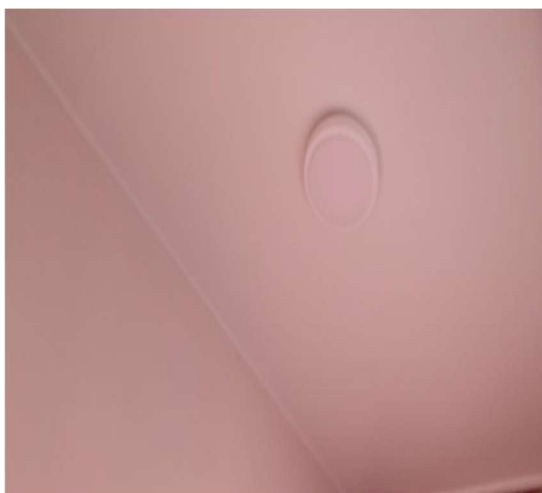


Figure 29: New LED button light units fitted both externally and internally.



What you can expect from us – Property and Community Facilities

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
A Thriving Economy and a Sustainable Environment	Community buildings are accessible and affordable to communities based on existing provision	Percentage of customer survey respondents satisfied with community buildings	>90% satisfied	69%	74%	Target not achieved. Reduced from 74% in 2022. Of those that responded only 56% had actually used the facilities. Just two comments received: Seats too hard at one Alexandra facility and the need for a rebuild of the Cromwell Hall.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Fees and charges charging policy in place	Fees and charges charging policy in place.	Achieved	Target achieved.
A Thriving Economy	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	>90% satisfied	87%	81% (new measure*)	Target not achieved. Comments from survey results indicate more public toilets are needed and identified a lack of baby change stations in existing toilets and complaint about graffiti but location not identified.

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Full compliance	Full compliance	Non-compliant, 98%	Target achieved.
	Housing suitable and affordable for elderly is provided in the main townships until such time as the need can be met by other agencies	Percentage of EPH tenancy survey respondents satisfied with their unit.	>90% satisfied	98%	98% (new measure*)	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	Full compliance.	Full compliance	Target achieved.

* New measure comparative cannot be determined due to changes in systems and processes

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 PROPERTY AND COMMUNITY FACILITIES	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
349	355	General rates, uniform annual general charges and rates penalties	344	335	380
1,991	1,668	Targeted rates	2,164	2,257	2,289
-	-	Subsidies and grants for operating purposes	-	-	-
1,595	1,885	Fees and charges	1,634	1,655	1,801
-	3	Interest and Dividends from Investments	-	-	30
1,366	149	Internal charges, and overheads recovered	1,385	1,430	451
65	187	Local authorities fuel tax, fines, infringement fees, and other receipts	65	65	96
16,536	10,556	Land and Property Sales	14,930	14,930	14,663
21,902	14,803	Total operating funding	20,522	20,672	19,710
Applications of operating funding					
2,835	2,553	Payments to staff and suppliers	2,754	2,781	2,715
-	-	Finance costs	-	-	-
1,513	355	Internal charges, and overheads applied	1,549	1,569	487
13,826	6,833	Cost of sales	11,232	11,232	6,334
328	321	Other operating funding applications	336	336	367
18,502	10,062	Total applications of operating funding	15,871	15,918	9,903
3,401	4,741	Surplus (deficit) of operating funding	4,651	4,755	9,807
CAPITAL					
Sources of capital funding					
55	313	Subsidies and grants for capital expenditure	40	40	240
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	11,000	11,000	(44)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
55	313	Total sources of capital funding	11,040	11,040	196
Applications of capital funding					
Capital expenditure					
-	753	- to meet additional demand	-	12,660	2,242
40	276	- to improve the level of service	116	1,674	565
5,762	810	- to replace existing assets	14,974	757	1,511
(2,391)	3,215	Increase (decrease) in reserves	557	659	5,710
45	-	Increase (decrease) in investments	45	45	(25)
3,456	5,054	Total applications of capital funding	15,692	15,795	10,003
(3,401)	(4,741)	Surplus (deficit) of capital funding	(4,652)	(4,755)	(9,807)
-	-	Funding balance	-	-	-



Service Centres and Libraries

Service Centres and Libraries

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 Māniatoto.

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

The Alexandra Library refurbishment and Radio Frequency Identification (RFID) projects achieved *Better Off Funding in December 2022 – that was an additional \$611,500 to meet the shortfall for the total estimated library rebuild cost of \$1,035,000 and \$361,000 for the RFID project.

Currently in the 2023/24 financial year, the Alexandra Library Renovation project is sitting on Stage 6, construction quote stage, and awaiting confirmation to push on to the next stage, construction and completion to deliver a flexible, fit-for-purpose and modern library environment, which was well and truly thought-out during Stage 5 to get the most out of the design.

When construction starts, there will be a pop-up library available. Clyde Library will also be extending its hours.

The team are also looking to maximise this opportunity and while the pop-up library is in operation, the library team will also be getting stuck into processing the books in storage to become RFID capable.

Alexandra Library Refurbishment Timeline



The aim is to create a modern future-proofed space – a space that not only provides traditional library services, while offering 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 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.

These projects will be completed in the 2023/24 financial year.



List of successful Better Off Funding projects, approved by the Department of Internal Affairs (DIA) in December 2022

- Iwi/Māori engagement to meet Tranche 2 requirements (\$50,000)
- Community Wellbeing Framework and Indicator Dataset (\$90,000)
- Progressing of the records digitisation of rateable property files (\$251,500)
- Radio Frequency Identification (RFID) installed at libraries district-wide (\$361,000)
- Alexandra and Cromwell pool liners and Cromwell Pool sand filter (\$400,000)
- Roxburgh Pool fencing project (\$108,000)
- Alexandra Community Centre earthquake strengthening and stage upgrades (\$584,500)
- Clyde Hall kitchen and accessible bathroom, fire system upgrade and double glazing (\$182,500)
- Council-owned buildings seismic assessments and other compliance reports (\$320,000)
- Alexandra Library Renovation project (\$611,500), and the Cromwell Bike Park Toilets project (\$235,000).

Library Services

- Over 135,000 people visited our libraries, rebuilding towards pre COVID-19 levels
- Issues and renewals of physical items have rebuilt to 197,295 per annum. Digital collections continue to grow in use, particularly eAudio
- 1120 new borrowers joined the libraries with 6420 individuals using library collections during the last 24 months.

Alexandra Library

The Alexandra Library Team been holding regular Wellbeing Wednesdays at Alexandra Library with experts sharing knowledge in a range of activities from meditation to mahjong, to legal advice. There have been a number of book launches and author talks featuring local authors, such as war historian Chris Worth to budding novelist Sophie Rogers.



Figure 30: Libraries Collections Manager Nikki Williams and Sophie Rodgers

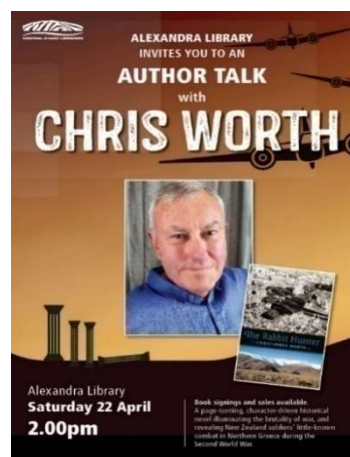


Figure 31: Author and war historian Chris Worth

Maniototo Library

The new library is part of a Ministry of Education redevelopment of Maniototo Area School. Council contributed design suggestions that delivered a welcoming and modern environment that is enhancing life-long learning and community connection.

Library users will continue to have the same great access to the shared collections across the wider district and enjoy the same sorts of events that they currently do. And importantly, the library will continue to be connected to the school, providing vital access for students to books and literacy resources – a unique arrangement that we are very proud to see occurring in the Mānīatoto.

The size of our current library is very generous, allowing storage of what librarians refer to as 'dead stock'. Dead stock are items that have not been issued in over 12 months, and at present it equates to about 33%.

The size of the new site has ample room for a collection appropriate for the population it will serve.

Cromwell Library

A highlight has been the establishment of the new StoryWalk featuring *Shrek the Sheep* (written by the children of Tarras School and edited by teachers, parents and John Perriam), and *Classic rhymes for Kiwi kids* (thanks to Peter Millett (author), Scott Tulloch (illustrator) and David Bateman Ltd (publisher)).

Throughout our district libraries we have continued to hold regular activities such as holiday programmes, “Crafternoons”, digital learning opportunities and the ever popular Worldwide Knit Day. Our libraries and service centres continue to act as an ideal central location for key drop-in sessions, such as the new kerbside collection roll out from March to May, and the Residents’ Opinion Survey 2023, and general community and engagement catch ups in the key towns and communities.



Figure 32: Cromwell Library StoryWalk



What you can expect from us - Service Centres and Libraries

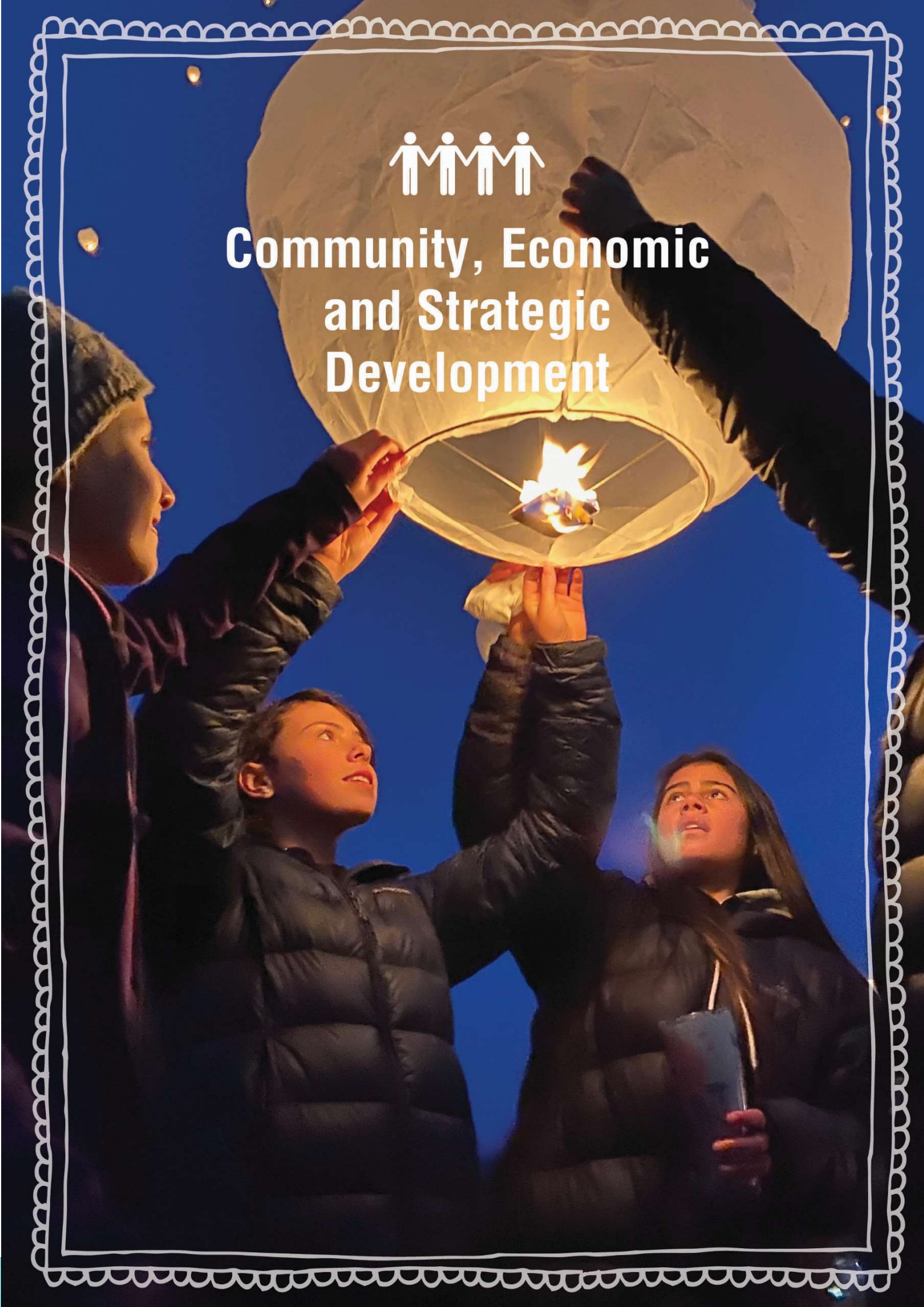
Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
A Thriving Economy and a Safe and Healthy Community	To provide a quality library service through friendly, helpful and knowledgeable staff that enables residents and visitors to have valued library experiences	Percentage of library users satisfied with the quality of library services	>90%	95%	91%	Target achieved.
A Sustainable Environment	Satisfaction with contact regarding service requests	Customer survey – the service was fast and efficient	>80%	67%	76%	Target not achieved. Comments indicate that while initial contact was fast, many felt like it took a long time for their service request to be resolved. Follow-up regarding the solution was delayed or non-existent.
		Customer survey – the service was friendly and courteous	>90%	86%	100%	Target not achieved. Comments indicate that respondents found customer service to be friendly and courteous but struggled to get through to project staff to discuss the issue or follow-up.
		Customer survey – issues dealt with effectively	>75%	64%	64%	Target not achieved. Comments indicate that a large number of respondents reported that their service

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
						request had not been resolved or had not been informed that it had been resolved.
A Thriving Economy	Satisfaction with the initial contact with Council	Customer survey – the service was fast and efficient	>90%	83%	77%	Target not achieved. Comments indicate that most have had a positive initial contact with Council. However, some noted that the after hours service does not always answer the phone.
		Customer survey – the service was friendly and courteous	>90%	92%	87%	Target achieved.
		Customer survey – issues dealt with effectively	>80%	75%	64%	Target not achieved. Comments indicate that customer service handles issues effectively. There were several who specifically commented on the good service that was provided.

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 SERVICES CENTRES AND LIBRARIES	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
-	331	General rates, uniform annual general charges and rates penalties	327	333	345
1,464	1,154	Targeted rates	1,166	1,213	1,226
147	-	Subsidies and grants for operating purposes	-	-	6
18	19	Fees and charges	18	18	12
(22)	1	Internal charges, and overheads recovered	(21)	(23)	4
9	8	Local authorities fuel tax, fines, infringement fees, and other receipts	9	9	19
1,616	1,513	Total operating funding	1,499	1,549	1,612
Applications of operating funding					
1,073	982	Payments to staff and suppliers	941	951	958
-	-	Finance costs	-	-	-
458	410	Internal charges, and overheads applied	472	492	465
1	1	Other operating funding applications	1	1	2
1,532	1,393	Total applications of operating funding	1,414	1,445	1,425
84	120	Surplus (deficit) of operating funding	85	105	187
CAPITAL					
Sources of capital funding					
-	152	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	-	-	-
-	152	Total sources of capital funding	-	-	-
Applications of capital funding					
Capital expenditure					
-	4	- to meet additional demand	-	1,100	-
-	173	- to improve the level of service	-	165	35
483	-	- to replace existing assets	1,265	-	143
(398)	95	Increase (decrease) in reserves	(1,181)	(1,161)	9
-	-	Increase (decrease) in investments	-	-	-
84	272	Total applications of capital funding	84	105	187
(84)	(120)	Surplus (deficit) of capital funding	(84)	(105)	(187)
-	-	Funding balance	-	-	-



Community, Economic and Strategic Development



Community, Economic and Strategic Development

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.

A feature of 2022/23 across the whole Council has been the stronger relationships forged with neighbouring councils and key stakeholders. Staff have worked closed with both the Waitaki District, Queenstown Lakes District and Otago Regional Councils on different projects, for the benefit of all communities.

Council signed a relationship agreement with Aukaha for the first time in the 2022/23 financial year. The inaugural hui was held in July 2022 at Whakaruruhau at Dunstan High School and marked a significant step in the relationship between Council and mana whenua. In June 2023, the elected arm of Council was welcomed onto Ōtākou marae, in another first for the district.



Figure 33: Pictured, the signing of the agreement with Aukaha at Whakaruruhau in Alexandra 2022

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 assists groups to connect with each other and link Council with community-driven activities. Central Otago is also running a three-year Welcoming Communities programme that providing opportunities for new arrivals into our district to connect, integrate and feel welcomed into our community.

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 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 provide 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

Service Request Survey

For the first time this year we conducted a Service Request Survey via email, using a sample compiled of those who submitted service requests in the past year. This process ensured that those who answered the questions were those who have had recent experience with the process and were more likely to have valuable input. Survey results will inform how we can adapt our systems to better meet the needs of our community.

Long-term Brainstorm

Pre-consultation on the Long-term Plan involved the use of a new public engagement “ideas tool” in the Let’s Talk platform. This tool allowed the public to post ideas of what they would like to see in the future. Council staff presented these community ideas to elected members for consideration in the Long-term Plan. All ideas submitted can be viewed on Council’s Let’s Talk community engagement platform.

Residents’ Opinion Survey

Increased number of responses from 183 to 440 and sample more accurately captured the demographics and geographic spread of the district. A marked increase in the under 40 age group (from 15% to 30%) is worth noting as this is an age group that is sometimes difficult to engage. Additional efforts were made to involve parts of the community that may have been less likely to participate, including youth, adult learner, migrants and recipients of social services.

Community Development

Grants

The 2022/23 financial year saw further improvements to the council grants processes as it continues to embed fair and transparent processes. A total of \$342,313 was distributed to 28 grant recipients across the district and wards.

District Vision

Much of the behind-the-scenes work was completed in 2022/23 for an exciting new project that will be launched later this year. The District Vision project will articulate the 50-year vision for Central Otago and ensure the district is well placed to respond to opportunities that come to it.

Tarras Community Plan

A community plan connects and binds people together through their shared values. It sets out what is important to the people of that place and provides a set of objects and roadmap for positive development and resilience. Members of the Tarras community approached the Council, asking for assistance to facilitate the development of a new community plan for the area. Community Development staff worked alongside the community to develop a draft plan for the Tarras area. Two surveys, along with two workshops were held to gather feedback from the community about what actions it would like to see happen to support their village.

Chorus Boxes

The relationship with Chorus continued in the 2022/23 year, with three murals being added to chorus utility boxes across the district. Cabinets in Alexandra, Clyde and Cromwell were adorned with new art works for all to enjoy.

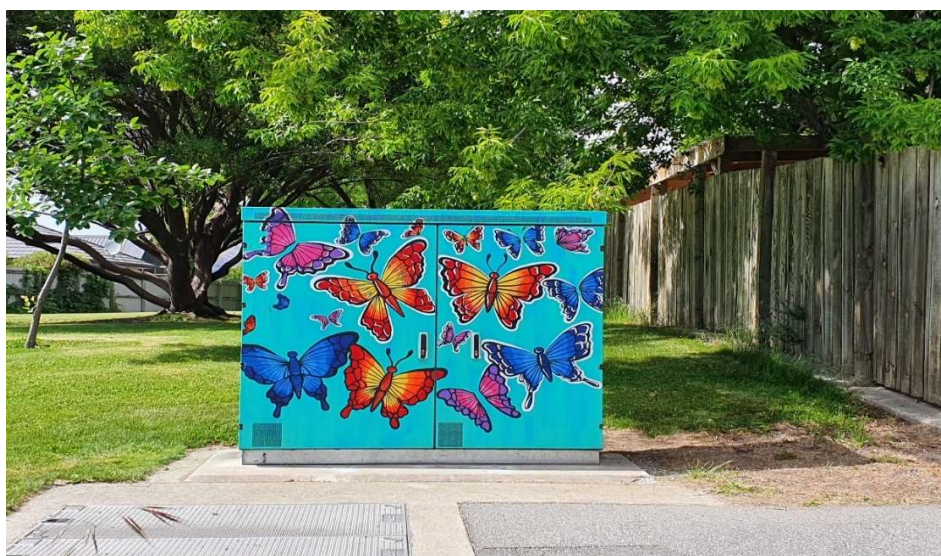


Figure 34: Artwork on a chorus utility box in Cromwell

Community Group Support Project

Staff worked alongside the Central Lakes Trust, Queenstown Lakes District Council and other organisations to develop an initiative to help better support community groups across the district. The initiative is a new and collaborative way of working which aims to strengthen community groups in Central Otago and Queenstown Lakes district by providing a region wide approach to building community capability and capacity and improve governance in the region. Funding is currently being sought before its formal launch.

Welcoming Communities

Seasonal Staff Manaaki

In 2022, Seasonal Solutions and the Central Otago District Council's Welcoming Communities recognised the need to coordinate efforts to support and integrate seasonal staff into the local communities where they live. A new working group, Seasonal Staff Manaaki was created to help seasonal staff to adjust to life in Central Otago and connect with the local community. The group recognised that improvements in staff wellbeing contributes to recruitment and retention. The group is co-chaired by Seasonal Solutions and Welcoming Communities. Other members include seasonal staff, growers, police, as well as education and wellbeing providers.

This group supported the following initiatives:

- Seasonal staff string band participated in the Blossom Festival parade.
- Welcome bags with contributions from the group provided to new seasonal staff.
- Welcome seasonal staff posters created by local schools and posted at shops most frequented by seasonal staff.
- Summerdaze international football festival held in Wanaka (collaboration with QLDC Welcoming Communities). Four football teams, which included seasonal staff, from throughout Central Otago participated.
- VANZET1 concert at Monteith's in Alexandra to support the Vanuatu RSE Cyclone Disaster Relief Fund. \$1,909 raised from the event.

Welcome Workshops/Welcoming Plan

A series of workshops were held throughout the district to get feedback from communities about their priorities for Welcoming Communities. Those priorities were taken into consideration when drafting the Welcoming Plan. The Welcoming Plan explored each of the eight Welcoming Communities standards and identified specific goals and timeframes for achieving those goals. The Welcoming Plan established the programme framework for the future.

South Asian Festival

This event was a collaboration with Arasan NZ Trust, with the purpose being to expose smaller communities like Alexandra to cultural events that are normally only accessible in large, urban areas. There were a variety of cultural performances, food, henna painting, and South Asian books on display from the library. A secondary school poster competition was held, and prizes were awarded by local celebrity judges.



Figure 35: South Asian Festival participants

Cromwell Multicultural Mural

Welcoming Communities and Central Otago District Arts Trust collaborated with a renowned street artist “Ling” to create a multicultural mural on the Alpha Street Pavilion. The mural was designed to be a catalyst to welcome cultural diversity in our community and recognise the power of sport and recreation to facilitate, encourage and embrace unity and social cohesion.



Figure 36: Alpha Street Pavilion multicultural mural by street artist Ling

Eden Hore Central Otago

The Eden Hore Central Otago (EHCO) fashion collection has been gifted three additional garments. The garments were originally owned by a former housekeeper and land-girl of Eden Hore, the late Alma McElwain, and were kindly gifted to the collection by a generous anonymous donor.

The EHCO acquisition committee unanimously agreed that these garments were a valuable addition to the collection. They are all beautifully designed in very good condition. The timing of their design aligns with the period when Ms McElwain was working for Eden, and it is most probable that the Māniatoto high-country farmer / fashion enthusiast would have had direct involvement in their purchase.

The newly acquired garments include a white evening gown with an ostrich feather trimmed cape, by the design label Lewis Townsend Original, a gold sequined top and trouser suit by designer Kevin Berkahn, and a woven daywear coat by designer Colin Cole.



Figure 38: Lewis Townsend evening gown



Figure 37: Colin Cole daywear coat

Economic Development

Teviot Valley Community Hub

Council assisted local horticultural employers in the Teviot Valley to secure funding to support resilience in rural communities and the attractiveness of the Teviot Valley as a place to live. Council supported this group into the next stage to establish a local project group, contract a project coordinator, and begin delivering projects.

Otago Regional Economic Development (ORED)

In line with the regional economic development priorities for Otago (learning, food, collaboration, and lifetime value). ORED facilitated international experts to deliver collaboration training in Otago and coordinated a funding application to develop pilots on how to maximise value from visitors.

Startup Central – supporting business startups

Local business startups were supported through the provision of online courses and monthly Think Drinks events. Ten Think Drinks events were organised over this period connecting startups and entrepreneurs with each other and through guest speakers providing inspiration from local success stories, and learning opportunities.

Inspiring the Future

Council supported the Tertiary Education Commissions Inspiring the Future programme to be piloted in Central Otago and Queenstown Lakes in the first half of 2023. The programme is run in schools to raise awareness and challenge stereotypes of the employment opportunities available locally.

Fruit Loss - Unlocking value from food waste – Stage 2 and 3

Following the initial report Understanding Fruit Loss in Central Otago that quantified fruit loss in Central Otago, staff facilitated a workshop with stakeholders to establish next steps. These include understanding processing capacity and constraints in the district, identifying existing products globally that the produce could be made into, and understanding the opportunity to leverage existing brand and sales channels. Funding was secured from industry, private organisations, and Central Government agencies to carry out this research. Research findings were presented back to stakeholders in November 2022 and final reports were published in January 2023. Council facilitated the project group including assisting with funding applications, contracting research, and project management. Following the presentation several parties connected and have begun exploring a collaborative approach to processing.

Tourism Central Otago

An overview of progress toward the building blocks of the Central Otago Destination Management Plan over the last 12 months.

Inspiring Environmental Stewardship

Activating the destination management plan requires building a baseline of knowledge and requirements from different stakeholders in the region. Tourism Central Otago have built a series of programmes to utilise the skills of local and national industry leaders in educating the local tourism industry. These include Tourism Sustainability, Waste Minimisation, and Accessible Tourism.

Other initiatives included: local climate scientist Dr Greg Bodeker publishing a series of blog articles throughout 2022 on centralotagonz.com; and the involvement of Community Vision Group Manager Dylan Rushbrook on the Technical Sub-Committee of the Aotearoa Circle Visitor Economy Adaptation Roadmap.

Next Generation Community Engagement

The public launch of the destination management plan included a roadshow through Central Otago communities with presentations held in Tarras, Cromwell, Alexandra, Omakau, Ranfurly, Roxburgh and Millers Flat.

A new format of open-to-all destination management plan Activation Workshop was trialled in May 2023, with speakers aligned to the Environmental Stewardship and Product Development strategies.

Making a Difference with Placemaking

The Tourism Central Otago team is working with the Regional Identity Advisor and Ngāi Tahu (Kāi Tahu) (through Aukaha) to build an increased awareness and integration of the stories of mana whenua through the Regional Identity section of centralotagonz.com website.

A collaboration with the museum and heritage sectors is also in development to ensure access to imagery to support the promotion and awareness of these stories.

Advancing Workforce and Talent Development

Tourism Central Otago is supporting the Economic Development Manager and Welcoming Communities programme in the development of initiatives to help promote Central Otago as a place to work, and to help retain the workers already in the region. Highlights include: the Central Mahi summer recruitment campaign; Welcoming Communities workshops; and development of recruitment videos.

Authentic Branding and Customer Engagement

The positioning and awareness of Central Otago to relevant markets continues to be a primarily function of Tourism Central Otago, with on-going work in supporting PR & Media, Travel Trade, Business Events and Digital Content.

The food and beverage story, *Central Otago – A World of Flavour* launched in September 2022 with dedicated content on the regional website www.centralotagonz.com. The series of videos take people behind the visitor experience to meet the growers and producers and hear how they work with the landscape and climate.

Continued investment in targeted research and insights will complement Tourism Central Otago activity and track the market perceptions of the destination.

Leading Cross-Sector Partnerships

To drive and progress the destination management plan it is important that we look beyond the traditional view of tourism and engage across the various sectors in the district. Tourism Central Otago and Economic Development have partnered with Queenstown Lakes District Council, Enterprise Dunedin and Tātaki Auckland Unlimited to complete research into the Lifetime Value of a Visitor. This research has now secured funding from the Tourism Innovation Fund to trial pilot projects over the next 6 months into what interventions can help open up future spend by visitors once they return to their place of residence. This may include buying NZ products, investing in NZ businesses, moving to NZ, or sending children to be educated in NZ.

A draft Central Otago Events Strategy is nearly completed that will look to Tourism Central Otago and Council's role in supporting the events industry and what opportunities there are for leveraging our strengths in different sectors to drive increased awareness, visitation and spend, and increasing the capability of local events.

High Impact Tourism Alliances

Continued partnerships with Regional Tourism Organisations across New Zealand and the lower South Island have helped to increase awareness, knowledge and marketing of the region's assets.

The Southern Way project (formally 45 South) launched in May 2023 and is a grouping of the 8 Regional Tourism Organisations in the Lower South Island to collaborate on the promotion of longer stays, low impact itineraries, and impactful travel.

The Otago Trails Marketing initiative is currently renewing the Memorandum of Understanding between the four Regional Tourism Organisations and five Trail Trusts to collaboratively promote and market Otago as the home of Trails in New Zealand. Increasing awareness of five Great Rides (Ngā Haerenga) and ensure that visitors and locals are able to support our communities, environment and businesses.

As a member of Regional Tourism New Zealand, Tourism Central Otago is able to access development, training and advocacy support and meet regularly with other Regional Tourism Organisations across the country, building awareness and connection to the approach being taken to destination management across the country.

Sustainable Funding and Investment

Tourism Central Otago have contracted Cycle Trail Scenario Forecasting into future usage scenarios of the cycle trails as the network expands and to identify the additional public or private investment that may be required to support growth under different growth projections. This work is expected to be completed by Spring.

State-of-the-art Connectivity

As visitor expectations of digital connectivity and enablement increase, and the technology required by businesses to deliver services increases, Tourism Central Otago – with Economic Development and Information Services – have commissioned a report into digital Fibre Infrastructure across the district.

Tourism Central Otago are continuing to invest in the development and enhancement of the centralotagonz.com website platform as the key platform for locals, visitors and businesses to get knowledge of the Central Otago communities, product offerings and regional stories.

Exceptional New Product Development

Central government funding enabled Tourism Central Otago to employ a fixed-term Operator Capability and Training support through until June 2023. Throughout this period 235 one-on-one meetings or visits were held with local businesses; 30 businesses committed to the Tourism Industry Aotearoa Sustainability Commitment, and 80 new or updated businesses were added to the Tourism Central Otago database.

Central Otago Business Events promote the region as a destination for small-medium conference and incentive groups. This activity is supported by a user-pays model and has attracted 14 businesses who are looking to target this market. Activity has included promotion in national media channels, attending key industry events, and the development of a specific Business Events section on centralotagonz.com. Recently Central Otago Business Events secured the hosting of the Australian and New Zealand Sustainable Trails Conference in Cromwell for March 2024.



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

Community outcome	Our objective level of service	How we measure success	Our aim years 1-3	2022/23 Results	2021/22 Results	Comments
Connected community	Community feel they are informed about Council activities	Percentage of respondents to customer survey who feel they are informed about Council activities.	>75%	76%	68%	Target achieved.
	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.	>75%	76%	70%	Target achieved.
	Connect and support people involved in community-led development initiatives.	Council to facilitate a hui for local people involved in community-led development.	Two hui held per year	Four hui achieved	One hui achieved	Target achieved. Two community workshops were held with the Tarras community while drafting a new community plan for the area. A number of workshops were also held in the Teviot Valley seeking input in the Teviot Spatial plan. In addition, a community hui was held about working together better to support community organisations and a hui to discuss the Manuherehia exemplar project was also facilitated.
Thriving economy Connected community Sustainable environment	Council's economic development projects and activities are adding value	Percentage of respondents to customer survey who are satisfied with the type of	75%	76%	37%	Target achieved.

Community outcome	Our objective level of service	How we measure success	Our aim years 1-3	2022/23 Results	2021/22 Results	Comments
	relevant for Central Otago communities.	economic development activity that Council is involved in.				
	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.	75%	78%	62%	Target achieved.
	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.	>80%	89%	89%	Target achieved.

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 COMMUNITY, ECONOMIC AND STRATEGIC DEVELOPMENT	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
1,600	1,606	General rates, uniform annual general charges and rates penalties	1,817	1,823	1,819
1,608	1,808	Targeted rates	2,038	1,670	1,677
404	-	Subsidies and grants for operating purposes	(24)	246	488
72	14	Fees and charges	64	64	26
11	7	Internal charges, and overheads recovered	12	18	24
80	147	Local authorities fuel tax, fines, infringement fees, and other receipts	53	53	129
3,775	3,582	Total operating funding	3,960	3,873	4,163
Applications of operating funding					
2,324	2,605	Payments to staff and suppliers	2,429	2,398	2,572
2	-	Finance costs	2	2	-
812	719	Internal charges, and overheads applied	827	849	803
-	2	Cost of sales	-	-	-
574	527	Other operating funding applications	638	558	687
3,712	3,853	Total applications of operating funding	3,896	3,807	4,062
63	(271)	Surplus (deficit) of operating funding	64	66	101
CAPITAL					
Sources of capital funding					
-	989	Subsidies and grants for capital expenditure	-	-	48
-	-	Development and financial contributions	-	-	-
-	-	Increase (decrease) in debt	-	-	(63)
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	989	Total sources of capital funding	-	-	(15)
Applications of capital funding					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	29
-	-	- to replace existing assets	-	-	-
60	625	Increase (decrease) in reserves	61	64	57
3	93	Increase (decrease) in investments	3	3	-
63	718	Total applications of capital funding	64	66	86
(63)	271	Surplus (deficit) of capital funding	(64)	(66)	(101)
-	-	Funding balance	-	-	-



Governance and Corporate Services



Governance and Corporate Services

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, Governance facilitates and supports Council and community boards, ensures agendas are published and available to the public, and runs local body elections every three years.

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

Governance wants to ensure that communities are involved in these decisions and activities – that people are kept up to date and are able to 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 the 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.

This group has a responsibility to plan and provide for civil defence emergency management within the district. Working 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 live streamed

Council meetings are live-streamed. The links to these meetings, along with any cancellations and rescheduling, are provided on Council's website

<https://www.codc.govt.nz/your-council/meetings>.

Local body elections

Local body elections were held in October 2022 which resulted in a mix of existing members returning and new members joining Council and Community Boards. Upon completion of those elections, elected members started an induction period. This included seminars on teamwork, governance and how local government works. Councillors also visited Ōtākou Marae as part of their induction to the new triennium. Throughout the triennium, elected members will be upskilling in a range of topics, for example understanding financial statements.

Digitisation of services

MyCODC digital customer portal is gaining popularity with 7,696 submitted during the 2021/22 financial year, increasing to 10,749 for the 2022/23 financial year. More forms have been digitised over the last 12 months, with more to come. Expanding the range of services available online, while maintaining usual customer interaction options including in-person, telephone, and post.

The digitisation of property files has reached 50% completion of the 15,000 properties at the end of June 2023. New property related information is being received and converted to digital on receipt. This is now resulting in many property file requests for the public and use on Land Information Memorandums (LIMs) already being digital.

The latest urban aerals flying was placed on hold until November/December 2023 due to cloudy conditions during the 2022 summer. The council undertakes the renewal of urban aerals every four years to ensure our district growth is captured to enable district planning.



What you can expect from us – Governance and Corporate Services

Community outcome	Our objective level of service	How we measure success	Our Aim Years 1-3	2022/23 Results	2021/22 Results	Comments
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	>75%	62%	59%	Target not achieved. Comments received indicate that satisfaction is high, but that elected members need to listen more.
	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	Nil	Target achieved.
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%	100%	Target achieved.
	To protect the privacy of individuals dealing with Council	Number of upheld complaints relating to breaches of privacy	Nil	Nil	Nil	Target achieved.

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement For the year ended 30 June 2023 GOVERNANCE AND CORPORATE SERVICES	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
1,248	1,201	General rates, uniform annual general charges and rates penalties	1,462	974	856
266	510	Targeted rates	282	285	342
-	-	Subsidies and grants for operating purposes	-	-	9
36	49	Fees and charges	36	36	38
388	86	Interest and Dividends from Investments	400	500	254
6,439	(271)	Internal charges, and overheads recovered	6,663	7,033	8291
83	41	Local authorities fuel tax, fines, infringement fees, and other receipts	143	143	45
8,459	1,616	Total operating funding	8,986	8,970	9,835
Applications of operating funding					
7,090	6,350	Payments to staff and suppliers	7,332	7,384	7,370
72	37	Finance costs	72	72	40
314	(5,687)	Internal charges, and overheads applied	336	549	1,973
23	20	Other operating funding applications	3	3	20
7,499	720	Total applications of operating funding	7,743	8,009	9,403
960	896	Surplus (deficit) of operating funding	1,243	961	432
CAPITAL					
Sources of capital funding					
-	17	Subsidies and grants for capital expenditure	-	-	20
-	310	Development and financial contributions	-	-	546
-	-	Increase (decrease) in debt	-	-	(40)
-	-	Gross proceeds from sale of assets	-	-	2
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	327	Total sources of capital funding	-	-	528
Applications of capital funding					
Capital expenditure					
77	100	- to meet additional demand	77	3	1
9	144	- to improve the level of service	13	190	523
439	174	- to replace existing assets	450	347	80
128	599	Increase (decrease) in reserves	393	112	425
309	206	Increase (decrease) in investments	309	309	(69)
960	1,223	Total applications of capital funding	1,242	961	960
(960)	(896)	Surplus (deficit) of capital funding	(1,242)	(961)	(432)
-	-	Funding balance	-	-	-

FINANCIALS

NEW ZEALAND

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2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement Whole of Council for the year ended 30 June 2023	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
Sources of operating funding					
7,659	8,055	General rates, uniform annual general charges and rates penalties	8,401	8,519	8,641
27,241	27,489	Targeted rates	29,950	29,889	29,881
3,720	2,396	Subsidies and grants for operating purposes	2,724	2,415	3,571
5,180	5,647	Fees and charges	5,543	5,529	5,890
389	89	Interest and dividend from investments	401	500	284
2,666	3,223	Local authorities fuel tax, fines, infringement fees, and other receipts	2,693	2,693	2,960
17,286	10,556	Land and Property Sales	14,930	14,930	14,663
64,141	57,455	Total operating funding	64,642	64,475	65,890
- Applications of operating funding					
36,634	36,352	Payments to staff and suppliers	37,263	37,395	39,101
74	38	Finance costs	708	600	672
-	-	Internal charges, and overheads applied	-	-	-
13,926	6,837	Cost of sales	11,232	11,232	6,338
1,555	1,440	Other operating funding applications	1,470	1,474	2,290
52,189	44,667	Total applications of operating funding	50,673	50,700	48,401
11,953	12,788	Surplus (deficit) of operating funding	13,969	13,775	17,489
CAPITAL					
Sources of capital funding					
3,584	13,032	Subsidies and grants for capital expenditure	3,282	3,689	2,777
2,104	2,843	Development and financial contributions	2,192	2,192	4,706
13,000	5,000	Increase (decrease) in debt	18,000	22,700	20,000
-	-	Gross proceeds from sale of assets	-	-	23
-	-	Lump sum contributions	717	-	-
-	-	Other dedicated capital funding	-	-	89
18,689	20,875	Total sources of capital funding	24,191	28,581	27,595
Applications of capital funding					
Capital expenditure					
2,305	4,424	- to meet additional demand	2,137	21,450	13,003
8,075	27,312	- to improve the level of service	7,305	17,851	12,794
20,453	9,021	- to replace existing assets	28,357	10,978	9,614
(634)	(7,391)	Increase (decrease) in reserves	(81)	(8,280)	9,767
442	296	Increase (decrease) in investments	442	357	(94)
30,641	33,662	Total applications of capital funding	38,159	42,356	45,084
(11,953)	(12,787)	Surplus (deficit) of capital funding	(13,958)	(13,775)	(17,489)
-	1	Funding balance	-	-	-

2021/22 LTP Yr 1 \$000	2021/22 Actual \$000	Funding Impact Statement Reconciliation for the year ended 30 June 2023	2022/23 LTP Yr 2 \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
OPERATING					
11,953	12,787	Surplus (deficit) of operating funding from funding impact statement	13,968	13,775	17,489
(9,997)	(10,629)	Depreciation	(10,827)	(10,857)	(17,396)
3,584	13,032	Subsidies and grants for capital purposes	3,999	3,689	2,777
2,104	2,843	Development and financial contributions	2,192	2,192	4,706
-	10,032	Vested Assets	-	-	12,759
-	(335)	Gain (loss) on sales of assets	-	-	23
-	666	Valuation gains / (Losses)	-	-	385
-	-	Other dedicated capital funding	-	-	89
7,644	28,396	Net surplus (deficit) before tax in statement of financial performance	9,332	8,798	20,833

2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2023	Notes	2022/23 Annual Plan \$000	2022/23 Actual \$000
REVENUE					
Revenue from non-exchange transactions					
34,900	35,545	Rates	1	38,408	38,522
7,303	15,428	Subsidies and Grants	2	6,102	6,347
1,937	2,399	Regulatory fees	3	2,007	2,295
5,095	5,673	User fees and other income	3	5,262	5,756
2,104	2,843	Development and financial contributions	3	2,192	4,710
-	10,032	Vested and previously unrecognised assets	4	-	12,759
-	(140)	Gains (losses) on revaluation of forestry assets	5	-	(1)
Revenue from exchange transactions					
383	340	Direct charges revenue – full cost recovery	6	518	418
432	458	Rental revenue	6	437	466
388	89	Interest		500	284
-	-	Dividends		-	-
-	52	Profit on sale of assets		-	169
17,286	10,556	Land Sales		14,930	14,663
-	806	Gains (losses) on revaluation of investment properties	5	-	385
69,829	84,081	TOTAL REVENUE		70,356	86,773
EXPENDITURE					
12,891	12,491	Employee benefit expenses	7	13,305	12,896
9,997	10,629	Depreciation and amortisation	19,20	10,857	17,396
74	38	Finance costs		600	672
-	-	Valuation losses		-	-
-	387	Loss on disposal of assets		-	146
13,926	6,837	Cost of Sales	8	11,232	6,338
25,296	25,303	Other expenses	8	25,564	28,492
62,185	55,685	Total Expenditure		61,559	65,940
7,644	28,396	Surplus/(Deficit) before tax		8,797	20,833
-	-	Income tax expense	9	-	-
7,644	28,396	Surplus/(Deficit) after tax		8,797	20,833
Gain on asset revaluations					
-	3,364	Gains (loss) on revaluation of bridge assets		1,433	(13,981)
36	10,567	Gains (loss) on revaluation of building assets		772	(559)
-	42,944	Gains (loss) on revaluation of land assets		7	-
1,180	-	Gains (loss) on revaluation of parks and reserves assets		3,674	-
4,065	56,115	Gains (loss) on revaluation of roading assets		17,182	21,477
(953)	5,387	Gains (loss) on revaluation of stormwater assets		1,350	3,569
(2,118)	15,820	Gains (loss) on revaluation of wastewater assets		3,843	4,847
(2,946)	32,848	Gains (loss) on revaluation of water assets		5,241	13,106
(736)	167,045	Total gain on asset revaluations		33,502	28,459
-	-	Gain on available for sale financial assets		-	-

2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2023	Notes	2022/23 Annual Plan \$000	2022/23 Actual \$000
-	-	Gains (loss) on revaluation of investment bonds		-	-
-	6	Gains (loss) on revaluation of share equities		-	(8)
-	6	Total gain on available for sale financial assets		-	(8)
(736)	167,051	Total other comprehensive income		33,502	28,451
6,908	195,447	Total comprehensive income		42,299	49,284

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

2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000	CHANGES IN EQUITY for the year ended 30 June 2023	Notes	2022/23 Annual Plan \$000	2022/23 Actual \$000
PUBLIC EQUITY					
891,344	899,340	Public equity balance at 1 July		919,324	1,094,886
Accumulated funds					
393,920	411,812	Balance at 1 July		420,841	440,307
7,644	28,396	Surplus/(Deficit)		8,798	20,833
-	-	Transfer to restricted reserves		-	-
-	99	Transfer from property revaluation reserve on disposal		-	(31)
401,564	440,307	BALANCE AT 30 JUNE	10	429,639	461,109
OTHER RESERVES					
Property revaluation reserve					
497,365	487,468	Balance 1 July		498,424	654,513
(736)	167,045	Revaluation gains/(loss)		33,502	28,459
-		Transfer to accumulated funds on disposal on property		-	
496,629	654,513	Balance at 30 June	10	531,926	682,972
Fair value through other comprehensive revenue reserve					
(20)	(20)	Balance at 1 July		(20)	(14)
-	6	Revaluation gains/(loss)		-	(8)
(20)	(14)	Balance at 30 June	10	(20)	(22)
Restricted Reserves (trust and bequest funds)					
80	80	Balance at 1 July		80	80
		- Transfer from accumulated funds		-	-
80	80	Balance at 30 June	10	80	80
496,689	654,579	Total other reserves		531,986	683,030
898,253	1,094,886	Public Equity 30 June		961,624	1,144,139

2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000	STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2023	Notes	2022/23 Annual Plan \$000	2022/23 Actual \$000
EQUITY					
401,564	440,307	Accumulated funds	10	429,639	461,109
496,629	654,513	Property revaluation reserve	10	531,926	682,972
(20)	(14)	Fair value through other comprehensive income revenue reserve	10	(20)	(22)
80	80	Restricted reserves	10	80	80
898,253	1,094,886	Total equity		961,625	1,144,139
REPRESENTED BY:					
Current assets					
19,896	6,735	Cash and cash equivalents	11	11,972	17,510
8,000	-	Other financial assets	12	8,000	-
3,171	4,743	Receivables	13	3,171	4,307
625	-	Investment Bonds	12	625	-
1,509	5,119	Inventories	14	1,509	4,574
33,201	16,597	Total current assets		25,277	26,391
Less current liabilities					
273	273	Agency and deposits	15	273	546
4,706	9,963	Payables and deferred revenue	15	4,705	9,939
1,010	761	Employee entitlements	16	1,010	709
-	5,000	Borrowings and other financial liabilities	18	-	20,000
5,988	15,997	Total current liabilities		5,988	31,194
27,212	600	Working capital		19,289	(4,678)
Non-current assets					
-	-	Available for sale financial assets	12	-	-
109	114	Other financial assets	12	109	231
333	231	Loans and receivables	17	333	145
26,032	48,471	Work in Progress	19	51,766	13,083
865,260	1,037,093	Property, plant and equipment	19	929,974	1,131,383
2,271	1,351	Intangible assets	20	937	1,570
357	291	Forestry assets	22	469	290
1,683	6,735	Investment property	23	6,452	7,240
896,045	1,094,286	Total non-current assets		990,040	1,153,942
Less non-current liabilities					
5	-	Provisions	25	5	-
25,000	-	Borrowings and other financial liabilities	18	47,700	5,000
25,005	-	Total non-current liabilities		47,705	5,000
898,253	1,094,286	Net assets (assets minus liabilities)		961,624	1,144,139

2021/22 LTP1 Yr 1 \$000	2021/22 Actual \$000	STATEMENT OF CASH FLOW for the year ended 30 June 2023	2022/23 Annual Plan \$000	2022/23 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
52,160	63,492	Receipts from rates, fees and other revenue	54,930	59,287
388	89	Interest received	500	284
-	-	Dividends received	-	-
-	(678)	Net GST	-	117
(38,175)	-	Interest Paid	(600)	(672)
-	(40,711)	Payments to suppliers and employees	(50,106)	(41,014)
14,373	22,192	NET CASH FLOW FROM OPERATING ACTIVITIES	4,724	18,002
CASH FLOWS FROM INVESTING ACTIVITIES				
3,360	3,771	Receipt from sale of property, plant and equipment	14,930	8,494
-	25,500	Receipt from sale of investments	-	9,500
-	-	Receipts from the repayment of loans and receivables	-	-
(30,834)	(40,529)	Purchase of property, plant and equipment	(50,278)	(35,214)
-	(214)	Purchase of intangibles	-	(383)
-	-	Purchase of forestry	-	-
-	(14,000)	Purchase of investments	-	(9,625)
-	-	Investment in loans and receivables	-	-
(27,474)	(25,471)	NET CASH FLOW FROM INVESTING ACTIVITIES	(35,348)	(27,228)
CASH FLOWS FROM FINANCING ACTIVITIES				
24,375	5,000	Proceeds from borrowings	22,700	20,000
(40)	-	Repayment of borrowings	-	-
24,335	5,000	NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	22,700	20,000
11,234	1,721	Net cash increase (decrease) in cash held	(7,923)	10,774
8,662	5,014	Opening cash held 1 July	19,896	6,735
19,896	6,735	Closing cash held 30 June	11,972	17,510

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 2022/23 \$000	Transfers In 2022/23 \$000	Transfers Out 2022/23 \$000	Closing Balance 2022/23 \$000
GENERAL RESERVES				
General Reserves	1,476	3,469	(4,978)	(34)
Uniform Annual General Charge Reserves	152	150	(5)	297
Total General Reserves	1,628	3,619	(4,983)	264
TARGETED RESERVES				
Planning and Environment Rate	2,726	446	(138)	3,034
Economic Development Rate	-	-	-	-
Tracks and Waterways Charge	557	32	(12)	576
Tourism Rate	459	40	(188)	311
Waste Management and Collection Charge	(3,007)	93	(516)	(3,430)
District Library Charge	105	38	(75)	67
Molyneux Park Charge	(83)	78	-	(5)
District Works and Public Toilets Rate	4,248	2,499	(248)	6,499
District Water Supply	(16,601)	17,626	(19,310)	(18,285)
District Wastewater	(18,177)	21,923	(17,684)	(13,938)
Total Targeted Reserves	(29,774)	42,775	(38,171)	(25,169)
Specific and Other Reserves	329	21	(144)	206
Total Specific and Other Reserves	329	21	(144)	206
WARD TARGETED RESERVES				
Vincent Community Board Reserves				
Vincent Promotion Rate	-	-	-	-
Vincent Recreation and Culture Charge	(860)	119	(843)	(1,585)
Vincent Ward Services Rate	5,069	2,544	(169)	7,444
Vincent Ward Services Charge	54	-	(60)	(6)
Vincent Ward Specific Reserves	1,210	75	(4)	1,281
Vincent Ward Development Fund	665	105	-	771
Alex Town Centre Upgrade	(157)	1	(49)	(206)
Total Vincent Community Board Reserves	5,980	2,844	(1,125)	7,699

Statement of RESERVE MOVEMENTS	Opening Balance 2022/23 \$000	Transfers In 2022/23 \$000	Transfers Out 2022/23 \$000	Closing Balance 2022/23 \$000
Cromwell Community Board Reserves				
Cromwell Promotion Rate	-	-	-	-
Cromwell Recreation and Culture Charge	(1,328)	88	(2,472)	(3,712)
Cromwell Ward Services Rate	19,292	9,378	(897)	27,773
Cromwell Ward Services Charge	16	0	(14)	2
Cromwell Ward Specific Reserves	(317)	20	(21)	(318)
Cromwell Ward Development Fund	1,898	497	(104)	2,291
Total Cromwell Community Board Reserves	19,560	9,982	(3,507)	26,035
Maniototo Community Board Reserves				
Maniototo Promotion Rate	-	-	-	-
Maniototo Recreation and Culture Charge	707	145	(138)	714
Maniototo Ward Services Rate	2	327	(491)	(162)
Maniototo Ward Services Charge	105	8	(90)	23
Maniototo Ward Specific Reserves	253	20	-	273
Maniototo Ward Development Fund	-	-	-	-
Total Maniototo Community Board Reserves	1,067	500	(719)	848
Teviot Valley Community Board Reserves				
Teviot Valley Promotion	15	2	-	17
Teviot Valley Recreation and Culture	352	54	(253)	153
Teviot Ward Services Rate	1,021	97	(266)	852
Teviot Ward Services Charge	-	-	-	-
Teviot Ward Specific Reserves	-	-	-	-
Teviot Ward Development Fund	102	16	(3)	114
Total Teviot Valley Community Board Reserves	1,489	169	(522)	1,136
Total Reserves	280	59,910	(49,173)	11,017

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.

VARIANCE REPORT for the year ended 30 June 2023	2022/23 Actual \$000	2022/23 Annual Plan \$000	2022/23 Variance Favourable / (Unfavourable) \$000
REVENUE			
Revenue from non-exchange transactions			
Rates	38,522	38,408	114
Subsidies and Grants	6,347	6,102	245
Regulatory fees	2,295	2,007	288
User fees and other income	5,670	5,262	408
Development and financial contributions	4,796	2,192	2,604
Vested and previously unrecognized assets	12,759	-	12,759
Gains (losses) on revaluation of forestry assets	(1)	-	(1)
Revenue from exchange transactions			
Direct charges revenue – full cost recovery	418	518	(100)
Rental revenue	466	437	29
Interest	284	500	(216)
Dividends	-	-	-
Profit on sale of assets	169	-	169
Land Sales	14,663	14,930	(267)
Gains (losses) on revaluation of investment properties	385	-	385
TOTAL REVENUE	86,773	70,356	16,417
EXPENDITURE			
Employee benefit expenses	12,896	13,305	409
Depreciation and amortisation	17,396	10,857	(6,539)
Finance costs	672	600	(72)
Valuation losses	-	-	-
Loss on disposal of assets	146	-	(146)
Cost of Sales	6,338	11,232	4,894
Other expenses	28,492	25,564	(2,928)
TOTAL EXPENDITURE	65,940	61,559	(4,382)
NET SURPLUS / (DEFICIT)	20,833	8,797	12,037

Explanation of variances

Revenue

Rates

Rates income is on par with annual plan with an increase of \$114k. Rates collected due to the timing of the annual plan and the setting of the rates giving a total of \$337k. Penalties has increased by \$186k, with water metered charges being lower than budget (\$409k).

Subsidies and grants

Subsidies and grants have \$245k favourable variance against budget. Majority of additional grant income was from Better Off Funding of \$172k, Three Waters transition support funding of \$283k, Tourism infrastructure funding of \$196k. The Waka Kotahi (NZTA) grant was lower than expected by (\$701K).

User fees and other income

User fees revenue has a favourable variance of \$408k compared to annual plan budget. This includes cost recovery for the Regional Three Water Director position. Additional favourable variances are for Elderly persons housing and environmental engineering charges for processing resource consents.

Vested assets

Additional revenue of \$12.759M has been received from vested assets. The bulk of the assets attributed to this include the subdivisions at Cromwell and Alexandra being Wooing Tree, Prospectors Park, and Dunstan Park.

Development contributions

Development contributions has a favourable variance of \$2.604M. Greater than expected contributions are linked to Cromwell water and wastewater, along with district roading contributions.

Land sales

Land sales were lower than expected budget by (\$267k). Cemetery Road and Dunstan Park stage 3 subdivisions are nearly complete with few sections remaining to be sold. Cromwell Gair Ave development is in planning process.

Interest

Interest revenue has an unfavourable variance of (\$216k) against the annual plan. Projects were managed within existing cashflows to minimise the level of debt funding required.

Expenditure

Depreciation and amortisation

Depreciation and amortisation has an unfavourable variance of (\$6.539M) against the annual plan. This is result of higher than planned depreciation due to significant increases in the land, building, roading and three water valuations at as 30 June 2022.

Cost of Sales

Cost of sales has a favourable difference of \$4.894M against the annual plan. Cemetery Road and Dunstan Park stage 3 subdivision are nearly complete with few sections remaining to be sold. Cromwell Gair Ave development is in planning process.

Other expenses

Other expenses has an unfavourable variance of (\$2.928M) against the annual plan. This is driven by predominately increases in insurance and three waters compliance costs. Three water compliance costs have increased because of regulation changes from three water reform, along with an increase in service requests and reactive repairs. Additionally, the Roxburgh pool grant of \$500k was paid out in the 2022/23 financial year. This was budgeted in the 2021/22 financial year.

Accounting policies

1. Reporting Entity

The Central Otago District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled within New Zealand. The 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 2023. The financial statements were authorised for issue by the Council on 13 December 2023. Council does not have the power to amend the financial statements after issue.

The Council has adopted the Annual Report 30 June 2023 outside of statutory deadlines.

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.

New amendments applied

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The standard sets out the recognition and measurement requirements for the classes of financial instruments (refer to Note 30. Financial Instruments).

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. PBE FRS 48 applies to all Tier 1 and Tier 2 public sector public benefit entities required by legislation to provide information in respect of service performance in accordance with generally accepted accounting practice (GAAP).

The objective of PBE FRS 48 is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report.

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 19).

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off": when remitted in accordance with the Councils rates remission policy and in accordance with the write-off criteria of section 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year over due.

Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

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
- Roothing

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	30-100 years
- structures	5-100 years	Footpaths and cycle	20-100 years
- external fabric	5-100 years	Kerb and channel	70-100 years
- services	5-80 years	Roads – sealed	5-135 years
- internal fit out	5-80 years	Roads – unsealed	5-100 years
Equipment, furniture and fittings	2-10 years	Roads – land and formation	Not depreciated
Motor vehicles and plant	3-25 years	Sewerage plant and equipment*	2-50 years
Library books	5-10 years	Sewerage reticulation	5-80 years
Parks and reserves	2-100 years	Stormwater networks	77 years
Other assets	1-80 years	Water plant and equipment*	10-65 years
Parks, reserves and other assets – passive areas and land formation	Not depreciated	Water reticulation networks	60-100 years

* Water and wastewater district wide plant is recognised under motor vehicles and plant, ie. trailers and generators.

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 19).

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. Reporting of Financial Instruments

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

The Council has applied this PBE IPSAS 41 in preparing its 30 June 2023 financial statements.

The Council shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Council becomes party to the contractual provisions of the instrument.

At initial recognition, the Council shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus/(deficit), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets are classified as either:

1. Amortised Cost
2. Fair value through surplus or deficit, FVTSD, or
3. Fair value through other comprehensive revenue and expenses, FVTOCRE.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial asset given rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTSD unless it is measured at amortised cost or at FVTOCRE. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured FVTSD to present subsequent changes in FVTOCRE. Subsequent measurement of financial assets at amortised cost.

Term Deposits and Community Loans

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value gains and losses recognised in comprehensive revenue and expenditure. Interest revenue and dividends are recognised from these financial assets are separately presented within revenue. Other than unlisted shares, bonds and interest rate swaps, the Council has not assets in this category.

Listed and Unlisted Shares and Bonds

Financial assets in this category that are debt instruments (Bonds) are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, there is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognise in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in the other comprehensive revenue and expense is transferred to accumulated funds within equity.

Expected credit loss allowance (ECL)

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability – weighted estimate for credit losses, measure at the present value of cash shortfalls, which is the difference between the cashflows due to Council in accordance with the contract and the cash flows it expects to receive.

ECLs are recognised in two stages, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and included forward looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligation in full.

19. Impairment of Financial Assets

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

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the

impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

20. Impairment of Non-Financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

21. Third Party Transfer Payment Agencies

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

22. Creditors and Other Payables

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

23. Employee Entitlements

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

i. Short-Term Entitlements

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

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

ii. Long-Term Entitlements

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

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

iii. Superannuation Schemes

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

24. Borrowings

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

Council has capitalised borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, in line with PBE IPSAS 5.

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

25. Provisions

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

26. Landfill Post Closure Costs

Council has 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.

27. 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.

28. Cost Allocations

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

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

29. 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.

Notes to the financial statements

For the year ended 30 June 2023.

1. Rates

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

	2022/23 \$000	2021/22 \$000
General Rates	7,102	6,771
Uniform Annual General Charge	1,242	1,057
	8,344	7,828
Targeted Rates attributable to activities per Funding Impact Statement		
- Water	5,381	5,225
- Wastewater	4,748	3,754
- Stormwater	597	552
- Roading	238	229
- Environment Services	4,540	4,193
- Planning, Regulatory and Community Development	2,458	2,261
- Pools, Parks and Cemeteries	6,385	6,134
- Property and Community Facilities	2,289	1,668
- Service Centres and Libraries	1,226	1,154
- Regional Identity, Tourism and Economic Development	1,677	1,808
- Governance and Corporate Services	342	510
Total Targeted Rates	29,881	27,489
Rates Penalties	335	266
Rates Remissions	(39)	(38)
Rates Discount	-	-
	297	227
Total Rates Revenue	38,522	35,545

Total rates revenue of \$38.5 million includes revenue of \$1.76 million from targeted water meter supply rates (2022: \$1.78 million).

2. Subsidies and grants

	2022/23 \$000	2021/22 \$000
New Zealand Transport Agency roading subsidies	5,114	4,573
Creative NZ and SPARC Grants	44	49
Central Lakes Trust	-	-
Department of Internal Affairs Grant	455	8,863
Ministry of Business Innovation & Employment Grant	714	842
Ministry of Civil Defence and Emergency Management	-	-
Other grants	16	1,102
Ministry for Culture and Heritage	5	-
Total Subsidies and Grants	6,347	15,428

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2022 nil).

3. Regulatory fees, user fees and other income

	2022/23 \$000	2021/22 \$000
Regulatory fees - building consent and health charges	1,955	2,028
Regulatory fees - resource management fees	110	168
Regulatory fees – liquor licensing	231	203
User fees – libraries, swimming pools & visitor centres	622	683
User fees - parks, recreation reserves and cemeteries	241	217
User fees – waste collection, minimisation and disposal	1,525	1,345
User fees - Water	100	21
User fees - Wastewater	106	48
User fees – property and land usage	1,427	1,611
User fees – roading and fuel taxes	262	296
User fees – planning	883	1,087
User fees – district development & corporate services	4	1
User fees - District Development	581	364
Development and financial contributions	4,710	2,843
Non-refundable land sale deposit	0	-
Sales of Inventory	0	-
Total User Fees and Other Income	12,758	10,915

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2022 nil).

4. Vested and previously unrecognised assets

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

	2022/23 \$000	2021/22 \$000
Parks & Reserves	852	384
Property and Community Facilities	-	-
Planning, Regulatory and Community Development	-	-
Roading (including footpaths)	6,000	5,984
Stormwater	805	881
Wastewater	2,768	1,281
Water	2,323	1,502
Governance and Corporate Services	12	-
Total vested and previously unrecognised assets	12,759	10,032

5. Valuation gains and losses

	2022/23 \$000	2021/22 \$000
Non-financial Instruments		
Gain (loss) in fair value of forestry assets (Note 22)	(1)	(140)
Gain (loss) in fair value of investment property	385	806
	384	666
Financial Instruments		
Gain (loss) in fair value of community loans	-	-
Gain (loss) on disposal of available for sale financial assets	-	-
Total Gains (Losses)	384	666

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.

	2022/23 \$000	2021/22 \$000
Full cost recovery – dog registration and dog control	233	216
Full cost recovery – camping ground revenue	185	124
Rental Revenue – leased premises	466	458
Total revenue from exchange transactions	884	798

7. Employee benefit expenses

	2022/23 \$000	2021/22 \$000
Salaries and wages	12,524	12,146
Defined contribution plan employer contributions*	373	346
Increase (decrease) in employee benefit liabilities	-	-
Total employee benefit expenses	12,896	12,491

*Includes employer contributions to Kiwisaver

8. Cost of sales and other expenses

	2022/23 \$000	2021/22 \$000
Audit fees		
- Fees to Audit NZ – audit of financial statements and performance information	156	117
- Fees to Audit NZ – audit of Long-term plan for 2021-31	-	-
- Fees to Audit NZ – for other services*	10	9
- Fees to Audit NZ - of the Council's subsidiaries' financial statements	-	-
Maintenance contractors	9,996	9,172
Professional fees	3,046	3,252
Fuel and energy	1,247	1,046
Grants	1,283	607
Insurance premiums	615	455
Increase (decrease) in provision for bad debts	71	68
Payments under operating lease agreements	334	466
Cost of land sold	6,338	6,837
Other operating expenses	11,710	10,113
Total Cost of Sales and Other Expenses	34,805	32,142

* Fees to Audit NZ – for other services includes: disbursement costs (including travel and accommodation where necessary)

9. Tax

Central Otago District Council has unused tax losses of \$215,678 with a tax effect of \$60,390 that have not been recognised (2021/22: tax losses \$207,101; tax effect \$57,988).

	2022/23 \$000	2021/22 \$000
Net surplus (deficit)	20,833	28,396
- Tax at 28%	5,833	7,950
Plus (less) tax effect of:		
- Non-taxable income	5,833	7,950
- Tax loss not recognised	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
Balance at Year End	-	-

10. Public equity

	2022/23 \$000	2021/22 \$000
Accumulated funds		
Opening balance 1 July	440,307	411,812
Surplus (deficit) for the year	20,833	28,396
Transfers to restricted reserves	-	-
Transfers from property revaluation reserve	(31)	99
Closing balance 30 June	461,109	440,307

Property, plant and equipment revaluation reserves

Property revaluation reserves for each asset class consist of:

	2022/23		Adjustment for Assets owned by Council	Closing Balance
	Opening Balance	Net Movement		
	\$000	\$000	\$000	\$000
Roading	293,235	21,477	-	314,712
Bridges	36,265	(13,981)	-	22,285
Water	81,191	13,106	-	94,297
Wastewater	46,713	4,847	-	51,561
Stormwater	16,464	3,569	-	20,033
Land	104,433	-	-	104,433
Buildings	55,893	(559)	-	55,334
Parks and Reserves	20,319	-	-	20,319
Total	654,513	28,459	-	682,972
Transfer to accumulated funds on realisation	-	-	-	-
Transfer to accumulated funds as property	-	-	-	-
Total gain on asset revaluation	654,513	28,459	-	682,972

	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
Total	487,468	167,045	-	654,513
Transfer to accumulated funds on realisation	-	-	-	-
Transfer to accumulated funds as property	-	-	-	-
Total gain on asset revaluation	487,468	167,045	-	654,513

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

Available for sale revaluation reserve

Available for sale revaluation reserves consist of:

	2022/23		
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	(14)	(8)	(22)
Total	(14)	(8)	(22)

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

Restricted reserves

	2022/23 \$000	2021/22 \$000
Trust and bequest funds		
Opening balance 1 July	80	80
Transfers to accumulated funds	-	-
Closing balance 30 June	80	80

11. Cash and cash equivalents

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

	2022/23 \$000	2021/22 \$000
Cash at bank and on-hand	10,010	3,735
Term deposits with maturities of less than 3 months at acquisition	7,500	3,000
Total cash and equivalents	17,510	6,735

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$10,011 (2021/22: \$3,735,452), an amount of \$291,133 (2021/22: \$69,765) 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 2022. 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.

	2022/23 \$000	2021/22 \$000
Current portion		
Deposits maturing 3-12 months	-	-
LGFA Borrower Note	-	-
	-	-
Add (less) fair value adjustment investment bonds	-	-
Total current portion	-	-

	2022/23 \$000	2021/22 \$000
Non-current portion		
LGFA Borrower Note	125	-
Share investments in unlisted companies	106	114
Total non-current portion	231	114
Total other financial assets	231	114

Interest rates

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

	2022/23 \$000	2021/22 \$000
Short-term deposits	3.74%	0.68%

Investment maturities

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

	2022/23			Total \$000
	Short-term Deposits \$000	Promissory & Floating Rate Notes \$000	Corporate & Bank Bonds \$000	
Less than 3 months	7,500	-	-	7,500
3 to 12 months	-	-	-	-
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	7,500	-	-	7,500

	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	-	-
Total investments	3,000	3,000

13. Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”: when remitted in accordance with the Councils rates remission policy and in accordance with the write-off criteria of section 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year over due.

Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

	2022/23 \$000	2021/22 \$000
Sundry accounts receivable	1,235	1,988
Goods and Services Tax	937	1,054
Rates receivable	1,383	949
Waka Kotahi subsidy	531	590
Prepaid expenses	655	474
Total receivables prior to impairment	4,741	5,055
Less: allowance for credit losses	(73)	(22)
Less: provision for impairment on rates	(361)	(290)
Total receivables	4,307	4,743

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 2023 is \$1,230,888 (2022: \$933,262).

Rates receivable

The Council does provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments in the effect of discounting is material.

The Chief Executive approved the write-off rates receivable during the year under the Local Government (Rating) Act 2002 as follows:

- Section 90A: Nil (2022: Nil)
- Section 90B: Nil (2022: Nil)

Movements in the impairment expectation for rates as follows:	2023 \$000	2022 \$000
Opening balance for credit losses at 1 July	290	245
Additional provisions made during the year	71	45
Provisions reversed during the year	-	-
Balance at 30 June	361	290

Other receivables

The ECL rates for other receivables at 30 June 2023 and 30 June 2022 are based on the payment profile of revenue on credit over the prior period two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macro economic factors are not considered significant. There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on Councils credit loss matrix is as follows:

	Other receivables' days past due				Total
	Current	1 to 30 days	31 to 90 days	More than 90 days	
30 June 2023					
Expected credit loss rate	0.00%	0.00%	0.00%	68.43%	-
Gross receivable amount (\$000)	3,140	99	12	107	3,358
Lifetime ECL (\$000)	-	-	-	73	73
30 June 2022					
Expected credit loss rate	0.00%	0.00%	0.00%	22.77%	-
Gross receivable amount (\$000)	3,955	30	23	98	4,106
Lifetime ECL (\$000)	-	-	-	22	22

	2023	2022
Movements in the allowance for credit losses as follows		
Opening balance for credit losses at 1 July	22	-
Additional provisions made during the year	51	22
Provisions reversed during the year	-	-
Balance at 30 June	73	22

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.

	2022/23 \$000	2021/22 \$000
Land held for resale:	4,546	5,082
Merchandise at cost	28	37
Total inventory	4,574	5,119

15. Trade and other payables

	2022/23 \$000	2021/22 \$000
Payables and deferred income	9,653	9,565
Audit fee accruals	121	125
PAYE / Kiwisaver owed to IRD	165	272
Agency and deposits	546	273
Total payables	10,485	10,235

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 \$2,222k in the 2023 financial year (2022: \$1,660k).

16. Employee entitlements

	2022/23 \$000	2021/22 \$000
Accrued pay	3	6
Annual and statutory leave entitlements	711	767
Total	709	761

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 2022/23, 5.78%; 2021/22, 5.69%) or interest free loans.

Mortgages and other investments	2022/23 \$000	2021/22 \$000
Interest bearing	76	134
Non-interest bearing	69	97
Total	145	231
Less provision for impairment	-	-
Total	145	231

Interest rates

Interest Rates		
Mortgages and other investments (interest bearing)	5.78%	5.69%

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 3.94% (2022: 2.76%).

Borrowings and Other Financial Liabilities	2022/23 \$000	2021/22 \$000
Current		
Secured Loans	20,000	5,000
Non-current		
Secured Loans	5,000	-
Total Borrowings	25,000	5,000

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, a number of properties, while having a Certificate of Title on issue in Council's name, have been vested under the Reserves Act and may revert to the Crown should the purpose for which the properties were vested cease to be relevant. It is not currently practical to quantify these properties.

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

Heritage assets

Heritage assets are included in the asset register in the same categories as non-heritage assets of similar nature. The book values of building heritage assets were revalued as at 30 June 2023 and are as follows:

	2022/23 \$000	2021/22 \$000
Buildings	313	336
Bridges	461	255
	774	591

Water, Wastewater and Stormwater

Water, wastewater and stormwater assets were revalued with an effective date of 30 June 2023 by an independent and suitably qualified valuer Rationale Ltd. Edward Guy (Civil), BCom, managing director of Rationale was the principal valuer for this work. Currently, we revalue these assets annually.

Key valuation assumptions:

- Analysis of contract data and national industry indices was carried out to derive inflation adjustment factors for plant, point and pipe assets. Contract data provided an inflationary adjustment for pipe and point assets, while an index-based inflation adjustment was applied to plant assets.
- As the physical and economic lives have not been assessed, the asset's total useful life defaults to its standard life in this valuation. The exception being where the asset age is greater than the standard life. In these instances, the remaining life has been set to 3 years.

Roading Assets

Roading assets were revalued with an effective date of 30 June 2023. Currently, we revalue these assets annually.

Key valuation assumptions:

- Unit rates used in the 2023 valuation were updated using Waka Kotahi cost adjustment factors and assessed against recent construction schedules where available.
- Useful lives were determined considering the age, condition of the assets and the assets future service potential.

Roading asset and waste asset valuations were performed by an independent and suitably qualified valuer Walter Clarke of Utility Limited. The bridge asset valuation that formed part of the roading asset valuation were performed by an independent and suitably qualified valuer Dave Charters of DCL Consulting.

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

- 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.
- Local Government (Financial Reporting Prudence) Regulations 2014.

Parks and reserves assets were revalued with an effective date of 30 June 2020. These valuations are performed every 5 years.

Land and Buildings were revalued with an effective date of 30 June 2022.

Property, Plant and Equipment – as at 30 June 2023

	Cost Revaluation 30-Jun-22 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-22 \$000's	Carrying amount 30-Jun-22 \$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	Impairment Charges	Revaluation \$000's	Disposals/ Revaluation Depreciation Recovered \$000's	Cost / Revaluation 30-Jun-23 \$000's	Accumulated Depreciation & Impairment Charges 30-Jun-23 \$000's	Carrying Amount 30-Jun-23 \$000's
Infrastructural Assets															
Bridges	40,836	-	40,836	-	140	-	-	-	(778)	-	(14,759)	778	26,217	-	26,217
Roading	537,235	(22)	537,213	1,096	4,463	5,999	-	(20)	(6,773)	-	14,457	6,788	563,230	(7)	563,223
Under construction	1,399	-	1,399	(1,096)	252	-	-	-	-	-	-	-	555	-	555
Land Under Roads	11,623	-	11,623	-	-	-	-	-	-	-	234	-	11,857	-	11,857
Stormwater	28,514	-	28,514	-	76	805	-	-	(605)	-	2,964	605	32,359	-	32,359
Under construction	-	-	-	-	300	-	-	-	-	-	-	-	300	-	300
Water Supply															
Treatment plant & facilities	27,054	-	27,054	7,730	8,746	-	-	-	(780)	-	(1,428)	739	42,102	(41)	42,061
Other assets	88,811	-	88,811	14,017	759	2,323	-	-	(1,735)	-	12,020	1,775	117,930	40	117,970
Under construction	22,050	-	22,050	(21,747)	4,868	-	-	(33)	-	-	-	-	5,138	-	5,138
Wastewater															
Treatment plant & facilities	22,001	-	22,001	6,740	3,408	451	-	-	(1,181)	-	745	1,181	33,345	-	33,345
Other assets	57,275	-	57,275	15,426	3,961	2,318	-	-	(1,522)	-	1,399	1,522	80,379	-	80,379
Under construction	22,290	-	22,290	(22,166)	1,866	-	-	33	-	-	-	-	2,023	-	2,023
Total infrastructure assets	859,088	(22)	859,066	-	28,839	11,896	-	(20)	(13,374)	-	15,632	13,388	915,435	(8)	915,427
Operational Assets															
Equipment	1,866	(1,710)	156	23	171	12	(2)	-	(91)	-	-	2	2,070	(1,799)	271
Furniture and Fittings	2,248	(1,670)	578	-	43	-	-	-	(148)	-	-	-	2,291	(1,818)	473
Parks and Reserves	49,306	(2,273)	47,033	244	952	852	-	20	(914)	-	-	-	51,374	(3,187)	48,187
Under construction	282	-	282	(244)	274	-	-	-	-	-	-	-	312	-	312
Other	7,367	(2,964)	4,403	64	55	-	-	50	(301)	-	24	138	7,560	(3,127)	4,433
Under construction	833	-	833	(64)	115	-	-	-	-	-	-	-	884	-	884
Plant and Machinery	16,920	(2,458)	14,462	395	192	-	(50)	(50)	(528)	-	-	49	17,407	(2,937)	14,470
Under construction	-	-	-	(395)	6	-	-	395	--	-	-	-	6	-	6
Motor Vehicles	1,411	(817)	594	-	85	-	-	-	(195)	-	-	-	1,496	(1,012)	484
Land	108,791	-	108,791	-	-	-	-	-	-	-	-	-	108,791	-	108,791
Buildings	47,831	(375)	47,456	279	749	-	-	-	(1,551)	(721)	-	-	48,859	(2,647)	46,212
Under construction	1,271	-	1,271	(279)	3,383	-	-	(512)	-	-	-	-	3,863	-	3,863
Library Books	2,323	(1,680)	643	-	136	-	-	-	(128)	-	-	-	2,459	(1,808)	651
Total Operational Assets	240,451	(13,949)	226,502	23	6,161	864	(52)	(97)	(3,856)	(721)	24	189	247,372	(18,335)	229,037
TOTAL FIXED ASSETS	1,099,539	(13,971)	1,085,568	23	35,000	12,760	(52)	(117)	(17,230)	(721)	15,656	13,577	1,162,807	(18,343)	1,144,464

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	Impairment Charges	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
Infrastructural Assets															
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	-	-	-	-	-	-	-
Water Supply															
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
Wastewater															
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
Total infrastructure assets	721,397	(13,647)	707,750	-	35,709	9,647	-	98	(7,666)	-	92,228	21,313	859,088	(22)	859,066
Operational Assets															
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
Other	6,999	(2,701)	4,298	20	16	-	-	-	(263)	-	332	-	7,367	(2,964)	4,403
Under construction	427	-	427	(20)	407	-	-	19	-	-	-	-	833	-	833
Plant and Machinery	15,869	(1,980)	13,889	55	1,072	-	(34)	22	(512)	-	(64)	34	16,920	(2,458)	14,462
Under construction	-	-	-	(55)	-	-	-	55	-	-	-	-	-	-	-
Motor Vehicles	1,343	(704)	639	-	140	-	(72)	-	(184)	-	-	71	1,411	(817)	594
Land	65,843	-	65,843	4	-	-	-	-	-	-	42,944	-	108,791	-	108,791
Buildings	37,083	(1,450)	35,633	1,530	783	-	(298)	41	(621)	-	10,388	1,696	47,831	(375)	47,456
Under construction	1,690	-	1,690	(1,530)	1,194	-	-	(83)	-	-	-	-	1,271	-	1,271
Library Books	2,166	(1,555)	611	(11)	168	-	-	-	(125)	-	-	-	2,323	(1,680)	643
Total Operational Assets	184,417	(13,426)	170,992	(7)	4,849	384	(984)	(113)	(2,824)	-	53,600	2,301	240,451	(13,949)	226,502
TOTAL FIXED ASSETS	905,815	(27,073)	878,742	(7)	40,558	10,031	(984)	(15)	(10,490)	-	145,828	23,614	1,099,539	(13,971)	1,085,568

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
Cost				
Balance at 1 July 2022	83	2,334	144	2,561
Adjustment	-	-	-	-
Additions	-	292	-	292
Disposals	-	-	-	-
Under construction	-	91	-	91
Balance at 30 June 2023	83	2,718	144	2,945
Balance at 1 July 2021	83	1,769	144	1,996
Adjustment	-	-	-	-
Additions	-	216	-	216
Disposals	-	-	-	-
Under construction	-	350	-	350
Balance at 30 June 2022	83	2,334	144	2,561
Balance 1 July 2022	-	(1,066)	(144)	(1,223)
Adjustment	-	-	-	-
Amortisation charge	-	(165)	-	(990)
Disposals	-	-	-	(96)
Balance at 30 June 2023	-	(1,231)	(144)	(1,375)
Balance 1 July 2021	-	(929)	(144)	(1,073)
Amortisation charge	-	(137)	-	(137)
Disposals	-	-	-	-
Balance at 30 June 2022	-	(1,066)	(144)	(1,210)
Carrying Amounts				
Balance at 30 June 2023	83	1,487	-	1,570
Balance at 30 June 2022	83	1,268	-	1,349

21. Insurance

The Council holds asset insurance with multiple insurance companies including QBE, NZI and AIG as at 30 June 2023.

The total value of all assets covered by insurance contracts is \$145 million (2022: \$83m). The maximum amount for which these assets is insured is \$253 million (2022: \$165m). 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 billion (2022: \$1.005b). These are not covered by insurance policies.

22. Forestry assets

Independent and suitably qualified valuer, K Stuart RMNZIF of Laurie Forestry Limited, have valued Council owned forestry assets as at 30 June 2023.

As at 30 June the Council owned forests had a 0.3% decrease in the value over the value as at the same time last year.

The decrease in valuation of the forest estate is due to increase in log cartage and harvest costs. The impact of the cost increases have been reduced by a increase in log prices.

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 29 – 38 years old.

Cromwell – 16.8 ha of Radiata pine of an undetermined age ready to be harvested, with the balance ranging from 40 - 41 years old.

Ranfurly – 1.6 ha of Corsican pine 33 years old and 1.4 ha of Radiata pine 38 years old.

Naseby – 2.6 ha Corsican pine 43 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

	2022/23 \$000	2021/22 \$000
Balance as at 1 July	291	431
Increases due to purchases	-	-
Gain (loss) arising from revaluation	(1)	(140)
Decrease arising from sales / harvest	-	-
Balance as at 30 June	290	291
The gain (loss) comprised of:		
Alexandra Forest	2	(35)
Cromwell Forest	(2)	(18)
Naseby Forest	(1)	(4)
Ranfurly Forest	(0)	-
Roxburgh Forest	-	(83)
Gain (Loss) arising from revaluation	(1)	(140)

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 and suitably qualified valuer, G Simpson SPINZN, ANZIV of Quotable Value Limited, have valued Council owned Investment property assets as at 30 June 2023.

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.

	2022/23 \$000	2021/22 \$000
Balance as at 1 July	6,735	5,925
Additions from acquisitions	120	4
Expenditure on earthquake strengthening	-	-
Disposals	-	-
Gains (loss) arising from revaluation	385	806
Balance at 30 June	7,240	6,735
Rental income from investment property	258	245
Direct expenses from investment property	104	94

24. Capital commitments

	2022/23 \$000	2021/22 \$000
Capital Commitments		
Property	4,080	3,434
Open Spaces	383	175
Information Technology	324	168
Environmental Engineering	533	25
Water System	4,911	9,107
Wastewater System	390	2,844
Stormwater system	-	-
Roading	-	-
Total capital commitments	10,621	15,752

The Roothing commitment will attract a subsidy of \$0 (2022: nil). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

25. Operating leases

Leasing arrangements – operating lease as lessee

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

Non-cancellable operating lease payments

	2022/23 \$000	2021/22 \$000
No longer than 1 year	248	494
Longer than 1 year and not longer than 5 years	285	336
Longer than 5 years	-	-
Total non-cancellable operating leases	533	830

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:

	2022/23 \$000	2021/22 \$000
No longer than 1 year	905	929
Longer than 1 year and not longer than 5 years	2,300	1,818
Longer than 5 years	11,850	11,052
Total operating leases as Lessor*	15,054	13,799

**This includes 980 years remaining on a 999 year lease for an Alexandra Carpark at the end of Tarbet Street*

Other commitments

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

26. Emissions Trading Scheme

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

Pre 1990 forests

Liabilities accrue if the pre 1990 forest land is deforested and not replanted. The Council does not anticipate any future liabilities will arise in relation to pre 1990 forest land based on the intention to replant trees harvested or removed in any other way. The Roxburgh Pines were logged in 2021/22 and are being planned for replanting in 2023/24.

27. Contingencies

Contingent assets

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

Contingent liabilities

The Council has no contingent liabilities as at 30 June 2023.

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 30 June 2023.

As at 30 June 2023, the Council is one of 54 local authority shareholders and 70 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 2023, the LGFA had borrowings totalling \$17.683 billion (2022: \$15.789 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.

28. Remuneration

Remuneration of Elected Members

	2022/23 \$000	2021/22 \$000
Mayor		
T Cadogan	118	107
Current Councillors		
N J Gillespie*	60	41
M R McPherson*	47	35
S Feinerman	21	-
N McKinlay	29	28
S L Duncan	30	26
L J Claridge	27	25
I G Cooney*	42	25
CA Laws	30	25
S Browne	22	-
T N Alley	34	22
T A Paterson	30	22
S F Jeffrey*	8	32
S A Calvert	7	22
Total elected representatives' remuneration	506	410

This table has rounding (± 1)

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

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:

	2022/23 \$000	2021/22 \$000
Total Chief Executive Officer remuneration	393,754	336,639
Total Chief Executive Officer remuneration	393,754	336,639

	2022/23 \$000	2021/22 \$000
Remuneration of Key Management	1,210	1,054

Key management includes the Chief Executive Officer and the five 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

	2022/23 \$000
Total annual remuneration by band for employees at 30 June	
<\$60,000	128
\$60,000-\$79,999	47
\$80,000-\$99,999	30
\$100,000-\$119,999	11
\$120,000-\$159,999	11
\$160,000 - \$239,999	5
Total employees	232

	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-\$319,999	13
\$320,000-\$339,999	1
Total employees	230

Total employee numbers include all casual employees who have a current employment contract with the Council. At balance date, the Council employed 126 (2022, 130) full-time employees, with the balance of staff representing 41 (2022, 37) 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 zero severance payment (2021/22: 1) made during 2022/23 year totalling \$0 (2021/22, \$8,000).

29. 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.

30. Financial Instruments

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

In accordance with the transitional provisions in PBE IPSAS 41, the Council have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2022 (the date of initial application).

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Councils' accounting policies are:

- Note 12 – Financial assets – This policy has been updated to reflect:
 - the new classification categories;
 - the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
 - the removal of impairment loss considerations for equity investments at FVTOCRE.
- Note 13 – Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

The derivatives accounting policies in Note 13 – Derivatives remain unchanged as Council has not elected to apply the hedging requirements of PBE IPSAS 41.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

	Measurement PBE IPSAS 29	Classification PBE IPSAS 41	30 June 2022 PBE IPSAS 29 \$000	1 July 2022 PBE IPSAS 41 \$000	Adoption Adjustment \$000
Financial Assets					
Listed shares and unlisted shares	FVTOCRE	FVTOCRE	114	114	-
Bank balances and term deposits	Loans and receivables	Amortised Cost	6,735	6,735	-
Debtors and other receivables	Loans and receivables	Amortised Cost	4,084	4,106	22
Community loans	Loans and receivables	Amortised Cost	231	231	-

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit.

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's listed bond portfolio which are held to collect and sell in accordance with the Council's Treasury Management Policy to meet capital requirements.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

Financial instrument categories

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

	Actual 2022/23 \$000	Actual 2021/22 \$000
Financial Assets		
Amortised Cost (Loans and Receivables)		
Cash and Cash equivalents	17,510	6,735
Trade and other receivables	2,924	3,794
Other financial assets:	125	
Term deposits	-	-
Community Loans	145	231
Total financial assets at amortised cost	20,705	10,760
FVToCRE		
Other financial assets	-	-
Unlisted shares	106	114
Total at FVToCRE	106	114
Financial Liabilities		
Trade and other payables	10,485	9,963
Borrowings:		
Bank overdraft	-	-
Lease liabilities	-	-
Secured loans	25,000	5,000
Other financial liabilities	-	-
Total financial liabilities at amortised cost	35,485	14,963

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	2022/23 \$000	2021/22 \$000
Loans and receivables			
Bank balances and term deposits	Rating 'A' and greater, no defaults in the past	17,510	6,735
Debtors and other receivables	Note 13	4,307	4,743
Community loans	Not rated, no defaults in the past	145	231
Total credit risk loans and receivables		21,962	11,709

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.

	2022/23		2021/22	
	\$000	\$000	\$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
Effect on surplus (deficit)				
Cash and cash equivalents	-10	+10	-62	62
Promissory and floating rate notes	-	-	-	-
Borrowings and Other Financial Liabilities	-80	+80	-25	25
Total sensitivity	-90	+90	-87	87

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	2022/23				Total 2022/23
		Less than 1 year	1 year	2-5 years	5+ years	
Financial assets						
Amortised cost						
Cash and cash equivalents	11	17,510	-	-	-	17,510
Trade and other receivables	13	3,464	325	104	414	4,307
Other financial assets (excluding shares in companies)	12	-	125	-	-	125
Financial liabilities						
Amortised cost						
Trade and other payables	15	9,963	-	-	-	9,963
Borrowings and Other Financial Liabilities	18	20,000	5,000	-	-	25,000

	Note	2021/22				Total 2021/22
		Less than 1 year	1 year	2-5 years	5+ years	
Financial assets						
Cash and cash equivalents	11	6,735	-	-	-	6,735
Trade and other receivables	13	4,164	166	270	143	4,743
Other financial assets (excluding shares in companies)	12	-	-	-	-	-
Financial liabilities						
Trade and other payables	15	9,963	-	-	-	9,963
Borrowings and Other Financial Liabilities	18	5,000	-	-	-	5,000

Price risk

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

31. Internal loans

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

	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing Balance \$000
Community, Economic and Strategic Development	2,020	27	(25)	2,022
Environmental Services	3,042	495	(91)	3,447
Governance and Corporate Services	98	587	(119)	566
Planning and Regulatory	6	-	(6)	-
Pools Parks and Cemeteries	3,997	766	(138)	4,625
Property and Community Facilities	7,162	3,074	(762)	9,474
Roading	9,279	2,308	(430)	11,157
Service Centres and Libraries	39	39	-	78
Stormwater	285	247	-	532
Wastewater	20,243	16,082	(19,426)	16,900
Water	18,324	18,496	(15,803)	21,017
TOTAL	64,497	42,121	(36,799)	69,819

In accordance with accounting standards, internal interest is excluded from the Statement of Comprehensive Income. It remains included in the individual Funding Impact Statements to recognise the actual cost to ratepayers of that particular activity. The internal interest rate charged is 3.07% (2021/22, 2.25%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2022/23 Actual \$000	2022/23 Estimate \$000	2021/22 Actual \$000
Community, Economic and Strategic Development	66	66	66
Environmental Services	80	61	20
Governance and Corporate Services	6	13	4
Planning and Regulatory	-	2	-
Pools Parks and Cemeteries	103	100	36
Property and Community Facilities	189	281	89
Roading	-	-	64
Service Centres and Libraries	1	22	-
Stormwater	7	9	2
Wastewater	309	484	121
Water	274	515	138
TOTAL	1,035	1,552	541

32. Capital Management

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

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

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

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

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

The Council has the following Council-created reserves:

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

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

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

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

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

	2022/23 \$000	2021/22 \$000
Net Operating Surplus/(Deficit) after tax	20,833	28,396
<i>Add/(Less) Non cash items:</i>		
Depreciation/Amortisation of intangible asset	17,396	10,629
Net (profit)/loss on sale of fixed assets	(23)	335
Net (gains)/loss on fair value of Investment	(385)	(806)
Vested Asset	(12,759)	(10,032)
Valuation losses	1	140
Increase/(decrease) in deferred taxation	-	-
<i>Add/(Less) Movements in working capital items:</i>		
(Increase)/decrease in receivables	500	789
(Increase)/decrease in prepayments	(181)	(3)
(Increase)/decrease in Inventory	545	275
(Increase)/Decrease in loans and receivables	86	-
Increase/(Decrease) in accounts payable and accruals	(24)	(3,291)
Increase/(Decrease) in agency and deposits	273	17
Increase/(Decrease) in employee entitlements	(52)	88
Increase/(Decrease) in GST/taxation	117	(678)
<i>Add (less) items included in investing activities:</i>		
Cost of land sales	(8,325)	(3,719)
Sale of fixed assets	-	52
Cash inflow (outflows) from operating activities	18,002	22,192

34. Events subsequent to balance date

Disclosures – Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

However, the financial impact of the transfer of three water assets and associated function, is not certain. With the change in the Government there is a possibility of a change to water services reformi programme. Considering the recent developments there is a possibility that the new Government might repeal or substantially amended the three legislations..

Independent Auditor's Report

To the readers of Central Otago District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Central Otago District Council (the District Council). The Auditor-General has appointed me, Chantelle Gernetzky, 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 13 December 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 124 to 128 and 134 to 181:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2023; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 120 to 123 and 131 to 133, 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 statement of service provision on pages 25 to 119:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, 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; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 41 to 120, 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 41 to 120 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 18 to 23, 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.

The basis for our opinion is explained below and we draw attention to the uncertainty over the water services reform programme and inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 34 on page 181, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 34 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. With the change in government, it may be repealed or substantially amended.

Emphasis of matter – 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 measuring emissions on page 27 of the 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.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 17, 24 and 189 to 196, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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 (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2023 and subsequently, the Chair of the Audit and Risk Committee of the District Council is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the District Council.

Other than the audit, and the relationship with the Auditor-General's Audit and Risk Committee, 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

OUR COUNCIL



Our Council

Mayor and Councillors



Tim Cadogan
His Worship the Mayor
Mobile: 021 639 625
mayor@codc.govt.nz



Neil Gillespie
Deputy Mayor
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Nigel McKinlay
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Ian Cooney
Vincent Ward
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ian.cooney@codc.govt.nz

Council Meeting Attendance 2022/23

Name	Jul	Aug	Oct	Nov	14 Dec	21 Dec	Jan	Feb	8 Mar	30 Mar	May	Jun
T Alley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
S Browne			✓	✓			✓	✓	✓	✓	✓	✓
L Claridge	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
I Cooney	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
S Duncan	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
S Feinerman			✓	✓	✓		✓	✓	✓	✓	✓	✓
N Gillespie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C Laws	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
N McKinlay	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓
T Cadogan	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
M McPherson	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
T Paterson	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
S Calvert		✓										
S Jeffery	✓	✓										

Community Boards

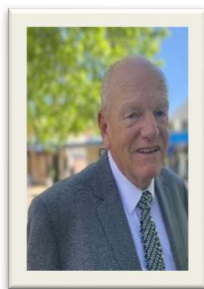
The Council has four community boards covering the entire district. Community boards provide a link between Council and the community. Our Council is one of the few in the country that maintains a comprehensive community board structure with significant delegated powers.

Cromwell Community Board

42 The Mall, Cromwell Phone: 03 445 0211



Anna Harrison
Chair
Mobile: 021 190 0050
anna.harrison@codc.govt.nz



Bob Scott
Deputy Chair
Mobile: 021 067 3355
bob.scott@codc.govt.nz



Neil Gillespie
Mobile: 027 433 4856
neil.gillespie@codc.govt.nz



Cheryl Laws
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Sarah Browne
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Mary McConnell
Mobile: 027 314 6935
mary.mcconnell@codc.govt.nz



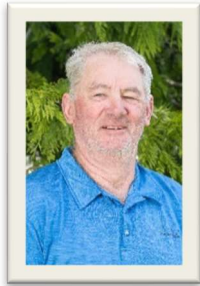
Wally Sanford
Mobile: 027 408 1916
wally.sanford@codc.govt.nz

Cromwell Community Board Meeting Attendance 2022/23

Name	Aug	Sep	10 Nov	28 Nov	Feb	Mar	8 May	18 May	Jun
A Harrison	✓	✓	✓	✓	✓	✓	✓	✓	✓
S Browne			✓	✓	✓	✓	✓	✓	✓
M McConnell			✓	✓	✓		✓	✓	
W Sanford						✓	✓	✓	✓
N Gillespie	✓	✓	✓	✓	✓	✓		✓	
C Laws	✓	✓		✓	✓	✓	✓	✓	✓
B Scott	✓	✓	✓	✓	✓	✓	✓		✓
T Buchanan	✓	✓							
W Murray	✓	✓							
N McKinlay	✓	✓							

Maniototo Community Board

15 Pery Street, Ranfurly, Phone: 03 444 9170



Robert Hazlett
Chair
Mobile: 027 254 4098
robert.hazlett@codc.govt.nz



Mark Harris
Deputy Chair
Mobile: 027 279 5851
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Stu Duncan
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Duncan Helm
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Rebecca McAuley
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rebecca.mcauley@codc.govt.nz

Maniototo Community Board Meeting Attendance 2022/23

Name	Sep	Nov	Dec	Mar	May
R Hazlett	✓	✓	✓	✓	✓
M Harris	✓		✓	✓	✓
S Duncan	✓	✓	✓	✓	
D Helm	✓	✓	✓	✓	✓
R McAuley		✓	✓	✓	✓
S Umbers	✓				

Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: 03 446 8105



Norman Dalley
Chair
Mobile: 021 334 115
norman.dalley@codc.govt.nz



Mark Jessop
Deputy Chair
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Sally Feinerman
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Gill Booth
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Russell Read
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russell.read@codc.govt.nz

Teviot Valley Community Board Meeting Attendance 2022/23

Name	Sep	2 Nov	24 Nov	Feb	Mar	May	Jun
N Dalley	✓	✓	✓	✓	✓	✓	
M Jessop		✓	✓	✓	✓	✓	✓
S Feinerman	✓	✓	✓	✓	✓	✓	✓
G Booth		✓	✓	✓	✓	✓	✓
R Read		✓	✓	✓	✓	✓	✓
C Browning	✓						
R Gunn	✓						
S Jeffrey	✓						

Vincent Community Board

1 Dunorling Street, Alexandra, Phone: 03 440 0056



Tamah Alley
Chair
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tamah.alley@codc.govt.nz



Jayden Cromb
Deputy Chair
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Dr Roger Browne
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Dai Johns
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Martin McPherson
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Tony Hammington
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tony.hammington@codc.govt.nz



Tracey Paterson
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tracy.paterson@codc.govt.nz

Vincent Community Board Meeting Attendance 2022/23

Name	Jul	Sep	Nov	Jan	Mar	2 May	19 May	Jun
M McPherson	✓	✓	✓	✓	✓	✓	✓	✓
T Alley			✓	✓	✓		✓	✓
R Browne	✓	✓	✓	✓	✓	✓	✓	✓
T Paterson			✓	✓	✓	✓	✓	✓
T Hammington			✓	✓	✓	✓	✓	✓
D Johns			✓	✓	✓	✓	✓	
J Cromb			✓	✓	✓	✓	✓	✓
L Claridge	✓	✓						
I Cooney		✓						
A Robinson	✓	✓						
S Stirling-Lindsay	✓	✓						

Executive Team

Louise van der Voort¹
Interim Chief Executive Officer



- Responsible for organisational activities
- Emergency Management

Saskia Righarts
Group Manager – Business Support



- Information Services
- Business Risk and Procurement
- Finance
- Governance
- Organisational Projects

Louise Fleck
General Manager – People and Culture



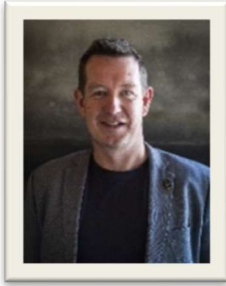
- Human Resources
- Organisational culture initiatives
- Health, Safety & Wellbeing

¹ Sanchia Jacobs resigned on 14 April 2023 and Interim CEO (Louise van der Voort) was in place from the 15 April 2023.

▪ Chief Executive Officer, Peter Kelly commenced at Central Otago District Council on 11 September 2023.

² Lee Webster was appointed Acting Group Manager, Planning and Infrastructure from 15 April 2023.

Dylan Rushbrook
Group Manager – Community Vision



- Community Development
- Communications & Engagement
- Economic Development
- Strategy & Policy
- Tourism

David Scoones
Group Manager – Community Experience



- Parks
- Pools
- Libraries
- Customer Services

Lee Webster²
Acting Group Manager – Planning and Infrastructure



- Planning
- Regulatory services
- Property
- Roading
- Environmental services (waste services and sustainability initiatives)



03 440 0056

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