



CENTRAL OTAGO DISTRICT COUNCIL

AR

ANNUAL REPORT

2020 – 2021



Contents

The planning and reporting cycle	6
Our space, our place.....	7
Community outcomes	8
Change is the name of the game	10
Our results	13
Financial prudence benchmarks	15
Our activities.....	21
– Water	23
– Wastewater	30
– Stormwater.....	35
– Roading.....	40
– Environmental Services.....	48
– Planning and Regulatory	54
– Pools, Parks and Cemeteries	61
– Property and Community Facilities	67
– Service Centres and Libraries	75
– Regional Identity, Tourism and Economic Development.....	82
– Governance and Corporate Services	89
Financials.....	94
– Explanation of variances	103
– Accounting policies	105
– Notes to the financial statements.....	119
– Independent Auditor's Report.....	146
Our Council.....	150
– Mayor and Councillors.....	151
– Community boards	152
– Executive team.....	155

The planning and reporting cycle

AR ANNUAL REPORT

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

AP ANNUAL PLAN

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

10 10-YEAR PLAN

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

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, Maniototo, Teviot Valley and Vincent.



We have one of the lowest population densities per square kilometre in New Zealand. In 2020 our estimated usual resident population was 23,528 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.

1. **Making a Difference:** We will inspire and lead others with our special point of difference.
2. **Respecting Others:** We will respect our culture and personal differences.
3. **Embracing Diversity:** We will recognise differences and embrace diversity.
4. **Adding Value:** We will always ask ourselves if there is a better way – one that achieves a premium status.
5. **Having Integrity:** We will seek to be open and honest.
6. **Learning From the Past:** We will learn from past experiences with future generations in mind.
7. **Making a Sustainable Difference:** We will make decisions in business with the community in mind and in harmony with the natural environment.
8. **Protecting our Rich Heritage:** We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.
9. **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.

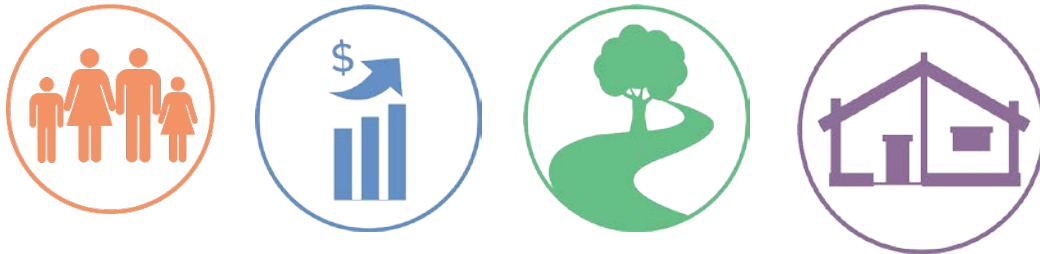
OUR COMMUNITY OUTCOMES

 <p>He Ōhaka e Ora Rāia ana Thriving Economy</p> <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 	 <p>Toitū te Whenua Sustainable Environment</p> <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 	 <p>He Hāpori, He Haumi Connected Community</p> <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)  
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COUNCIL'S STRATEGIC OBJECTIVES THAT SUPPORT THESE COMMUNITY OUTCOMES

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

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



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

Change is the name of the game

Tēnā koe

It is our pleasure to present this Central Otago District Council Annual Report and provide feedback to you on what Council has achieved on behalf of its community in the 2020/2021 year.

This time last year as we wrote our introduction for the 2019/2020 Annual Report, New Zealand was experiencing a resurgence of COVID-19. Twelve months on and we have been back to 'bubble living', each playing our part to keep ourselves, our loved ones, our community and our nation safe.



Facing and adapting to change has been a theme for the year. So too has been preparing ourselves as best as we can for the challenges and opportunities the future holds.

A huge amount of work for both staff and elected members outside of business as usual has been focussed on the Three Waters Reforms. In July, councils throughout New Zealand were given eight weeks to provide feedback on the Government's draft proposal for reform. This was done on the understanding that a final version would then be available to councils to consult with their community on before deciding on whether to opt in or opt out of the reforms.

Some councils used this eight-week period to formally reject the reforms draft proposal. Your Council chose not to do that; rather it responded to Government with a list of 10 specific concerns it had with the draft proposal.

In late October, the Government announced that any opt-in/out choice would be denied councils and communities with the reforms being mandated. While this did not come as a total surprise to your Council, the result that the community had no say in the outcome is a bitter disappointment.

But water reform is not the only game in town. There are equally significant conversations happening around resource management and also around the future for local government.

Elected members and staff have been working to keep up to speed on all of this while continuing to respond to a global pandemic and deliver on major projects, including delivering our Long-term Plan 2021-2031 earlier this year.

On all these key issues it is vitally important to the Council that we take our community on the journey with us. There is a popular slogan “Nothing about us, without us”. Everything we do is for the communities we serve. Your input into our work and aspirations is critical.

We have worked hard to keep you engaged this year and have seen record levels of participation.

During the options phase of the Vincent Spatial Plan development, we received 572 survey responses and a further 30 emails and letters with feedback. The Vincent Spatial Plan is being developed to address the challenges and opportunities of growth and land use in the Alexandra/Clyde area and Omakau/Ophir, mapping out a pathway for the next 30 years and beyond.

Through our Long-term Plan consultation, we asked our community to help us ‘frame our future’ together. We had a record number of submissions, 852 in total (almost doubling what we received in the previous LTP). That means roughly one in 27 Central Otago people took the time to let elected members know what they thought of the key proposals in the Plan, alongside other issues they felt were important. This meant we had good data to use as a tool in the decision-making process, and our submission numbers were amongst the highest in the country. What was also really pleasing to see was a broad demographic of people submitting.

On the day that we deliberated on the decisions needing to be made post submissions hearings for the 2021-2031 Long-Term Plan, it was awesome to be able to wander down and see a key project from our previous Long-term Plan well underway in Clyde. Creating a riverside precinct in Clyde will stop us turning our back on our beautiful river, provide much-needed parking and easy access to the historic beauty and great businesses in the town.

As is the case in most years, a good chunk of the year has been about rolling up our sleeves and getting on with our business-as-usual mahi, delivering the services that most of us take for granted in our daily lives that doesn’t make the headlines but keeps our community ticking.

However, when reflecting on the year there are many projects, activities and initiatives we have undertaken to improve our services and facilities and enhance the well-being of our community. We should take the time to acknowledge and celebrate these and strive to build on them for a brighter future as well as take stock of things that didn't go to plan and look for the lessons we can learn from them. Some of these highlights are detailed within the activity sections of this report.

As we sign off, we thank elected members and staff for their commitment and efforts this past year, and we thank our community, who we come to work to serve.

Ngā mihi



Tim Cadogan
Central Otago Mayor



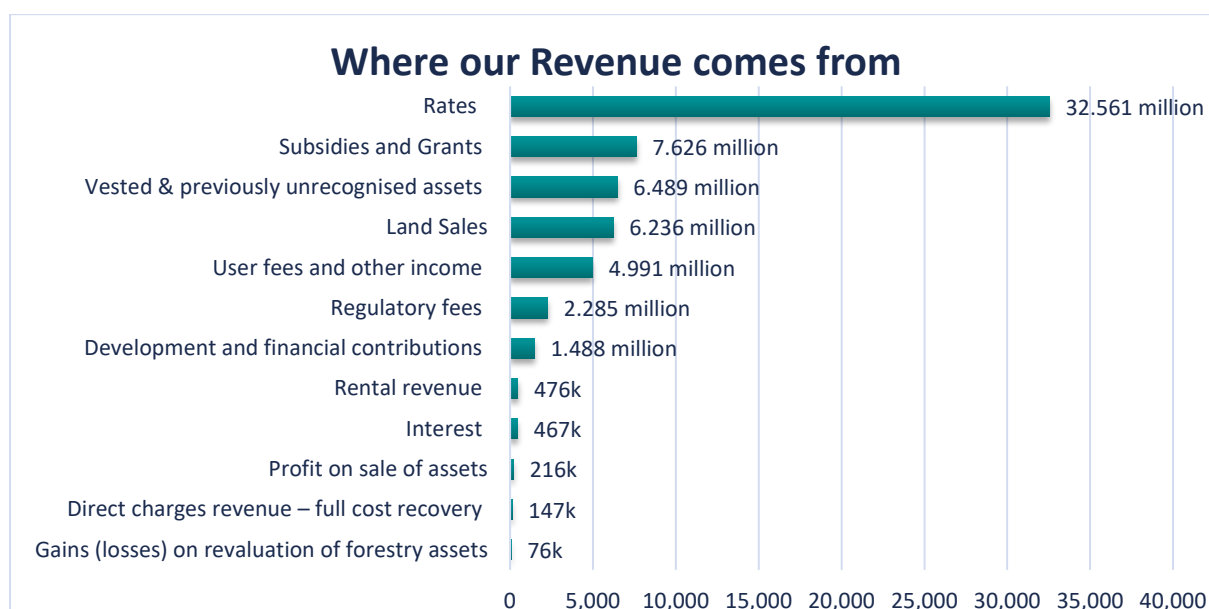
Sanchia Jacobs
Chief Executive Officer

Our results

Our projects for the 2020/2021 year, including those captured in our highlights on the previous pages, were achieved. We are mindful that some projects are still in progress and there are major capital works on the horizon. We will manage these within the limits of our financial strategy.

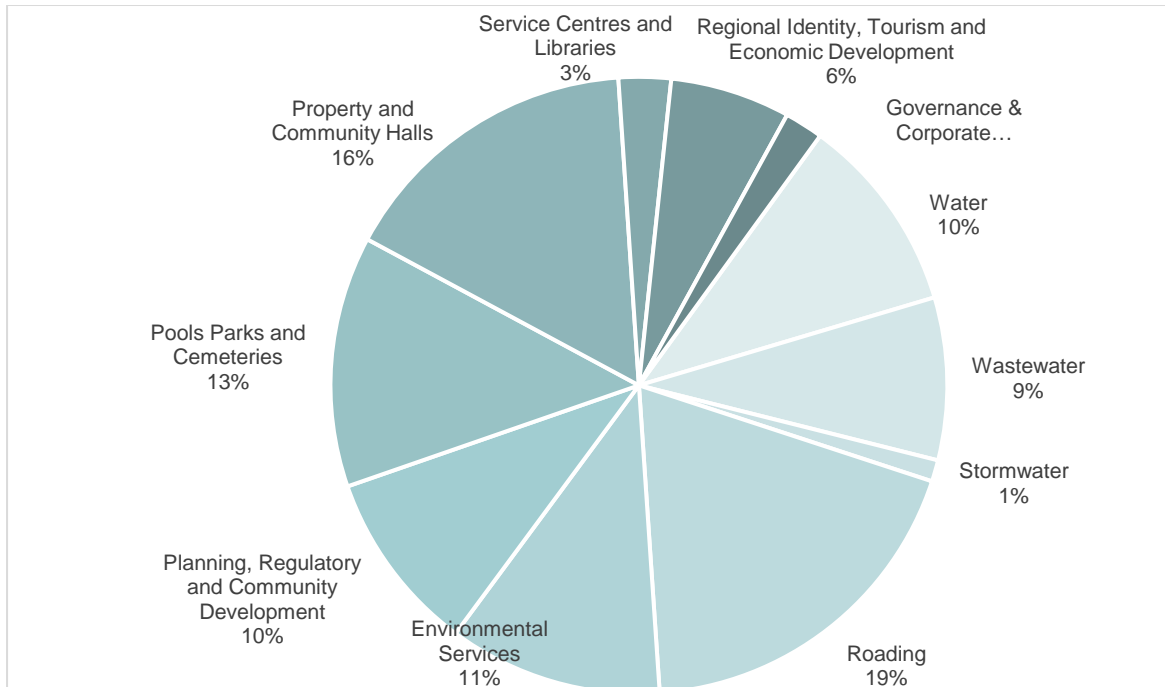
Council ended the year with a surplus of \$12.323 million after tax.

5-Year Financial Performance	2020/21 \$000	2019/20 \$000	2018/19 \$000	2017/18 \$000	2016/17 \$000
Rates revenue *	32,561	31,140	29,509	28,300	27,185
Other revenue**	29,679	34,672	34,622	18,830	22,210
Total revenue	62,240	65,812	64,131	47,130	49,395
Employee benefit expenses	11,109	10,218	9,697	8,721	8,326
Depreciation and amortisation	9,999	9,041	11,567	12,114	10,996
Other expenses	28,809	34,483	25,437	21,219	19,292
Total expenditure	49,917	53,742	46,701	42,054	38,614
Net surplus (deficit)*	12,323	12,070	17,429	5,076	10,782
Working capital (net)	12,577	15,404	19,966	18,847	20,107
Total assets	893,523	886,892	841,122	721,531	716,438
Cash flows from operating activities	16,788	12,024	19,428	13,848	13,915
* Note: includes revenue from water meter charges					
** Note: includes vested assets	6,489	9,512	10,300	1,912	6,345



How the money is spent, by activity

Total expenditure of \$49.9 million



Key Facts and Figures for 2020/21

\$62.2million = Council's total revenue

\$49.9million = Council's total expenditure

\$12.6billion = our rateable capital value at 30 June 2021

\$6.6billion = our rateable land value at 30 June 2021

\$0 = the district's debt

14,429 = the number of rateable properties in our district (14,084 in 2019/2020)

\$886.7million = the current book value of our district's non-current assets

Financial prudence benchmarks

Disclosure statement

What is the purpose of this statement?

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

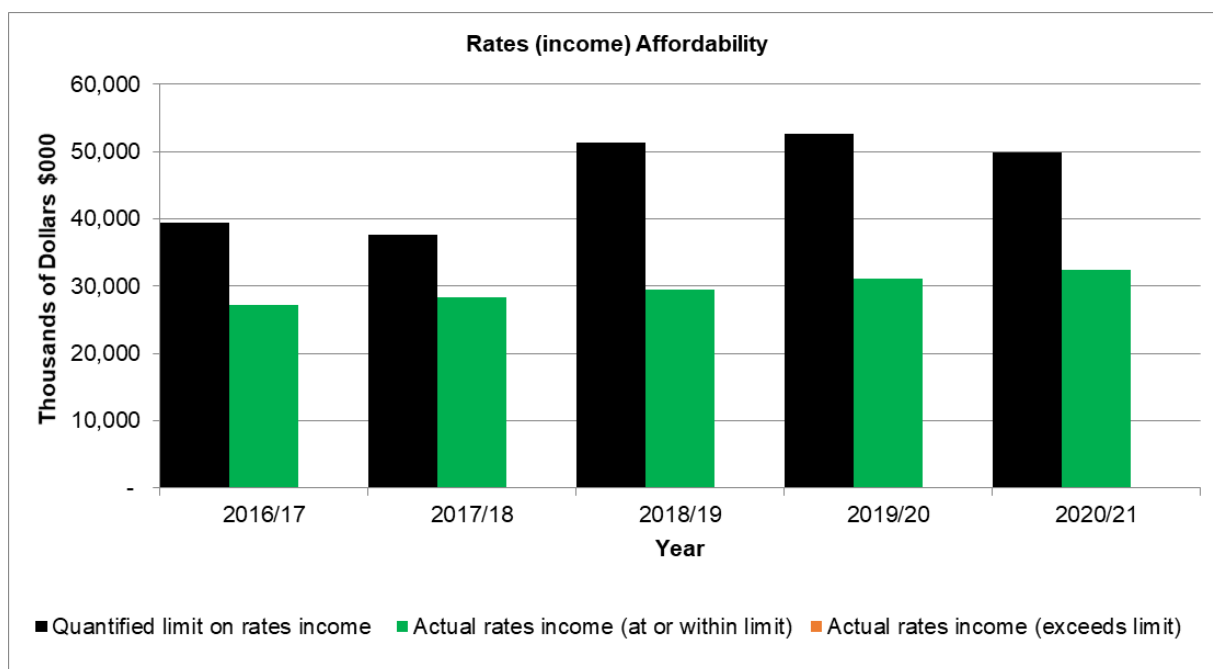
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). You can refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability

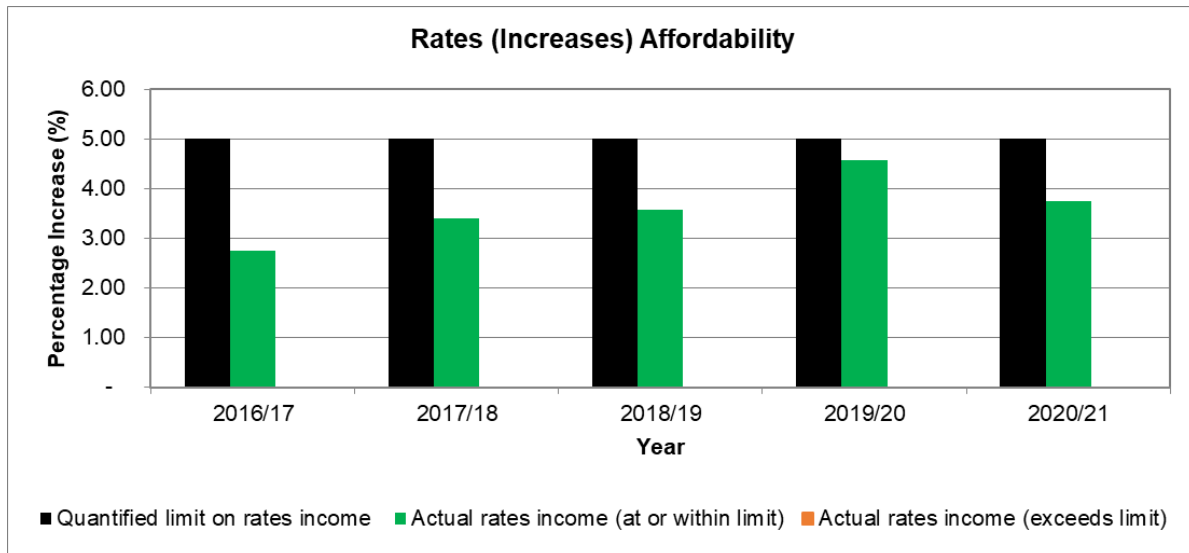
The council meets the rates affordability benchmark if—

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

The following rates (income) affordability graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The limit has been set at a maximum of 80% of total council revenue. This is shown in thousands of dollars.



The following rates (increases) affordability graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy contained within Council's long-term plan. The quantified limit was Local Government Cost Index plus 2.5%. From 2015/2016 the limit is set at 5% after deducting 0.7% for growth.

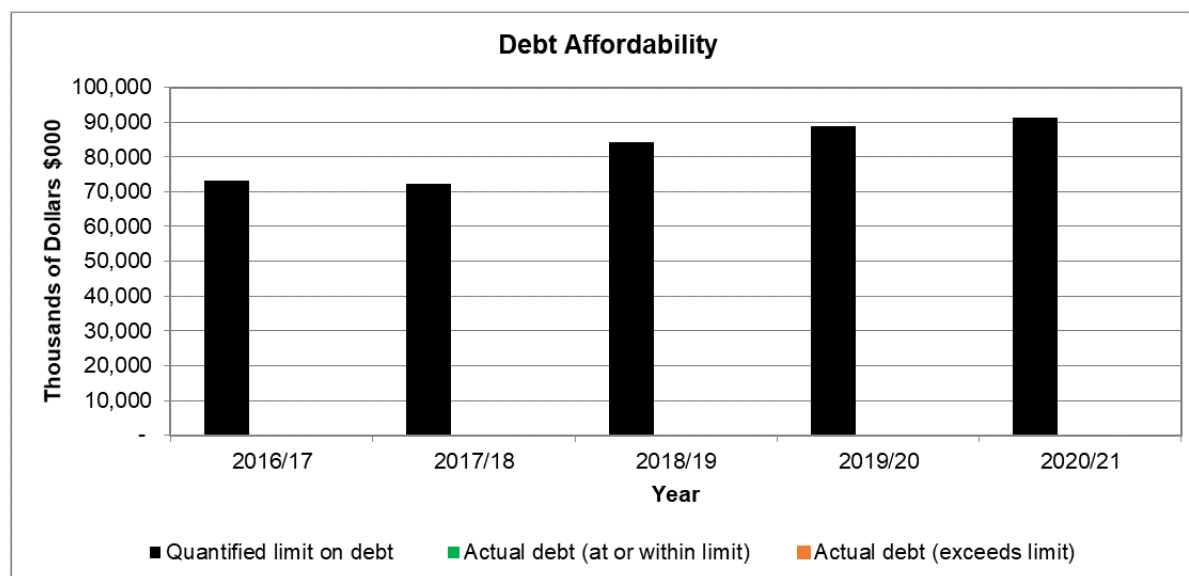


Debt affordability

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

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is 10% of total assets.

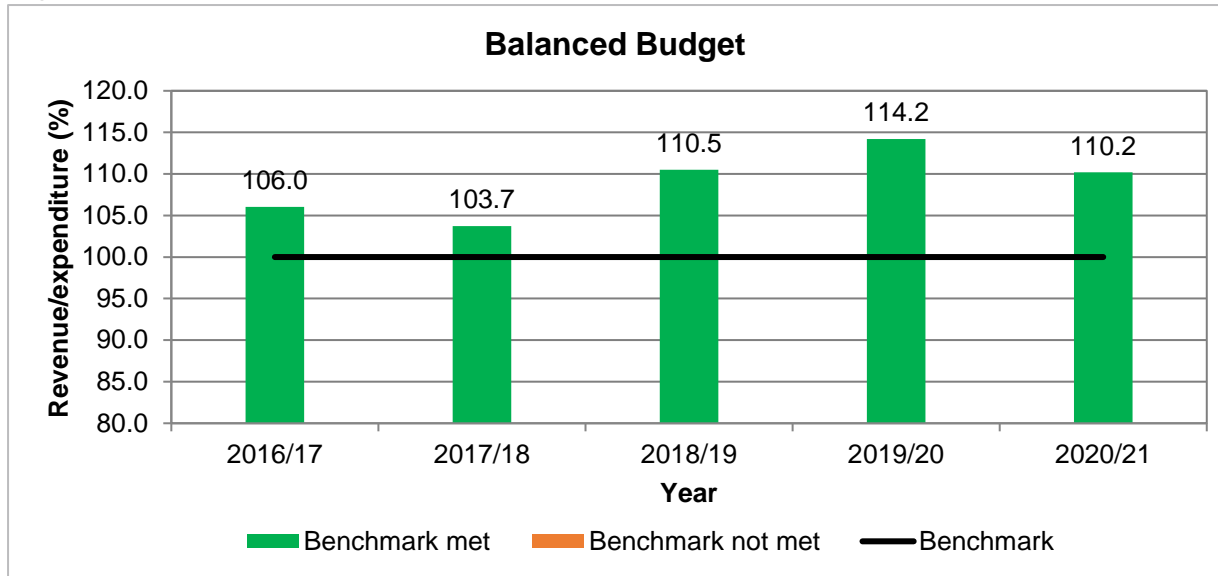
A borrowing limit of 10% of total assets will assist in prudently managing borrowing. At this point the Council has no external borrowings and is therefore within debt limits.



Balanced budget

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

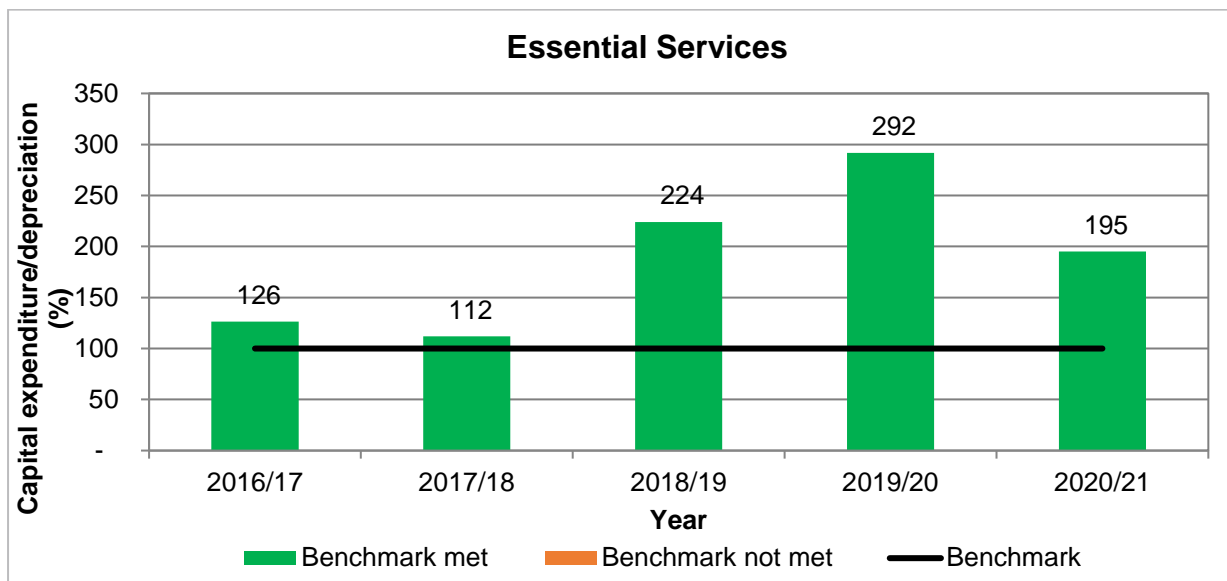
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services

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

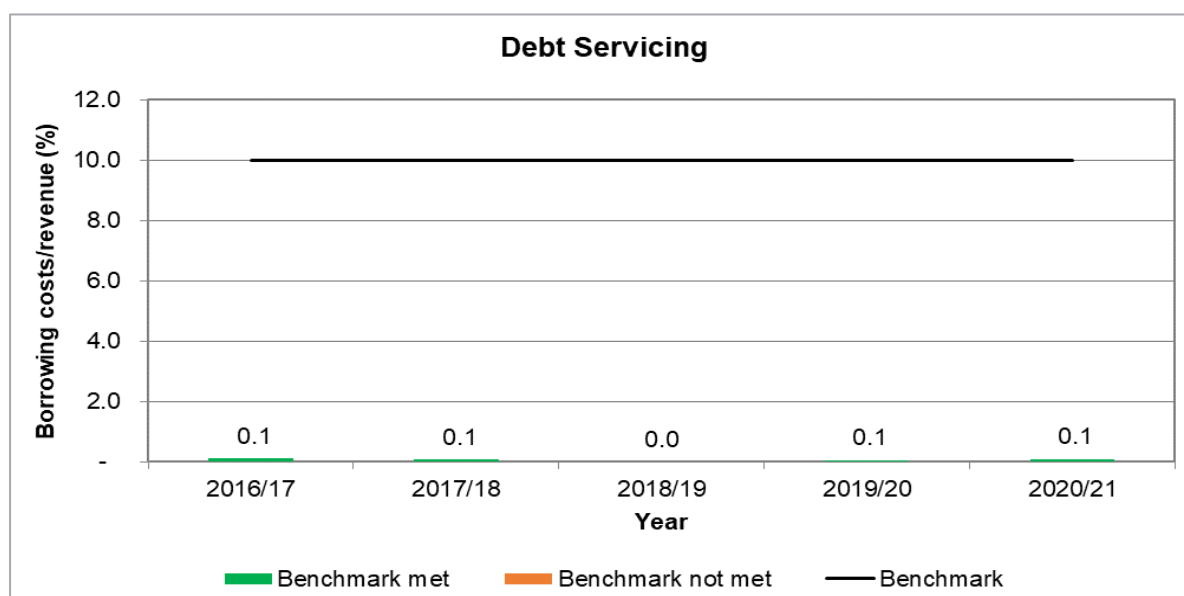
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

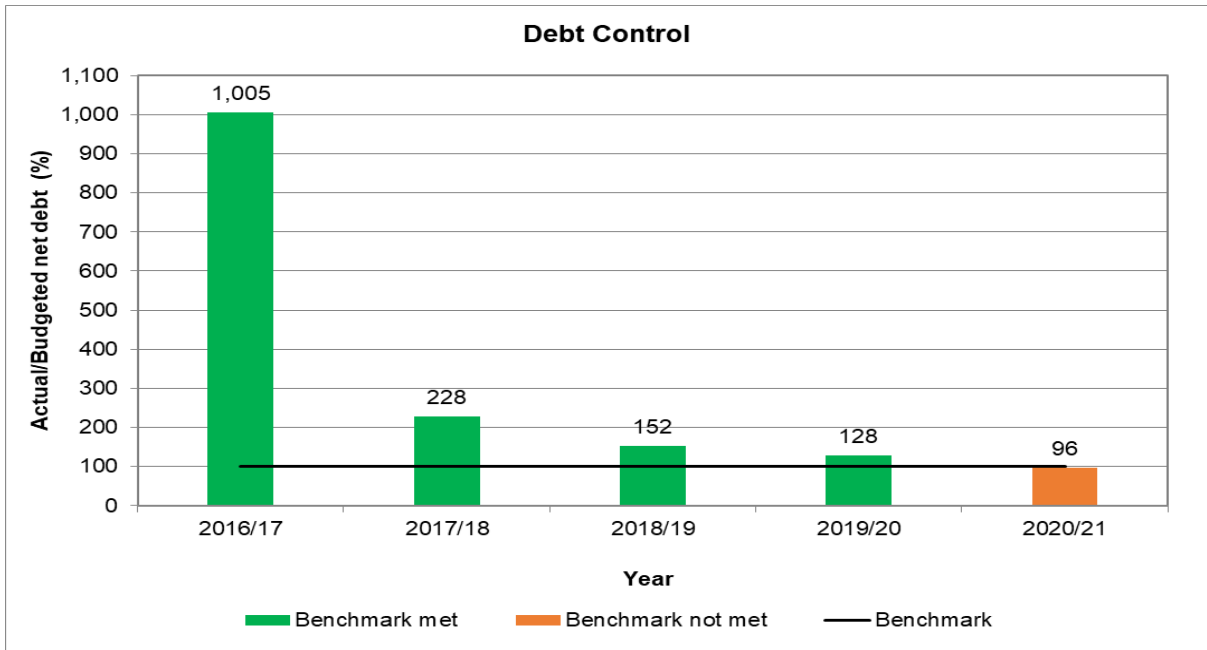
Due to no external borrowing the Council has limited debt servicing costs. The small borrowing costs represent bank fees in relation to current banking facilities. An overdraft facility is in place, the Council has not utilised this during the current period.



Debt control

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

This benchmark reports Council's performance in relation to net debt, defined as financial liabilities less financial assets (excluding trade and other receivables). Council is in a net asset position because financial assets exceed financial liabilities, so the measure is inverted to effectively report performance on a net asset basis. The benchmark is met when actual net assets equal or exceed planned net assets.

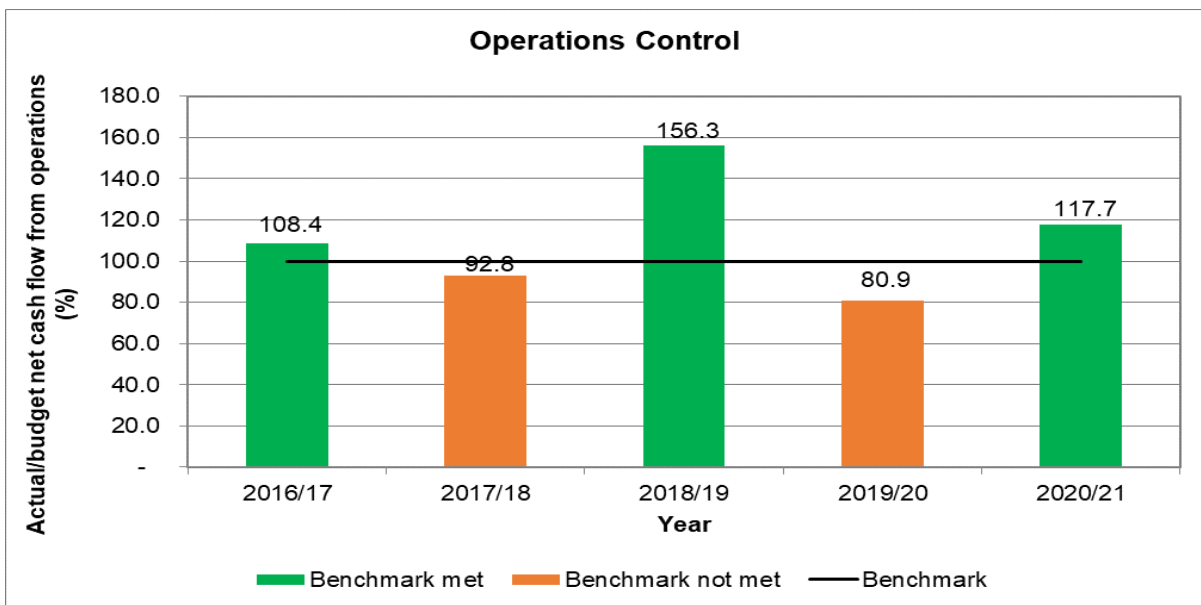


Note: Mathematically, the results shown in the graph above are correct. The graph shows “benchmark met” whenever the Council is better off (either less indebted or with greater net assets) than planned. Conversely it shows “benchmark not met” whenever the Council is either more indebted or has less net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

Operations control

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

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



Statement of compliance

Councillors and management of Central Otago District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.



Tim Cadogan
Central Otago Mayor



Sanchia Jacobs
Chief Executive Officer

Our activities

This section gives a detailed overview of the activities we have undertaken during the 2020/21 financial year. The groups of activities incorporate the core services we deliver and we give particular consideration to how these contribute to the community in our decision-making process. While some of the activities relate to legislation, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to our community outcomes in some way, either directly or indirectly. Governance and Corporate Services provides the internal processes and support required for the organisation to carry out its activities.

Within each group of activities you will find a description of each activity, and an overview of what we have achieved in the 2020/21 year.





WATER



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

Omakau water supply

Drilling of the new bores to supply the township of Omakau and Ophir got underway, with a first bore established and test pumping beginning early September to determine water quality and quantity is sufficient. Drilling of the second bore started later in spring. Once the final results are accumulated and Stantec have finished their report this will be reviewed internally. Following the review any further work is on hold pending a wider strategic review of the water supply for Omakau.

Lake Dunstan Water Supply project

The water pipeline installation for the Lake Dunstan Water Supply was completed in October 2020. The team has since been developing the design for the water treatment plant and bore field construction.

We expect construction of the new treatment plant was expected to be completed in Autumn 2022. This is later than originally indicated in the 2018 Long-term Plan due to the discovery of *Lindavia* algae in Lake Dunstan and the need for further consideration for the project's filtration system, as well as COVID-19 setbacks.

A report was put to Council in September 2021 outlining updated estimates and programme from the detailed design process.

Water Stimulus Delivery Plan

In November 2020 the Department of Internal Affairs approved the Water Stimulus Delivery Plan for the Council. A total of \$9.46 million was provided to Council to deliver a programme of work that has been agreed with Crown Infrastructure Partners. This includes a contribution of \$175,000 which will be allocated to progressing a joint work programme across the Otago and Southland councils to support the water reform process. This will involve the collective engagement of resources to support the collection and provision of data to inform decision-making. Undertaking this work jointly across the region will streamline the work programme and resource required across all eight councils.

The water stimulus programme that will be solely delivered by the Council includes the following:

1. Operational improvement programme (\$800,000) includes work to undertake an asset data collection and condition rating, and employment of three additional operational staff to improve water and wastewater compliance monitoring and reporting, improve operational management and delivery, and prepare new water safety plans for eight water schemes by February 2022.
2. A wastewater resilience improvement project (current estimate \$1.8 million) will be undertaken to reduce the likelihood of wastewater overflows to waterways from pump stations. This will involve the provision of improved storage capacity at Alpha Street and Melmore Terrace pump stations in Cromwell, and network reconfiguration in Alexandra to redistribute flows.
3. A water resilience project (current estimate \$2.8 million) will be undertaken to replace aging assets, and address level of service issues on smaller networks. This will include the replacement of falling mains at Roxburgh and Bridge Hill in Alexandra, scour protection to the Roxburgh Water Treatment Plant, and water pressure upgrades in Roxburgh and Omakau.
4. A water capacity project (current estimate \$3.8 million) will be undertaken to increase the capacity for storage of treated water to meet peak demand. The Council is in the process of upgrading several water treatment sites to meet the New Zealand Drinking Water standards. Additional storage is required at Alexandra (4000m³) and at Naseby (150m³) to ensure that sufficient treated water is available to meet peak day demand over summer. This will also provide improved resilience to climatic events that can affect the source water quality at Naseby.

Multiple contingency projects of lower values were also included and have been pre-approved by the Department of Internal Affairs. These are of smaller value, and any combination from this list can be progressed if projects on the preferred list are delayed or come in under budget.

Maniototo water

A water monitoring programme got underway in June to investigate upgrades required at the Patearoa and Ranfurly water treatment plants. The goal of this is to get both plants to reach the New Zealand Drinking Water Standards. At the Naseby Water Treatment Plant our contractor will be changing out the filter media, this will increase resilience to the dirty water experienced after rain events. Beca is also investigating what further upgrades would be required to increase resilience further.

What we have achieved - Water

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide a fully accessible and reliable water network	✓	The percentage of real water loss from the network reticulation system (leaks, metering inaccuracies)	24.3%	28%	Target current annual real losses from the networked reticulation system ≤20% of water produced	Target not achieved. A significant leak detection programme has been undertaken across a number of networks that has highlighted areas to be repaired but also a number of locations where pipes are reaching end of life and have been programmed for replacement.
			Percentage of budgeted capital works completed annually	18%	73%	To complete more than 90% of capital works budget.	Target not achieved. The significant underspend is largely due to procurement and delivery issues associated with COVID-19 as well as staff turnover. With new staff now onboard it is expected this will improve this year.
			Time with water per customer per annum (planned and unplanned)	99%	99.90%	To maintain supply to customers for ≥99% of the time	Target achieved.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
			Average time to process a request to connect to the Council's water	0.28 days	2.9 days	≤ 5 days	Target achieved.
A Sustainable Environment	Provide an efficient water network	✓	Fault response time to urgent callouts Attendance: Resolution:	49mins 2hrs 48mins	33 mins 1hr 22 mins	Target median time to get to site ≤ 1 hour Target median time to get to site ≤ 4 hour	Target achieved.
		✓	Fault response time to non-urgent callouts Attendance: Resolution:	4hrs 24 mins 20hrs 26 mins	23hrs 18 mins 32hrs 20 mins	Target median time to get to site ≤ 8 hours Target median time to resolve ≤24 hours	Target achieved.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
		✓	The average consumption of water per day per resident	655L/person/day	613L/person/day	To maintain water demand at < 600L/person/day	Target not achieved. A significant leak detection programme has been undertaken across a number of networks that have highlighted areas to be repaired but also a number of locations where pipes are reaching end of life and have been programmed for replacement.
		✓	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 	5.3 per 1,000 connections	4.1 per 1,000 connections	≤10 per 1,000 connections	Target achieved.
A Safe and Healthy Community	Provide a safe and healthy water network	✓	Compliance with the NZ Drinking Water Standards Pt4: Bacterial:	All treatment plants comply except Roxburgh, Ranfurly, Omakau and Naseby. All distribution zones comply except Ranfurly	Pt4: Bacterial Compliance. All treatment plants comply. All distribution zones comply except Lake Roxburgh Village and Bannockburn.	Part 4: Bacterial compliance. All treatment plants to comply. All distribution zones to comply.	Target not achieved. Roxburgh, Ranfurly, Omakau and Naseby do not comply due to high turbidity events. Ranfurly zone testing during boil water notice period.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
			Pt5: Protozoal:	All schemes do not comply.	All schemes do not comply.	Part 5: Protozoal compliance All schemes to comply. Omakau to comply 2019 Naseby to comply 2019 Alexandra/Clyde (Lake Dunstan Water Supply) to comply 2020 Patearoa to comply 2021 Ranfurly to comply 2021 Cromwell/Pisa to comply 2023	Target not achieved. Significant capital upgrades bare planned across several water treatment plants to address protozoal compliance.

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

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 WATER	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
4,993	4,744	4,559	Targeted rates	5,554	5,519	5,868
18	18	26	Subsidies and grants for operating purposes	18	18	-
4	4	32	Fees and charges	4	4	2
98	115	111	Internal charges and overheads recovered	159	168	166
-	-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	11
5,113	4,881	4,728	Total operating funding	5,735	5,709	6,047
Applications of operating funding						
2,292	2,165	2,188	Payments to staff and suppliers	2,358	2,665	3,152
-	-	-	Finance costs	-	-	-
1,035	896	615	Internal charges and overheads applied	1,217	980	708
38	38	25	Other operating funding applications	38	38	25
3,365	3,099	2,828	Total applications of operating funding	3,613	3,683	3,885
1,748	1,782	1,900	Surplus (deficit) of operating funding	2,122	2,026	2,162
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	475
1,091	1,091	270	Development and financial contributions	1,104	809	477
4,004	-	-	Increase (decrease) in debt	225	-	-
-	-	(3,796)	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
5,095	1,091	(3,526)	Total sources of capital funding	1,329	809	952
Applications of capital funding						
Capital expenditure						
1,718	292	1,047	- to meet additional demand	307	1,361	380
4,380	352	3,346	- to improve the level of service	1,108	6,347	1,781
1,260	1,451	2,990	- to replace existing assets	1,719	735	214
(515)	778	(9,009)	Increase(decrease) in reserves	317	(5,609)	739
-	-	-	Increase(decrease) in investments	-	-	-
6,843	2,873	(1,626)	Total applications of capital funding	3,451	2,834	3,114
(1,748)	(1,782)	(1,900)	Surplus (deficit) of capital funding	(2,122)	(2,026)	(2,162)
-	1	-	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

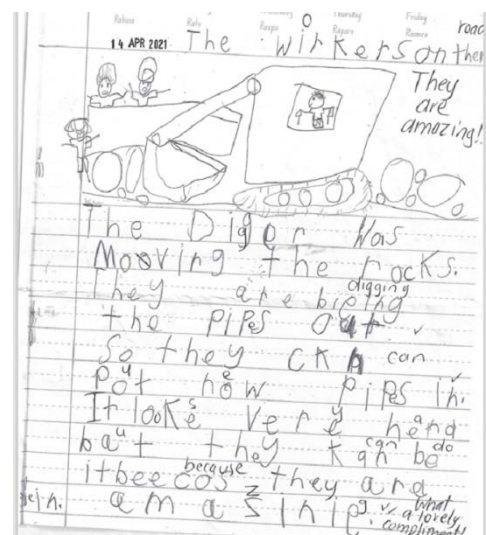
Omakau wastewater treatment plant

Installation of the new inlet screen for the Omakau wastewater treatment plant was completed in October 2020. This screen will filter out incoming contaminants that would otherwise settle at the bottom of the ponds and reduce the effectiveness of treatment over time. The new screen also has an attached compactor unit to remove liquid from the screenings. Removing liquid from the screenings reduces disposal costs and the impact on the landfills.

Clyde Wastewater Reticulation Project

Work got underway earlier in 2021 to install the wastewater mains pipes for Clyde's new reticulated wastewater system.

Although Council's contractor Seipp Construction Ltd has struck a lot of rock in their trench lines, installation of the wastewater mains pipe has progressed well through the township. By June 2021, a good stretch of the main pipe had been completed down Sunderland Street and Pyke Street, with work focusing on Matau Street in the final weeks of June.



The Major Projects Team, with the support of contractors, has been communicating directly with the 200+ property owners who are in Stage 1 of the Clyde Wastewater Reticulation project through letters, emails, phone calls and in person.

The Seipp Construction team, who are our contractors working to install stage 1 of Clyde's new reticulated wastewater system, have generated a lot of local interest in what they're doing. In April they received letters and artwork from some of the pupils from Clyde School's Kea Class who had been watching the diggers and decided to write about what they had observed, example featured.



What we have achieved - Wastewater

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide and efficient, accessible and reliable wastewater network	✓	Total number of complaints for: <ul style="list-style-type: none"> • Odour • Faults • Blockages • Responses to wastewater 	9.26 per 1,000 connections	12 per 1,000 connections	Total number of complaints ≤10 per 1,000 connections.	Target achieved.
			Percentage of budgeted capital works completed annually	38%	53%	To complete more than 90% of capital works budget.	Target not achieved. The significant underspend is largely due to procurement and delivery issues associated with Covid as well as staff turnover. With new people now on board it is expected this will improve this year.
			Average time to process a request to connect to the Council's	0.28	2.9	≤5 days	Target achieved.
A Sustainable Environment	Provide a safe and compliant wastewater network	✓	Compliance with discharge consents	Abatement notices - 1 Infringement notices - 1 Enforcement Orders - nil Convictions - nil	Abatement notices - nil Infringement notices – 2 Enforcement Orders – nil Convictions - nil	Abatement notices - nil Infringement notices - nil Enforcement Orders - nil Convictions - nil	Target not achieved. Alexandra Wastewater Treatment plant overflow in abatement and infringement notices.

Community Outcome	Our Objective Level of Service	DIA measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
		✓	Fault response times Attendance:	1hr 5mins	14 mins	Target median time to get to site ≤1 hour	Target not achieved. Known data entry issues when responding to urgent wastewater callouts. Contractor working towards new reporting tool to solve this issue.
			Resolution:	2hrs 30mins	44 mins	Target median time to resolve the problem ≤4 hours	Target achieved.
A Safe and Healthy Community	Provide a safe and compliant wastewater network	✓	Number of dry weather sewerage overflows from sewerage scheme	2.26 per 1,000 connections	3 per 1,000 connections	Number of dry weather sewerage overflows ≤1 per 1,000 connections	Target not achieved. Increased blockages due to root intrusion within the network - Reticulation renewals planned.

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

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 WASTEWATER	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
4,342	4,045	4,084	Targeted rates	5,002	4,748	4,769
-	-	-	Subsidies and grants for operating purposes	-	-	-
42	42	49	Fees and charges	42	46	22
79	39	21	Internal charges and overheads recovered	124	46	18
-	-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
4,463	4,126	4,154	Total operating funding	5,168	4,840	4,809
Applications of operating funding						
1,463	1,315	1,329	Payments to staff and suppliers	1,479	1,571	1,775
-	-	-	Finance costs	-	-	-
755	874	501	Internal charges and overheads applied	1,010	918	561
334	302	146	Other operating funding applications	334	289	331
2,552	2,491	1,976	Total applications of operating funding	2,823	2,778	2,667
1,911	1,635	2,178	Surplus (deficit) of operating funding	2,345	2,062	2,142
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	102
638	638	474	Development and financial contributions	648	1,037	413
4,811	7,330	-	Increase (decrease) in debt	2,608	-	-
-	-	(475)	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	717	-	-
-	-	-	Other dedicated capital funding	-	-	-
5,449	7,968	(1)	Total sources of capital funding	3,973	1,037	515
Applications of capital funding						
Capital expenditure						
1,081	1,552	1,035	- to meet additional demand	723	30	41
4,978	7,583	4,231	- to improve the level of service	3,513	3,045	2,984
1,186	1,315	1,529	- to replace existing assets	1,149	1,105	1,063
115	(847)	(4,618)	Increase(decrease) in reserves	933	(1,081)	(1,431)
-	-	-	Increase(decrease) in investments	-	-	-
7,360	9,603	2,177	Total applications of capital funding	6,318	3,099	2,657
(1,911)	(1,635)	(2,178)	Surplus (deficit) of capital funding	(2,345)	(2,062)	(2,142)
-	-	-	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 Infiltration Project

With the new enforcement team established, the Water Services team has had the support to launch into a stormwater infiltration project. This project concerns the significant number of properties across the district that have stormwater drains connected to wastewater infrastructure. The first tranche of the work from the enforcement team is focussing on Cromwell and Alexandra, as these townships contain the most properties with cross connections. Future work will also focus on Ranfurly township.

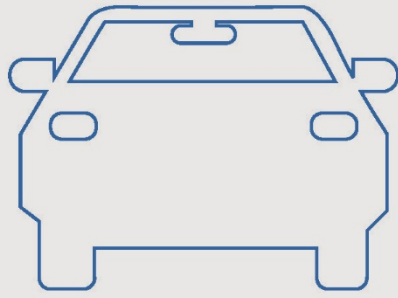
What we have achieved - Stormwater

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide an efficient, full accessible and reliable stormwater network		Percentage of budgeted capital works completed annually	100%	33%	To complete more than 90% of budgeted capital works	Target achieved.
			Average time to process a request to connect to the Council's stormwater network	1 day	2.9	≤ 5 days	Target achieved.
A sustainable Environment	Provide an efficient, full accessible and reliable stormwater network	✓	Compliance with discharge consents	Abatement notices - nil	Abatement notices - nil	Abatement notices - nil	Target achieved.
				Infringement notices - nil	Infringement notices - nil	Infringement notices - nil	
				Enforcement orders - nil	Enforcement orders - nil	Enforcement orders - nil	
				Convictions - nil	Convictions - nil	Convictions - nil	
A Safe and Healthy Community	Provide a safe and compliant stormwater network	✓	Number of flooding events that occurred.	Nil	Nil	Nil	Target achieved.
		✓	Number of habitable floors affected in flooding events	Nil	Nil	Target number of habitable floors affected ≤ 1 per 1,000 properties per flood event	Target achieved.

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
		✓	Response time to attend flood events	N/A	N/A	Target median time to get to site ≤ 1 hour	Target achieved.
		✓	Number of complaints received about stormwater performance	1.4	1.88	Total number of customer complaints ≤ 2 per 1,000 properties	Target achieved.

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

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 STORMWATER	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
695	712	719	Targeted rates	661	691	694
-	-	-	Subsidies and grants for operating purposes	-	-	-
-	-	-	Fees and charges	-	-	-
123	124	73	Internal charges and overheads recovered	146	80	45
-	-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
818	836	792	Total operating funding	807	771	739
Applications of operating funding						
155	162	159	Payments to staff and suppliers	105	122	65
-	-	-	Finance costs	-	-	-
24	24	24	Internal charges and overheads applied	27	33	32
12	12	14	Other operating funding applications	12	12	13
191	198	197	Total applications of operating funding	144	167	110
627	638	595	Surplus (deficit) of operating funding	663	604	629
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	-	Development and financial contributions	-	-	-
-	-	-	Increase (decrease) in debt	-	-	-
-	-	(120)	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
-	-	(120)	Total sources of capital funding	-	-	-
Applications of capital funding						
Capital expenditure						
-	-	10	- to meet additional demand	-	-	-
-	-	33	- to improve the level of service	-	-	-
120	120	30	- to replace existing assets	120	120	399
507	518	402	Increase(decrease) in reserves	543	484	230
-	-	-	Increase(decrease) in investments	-	-	-
627	638	475	Total applications of capital funding	663	604	629
(627)	(638)	(595)	Surplus (deficit) of capital funding	(663)	(604)	(629)
-	-	-	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 1,935km of maintained roads, with 1,779km of rural roads and 158km of urban streets. Seventy-two percent of our roads are unsealed, a total length of 1,407km. The Council owns and maintains 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

During the 2020/2021 year 70,000m³ of gravel was applied to unsealed roads as part of the Council's annual re-metalling programme, which equates to approximately 95km in length; 200,000m² (approximately 52km in length) of our roading network was resurfaced in either chip seal or asphalt; 1.8km of roads were fully rehabilitated and 2.1km of footpaths were renewed.

Support for Street Smart and Senior Drivers

the Council proudly supported four Street Smart events during the 20/21 year. The Street Smart programme is a world-class, cognitive-based driver programme that aims to positively influence the lives of young Kiwis across the country, and help them to become safer and more aware driver on our roads.

Offering a practical hands-on learning experience, Street Smart is a one-day event providing young drivers and their parents/caregivers the opportunity to undertake supervised driving practice. There is a focus on developing good decision-making strategies for safe driving,

including assessing themselves, reading the road environment, resisting peer pressure, managing or eliminating distractions and planning ahead.

Street Smart takes place in safe, controlled, off-the-road environments – in Central Otago these were held at Highlands Motorsport Park in Cromwell. Young people learn under the watchful eye of qualified coaches plus a parent/caregiver. This provides the parent the opportunity to also assess themselves, in order to be a better coach and mentor to their teen.

Towards the end of the 2020/2021 year, we offered senior drivers a chance to brush up their “street smarts” too, with a free classroom-based workshop held at the Alexandra District Club. The workshop was aimed at those over 65 who were currently driving but wanted to be safer on the road. Expert presenters took the 43 attendees through sessions to help them build their confidence as a senior road user and increase their knowledge of road code changes and safe driving practices, with content also including advice on the steps to renewing your driver licence, and information on the effects of aging on your driving.



Clyde Heritage Precinct Upgrade

Work got underway on some major roading work in Clyde in May and June this year – the Lodge Lane development and the Miners Lane Road extension project. Both work sites are part of the wider piece of work – the Clyde Heritage Precinct Upgrade – consulted on and budgeted for in Council’s 2018 Long-term Plan.

Work got underway in late May opening up access from the Clyde Heritage Precinct down to the Clutha Mata-Au River. The historic little walkway from Matau Street down to Miners Lane was closed to allow for vegetation clearance, maintenance and improvements to make it a more accessible track for the community to enjoy. At the same time, work commenced on extending Miners Lane to be a one-way through road linking up to Matau Street. The Miners Lane Road extension project is due for completion in November.

Work also began mid-June on the much-anticipated makeover for Lodge Lane in Clyde. The upgrade to Lodge Lane to create a shared public space aims to create a central community hub at the 'heart' of Clyde.

The road area and footpaths of Lodge Lane are being levelled and resurfaced, creating a much more flexible pedestrian and cycle-friendly space. The area will also be better suited to events and public gatherings. Planting, lighting and street furniture will be going in, including bike stands and provision for an e-bike charging station. New toilets will be going in behind the Masonic Lodge in Spring and toilets are in the plans for the Clyde River Park later next year.

As part of the upgrade car parking on the lane and the section behind the Masonic Lodge will be removed. However, the redeveloped Miners Lane area will provide increased carparking, and car park marking will be introduced on Sunderland Street to optimise parking availability.

The work was scheduled for the quieter winter period to cause the least disruption to Clyde businesses and the wider community. The Lodge Lane project is set to be fully completed late November/early December this year ready for the community to put to good use over the summer.

What you can expect from us – Roading

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Provide a fully accessible roading network		Percentage of budgeted capital works completed annually	100% of programmed works completed and 116% of capital budgets spent	100% of programmed works completed and 82% of capital budgets spent	100% of budgeted works completed and 100% of capital budgets spent	Target achieved.
			Average length of time to issue a consent for access to a road	1.3 days	1.2 days	≤ 2 days	Target achieved.
			The average quality of ride on the sealed road network, measured by smooth travel exposure	98%	98.70%	Smooth Travel Exposure ≥ 90%	Target achieved.
		✓	Number of journeys impacted by unplanned events <ul style="list-style-type: none"> and where there is no viable alternative 	46,793	1,727	<16,423	Target not achieved. Three closed bridges contributed to 21,400 impacted journeys on low volume roads. The significant January 2021 flood event also contributed to the overall increased number of impacted journeys.
			% of network not accessible to heavy vehicles due to bridge capacity <ul style="list-style-type: none"> Class 1 heavy vehicles 	3%	3%	<3% of network not accessible to Class 1.	Target achieved.

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
			<ul style="list-style-type: none"> 50Max heavy vehicles 	9%	9%	11.1% of network not accessible to 50Max	Target achieved.
A Sustainable Environment	Provide an efficient roading network	✓	Percentage of sealed local road network that is resurfaced	24.5km sealed (4.6%)	14.1km sealed (2.7%)	>3.9% of sealed road length resurfaced per annum	Target achieved.
			Number of service requests	709 service requests	597 service requests	<600 service requests	Target not achieved. Staff changes and January 2021 flood event.
		✓	Number of service requests from customers responded to within 10 days	90%	87%	≥ 90%	Target achieved.
A Safe and Healthy Community	Provide a safe roading network	✓	Change from previous year in number of fatalities and serious injury crashes on local roading network	Number of fatal and serious crashes = 10	Number of fatal and serious crashes = 5	Stable or decreasing trend	Target not achieved. While there were no fatal incidents, Central Otago District Council had 10 incidents that resulted in serious injury. Results taken from Waka Kotahi NZTA CAS system.
	Provide a fully accessible roading network	✓	The percentage of footpaths that fall within the Council's level of service standard for the condition of footpaths	81%	81%	>70%	Target achieved.
			Customer satisfaction with condition of unsealed roads	69%	77%	To maintain customer satisfaction at or above 70%	Target not achieved. January 2021 had a significant weather event which put a strain on

Community outcome	Our objective level of service	DIA Measure*	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
							grading programmes while crews attended to repairing damages. Potential shift in customer level of service expectations for unsealed roads as urban boundaries expand into the rural areas of the district.

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

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
			ROADING			
			OPERATING			
			Sources of operating funding			
5,082	5,331	9,422	General rates, uniform annual general charges and rates penalties	5,056	4,426	4,716
805	827	835	Targeted rates	834	470	471
1,929	2,223	1,962	Subsidies and grants for operating purposes	1,901	2,168	-
21	10	13	Fees and charges	21	21	8
623	677	522	Internal charges and overheads recovered	650	584	518
278	271	245	Local authorities fuel tax, fines, infringement fees, and other receipts	278	284	235
8,738	9,339	12,999	Total operating funding	8,740	7,953	5,948
			Applications of operating funding			
3,906	4,098	3,891	Payments to staff and suppliers	3,850	3,991	4,536
-	-	-	Finance costs	-	-	-
2,067	2,051	1,893	Internal charges and overheads applied	2,167	2,191	1,973
-	-	-	Cost of sales	-	-	4
5	5	5	Other operating funding applications	5	5	5
5,978	6,154	5,789	Total applications of operating funding	6,022	6,187	6,518
2,760	3,185	7,210	Surplus (deficit) of operating funding	2,718	1,766	(570)
			CAPITAL			
			Sources of capital funding			
2,405	2,444	2,276	Subsidies and grants for capital expenditure	2,785	2,877	6,094
437	437	364	Development and financial contributions	437	500	325
-	-	-	Increase (decrease) in debt	-	-	-
18	-	14	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
2,860	2,881	2,654	Total sources of capital funding	3,222	3,377	6,419
			Applications of capital funding			
			Capital expenditure			
595	516	990	- to meet additional demand	721	583	662
1,099	887	745	- to improve the level of service	1,633	1,672	1,987
3,633	3,840	3,028	- to replace existing assets	3,633	3,986	4,709
293	823	5,101	Increase(decrease) in reserves	(47)	(1,098)	(1,509)
-	-	-	Increase(decrease) in investments	-	-	-
5,620	6,066	9,864	Total applications of capital funding	5,940	5,143	5,849
(2,760)	(3,185)	(7,210)	Surplus (deficit) of capital funding	(2,718)	(1,766)	570
-	-	-	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.

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

Council has developed a sustainability vision:

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

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

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

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



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Thriving Economy



Toitū te Whenua
Sustainable Environment



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Connected Community

Rising to the challenges

Emissions Management and Reduction

The Council's Sustainability Strategy outlines steps that the Council will take to be more sustainable; including measuring and reducing the Council's emissions through the Toitū Envirocare Carbonreduce Programme. The strategy has been developed to initially focus on issues the Council directly controls. The work to prepare our first emissions inventory report covering the 2019/2020 year was carried out during 2020/2021 and presented at Council's meeting in late June. It included a presentation of an emissions management and reduction plan for the Council.

The Council has set a target of reducing its gross emissions by 52% over the next 5 years (from the baseline that this first emissions report provides). Key projects to reduce emissions include:

- the replacement of the Cromwell Pool LPG boiler and Alexandra office coal-fired boiler with energy efficient, sustainable alternatives by 2022
- continued transition of Council's fleet to electric/hybrid vehicles (currently almost at 50%)
- diverting waste from landfill through education and district diversion initiatives (as Council's largest emissions source is from disposal of the district's waste to landfill - which accounts for 72% of Council's gross emissions).



Reset Recycling

From 1 December, the Council joined the increasing number of districts changing the types of plastics accepted in yellow kerbside bins to ones that can be recycled onshore in New Zealand. Only plastic 2 and 5 and clear plastic 1 bottles are now being accepted for recycling. This includes material collected in the yellow kerbside bins, recycling drop-off points or through commercial collections.

The changes were part of an increasing movement by district councils towards a standardised kerbside collection across the country and align with New Zealand's commitment to move away from hard-to-recycle plastics. This may sound like a radical change to recycling, but plastics numbered 1, 2, and 5 make up 87% of the plastics collected in kerbside recycling bins nationally. By opting to collect high-value plastics which can be processed here in New Zealand, we can be confident in a clear supply chain and improved environmental and social outcomes.

Council rolled out a Reset Recycling information campaign, including a mail-drop to all residents on kerbside collection, and promotion in print and online, to educate residents and support them through the changes. This was followed up with a 12 Days of Christmas recycling campaign to reinforce the messages about recycling changing and preparation has been underway in the first half of 2021 to produce an updated recycling video resource.



What you can expect from us – Environmental Services

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Sustainable Environment	Improving the Efficiency of Resource Use	Total quantity to landfill (tonnes p.a.)	9,825 tonnes*	10,190 tonnes	Incremental year-on-year reduction	Target achieved.
		Total amount generated per rateable property	751 kg*	834 kg	Incremental year-on-year reduction (measured as rubbish + recycling)	Target achieved.
		Total amount recycled (tonnes p.a.)	1,007 tonnes*	1,538	Incremental year-on-year increase	Target not achieved. Contamination in recycling streams resulted in material being sent to landfill.
		Residential satisfaction with waste services	86%	93%	Incremental increase	Target not achieved. Significant changes in acceptance criteria for recycling as well as increased costs may be impacting resident satisfaction.

* Waste to landfill 9,825 Tonnes + Recycling 1,007 Tonnes = 10,982 Tonnes divided over 14,429 rateable properties = 751 kg per property

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
ENVIRONMENTAL SERVICES						
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
2,943	3,027	3,056	Targeted rates	3,005	3,701	3,716
-	-	-	Subsidies and grants for operating purposes	-	-	-
155	251	190	Fees and charges	155	150	182
18	34	16	Internal charges and overheads recovered	19	3	2
850	850	791	Local authorities fuel tax, fines, infringement fees, and other receipts	850	1,275	1,086
3,966	4,162	4,053	Total operating funding	4,029	5,129	4,986
Applications of operating funding						
3,343	3,454	4,284	Payments to staff and suppliers	3,384	4,489	4,807
-	-	-	Finance costs	-	-	-
528	569	512	Internal charges and overheads applied	548	649	617
9	9	12	Other operating funding applications	9	9	24
3,880	4,032	4,808	Total applications of operating funding	3,941	5,147	5,448
86	130	(755)	Surplus (deficit) of operating funding	88	(18)	(462)
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	-	200	394
507	500	45	- to replace existing assets	8	8	16
(421)	(370)	(800)	Increase(decrease) in reserves	80	(226)	(872)
-	-	-	Increase(decrease) in investments	-	-	-
86	130	(755)	Total applications of capital funding	88	(18)	(462)
(86)	(130)	755	Surplus (deficit) of capital funding	(88)	18	462
-	-	-	Funding balance	-	-	-



PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT



Planning and Regulatory and Community Development

About our activity

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

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

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

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

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

Consent figures

During the 2020/2021 year, a total of 995 building consents were issued with a total value of building work of \$187,785,959. This was an increase of 3.5% in number of consents and a 3.2% increase in value from the previous year. During the 2020/2021 year a total of 482 resource consent applications were processed. This represents a 7% decrease from the previous year (2019/2020).

Vincent Spatial Plan

Since autumn 2020, we've been talking with our Vincent communities about the development of a spatial plan to address the challenges and opportunities for growth and land use in the Alexandra Basin, Omakau and Ophir. This has included a community values survey (April 2020), community drop-ins and a facilitated workshop with community representatives to develop growth options (August/September 2020), and gaining community feedback on a *Let's Talk Options* engagement document between December 2020 and February 2021. We will be checking back in with the community on draft spatial plans from late August 2021 ahead of adopting the final Vincent Spatial Plan.



The Vincent Spatial Plan will set out a visual blueprint for the next 30 years showing what could go where and how aspects such as infrastructure, housing and productive land use could fit together. It is a vision of what the future could look like, offering guidance to the private and public sector, including direction for infrastructure investment and the Council's future planning. It will also be used to inform a review of the District Plan.

Community Development Strategy

In May 2021 Council adopted the Community Development Strategy 2021/2022. The strategy sets the Council's work programme for the next two years in the community development space. While staff have been actively involved in community development for many years, this is the first strategy to be developed in this work programme.

It is anticipated that this strategy will support Council staff to work alongside communities in a collaborative way and will help the community to understand the kind of support Council can give when it comes to community-led initiatives.

Some key actions from the strategy include:

- Assist community groups to action community plans and other community-led initiatives, and help them review their own progress
- Support community-initiated groups that enable breaking down cultural barriers, educating the community about different cultures, and celebrating cultural diversity
- Administer council and community board Community Grants funding
- Actively promote opportunities to educate our communities about waste minimisation and sustainable livelihoods.

New enforcement team

A new enforcement team (two staff) has been established at the Council to enable further enforcement of priority areas of our work in order to facilitate our community outcomes, for example protecting our environment. The first project for the new team was the wastewater infiltration project. The team is working with homeowners whose homes have been identified as having non-compliant stormwater drainage entering the wastewater system, causing an issue that could impact on public and environmental health, as well as ultimately costing the ratepayer if left unchecked. Proactive monitoring of land use consents has also begun to ensure consent holders are complying with the conditions set.

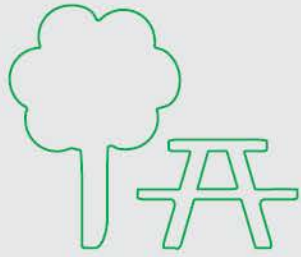


What you can expect from us – Planning, Regulatory and Community Development

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Sustainable Environment	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with resource consent process in customer survey	69%	81%	Maintain customer satisfaction \geq 75%	Target not achieved. Less available contact time for duty planner may have reduced this score.
		Resource consents processed within statutory timeframes	95% non-notified consents, 84% notified consents	89% non-notified consents, 85% notified consents	Resource consents processed within statutory timeframe \geq 99%	Target not achieved. An improvement from last year for non-notified consents. A similar trend for notified consents (24 of 26 that went to hearing and 3 of 6 that didn't go to hearing processed within timeframes).
A Thriving Economy and a Safe and Healthy Community		Customer satisfaction with building consent processes in residents' survey	71%	75%	Maintain customer satisfaction \geq 85%	Target not achieved. This may be as a result of the enforcement of the required standards of the building code.
		Building consents processed within statutory timeframes	98%	98%	Building consents processed within statutory timeframe 100%	Target not achieved. 98% were achieved within the statutory timeframe. The unpredictability of consents through the year is challenging, and additional resources were implemented to try and address this.

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
	To help people develop appropriately, and assist in the provision of health and well-being in the community by ensuring that food service premises are hygienic	Annual licensing and inspection programme, including audit of food control plans is completed in accordance with legal and internal standards	93%	81%	100% annual licensing programme completed within reporting period	Target not achieved. This is a significant improvement from the previous year. However, a vacancy in the team has resulted in some verification delays, compounded by additional verifications required from enforcing sub-standard premises and new premises. This has resulted in increased work volume above that programmed.
	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction with dog control	83%	82%	Maintain customer satisfaction \geq 75%	Target achieved.
A Safe and Healthy Community	Community satisfaction with Council performance	Residents' survey - Satisfaction with Emergency Management (Civil Defence)	92%	93%	>90%	Target achieved.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 PLANNING, REGULATORY AND COMMUNITY DEVELOPMENT	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
1,014	1,035	1,045	Targeted rates	1,040	2,096	2,104
-	-	-	Subsidies and grants for operating purposes	-	-	-
2,183	2,182	2,078	Fees and charges	2,228	2,360	2,313
166	102	68	Internal charges and overheads recovered	175	72	34
418	428	844	Local authorities fuel tax, fines, infringement fees, and other receipts	418	581	907
3,781	3,747	4,035	Total operating funding	3,861	5,109	5,358
Applications of operating funding						
2,828	2,880	3,701	Payments to staff and suppliers	2,884	4,050	3,742
-	-	-	Finance costs	-	-	-
847	781	720	Internal charges and overheads applied	877	951	947
-	-	-	Cost of sales	-	-	5
2	2	3	Other operating funding applications	2	2	3
3,677	3,663	4,424	Total applications of operating funding	3,763	5,003	4,697
104	84	(389)	Surplus (deficit) of operating funding	98	105	661
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	-	Development and financial contributions	-	-	-
-	-	-	Increase (decrease) in debt	-	-	-
97	-	(204)	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
97	-	(204)	Total sources of capital funding	-	-	-
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	-
-	-	-	- to improve the level of service	-	-	-
-	-	159	- to replace existing assets	-	115	237
201	84	(752)	Increase(decrease) in reserves	98	(10)	424
-	-	-	Increase(decrease) in investments	-	-	-
201	84	(593)	Total applications of capital funding	98	105	661
(104)	(84)	389	Surplus (deficit) of capital funding	(98)	(105)	(661)
-	-	-	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, 31 playgrounds, and we maintain 268 hectares of reserve land.

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

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Alexandra Cemetery Work

The Alexandra Cemetery buffer planting project was carried out in the first quarter. First the former water race was levelled and irrigation installed, then mulching, fencing and planting in early spring. and will be completed once mulch for the planted area is delivered to site. Planting is planned for late August/early September.

Swim Centres rebrand

Council's graphic designer worked with the pools team on a brand refresh that was rolled out from Spring 2020. The refresh brings Alexandra Pool, Cromwell Pool and Ranfurly Pool under the banner of Central Otago Swim Centres for greater cohesion. During the year, as entrance ways were being upgraded, we seized the opportunity to add elements of the new look into décor and signage. Staff are also now sporting smart new uniforms.



Tree Maintenance Programme

All Council-owned trees within parks and urban streets were counted and assessed as part of Council's ongoing asset data capture programme in winter 2020. This assessment identified just under 7000 trees that Council is responsible for across the district. A proactive tree maintenance programme was developed from this information to feed into the Long-term Plan 2021-2031.

Roxburgh Skate Park

Construction of the Roxburgh Skate Park in the King George Reserve got under way in May. The development of a small wheels park for skateboards and scooter riders will provide a top-class facility for school-aged children and visitors to use. The community-led project has been in the pipeline for several years, so it is exciting to see work to develop the park underway.

Alexandra Bike Park resurfacing

The Alexandra Bike Park (learn to ride area) was closed for a month (May/June) while the uneven concrete perimeter track was lifted, and a new asphalt surface installed.

Parks and recreation highlights

Other highlights this year included the reinstatement of the River Track between Marshall Road car park and the Fraser Bridge, following the January floods. Council received and great match reports at Molyneux Park both New Zealand domestic cricket fixtures and also from the Highlanders following their fixture in February at Molyneux Park. Recent investment in upgrading irrigation systems is returning improvements in water management too.

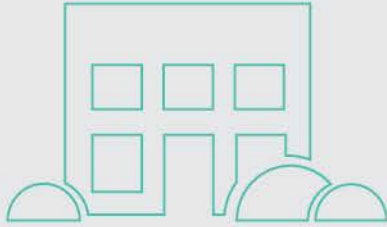


What you can expect from us – Pools, Parks and Cemeteries

Community outcome	Our objective level of service	How we measure Success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Sustainable Environment	Areas are maintained and operated so that they look good and meet the needs of users	Percentage of residents satisfied with parks and reserves in customer survey	92%	91%	Maintain satisfaction with parks and reserves at above 93%	Target not achieved. Satisfaction has increased from 2019-2020, and work is continuing to improve overall satisfaction.
		Percentage of residents satisfied with sports fields in customer survey	91%	94%	Maintain satisfaction with sports fields at above 93%	Target not achieved. Sports grounds have been available as required and to the specifications required by particular sports codes. It is therefore difficult to determine the slight drop in satisfaction with sports fields.
		Percentage of residents satisfied with cemeteries in customer survey	85%	88%	Maintain satisfaction with cemeteries at above 90%	Target not achieved. This may be attributed to parks maintenance issues, particularly mowing and irrigation in some cemeteries. To achieve the target, contractor maintenance levels have been increased.
A Safe and Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	Percentage of residents satisfied with playgrounds in customer survey	92%	86%	Maintain satisfaction with playgrounds at above 90%	Target achieved.

Community outcome	Our objective level of service	How we measure Success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Safe and Healthy Community	To provide aquatic facilities that meet the needs of the majority of the community	Percentage of users satisfied with pools through customer survey results	75%	83%	Maintain user satisfaction at >90%	Target not achieved. There have been some unforeseen closures of both pools over the survey period due to mechanical issues. These are being addressed.
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass	Both Molyneux Aquatic Centre & Cromwell Swim Centre have had their Pool Safe Certification for 2020/21 reconfirmed for 2020/21.	To pass	Target achieved.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
POOLS, PARKS AND CEMETERIES						
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	(2)	-
4,502	4,710	4,756	Targeted rates	4,595	5,224	5,249
-	-	2	Subsidies and grants for operating purposes	-	1	3
1,058	1,028	733	Fees and charges	1,058	928	886
431	420	666	Internal charges and overheads recovered	432	468	459
214	214	171	Local authorities fuel tax, fines, infringement fees, and other receipts	214	197	200
6,205	6,372	6,328	Total operating funding	6,299	6,816	6,797
Applications of operating funding						
3,905	3,947	4,018	Payments to staff and suppliers	3,893	4,194	4,255
1	1	-	Finance costs	1	1	2
1,390	1,411	1,416	Internal charges and overheads applied	1,430	1,623	1,412
84	84	224	Other operating funding applications	94	94	260
5,380	5,443	5,658	Total applications of operating funding	5,418	5,912	5,929
825	929	670	Surplus (deficit) of operating funding	881	904	868
CAPITAL						
Sources of capital funding						
-	-	255	Subsidies and grants for capital expenditure	-	-	214
-	-	-	Development and financial contributions	-	-	-
-	-	-	Increase (decrease) in debt	-	-	-
1,435	-	(150)	Gross proceeds from sale of assets	2,291	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
1,435	-	105	Total sources of capital funding	2,291	-	214
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	-
8	68	-	- to improve the level of service	3	396	263
1,623	1,669	608	- to replace existing assets	1,142	1,211	789
629	(808)	166	Increase(decrease) in reserves	2,027	(703)	30
-	-	1	Increase(decrease) in investments	-	-	-
2,260	929	775	Total applications of capital funding	3,172	904	1,082
(825)	(929)	(670)	Surplus (deficit) of capital funding	(881)	(904)	(868)
-	-	-	Funding balance	-	-	-



PROPERTY AND COMMUNITY FACILITIES



Property and Community Facilities

About our activity

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

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

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

We provide a main operational office and customer service centre in Alexandra, and service centres in Cromwell, Ranfurly and Roxburgh.

We manage the assets at the airports at Alexandra, Cromwell and Roxburgh. The users are generally recreational private pilots and some commercial users. There is also an increasing interest in private hangars with a residential annexe. In Alexandra, 26 hangar or hangar and residential leases have been issued with five sites still to be built on and building underway on another two. A draft Alexandra Airport Masterplan is nearing completion, which will provide direction for future types of activity on the aerodrome and appropriate locations for development. Thirteen leases are also in place for hangar only sites at Cromwell Aerodrome with potential for another 7 to 10 sites.

We own and lease a variety of commercial and farm properties, and develop land for sale. The income from commercial property is used to fund other Council costs.

We hold a number of land parcels, currently being used as forestry blocks. These forests also provide an amenity value for the community for walking and biking. Some have potential for other land use in the future as recognised by their zonings in the District Plan.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Learning Hub Collaboration

In December 2020 a celebration was held for the opening of the Community Learning Hub, which took over the former i-SITE area within the Central Stories building in Alexandra. The Otago Polytechnic (Central Campus), Central Otago REAP and Alexandra Community House collaborated on a proposal and came forward when the Council went out for expressions of interest on the future use of the space from mid-August to mid-September.

The Community Learning Hub has three key functions:

- expand community education and introduce tertiary education into the Alexandra community;
- focus on post-COVID recovery training and reskilling; and
- create an inviting lounge area to support other local activity and provide a meeting place.

Council felt the vision of the group fitted well with the other tenants of the building and would enrich the space as a place of learning, arts and culture. Siting this new community learning hub right across the road from Alexandra Community House also creates an exciting dynamic and potential for an 'educational and community precinct' to evolve.

Alexandra Men's Shed

The Alexandra Men's Shed picked up the keys to take over the property at 69 Boundary Road (formerly occupied by Fire and Emergency New Zealand) on 1 April 2021. The Men's Shed crew will share the space with the Alexandra Lions Club. It was a happy milestone for the group, which had outgrown its facility in Molyneux Park. Council still owns the land the building sits on and FENZ has relocated to Centennial Avenue in Alexandra.

Cromwell Master Plan

The community got its opportunity to give feedback on projects to be progressed as part of the Cromwell Masterplan through the Long-term Plan (LTP) consultation earlier this year. Sixty percent of the record 852 submitters to this LTP consultation process were from the Cromwell Ward.

Council agreed with Cromwell Community Board (CCB) recommendations relating to the Arts, Culture and Heritage Precinct projects to proceed with the preferred option for the hall/events centre and the museum as set out in the LTP consultation document. Council acknowledged the size of the hall/event centre can change as necessary once further planning and detailed design work has been undertaken to understand the needs, growth and further opportunities for Cromwell and district. This work will also explore options for construction, operation and ownership of the facility.

Council also agreed to CCB recommendations related to the town centre. Council approved the funding for the town centre projects to enable further design work, noting that the library and service centre building will not be demolished. Following completion of design work, Council will review district costs in the 2023/24 Annual Plan.

Picturesque pit-stop

The new Omakau public toilets opened in December 2020 adorned with a stunning shot of a nightscape by Omakau photographer [Victoria Bowman](#). The facility is located beside the toy library ad opposite the 4Square on the main road through Omakau.



Provincial Growth – Community/Town Hall Halls or War Memorial Funding

The Property Team was successful in obtaining \$38,800 from the Provincial Growth Fund for the Renovation of Community Town Halls and War Memorials scheme.

This funding helped the community rebuild both social and economic resilience post COVID-19 lockdown by providing facilities for the community that are safe, warm and comfortable; through the employment of local tradespeople to help build confidence in the building sector.

The Central Otago District Council and the Central Otago community are very happy with the results of the projects. The Provincial Growth Fund is administered by Kānoa - Regional Economic Development and Investment Unit. Without this funding, the project results would not have been achieved as quickly as they were.

The funding enabled the completion of the following projects:

- Becks Memorial Hall – Installation of a water filtration system
- Tarras Community Centre – heat pump installation
- Maniototo Rugby Clubrooms – reupholstering of 60 chairs
- Anderson Park Pavilion, Cromwell – replacement of storage facility doors

Provincial Growth Funding – Ophir

Collaboration between the Council, the Ophir Welfare and Ophir Hall committees resulted in two further applications to another stream of funding being successful, with a \$60,000 contribution to replacing the Ophir Pool changing rooms and replacement of water pipes, and \$210,000 contribution towards new toilets at the Ophir Hall.

The Ophir Pool project was completed prior to summer starting in 2020. The Ophir Hall project is due for completion within the next financial year.



What you can expect from us – Property and Community Facilities

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Sustainable Environment	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied with community buildings	76%	79%	>90% satisfied	Target not achieved. This may be due to the number of earthquake-prone community buildings. However, Detailed Seismic Assessments are being actioned, and remedial work will follow.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Achieved	Achieved	Fees and charges charging policy in place	Target achieved.
A Thriving Economy	Commercial buildings are maintained and upgraded where necessary, the prime driver being to maintain the ability to maximise the economic return and the integrity of the asset	Number of complaints received from tenants/leaseholders	0	0	<2	Target achieved.
	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Full Compliance	Full Compliance	Full compliance	Target achieved.
	Housing suitable and affordable for elderly is provided in the main	Number of units available in the district	98 units	98 units	98 units	Target achieved.

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
	townships until such time as the need can be met by other agencies					
	Free public toilets are available for the local community and visitors throughout the district at locations set out in the Public Toilet Strategy	Number of free public toilets	31 available	29 available	29 available	Target achieved.
	Airports will meet Airways Corporation's four-yearly inspection criteria.	Four yearly inspection and certification by Civil Airways Corporation.	Non-compliant	Non-compliant	Full compliance	No longer a certification requirement of Civil Aviation Authority. This compliance is no longer achievable and therefore target not achieved.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 PROPERTY AND COMMUNITY FACILITIES	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
(102)	(90)	(91)	General rates, uniform annual general charges and rates penalties	(120)	(257)	(240)
2,226	2,196	2,217	Targeted rates	2,269	2,380	2,332
-	-	1	Subsidies and grants for operating purposes	-	-	2
1,270	1,276	1,451	Fees and charges	1,298	1,430	1,592
-	-	-	Interest and dividends from investments	-	-	251
1,187	1,477	1,494	Internal charges and overheads recovered	1,260	1,575	1,904
90	86	111	Local authorities fuel tax, fines, infringement fees, and other receipts	92	134	133
-	-	-	Land and property sales	-	-	6,236
4,671	4,945	5,183	Total operating funding	4,799	5,262	12,210
Applications of operating funding						
2,684	2,610	2,445	Payments to staff and suppliers	2,629	2,857	3,394
-	-	-	Finance costs	-	-	-
1,190	1,363	1,184	Internal charges and overheads applied	1,290	1,502	1,378
-	-	-	Cost of sales	-	-	3,733
266	258	269	Other operating funding applications	266	265	321
4,140	4,231	3,898	Total applications of operating funding	4,185	4,624	8,826
531	714	1,285	Surplus (deficit) of operating funding	614	638	3,384
CAPITAL						
Sources of capital funding						
73	73	8	Subsidies and grants for capital expenditure	1	1	254
-	-	-	Development and financial contributions	-	-	-
-	-	-	Increase (decrease) in debt	-	-	-
9,527	8,554	3,797	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
9,600	8,627	3,805	Total sources of capital funding	1	1	254
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	3,507
1,030	1,030	-	- to improve the level of service	754	1,154	3,799
2,180	1,884	933	- to replace existing assets	506	1,265	-
6,921	6,427	4,112	Increase(decrease) in reserves	(645)	(1,780)	(3,668)
-	-	45	Increase(decrease) in investments	-	-	-
10,131	9,341	5,090	Total applications of capital funding	615	639	3,638
(531)	(714)	(1,285)	Surplus (deficit) of capital funding	(614)	(638)	(3,384)
-	-	-	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 Maniototo.

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

Expanding library offerings

In January 2021, the Central Otago Libraries team welcomed two new staff members into two newly created fixed-term roles – a Digital Services Librarian and a Community Outreach Librarian. The roles were made possible thanks to government funding distributed by the National Library to lead and support COVID-19 community recovery work across New Zealand.

The new positions have enabled our libraries to extend and develop a range of new activities, programmes and experiences – including Digital Drop-in sessions for people to gain more confidence with their devices, especially for accessing the range of library resources that can be accessed from home; a Central Otago visit in April by DORA the mobile digital learning bus, which was particularly timely as NZ banks phased out cheques and people needed to get on board with online banking; and, in conjunction with the Central Otago Rural Education Activities Programme (CO REAP), Central Otago Libraries offered the Stepping Up programme to help people get to grips with computer basics.

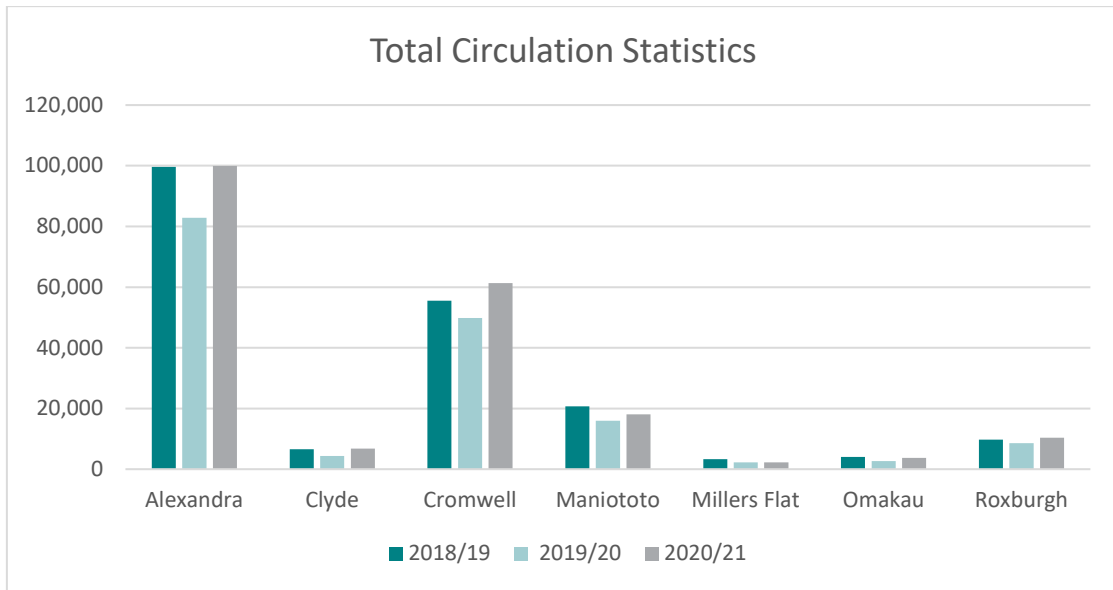
Community engagement this year has also included visits to schools; creating and hosting programmes such as Click Happy, a free photography and well-being workshop aimed at youth; book launch celebrations for local children’s author Kyle Mewburn on the launch of her new memoir “Faking It: My life in Transition”; and an out-of-this-world National Simultaneous Storytime including a special guest reading astronaut from space!



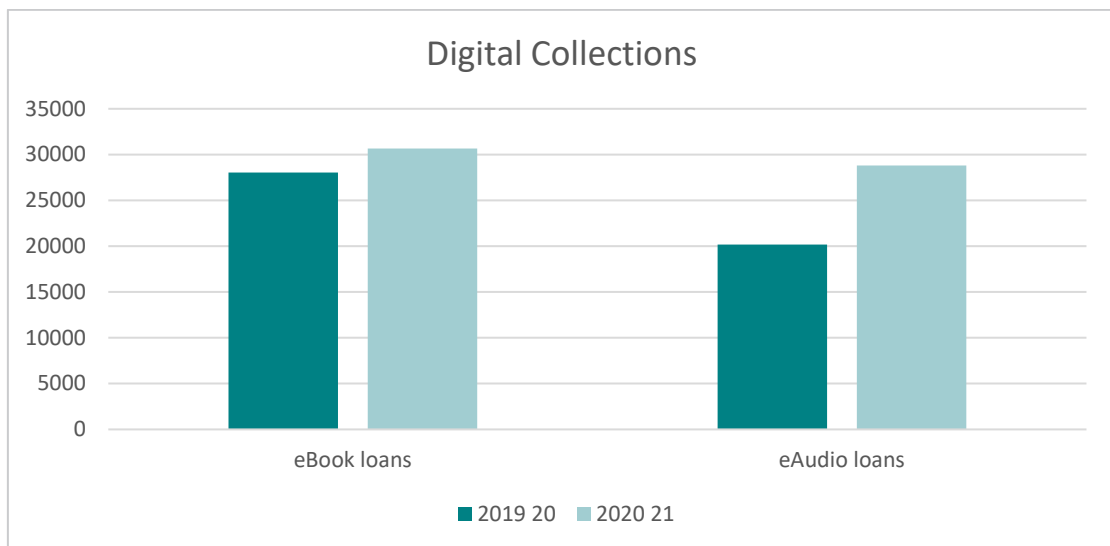
Library statistics

In the 2020/2021 year Central Otago Libraries attracted 618 new borrowers and has 5,702 borrowers who used library collections within the previous 24 months.

It is pleasing to note that use of the physical collections has bounced back and made a 1.46% gain on figures reported in the 2018/2019 year (ie pre-COVID lockdowns).



Digital Collections



Use of our Digital Collections continued to build on last year's growth, with eBook loans increasing by 9.2% across our shared Central Otago and Queenstown Lakes Library service, and eAudio loans increasing by 42.7%.

PressReader, our platform for digital newspapers and magazines saw 339,194 connections this year, accessing a total of 150,629 publications, an increase of 14% on the 2019/20 year. At the same time, the numbers of articles read grew from 1,008,965 to 1,641,869 or 62% on the previous year.

Outreach Services

Our library teams ran 55 digital drop-in sessions and 46 digital literacy classes across the district reaching 154 and 223 participants respectively. Most of these sessions occurred in the second half of the financial year and we anticipate that these will continue to grow in popularity.

Library staff and volunteers made 87 Home Services visits over the year, making a total of 377 deliveries of books and DVDs to library members who were unable to visit us in person. Many of the visits are to local rest homes, for example Ripponburn Home in Cromwell, The Chalet in Ranfurly and Ranui Home in Alexandra, where regular recipients eagerly await each delivery.

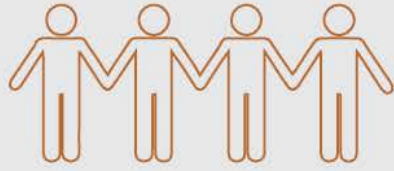




What you can expect from us Service Centres and Libraries

Community outcome	Our objective level of service	How we measure success	2020-21 Results	2019-20 Results	Our Aim Years 1-3	Comments
A Thriving Economy and a Safe and Healthy Community	To provide a quality library service through friendly, helpful and knowledgeable staff that enables residents and visitors to have valued library experiences	Percentage of library users satisfied with the quality of library services	96%	97%	>90%	Target achieved.
A Sustainable Environment	Satisfaction with contact regarding service requests	Customer survey – the service was fast and efficient	73%	73%	>80%	Target not achieved.
		Customer survey – the service was friendly and courteous	96%	98%	>90%	Target achieved.
		Customer survey – issues dealt with effectively	63%	71%	>75%	Target not achieved.
A Thriving Economy	Satisfaction with the initial contact with Council	Customer survey – the service was fast and efficient	78%	83%	>90%	Target not achieved.
		Customer survey – the service was friendly and courteous	90%	91%	>90%	Target achieved.
		Customer survey – issues dealt with effectively	68%	74%	>80%	Target not achieved.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
SERVICE CENTRES AND LIBRARIES						
OPERATING						
Sources of operating funding						
-	-	-	General rates, uniform annual general charges and rates penalties	-	-	-
1,254	1,254	1,266	Targeted rates	1,290	1,243	1,247
-	-	-	Subsidies and grants for operating purposes	-	-	-
18	18	21	Fees and charges	18	18	24
332	344	339	Internal charges and overheads recovered	349	322	323
9	9	9	Local authorities fuel tax, fines, infringement fees, and other receipts	9	9	10
1,613	1,625	1,635	Total operating funding	1,666	1,592	1,604
Applications of operating funding						
968	994	858	Payments to staff and suppliers	996	986	994
-	-	-	Finance costs	-	-	-
486	486	437	Internal charges and overheads applied	513	557	547
1	1	1	Other operating funding applications	1	1	1
1,455	1,481	1,296	Total applications of operating funding	1,510	1,544	1,542
158	144	339	Surplus (deficit) of operating funding	156	48	62
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	59
-	-	-	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	-	-	59
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	-
-	-	-	- to improve the level of service	-	495	149
161	158	173	- to replace existing assets	166	5	2
(3)	(14)	166	Increase(decrease) in reserves	(10)	(452)	(30)
-	-	-	Increase(decrease) in investments	-	-	-
158	144	339	Total applications of capital funding	156	48	121
(158)	(144)	(339)	Surplus (deficit) of capital funding	(156)	(48)	(62)
-	-	-	Funding balance	-	-	-



REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT



Regional Identity, Tourism and Economic Development

About our activity

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 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.

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

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

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

A new digital shopfront for Central Otago

Tourism Central Otago and the Council's Community and Economic Development team launched a complete refresh of the centralotagonz.com website in July 2020. The new site brings together into one place the stories of Central Otago, its communities, people and experiences in a way that inspires people to value all that is special about the region. It brings to life the vision of a single digital shopfront for the region which is a high priority project identified in Central Otago's tourism strategy. The aim of the website rebuild was to provide inspiring and useful content for visitors, businesses and local communities under the umbrella of our regional identity 'Central Otago - A World of Difference'.

TCO gets \$700K government funding

In July 2020 Tourism Central Otago received word it had received \$700,000 from the Government's Strategic Tourism Assets Protection Programme for Regional Tourism Organisations (RTO).

The funding was for one year only to support Council funding of the RTO and was not a substitution for local government funding for tourism activity. This almost doubled Tourism Central Otago's (TCO) budget for the 2020-2021 financial year.

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

Speaking at the time of the announcement Tourism Central Otago's General Manager said the funding gave the team the ability to supercharge progress on a range of priority projects identified in the Central Otago Tourism Strategy.

Maniototo Story Collection Published

A special launch celebration was held in September for the 'Maniototo - Our Place, Our Stories' publication with some of the locals at the Maniototo Stadium. The publication is the third in what will become a collection of stories to capture the essence of the communities that make up Central Otago - A World of Difference.

Visitor information services return to Alexandra and Cromwell

The Central Otago District Council signed memorandums of understanding with Unichem Alexandra Pharmacy and The Gate, Cromwell to deliver visitor information services in September 2020. We have been creating a cohesive experience between our Roxburgh and Ranfurly i-SITEs and these two new visitor information centres in Alexandra and Cromwell, so that both visitors and our local communities can feel they are getting the same level of service.

One of NZ's finest road trips becomes an official touring route

On 26 November 2020 the Central Otago Touring Route was officially launched at a celebration held at the mid-way point in the journey – Hayes Engineering Works and Homestead in Oturehua.

The Central Otago Touring Route is a 341km journey through dramatic landscapes full of natural wonders, unique attractions and activities – along with typically warm local welcomes. It travels from the Pacific Ocean at Otepoti/Dunedin to the foot of the Southern Alps at Queenstown. A touring route has long been a vision for Central Otago communities and seeing that vision come to life is a wonderful example of what can be achieved when regions collaborate on a project.



Central Otago careers event a success

Two busloads of Central Otago youth had their eyes opened to a wide range of career opportunities on a careers field trip in March 2021. The Central Otago Career Opportunities Day that took place in Alexandra attracted 85 youth from across the district to connect with more than 30 different local employers. The event was funded by the Mayors Taskforce for Jobs. The aim of the day was to improve youth (16-24 years) employment rates by providing the opportunity for youth to meet and interact with employers, and help them understand employment options and pathways in the district, as well as the changing nature of the workplace.

The participating youth had the opportunity to learn about the future of work through a presentation from a University of Otago Career Development Advisor, before meeting with local employers in the workplace to gain first-hand knowledge of the local opportunities. There were three stops en route – first to Boundary Road to meet with construction and engineering firms; then to the Packing Shed in Earnsclough to meet with hospitality and tourism employers; before rounding out the day talking agriculture and viticulture careers with employers gathered at Sunbury Park Orchard.

New business events bureau launched

Tourism Central Otago (TCO) officially launched 'Central Otago Business Events' (COBE) in May. TCO identified an untapped opportunity for Central Otago within the conference and incentive market to co-ordinate, target and attract these, together with executive retreat groups, to the region. COBE will be a conduit to tap into this market sector.

In June a delegation visited the MEETINGS event in Auckland run by Business Events Industry Aotearoa to introduce the offering to event organisers.

Manuherekia Minimum Flow Economic Impact

An economic impact report on potential Manuherekia Minimum Flows was commissioned to support informed decision making on the setting of the minimum flow for the Manuherekia river. The consultants reviewed land-use and farm financial models developed by the Otago Regional Council and scaled these models to understand the cumulative effect of the changes on those directly reliant on the water for irrigation, and on those affected indirectly within the district and wider region. The report also identified shortcomings in the base modelling, including the absence of horticulture from the model, and the lack of consideration of tipping points that would trigger land use changes. Council made a submission to the Otago Regional Council as part of the community consultation process.

Otago Regional Council's Plan Change 7

The Central Otago District Council staff presented at the Environment Court hearing for Otago Regional Council's Proposed Plan Change 7. Central Otago District Council is involved in these proceedings through a submission on this Plan Change as both a water user (supplying community drinking water) and in its role (as identified in the Economic Recovery Plan) of continuing to advocate for and support sustainable water use reforms. Infrastructure Services led the provision of evidence on community drinking water supplies while Economic Development staff provided representation on Council's original submission and evidence on the potential social and economic impact of the plan change on our community.



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

Community outcome	Our objective level of service	How we measure Success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Manage the brand applications and process in a timely manner	End to end time in delivery of approving new brand users	0	2	Within 15 working days	Target not achieved. 7 new regional identity partners were signed up and 5 existing partners were renewed in this financial year, however the application process took longer than 15 days as thorough checks were done on each to ensure they all had appropriate licenses and consents.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 REGIONAL IDENTITY, TOURISM AND ECONOMIC DEVELOPMENT	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
558	661	667	General rates, uniform annual general charges and rates penalties	532	757	1,118
2,148	2,173	2,194	Targeted rates	2,198	1,608	1,608
29	29	100	Subsidies and grants for operating purposes	29	130	-
214	198	106	Fees and charges	208	65	31
20	27	16	Internal charges and overheads recovered	22	21	9
180	152	169	Local authorities fuel tax, fines, infringement fees, and other receipts	183	43	142
3,149	3,239	3,252	Total operating funding	3,172	2,624	2,908
Applications of operating funding						
1,930	1,862	1,824	Payments to staff and suppliers	1,877	1,454	1,998
12	11	-	Finance costs	12	1	-
562	633	557	Internal charges and overheads applied	583	488	583
661	654	558	Other operating funding applications	661	557	609
3,165	3,160	2,939	Total applications of operating funding	3,133	2,500	3,191
(16)	79	313	Surplus (deficit) of operating funding	39	124	(283)
CAPITAL						
Sources of capital funding						
-	-	-	Subsidies and grants for capital expenditure	-	-	427
-	-	-	Development and financial contributions	-	-	-
-	-	-	Increase (decrease) in debt	-	-	-
-	-	(1)	Gross proceeds from sale of assets	-	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
-	-	(1)	Total sources of capital funding	-	-	427
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	-
-	-	-	- to improve the level of service	-	-	-
-	-	34	- to replace existing assets	-	-	-
(16)	80	275	Increase(decrease) in reserves	39	124	143
-	-	3	Increase(decrease) in investments	-	-	-
(16)	80	312	Total applications of capital funding	39	124	143
16	(80)	(313)	Surplus (deficit) of capital funding	(39)	(124)	284
-	-	-	Funding balance	-	-	-



GOVERNANCE AND CORPORATE SERVICES



Governance and Corporate Services

About our activity

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

The governance team supports elected members to be effective and responsible decision-makers. Within this activity, we facilitate and support Council and community boards, ensure agendas are published and available to the public, and run local body elections every three years.

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

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

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

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

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



He Ōhaka e Ora Rāia ana
Thriving Economy



Toitū te Whenua
Sustainable Environment



He Hapori, He Haumi
Connected Community

Rising to the challenges

Website refresh

The Council website www.codc.govt.nz had a refresh, with its new look going live in August 2020. The home page is focused on the search function and some of the top tasks we know people are coming to our site for. The website refresh launch was step one on a journey to make the website as user-friendly as we can for our residents and ratepayers. Work has continued throughout the year to keep content fresh, engaging and above all up-to-date, accurate and accessible, and roll out more online forms to enable customers to better engage with us online.

Procurement Policy

Council adopted a Procurement Policy in August 2020, which will see it take more of a focus in future Council procurement on broader outcomes, including local economic development as well as social outcomes, innovation and sustainability.

File Digitisation

Council's process of digitising property files (which commenced in late 2019) was a key workstream for the documents and records team. In April, at the time of a public promotional campaign about the service, more than a quarter of all Council property files had been digitised. The project to digitise property files is part of a wider three-year programme to digitise Council records, improving the management and accessibility of information for both staff and the public.

Cromwell By-election

Due to the resignation of Robin Dicey in April 2021 a by-election was required to elect one member to the Cromwell Community Board. Two nominations were received with a postal vote in July resulting in Bob Scott claiming the seat and being sworn into office on 29 July 2021.

Framing our Future with our community

A major focus of the 2020/21 year has been preparing the Long-term Plan 2021-2031, particularly for the work programmes in Finance, Governance, Policy and Strategy, and Community and Engagement. Council opened for community feedback on five key consultation items, outlined in its *Ka Aka Whakamua - Framing our Future* consultation document, in March/April. We had a record response from the community receiving 852 submissions, which based on our population is equivalent to about 1 in 27 people giving feedback. There was also a really pleasing demographic spread. This meant elected members had good data to use as a tool in the decision-making process.





What you can expect from us – Governance and Corporate Services

Community outcome	Our objective level of service	How we measure success	2020/21 Results	2019/20 Results	Our Aim Years 1-3	Comments
A Thriving Economy	Satisfaction with the leadership, representation and decision-making by elected members	Satisfaction with the performance of elected members of local community boards	65%	74%	>85%	Target not achieved.
A Sustainable Environment						
A Safe and Healthy Community		Satisfaction with the performance of elected members	68%	76%	>85%	Target not achieved.
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Customer survey – overall effectiveness of communications	73%	78%	>80%	Target not achieved.

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement For the year ended 30 June 2021 GOVERNANCE AND CORPORATE SERVICES	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
307	300	(3,735)	General rates, uniform annual general charges and rates penalties	322	(720)	(1,321)
197	143	144	Targeted rates	207	221	229
-	-	-	Subsidies and grants for operating purposes	-	-	-
36	36	41	Fees and charges	36	36	53
-	-	-	Interest and dividends from investments	-	-	215
8,622	6,128	3,974	Internal charges and overheads recovered	9,552	6,250	3,401
74	74	125	Local authorities fuel tax, fines, infringement fees, and other receipts	74	80	57
9,236	6,681	549	Total operating funding	10,191	5,867	2,634
Applications of operating funding						
5,573	5,981	5,773	Payments to staff and suppliers	5,627	6,864	5,717
22	27	31	Finance costs	22	72	47
2,924	290	(559)	Internal charges and overheads applied	3,335	341	(1,894)
20	20	20	Other operating funding applications	20	20	20
8,539	6,318	5,265	Total applications of operating funding	9,004	7,297	3,890
697	363	(4,716)	Surplus (deficit) of operating funding	1,187	(1,430)	(1,256)
CAPITAL						
Sources of capital funding						
-	-	80	Subsidies and grants for capital expenditure	-	-	-
1	1	248	Development and financial contributions	2	2	274
(8,815)	(7,330)	-	Increase (decrease) in debt	(2,833)	-	-
100	-	45	Gross proceeds from sale of assets	6	-	-
-	-	-	Lump sum contributions	-	-	-
-	-	-	Other dedicated capital funding	-	-	-
(8,714)	(7,329)	373	Total sources of capital funding	(2,825)	2	274
Applications of capital funding						
Capital expenditure						
-	-	-	- to meet additional demand	-	-	-
-	-	-	- to improve the level of service	-	-	-
931	1,066	730	- to replace existing assets	250	858	533
(8,948)	(8,032)	(5,467)	Increase(decrease) in reserves	(1,888)	(2,287)	(1,515)
-	-	394	Increase(decrease) in investments	-	-	-
(8,017)	(6,966)	(4,343)	Total applications of capital funding	(1,638)	(1,429)	(982)
(697)	(363)	4,716	Surplus (deficit) of capital funding	(1,187)	1,430	1,256
-	-	-	Funding balance	-	-	-

FINANCIALS



Loan Comparison

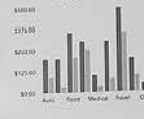
FINANCIAL

NOTE: Use your budget for each category in the Summary By Category table below. Enter transactions in the Transaction table to see how your actual spending compares to your budget.

ACTUAL SUMMARY



BUDGET VS. ACTUAL



CATEGORY

- Food
- Transportation
- Utilities
- Entertainment
- Healthcare
- Other

SAVINGS

SAVINGS CALCULATOR

Initial Investment: \$1000.00
Monthly Contribution: \$100.00
Interest Rate: 5.00%

RESULTS

Final Amount: \$1600.00
Total Contributions: \$1200.00
Total Interest: \$400.00

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement Whole of Council For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
Sources of operating funding						
5,845	6,234	6,263	General rates, uniform annual general charges and rates penalties	5,790	4,204	4,273
25,119	24,835	24,877	Targeted rates	26,655	27,901	28,287
1,976	2,270	2,090	Subsidies and grants for operating purposes	1,948	2,317	4
5,001	5,043	4,712	Fees and charges	5,068	5,058	5,114
328	328	613	Interest and dividends from investments	401	403	467
2,113	2,084	2,468	Local authorities fuel tax, fines, infringement fees, and other receipts	2,118	2,604	2,782
-	-	-	Land and property sales	-	-	6,236
40,382	40,794	41,023	Total operating funding	41,980	42,486	47,163
Applications of operating funding						
29,047	29,468	30,471	Payments to staff and suppliers	29,082	33,245	34,436
35	38	31	Finance costs	35	74	50
-	-	-	Internal charges and overheads applied	-	-	(15)
-	-	-	Cost of sales	-	-	3,744
1,542	1,278	1,276	Other operating funding applications	1,553	1,936	1,613
30,625	30,784	31,778	Total applications of operating funding	30,670	35,255	39,828
9,757	10,010	9,245	Surplus (deficit) of operating funding	11,310	7,231	7,335
CAPITAL						
Sources of capital funding						
2,478	2,517	2,619	Subsidies and grants for capital expenditure	2,786	2,878	7,626
2,167	2,167	1,355	Development and financial contributions	2,191	2,347	1,488
-	-	-	Increase (decrease) in debt	-	-	-
11,177	8,554	(891)	Gross proceeds from sale of assets	2,297	-	-
-	-	-	Lump sum contributions	717	-	-
-	-	-	Other dedicated capital funding	-	-	-
15,822	13,238	3,083	Total sources of capital funding	7,991	5,225	9,114
Applications of capital funding						
Capital expenditure						
3,394	2,360	3,082	- to meet additional demand	1,751	1,974	4,591
11,495	9,919	8,355	- to improve the level of service	7,011	13,309	11,358
11,601	12,004	10,259	- to replace existing assets	8,693	9,407	7,962
(911)	(1,035)	(9,810)	Increase(decrease) in reserves	1,846	(12,234)	(7,852)
-	-	442	Increase(decrease) in investments	-	-	390
25,579	23,248	12,328	Total applications of capital funding	19,301	12,456	16,449
(9,757)	(10,010)	(9,245)	Surplus (deficit) of capital funding	(11,310)	(7,231)	(7,335)
-	-	-	Funding balance	-	-	-

2019/20 LTP Year 2 \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000	Funding Impact Statement Reconciliation For the year ended 30 June 2021	2020/21 LTP Year 3 \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
OPERATING						
9,757	10,010	9,245	Surplus (deficit) of operating funding from funding impact statement	11,310	7,231	7,335
(12,323)	(12,396)	(9,041)	Depreciation	(12,618)	(10,209)	(9,999)
2,478	2,517	2,619	Subsidies and grants for capital purposes	2,786	2,878	7,626
2,167	2,167	1,355	Development and financial contributions	2,191	2,347	1,488
-	-	9,512	Vested and previously unrecognised assets	2,291	-	6,489
8,924	4,015	(1,648)	Gain (loss) on sale of assets	-	-	126
-	-	26	Valuation gains / (Losses)	-	-	(742)
11,003	6,313	12,070	Net surplus (deficit) before tax in statement of financial performance	5,960	2,247	12,323

2019/20 Actual \$000	STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2021	Notes	2020/21 Annual Plan \$000	2020/21 Actual \$000
REVENUE				
Revenue from non-exchange transactions				
31,140	Rates	1	32,105	32,561
4,732	Subsidies and Grants	2	5,103	7,626
1,854	Regulatory fees	3	2,150	2,111
4,455	User fees and other income	3	4,792	4,991
1,355	Development and financial contributions	3	2,347	1,488
9,512	Vested assets	4	-	6,489
(59)	Gains (losses) on revaluation of forestry assets	5	-	76
Revenue from exchange transactions				
377	Direct charges revenue – full cost recovery	6	378	321
472	Rental revenue	6	433	476
537	Interest	401		467
76	Dividends		-	-
100	Profit on sale of assets		-	216
11,177	Land Sales		-	6,236
85	Gains (losses) on revaluation of investment properties	5	-	(818)
65,812	TOTAL REVENUE		47,709	62,240
EXPENDITURE				
10,218	Employee benefit expenses	7	11,203	11,109
9,041	Depreciation and amortisation	18, 19	10,209	9,999
31	Finance costs		74	50
5,530	Loss on disposal of assets	18, 19	-	90
7,394	Cost of Sales	8	-	3,744
21,528	Other expenses	8	23,976	24,925
53,742	Total Expenditure		45,462	49,917
12,070	Surplus/(Deficit) before tax		2,247	12,323
-	Income tax expense	9	-	-
12,070	Surplus/(Deficit) after tax		2,247	12,323
Gain on asset revaluations				
25	Gains (loss) on revaluation of wastewater assets		1,479	(1,473)
734	Gains (loss) on revaluation of water assets		1,926	3,016
-	Gains (loss) on revaluation of stormwater assets		573	(3,402)
-	Gains (loss) on revaluation of roading assets		11,045	7,136
35,098	Gains (loss) on revaluation of property and park assets		2,215	-
-	Gains (loss) on revaluations of land assets		5	(2,104)
-	Gains (loss) on revaluation of building assets		537	800
35,856	Total gain on asset revaluations		17,780	3,973
-	Gain on available for sale assets		-	2,146
-	Gains (loss) on revaluation of investment bonds		-	-
(61)	Gains (loss) on revaluation of share equities		-	-
(61)	Total gain on available for sale financial assets		-	2,146
35,796	Total other comprehensive income		17,780	6,119
47,866	Total comprehensive income		20,027	18,442

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

2019/20 Actual \$000	CHANGES IN EQUITY for the year ended 30 June 2021	Notes	2020/21 Annual Plan \$000	2020/21 Actual \$000
PUBLIC EQUITY				
833,043	Public equity balance at 1 July		833,044	880,898
Accumulated funds				
385,285	Balance at 1 July		413,581	397,343
12,070	Surplus/(Deficit)		2,247	12,323
(12)	Transfer from property revaluation reserve on disposal		-	2,146
397,343	BALANCE AT 30 JUNE	10	415,828	411,812
OTHER RESERVES				
Property revaluation reserve				
447,638	Balance 1 July		422,948	483,495
35,845	Revaluation gains/(loss)		17,780	3,973
12	Transfer to accumulated funds on disposal on property			
483,495	Balance at 30 June	10	440,728	487,468
Fair value through other comprehensive revenue reserve				
41	Balance at 1 July		41	(20)
(61)	Revaluation gains/(loss)			
(20)	Balance at 30 June	10	41	(20)
Restricted Reserves (trust and bequest funds)				
80	Balance at 1 July		-	80
-	Transfer from accumulated funds			
80	Balance at 30 June	10	-	80
483,555	Total other reserves		440,769	487,528
880,898	Public Equity 30 June		856,597	899,340

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

2019/20 Actual \$000	STATEMENT OF FINANCIAL POSITION As at 30 June 2021	Notes	2020/21 Annual Plan \$000	2020/21 Actual \$000
EQUITY				
397,343	Accumulated funds	10	415,828	411,812
483,495	Property revaluation reserve	10	440,728	487,465
(20)	Fair value through other comprehensive income revenue reserve	10	41	(17)
80	Restricted reserves	10	-	80
880,898	Total equity		856,597	899,340
REPRESENTED BY:				
Current assets				
6,713	Cash and cash equivalents	11	9,840	5,014
10,000	Other financial assets	12	1,563	11,500
3,171	Receivables	13	3,986	4,852
1,509	Inventories	14	1,541	5,394
21,393	Total current assets		16,930	26,760
Less current liabilities				
273	Agency and deposits	15	329	256
4,706	Payables and deferred revenue	15	7,937	13,254
1,010	Employee entitlements	16	934	673
5,989	Total current liabilities		9,200	14,183
15,404	Working capital		7,730	12,577
Non-current assets				
109	Available for sale financial assets	12	169	111
333	Loans and receivables	17	391	282
862,182	Property, plant and equipment	18	845,485	878,742
845	Intangible assets	19	771	1,272
355	Forestry assets	21	437	431
1,675	Investment property	22	1,625	5,925
865,499	Total non-current assets		848,877	886,763
Less non-current liabilities				
5	Provisions	23	11	-
5	Total non-current liabilities		11	-
880,898	Net assets (assets minus liabilities)		856,597	899,340

The accompanying notes form an integrated part of these financial statements

2019/20 Actual \$000	STATEMENT OF CASH FLOW For the year ended 30 June 2021	Notes	2020/21 Annual Plan \$000	2020/21 Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
45,079	Receipts from rates, fees and other revenue		47,308	47,805
537	Interest received		401	467
76	Dividends received		-	-
325	Net GST		-	123
(33,993)	Payments to suppliers and employees		(33,474)	(31,607)
12,024	Net cash flow from operating activities	33	14,235	16,788
CASH FLOWS FROM INVESTING ACTIVITIES				
11,275	Receipt from sale of property, plant and equipment			6,452
24,000	Receipt from sale of investments			26,000
-	Receipts from the repayment of loans and receivables			
(29,092)	Purchase of property, plant and equipment		(24,690)	(23,264)
-	Purchase of intangibles			(175)
(23,000)	Purchase of investments			(27,500)
(16,817)	Net cash inflow (outflow) from investing activities		(24,690)	(18,487)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	Proceeds from borrowings		12,000	-
-	Repayment of borrowings			
-	Net cash inflow (outflow) from financing activities		12,000	-
(4,793)	Net cash increase (decrease) in cash held		1,545	(1,699)
	Cash at the beginning of the year			
11,506	Opening cash held 1 July		8,295	6,713
6,713	Closing cash held 30 June	11	9,840	5,014

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

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. 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.

RESERVE FUNDS	Opening Balance \$000	Transfers In \$000	Transfers Out \$000	Closing Balance \$000
SPECIFIC RESERVES				
Other Infrastructure	1,099	2,195	(9)	3,285
Parks, Reserves and Cemeteries	24	-	(10)	14
Libraries, Swimming Pools, and Community Facilities	28	-	-	29
Self-Insurance fund	2,533	37	-	2,571
Planning and Environment	1,888	408	-	2,296
District Development	-	-	-	-
Governance and Corporate Services	1,893	69	(47)	1,915
Total Specific Reserves	7,465	2,709	(65)	10,110
Development Contributions				
Governance and Corporate Services	2,331	1,500	(15)	3,816
Total Development Contributions	2,331	1,500	(15)	3,816
Governance and Corporate Services	12,798	2,944	(2,896)	12,846
Total General Reserves	12,798	2,944	(2,896)	12,846
Property				
Other Infrastructure	16,196	270	(5,690)	10,776
Libraries, Swimming Pools, and Community Facilities	12	48	(72)	(12)
Governance and Corporate Services	(176)	57	(123)	(242)
Total Property	16,032	375	(5,885)	10,522
Loss of Service Potential and Development				
Water	(10,631)	1,042	(734)	(10,323)
Wastewater	(11,115)	1,290	(3,141)	(12,966)
Stormwater	3,038	450	(219)	3,269
Transportation	(3,376)	646	(3,810)	(6,540)
Other Infrastructure	71	27	-	98
Total Loss of Service Potential and Development	(22,013)	3,455	(7,904)	(26,462)
Amenities				
Waste Minimisation	(1,548)	8	(912)	(2,451)
Other Infrastructure	(1,310)	27	(99)	(1,382)
Parks, Reserves and Cemeteries	801	150	(239)	712
Libraries, Swimming Pools, and Community Facilities	(1,634)	177	(20)	(1,477)
Planning and Environment	316	345	(419)	242
Total Amenities	(3,375)	707	(1,689)	(4,356)
Governance				
Governance and Corporate Services	107	2	(23)	86
Total Governance Reserves	107	2	(23)	86
District Development				
District Development	397	130	(52)	475
Total District Development Reserves	397	130	(52)	475
Total Reserves	13,742	11,822	(18,529)	7,035

VARIANCE REPORT for the year ended 30 June 2021	2020/21 Actual \$000	2020/21 Annual Plan \$000	2020/21 Variance Favourable / (Unfavourable) \$000
Revenue from non-exchange transactions			
Rates	32,561	32,105	456
Subsidies and Grants	7,626	5,103	2,523
Regulatory fees	2,285	2,150	135
User fees and other income	4,991	4,792	199
Previously unrecognised assets	-	-	-
Vested assets	6,489	-	6,489
Valuation gains / (losses)	76	-	76
Development and financial contributions	1,488	2,347	(859)
Revenue from exchange transactions			
Direct charges revenue – full cost recovery	147	378	(231)
Rental revenue	476	433	43
Interest	467	401	66
Dividends	-	-	-
Profit on sale of assets	216	-	216
Land Sales	6,236	-	6,236
Gains on revaluation of investment properties	(818)	-	(818)
TOTAL REVENUE	62,240	47,709	14,531
EXPENDITURE			
Water	5,181	5,190	9
Wastewater	4,243	4,562	319
Stormwater	561	611	51
Roading	9,410	8,865	(545)
Environmental Services	5,584	5,275	(310)
Planning, Regulatory and Community Development	4,762	4,995	233
Pools Parks and Cemeteries	6,559	6,505	(54)
Property and Community Halls	8,014	3,971	(4,043)
Service Centres and Libraries	1,367	1,375	7
Regional Identity, Tourism and Economic Development	3,140	2,513	(627)
Governance & Corporate Services	1,006	1,601	595
Loss on disposal of assets	90	-	(90)
TOTAL EXPENDITURE	49,917	45,463	(4,456)
NET SURPLUS / (DEFICIT)	12,323	2,247	10,075

Explanation of variances

Revenue

Rates

Rates income is on par with the annual plan with a small increase of \$456k. This is due to an increase in the 2020/2021 ratepayer base plus increased penalty income.

Subsidies and grants

Subsidies and grants income was \$2.523M favourable against budget. The bulk of the funding due to Council receiving \$1.352M more Waka Kotahi subsidies than anticipated. Additional grants were received from Strategic Tourism Assets Protection Programme (STAPP), Three Waters Reform programme, and Ministry of Business, Innovation and Enterprise (MBIE).

User fees and other income

User fees revenue of \$4.991M has a favourable variance of \$199k compared to the 2020/2021 Annual Plan. Resource consent income has increased along with the planning department being more efficient in on-charging recovery costs.

Vested assets

Additional revenue of \$6.489M of has been received in the form of vested assets. This relates to infrastructural assets that are passed on to Council from developers as part of the subdivision development process, prior to the titles being issued.

Development contributions

Development contributions has an unfavourable variance of (\$859k). Lower than expected contributions are linked with the timing of developments in Cromwell and Alexandra.

Land Sales

The 2020/2021 land sales include the settlement of Cemetery Road (Harvest Road) and the sale of sections from the Gair Avenue subdivision land sales of \$6.236 million. After cost of sales, there is an overall profit of \$2.492 million.

Expenditure

Three Waters

Water, Wastewater and Stormwater expenditure are in line with the 2020/2021 Annual Plan, with an overall difference of 3.6%.

Roading

Roading expenses have increased by \$545k from the annual plan, with an overall difference of 6.1%. At the beginning of January there was a flooding event which required repairs to the roading network. While this was an unplanned event, there was the ability to claim through Waka Kotahi for an emergency works subsidy of 51% to partially fund the event, with the remainder being received from the Council's Emergency Event reserve.

Environmental Services

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

Planning, Regulatory and Community Development

There is a favourable variance of \$233k. This is due to staff vacancies and reduced training costs as a result of government incentives and training being held online. There were no district plan hearings held during the year, also reducing spending during the year.

Property and Community Halls

The increase of \$4.043 million is due to the cost of land involved in the land sales for Cemetery Road (Harvest Road) along with the land and development costs for the Gair Avenue subdivision.

Regional Identity, Tourism and Economic Development

Regional identity, tourism and economic development have an unfavourable variance of (\$627k). This is due to spending on tourism projects as a result of increased funding received from Strategic Tourism Assets Protection Programme (STAPP) and Ministry of Business, Innovation and Enterprise (MBIE).

Loss on sales of assets

This is a small variance of \$90k. This relates to the disposal of the Millers Flat Fire Station when the Council gave ownership to Fire and Emergency New Zealand, as well as some under depreciated vehicles at the time of disposal.

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 2021. The financial statements were authorised for issue by the Council on 8 December 2021. Council does not have the power to amend the financial statements after issue.

2. Basis of Financial Statement Preparation

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

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements have been prepared in accordance with the Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

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

The financial statements are prepared on a historical cost basis, as modified by the revaluation of:

- Available for sale financial assets
- Forestry assets
- Certain classes of property, plant and equipment
- Investment property

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

Standards issued and not yet effective, and not early adopted

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

Financial instruments

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

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

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

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.

PBE FRS 48 Service Performance Reporting

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

3. Revenue Recognition

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

Revenue from non-exchange transactions:

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

- i. Rates
Rates are set annually by resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised upon rates strike.
- ii. Goods Sold and Services Rendered
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

- iii. **Government Grants**
Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.
- iv. **Water Billing Revenue**
Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- v. **Vested Assets**
Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Vested assets are recognised at the point when Council has issued the certificate prescribed under the Resource Management Act 1991 S224(c), relating to the respective subdivisions.
- vi. **Development Contributions**
Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such a time as the Council provides, or is able to provide, the service.

Revenue from exchange transactions:

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

- vii. **User fees**
The Council charges users for the use of some council services, such as libraries, swimming pools and visitor services. The Council also sets reasonable charges for regulatory services, such as waste collection and disposal, parks and reserves, property and land usage. All user fees are invoiced in the accounting period when the service was provided.
- viii. **Direct Charges at Fair Value**
Revenue from direct charges sold at a fair value are recognised when the significant risk and rewards of ownership have been transferred to the buyer. Direct charges include revenue from dog registration, dog control and recreational reserves.
- ix. **Rental Revenue**
Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.
- x. **Interest Revenue**
Interest revenue is recognised as it accrues, using the effective interest method.

- xi. **Dividend Revenue**
Dividends are recognised when the right to receive payment has been established.

4. Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

5. Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision due to no substantive conditions attached.

6. Income Tax

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

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

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

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

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

7. Equity

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

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

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

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

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

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

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

8. Cash and Cash Equivalents

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

9. Debtors and Other Receivables

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

10. Inventories

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

11. Financial Assets

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

Available-For-Sale Financial Assets

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

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

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

Loans and Receivables

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

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

12. Property, Plant and Equipment

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

- Water
- Wastewater
- Stormwater
- Transportation

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

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

Revaluations will be undertaken by independent valuers, suitably qualified in the category and location of the assets. The valuation process shall include verification of asset registers, application of rates representing current replacement cost or market value (if any), asset optimisation and adjustments for asset condition and performance.

Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases or decreases in the carrying amounts arising on revaluation of a class of assets are credited or debited to other comprehensive revenue and expenditure and are accumulated to an asset revaluation reserve in equity for that class of asset.

However, the net revaluation result is recognised in the surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

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

Assets to be depreciated include:

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

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

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

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

13. Non-current Assets (or Disposal Groups) Held for Sale

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

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

14. Intangible Assets

i. Computer Software

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

ii. Other Intangible Assets

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

Easements are not amortised.

iii. Subsequent Expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it

relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

iv. Amortisation

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

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

15. Forestry Assets

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

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

The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

The forestry assets are revalued annually as at 30 June.

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

16. Emissions Trading Scheme

New Zealand Units (NZUs) allocated as a result of council's participation in the Emissions Trading Scheme (ETS) will be treated as intangible assets and recorded at fair value upon recognition.

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

17. Investment Property

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

Investment properties are stated at fair value. The portfolio is valued annually by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised in the surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy (see Revenue Policy 3), above.

18. Impairment of Financial Assets

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

Loans and receivables, and held-to-maturity investments

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

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

19. Impairment of Non-Financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 10), forestry assets (see Forestry Assets Policy 15), and Investment Property (see Investment Property Policy 17) are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

20. Third Party Transfer Payment Agencies

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

21. Creditors and Other Payables

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

22. Employee Entitlements

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

i. Short-Term Entitlements

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

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

ii. Long-Term Entitlements

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

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

iii. Superannuation Schemes

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

23. Borrowings

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

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

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

24. Provisions

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

25. Landfill Post Closure Costs

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

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

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

26. Goods and Services Tax

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

27. Cost Allocations

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

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

28. Critical Accounting Estimates and Assumptions

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

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

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

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

- Classification of property – see Note 18

29. Reporting of Financial Instruments

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

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

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

30. Impacts of COVID-19

COVID-19 continues to remain an unknown. As of October 2021, Auckland remains at alert level three and much of New Zealand is at alert level two. There are ongoing outbreaks of the Delta variant, and there is no certainty that Central Otago District will not face future lockdowns over the next 12-months. However, based on the 2019/2020 and 2020/21 financial year, Council has not seen a significant impact on our revenue streams or our activities. While year one of the 2021-31 Long-term Plan has reflected a decrease in building consents revenue based on the 2020/21 financial year, where Council is tracking at 95%. Council is still assuming land sales and relevant development and financial contributions as a result of development will continue and does not believe that there is any material risk to Council's ongoing operations.

Notes to the financial statements

For the year ended 30 June 2021.

1. Rates

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

	2020/21	2019/20
	\$000	\$000
General Rates	2,286	3,861
Uniform Annual General Charge	1,873	2,326
	4,159	6,187
Targeted Rates attributable to activities per Funding Impact Statement:		
– Water	5,869	4,559
– Wastewater	4,769	4,084
– Stormwater	694	719
– Roading	471	835
– Environment Services	3,716	3,056
– Planning, Regulatory and Community Development	2,104	1,045
– Pools, Parks and Cemeteries	5,249	4,758
– Property and Community Facilities	2,332	2,217
– Service Centres and Libraries	1,247	1,266
– Regional Identity, Tourism and Economic Development	1,608	2,194
– Governance and Corporate Services	229	144
Total Targeted Rates	28,288	24,877
Rates Penalties	238	177
Rates Remissions	(38)	(40)
Rates Discount	(86)	(61)
	114	76
Total Rates Revenue	32,561	31,140

Total rates revenue of \$32.60 million includes revenue of \$2.0 million from targeted water meter supply rates (2020 \$1.415 million).

2. Subsidies and grants

	2020/21 \$000	2019/20 \$000
Waka Kotahi roading subsidies	5,977	4,239
Creative NZ and SPARC	41	38
Central Lakes Trust	-	-
Department of Internal Affairs Grant	492	61
Ministry of Business Innovation & Employment Grant	210	255
Ministry of Civil Defence and Emergency Management	-	-
Other grants	906	139
Total Subsidies and Grants	7,626	4,732

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2020 nil).

3. Regulatory fees, user fees and other income

	2020/21 \$000	2019/20 \$000
Regulatory fees - building consent and health charges	1,773	1,472
Regulatory fees - resource management fees	124	163
Regulatory fees – liquor licensing	214	219
User fees – libraries, swimming pools & visitor centres	820	766
User fees - parks, recreation reserves and cemeteries	200	177
User fees – waste collection, minimisation and disposal	1,269	982
User fees - water	11	1
User fees - wastewater	18	45
User fees – property and land usage	1,233	1,096
User fees – roading and fuel taxes	248	268
User fees – planning	927	863
User fees – district development & corporate services	6	12
User fees - district development	259	245
Development contributions	1,488	1,355
Non-refundable land sale deposit	-	-
Sales of Inventory	-	-
Total Regulatory Fees, User Fees and Other Income	8,590	7,664

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2020 nil).

4. Vested and previously unrecognised assets

Subdivision developers are required to install services as a condition of resource consent approval. These services, (roading, sewerage, water supply and footpaths) are subsequently vested in the Council as part of its infrastructure. In addition, assets have been identified as a result of the annual revaluation process. Much of this relates to a better understanding of our assets and the ownership arrangement. The value of these is identified as income (non-cash) in the Statement of Comprehensive Income and is distributed within the following asset classes.

	2020/21 \$000	2019/20 \$000
Parks and Reserves	433	-
Property and Community Facilities	-	4,960
Planning, Regulatory and Community Development	-	-
Roading (including footpaths)	3,861	2,593
Stormwater	525	43
Wastewater	1,229	392
Water	441	1,524
Total vested and previously unrecognised assets	6,489	9,512

5. Valuation gains and losses

	2020/21 \$000	2019/20 \$000
Non-financial Instruments		
Gain (loss) in fair value of forestry assets (Note 21)	76	(59)
Gain (loss) in fair value of investment property	(818)	85
	(742)	26
Financial Instruments		
Gain (loss) in fair value of community loans	-	-
Gain (loss) on disposal of available for sale financial assets	-	-
Total Gains (Losses)	(742)	26

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.

	2020/21 \$000	2019/20 \$000
Full cost recovery – dog registration and dog control	182	204
Full cost recovery – camping ground revenue	139	172
Rental Revenue – leased premises	476	472
Total revenue from exchange transactions	797	848

7. Employee benefit expenses

	2020/21 \$000	2019/20 \$000
Salaries and wages	10,773	9,898
Defined contribution plan employer contributions*	300	243
Increase (decrease) in employee benefit liabilities	36	77
Total employee benefit expenses	11,109	10,218

*Includes employer contributions to Kiwisaver.

8. Cost of sales and other expenses

	2020/21 \$000	2019/20 \$000
Audit fees:		
Fees to Audit NZ – audit of financial statements	107	98
Fees to Audit NZ – audit of Long-term Plan for 2021-31	90	-
Fees to Audit NZ – for other services	9	9
Fees to Audit NZ – audit of financial statement 2020	19	-
Maintenance contractors	9,175	7,237
Professional fees	2,844	2,330
Fuel and energy	1,264	1,249
Grants	698	584
Insurance premiums	398	451
Increase (decrease) in provision for bad debts	32	51
Payments under operating lease agreements	279	338
Cost of land sold	3,744	7,394
Other operating expenses	10,010	9,181
Total Cost of Sales and Other Expenses	28,669	28,922

9. Tax

The Council has unused tax losses of \$203,753 with a tax effect of \$57,051 that have not been recognised (2019/20: tax losses \$97,658; tax effect \$27,344).

	2020/21 \$000	2019/20 \$000
Net surplus (deficit)	12,323	12,829
- Tax at 28%	3,450	3,592
Plus (less) tax effect of:		
- Non-taxable income	3,450	3,592
- Tax loss not recognised	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
Balance at Year End	-	-

10. Public equity

	2020/21 \$000	2019/20 \$000
Accumulated funds		
Opening balance 1 July	397,343	385,285
Surplus (deficit) for the year	12,323	12,070
Transfers to restricted reserves	-	-
Transfers from property revaluation reserve	2,146	(12)
Closing balance 30 June	411,812	397,343

Property, plants and equipment revaluation reserves

Property revaluation reserves for each asset class consist of:

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

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

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

Available for sale revaluation reserve

Available for sale revaluation reserves consist of:

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

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

Restricted reserves

	2020/21 \$000	2019/20 \$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:

	2020/21 \$000	2019/20 \$000
Cash at bank and on-hand	2,014	4,713
Term deposits with maturities of less than 3 months at acquisition	3,000	2,000
Total cash and equivalents	5,014	6,713

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$2,014,442 (2019/20: \$4,713,069), an amount of \$77,129 (2019/20: \$23,308) is restricted in its use.

12. Other Financial Assets

The fair value of the unlisted shares in New Zealand Local Government Insurance Corporation Ltd was established using a net assets basis from the annual report of the Company for the year ended 31 December 2020. The unlisted shares held in irrigation companies are measured at cost as fair value cannot be reliably measured. Deposits are held with New Zealand registered banks and recorded at amortised costs.

	2020/21 \$000	2019/20 \$000
Current portion		
Deposits maturing 3-12 months	11,500	10,000
Non-current portion		
Share investments in unlisted companies	111	109
Total other financial assets	11,611	10,109

Interest rates

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

	2020/21 \$000	2019/20 \$000
Short-term deposits	1.30%	2.81%

Investment maturities

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

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

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

13. Receivables

	2020/21 \$000	2019/20 \$000
Sundry accounts receivable	2,382	1,326
Goods and Services Tax	376	499
Rates receivable	841	766
Waka Kotahi subsidy	1,026	415
Prepaid expenses	472	378
Total receivables prior to impairment	5,097	3,384
Less provision for impairment receivables	(245)	(213)
Total receivables	4,852	3,171

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 2021 is \$834,854 (2020: \$815,862).

Of the rates receivable, Council has within its district certain properties where the owners have formally or informally abandoned the land. Outstanding rates on these properties are treated as impaired. Other outstanding rates receivables are not impaired as Council has access to various powers under the Local Government (Rating) Act 2002 for collection. The age of outstanding sundry accounts receivable is detailed below:

Rates receivable	2020/21			2019/20		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Reporting year ended 30 June	517	(46)	471	431	(39)	392
Unpaid 1 year	84	(39)	45	102	(31)	71
Unpaid 2 years	48	(31)	17	63	(26)	38
Unpaid older	160	(118)	42	170	(92)	77
Total	809	(234)	575	766	(188)	578

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

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

The age of outstanding sundry accounts receivable is detailed below:

Sundry Accounts receivable	2020/21			2019/20		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Current	2,159	-	2,159	1,085	-	1,085
Unpaid 1 months	56	-	56	74	-	74
Unpaid 2 months	12	-	12	16	-	16
Unpaid 3 months and older	154	(22)	132	151	(26)	125
Total	2,381	(22)	2,359	1,326	(26)	1,300

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.

	2020/21 \$000	2019/20 \$000
Land held for resale:	5,355	1,459
Merchandise at cost	39	50
Total inventory	5,394	1,509

15. Trade and other payables

	2020/21 \$000	2019/20 \$000
Payables and deferred income	12,804	4,503
Audit fee accruals	183	79
PAYE / Kiwisaver owed to IRD	267	124
Agency and deposits	256	273
Total payables	13,510	4,979

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 \$6,533k in the 2021 financial year (2020: \$1,068k).

16. Employee entitlements

	2020/21 \$000	2019/20 \$000
Accrued pay	25	410
Annual and statutory leave entitlements	648	600
	673	1,010

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 2020/2021 5.65%; 2019/2020 5.63%) or interest free loans.

	2020/21 \$000	2019/20 \$000
Mortgages and other investments		
Interest bearing	190	241
Non-interest bearing	92	92
Total	282	333
Less provision for impairment	-	-
Total	282	333

Interest rates

Interest Rates		
Mortgages and other investments (interest bearing)	5.65%	5.63%

18. Property, plant and equipment

Restricted assets

Some properties have various restrictions placed on them which affect Council's ability to freely deal with those properties. For example, several properties, while having a Certificate of Title on issue in Council's name, have been vested under the Reserves Act and may revert to the Crown if the purpose for which the properties were vested cease to be relevant. It is not currently practical to quantify these properties.

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

Heritage assets

Heritage assets are included in the asset register in the same categories as non-heritage assets of similar nature. The book values of building heritage assets were revalued as at 30 June 2019 and are as follows:

	2020/21	2019/20
	\$000	\$000
Buildings	239	243
Bridges	249	269
	488	512

Water, wastewater and stormwater assets were revalued with an effective date of 1 July 2020. Roading assets were revalued with an effective date of 1 July 2020.

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

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

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

Land and buildings are revalued every 3 years and were revalued with an effective date of 30 June 2019.

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

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

Property, Plant and Equipment – as at 30 June 2021

	Cost Revaluation 30-Jun-20 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-20 \$000's	Carrying amount 30-Jun-20 \$000's	Adjusted from 2019-20 Restated WIP	Adjusted opening balance Amount 30-Jun-20 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Additions Transferred To Council \$000's	Current Year Disposals at Cost \$000's	Asset Adjustments \$000's	Current Yr Deprec'n \$000's	Revaluation \$000's	Revaluation Depreciation Recovered \$000's	Cost/Reval 30-Jun-21 \$000's	Accumulated Depreciation & Impairment Charges 30-Jun-21 \$000's	Carrying Amount 30-Jun-21 \$000's
Infrastructural Assets																
Bridges	36,735	(337)	36,398		36,398	412	303	-	-	-	(404)	1,165	-	38,615	(741)	37,874
Roading	463,261	(2,604)	460,657		460,657	124	6,605	4,049	-	-	(2,999)	5,723	-	479,762	(5,603)	474,159
<i>Under construction</i>	467	-	467	245	712	(536)	339	-	-	-	-	-	-	515	-	515
Land Under Roads	11,024	-	11,024	-	11,024	-	25	-	-	-	-	245	-	11,294	-	11,294
Stormwater	25,932	(521)	25,411	(192)	25,219	44	(77)	525	-	(44)	(447)	(3,403)	-	22,785	(968)	21,817
<i>Under construction</i>	9	-	9	(48)	(39)	(44)	399	-	-	44	-	-	-	360	-	360
Water Supply																
Treatment plant & facilities	15,753	(459)	15,295	-	15,295	715	176	12	-	-	(457)	1,158	-	17,814	(915)	16,899
Other assets	64,229	(1,018)	63,211	(277)	62,934	1,280	34	429	-	(1,165)	(1,146)	1,858	-	66,388	(2,164)	64,224
<i>Under construction</i>	7,770	-	7,770	286	8,056	(1,995)	2,165	-	-	1,165	-	-	-	9,390	-	9,390
WasteWater																
Treatment plant & facilities	18,292	(676)	17,616	-	17,616	625	-	-	-	(32)	(706)	(207)	-	18,687	(1,382)	17,296
Other assets	41,711	(899)	40,812	1,657	42,469	1,108	34	1,042	-	(1,720)	(975)	(1,267)	-	42,565	(1,874)	40,691
<i>Under construction</i>	10,885	-	10,885	(1,717)	9,168	(1,732)	4,075	-	-	1,720	-	-	-	13,231	-	13,231
Total infrastructure assets	696,068	(6,514)	689,555	(46)	689,509	-	14,078	6,057	-	(31)	(7,134)	5,272	-	721,397	(13,647)	707,750
Operational Assets																
Equipment	2,183	(1,940)	242	-	242	-	84	-	-	-	(95)	-	-	2,267	(2,035)	232
Furniture and Fittings	2,260	(1,431)	829	-	829	-	178	-	-	-	(158)	-	-	2,438	(1,590)	848
Parks and Reserves	30,291	(474)	29,817	-	29,817	144	545	433	-	-	(513)	-	-	31,668	(987)	30,426
<i>Under construction</i>	365	-	365	(150)	215	(144)	339	-	-	(5)	-	-	-	405	-	405
Other	6,351	(2,523)	3,827	-	3,827	8	15	-	-	(110)	(279)	735	-	6,999	(2,701)	4,298
<i>Under construction</i>	152	-	152	(141)	11	(8)	426	-	-	(3)	-	-	-	427	-	427
Plant and Machinery	15,614	(1,618)	13,995	-	13,995	157	149	-	-	(133)	(495)	82	-	15,869	(1,980)	13,889
<i>Under construction</i>	102	-	102	(102)	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	1,352	(815)	537	-	537	-	319	-	(27)	(301)	(191)	-	-	1,343	(704)	639
Land	70,192	-	70,192	-	70,192	-	12	-	(4,361)	-	-	-	-	65,843	-	65,843
Buildings	52,676	(707)	51,969	-	51,969	28	658	-	(64)	5	(912)	-	-	53,303	(1,619)	51,684
<i>Under construction</i>	-	-	-	102	102	(72)	1,558	-	-	102	-	-	-	1,690	-	1,690
Library Books	2,021	(1,428)	593	-	593	-	145	-	-	-	(126)	-	-	2,166	(1,555)	611
Total Operational Assets	183,559	(10,936)	172,620	(291)	172,329	114	4,427	433	(4,452)	(445)	(2,769)	817	-	184,417	(13,171)	170,991
TOTAL FIXED ASSETS	879,627	(17,450)	862,175	(337)	861,838	114	18,505	6,490	(4,452)	(476)	(9,903)	6,089	-	905,815	(26,818)	878,742

Property, Plant and Equipment – as at 30 June 2020

	Cost / Revaluation 30-Jun-19 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-19 \$000's	Carrying Amount 30-Jun-19 \$000's	Current Year Transfers of completed or additional Work \$000's	Current Year Additions Council Constructed \$000's	Current Year Assets Previously Not Recognised \$000's	Current Year Additions Transferred To Council \$000's	Current Year Disposals at Cost \$000's	Asset Adjustments \$000's	Current Year Depreciation \$000's	Revaluation \$000's	Revaluation Depreciation Recovered \$000's	Cost/ Revaluation 30-Jun-20 \$000's	Accumulated Depreciation and Impairment Charges 30-Jun-20 \$000's	Carrying Amount 30-Jun-20 \$000's
Infrastructural Assets															
Bridges	36,645	-	36,645	-	90	-	-	-	-	(337)	-	-	36,735	(337)	36,398
Roading	465,075	1	456,076	696	3,896	-	2,593	-	-	(2,605)	-	-	463,261	(2604)	460,657
<i>Under construction</i>	696	-	696	(696)	467	-	-	-	-	-	-	-	467	-	467
Land Under Roads	11,024	-	11,024	-	-	-	-	-	-	-	-	-	11,024	-	11,024
Stormwater	25,602	(1)	25,601	94	314	120	(77)	(120)	-	(520)	-	-	25,932	(521)	25,411
<i>Under construction</i>	103	-	103	(94)	-	-	-	-	-	-	-	-	9	-	9
Water Supply															
Treatment plant & facilities	17,353	34	17,387	-	-	-	-	-	-	(1477)	-	-	17,387	(1443)	15,944
Other assets	62,189	(33)	62,155	1,277	1,442	142	1,382	(3,796)	-	-	-	-	62,602	(33)	63,432
<i>Under construction</i>	3,115	-	3,115	(1,277)	5,932	-	-	-	-	-	-	-	7,770	-	7,770
Wastewater															
Treatment plant & facilities	16,349	85	16,435	-	23	-	-	(23)	-	(1,576)	-	-	16,435	(1,490)	14,840
Other assets	42,193	(84)	42,108	1,479	41	350	42	(452)	-	-	-	-	43,568	(84)	43,587
<i>Under construction</i>	5,589	-	5,589	(1,479)	6,775	-	-	-	-	-	-	-	10,885	-	10,885
Total infrastructure assets	676,933	2	676,935	-	18,980	612	3,940	(4,392)	-	(6,514)	-	-	696,075	(6,512)	689,563
Operational Assets															
Equipment	2,157	(1,801)	356	-	45	-	-	(1)	-	(160)	-	-	2,201	(1,961)	240
Furniture and Fittings	2,263	(1,328)	935	-	151	-	-	-	(97)	(159)	-	-	2,316	(1,487)	829
Parks and Reserves	13,696	(2,220)	11,476	-	268	-	-	-	420	(655)	15,908	2,401	30,291	(474)	29,817
<i>Under construction</i>	78	-	78	-	360	-	-	-	(73)	-	-	-	365	-	365
Other	6,597	(2,311)	4,287	-	4	-	-	-	(214)	(248)	(36)	36	6,351	(2,523)	3,828
<i>Under construction</i>	-	-	-	-	152	-	-	-	-	-	-	-	152	-	152
Plant and Machinery	2,749	(1,541)	1,208	-	350	-	-	-	(121)	(213)	12,637	136	15,614	(1,618)	13,996
<i>Under construction</i>	-	-	-	-	102	-	-	-	-	-	-	-	102	-	102
Motor Vehicles	901	(625)	275	-	483	-	-	(31)	-	(189)	-	-	1,352	(815)	537
Land	70,571	-	70,571	-	71	-	-	(449)	-	-	-	-	70,192	-	70,192
Buildings	43,006	(42)	42,964	-	538	4,960	-	(656)	92	(704)	4,732	42	52,672	(703)	51,969
<i>Under construction</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library Books	1,892	(1,300)	593	-	129	-	-	-	-	(129)	-	-	2,021	(1428)	593
Total Operational Assets	143,910	(11,167)	132,743	-	2,653	4,960	-	(1,137)	7	(2,456)	33,242	2,615	183,629	(11,008)	172,620
TOTAL FIXED ASSETS	820,842	(11,165)	809,677	-	21,633	5,572	3,940	(5,529)	7	(8,970)	33,242	2,615	879,704	(17,520)	862,175

19. Intangible assets

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

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

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

	Easements	Computer Software	Branding	Total
	\$000	\$000	\$000	\$000
Cost				
Balance at 1 July 2020	83	1,608	144	1,835
Additions	-	175	-	175
Disposals	-	-	-	-
Under construction		348		348
Balance at 30 June 2021	83	2,131	144	2,358
Balance at 1 July 2019	83	1,536	144	1,763
Additions	-	72	-	72
Disposals	-	-	-	-
Balance at 30 June 2020	83	1,608	144	1,835
Accumulated Amortisation and Impairment				
Balance at 1 July 2020	-	(846)	(144)	(990)
Amortisation charge	-	(96)	-	(96)
Disposals	-	-	-	-
Balance at 30 June 2021	-	(942)	(144)	(1,086)
Balance at 1 July 2019	-	(775)	(144)	(919)
Amortisation charge	-	(71)	-	(71)
Disposals	-	-	-	-
Balance at 30 June 2020	-	(846)	(144)	(990)
Carrying Amounts				
Balance at 30 June 2021	83	1,190	-	1,272
Balance at 30 June 2020	83	762	-	845

20. Insurance

The Council holds asset insurance with multiple insurance companies including QBE, NZI and AIG as at 30 June 2021.

The total value of all assets covered by insurance contracts is \$90 million (2020: \$95m). The maximum amount for which these assets is insured is \$162 million (2020: \$166m). 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 \$776 million (2020: \$770m). These are not covered by insurance policies.

21. Forestry assets

Independent registered valuer, K Stuart RMNZIF of Laurie Forestry Limited, have valued Council owned forestry assets as at 30 June 2021.

As at 30 June the value of the Council owned forests increased by 21% compared to the value over the value as at the same time last year. The increase in valuation of the forest estate is predominately due to log prices having significantly increased since the 2020 valuation.

The following significant valuation assumptions have been adopted in determining the fair value of forests assets

- A real pre-tax discount rate of 8.5% has been used this year
- The value is of the tree crop only
- No volume growth in the old crop trees at Alexandra and Cromwell
- The valuation assumes that the forest will be grown for one rotation only and that no further planting will be undertaken
- The valuation uses current costs, and no adjustment has been made for inflation The Central Otago District Council has forest investments of:
 - 27.6 net stocked hectares in Alexandra
 - 78.0 net stocked hectares in Cromwell
 - 3.0 net stocked hectares in Ranfurly
 - 2.6 net stocked hectares in Naseby
 - 10.8 net stocked hectares in Roxburgh

Alexandra – 19.2 ha of Radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 27 – 36 years old.

Cromwell – 16.8 ha of Radiata pine of an undetermined age ready to be harvested, with the balance ranging from 36 - 39 years old.

Ranfurly – 1.6 ha of Corsican pine 31 years old and 1.4 ha of Radiata pine 36 years old.

Naseby – 2.6 ha Corsican pine 41 years.

Roxburgh – 10.8 ha of Radiata pine 37 years old.

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

Valuations

Independent registered valuers Laurie Forestry have valued forestry assets as at June 2021. A pre-tax discount rate of 8.5% has been used this year (2020: 8.5%).

- The valuation assumes that the forest will be grown on for one rotation only and that no further planting will be undertaken.
- The valuation uses current costs, and no adjustment has been made for assumed inflation since the 2020 annual valuation.

	2020/21 \$000	2019/20 \$000
Balance as at 1 July	355	414
Increases due to purchases	-	-
Gain (loss) arising from revaluation	76	(59)
Decrease arising from sales / harvest	-	-
Balance as at 30 June	431	355
The gain (loss) comprised of:		
Alexandra Forest	17	(23)
Cromwell Forest	46	(30)
Naseby Forest	3	(1)
Ranfurly Forest	2	-
Roxburgh Forest	8	(5)
Gain (Loss) arising from revaluation	76	(59)

22. Investment property

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

After initial recognition, all investment property is measured at fair value at each reporting date. There are no contractual obligations in relation to investment properties at balance date.

Independent registered valuer G Simpson SPINZN, ANZIV of Quotable Value Limited, have valued Council owned Investment property assets as at 30 June 2021.

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. The valuer stated that at present there had been limited disruption to the property market in the Central Otago District. There were varying views and predictions from economic commentators, local government and real estate agencies on how the property market would perform post-Covid. Global financial markets however have become more volatile as the rest of the world struggles to emerge from the grips of the virus. The property market however still remains affected by the uncertainty that the COVID-19 outbreak has caused. Market conditions are currently subject to higher potential for change and market uncertainty. This current valuation has been based on the most recent available market information available at the time.

	2020/21 \$000	2019/20 \$000
Balance as at 1 July	1,675	1,590
Additions from acquisitions	5,068	-
Gains (loss) arising from revaluation	(818)	85
Balance as at 30 June	5,925	1,675
Rental income from investment property	166	107
Direct expenses from investment property	38	28

23. Landfill aftercare provision

The Council has several resource consents for closed landfills. The Council has a responsibility under these consents to provide ongoing maintenance and monitoring of the landfill sites.

These responsibilities include:

- treatment and monitoring of leachate
- groundwater and surface monitoring
- monitoring of air quality
- ongoing maintenance of cover and monitoring bores

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

	2020/21 \$000	2019/20 \$000
Opening Balance	5	11
Less applied to operations	(5)	(7)
Add interest time adjustment	-	1
Balance as at 30 June	-	5

24. Capital commitments

	2020/21 \$000	2019/20 \$000
Property	241	142
Open spaces	23	-
Information Technology	301	437
Environmental engineering	373	-
Water system	2,317	703
Wastewater system	7,823	1,007
Stormwater system	-	-
Roading	-	7,206
Total capital commitments	11,078	9,495

The Rooding commitment will attract a subsidy of \$0 (2020 \$000: \$3,675). 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

	2020/21 \$000	2019/20 \$000
No longer than 1 year	479	229
Longer than 1 year and not longer than 5 years	579	206
Longer than 5 years	31	-
Total non-cancellable operating leases	1,089	435

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:

	2020/21 \$000	2019/20 \$000
No longer than 1 year	861	656
Longer than 1 year and not longer than 5 years	1,777	1,843
Longer than 5 years	10,933	11,201
Total operating leases as Lessor	13,571	13,700

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. Due to the development of the Dunstan Park subdivision, the Council will not be replanting the trees that were removed at the Alexandra Pines.

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 2021.

Local Government Funding Agency

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

As at 30 June 2021, the Council is one of 30 local authority shareholders and 54 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2021, the LGFA had borrowings totalling \$14.220 billion (2020: \$12.220 billion).

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

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

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

28. Remuneration

Remuneration of Elected Members

	2020/21 \$000	2019/20 \$000
Mayor		
T Cadogan	108	111
Current Councillors		
NJ Gillespie*	47	36
MR McPherson*	34	30
SF Jeffrey*	33	28
N McKinlay	28	24
SL Duncan	26	23
LJ Claridge	24	24
IG Cooney	24	17
CA Laws	24	17
SA Calvert	21	21
TA Paterson	21	15
TN Alley	-	15
MC Topliss	-	7
Dr DJ Wills	-	7
VJ Bonham	-	7
Total elected representatives' remuneration	390	382

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

Remuneration of Chief Executive Officer

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

	2020/21 \$000	2019/20 \$000
Salary – permanent CEO's	280	260
Motor vehicle	25	12
Total chief executive officer remuneration	305	272

As at 30 June 2021, the annual cost, including benefits, to the Council for the combined remuneration package of the Chief Executive Officer is calculated at \$305,371 (2020 - \$272,380). The above figures are the full amount paid exclusive of expense claims.

	2020/21 \$000	2019/20 \$000
Remuneration of Key Management	1,054	938

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

Total staff numbers by remuneration band

	2020/21 \$000s
<\$60,000	113
\$60,000-\$79,999	51
\$80,000-\$99,999	15
\$100,000-\$139,999	13
\$140,000 - \$199,999	5
\$200,000 - \$309,999	1
Total employees	198

Total employee numbers include all casual employees who have a current employment contract with the Council. At balance date, the Council employed 118 (2020, 112) full-time employees, with the balance of staff representing 32 (2020, 35) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

	2019/20 \$000s
<\$60,000	143
\$60,000-\$79,999	30
\$80,000-\$99,999	16
\$100,000-\$119,999	6
\$120,000-\$179,999	6
\$220,000 - \$259,999	0
\$260,000 - \$280,000	1
Total employees	202

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 (2019/20: 1) made during 2020/21 year totalling zero (2019/20, \$50,000).

29. Related Party Transactions

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

30. Financial Instruments

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

Credit risk

Financial instruments 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	2020/21 \$000	2019/20 \$000
Loans and receivables			
Bank balances and term deposits	Rating 'A' and greater, no defaults in the past	16,514	16,714
Debtors and other receivables	Note 13	4,852	3,171
Community loans	Not rated, no defaults in the past	282	333
Total credit risk loans and receivables		21,648	20,218

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.

	2020/21		2019/20 (Adjusted)	
	\$000	\$000	\$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
Effect on surplus (deficit)				
Term deposits	-85	85	-86	86
Promissory and floating rate notes	-	-	-	-
Total sensitivity	-85	85	-86	86

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

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

Price risk

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

31. Internal loans

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

	Opening Balance	New Advances	Principal Paid	Closing Balance
	\$000	\$000	\$000	\$000
Water	13,339	779	(2,078)	12,039
Wastewater	10,899	6,252	(2,478)	14,673
Stormwater	61	219	-	280
Transportation	2,991	3,540	(206)	6,325
Environmental Services	1,144	1,143	(1)	2,285
Planning and Environment	-	167	(326)	(160)
Pools, Parks and Cemeteries	2,628	211	(981)	1,858
Service Centres and Libraries	-	-	-	-
Property and Community Facilities	5,625	1,689	(1,049)	6,265
Regional Identity, Tourism and Economic Development	186	41	(49)	178
Governance and Corporate Services	2,525	1,737	(1,954)	2,308
TOTAL	39,397	15,778	(9,123)	46,050

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 1.48% (2019/2020, 3.14%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2020/21 Actual \$000	2020/21 Estimate \$000	2019/20 Actual \$000
Water	205	520	232
Wastewater	164	477	196
Stormwater	1	2	1
Roading	65	213	227
Environmental Services	21	52	31
Planning, Regulatory and Community Development	2	-	-
Pools Parks and Cemeteries	50	118	79
Property and Community Halls	-	-	174
Service Centres and Libraries	114	303	-
Regional Identity, Tourism and Economic Development	89	74	72
Governance and Corporate Services	2	25	20
TOTAL	712	1,786	1,032

32. Capital management

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

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

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

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

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

The Council has the following Council-created reserves:

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

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

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

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

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

	2020/21	2019/20
	\$000	\$000
Net Surplus (Deficit) After Tax	12,323	12,070
Add (less) non-cash items:		
Depreciation	9,903	8,970
Amortisation of intangible assets	96	71
Vested and previously unrecognised assets	(6,489)	(9,512)
(Gains)/Losses on fair value of investment property	818	(85)
Amortisation of landfill liability	5	6
Add (less) movements in working capital items:		
Decrease (increase) in debtors and other receivables	(1,601)	948
Decrease (increase) inventory	(3,885)	31
Decrease (increase) in prepayments	(94)	(133)
Increase (decrease) in agency and deposits	(17)	(56)
Increase (decrease) in creditors and other payables	8,211	(2,228)
Add (less) items included in investing activities:		
Valuation losses	(76)	199
Net (gain) loss on sale of assets	90	5,530
Net (gain) on sale of land	(2,492)	(3,782)
Decrease in landfill aftercare liability	(5)	(6)
Net cash inflow (outflow) from operating activities	16,788	12,024

34. Events subsequent to balance date

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

The reform proposes to transfer the three-water delivery from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government announced the proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WSE 'D', along with 19 other Councils. The WSE would be independent with a separate Board of Directors and participating Councils would have no shareholding and no financial interest.

On 27 October 2021 the Minister of Local Government announced cabinet's decisions to introduce legislation to establish four publicly-owned entities. This announcement follows a four-year discussion with local government, iwi and industry, and an intensive eight-week period for local government to provide feedback on the Government's reform proposals. While the decision to opt in or out of this reform has now been removed from Councils, Cabinet has announced to continue partnering with Councils on refining elements of the reform design, and have agreed to establish three working groups. The new entities are expected to be operational by 01 July 2024.

The Council will not be responsible for the delivery and infrastructure of three waters services from 1 July 2024. There is uncertainty about the delivery of services until the legislation is enacted.

Independent Auditor's Report

To the readers of Central Otago District Council's annual report
for the year ended 30 June 2021

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

We are also required to report on:

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

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

We completed our work on 8 December 2021. This is the date at which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 97 to 145:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021; 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 95 to 96, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- the activities and services statements on pages 21 to 93:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, 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 21 to 93, 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 21 to 93, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 15 to 19, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Emphasis of matter – The Government’s three waters reform programme announcement

Without further modifying our opinion, we draw attention to note 34 on page 145, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in

the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 6 to 14 and 150 to 154, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021-2031 consultation document and long-term plan. These engagements are compatible with those independence requirements.

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



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

OUR COUNCIL



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Ian Cooney
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Council meeting attendance 2020/21	
Name	Attended
T Alley	● ● ● ● ● ● ● ●
T Cadogan	● ● ● ● ● ● ● ●
S Calvert	● ● ● ● ● ● ● ●
L Claridge	● ● ● ● ● ● ● ●
I Cooney	● ● ● ● ● ● ● ●
S Duncan	● ● ● ● ● ● ● ●
N Gillespie	● ● ● ● ● ● ● ●
S Jeffery	● ● ● ● ● ● ● ●
C Laws	● ● ● ● ● ● ● ●
N McKinlay	● ● ● ● ● ● ● ●
M McPherson	● ● ● ● ● ● ● ●
T Paterson	● ● ● ● ● ● ● ●

Community boards

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

Cromwell Community Board

42 The Mall, Cromwell Phone: 03 445 0211



Anna Harrison (Chair)



Werner Murray (Deputy)



Tony Buchanan



Robin Dicey



Neil Gillespie



Cheryl Laws



Nigel McKinlay

Cromwell meeting attendance 2020-21										
Name	Attended									
T Buchanan	●	●	●	●	●	●	●	●	●	●
R Dicey*	●	●	●	●	●	●	●	●	●	●
N Gillespie	●	●	●	●	●	●	●	●	●	●
A Harrison	●	●	●	●	●	●	●	●	●	●
C Laws	●	●	●	●	●	●	●	●	●	●
N McKinlay	●	●	●	●	●	●	●	●	●	●
W Murray	●	●	●	●	●	●	●	●	●	●

* resigned at the 20 April 2021 meeting

Maniototo Community Board

15 Pery Street, Ranfurly, Phone: 03 444 9170



Robert Hazlett (Chair)



Mark Harris (Deputy)



Stu Duncan



Duncan Helm



Sue Umbers

Name	Attended									
S Duncan	●	●	●	●	●	●	●	●	●	●
M Harris	●	●	●	●	●	●	●	●	●	●
R Hazlett	●	●	●	●	●	●	●	●	●	●
D Helm		●	●	●	●	●	●	●	●	●
S Umbers	●	●	●	●	●	●	●	●	●	●

Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: 03 446 8105



Raymond Gunn (Chair)



Sally Feinerman (Deputy)



Cushla Browning (Aitchison)



Norman Dalley



Stephen Jeffery

Name	Attended									
C Aitchison ¹	●	●	●	●	●	●	●	●	●	●
N Dalley	●	●	●	●	●	●	●	●	●	●
S Feinerman	●	●	●	●	●	●	●	●	●	●
R Gunn	●	●	●	●	●	●	●	●	●	●
S Jeffery	●	●	●	●	●	●	●	●	●	●

¹ née Browning

Vincent Community Board

1 Dunorling Street, Alexandra, Phone: 03 440 0056



Martin McPherson (Chair)



Russell Garbutt (Deputy)



Dr Roger Browne



Lynley Claridge



Ian Cooney



Anna Robinson



Sharleen Stirling-Lindsay

Vincent meeting attendance 2020/21	
Name	Attended
R Browne	● ● ● ● ● ● ● ●
L Claridge	● ● ● ● ● ● ● ●
I Cooney	● ● ● ● ● ● ● ●
R Garbutt	● ● ● ● ● ● ● ●
M McPherson	● ● ● ● ● ● ● ●
A Robinson	● ● ● ● ● ● ● ●
S Stirling-Lindsay	● ● ● ● ● ● ● ●

Executive team

Sanchia Jacobs

Chief Executive Officer



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

Leanne Macdonald

Executive Manager – Corporate Services



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

Louise Fleck

Executive Manager – People and Culture



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

Julie Muir

Executive Manager – Infrastructure Services



- Roading
- Water Services
- Environmental Engineering

Louise van der Voort

Executive Manager – Planning and Environment



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



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