

2015-16
ANNUAL REPORT

Central Otago District Council

MEASURING
our
progress

improving our community facilities and services
thinking of our environment
planning for the future promoting our place
new look, new efficiencies using resources wisely
working with our community enhancing our engagement
Planning for the future



THE PLANNING CYCLE

LONG TERM PLAN

The Long Term Plan (LTP) sets out our strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure the quality and our effectiveness. The issues we face and the context within which we work are continuously evolving. For this reason, an LTP is produced every three years.

ANNUAL REPORT

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

ANNUAL PLAN

In each of the two years between LTPs 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 LTP, and considers whether adjustments are needed.

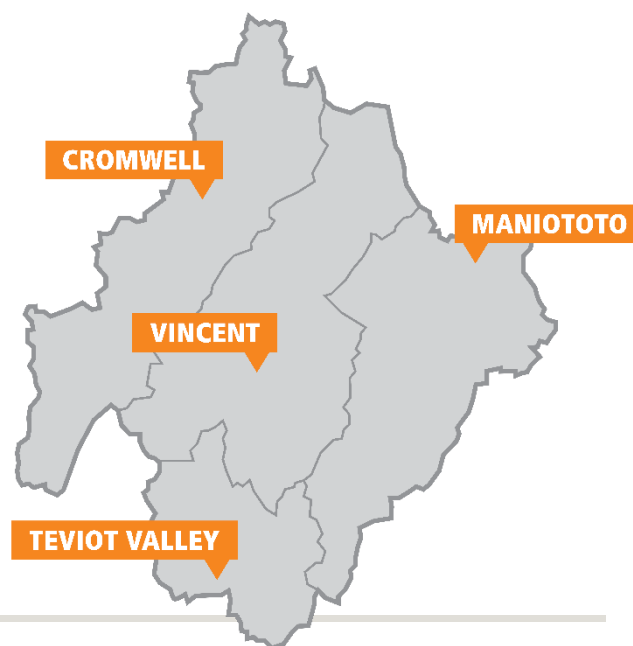
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OUR SPACE, OUR PLACE

The Central Otago District covers an area of 9968.5km² and encompasses the electoral wards Alexandra and Earnsclough-Manuherikia (Vincent), Cromwell, Maniototo and Teviot Valley. The main towns include Alexandra, Clyde, Cromwell, Roxburgh, Ranfurly and Naseby. Our population is 17,895. We have one of the lowest population densities in New Zealand.

The Central Otago district has a unique and diverse economy. While rural or primary industries still provide the backbone, Central Otago has become a fashionable place to live and visit. This means that industries such as viticulture and tourism are playing an increasing part in local development, while service industries such as construction and business services have grown considerably.



Community Planning

The aspirations of our Central Otago community are central to our planning.

Central Otago District Council helps facilitate community planning. We currently have 14 community plans and each of these community plans help articulate what it is our communities want and need to ensure this district remains **a great place in which to live, work and play.**

Consultation with Maori

Council also continues to foster closer relations and improved communication channels with local iwi to contribute to Council's decision-making. Council is a signatory to the Te Ropu Taiao Otago governance charter. This charter formalises an agreement between Otago Runanga and Otago local authorities to work together at both a collective and individual council level.

OUR COMMUNITY OUTCOMES

THRIVING ECONOMY

A thriving economy that is attractive to both businesses and residents alike.

Economic Development

Promote Central Otago as a place to live. Help business get through the legislative requirements when developing business opportunities.

Tourism

A tourism industry that is well managed, which focuses on our natural environment and heritage with marketing plans that reflect this.

Ease of Doing Business

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

SUSTAINABLE ENVIRONMENT

An environment that provides a good quality of life. A community with a healthy balance between its natural and built environment.

Water

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

Waste Minimisation

Reduce the waste we generate and increase recycling.

Managing Development Impacts on Landscape & Natural Ecosystems

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

SAFE & HEALTHY COMMUNITY

A vibrant community with a range of services and facilities. A community that values and celebrates its rich heritage.

Maintain Services in Local Communities

Retain key services and facilities which are appropriate to the local community while retaining volunteer networks.

Safe Community

Retain our safe community.

Transport & Communication

Have a well-connected community through a safe roading system and communications network.

Recreation

Respect landowners' rights, while enjoying access to our lakes and recreational areas. Encourage walking and cycling for the community's health and wellbeing.

Arts & Culture

Provide places and spaces for arts and cultural expressions.

Heritage

Have clear guidelines for accessing, managing and preserving heritage within Central Otago while also identifying tourism opportunities.

Community outcomes are a high level set of goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental and cultural well-being of our district, now and for the future.

Community outcomes are important to us at Council. They are used to guide and inform the planning process and set out priorities. They also help us focus on a vision for the district.

These are the **community outcomes** Council has a key role in.

They will be achieved by **working in partnership** with the whole community, including individuals, businesses, government agencies and community organisations.

OUR SPACE, OUR PROGRESS

It is our pleasure to present this Central Otago District Council Annual Report and provide feedback to you on what Council has achieved in the 2015/16 year.

One of the spaces we have been working hard on this year is how to communicate better with our community. We revamped our Noticeboard on page 5 of *The News*. We introduced regular Mayoral video updates shared on our website and Council Facebook page, and took to the local airwaves with regular Mayor on the Air radio slots. We replaced our quarterly newsletter that was sent out with rates notices with *The FlipSide* – a newsletter now sent to all residents and ratepayers, with a greater community flavour.

We are continuously improving our engagement with our community. Revamping our annual residents' survey and conducting it online this year for the first time is an example of this.

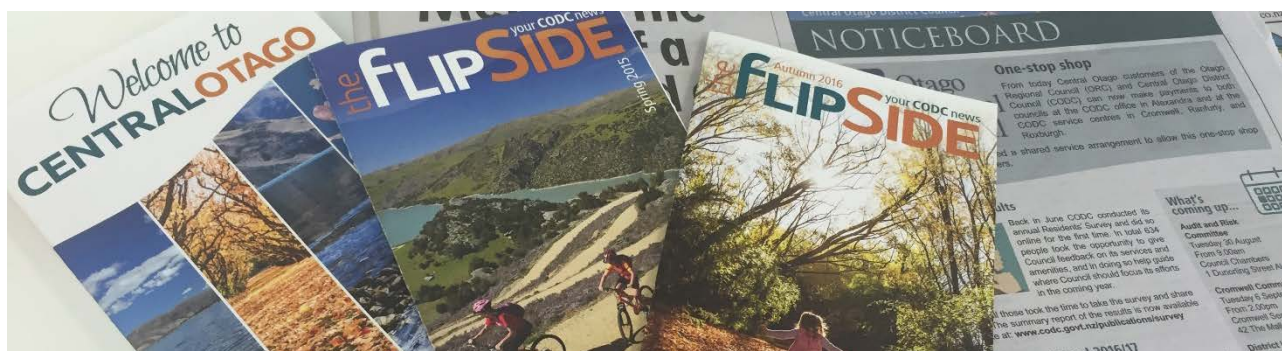
Going online with the residents' survey was seen as a way to overcome barriers to participation by those who are time poor, as well as reducing the long-term cost of delivering the annual survey. The savings made will be used to introduce a programme of point-of-customer contact surveys, which will provide more accurate and timely feedback from those people who use Council services. The new method of delivering our survey resulted in a much more representative sample of our population completing the 2016 survey.

During the year our Parks team continued to encourage a great deal more community input into shaping our recreational spaces. In addition to rolling out reserve management plans for our community, staff ran a series of playground polls getting feedback from both young children and their families into what should replace play equipment that had reached its 'expiry date'.

In July the role of Health and Safety Officer became a full-time position at Council, reflecting Council's commitment to workplace health and safety. We launched a prequalification system called SiteWise with a contractors' breakfast in September and have had positive uptake. SiteWise is an affordable online Health and Safety pre-qualification assessment programme. From 1 July 2016 all contractors working on or connecting to Council assets and/or working for CODC must have an acceptable SiteWise rating. This is being done to support the national push to send everyone home safe from work each day.

In September we celebrated excellence in our community with the biennial Central Otago Awards. The words of guest speaker for the night, 2010 New Zealander of the Year Sir Ray Avery, created an inspirational atmosphere for the evening's celebrations in Roxburgh. It was the eighth time the awards have been held to celebrate those who make a difference in our community and exemplify the spirit of Central Otago.

Another cause for our community to celebrate – this time the Teviot Valley in particular – was Council successfully securing government funding through the Department of Internal Affairs' Community Development Scheme. The \$240,000 over a three-year period provides funding to employ a community worker (who is now instated) to assist in facilitating grass roots community-driven projects that will help 'future proof' the valley.



In October we welcomed on board Bernard Murphy as our new Chief Financial Officer. As we head into a period of high value infrastructural development it is reassuring to know we have Bernard's depth of financial experience on the executive team. We also secured the service of Julie Muir in the role of Executive Manager, Infrastructure Services. Julie leads the way in strategic asset management thinking and has already made a valuable contribution to the team.

Towards the end of 2015 we consulted with the community on changes to our Revenue and Financing Policy. In reviewing and adopting this new policy we have made giant steps toward bringing equity to the broader community for the betterment of the region as a whole. The major change was the districtisation of 3 Waters. This means all ratepayers connected to a Council water or wastewater scheme will pay the same charge to fund the combined cost of maintenance, upgrades and operations of all the schemes.

Council also removed some of the historic rates and associated methods of charging that were no longer seen to be as relevant in today's world. This change was to bring about a more equitable, sustainable and consistent rating system for all ratepayers.

When reflecting on the year there are many projects, activities and initiatives we have undertaken to enhance the well-being of our community that we should take the time to acknowledge and celebrate. Some of these are touched on in the following pages and more are detailed within our activity sections.

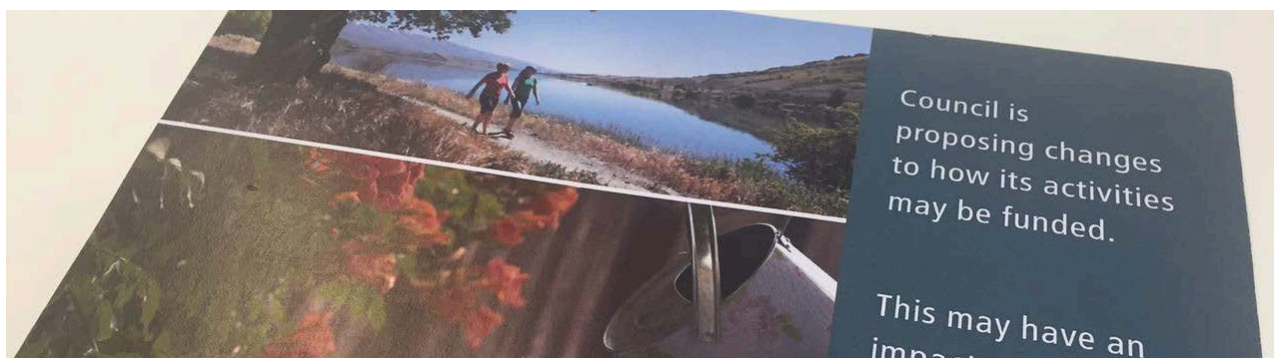
We remain proud to be of service to the Central Otago community.

We thank elected members and Council staff for their commitment and efforts this past year. We acknowledge the community support, with special thanks to those of you who took the time to make submissions, provide feedback and get involved.



Mayor as at 30 June 2016
Tony Lepper

Chief Executive Officer
Leanne E Mash



PROMOTING OUR PLACE

World of Difference website revamped

The redeveloped www.aworldofdifference.co.nz was launched in September. The refreshed website better showcases the unique qualities and attributes associated with Central Otago in a more visually compelling way. The intention is to inspire a greater sense of love and respect for this place. Stories and partner profiles are being developed on an ongoing basis to feature on the site.

Promoting our place

In 2015/16 our community boards distributed funding to 26 groups/organisations to the value of \$217,886 for a range of events, facilities and activities intended to enhance the experiences of locals and visitors alike.

Projects supported include the development of the Cromwell Ambassador Programme, arts and cultural events such as the Arts Gold Awards and Art on the Rail Trail, event support for Thyme Festival and Alexandra Blossom Festival, and a range of other community festivals and projects.

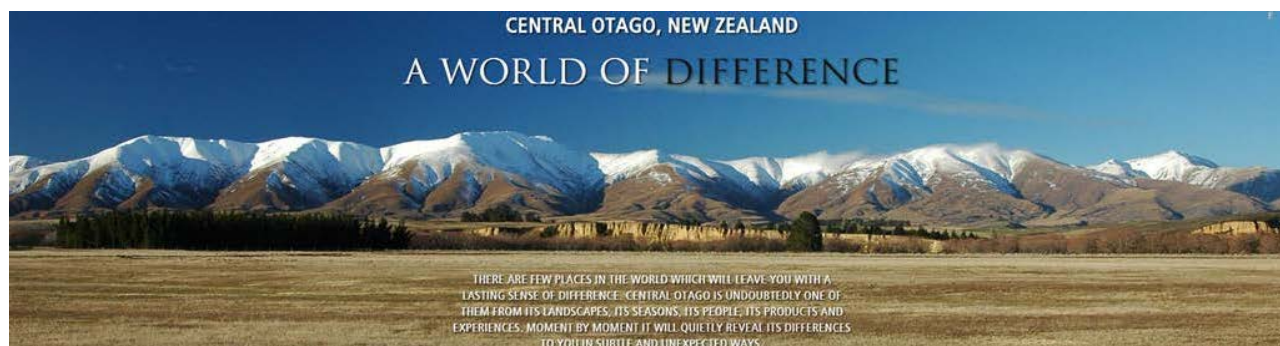
Promoting Central Otago across the Tasman

Tourism Central Otago has been involved in a number of campaigns aimed at enticing our Australian neighbours over to visit our region.

In August 2015 TCO ran a month-long digital and print campaign focused on the Australian market which led to increased visits to the www.cyclecentralotago.com, heightened enquiries to Central Otago tourism operators, i-SITES and grew the TCO consumer database. In February TCO got on board with a Tourism New Zealand digital campaign featuring influential Australian star Megan Gale as its first ever ambassador to promote cycling to the Australian market. The Otago Central Rail Trail also had a starring role in the campaign, chosen as one of the two trails to feature along on the North Island Timber Trail. Megan was filmed cycling the trail as well as experiencing the best of New Zealand's food, wine, culture, history and stunning scenery. The media exposure and digital reach within the first period of the campaign resulted in approximately an equivalent advertising value of \$1.9 million.

Cromwell i-SITE secures hosting rights

Central Otago i-SITES won a competitive tender to host the 2016 national i-SITE conference, funded by i-SITE NZ. This will be held in Cromwell in late September. The conference is expected to attract 120 delegates from i-SITES around New Zealand. i-SITE delegates will learn about Central Otago and our operators through organised familiarisations so that they can return home and promote the region.



WORKING COLLABORATIVELY

Driving efficiencies

We entered CODC in local government excellence awards this year for two initiatives involving our infrastructure team. In the SOLGM awards we entered the Collaborative Government Action category for our involvement with the national Road Efficiency Group. Our Executive Manager, Infrastructure Services Julie Muir sits on the national group that aims to drive value for money and improve performance in road maintenance, operations and renewals throughout the county. It was a bold move by our small rural council to support a senior staff member to take on this commitment but one it embraced foreseeing the benefits.

Julie's work as a group member since its formation in 2012 and as Chair of the Best Practice Asset Management Planning Group and the One Network Road Classification Working Group, has meant CODC has had to continually apply innovation and best practice, document this practice put into action and share this knowledge across the sector. Our involvement has seen CODC gain efficiencies, make significant cost savings, and earn national accolades. We have lifted our game and are motivated to continue that momentum. Business as usual is continually asking "is there a better way?"

The CODC-led Young Driver Programme, now in its fourth successful year, was named a finalist in an LGNZ excellence award community engagement category. This programme would simply not happen without the commitment and support of local agencies, businesses and an army of volunteers. Together we can make great things happen for our community.

Working closely with our neighbours

In September 2016 Otago councils showed a collaborative approach to promoting the national earthquake drill Exercise ShakeOut. We had our mayors and regional council chair huddle together under Council Chambers' tables to visually show joined-up local government in action.



IMPROVING OUR FACILITIES AND SERVICES

Lighting the way

During the final quarter of the 15/16 year we began installing the first LED lights as part of a district-wide rollout that will take place over the coming three years. Central Otago has 1300 lights and the business case undertaken for us to replace these with LED luminaires has identified savings of \$3.4 million over 20 years, and a 54% saving on our maintenance and electricity costs in the first 10 years. In addition, the lights will be night sky compliant, opening up opportunities for communities in Central Otago to become international dark sky reserves.

Cemeteries online database

Earlier in 2016 Council made its digital records for the Alexandra Cemetery accessible on its website. This is the first phase of a long-term project to make all Central Otago cemetery information available online.

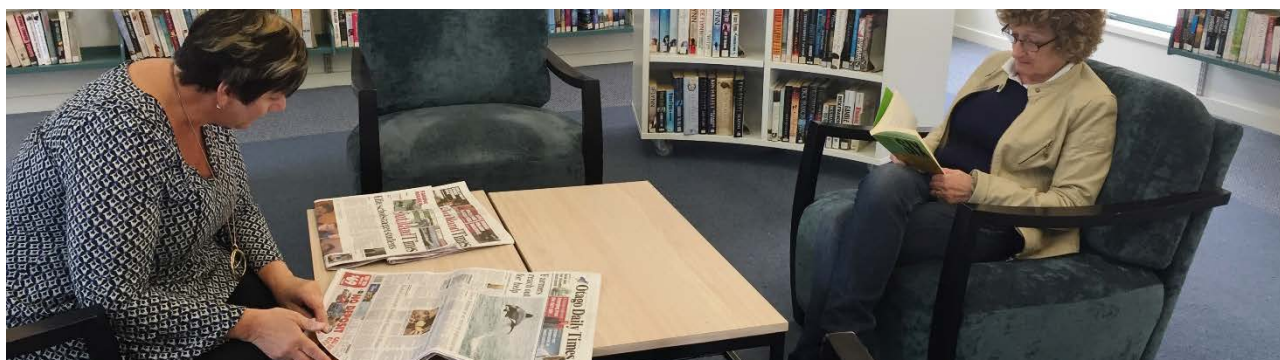
Council Buildings

The Chambers in Roxburgh Service Centre and Council Chambers in Alexandra both had a summer makeover. The Council Chambers has improved information technology capability and a modern new furniture solution. The lightweight, multi-functional tables allow flexibility in room layout. This is a bonus as the room gets used for multiple purposes by an array of groups – from Council meetings and hearings where a board room set up is needed; to citizenship ceremonies where seating is theatre style; community workshops and training days where a more classroom style layout is called for; and civic functions where the ability to easily stack away furniture will be ideal.

Changes at Maniototo Library

From 1 July Central Otago District Council took over the operation of the Maniototo Community Library, now Maniototo Public Library. The team has implemented systems and processes to bring the running of the operation in line with all Central Otago Libraries.

In early 2016 the Maniototo library had a makeover. Renovations include the construction of an office for staff to carry out processing and mending of items, and storage of materials. Creation of a seating space in the adults' fiction area allows for a comfortable, quiet zone for people to sit and read the paper or browse the shelves. A Youth and Children's area, complete with storyteller's chair, provides a colourful space for class visits and young people to enjoy their time in the library.



WORKING WITH OUR COMMUNITY

Centre for Space Science Technology

The Central Otago proposal for a Regional Research Institute tentatively call the Centre for Space Science Technology is one of three selected by Government to advance to the development of a Better Business Case. Council is supporting the proposal and put up \$20,000 to help develop a business case. The goal of the proposed Centre for Space Science Technology is to drive economic growth by enabling access to new and existing space-based measurements and by developing products and solutions tailored to the needs of New Zealand's regional industries

Communities taking the reins

Two new community plans were developed this year – the first Community Plan for Ophir was finalised and Naseby became the first community in Central Otago to release its third community plan.

A big highlight for the year was Council securing funding on behalf of the Teviot Valley community through the Department of Internal Affairs' Community Development Scheme. The Community Development Scheme is a three-year \$240,000 government-funded project to assist with the delivery of specific community development projects. The Scheme aims to assist small communities in becoming self-sufficient and resilient, to work together to utilise the skills and resources they already have, and to develop projects that will future-proof their community.

WORKING SMARTER

Scooter study

Over the 2015/16 summer period we launched an innovative new approach to footpath inspections. We had our roading summer student trial smartphone roughness application RoadRoid to begin measuring the condition of our district's 146km of footpaths. He did this from the seat of a mobility scooter with the smartphone mounted on the scooter, measuring the bumps and sending the results to the internet.

Process Redesign

In June the Planning Team underwent training in the Vanguard method (systems thinking) to redesign the non-notified resource consent workflow. This resulted in the removal of many steps in the process, which has resulted in a more streamlined customer focused approach.



PLANNING FOR THE FUTURE

Lake Dunstan Water Supply

This year has seen significant progress on the design of the Lake Dunstan Water Supply scheme that will, when commissioned, service Clyde, Dunstan flats, Alexandra Airport and Alexandra township. A new Project Manager was appointed and began in January. He will help oversee this project (and other major infrastructure programmes) as it moves into construction phase in 2016/17. The new water source and treatment plant will address long standing limescale, taste and odour issues of the existing Alexandra supply. It is also a more secure water source to meet drinking water standards for all future users.

Cromwell Wastewater Treatment Upgrade progress

Towards the end of the financial year Downer and Fulton Hogan were selected to undertake a tender design competition for the design and build contract for the treatment works. These new facilities are required to address the growing demands of the Cromwell community. A contract has been let to Fulton Hogan to complete the \$1.1million wastewater transfer project from Bannockburn to Cromwell. Construction is now underway on the transfer pipeline.

Worker accommodation development

In March Council announced that a solution to worker accommodation shortages in the Cromwell basin was a step closer to reality. Council contracted to sell seven hectares of industrially zoned land in Cemetery Road in Cromwell for a multi-lot development subject to obtaining all necessary consents.

Part of the agreement is that development of the land beside the cemetery will include construction of residential accommodation. The accommodation is intended to help alleviate seasonal and general worker accommodation shortages in the Central Otago and Lakes areas.



OUR RESULTS

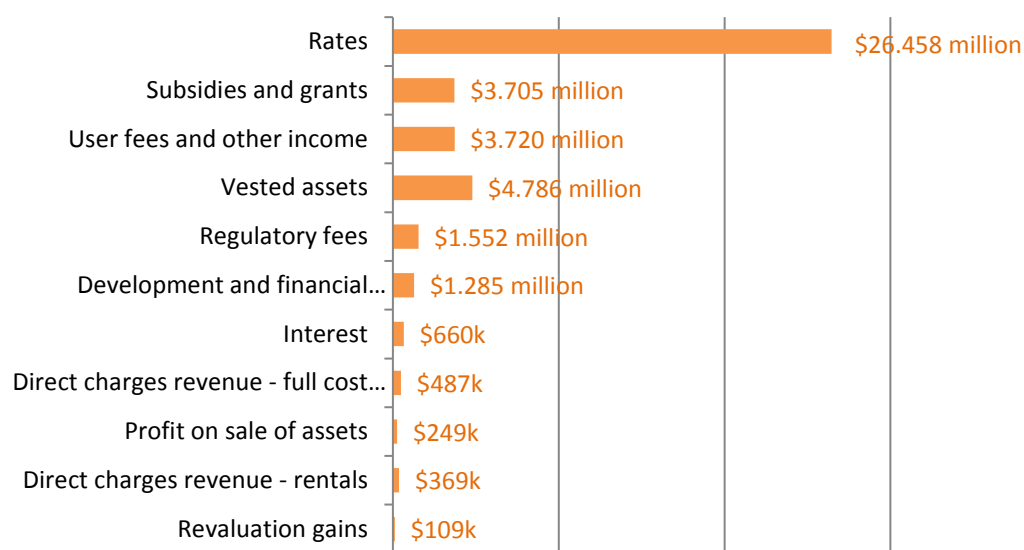
Our projects for the 2015/16 year, including those captured in our highlights on the previous page were achieved without Council going into debt. We are mindful that some projects are still in progress and there are major capital works on the horizon. We will manage these within the limits of our financial strategy.

Council ended the year with a surplus of \$6.299m after tax.

5-YEAR FINANCIAL PERFORMANCE	2015/16 \$000	2015/14 \$000	2014/13 \$000	2013/12 \$000	2012/11 \$000
Rates revenue *	26,458	24,957	23,657	22,553	21,861
Other revenue**	16,922	12,835	12,774	10,517	10,414
Total revenue	43,380	37,792	36,431	33,070	32,275
Employee benefit expenses	7,591	7,349	7,142	6,615	6,372
Depreciation and amortisation	10,812	9,668	9,463	9,594	9,302
Other expenses	18,678	18,445	16,553	16,329	16,729
Total expenditure	37,081	35,462	33,158	32,538	32,403
Net surplus (deficit)*	6,299	2,330	3,273	532	(128)
Working capital (net)	16,528	14,735	11,015	8,977	7,817
Total assets	705,590	665,039	662,771	648,182	639,676
Cash flows from operating activities	13,546	9,552	11,359	10,687	9,226
* Note: includes revenue from water meter charges					
**Note: includes vested assets	4,786	1,675	2,106	106	573

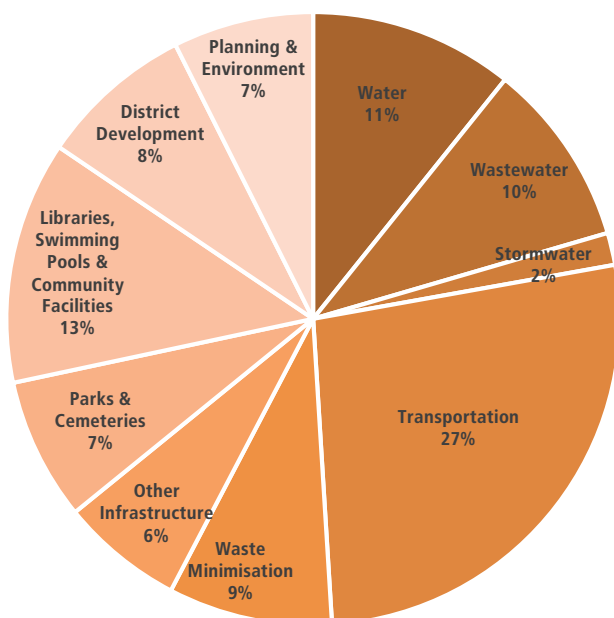
Where our revenue comes from

Total revenue of \$43.4 million



How the money is spent by activity

Total expenditure \$37.1 million



Key Facts and Figures for 2015/16

- \$43.4 million** = Council's total revenue
- \$37.1 million** = Council's total expenditure
- \$7.1 billion** = our rateable capital value at 30 June 2015
- \$3.5 billion** = our rateable land value at 30 June 2015
- \$0** = the district's debt
- 13,814** = the number of rateable properties in our district (13,703 in 2014/15)
- \$683 million** = the current book value of our district's non-current assets

The following graphs highlight various benchmarks indicating whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Financial Prudence Benchmarks

Disclosure Statement

What is the purpose of this statement?

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

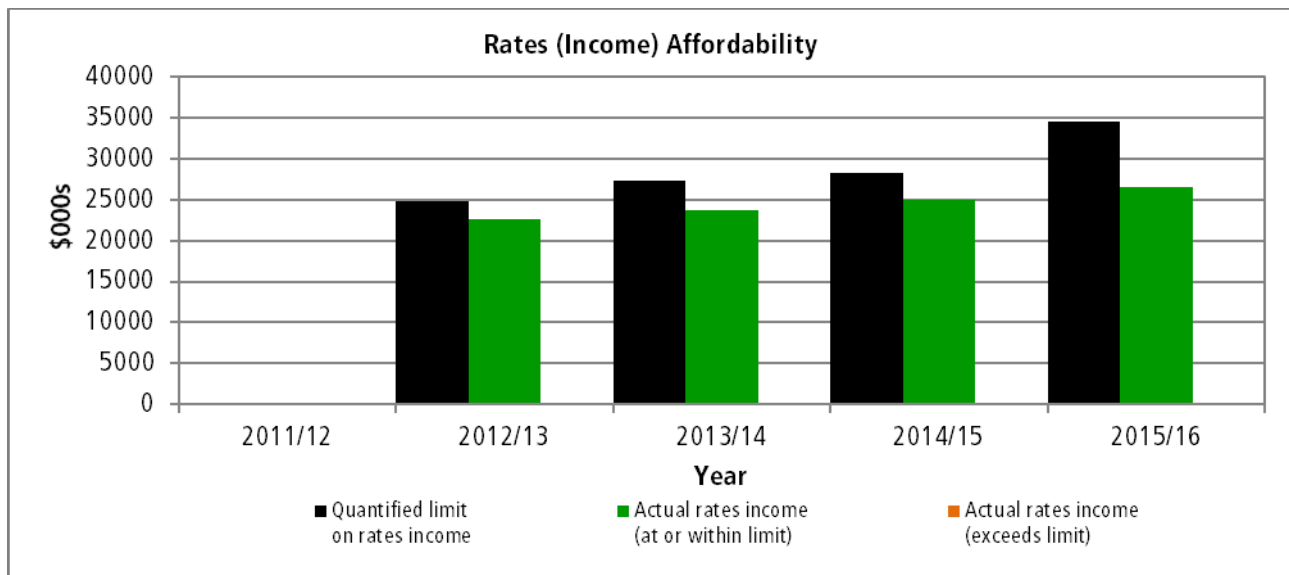
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability

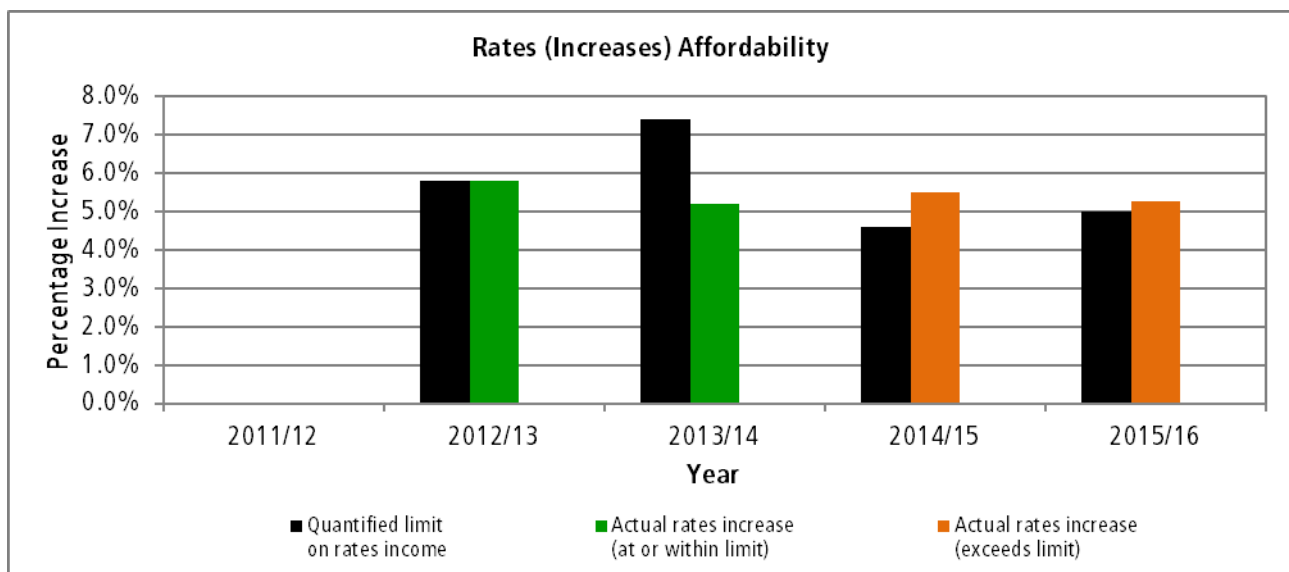
The council meets the rates affordability benchmark if—

- 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 quantified limit was introduced as part of the 2012/2022 Long Term Plan and was not required in the 2010 to 2012 years. As such the Council now monitors this measure closely to ensure it stays within the limits and has done so in the 2015 and 2016 years. The limit has been set at a maximum of 80% of total council revenue. This is shown in thousands of dollars.



The following **rates (increases) affordability** graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit was Local Government Cost Index plus 2.5%. For 2015/2016 the limit is 5% after 0.7% growth.

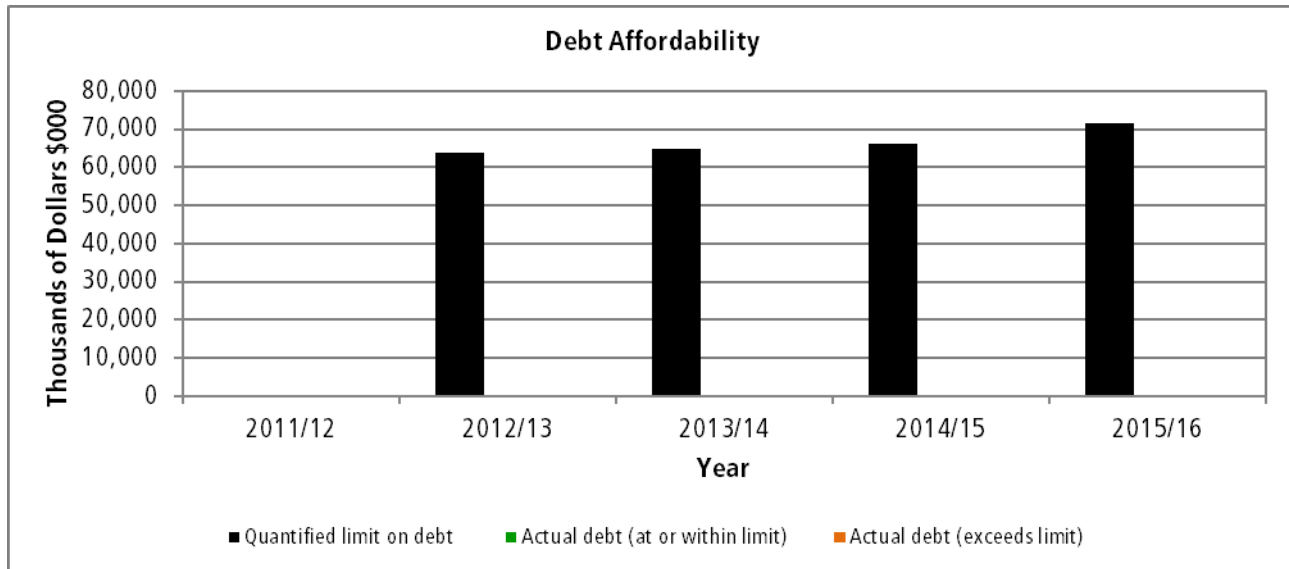


Debt Affordability

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.

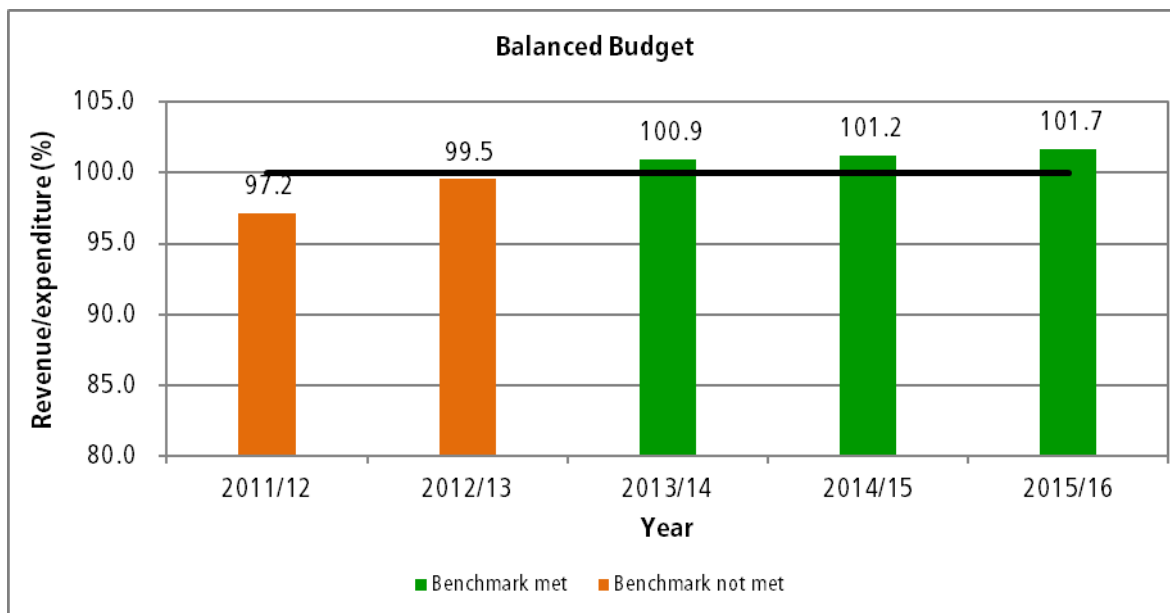
A borrowing limit of 10% of total assets will assist in prudently managing borrowing. At this point the council has no external borrowings and is therefore within debt limits.



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).

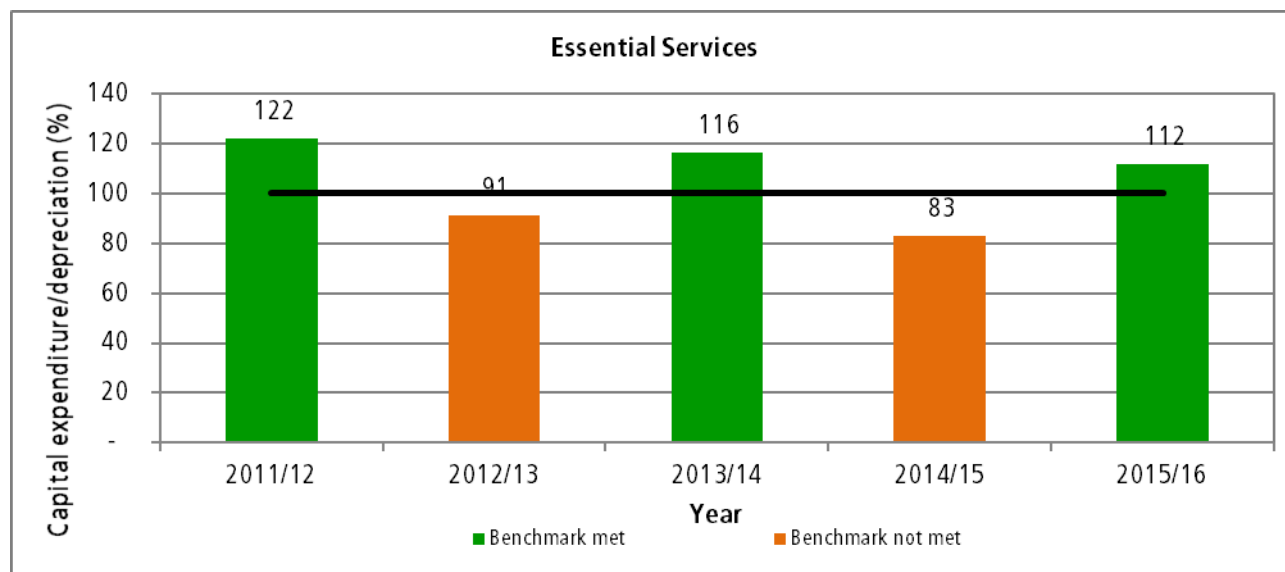
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services

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

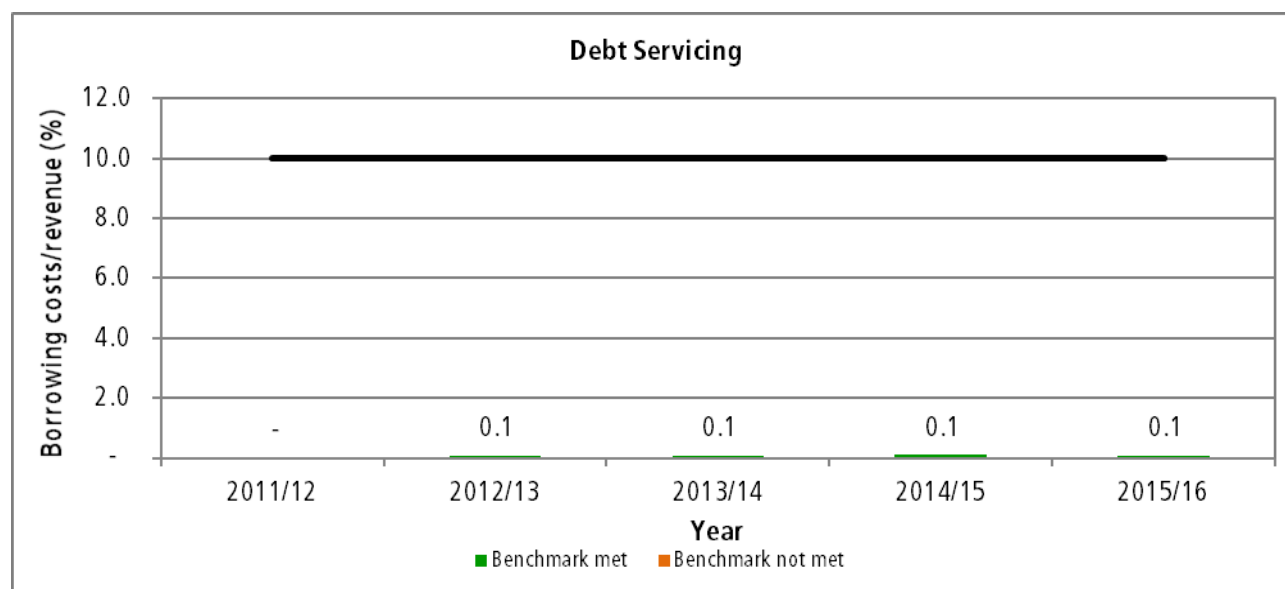
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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)

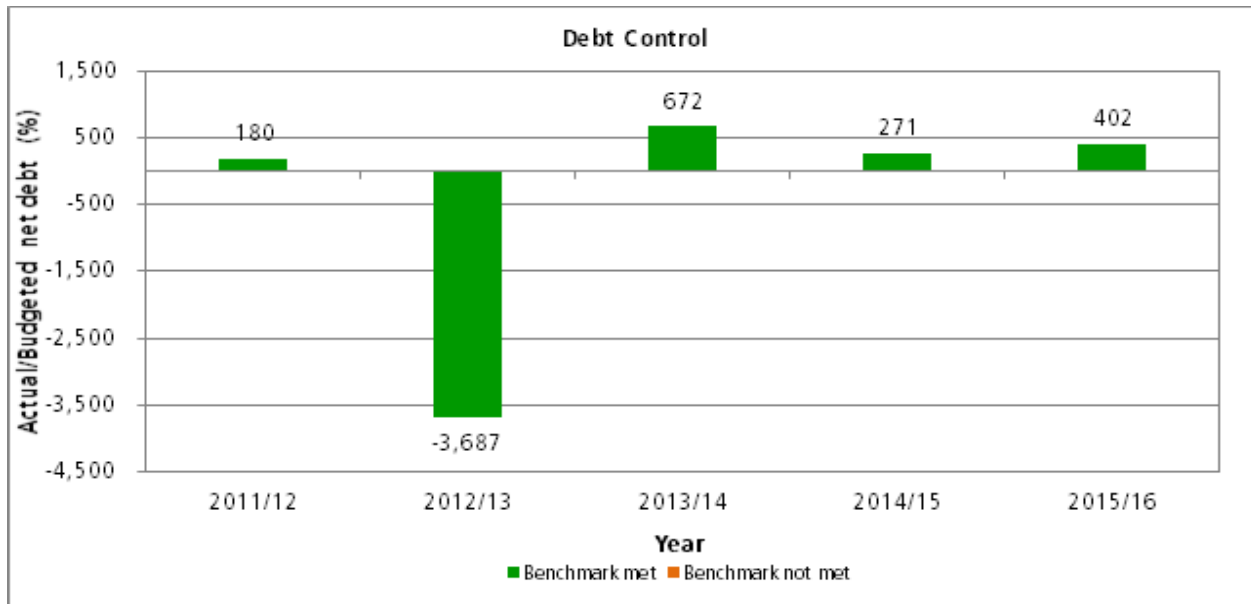
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt Control

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

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

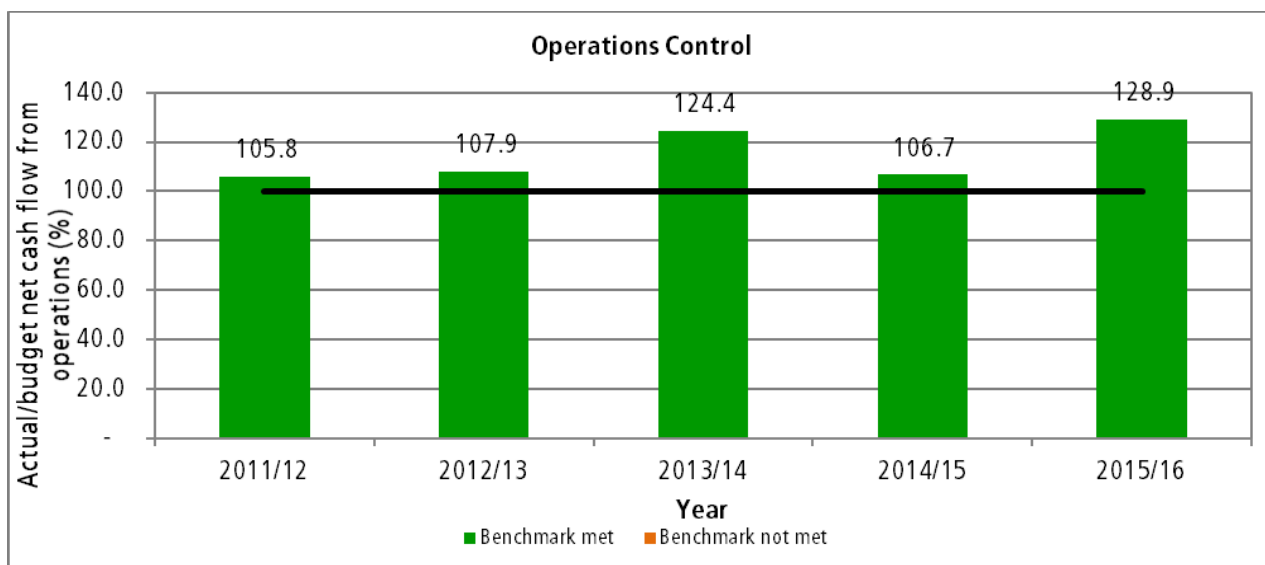


Note: In years 1, 3, 4 and 5 shown above, the council planned to have net assets – that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. Mathematically, the results shown in the graph above are correct. The graph shows “benchmark met” 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 the Central Otago District Council confirm that all statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.



Mayor
Tim Cadogan
26 October 2016



Chief Executive Officer
Leanne Mash
26 October 2016

OUR ACTIVITIES

'Our Activities' provides a detailed overview of the activities we have undertaken during the 2015/16 financial year. The groups of activities incorporate the core services that we deliver and we give particular consideration to how these core services contribute to the community in our decision-making process.

While some of the activities relate to legislation such as the Building Act 2004 and the Resource Management Act 1991, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly. Corporate support provides the internal processes and support required for the organisation to carry out its activities.

Within each activity you will find a brief introduction, what we have achieved, how we measure our success and what the activity cost. All operating and capital expenditure is inflated and stated exclusive of GST.

Water Drinking Water Supply, Legislative Monitoring and Reporting, New Connections, Maintenance, Replacement, Renewals	Wastewater Resource Consent Monitoring and Renewals, Treatment and Management, Trade Waste Management, System Development, Connections	Stormwater Open Channel Maintenance, Drain Clearance, Reticulation Management
Transportation Sealed and Unsealed Roads, Signage and Traffic Services, Bridges, Maintenance and Renewals, Drainage, Vegetation Control, Street Cleaning, Minor Improvement Projects, Footpaths and Carparks, Winter Maintenance, Emergency Works, Asset Management, Road Safety	Other Infrastructure Waste Minimisation, Elderly Persons' Housing, District/Commercial Property, Public Toilets, Airports	Community Services Parks and Recreation, Cemeteries, Community Facilities, Libraries, Swimming Pools District Development: Economic Development, Tourism, Community Planning, Visitor Information Centres, Central Otago Brand, Promotions and Grants
Planning and Environment Resource Management, Building Control, Alcohol Licensing, Dog Control and Registration, Environmental Health, Emergency Management	Governance and Corporate Services Elected Members' Support, Administration Buildings, Human Resources, Communications, Customer Services and Administration, Financial Planning and Reports, Information Systems	

DECISIONS MADE TODAY

Decisions made today will affect tomorrow

WATER



WATER

What we do

We manage 10 public water supply schemes, servicing approximately 13,500 residents. We **supply the community with treated water** at a suitable pressure and quantity. Each scheme is different but operates under the same basic process. Water is drawn from a lake, river or bore before being treated to a required standard. Treated water is then pumped to elevated storage reservoirs for distribution. The reservoirs **ensure sufficient quantities are available for consumption and firefighting** while the elevation produces the required pressure.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Lake Dunstan Water Supply

Lake Dunstan Water Supply (LDWS) is the collective name given to the future water supply scheme for Clyde, Dunstan flats, Alexandra Airport and Alexandra. It is proposed to utilise a bore field just upstream of Clyde Dam as the water source. The new water source and treatment plant will address long standing lime scale, taste and odour issues of the existing Alexandra supply. It is also a more secure water source to meet drinking water standards for all future users.



This year has seen significant progress on the design of the new water supply scheme. A new Project Manager was appointed and began in January. He will help oversee this project (and other major infrastructure programmes) as it moves into construction phase in 2016/17.

A new bore has been completed and tested at the Lake Dunstan shore line. This bore will enable the borefield to meet all expected future demands and will provide added security of supply.

Inniscort Street Water Main

In the first quarter, Cromwell experienced a major water main break in the 100mm diameter Inniscort Street main. The cause of the breakage was unknown but is thought to be related to the age and type of pipe. Water service was resumed within three hours of the breakage occurring. The main has been programmed for replacement.

What you can expect from us

We strive to provide you with a reliable, safe and healthy water supply. The table below shows how we have performed this year.

WATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	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)	New measure	≤18%	Target current annual real losses from the networked reticulation system ≤ 20% of water produced	Achieved. Some improvements in data capture to be investigated.
		Percentage of budgeted capital works completed annually	New measure	67%	To complete more than 90% of budgeted capital works	Not Achieved. Due to delays in programming and project clarification.. Includes Renewals.
		Percentage of budgeted renewals completed annually		76%	To complete more than 90% of budgeted renewals	Not Achieved. Due to delays in programming and project clarification.
		Time with water per customer per annum (planned and unplanned)	99.9%	99.9%	To maintain supply to customers for ≥ 99% of the time	Achieved.

WATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Sustainable Environment	Provide an efficient water network	Fault response time to urgent call-outs Attendance: Resolution:	New measure	Not Available Not Available	Target median time to get to site ≤ 2 hours Target median time to resolve ≤ 8 hours	Not Achieved. Improvements are required in data to capture in hours, they can currently only be captured in days.
		Fault response time to non-urgent call-outs Attendance: Resolution:	New measure	Median time same day. Median time 3 Days.	Target median time to get to site ≤ 24 hours Target median time to resolve ≤ 72 hours	Achieved Achieved
		The average consumption of water per day per resident	New measure	474L/person/day	To maintain water demand at <600 L/person/day	Achieved.
		Total number of customer complaints for: <ul style="list-style-type: none"> • Water clarity • Water taste • Water odour • Water pressure and flow • Continuity of water supply • Responses to water service requests 	New measure	5 per 1000 connections	≤ 13 per 1000 connections	Achieved.

WATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Safe and Healthy Community	Provide a safe and healthy water network	Compliance with the NZ Drinking Water Standards Pt4: Bacterial: Pt5: Protozoal:	New measure	<p>Bacterial Compliance Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = Yes Omakau/Ophir = Yes Patearoa = Yes Pisa Village = Yes Ranfurly = Yes Roxburgh = No</p> <p>Protozoal Compliance Alexandra = No Clyde = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurly = No Roxburgh = No</p>	<p>Compliance with Part 4: Bacterial Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = Yes Omakau/Ophir = Yes Patearoa = Yes Pisa Village = Yes Ranfurly = Yes Roxburgh = Yes</p> <p>Compliance with Part 5: Protozoal Alexandra = No Clyde = No Cromwell = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurly = No Roxburgh = Yes</p>	<p>Not Achieved. All supplies achieved Bacterial Compliance except Roxburgh which received one positive bacterial test. We believe this was a faulty test as the following three days of testing were clear.</p> <p>Protozoal compliance not achieved for Roxburgh.</p>

Where does the money go?

Funding Impact Statement WATER	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	(1)
Targeted rates	4,345	4,112	4,274	4,392
Subsidies and grants for operating purposes	20	32	72	18
Fees and charges	3	6	-	1
Internal charges, and overheads recovered	86	75	100	133
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	(9)
Total operating funding	4,454	4,225	4,446	4,534
Applications of operating funding				
Payments to staff and suppliers	1,637	1,653	1,741	1,973
Finance costs	348	-	200	-
Internal charges, internal interest and overheads applied	852	855	946	596
Other operating funding applications	64	57	64	31
Total applications of operating funding	2,901	2,565	2,951	2,600
Surplus (deficit) of operating funding	1,553	1,660	1,495	1,934
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	419	128	60	308
Increase (decrease) in debt	5,136	-	2,839	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	5,555	128	2,899	308
Applications of capital funding				
Capital expenditure				
- to meet additional demand	795	128	741	114
- to improve the level of service	4,285	624	4,515	657
- to replace existing assets	1,901	604	2,313	1,500
Increase(decrease) in reserves	127	432	(3,193)	(29)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	7,108	1,788	4,394	2,242
Surplus (deficit) of capital funding	(1,553)	(1,660)	(1,495)	(1,934)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	1,466	1,258	1,332	1,390

RESPECT FOR THIS LAND

Respect for this land will ensure we act sustainably

WASTE water



WASTEWATER

What we do

We manage eight public wastewater schemes, servicing approximately 12,500 residents. Each scheme **pumps, reticulates and treats the wastewater** generated by your household as well as from businesses and industrial processes. Wastewater is **treated to a statutory standard and then discharged into a nearby water body or onto land**. Privately owned septic tanks are used in townships without reticulated schemes.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Alexandra Ultraviolet Disinfection Project

The installation of the UV treatment stage at the Alexandra Wastewater Treatment Plant is nearing completion. The new UV treatment stage provides final disinfection of the treated wastewater before it is discharged into the Manuherikia River. An additional 330,000 litre tank has been installed to aid in plant performance. This balance tank, allows us to 'smooth' flows of wastewater into the UV plant during peak periods of demand on the plant.



Improving the quality of discharged wastewater serves to ensure the health of our waterways and of those that utilise them.

CCTV condition analysis on our network

Council contractors completed CCTV inspections on our network of underground wastewater and stormwater pipes and also manhole condition assessments across the district. The resulting data was used to update Council's GIS records.

The CCTV Inspections identified a number of pipes that were not operating at their full capacity. This was generally due to debris or root intrusion within the pipe. The condition of pipes is also monitored to allow staff to better predict the optimal time of maintenance and renewal.

Cromwell Wastewater Treatment Upgrade progress

There are four distinct projects associated with consent compliance for the Cromwell Wastewater Treatment Upgrade project: site landscaping works, sludge removal and disposal, the treatment plant upgrade itself and the Bannockburn wastewater effluent pumping and pond decommissioning.

The landscaping stage has been completed. Sludge removal was completed on Pond 1 (nearest to town) in late 2015 and levels lowered to minimum levels. Desludging of Pond 2 commenced earlier this year. Desludging every 10 years increases the effective capacity of the oxidation ponds. Oxidation is also aided by the new low energy aerators installed in May.



Towards the end of the financial year Downer and Fulton Hogan were selected to undertake a tender design competition for the design and build contract for the treatment works. These new facilities are required to address the growing demands of the Cromwell community. The upgrade must meet the necessary resource consent conditions of the Otago Regional Council by 1 January 2019.

A contract has been let to Fulton Hogan to complete the \$1.1M wastewater transfer project from Bannockburn to Cromwell. Construction is now underway on the transfer pipeline.

Campervan Dump Stations

Two new campervan dump stations were constructed on sites on Richard's Beach Road in Cromwell and Boundary Road in Alexandra. The design was discussed and approved with the Parks team and the Motorhome Association to ensure the final product was suitable for the area and met the needs of users. They were opened at the start of November in time for the camping season. The sites offer an improved level of service to our motor home community who drive the larger campervans and had struggled during the peak seasons at privately owned facilities in the district.

What you can expect from us

We aim to deliver you an efficient, safe and compliant wastewater network. The table below shows how we have performed this year.

WASTEWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy	Provide an efficient, accessible and reliable wastewater network	Number of complaints received from customers per 1000 connections	New measure	0.94 per 1000 connections	Number of sewage odour complaints \leq 1 per 1000 connections	Achieved.
				10.5 per 1000 connections	Number of sewerage system faults and blockage complaints \leq 11 per 1000 connections	Achieved.
				Nil	Number of complaints regarding responses to sewer service requests \leq 1 per 1000	Achieved.
		Percentage of budgeted capital works completed annually	New measure	78%	To complete more than 90% of budgeted capital	Not Achieved. Due to delays in programming and project clarification. Includes Renewals.

WASTEWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
		Percentage of budgeted renewals completed annually	New measure	71%	To complete more than 90% of budgeted renewals	Not Achieved. Due to delays in programming and project clarification. Also some restrictions around resource allocation.
A Sustainable Environment	Provide a safe and compliant wastewater network	Compliance with discharge consents	New measure	Nil non-compliances for all.	Number of abatement notices = 0 Number of infringement notices = 0 Number of enforcement orders = 0 Number of successful prosecutions = 0 Council target (all enforcement actions) = 0	Achieved for all.
		Fault response times Attendance: Resolution:	New measure	Not Captured Median time to complete and close CSR – 2 days.	Target median time to get to site ≤ 2 hours Target median time to resolve the problem ≤ 8 hours	Improvements required in data to capture in hours, they can currently only be captured in days. Not Achieved. Increased focus on accurate recording and monitoring of resolution times.

WASTEWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Safe and Healthy Community	Provide a safe and compliant wastewater network	Number of dry weather sewerage overflows from sewerage scheme	New measure	0.7 per 1000 connections	Number of dry weather sewerage overflows ≤ 1 per 1000 connections	Achieved.

Where does the money go?

Funding Impact Statement WASTEWATER	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	(1)
Targeted rates	3,243	2,893	3,163	3,161
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	2	2	-	2
Internal charges, and overheads recovered	116	90	70	117
Local authorities fuel tax, fines, infringement fees, and other receipts	5	21	-	1
Total operating funding	3,366	3,006	3,233	3,280
Applications of operating funding				
Payments to staff and suppliers	1,178	1,023	1,291	1,836
Finance costs	268	-	36	-
Internal charges, internal interest and overheads applied	421	419	556	308
Other operating funding applications	59	49	68	59
Total applications of operating funding	1,926	1,491	1,951	2,203
Surplus (deficit) of operating funding	1,440	1,515	1,282	1,077
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	401	316	110	321
Increase (decrease) in debt	809	-	517	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,210	316	627	321
Applications of capital funding				
Capital expenditure				
- to meet additional demand	180	107	188	498
- to improve the level of service	719	493	602	1,000
- to replace existing assets	717	203	1,173	1,045
Increase(decrease) in reserves	1,034	1,028	(54)	(1,145)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	2,650	1,831	1,909	1,398
Surplus (deficit) of capital funding	(1,440)	(1,515)	(1,282)	(1,077)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	1,365	1,218	1,273	1,350

BE RESOURCEFUL

Be resourceful to find innovative solutions

STORM water



STORMWATER

What we do

Our stormwater activity provides for the **safe removal of excess rainfall** that does not naturally permeate into the ground. We manage stormwater for 10 townships.

Stormwater is conveyed directly to waterways using piped infrastructure, natural water courses and open channels. We have a responsibility to **ensure communities are not adversely impacted by localised flooding**. This includes liaising closely with the roading activity on ponding issues. Flood risks from large catchments, like the Clutha and Taieri rivers for instance, are managed by the Otago Regional Council (ORC).

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



SUSTAINABLE
ENVIRONMENT

SAFE & HEALTHY
COMMUNITY

Rising to the challenges

CCTV condition analysis on our network

Council contractors completed CCTV inspections on our network of underground wastewater and stormwater pipes and also manhole condition assessments across the district. The resulting data was used to update Council's GIS records and helps develop our capital works renewal programmes.

What you can expect from us

The table below defines the level of service we will provide and shows how we have performed this year.

STORMWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible and reliable water network Provide an efficient, fully accessible and reliable stormwater network	Percentage of budgeted capital works completed annually	New measure	85%	To complete more than 90% of budgeted capital works	Not Achieved. Due to delays in programming and project clarification. Including Renewals.
		Percentage of budgeted renewals completed annually	New measure	315%	To complete more than 90% of budgeted renewals	Completed <\$34000 of work over budget.
A Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	Compliance with discharge consents	New measure	Nil	Number of abatement notices = 0 Number of infringement notices = 0 Number of enforcement orders = 0 Number of successful prosecutions = 0 Total for all enforcement actions = 0	Achieved for all.
A Safe and Healthy Community	Provide a safe and compliant stormwater network	Number of flooding events that occurred and habitable floors affected	New measure	Nil	Target number of habitable floors affected ≤1 per 1000 properties	Achieved

STORMWATER						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
		Response time to attend flood events	New measure	No flood events	Target median time to get to site ≤ 2 hours	Achieved
		Number of complaints received about stormwater performance	New measure	0.7 per 1000 connections	Total number of customer complaints ≤ 2 per 1000 properties	Achieved

Where does the money go?

Funding Impact Statement STORMWATER	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	-
Targeted rates	365	338	395	396
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges, and overheads recovered	41	43	53	57
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	406	381	448	453
Applications of operating funding				
Payments to staff and suppliers	62	67	96	108
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	48	47	83	46
Other operating funding applications	-	-	-	9
Total applications of operating funding	110	114	179	163
Surplus (deficit) of operating funding	296	267	269	290
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	10	-	8	-
- to improve the level of service	116	11	50	53
- to replace existing assets	-	20	72	97
Increase(decrease) in reserves	170	236	139	139
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	296	267	269	290
Surplus (deficit) of capital funding	(296)	(267)	(269)	(290)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	418	380	391	472

ADD VALUE

Add value. Ask yourself is there a better way?

TRANSPORTATION

cycleways footpaths car parks
road safety bridges street lighting



TRANSPORTATION

What we do

Our Transportation activity **enables the movement of goods, people and services across our district**. We have 1886km of roads spreading throughout the district, with 1739km of rural roads and 147km of urban streets.

We have 175 bridges, just under 5000 culverts and close to 12,000 hectares of road reserves. Our focus for the next 10 years is to **deliver an efficient, fully accessible, safe roading network**.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Finalist in Local Government Excellence Awards

The CODC-led Young Driver Programme, which was held earlier this year for the fourth time, was named a finalist in the Fulton Hogan EXCELLENCE Award for Community Engagement in this year's Local Government New Zealand Awards. Judges praised the initiative as a "good, practical response to a local problem, led by the Council and involving local stakeholders". While CODC did not take out the title this year we received a great deal of national promotion as a finalist, including a comprehensive media campaign by LGNZ that included a professional video of our Mayor talking about the success of the young driver programme.



Lighting the way

During the final quarter of the 15/16 year we began installing the first LED lights as part of a district-wide rollout that will take place over the coming three years. Central Otago has 1300 lights and the business case undertaken for us to replace these with LED luminaires has identified savings of \$3.4 million over 20 years, and a 54% saving on our maintenance and electricity costs in the first 10 years. In addition, the lights will be night sky compliant, opening up opportunities for communities in Central Otago to become international dark sky reserves.

SOLGM Excellence Awards Entry

CODC also submitted an entry for this year's 2016 SOLGM Local Government Excellence Awards. We put up the work Julie Muir and the Roading Team have been doing with the national Road Efficiency Group in the Collaborative Government Action award category.

The goals of the group are to drive value for money and improve performance in road maintenance, operations and renewals throughout the county.

It was a bold move by our small rural council to support a senior staff member to take on this commitment but one it embraced foreseeing the benefits.

Julie's work as a group member since its formation in 2012 and as Chair of the Best Practice Asset Management Planning Group and the One Network Road Classification Working Group, has meant CODC has had to continually apply innovation and best practice, document this practice and share this knowledge across the sector. Our involvement has seen CODC gain efficiencies, make significant cost savings, and earn national accolades. We have lifted our game and are motivated to continue that momentum. Business as usual is continually asking "is there a better way?"

Scooter study

New performance measures require council to set a standard for the condition of footpaths in our jurisdiction and report annually on the percentage of footpaths which meet the defined level of service.

Over the 2015/16 summer period we launched an innovative new approach to footpath inspections. We had our roading summer student trial smartphone roughness application RoadRoid to begin measuring the condition of our district's 146km of footpaths. He did this from the seat of a mobility scooter with the smartphone mounted on the scooter, measuring the bumps and sending the results to the internet.

With 21% of Central Otago's population 65 and over and this percentage projected to increase chances are mobility scooter use could also be set to rise, staff felt this was an ideal way to identify issues using the means of transport a large group of our community might be using in the future.



What you can expect from us

Our goal is to ensure you get an efficient, fully accessible, safe roading network. The table below shows how we have performed this year.

TRANSPORTATION						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible roading network	Percentage of budgeted capital works completed annually	100% of the projects were completed with 98% of the budget spent	87% of the projects were completed with 88% of the budget spent.	100% of the budgeted works completed and 100% of the budget spent	<p>Not Achieved. Significant projects not completed:</p> <ol style="list-style-type: none"> 1. LED Street Lights. Factors included staff changes, network ownership negotiations and community requests for "Dark Sky" compliance. 2. Cromwell footpath renewals. Due to programming issues associated with staff changes. 3. Miners Lane carpark at Clyde. Environmental impact issues. Review of wider transport and parking issues in Clyde to be undertaken.

TRANSPORTATION						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
		Average length of time to issue a consent for access to a road	0.6 days	1.5 days	≤ 2 days	Achieved.
		Average quality of ride on sealed local roads	Smooth Travel Exposure = 94%	98%	Smooth Travel Exposure ≥ 90%	Achieved.
A Sustainable Environment	Provide an efficient roading network	Percentage of sealed local road network that is resurfaced	New measure	20.9km sealed.	≥ 20km per annum	Achieved.
		Number of service requests	661	529 service requests.	< 600	Achieved.
		Number of service requests from customers responded to within 10 days	New measure	91%	≥ 90%	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 injuries = 8, increase of 2 from previous year	Nil fatal injuries. 10 serious injuries. Total = 10, increase of 2 from previous year.	Stable or decreasing trend	Not Achieved. Analysis of casual factors of crashes is being undertaken to establish if there are any common factors which can be targeted for improvements.
	Provide a fully accessible roading network	Percentage of footpaths that meet our service standard for footpath condition. The service standard is an average roughness of < 3.00 in Alexandra with 24,360m surveyed and <1.03 in	New measure	87%	> 70%	Achieved. Survey speed affects roughness measure. Increased survey speed magnifies the roughness measured. Survey method refined during initial survey. Standard pre-

TRANSPORTATION

Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
		other townships with 28,208m surveyed. When measured with a Roadroid roughness measuring device mounted on a mobility scooter				determined survey speed to be used on future surveys. Traditional walkover condition rating undertaken over sample of Alexandra and other towns to calibrate and relate Roadroid surveys.
		Number of journeys impacted by unplanned events	New measure	4144	< 16,423	Achieved.
		Customer satisfaction with condition of unsealed roads	72%	81%*	To maintain customer satisfaction at or above 70%	Achieved.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

Where does the money go?

Funding Impact Statement TRANSPORTATION	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	3,612	3,886	3,831	3,831
Targeted rates	686	710	776	709
Subsidies and grants for operating purposes	1,458	1,563	1,883	1,856
Fees and charges	12	226	9	40
Internal charges, and overheads recovered	62	56	44	46
Local authorities fuel tax, fines, infringement fees, and other receipts	147	227	177	227
Total operating funding	5,977	6,668	6,720	6,709
Applications of operating funding				
Payments to staff and suppliers	3,153	3,627	3,583	3,633
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	748	935	940	1,166
Other operating funding applications	30	45	26	17
Total applications of operating funding	3,931	4,607	4,549	4,816
Surplus (deficit) of operating funding	2,046	2,061	2,171	1,893
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	1,814	1,877	1,875	1,801
Development and financial contributions	337	152	160	394
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	15	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	2,151	2,044	2,035	2,195
Applications of capital funding				
Capital expenditure				
- to meet additional demand	474	325	449	295
- to improve the level of service	563	515	948	496
- to replace existing assets	2,900	3,034	2,810	3,024
Increase(decrease) in reserves	260	231	(1)	273
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	4,197	4,105	4,206	4,088
Surplus (deficit) of capital funding	(2,046)	(2,061)	(2,171)	(1,893)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	4,547	4,449	4,712	4,991

CREATE GOOD INFRASTRUCTURE

Create good infrastructure in a non-invasive way

OTHER infrastructure

waste minimisation airports
elderly persons' housing public toilets
district/commercial property



WASTE MINIMISATION

What we do

The focus of our Waste Minimisation activity is to **lead and facilitate community learning opportunities towards zero waste**. We also provide the services to divert recyclable materials and green waste from going to the landfill. Through our Waste Management activity, **we collect and dispose of your rubbish**, and provide transfer stations for rubbish disposal. We also monitor and maintain 15 closed landfills in the district.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

SUSTAINABLE
ENVIRONMENT

SAFE & HEALTHY
COMMUNITY

Rising to the challenges

CODC finalist in WasteMINZ awards

CODC was named a finalist in the 2015 WasteMINZ Awards for Excellence for its Gearing Up for Change campaign. The campaign was developed in partnership with Central Otago WasteBusters, Central Otago REAP, MAD4CO and EnviroSchools to help prepare and transition the community to fortnightly rubbish collection with a focused programme of communications, learning opportunities and engagement.



Moving towards zero waste

Diversion from landfill by recycling is up 53% from last year. On average, rubbish in wheelie bins has gone down by nearly 7%. The biggest decrease is in the Alexandra wheelie bins (20% decrease). Twice as much glass has been recycled this year as last year.

Wastebusters

Wanaka Wastebusters (WW) took on the responsibility for running Wastebusters activities in Central Otago on July 1 2015. Under the new Wastebusters' contract with Council it looks after the public recycling drop-off site in Alexandra and collects recycling from the public drop-off containers across the district, including Omakau, Oturehua, Ranfurly, Roxburgh, Patearoa and Tarras. The Alexandra reuse shop, scrap metal and e-waste handling as well as a commercial recycling collection and events service are separate activities run under the Wastebusters' umbrella.



July and August activities were overwhelmed by the deliberately lit fire on 3 September. This destroyed the processing area, reuse shop, staff room, office and toilets. The staff have shown much grit and resilience, and with much community support the team has dealt with the impact of the fire and soldiered on.

Currently working out of temporary container accommodation for office, shop and storage space, plans to rebuild the shop and staff facilities are on the agenda for 2016/17.

Thyme Festival

This year the festival was held in and on the grounds of the Alexandra Community House and St Enoch's precinct from 31 October to 8 November. The theme of 'Cherishing our Environment' with focus on arts and sustainable living practice continues to encourage social and community learning. Sustainability themed workshops included home grown food, planting to encourage bees, biodiversity walks, sustainable house tour, composting, cheese making, waste free parenting, pallet furniture with Men's Shed amongst others. The Pecha Kucha theme was 'Innovation in Central Otago' and drew a diversity of speakers and a large crowd. The Deep South Scientific Challenge hosted the Community Climate Change Forum which drew 100-plus attendees and was widely reported in local media.

Thinking for the Future Business Lunch

The first Thinking for the Future business lunch was held as the result of only minimal business presence at the Community Climate Conversation at Thyme Festival in 2015.

The event was a collaboration between MAD4CO, Central Video Productions and Bodeker Scientific. Speakers were Craig Halbmaier, political/economic officer with the US Consulate General, and Geoff Simmons, economist and general manager with The Morgan Foundation. Both discussed ways and examples of long term thinking and planning.



More mobile billboards The new kerbside recycling truck was stickered as our latest mobile billboard for waste minimisation messages. The truck was 'launched' in the annual Truck Parade at the 2015 Alexandra Blossom Festival.

What you can expect from us

We continue to engage the community on sustainable living practices, with the ultimate aim of reducing how much waste we send to landfill and the associated costs – both to our wallet and our planet. The table below shows how we have performed this year.

WASTE MINIMISATION						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Sustainable Environment	Engage the community in waste reduction and wiser use of resources	Total quantity to landfill (tonnes p.a.)	7220 tonnes	7821	Incremental year on year reduction	Not achieved. Total includes 900 Tonnes of sludge and filter medium (sand) from wastewater treatment plant. This is significantly greater than previous years. Council is investigating options for long term disposal of sludge.
		Total amount generated per rateable property	642kg	*774kg	Incremental year on year reduction (measured as rubbish + recycling)	Not achieved. As above
		Total amount recycled (tonnes p.a.)	1650 tonnes	2641 tonnes	Incremental year on year increase	Achieved. First year of wider kerbside collection area and increased use of recycling drop off facilities.
		Average rubbish wheelie bin weight (kg/bin collected)	20.4kg	19kg	Incremental year on year reduction in wheelie bin weight	Achieved. Material from kerbside rubbish bins being diverted to kerbside glass and recycling bins.

WASTE MINIMISATION						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
		Percentage of residents satisfied with the execution of waste minimisation and Council's aim of moving towards zero waste	76%	88% **	Customer satisfaction \geq 90%	Not achieved. Customer satisfaction is showing an upward trend.
A Safe and Healthy Community	Provide compliant waste systems and facilities	Compliance with resource consents for transfer stations, closed and operational landfills	91%	89%	Incremental percentage improvements	Not achieved. It is 17 years since the majority of landfills were closed. The landfill caps are now requiring maintenance. Work is programmed in 2016/17 to address this.

*Waste 7821T+Recycling 2641T = 10,462T divided over 13,525 rateable properties =774kg per property

** Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

Where does the money go?

Funding Impact Statement WASTE MINIMISATION	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	-
Targeted rates	2,481	2,314	2,440	2,440
Subsidies and grants for operating purposes	53	77	68	69
Fees and charges	42	60	64	60
Internal charges, and overheads recovered	-	5	-	27
Local authorities fuel tax, fines, infringement fees, and other receipts	872	537	587	648
Total operating funding	3,448	2,993	3,159	3,244
Applications of operating funding				
Payments to staff and suppliers	2,888	2,618	2,683	2,764
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	295	281	306	316
Other operating funding applications	171	150	174	16
Total applications of operating funding	3,354	3,049	3,163	3,096
Surplus (deficit) of operating funding	94	(56)	(4)	148
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	8	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	13
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	8	-	-	13
Applications of capital funding				
Capital expenditure				
- to meet additional demand	67	-	-	78
- to improve the level of service	-	59	60	86
- to replace existing assets	35	13	-	3
Increase(decrease) in reserves	-	(128)	(64)	(6)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	102	(56)	(4)	161
Surplus (deficit) of capital funding	(94)	56	4	(148)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	59	60	69	69

OTHER INFRASTRUCTURE

What we do

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

We provide **public toilets** across the district and at recreation facilities and parks.

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

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 hangers with residential annex.

We hold a number of land parcels, currently being used as **forestry blocks**. These forests provide an amenity value for the community for walking and biking, and have potential for future development.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:

THRIVING
ECONOMY

Rising to the challenges

Clyde Railway Station

The Clyde Railway Station restoration was completed and the building is now being used under a lease by Shebikesheebikes bike hire and by the Clyde Museum Committee, which has moved railway associated items back to the station for display. A Grand Opening was held by Promote Dunstan in October. It was a great success with many locals turning out for the occasion. This project has been in the pipeline since 2003, so it's a great accomplishment by all involved to ensure the future of this historical building with some rental income to assist with future maintenance.



Airports Reference Group established

Council established an Airports Reference Group this year to provide input and guidance to the Council when it considers development at Alexandra Airport and its aerodromes at Cromwell and Roxburgh. The group includes representatives from both the commercial and recreational aviation sectors.

Vallance Cottage

The funding application to the NZ Lotteries Commission to undertake a conservation plan for Vallance Cottage was successful with the Commission providing \$6,254. The working group reviewed the draft Conservation Plan, which identifies the cottage has the highest level of significance in the Historical Significance, and Cultural and Social Significance categories. The report impressed the importance of finding a new use for the building to generate income to ensure its survival. The group will prioritise urgent maintenance, then prepare a proposal for the Vincent Community Board to consider the cottage's future.

Feasibility Funding for Proposed Pedestrian Bridge

Government has announced a \$13m commitment towards a project to fund linking up the existing cycle trails in Central Otago (of which the Alexandra Bridge was highlighted). Central Lakes Trust is also going to contribute a further \$11.5m and the Otago Community Trust is contributing \$2m. The bridge project working group is now awaiting confirmation around when the projects are to proceed, as their application for a feasibility study funded by the Central Lakes Trust has been put on hold until the programme of the wider project is known.

Worker accommodation development

In March Council announced that a solution to worker accommodation shortages in the Cromwell basin was a step closer to reality. Council contracted to sell seven hectares of industrially zoned land in Cemetery Road in Cromwell, on part of which is proposed a multi-accommodation development subject to obtaining all necessary consents.

The conditional sale agreement includes that the worker accommodation development proceeds. The accommodation is intended to help alleviate seasonal and general worker accommodation shortages in the district.

Significant savings for supplies

Council has signed into the Office Supplies category under the All of Government Agreement central government has on offer to all government agencies. This agreement harnesses the collective purchasing power of government by establishing single supply agreements for selected common goods and services. It is estimated that we could see savings of \$9,500 in office supplies and \$8,500 in washroom and cleaning consumables.

Council Buildings

The Chambers in Roxburgh Service Centre was refreshed with new paint and carpet, and the ramp was removed to create more space.



The Council Chambers in Alexandra also had a summer makeover. The room was freshly painted and carpeted, energy-saving LED lighting fitted, and more efficient heating/ventilation installed. New features of the chambers refresh were a modern furniture solution and improved information technology capability. The existing seating was repurposed in the Millers Flat Hall and the Maniototo Public Library.

What you can expect from us

We will manage and maintain our buildings and property wisely to meet the needs of our local community and visitors to our district. The table below shows how we have performed this year.

OTHER INFRASTRUCTURE						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
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	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	Achieved.
	Housing suitable and affordable for elderly is provided in the main townships until such time as the need can be met by other agencies	Number of units available in the district	98 units	98 units	98 units	Achieved.

OTHER INFRASTRUCTURE

Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
	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	25 available	26 available	25	New toilet installed at Marshall Road (Alexandra to Clyde River Track Toilet opened May 2015)
	Airports will meet Airways Corporation's four-yearly inspection criteria	Four-yearly inspection and certification by Civil Airways Corporation	Full compliance	Full compliance	Full compliance	Achieved.

Where does the money go?

Funding Impact Statement OTHER INFRASTRUCTURE	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	736	812	833	834
Targeted rates	272	252	327	327
Subsidies and grants for operating purposes	-	13	-	6
Fees and charges	780	777	823	832
Internal charges, and overheads recovered	42	51	494	71
Local authorities fuel tax, fines, infringement fees, and other receipts	50	116	58	333
Total operating funding	1,880	2,021	2,535	2,403
Applications of operating funding				
Payments to staff and suppliers	1,657	1,810	1,967	1,323
Finance costs	-	-	5	-
Internal charges, internal interest and overheads applied	(262)	(240)	-	434
Other operating funding applications	409	375	383	283
Total applications of operating funding	1,804	1,945	2,355	2,040
Surplus (deficit) of operating funding	76	76	180	363
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	6	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	65	-
Gross proceeds from sale of assets	365	533	3,525	725
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	365	533	3,596	725
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	9
- to improve the level of service	5	6	18	-
- to replace existing assets	213	427	3,268	220
Increase(decrease) in reserves	223	176	490	859
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	441	609	3,776	1,088
Surplus (deficit) of capital funding	(76)	(76)	(180)	(363)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	286	318	361	346

YOU CAN HELP

You can help shape the future of Central Otago

COMMUNITY services

tourism libraries
swimming pools economic development cemeteries
visitor information centres central otago brand
community planning parks and recreation
promotion and grants community facilities



PARKS, RESERVES AND CEMETERIES

What we do

Access to parks, reserves, rivers and recreational facilities is important for our overall well-being. Maintaining a variety of high quality open spaces for the enjoyment of our community is what makes our district an attractive place to live, work and play.

Council's parks team looks after 13 sport grounds or domains, more than 100 hectares of reserve land, eight cycling and walking tracks, 15 playgrounds, three skateboard facilities, a bike park and swimming dams or lakes.

The **provision of cemeteries** assists with peace of mind for people, knowing their loved ones will rest in peaceful, well-kept environments. Council is responsible for nine cemeteries in our district, and cemetery trusts manage the balance of them.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Irrigation Improvements

The Molyneux Park backfields irrigation project, undertaken in conjunction with the Utilities team at Council and Fulton Hogan, was completed. This will see much better utilisation of the water supplied by the bore at the park. The system was commissioned late in September.

Juicy new paint job

The Big Fruit sculpture in Cromwell was freshly painted during the last quarter of the year by contractor Insignia Signs. It now stands brightly over the Big Fruit Reserve as the wider area undergoes a makeover to match and turn it into a vibrant green "welcome mat" on the front door step of Cromwell.





Consulting with the play experts

This year Council put the decision-making power in the hand of local youngsters with a new approach to playground purchasing.

The old fort at Table Park on Ashworth Street needed replacing. The Parks team called on the town's children to help choose the new equipment by voting in a playground poll of three options.

It was a great chance for children to get involved in the day-to-day decision-making of Council and who better to decide on new playground equipment than the play experts themselves.

Following the first poll's success, staff decided to follow the same process to pick a seesaw replacement for Cromwell's Alpha Street Reserve, and will seek family input into a redesign of Pioneer Park's junior playground next. A new playground was installed in Oturehua as a joint project between Council and the community.

Reserve Management Plans

The Draft Cromwell Sportsgrounds Reserve Management plan for the Anderson Park, Alpha Street and golf club leased area was consulted on and the final plan was adopted by the Cromwell Community Board in September.

The Maniototo Reserve Management Plan was also developed this year with record input from the community and was adopted in July.

Trees in Memory

Replacement of road fence and installation of new irrigation was completed at Alexandra Cemetery in November. The diseased Plane trees were also removed and replaced with an avenue of Claret Ash trees, which families were invited to purchase in memory of loved ones.

Cemeteries online database

Earlier in 2016 Council made its digital records for the Alexandra Cemetery accessible on its website. This is the first phase of a long-term project to make all Central Otago cemetery information available online beginning with Council's cemeteries.

In the neighbourwood

The Aronui Dam reserve was vested to Council as an amenity reserve. The Friends of Aronui and Jolendale Park was formed to be park custodians. The idea is to have the area managed as a "neighbourwood", a Danish concept, where the community has ownership and looks after the area to an agreed vision.



What you can expect from us

The community has told us it is important to provide safe and functional parks, reserves, sports grounds, playgrounds and other recreational open spaces. The table below shows how we have performed this year.

PARKS, RESERVES AND CEMETERIES						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy	Areas are maintained and operated so that they look good and meet the needs of users	Percentage of residents satisfied with maintenance of parks and reserves	95%	97%*	Maintain satisfaction with maintenance of parks and reserves at above 93%	Achieved.
		Percentage of residents satisfied with maintenance of sportsfields	98%	96%*	Maintain satisfaction with maintenance of sportsfields at above 93%	Achieved.
A Sustainable Environment	To provide access to a network of parks and reserves that meets community demand	Percentage of residents satisfied with parks and reserves through residents' survey	97%	97%*	Maintain satisfaction with provision of parks and reserves at above 95%	Achieved.
		Proportion of residents satisfied with sportsfields through residents' survey	99%	96%*	Maintain satisfaction with provision of sportsfields at above 95%	Achieved.
		Proportion of residents satisfied with cemeteries through residents' survey	99%	89%*	Cemeteries – maintain satisfaction with provision of cemeteries at above 90%	Not Achieved. Significant work has been carried out at both Cromwell and Alexandra Cemeteries.

PARKS, RESERVES AND CEMETERIES

Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Safe and Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	Percentage of residents satisfied with maintenance of playgrounds	97%	89%*	Maintain satisfaction with maintenance of playgrounds at above 90%	Not Achieved. Staff are involving families more in playground planning. Playground upgrades are happening this coming year.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

Where does the money go?

Funding Impact Statement PARKS, RESERVES AND CEMETERIES	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	(1)
Targeted rates	1,993	1,934	1,932	2,004
Subsidies and grants for operating purposes	18	4	15	7
Fees and charges	446	418	438	422
Internal charges, and overheads recovered	19	45	32	50
Local authorities fuel tax, fines, infringement fees, and other receipts	16	30	48	103
Total operating funding	2,492	2,431	2,465	2,585
Applications of operating funding				
Payments to staff and suppliers	1,854	1,818	1,868	1,819
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	199	181	172	242
Other operating funding applications	69	106	100	149
Total applications of operating funding	2,122	2,105	2,140	2,210
Surplus (deficit) of operating funding	370	326	325	375
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	85	-	-
Development and financial contributions	40	127	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	40	212	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	56	-	74
- to improve the level of service	-	176	-	214
- to replace existing assets	259	154	443	74
Increase(decrease) in reserves	151	152	(118)	13
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	410	538	325	375
Surplus (deficit) of capital funding	(370)	(326)	(325)	(375)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	507	446	430	550

COMMUNITY FACILITIES, LIBRARIES AND SWIMMING POOLS

What we do

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

CODC provides a **joint library service** with Queenstown Lakes District Council. In our district we run libraries in Alexandra, Clyde, Cromwell and Roxburgh, and we have a partnership with schools in Millers Flat, Omakau and Maniototo. We aim to provide our community with the highest quality library service to meet the informational, educational, recreational and cultural needs of the community.

Our **swimming pools** contribute to the health and well-being of our community and add to the attractiveness of the area. They provide a place for people to learn to swim, particularly for our young people, which we recognise as being vitally important when so much of our district is surrounded by water. We manage the Cromwell Swim Centre and Molyneux Aquatic Centre directly, along with a community swimming pool in Ranfurly. Millers Flat is operated by a community trust and the Teviot Valley Community Board financially supports the school to facilitate swimming.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

School Holiday Programmes

To celebrate Millers Flat author Kyle Mewburn's local launch of the *Dragon Knight* series, the Maniototo, Alexandra, Cromwell and Roxburgh libraries' holiday programmes in July were themed around his books and proved very popular. July 2015 was the first time the Maniototo Library had run a school holiday programme and the feedback was great.

As part of the continuing WW100 commemorations, the Autumn holiday programmes were themed The Grind of War. Children spent two sessions creating replica trenches, with kits supplied by the Central Otago Model Society. Models made by the Roxburgh children were so admired they were asked to include them in the display as part of the Teviot Valley ANZAC commemorations.



Changes at Maniototo Library

From 1 July Central Otago District Council took over the operation of the Maniototo Community Library, now Maniototo Public Library. The team has implemented systems and processes to bring the running of the operation in line with all Central Otago Libraries.

In early 2016 the Maniototo library had a makeover. Renovations include the construction of an office for staff to carry out processing and mending of items, and storage of

materials. Creation of a seating space in the adults' fiction area allows for a comfortable, quiet zone for people to sit and read the paper or browse the shelves. A Youth and Children's area, complete with storyteller's chair, provides a colourful space for class visits and young people to enjoy their time in the library.

Feedback from the community has been positive with many noting the bright, inviting atmosphere with more areas for displaying materials fresh to the library.

Collection

Library staff have been undertaking a project to remove "dead" items (items which haven't been issued in over one year) from the shelf on a branch by branch basis. Each item identified in the Dead Items Report is assessed using internationally recognised guidelines, before being relocated to other branches where it gains a new lease of life, or is weeded (removed from the collection) and put in the annual book sale.

This ability to better manage our collection comes via the use of recently acquired "CollectionHQ", allowing the team to use evidence-based data in the assessment of the popularity, location and performance of items.

As each branch completes this project, their collection becomes "floating", helping to ensure a steady flow of fresh items for borrowers to browse. Reports are run to keep each collection balanced in terms of size and content.

Feedback has been very positive as we float the collection, with our regular users enjoying the steady flow of fresh material in their spaces which this system creates.

eLibrary extended

Wheeler's ePlatform joined Bolinda BorrowBox and Overdrive as our libraries' shared platforms for the delivery of electronic resources.

Pre-school story times with elected members

In October some Councillors and community board members put their hands up to be guest readers at our regular Libraries' pre-school story times. The children loved having special guests and the visitors enjoyed the chance to revisit favourite books from their childhood and books they used to read with their own children.





Theme Weeks for Swim School

The Central Otago Swim School introduced theme weeks on the last week of term to encourage learning in a different and more interactive way. These have included PJ week and funny hat week.

Pool promotions

In April Council offered the community the chance to have a free swim and check out what the Molyneux Aquatic Centre and Cromwell Swim Centre facilities. A quieter hour for each pool was nominated as the daily "free entry hour". This was followed by a free introductory lesson with Central Swim School for those who had never attended swim lessons.

What you can expect from us

We aim to provide you with accessible and affordable community buildings, access to all-year round aquatic facilities, and a shared library service that remains fresh and current. The table below shows how we have performed this year.

COMMUNITY FACILITIES, LIBRARIES AND SWIMMING POOLS						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy and A Safe and Healthy Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied with community buildings	91%	93%*	> 85% satisfied	Achieved.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Not achieved	Not achieved	Charging policy in place	Instead the fees & charges at each Annual Plan are set at a level considered affordable.
	To provide aquatic facilities that meet the needs of the majority of the community	Percentage of users satisfied with the provision of pools through residents' survey	94%	88%*	Maintain user satisfaction at > 90%	Not Achieved. Survey feedback related to the temperature of the pools and showers. We had experienced pool heating system failures around the time of the survey.
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass for both Molyneux Aquatic Centre and Cromwell Swim Centre	Both Molyneux Aquatic centre and Cromwell Swim centre passed the pool safe audit.	To pass	Achieved.

COMMUNITY FACILITIES, LIBRARIES AND SWIMMING POOLS

Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
	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	New measure	94%*	> 90%	Achieved.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

Where does the money go?

Funding Impact Statement				
COMMUNITY FACILITIES, LIBRARIES AND SWIMMING POOLS	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	-	-	-	-
Targeted rates	3,670	3,696	4,059	4,057
Subsidies and grants for operating purposes	40	89	2	-
Fees and charges	615	556	672	576
Internal charges, and overheads recovered	22	38	37	22
Local authorities fuel tax, fines, infringement fees, and other receipts	110	119	102	144
Total operating funding	4,457	4,498	4,872	4,799
Applications of operating funding				
Payments to staff and suppliers	2,854	2,707	3,001	2,831
Finance costs	-	-	-	1
Internal charges, internal interest and overheads applied	645	726	927	760
Other operating funding applications	377	287	419	93
Total applications of operating funding	3,876	3,720	4,347	3,685
Surplus (deficit) of operating funding	581	778	525	1,114
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	4	19	1,555	1
Development and financial contributions	-	-	-	6
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	660	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	4	19	2,215	7
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	513	678	1,031	321
- to replace existing assets	795	699	1,811	580
Increase(decrease) in reserves	(723)	(580)	(102)	220
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	585	797	2,740	1,121
Surplus (deficit) of capital funding	(581)	(778)	525	(1,114)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	1,051	958	1,047	995

DISTRICT DEVELOPMENT

What we do

We facilitate **economic opportunity** indirectly with the provision of infrastructure, recreational and cultural assets. We directly facilitate economic opportunity with the provision of an economic development programme, a regional **tourism** organisation, **community planning**, **visitor information centres**, managing the **regional brand** and a modest **promotional grants** fund.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Ultra-Fast Broadband

Council responded to the invitation from central government to help decide where the second round of funding to extend ultra-fast broadband should be allocated. We put in a bid for fibre in the district's main towns; an extension of the Rural Broadband Initiative to parts of the district not already covered; and, together with other Otago councils, we submitted a proposal for the new Mobile Black Spot Fund to address key sections of the state highway network in Otago where there is no cellphone coverage. Internet service providers such as Chorus were subsequently invited by government to bid for rolling out fibre in Alexandra, Clyde and Cromwell. These bids are now being evaluated by Crown Fibre Holdings. Decisions on extension of the Rural Broadband Initiative and the Mobile Black Spot Fund are on hold until the roll-out of fibre is decided.

Export Forums

We held another three successful Export Forums during the 15/16 year. Christchurch International Airport's General Manager Airlines & Alliances Matthew Findlay spoke at a forum in October about recent developments at the airport including the new long-haul services between Christchurch and destinations in Asia. In February the theme was developing food and beverage products for export and in June the focus was New Zealand Trade and Enterprise's business support services.

Report on growth sectors

Reports released by the Central Otago Labour Market Governance Group in September 2015 revealed the construction, irrigation, transport, hospitality and agriculture sectors are on course for strong growth over the next five years.

Centre for Space Science Technology

The Central Otago proposal for a Regional Research Institute tentatively call the Centre for Space Science Technology is one of three selected by Government to advance to the development of a Better Business Case. The cost of developing the business case was supported by grants from the Central Otago District Council of \$20,000, the Ministry of Business, Innovation and Employment of \$40,000 and Venture Taranaki of \$10,000. The goal of the proposed Centre for Space Science Technology is to drive economic growth by enabling access to new and existing space-based measurements and by developing products and solutions tailored to the needs of New Zealand's regional industries. The Centre would bring a number of benefits to Central Otago. These include access for key sectors such as pastoral farming, orcharding and grape growing to new products tailored to their needs; the establishment of high value manufacturing and service businesses both to supply the CSST and utilise the spaced-based measurements it will make available; and new job opportunities in a number of new disciplines to the district. If the Centre receives funding approval it is expected to generate around 22 new FTE spread over around 35 positions, which will provide a considerable direct and indirect economic stimulus particularly to Alexandra where the CSST will be headquartered and more generally add additional vibrancy to many aspects of Central Otago community life.



Roxburgh joins i-SITE network

The Roxburgh Centre joined the i-SITE network as a satellite i-SITE in November 2015 to leverage value from the brand and to raise its online profile through gaining a listing on Tourism New Zealand's website (www.newzealand.com). The i-SITE brand is a recognisable brand that guarantees visitors a high quality of service and will see more visitors through the door.

Claire Keogh selected by i-SITE NZ

Alexandra i-SITE consultant Claire Keogh attended the Australian Holiday and Travel Show in Perth in February. i-SITE New Zealand chose one i-SITE representative nationally for the show. Claire was on the i-SITE NZ stand interacting with consumers looking to come to New Zealand – a great opportunity to promote Central Otago. i-SITE NZ paid for flights, accommodation, transfers and meals.

Cromwell i-SITE secures hosting rights



Central Otago i-SITES won a competitive tender to host the 2016 national i-SITE conference. This will be held in Cromwell in late September. The conference is expected to attract 120 delegates from i-SITEs around New Zealand. i-SITE delegates will learn about Central Otago and our operators through organised familiarisations so that they can return home and promote the region. The conference is funded by i-SITE NZ.

Communities taking the reins

Two new community plans were developed this year. The Ophir community finalised its first Community Plan and this is now available for viewing on Council website. The Ophir Welfare Committee has taken on the role of driving the Community Plan actions. Naseby became the first community in Central Otago to release its third Community Plan. Naseby Vision will take the lead role putting the plan into action.

Towards the end of the year the Cromwell Ambassador Programme was launched. The three-hour courses are designed to teach people who live and work in Cromwell about what makes their place special, so that they can promote and be advocates of Cromwell to customers, visitors and other residents. The courses will cover the area's history from first habitation through to the current day, with the emphasis on storytelling as the most powerful way to influence and engage visitors. The Cromwell Community Board assisted with \$10,000 promotion grant towards the programme's creation and marketing.

A big highlight for the year was Council securing funding on behalf of the Teviot Valley community through the Department of Internal Affairs' Community Development Scheme. The Community Development Scheme is a three-year government-funded project to assist with the delivery of specific community development projects (i.e. to a total value of \$240,000). The objectives of the Scheme are to assist small communities in becoming self-sufficient and resilient, to work together to utilise the skills and resources they already have, and to develop projects that will future-proof their community. The funds cover the wages of community project worker(s) who will be working alongside the community on grass roots projects.



A Teviot Valley Community Development Scheme governance group formed in late 2015, has developed a project plan for activities then earlier this year the group advertised to attract a community dynamo to help deliver the project plan actions.

Cherry Season Launch

The Manager Community Services and Regional Identity Manager were invited to speak at a Central Otago Cherry launch held in Auckland in December that was hosted by Food View Ltd and attended by representatives from the Chinese media and social media, Air New Zealand, Tourism New Zealand, New Zealand Trade and Enterprise, the New Zealand China Council as well as members of Central Otago Premium Fruit Ltd.



The pair spoke about the development of Central Otago regional identity proposition and the partnership between Central Otago District Council, a number of local fruit growers and New Trade and Enterprise that led to the development of Central Otago Premium Fruit Ltd and the trademarked fruit brand for cherries, apricots, apples and summerfruit.

Food View Ltd who is contracted to sell Central Otago cherries under the Central Otago Premium Fruit brand in China wanted this launch to be an opportunity to build greater awareness and understanding about Central Otago and the quality cherries it produces. They see the value of telling the Central Otago story associated to both the region and growing fruit.

2015 Central Otago Awards

The Central Otago Awards are an opportunity for Council to host and give recognition to those who make an outstanding contribution to the community of Central Otago. These biennial Awards are built around our regional identity values and judging is determined by those entries and nominations that most closely represent those values.

Finalists and winners of 2015 Central Otago Awards were honoured in front of about 200 guests at a special ceremony held on 4 September in Roxburgh. The winners of the Youth, Apprentice and Business Excellence Award categories along with the recipients of the Community Service Award were each presented with a handcrafted recycled glass trophy and certificate.



The winners were: Youth Award – Emily Boud; Apprentice Award for Overall Excellence – Jonathan Bates; High Commended for Apprentice Award for Overall Excellence – Keelan Baird; Business Excellence Award – The Fridge.

The recipients of the Community Service Award were: Denis Cronin, Douglas Dance, Stu Hore and Joss Leyser.

2010 New Zealander of the year and award-winning scientist and entrepreneur Sir Ray Avery was guest speaker and encouraged people to celebrate success of the people who dared to dream.

Revamped World of Difference website launched

The redeveloped www.aworldofdifference.co.nz was launched in September.

The refreshed website better showcases the unique qualities and attributes associated with Central Otago in a more visually compelling way. The intention is to inspire a greater sense of love and respect for this place.

A special feature of the new site is the sequence of moving images and inspirational text that first greets a visitor to the site and takes them on a visual journey.

Stories and partner profiles are being developed on an ongoing basis to feature on the site such as the narrated slideshow for the wine story and the Central Otago fashion story.

Promoting our place

In 2015/16 our community boards distributed funding to 26 groups/organisations to the value of \$217,886 for a range of events, facilities and activities intended to enhance the experiences of locals and visitors alike.

Projects supported include the development of the Cromwell Ambassador Programme, arts and cultural events such as the Arts Gold Awards and Art on the Rail Trail, event support for Thyme Festival and Alexandra Blossom Festival, and a range of other community festivals and projects.

Data at our fingertips

Tourism Central Otago subscribed to the Qrious, a new data tool that provides tourism insights across New Zealand. It combines anonymous mobile location data with additional datasets to create insight into tourist activity.

This, together with improved Ministry of Business Innovation and Entrepreneurship data, is giving TCO a better picture and understanding of visitor stay and spend patterns.

TCO's first fully integrated media campaign into Australia

Tourism Central Otago ran a month long digital and print campaign focused on the Australian market during August 2015.

The campaign used email direct marketing, banner advertising on www.bicyclenetwork.com.au, Facebook advertising and Google Adwords to drive interest in Central Otago cycling trails and cycling holidays. This led to increased visits to the Cycle Central Otago sub-site - www.cyclecentralotago.com and created qualified enquiries to Central Otago tourism operators, Visitor Centres and increased the Tourism Central Otago consumer databases.

Print activity was also run alongside the digital campaign in Traveltalk trade magazine and cycling consumer magazine Ride On magazine.

Central Otago stars in Australian cycling campaign

In February Tourism New Zealand launched a digital campaign featuring influential Australian star Megan Gale as its first ever ambassador to promote cycling to the Australian market.

The campaign features Megan cycling on the Otago Central Rail trail and on the North Island Timber Trail as well as experiencing the best of New Zealand's food, wine, culture, history and stunning scenery. The media exposure and digital reach within the first period of the campaign resulted in approximately an equivalent advertising value of \$1.9 million.

Megan was filmed experiencing parts of the Otago Central Rail Trail, visiting Historic Clyde, Olivers Central Otago, Two Paddocks Wines and Pitches Store. The aim of the campaign is to smooth out the traditional visitor peaks, spreading visitor numbers over a longer period into the shoulder seasons.

TCO Digital Marketing worked with TNZ and local operators to enhance the Central Otago presence on newzealand.com alongside the campaign.



Otago Central Rail Trail - NZs #1 trail

In March Bikewise announced that the Otago Central Rail Trail was voted New Zealand's Favourite Place to Ride, and the top Nga Haerenga Cycle Trail – a great reward for the combined efforts from Rail Trail Trust, Tourism Central Otago, DOC, CODC and stakeholders to get the trail across the line against strong competition from other regions.

The annual competition sees tracks and trails compete for the national title across four categories – Nga Haerenga-NZ Cycle Trail, Off-Road or Adventure Ride, Urban Trail or Commute and On-Road Ride. As well as the overall national title, the Otago Central Rail Trail took out the category win for Nga Haerenga - NZ Cycle Trail.

Trip Advisor recognition

TCO has worked with Trip Advisors international digital team to have Central Otago officially recognised as a region in its own right. Earlier in 2016 TripAdvisor announced its 2016 Certificate of Excellence winners which recognise establishments that consistently earn great TripAdvisor reviews from travellers.

This year there were 47 recipients from the Central Otago region. As the Certificate of Excellence accounts for the quality, quantity and currency of reviews submitted by travellers on TripAdvisor over a 12-month period this is a great sign of the developing customer services and quality standards across the region for accommodation and activities.

What you can expect from us

The table below defines the level of service we will provide and shows how we have performed this year.

DISTRICT DEVELOPMENT						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	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	8.15 days	6.5 days	Within 15 working days	Achieved.

Where does the money go?

Funding Impact Statement DISTRICT DEVELOPMENT	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	1,003	1,103	428	428
Targeted rates	1,631	1,422	2,242	2,242
Subsidies and grants for operating purposes	30	57	48	47
Fees and charges	202	181	216	212
Internal charges, and overheads recovered	9	12	5	10
Local authorities fuel tax, fines, infringement fees, and other receipts	147	131	128	107
Total operating funding	3,022	2,906	3,067	3,046
Applications of operating funding				
Payments to staff and suppliers	1,562	1,603	1,680	1,649
Finance costs	11	12	8	13
Internal charges, internal interest and overheads applied	520	479	518	514
Other operating funding applications	836	850	897	751
Total applications of operating funding	2,929	2,944	3,103	2,927
Surplus (deficit) of operating funding	93	(38)	(36)	119
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	-	4	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	4	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	184	-	5
- to replace existing assets	-	35	80	43
Increase(decrease) in reserves	93	(253)	(116)	71
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	93	(34)	(36)	119
Surplus (deficit) of capital funding	(93)	38	36	(119)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	68	48	44	43

MAKE WISE CHOICES

Make wise choices that last beyond your lifetime

PLANNING and environment

planning emergency management
building control
alcohol licensing dog control and registration
environmental health



PLANNING AND ENVIRONMENT

What we do

Our **planners prepare and implement the District Plan** under the Resource Management Act. The District Plan is applied through processing of resource consents. We provide advice to our customers seeking to subdivide or develop their land. We also monitor conditions of resource consents and District Plan provisions to ensure any effects on the environment are managed appropriately.

Our Building Control team help people build in a safe and compliant manner through a streamlined and cost-effective process. We carry out **building inspections, issue building consents and respond to building-related enquiries**. We issue Land Information Memoranda for customers who are intending to purchase property, and monitor Building Warrants of Fitness for commercial buildings in accordance with the Building Act.

The environmental health activity provides confidence to the community and visitors to our region that our food premises, hairdressers, camping grounds and funeral directors are safe and clean. We **licence and annually inspect registered premises to manage the public health risks** of food and water contamination. We undertake water testing of public and private water supplies. We also respond to noise complaints to minimise nuisance to the community.

We maintain the social well-being of the district by **monitoring and controlling the sale of alcohol and the number of gaming machines** in the district. Our role, through the District Licensing Committee, involves processing and issuing licences for hotels, restaurants, liquor stores and for special events. We also issue manager's certificates.

We aim to ensure a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance. We **register and microchip all dogs** in the district, and issue infringement notices to those owners who fail to register their dogs. We **provide education to dog owners** and assist them in meeting their obligations under the Dog Control Act.

We have a responsibility to plan and provide for civil defence emergency management within the district and work collaboratively in this planning with the Otago Civil Defence and Emergency Management Group and the Ministry of Civil Defence and Emergency Management. 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 primary controllers. In 2014 we joined forces with neighbouring council Queenstown Lakes District Council to employ a joint Emergency Management Officer.

Our previous Central Otago **Rural Fire** Authority was part of a merger to form the Otago Rural Fire Authority in July 2014 and our Council now supports this authority.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Consent figures

During the 2015/16 year a total of 844 building consents were issued with a total value of building work of \$117,055,549. This was an increase of 8.6% in number of consents and a 37.7% increase in value from the previous year.

During the 15/16 year a total of 366 resource consent applications were received. This represents a 27% increase from the previous year.

Process Redesign

In June the Planning Team underwent training in the Vanguard method (systems thinking) to redesign the non-notified resource consent workflow. This resulted in the removal of many steps in the process, which has resulted in a more streamlined customer focused approach.

What you can expect from us

The table below defines the level of service we will provide and shows how we have performed this year.

PLANNING AND ENVIRONMENT						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	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 residents' survey	74%	66%*	Maintain customer satisfaction \geq 75%	This year's survey timing coincided with the planning team in Systems Thinking training, during which period they had reduced ability to respond to customer queries. This could account for the dip in satisfaction levels.
		Resource consents processed within statutory timeframes	94%	99.5%*	Resource consents processed within statutory timeframe \geq 99%	Resource consent numbers have increased 27% from the previous year.
A Thriving Economy and A Safe and Healthy Community		Customer satisfaction with building consent processes in residents' survey	82%	86%*	Maintain customer satisfaction \geq 85%	Achieved.
		Building consents processed within statutory timeframes	100%	99.88%	Building consents processed within statutory timeframe 100%	Building consent numbers have had a 37.71% increase.

PLANNING AND ENVIRONMENT						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy and A Safe and Healthy Community	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 inspections programme, including audit of food control plans is completed in accordance with legal and internal standards	100%	100%	100% of annual licensing programme completed within reporting period	100% of registered premises were inspected. 70 of the 112 premises required to transition into a Food Act 2014 regime by 31 March 2017 have applied to do so.
	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction in residents' survey (dog control and registration)	75%	82%*	Maintain customer satisfaction \geq 75%	Achieved.
	Community satisfaction with Council performance	Residents' survey – satisfaction with rural fire services	95%	Not measured.	> 95%	Council no longer the authority responsible for rural fire services.
	Community satisfaction with Council performance	Residents' survey – satisfaction with Emergency Management (Civil Defence)	93%	80%*	> 90%	Not Achieved.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

Where does the money go?

Funding Impact Statement PLANNING AND ENVIRONMENT	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015 /16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	1,187	1,290	6	6
Targeted rates	-	-	1,237	1,237
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,129	1,435	1,342	1,738
Internal charges, and overheads recovered	7	12	14	20
Local authorities fuel tax, fines, infringement fees, and other receipts	264	302	255	344
Total operating funding	2,587	3,039	2,854	3,345
Applications of operating funding				
Payments to staff and suppliers	2,011	2,118	2,275	2,189
Finance costs	-	-	-	-
Internal charges, internal interest and overheads applied	396	454	482	477
Other operating funding applications	53	48	36	3
Total applications of operating funding	2,460	2,620	2,793	2,669
Surplus (deficit) of operating funding	127	419	61	676
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	10	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	10	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	145	-	-	35
Increase(decrease) in reserves	(8)	419	61	641
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	137	419	61	676
Surplus (deficit) of capital funding	(127)	(419)	(61)	(676)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	118	38	33	39

MAKE THIS A BETTER WORLD

Make this a better world for those that succeed us

GOVERNANCE and corporate services

communications
administration buildings accounting
financial planning and reporting elected members' support
customer service and administration rates information systems
personnel



GOVERNANCE AND CORPORATE SERVICES

What we do

The governance activity is at the forefront of everything we do. While the Council provides many different services, it is the governance activity that supports elected members to be effective and responsible decision-makers. Within this activity we **facilitate and support Council and community boards**, ensure agendas are published and available to the public, and run local body elections every three years.

The corporate services activities **provide support across the organisation** that allows Council to function efficiently and effectively. It includes our accounting, financial planning and reporting, rating, policy, information systems, communications, and customer service and administration activities.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES:



Rising to the challenges

Improving our Communications



Our Council website continues to trend up in terms of viewer statistics with 417,935 page views for the year (up almost 100,000 on last year), and marked increases quarter to quarter during the year. The CODC Facebook page was almost at 2000 likes by the end of the year and this continues to be a popular platform for people to comment on and share Council news.

During the year we introduced Mayoral Video Updates, which generally follow each of our six-weekly Council meetings. They are linked from YouTube on our website and loaded direct to Facebook. We also uploaded audio files of Mayor Tony's interviews on Local Radio Central to our website for those who miss him live on air.

We also revamped the look and content of our print communications including the Noticeboard published weekly on page 5 of *The News* and our Council newsletter was redesigned, renamed *The FlipSide* and is now distributed to all residents and ratepayers.

Another key project for the year was the review of our Residents' Survey. More than 600 residents took the new online survey. Work is underway rolling out the first of a series of mini-surveys as part of our wider Customer Insights Programme that will complement the big annual survey.

Revenue and Financing Policy Reviewed

CODC's review of its Revenue and Financing Policy is something that councils must review every three years to ensure they regularly revisit and assess the appropriateness of how each council activity is funded. CODC's review this year was particularly rigorous and looked at historic anomalies arising from inconsistencies in rating from Community Board to Community Board, as well as the district funding of water and wastewater schemes.

Council workshops were held in September to review the way Council activities are funded. This involved rates modelling and discussions. After deliberation some changes were suggested. These changes created the Amendment to Revenue and Financing Policy that went out for public consultation during September and October.

Community consultation was promoted in print, on radio and social media channels, plus a consultation postcard was delivered to all mail boxes throughout the district. Submissions were heard by Council in November and the Policy was adopted by Council at its December meeting.

The main agreement from Council was that similar properties of similar values should pay similar rates. Under the previous policy this was clearly not the case and a number of locations were paying substantially more than others despite receiving the same services and having similar values.

The revised Policy was designed to even out rates across the district including the districtisation of 3 Waters. This means all ratepayers connected to a Council water or wastewater scheme will pay the same charge to fund the combined cost of maintenance, upgrades and operation of all schemes.

Council also removed some of the historic rates and associated methods of charging that were no longer seen to be as relevant in today's world. This change was to bring about a more equitable, sustainable and consistent rating system for all ratepayers in our district.

There was a move away from land value based rating toward capital value based rating for unsubsidised roading, stormwater, footpaths, carparks and public toilets in recognition of the fact that these are of more benefit to urban ratepayers than rural.

There was also a move away from geographic differentials for Vincent Community Board rates. In the past Vincent had used bands based on distance from Alexandra to define differentials for local rates. This change brings a consistent approach across the district for recreation and culture, ward services and promotions rates.

The removal of rates per SUIP (separately used or inhabited parts) is a change that came out of the Policy review that Council sees as a very business-friendly outcome. Previously under Council's SUIP Policy separate dwellings, businesses or other uses located on the same property (rating unit) were each liable for certain rates. Council changed this so that rates are now set on a per rating unit basis only.



Health and Safety Commitment

Council is committed to a process of continuous improvement in order to achieve excellence in the management of health and safety at all of our workplaces. A permanent fulltime Health and Safety Officer started in the role in July 2015.

Council's responsibility is to our employees and contractors, volunteers working on Council property, events held in our parks and reserves, and our customer base.

Sitewise was launched during a contractors' breakfast in September. SiteWise is a prequalification system that grades a contractor's health and safety capability and publishes that grade in a database that can be viewed by main contractors and principal organisations like Council. Council set the target that by 1 July 2016 all contractors working for, working on or connecting to Council assets were expected to have an acceptable rating. This rating will form a significant part of Council's contractor selection process.

What you can expect from us

We know you want elected representatives you can trust to lead and make wise decisions on your behalf. The table below shows how we have performed this year.

GOVERNANCE						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy and A Sustainable Environment	Satisfaction with the leadership, representation and decision-making by elected members	Residents survey - those satisfied with the performance of elected members of local community boards	83%	90%*	> 85%	Achieved.
A Safe and Healthy Community		Residents survey - those satisfied with the performance of elected members	80%	90%*	> 85%	Achieved.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting.

We strive to deliver great customer service to our community and provide meaningful opportunities to be engaged with Council. The table below shows how we have performed this year.

CORPORATE SERVICES						
Community Outcome	Our Objective Level of Service	How we Measure Success	2014/15 Results	2015/16 Results	Our Aim	Comments
A Thriving Economy	Satisfaction with the initial contact with Council	Residents' survey – the service was fast and efficient	94%	85%*	> 90%	Not Achieved.
		Residents' survey – the service was friendly and courteous	95%	93%*	> 90%	Achieved.
		Residents survey – issues dealt with effectively	84%	78%*	> 80%	Not Achieved.
A Sustainable Environment	Satisfaction with contact regarding service requests	Residents' survey – the service was fast and efficient	79%	83%*	> 80%	Achieved.
		Residents' survey – the service was friendly and courteous	93%	96%*	> 90%	Achieved.
		Residents' survey – issues dealt with effectively	73%	74%*	> 75%	Not Achieved. People want to know request outcome. We are reviewing our systems this coming year.
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Residents' survey – overall effectiveness of communications	81%	78%*	> 80%	Not achieved but very close. We are continually making efforts to improve in this space and encouraging feedback to achieve this.

*Note: This year's Residents' Survey was conducted using a new methodology from previous years so the results are not directly comparable. Our 2016 results will form a new baseline for future years' reporting

Where does the money go?

Funding Impact Statement GOVERNANCE AND CORPORATE SERVICES	2014/15 Long Term Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	93	(35)	(131)	(170)
Targeted rates	250	230	507	566
Subsidies and grants for operating purposes	-	20	-	-
Fees and charges	134	73	138	177
Internal charges, and overheads recovered	1 3,457	3,710	4,081	4,307
Local authorities fuel tax, fines, infringement fees, and other receipts	486	809	493	731
Total operating funding	4,420	4,807	5,088	5,611
Applications of operating funding				
Payments to staff and suppliers	3,033	3,597	3,837	4,285
Finance costs	42	23	35	21
Internal charges, internal interest and overheads applied	1 -	-	-	(2)
Other operating funding applications	402	460	458	38
Total applications of operating funding	3,477	4,080	4,330	4,342
Surplus (deficit) of operating funding	943	727	758	1,269
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	55	256
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	16	13	6	1
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	16	13	61	257
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	8
- to improve the level of service	-	307	22	253
- to replace existing assets	504	294	1,013	666
Increase(decrease) in reserves	507	1,589	(195)	624
Increase (decrease) in investments	(52)	(1,450)	(21)	(25)
Total applications of capital funding	959	740	819	1,526
Surplus (deficit) of capital funding	(943)	(727)	(758)	(1,269)
Funding balance	-	-	-	-
Depreciation (not included in above FIS)	667	495	706	569

Notes

- 1 Credits received from internal charging during 2015/16 have been categorised as sources of operating funding. Comparative 2014/15 figures have been amended accordingly.

LEARN FROM THE PAST

Learn from past experiences with future generations in mind

FINANCIALS

assumptions
accounting policies
audit opinion fees and charges



FUNDING IMPACT STATEMENT

For the year ended 30 June 2016

WHOLE OF COUNCIL	2014/15 Annual Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
OPERATING				
General rates, uniform annual general charges and rates penalties	7,056	7,056	4,965	4,926
Targeted rates	17,865	17,901	21,354	21,532
Subsidies and grants for operating purposes	1,600	1,855	2,089	2,003
Fees and charges	3,473	3,734	3,702	4,059
Interest and dividends from investments	339	688	424	660
Local authorities fuel tax, fines, infringement fees, and other receipts	1,463	1,604	1,425	1,969
Total operating funding	31,796	32,838	33,959	35,149
Applications of operating funding				
Payments to staff and suppliers	22,552	22,641	24,010	24,409
Finance costs	52	35	283	35
Other operating funding applications	2,460	2,427	2,627	1,447
Total applications of operating funding	25,064	25,103	26,920	25,891
Surplus (deficit) of operating funding	6,732	7,735	7,039	9,258
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	1,902	1,981	3,435	1,802
Development and financial contributions	320	723	385	1,285
Increase (decrease) in debt	-	-	3,421	-
Gross proceeds from sale of assets	2,391	565	4,191	739
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	4,613	3,269	11,432	3,826
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,198	616	1,387	1,076
- to improve the level of service	3,753	3,053	7,247	3,086
- to replace existing assets	9,290	5,483	13,001	7,289
Increase(decrease) in reserves	(2,844)	3,301	(3,143)	1,658
Increase (decrease) in investments	(52)	(1,450)	(21)	(25)
Total applications of capital funding	11,345	11,004	18,471	13,084
Surplus (deficit) of capital funding	(6,732)	(7,735)	(7,039)	(9,259)
Funding balance				
Depreciation (not included in above FIS)	10,362	9,668	10,398	10,812

RECONCILIATION OF FUNDING IMPACT STATEMENT

For the year ended 30 June 2016

	2014/15 Annual Plan \$000	2014/15 Actual \$000	2015/16 Long Term Plan \$000	2015/16 Actual \$000
PUBLIC EQUITY				
Surplus/(deficit) of operating funding from funding impact statement	6,732	7,735	7,039	9,258
Depreciation	(10,362)	(9,668)	(10,398)	(10,812)
Subsidies and grants for capital purposes	1,902	1,981	3,435	1,802
Development and financial contributions	320	723	385	1,285
Vested assets	-	1,675	-	4,786
Profit/(loss) on sale of assets	-	372	-	244
Valuations gains/(losses)	48	(487)	-	(264)
Net surplus/(deficit) before tax in statement of comprehensive revenue and expense	(1,360)	2330	461	6,299

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2016

Actual 2014/15 \$000		Notes	Actual 2015/16 \$000	Annual Plan 2015/16 \$000
REVENUE				
Revenue from non-exchange transactions				
24,957	Rates	1	26,458	26,320
3,618	Subsidies and Grants	2	3,705	5,524
1,233	Regulatory fees	3	1,552	1,155
3,462	User fees and other income	3	3,720	3,079
723	Development and financial contributions	3	1,285	385
1,675	Vested assets	4	4,786	-
92	Valuation gains	5	49	-
Revenue from exchange transactions				
468	Direct charges revenue – full cost recovery	6	487	495
357	Rental revenue	6	369	397
724	Interest		660	424
-	Dividends		-	-
378	Profit on sale of assets		249	-
105	Gains on revaluation of investment properties	5	60	-
37,792	Total revenue		43,380	37,779
EXPENDITURE				
7,349	Employee benefit expenses	7	7,591	7,879
9,668	Depreciation and amortisation	18, 19	10,812	10,398
35	Finance costs		35	283
684	Valuation losses	5	373	-
6	Loss on disposal of assets		5	-
17,720	Other expenses	8	18,265	18,758
35,462	Total expenditure		37,081	37,318
2,330	Surplus/(Deficit) before tax		6,299	461
-	Income tax expense	9	-	-
2,330	Surplus/(Deficit) after tax		6,299	461
Gain on asset revaluations				
226	Gains (loss) on revaluation of wastewater assets		3,941	1,233
536	Gains (loss) on revaluation of water assets		10,201	2,010
8	Gains (loss) on revaluation of stormwater assets		3,970	560
-	Gains (loss) on revaluation of roading assets		12,946	13,372
-	Gains (loss) on revaluation of property and parks assets		1,935	-
(81)	Gains (loss) on revaluations of land assets		-	-
4,923	Gains (loss) on revaluation of building assets		-	-
5,612	Total gain on asset revaluations		32,993	17,176
Gain on available for sale financial assets				
(13)	Gains (loss) on revaluation of investment bonds		-	-
7	Gains (loss) on revaluation of share equities		23	-
(6)	Total gain on available for sale financial assets		23	-
5,606	Total other comprehensive income		33,016	-
7,936	Total comprehensive income		39,315	17,637

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

Actual 2014/15 \$000		Notes	Actual 2015/16 \$000	Annual Plan 2015/16 \$000
PUBLIC EQUITY				
657,286	Public equity balance at 1 July		660,474	666,909
Accumulated funds				
342,920	Balance at 1 July		344,843	342,546
2,330	Surplus/(Deficit		6,299	461
(403)	Adjustment for assets not owned by council		-	-
(4)	Transfer to restricted reserves		(3)	(3)
-	Transfer from property revaluation reserve as intended for sale		90	-
-	Transfer from property revaluation reserve on disposal		410	-
344,843	Balance at 30 June	10	351,639	343,004
OTHER RESERVES				
Property revaluation reserve				
314,292	Balance at 1 July		315,554	324,292
5,612	Revaluation gains/(loss)		32,993	17,176
(4,350)	Adjustments for assets not owned by council		-	-
-	Transfer from property revaluation reserve as intended for sale		(90)	-
-	Transfer to accumulated funds on disposal on property		(410)	-
315,554	Balance at 30 June	10	348,047	341,468
Fair value through other comprehensive revenue reserve				
11	Balance at 1 July		5	-
(6)	Revaluation gains/(loss)		23	-
-	Reclassification to surplus or deficit on disposal		-	-
5	Balance at 30 June	10	28	-
Restricted reserves (trust and bequest funds)				
68	Balance at 1 July		72	71
4	Transfer from accumulated funds		3	3
72	Balance at 30 June	10	75	74
315,631	Total other reserves		348,150	341,542
660,474	Public equity 30 June		699,789	684,546

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

Actual 2014/15 \$000		Notes	Actual 2015/16 \$000	Annual Plan 2015/16 \$000
EQUITY				
344,843	Accumulated funds	10	351,639	343,004
315,554	Property revaluation reserve	10	348,047	341,468
5	Fair value through other comprehensive income revenue reserve		28	-
72	Restricted reserves	10	75	74
660,474	Total equity		699,789	684,546
REPRESENTED BY:				
Current assets				
6,005	Cash and cash equivalents	11	2,502	7,353
10,327	Other financial assets	12	16,700	-
2,562	Receivables	13	2,598	2,858
373	Inventories	14	501	35
19,267	Total current assets		22,301	10,246
Less current liabilities				
435	Agency and deposits	15	291	520
3,286	Payables and deferred revenue	15	4,569	3,704
811	Employee entitlements	16	913	887
-	Borrowings and other financial liabilities		-	-
4,532	Total current liabilities		5,773	5,111
14,735	Working capital		16,528	5,135
Non-current assets				
133	Available for sale financial assets	12	156	126
1,033	Loans and receivables	17	986	528
641,870	Property, plant and equipment	18	679,628	678,952
499	Intangible assets	19	532	434
1,032	Forestry assets	21	722	942
1,205	Investment property	22	1,265	1,878
645,772	Total non-current assets		683,289	682,860
Less non-current liabilities				
33	Provisions	24	28	28
-	Borrowings and other financial liabilities		-	3,421
33	Total non-current liabilities		28	3,449
660,474	Net assets (assets minus liabilities)		699,789	684,546

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

Actual 2014/15 \$000		Notes	Actual 2015/16 \$000	Annual Plan 2015/16 \$000
CASHFLOWS FROM OPERATING ACTIVITIES				
34,660	Receipts from rates, fees and other revenue		37,425	37,424
712	Interest received		660	424
-	Dividends received		-	-
41	Net GST (paid) /received		(81)	-
(25,861)	Payments to suppliers and employees		(24,458)	(26,796)
-	Interest paid		-	(236)
9,552	Net cash flow from operating activities	34	13,546	10,816
CASHFLOWS FROM INVESTING ACTIVITIES				
585	Receipts from sale of property, plant and equipment		739	4,191
500	Receipts from sale of investments		-	21
1,424	Receipts from the repayment of loans and receivables		55	-
(8,431)	Purchase of property, plant and equipment		(11,210)	(21,634)
(209)	Purchase of investment property		-	-
(281)	Purchase of intangibles		(210)	-
(8)	Purchase of forestry		(15)	-
(108)	Purchase of investments		(6,373)	-
-	Investment in loans and receivables		(35)	-
(6,528)	Net cash flow from investing activities		(17,049)	(17,422)
CASHFLOWS FROM FINANCING ACTIVITIES				
-	Proceeds from borrowings		-	3,446
-	Repayment of borrowings		-	(25)
-	Net cash flow from financing activities		-	3,421
3,024	Net increase/(decrease) in cash held		(3,503)	(3,185)
2,981	Cash at the beginning of the year		6,005	10,537
6,005	Closing cash held 30 June	11	2,502	7,353

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

RESERVE FUNDS

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

RESERVES		Opening Balance 2015/16 (\$000)	Transfers In 2015/16 (\$000)	Transfers Out 2015/16 (\$000)	Closing Balance 2015/16 (\$000)
Specific Reserves These reserves are designated from a statute or legal document or are to maintain and provide for improvements to separately identifiable areas.	Other Infrastructure	903	36	(82)	857
	Parks, Reserves and Cemeteries	18	1	-	19
	Libraries, Swimming Pools & Community Facilities	27	1	-	28
	Governance & Corporate Services	2,302	138	(24)	2,416
	Planning & Environment	291	437	-	728
	Self-insurance Fund	1,784	63	-	1,847
	Total Specific Reserves	5,325	676	(106)	5,895
	Development Contributions To provide for growth in identifiable infrastructure assets.	Governance & Corporate Services	(5,138)	1,103	(875)
Total Development Contributions		(5,138)	1,103	(875)	(4,910)
General Reserves These reserves are invested to provide a financial return to ratepayers.	Governance & Corporate Services	13,068	1,831	(370)	14,529
	Total General Reserves	13,068	1,831	(370)	14,529
Property To provide for the purchase of properties.	Other Infrastructure	257	876	-	1,133
	Libraries, Swimming Pools & Community Facilities	295	1	(285)	11
	Governance & Corporate Services	519	18	(53)	484
	Total Property	1,071	895	(338)	1,628
Loss of Service Potential and Development To set aside funds for the replacement or provision of assets in identifiable infrastructure areas.	Water	(1,995)	571	(481)	(1,905)
	Wastewater	2,061	731	(1,654)	1,138
	Stormwater	1,206	172	(59)	1,319
	Transportation	(1,771)	520	(807)	(2,058)
	Other Infrastructure	1	-	(29)	(28)
	Total Loss of Service Potential & Development	(498)	1,994	(3,030)	(1,534)
Amenities To provide funding for ongoing operations and assets in amenity areas.	Waste Minimisation	(297)	1,095	(1,098)	(300)
	Other Infrastructure	(211)	34	-	(177)
	Parks, Reserves & Cemeteries	750	86	(150)	686
	Libraries, Swimming Pools & Community Facilities	(316)	240	(427)	(503)
	Planning & Environment	317	47	-	364
	Total Amenities	243	1,502	(1,675)	70
Governance To provide funding for the elected member activity, specifically the democratic process.	Governance & Corporate Services	107	4	(2)	109
	Total Governance Reserves	107	4	(2)	109
District Development To provide funding for ongoing operations and assets in this activity.	District Development	148	102	(53)	197
	Total District Development Reserves	148	102	(53)	197
Total Reserves		14,326	8,107	(6,449)	15,984

VARIANCE REPORT

For the year ended 30 June 2016

	Actual 2015/16 \$000	Annual Plan 2015/16 \$000	Variance 2015/16 \$000	
REVENUE				
Revenue from non-exchange transactions				
Rates	26,458	26,320	138	F
Subsidies and grants	3,705	5,524	(1,819)	U
Regulatory fees	1,552	1,155	397	F
User fees and other income	3,720	3,079	641	F
Vested assets	4,786	-	4,786	F
Valuation gains	49	-	49	F
Development and financial contributions	1,285	385	900	F
Revenue from exchange transactions				
Direct charges revenue – full cost recovery	487	495	(8)	U
Rental revenue	369	397	(28)	U
Interest	660	424	236	F
Dividends	-	-	-	-
Profit on sale of assets	249	-	249	F
Gains on revaluation of investment properties	60	-	60	F
Total revenue	43,380	37,779	5,601	F
EXPENDITURE				
Water	3,932	4,283	(351)	F
Wastewater	3,553	3,224	329	U
Stormwater	619	570	49	U
Transportation	9,807	9,261	546	U
Waste Minimisation	3,165	3,232	(67)	F
Other Infrastructure	2,362	2,716	(354)	F
Parks and Cemeteries	2,745	2,570	175	U
Libraries, Swimming Pools and Community Facilities	4,680	5,394	(714)	F
District Development	2,970	3,147	(177)	F
Planning and Environment	2,708	2,826	(118)	F
Governance and Corporate Services	162	95	67	U
Valuation losses	373	-	373	U
Loss on disposal of assets	5	-	5	U
Total expenditure	37,081	37,318	237	F
Net surplus (deficit)	6,299	461	5,838	F

Note: "F" = Favourable, "U" = Unfavourable

Explanation of Variances

Revenue

Subsidies and Grants

Budgeted capital contributions income of \$1.5 m for the Cromwell Memorial Hall upgrade was not received as the physical construction work is now deferred until 2016/17.

User Fees and Other Income

Council received a grant of \$40k from the NZ Lotteries Commission to conduct a further feasibility study on the long term curation and display of the Eden Hore Fashion Collection (no budget).

A land sale deposit of \$269k that was received in 2008 has now been recognised as income (no budget) as the funds are no longer legally refundable to the purchaser.

Interest income exceeds budget by \$236k due to higher cash balances held on term deposit earning on average interest rates of 3.31%.

Regulatory Fees

Regulatory fees for building permits exceed budget by \$397k with significant building activity being undertaken in Cromwell. The number and value of building consents exceeded expectations.

Profit on Sale of Assets

Profit from the sale of assets of \$249k (no budget) was due to the sale of a motor vehicle (\$3k) and a parcel of land (\$246k). The 2.4 hectare land area at Gair Avenue, Cromwell was surplus to council's requirements and sold for residential development.

Contributions for Capital Purposes

Development contributions for roading, water and wastewater of \$1.285m reflect better than anticipated growth exceeding budget by \$900k.

Other Noted Revenue Variances

Vested assets of \$4.8m are the result of developers completing all necessary subdivision requirements in order for titles to be issued in Alexandra and Cromwell.

Valuation gains have been recorded for Alexandra investment properties and forestry assets located in Queenstown and Naseby. As there is no certainty of realising gains in these types of assets, no budget is provided for.

Expenditure

Total payments to staff and suppliers of \$25.9m was below budget by \$781k, partly offset by higher depreciation expense by \$414k bringing the total expenditure variance to \$367k below budget.

Variations within activities include:

Water and Wastewater

The budget of \$237k for external interest payments was not required as Council has funded the current capital programme with its own cash reserves and not external debt. Overall expenditure on physical works contracts for planned and unplanned maintenance were under spent by \$56k. Costs included unbudgeted work carried out at Roxburgh for the replacement of control equipment at the water treatment plant and the increase in scope of work required on a wastewater line repair.

Roading

District road maintenance contracts were \$45k below budget. A mild winter resulted in lower snow grading and ice gritting costs. Consultancy costs for wastewater sludge management were overspent by \$67k, offset by consultancy costs associated with Asset Management Plans being underspent by \$113k.

Parks and Cemeteries

Both council owned camping facilities at Clyde and Omakau achieved lower than budget operating costs. Parks maintenance contract costs were below budget due to the council and main contractor working collaboratively on achieving increased efficiencies of the planned work programmes. Rental income collected by Council over a period of three years for land at Cromwell raceway was transferred to the Central Lakes Equestrian Club under the Reserves Act. The amount paid was \$58k (no budget).

All Parks and Reserves assets were revalued at the 1 July 2015. The last valuation was in year 2008 and the impact of the increased values has resulted in the annual depreciation expense exceeding budget by \$120k.

Community Facilities, Libraries and Swimming Pools

Lower than budget staff and operating costs recorded for the libraries. Savings in energy and chemical costs were achieved at both the Molyneux Aquatic Centre and the Cromwell Swim Centre. These savings at the pools were partly offset by increased repairs and maintenance costs.

Other Infrastructure

Other Infrastructure includes commercial and farm properties, airports, forestry, community housing and public toilets. Maintenance expenditure on community housing exceeded budget by \$30k due to higher than planned repairs on our district wide rental portfolio.

All forests were revalued as at the 30 June 2016 and due to a significant increase in forecast transportation costs upon harvesting the Cromwell and Alexandra blocks, a valuation loss of \$373k was expensed (no budget).

District Development

Lower than budget staff and project costs for Tourism Central Otago activity resulted from resourcing constraints during the year. The Central Touring Route market research and promotional brochures budgets will be carried over for completion in 2016/17.

Governance and Corporate Services

Ongoing savings in operational overheads and office expense costs continued during 2015/16, with positive variances recorded for training, stationery, postage, advertising and computer costs. The budget included provision for borrowed funds of \$3.4m however with the deferment of several major capital projects to 2016/17 Council did not require external funding.

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 primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Central Otago District Council has designated itself as a tier 1 public benefit entity (PBE) for the purposes of the PBE International Public Sector Authority Standards (IPSAS).

The financial statements comprise the activities of the Council. The Council does not have a significant interest in any other entities.

The financial statements of the Council are for the year ended 30 June 2016. The financial statements were authorised for issue by the Council on 26 October 2016. Council does not have the power to amend the financial statements after issue.

2. Basis of Financial Statement Preparation

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with New Zealand generally accepted accounting practice (NZ GAAP). The financial statements have been prepared in accordance with 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 following accounting policies have been applied consistently to all periods presented in these financial statements.

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).

3. Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture. Council currently has jointly controlled operations with Queenstown Lakes District Council in respect to forestry.

4. Revenue

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 revenue is recognised at the point where Council has issued an invoice in respect of the development demand notice.

Revenue from exchange transactions:

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

vii. Direct Charges at Fair Value

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

viii. Rental Revenue

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

ix. Interest Revenue

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

x. Dividend Revenue

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

5. Operating Leases

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

6. Grant Expenditure

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

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

7. Income Tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. 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 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.

8. Equity

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

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

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

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

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

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

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

9. Cash and Cash Equivalents

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

10. Debtors and Other Receivables

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

11. Inventories

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.

12. Financial Assets

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

Available-for-Sale Financial Assets

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

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

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

Loans and Receivables

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

Loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar

asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit.

13. Property, Plant and Equipment

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

- Water
- Wastewater
- Stormwater
- Transportation

All of the above were revalued on an optimized 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 asset's 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 yrs
- structures	5-100 yrs	Footpaths and cycle ways	30-100 yrs
- external fabric	5-100 yrs	Kerb and channel	70-100 yrs
- services	5-80 yrs	Roads – sealed	8-17 yrs
- internal fit out	5-80 yrs	Roads – unsealed	10-25 yrs
Equipment, furniture and fittings	3-10 yrs	Roads – land and formation	not depreciated
Motor vehicles and plant	4- 12 yrs	Sewerage plant and equipment	15-35 yrs
Library books	10 yrs	Sewerage reticulation networks	60-80 yrs
Parks and reserves	2-50 yrs	Stormwater networks	70 yrs
		Water plant and equipment	10-35 yrs
		Water reticulation networks	60-100 yrs

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

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

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

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

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

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

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

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

15. Intangible Assets

i. Computer Software

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

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

ii. Other Intangible Assets

Other intangible assets that are acquired by Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy 19).

Easements are not amortised.

iii. Subsequent Expenditure

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

iv. Amortisation

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

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

16. Forestry Assets

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

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

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

The forestry assets are revalued annually by Laurie Forestry Limited as at 30 June.

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

17. Emissions Trading Scheme

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

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

18. Investment Property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity. Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

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

Rental revenue from investment property is accounted for as described in the Revenue Policy (4), above.

19. Impairment of Financial Assets

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

Loans and receivables, and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

20. Impairment of Non-Financial Assets

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

21. Third Party Transfer Payment Agencies

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

22. Creditors and Other Payables

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

23. Employee Entitlements

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

i. Short-term Entitlements

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to date, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

ii. Long-term Entitlements

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

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

iii. Superannuation Schemes

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

24. Borrowings

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

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

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

25. Provisions

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

26. Landfill Post Closure Costs

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

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

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

27. Goods and Services Tax

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

28. Cost Allocations

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

1. Rates

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

	2015/16 \$000	2014/15 \$000
General rates	3,531	3,601
Uniform annual general rate	1,397	1,343
	4,928	4,944
Targeted rates attributable to activities per funding impact statement:		
- Water	4,392	4,112
- Wastewater	3,161	2,893
- Stormwater	396	338
- Transportation	1,103	710
- Waste Minimisation	2,440	2,314
- Other Infrastructure	327	252
- Parks, Reserves and Cemeteries	1,936	1,934
- Community Facilities, Libraries and Swimming Pools	3,730	3,696
- District Development	2,059	1,422
- Economic Development	183	773
- Planning and Environment	1,237	1,288
- Governance and Corporate Services	507	230
Total targeted rates	21,466	19,962
Rates penalties	178	154
Rates remissions	(56)	(50)
Rates discount	(58)	(53)
	64	51
Total rates revenue	26,458	24,957

Total rates revenue of \$26.458 million includes revenue of \$1.577 million from targeted water meter supply rates (2015 \$1.479 million).

2. Subsidies and Grants

	2015/16 \$000	2014/15 \$000
New Zealand Transport Agency roading subsidies	3,657	3,428
Creative NZ and SPARC grants	29	27
Central Lakes Trust	0	85
Otago Community Trust	0	20
Other grants	19	58
Total subsidies and grants	3,705	3,618

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2015 nil).

3. User Fees and Other Income

	2015/16 \$000	2014/15 \$000
Regulatory fees - building consent and health charges	1,203	949
Regulatory fees - resource management fees	181	147
Regulatory fees – liquor licensing	167	137
User fees – libraries, swimming pools & visitor centres	873	1,008
User fees - parks, recreation reserves and cemeteries	214	156
User fees – waste collection, minimisation and disposal	776	597
User fees – property and land usage	761	906
User fees – roading and fuel taxes	261	453
User fees – planning	353	327
User fees – district development & corporate services	213	0
Development contributions	1,285	723
Non-refundable land sale deposit	269	-
Other fees and charges	-	15
Total fees and charges	6,557	5,418

4. Vested Assets

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

	2015/16 \$000	2014/15 \$000
Parks & Reserves	107	25
Roading (including footpaths)	2,098	461
Stormwater	834	162
Wastewater	1,017	202
Water	731	825
Total vested assets	4,786	1,675

5. Valuation Gains and Losses

	2015/16 \$000	2014/15 \$000
Non-financial Instruments		
Gain (loss) in fair value of forestry assets (Note 21)	(325)	91
Gain (loss) in fair value of investment property	60	(639)
	(265)	(548)
Financial Instruments		
Gain (loss) in fair value of community loans	1	61
Gain (loss) on disposal of available for sale financial assets	-	-
	1	61
Total Gains (Losses)	(264)	(487)
Total gains per Statement of Comprehensive Revenue and Expense	109	197
Total losses per Statement of Comprehensive Revenue and Expense	(373)	(684)
Total Gains (Losses)	(264)	(487)

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.

	2015/16 \$000	2014/15 \$000
Full cost recovery - dog registration and dog control	170	176
Full cost recovery - camping ground revenue	317	292
Rental revenue - leased premises	369	357
Total revenue from exchange transactions	856	825

7. Employee Benefit Expenses

	2015/16 \$000	2014/15 \$000
Salaries and wages	7,431	7,225
Defined contribution plan employer contributions*	170	165
Increase (decrease) in employee benefit liabilities	(10)	(41)
Total employee benefit expenses	7,591	7,349

*includes employer contributions to Kiwisaver and Jacques Martin superannuation scheme

8. Other Expenses

	2015/16 \$000	2014/15 \$000
Audit fees:		
- audit fees for 2016 financial statement audit	90	-
- audit fees for 2015 financial statement audit	-	89
- audit fees for 2014 financial statement audit	-	25
- audit fees for 2015-25 LTP audit	-	75
- audit fees for policy reviews	12	-
Sub Total	102	189
Maintenance contractors	9,494	9,188
Professional fees	1,384	1,328
Fuel and energy	1,088	1,064
Grants	830	746
Insurance premiums	306	372
Increase (decrease) in provision for bad debts	(6)	19
Interest expense	-	-
Payments under operating lease agreements	324	206
Other operating expenses	4,743	4,608
Total other expenses	18,265	17,720

Maintenance contractor costs now include the cost of waste recycling, landfill and disposal costs. This inclusion has resulted in a change to the 2014/15 comparative figure. The maintenance contractor's costs for 2014/15 have been increased by \$2.712 million to \$9.188 million (2014/15 Annual Report \$6.476 million) and Other operating expenses have been reduced by \$2.712 million to \$4.608 million (2014/15 Annual Report \$7.320 million).

9. Tax

CODC has unused tax losses of \$81,218 with a tax effect of \$22,741 that have not been recognised. (2014/15: tax losses \$75,908; tax effect \$21,254).

	2015/16 \$000	2014/15 \$000
Net surplus (deficit):	6,299	2,330
- Tax at 28%	1,764	652
Plus (less) tax effect of:		
- Non-deductible expenditure	-	-
- Non-taxable income	1,764	652
- Tax loss not recognised	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
Balance at Year End	-	-

10. Public Equity

	2015/16 \$000	2014/15 \$000
Accumulated funds		
Opening balance 1 July	344,843	342,920
Surplus (deficit) for the year	6,299	2,330
Adjustments for assets not owned by council	-	(403)
Transfers to restricted reserves	(3)	(4)
Transfers from property revaluation reserve	500	-
Closing balance 30 June	351,639	344,843

Property Revaluation Reserves

Property Revaluation reserves for each asset class consist of:

	2015/16			
	Opening Balance \$000	Net Movement \$000	Adjustment for Assets Owned by Council \$000	Closing Balance \$000
Roading	170,599	12,824	-	183,423
Bridges	26,881	122	-	27,003
Water	30,742	10,201	-	40,943
Wastewater	24,892	3,941	-	28,833
Stormwater	9,642	3,970	-	13,612
Land	33,182	(500)	-	32,682
Buildings	19,614	-	-	19,614
Parks and Reserves	2	1,935	-	1,937
Total	315,554	32,493	-	348,047
Transfer to accumulated funds on realisation		410		
Transfer to accumulated funds as property intended for sale		90		
Total gain on asset revaluation		32,993		

Parks and reserves were revalued as at 1 July 2015 (the last valuation was at 1 July 2008).

Water, wastewater, stormwater and roading infrastructural assets were revalued as at 1 July 2015. Council has revalued these assets each financial year since 2005.

	2014/15			Closing Balance \$000
	Opening Balance \$000	Net Movement \$000	Adjustment for Assets Owned by Council \$000	
Roading	170,599	-	-	170,599
Bridges	26,881	-	-	26,881
Water	30,206	536	-	30,742
Wastewater	24,666	226	-	24,892
Stormwater	9,634	8	-	9,642
Land	37,613	(81)	(4,350)	33,182
Buildings	14,691	4,923	-	19,614
Parks and Reserves	2	-	-	2
Total gain on asset revaluation	314,292	5,612	(4,350)	315,554

Available for Sale Revaluation Reserve

Available for sale revaluation reserves consist of:

	2015/16		
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	5	23	28
Investment bonds	-	-	-
Total	5	23	28

	2014/15		
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	(2)	7	5
Investment bonds	13	(13)	-
Total	11	(6)	5

Restricted Reserves

	2015/16 \$000	2014/15 \$000
Trust and bequest funds		
Opening balance 1 July	72	68
Transfers to accumulated funds	3	4
Closing balance 30 June	75	72

11. Cash and Cash Equivalents

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

	2015/16 \$000	2014/15 \$000
Cash at bank and on hand	1,290	825
Term deposits with maturities of less than 3 months at acquisition	1,212	5,180
Total cash and equivalents	2,502	6,005

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$2,502,000 (2014/15: \$6,005,000), an amount of \$77,000 (2014/15: \$72,000) is restricted in its use.

12. Other Financial Assets

The fair value of the unlisted shares in NZ 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 2015. 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 cost.

	2015/16 \$000	2014/15 \$000
Current portion		
Deposits maturing 3-12 months	16,700	10,327
Investment bonds	-	-
	16,700	10,327
Add (less) fair value adjustment investment bonds	-	-
Total current portion	16,700	10,327

	2015/16 \$000	2014/15 \$000
Non-current portion		
Share investments in unlisted companies	156	133
Total non-current portion	156	133
Total other financial assets	16,856	10,460

Interest Rates

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

	2015/16	2014/15
Corporate and bank bonds are no longer held	0%	7.75%
Short-term deposits, promissory and floating rate notes	3.31%	4.21%

Investment Maturities

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

	2015/16			Total \$000
	Short-term Deposits \$000	Promissory & Floating Rate Notes \$000	Corporate & Bank Bonds \$000	
Less than 3 months				
3 to 12 months	16,700	-	-	16,700
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	16,700	-	-	16,700

	2014/15			Total \$000
	Short-term Deposits \$000	Promissory & Floating Rate Notes \$000	Corporate & Bank Bonds \$000	
Less than 3 months	-	-	-	-
3 to 12 months	10,327	-	-	10,327
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	10,327	-	-	10,327

13. Receivables

	2015/16 \$000	2014/15 \$000
Sundry accounts receivable	917	1,048
Goods and Services Tax	462	280
Rates receivable	547	614
NZ Transport Agency subsidy	474	556
Prepaid expenses	294	159
Receivables prior to impairment	2,693	2,657
Less provision for impairment receivables	(96)	(95)
Total receivables	2,598	2,562

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 being 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 rates receivable is detailed below:

	2015/16		
	Gross \$000	Impairment \$000	Net \$000
Rates receivable			
Reporting year ended 30 June	352	(22)	330
Unpaid 1 year	110	(21)	89
Unpaid 2 years	25	(13)	12
Unpaid older	60	(30)	31
Total rates receivable	547	(86)	462

	2014/15		
	Gross \$000	Impairment \$000	Net \$000
Rates receivable			
Reporting year ended 30 June	472	(21)	451
Unpaid 1 year	52	(13)	39
Unpaid 2 years	28	(12)	16
Unpaid older	62	(32)	30
Total rates receivable	614	(78)	536

As at 30 June 2016 and 2015, 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:

	2015/16		
	Gross \$000	Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	771	-	771
Unpaid 1 month	42	-	42
Unpaid 2 months	25	-	25
Unpaid 3 months and older	79	(10)	69
Total sundry accounts receivable	917	(10)	907

	2014/15		
	Gross \$000	Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	718	-	718
Unpaid 1 month	246	-	246
Unpaid 2 months	13	-	13
Unpaid 3 months and older	71	(17)	54
Total sundry accounts receivable	1,048	(17)	1,031

14. Inventory

	2015/16 \$000	2014/15 \$000
Commercial inventory:		
- land developed and held for sale	501	373
Total inventory	501	373

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.

15. Payables

	2015/16 \$000	2014/15 \$000
Trade payables and accrued expenses	4,460	3,200
Audit fee accruals	109	86
Agency and deposits	291	435
Total payables	4,860	3,721

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.

16. Employee Entitlements

	2015/16 \$000	2014/15 \$000
Accrued pay	199	163
PAYE / Kiwisaver owed to IRD	174	98
Annual and Statutory leave entitlements	511	521
Retirement leave entitlements	29	29
Total employee entitlements	913	811

17. Community Loans

Community loans 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 2015/16 5%; 2014/15 5%) or interest free loans.

	2015/16 \$000	2014/15 \$000
Mortgages and other investments		
- Interest bearing	465	549
- Non-interest bearing	521	485
	986	1,034
Less provision for impairment community loans	-	(1)
	986	1,033
Interest Rates		
Mortgages and other investments (interest bearing)	5.81%	6.07%

18. Property, Plant and Equipment

Restricted Assets

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

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

Heritage Assets

Heritage assets are included in the asset register in the same categories as non-heritage assets of similar nature. The book values of building heritage assets have been revalued as at 1 July 2015 and are as follows:

	2015/16 \$000	2014/15 \$000
Buildings	118	121
Bridges	378	403
	496	524

Water, wastewater and stormwater assets were revalued with an effective date of 1 July 2015. These valuations were dated 30 May 2016.

Roading assets were revalued with an effective date of 1 July 2015. These valuations were dated 23 May 2016.

All the above were revalued on an optimised depreciation replacement cost basis and carried out by Rationale Ltd. Edward Guy (Civil), BCom, managing director of Rationale was the principal valuer for this work.

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

- Public Benefit Entity International Public Sector Accounting Standard (PBE IPSAS) 17 – Property, Plant and Equipment.
- NZ Infrastructure Asset Valuation and Depreciation Guidelines Version 2 2006.
- Local Government (Financial Reporting Prudence) Regulations 2014.

Parks and reserves assets were revalued with an effective date of 1 July 2015. These valuations were dated 30 May 2016.

All the above were revalued on an optimised depreciation replacement cost basis and carried out by Rationale Ltd. Edward Guy (Civil), BCom, managing director of Rationale was the principal valuer for this work.

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.

Property, Plant and Equipment as at 30 June 2016

	Cost Revaluation 1-Jul-15	Accumulated Depreciation and Impairment Charges 1-Jul-15	Carrying Amount 1-Jul-15	Transfers of completed or Additional Work	Current Year Additions Council Constructed	Current Year Additions Transferred To Council	Current Year Disposals at Cost	Accum Depn on Disposals	Asset Adjustments	Current Year Depreciation	Revaluation	Revaluation Depreciation Recovered	Cost/Revaluation 1-Jul-16	Accum Depn and Impairment Charges 1-Jul-16	Carrying Amount 1-Jul-16	Estimated Replacement Cost 30-Jun-16
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
INFRASTRUCTURAL ASSETS																
Bridges	35,501	(1,239)	34,262	-	-	-	-	-	-	(619)	(1,117)	1,239	34,384	(619)	33,765	73,209
Roading	392,745	(7,489)	385,256	-	3,742	1,817	-	-	-	(4,321)	5,284	7,490	403,588	(4,321)	399,268	462,083
Under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	9,778	-	9,778	-	-	281	-	-	-	-	50	-	10,109	-	10,109	9,829
Stormwater																
Treatment Plant & Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	20,518	(380)	20,138	-	127	834	-	-	-	(470)	3,590	380	25,069	(470)	24,599	36,729
Under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply																
Treatment Plant & Facilities	14,711	(384)	14,327	-	527	-	-	-	-	(392)	(322)	384	14,916	(392)	14,524	22,617
Other Assets	46,279	(791)	45,488	37	1,299	731	-	-	-	(912)	9,372	791	57,718	(912)	56,806	75,554
Under Construction	338	-	338	(225)	193	-	-	-	-	-	(24)	-	282	-	282	-
Wastewater																
Treatment Plant & Facilities	10,680	(412)	10,268	-	526	-	-	-	-	(413)	(590)	411	10,616	(414)	10,202	18,085
Other Assets	30,068	(737)	29,331	903	979	1,017	-	-	-	(858)	3,467	737	36,434	(858)	35,576	60,808
Under Construction	1,650	-	1,650	(995)	919	-	-	-	-	-	(84)	-	1,490	-	1,490	-
	562,268	(11,432)	550,836	(280)	8,312	4,680	-	-	-	(7,985)	19,626	11,432	594,606	(7,985)	586,621	758,914
OPERATIONAL ASSETS																
Equipment	1,443	(1,117)	326	-	474	-	-	-	-	(180)	-	-	1,918	(1,297)	621	-
Furniture and Fittings	1,490	(960)	530	-	171	-	(8)	7	-	(77)	-	-	1,653	(1,030)	623	-
Parks and Reserves	9,355	(2,557)	6,798	251	427	107	-	-	-	(465)	(612)	2,547	9,528	(475)	9,053	16,575
Under Construction	62	-	62	(62)	7	-	-	-	-	-	-	-	7	-	7	-
Other	5,225	(1,241)	3,984	75	477	-	(19)	1	-	(242)	-	-	5,758	(1,482)	4,276	-
Under Construction	-	-	-	16	-	-	-	-	-	-	-	-	16	-	16	-
Plant and Machinery	1,814	(971)	843	5	218	-	-	-	-	(120)	-	-	2,037	(1,091)	946	-
Under Construction	5	-	5	(5)	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	749	(272)	477	-	80	-	(25)	19	-	(103)	-	-	804	(356)	448	-
Land	39,773	(85)	39,688	-	-	-	(44)	-	(26)	-	(500)	-	39,203	(85)	39,118	-
Buildings	39,001	(1,302)	37,699	-	547	-	-	-	-	(1,339)	-	-	39,548	(2,641)	36,907	-
Under Construction	23	-	23	-	378	-	-	-	-	-	-	-	401	-	401	-
Library Books	2,693	(2,099)	597	-	119	-	(1,311)	1,311	-	(124)	-	-	1,504	(912)	592	-
	101,636	(10,604)	91,032	280	2,898	107	(1,407)	1,338	(26)	(2,650)	(1,112)	2,547	102,376	(9,369)	93,007	16,575
TOTAL FIXED ASSETS	663,904	(22,036)	641,868	-	11,210	4,787	(1,407)	1,338	(26)	(10,635)	18,514	13,979	696,982	(17,354)	679,628	775,489

Property, Plant and Equipment as at 30 June 2015

	Cost Revaluation 1-Jul-14	Accumulated Depreciation and Impairment Charges 1-Jul-14	Carrying Amount 1-Jul-14	Transfers of completed or Additional Work	Current Year Additions Council Constructed	Current Year Additions Transferred To Council	Current Year Disposals at Cost	Accum Depn on Disposals	Asset Adjustments	Current Year Depreciation	Revaluation	Revaluation Depreciation Recovered	Cost/Revaluation 1-Jul-15	Accum Depn and Impairment Charges 1-Jul-15	Carrying Amount 1-Jul-15	Estimated Replacement Cost 30-Jun-15
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
INFRASTRUCTURAL ASSETS																
Bridges	35,501	(619)	34,882	-	-	-	-	-	-	(620)	-	-	35,501	(1,239)	34,262	73,208
Roading	388,346	(3,673)	384,673	-	4,009	390	-	-	-	(3,816)	-	-	392,745	(7,489)	385,256	438,346
Under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	9,707	-	9,707	-	-	71	-	-	-	-	-	-	9,778	-	9,778	9,707
Stormwater																
Treatment Plant & Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	20,692	(375)	20,317	-	31	162	-	-	-	(380)	(367)	375	20,518	(380)	20,138	30,417
Under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply																
Treatment Plant & Facilities	14,809	(380)	14,429	-	94	-	-	-	-	(384)	(192)	380	14,711	(384)	14,327	22,409
Other Assets	44,964	(778)	44,186	120	800	825	-	-	-	(791)	(430)	778	46,279	(791)	45,488	62,749
Under Construction	215	-	215	(120)	243	-	-	-	-	-	-	-	338	-	338	-
Wastewater																
Treatment Plant & Facilities	10,710	(418)	10,292	-	146	-	-	-	-	(412)	(176)	418	10,680	(412)	10,268	17,952
Other Assets	29,873	(725)	29,148	651	81	202	-	-	-	(736)	(739)	724	30,068	(737)	29,331	52,703
Under Construction	1,790	-	1,790	(651)	511	-	-	-	-	-	-	-	1,650	-	1,650	-
	556,607	(6,968)	549,639	-	5,915	1,650	-	-	-	(7,139)	(1,904)	2,675	562,268	(11,432)	550,836	707,491
OPERATIONAL ASSETS																
Equipment	1,736	(1,476)	260	-	190	-	(483)	483	-	(124)	-	-	1,443	(1,117)	326	
Furniture and Fittings	1,205	(899)	306	-	287	-	(2)	-	-	(61)	-	-	1,490	(960)	530	
Parks and Reserves	7,147	(2,177)	4,970	1,128	1,055	25	-	-	-	(380)	-	-	9,355	(2,557)	6,798	
Under Construction	1,128	-	1,128	(1,128)	62	-	-	-	-	-	-	-	62	-	62	
Other	3,933	(1,024)	2,909	941	370	-	(19)	5	-	(222)	-	-	5,225	(1,241)	3,984	
Under Construction	941	-	941	(941)	-	-	-	-	-	-	-	-	-	-	-	
Plant and Machinery	2,607	(1,350)	1,257	-	106	-	(899)	490	-	(111)	-	-	1,814	(971)	843	
Under Construction	-	-	-	-	5	-	-	-	-	-	-	-	5	-	5	
Motor Vehicles	813	(342)	471	-	159	-	(223)	166	-	(96)	-	-	749	(272)	477	
Land	45,155	(85)	45,070	-	-	-	(548)	-	(4,753)	-	(81)	-	39,773	(85)	39,688	
Buildings	37,032	(3,592)	33,440	200	421	-	(48)	-	-	(1,236)	1,396	3,526	39,001	(1,302)	37,699	
Under Construction	200	-	200	(200)	23	-	-	-	-	-	-	-	23	-	23	
Library Books	2,617	(1,974)	643	-	79	-	-	-	-	(125)	-	-	2,696	(2,099)	597	
	104,514	(12,919)	91,595	-	2,757	25	(2,222)	1,144	(4,753)	(2,355)	1,315	3,526	101,636	(10,604)	91,032	
TOTAL FIXED ASSETS	661,121	(19,887)	641,234	-	8,672	1,675	(2,222)	1,144	(4,753)	(9,494)	(589)	6,201	663,904	(22,036)	641,868	

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 \$000	Computer Software \$000	Branding \$000	Total \$000
Cost				
Balance at 1 July 2015	83	958	145	1,186
Additions	-	210	-	210
Disposals	-	-	-	-
Balance at 30 June 2016	83	1,168	144	1,396
Balance at 1 July 2014	83	678	144	905
Additions	-	280	1	281
Disposals	-	-	-	-
Balance at 30 June 2015	83	958	145	1,186
Accumulated amortisation and impairment				
Balance at 1 July 2015	-	544	143	687
Amortisation charge	-	175	2	177
Disposals	-	-	-	-
Balance at 30 June 2016	-	719	145	864
Balance at 1 July 2014	-	383	127	510
Amortisation charge	-	161	16	177
Disposals	-	-	-	-
Balance at 1 July 2015	-	544	143	687
Carrying amounts				
Balance at 30 June 2014	83	295	17	395
Balance at 30 June and 1 July 2015	83	414	2	499
Balance at June 2016	83	449	-	532

20. Insurance

The Council holds asset insurance with multiple insurance companies including Vero, ACE, AIG and Primacy as at 30 June 2016.

- The total value of all assets covered by insurance contracts is \$85 million. The maximum amount for which these assets is insured is \$156 million. 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 \$607 million. These are not covered by insurance policies.

21. Forestry Assets

Independent registered valuers, Laurie Forestry Limited, have valued Council owned forestry assets as at 30 June 2016.

As at 30 June the Council owned forests had a 45% decrease in value over the value as at the same time last year. The decrease is attributable to closure of the continuous log-line at Tapanui which has resulted in anticipating the logs will be required when harvested to be transported to Port Chalmers. This adjustment has significantly impacted on the Cromwell and Alexandra forests.

There are no carbon liabilities attached to the Council's forest estate.

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

- A real pre-tax discount rate of 8.5% has been used this year
- The value is of the tree crop only
- No volume growth in the old crop trees at Alexandra and Cromwell
- The valuation assumes that the forest will be grown for one rotation only and that no further planting will be undertaken
- The valuation uses current costs and no adjustment has been made for inflation

The Central District Council has forest investments of:

- 30.9 net stocked hectares in Alexandra
- 75.2 net stocked hectares in Cromwell
- 3.0 net stocked hectares in Ranfurly
- 2.6 net stocked hectares in Naseby
- 10.5 net stocked hectares in Roxburgh

Alexandra – 20.8 ha of Radiata pine of an undetermined age ready to be harvested at any time, with the balance ranging from 22 – 30 years old.

Cromwell – 15.7 ha of Radiata pine of an undetermined age ready to be harvested with the balance ranging from 31 - 34 years old.

Ranfurly – 1.6 ha of Corsican pine 26 years old and 1.4 ha of Radiata pine 31 years old.

Naseby – 2.6 ha Corsican pine 36 years.

Roxburgh – 10.5 ha of Radiata pine 32 years old.

Assumption: Radiata mature for clear felling at 35 years of age and Corsican pine 60 years.

Central Otago District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

Joint Venture

Central Otago District Council has 25% investment in a joint venture forest with Queenstown Lakes District Council which comprises of a total of 172.5 net stock hectares of Douglas fir from 31 to 21 years old. The forest is planted entirely in Douglas fir.

Valuations

Independent registered valuers Laurie Forestry Limited have valued forestry assets as at 30 June 2016. A pre tax discount rate of 8.5% has been used this year. The discount rate for 2014/15 was 8%.

The value of the Joint Venture Forest as at 30 June represents a 15.2% increase in value over the same time last year. The increase is attributable to natural growth, partly offset by higher harvesting and cartage costs.

- The valuation assumes that the forest will be grown for one rotation only and that now further planting will be undertaken
- The valuation uses current costs and no adjustment has been made for inflation

Assumption: Douglas fir mature for clear felling at an average age of 45.

	2015/16 \$000	2014/15 \$000
Balance as at 1 July	1,032	933
Increases due to purchases	15	8
Gain (loss) arising from revaluation	(325)	91
Gain (loss) arising from sales	-	-
Balance as at 30 June	722	1,032
The gain (loss) comprised of:		
Queenstown Joint Venture Forest	36	12
Alexandra Forest	(33)	13
Cromwell Forest	(336)	55
Naseby Forest	12	-
Ranfurly Forest	-	1
Roxburgh Forest	(4)	10
	(325)	91

22. Investment Property

Central Otago District Council investment properties are valued annually at fair values effective 30 June. All properties were valued on open market evidence. The valuation was performed by QV Valuations who are experienced in property valuation in the local market.

There are no contractual obligations in relation to investment properties at balance date.

	2015/16 \$000	2014/15 \$000
Balance as at 1 July	1,205	1,635
Additions from acquisitions	-	-
Expenditure on earthquake strengthening	-	209
Disposals	-	-
Gains (loss) arising from revaluation	60	(639)
Balance at 30 June	1,265	1,205
Rental income from investment property	111	111
Direct expenses from investment property generating income	26	20
Direct expenses from investment property not generating income	-	-

23. Joint Venture

Council has a one quarter interest in the Coronet Forest accounted for as a jointly controlled operation with Queenstown Lakes District Council. Council's interests in the jointly controlled operation are as follows:

Income for Year 2015/16 included a valuation gain of \$35,535.

	2015/16 \$000	2014/15 \$000
Current assets	-	-
Non-current assets	287	236
Current liabilities	-	-
Non-current liabilities	-	-
Income	36	12
Expenses	-	-

24. Landfill Aftercare Provision

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

These responsibilities include:

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

The cash outflows are expected to continue through to 2021 when the last of the current resource consents expires. Future monitoring requirements past this date are not quantifiable. No reimbursements are expected.

The long term nature of this liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using existing technology and is discounted at a rate of 6%.

	2015/16 \$000	2014/15 \$000
Opening balance	33	38
Less applied to operations	(7)	(7)
Add Interest time adjustment	2	2
Closing balance	28	33

25. Capital Commitments

	2015/16 \$000	2014/15 \$000
Capital commitments		
Property	45	267
Water system	120	593
Wastewater system	45	674
Parks and reserves	969	-
Total capital commitments	1,179	1,535

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

26. Operating Leases

Leasing Arrangements – Operating Leases as Lessee

Operating leases relate to the rental of buildings, office equipment, computers, 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

	2015/16 \$000	2014/15 \$000
No longer than 1 year	344	278
Longer than 1 year and not longer than 5 years	483	549
Longer than 5 years	-	-
Total non-cancellable operating leases	827	827

Leasing Arrangements – Operating Leases as Lessor

Investment and commercial properties owned by the Council are leased under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2015/16 \$000	2014/15 \$000
No longer than 1 year	213	184
Longer than 1 year and not longer than 5 years	274	264
Longer than 5 years	-	-
Total non-cancellable operating leases	487	448

27. Emissions Trading Scheme

The Council is part of the Emissions Trading Scheme (ETS) for its pre 1990 forests (mandatory participation).

Under the ETS the Council is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre 1990 forests. Under the ETS liabilities can accrue as follows:

Pre 1990 Forests

Liabilities accrue if the pre 1990 forest land is deforested and not replanted. The council does not anticipate any future liabilities will arise in relation to pre 1990 forest land based on the intention to replant trees harvested or removed in any other way.

28. Contingencies

Contingent Assets

Contingent assets comprise the value of lessees' improvements on land leased from Council where a term of the lease provides for the improvements to vest in Council on the dissolution of the community group leasing that part of the reserve. Until this event occurs these assets are not recognised in the Statement of Financial Position. For 2015/16 and 2014/15, an assessment has been made that there is no probability of the community groups dissolving and the improvements vesting in Council, resulting in a disclosure of nil.

29. Remuneration

Remuneration of Elected Members

	2015/16 \$000	2014/15 \$000
Mayor		
A B Lepper	86	83
Councillors		
N J Gillespie*	25	25
S J Battrick	21	19
C R Higginson	21	19
S F Jeffrey	21	19
Dr B J Wills	21	19
S A Calvert	20	18
S L Duncan	20	18
N McKinlay	20	18
M R McPherson*	23	25
M C Topliss	20	18
Total elected representatives' remuneration	298	281

* Additional remuneration was provided to N Gillespie and M McPherson due to positions held on the hearing panels

Remuneration of Chief Executive Officer

The Chief Executive Officer of the Central Otago District Council, appointed under section 42 (1) of the Local Government Act 2002, received salaries and benefits as detailed below:

	2015/16 \$000	2014/15 \$000
Salary – permanent CEO's	215	190
Motor vehicle	15	15
Salary – acting CEO	-	21

As at 30 June 2016, the annual cost, including benefits, to the Central Otago District Council for the combined remuneration package of the Chief Executive is calculated at \$230,004 (2015 - \$205,072 partial vacancy). The above figures are the full amount paid exclusive of expense claims.

Remuneration of Key Management

	2015/16 \$000	2014/15 \$000
Remuneration of Key Management	813	844

Key management includes the Chief Executive and the four managers, who form the Executive Team. During 2015/16 the position of Chief Financial Officer was vacant for three months. The key management remuneration is all short-term benefit and includes the value of motor vehicles assigned to managers.

Total staff numbers by remuneration band

2015/16	
Total annual remuneration by band for employees at 30 June 2016	
<\$60,000	148
\$60,000-\$79,999	27
\$80,000-\$99,999	15
\$100,000-\$159,999	8
\$160,000-\$239,999	2
Total employees	200

2014/15	
Total annual remuneration by band for employees at 30 June 2015	
<\$60,000	151
\$60,000-\$79,999	24
\$80,000-\$99,999	13
\$100,000-\$179,999	7
\$180,000-\$239,999	1
Total employees	196

Total remuneration includes non-financial benefits paid to employees.

Total employee numbers include all casual employees who have a current employment contract with the Council. This inclusion has resulted in a change to the 2014/15 comparative figure to 196 employees (2014/15 Annual Plan 115). The increase of 81 employees is represented in the <\$60,000 band.

At balance date, the Council employed 89 (2015 76) full-time employees, with the balance of staff representing 35 (2015 31) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance Agreements

Pursuant to Schedule 10 Part 3 (19) of the Local Government Act 2002, the Council is required to disclose the cost of any severance agreement with an employee. No such severance agreements occurred during 2015/16 (2014/15 – Nil).

30. Related Party Transactions

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

31. Financial Instruments

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

Credit Risk

Financial instruments which potentially subject the Council to credit risk, principally consist of bank balances, debtors and other receivables, short term investments and other financial assets.

The Council's main bank accounts are held with the Bank of New Zealand. Surplus funds are invested in accordance with Council policy with a number of approved trading banks, building societies, local authorities, state owned enterprises, regional health entities, corporates or in NZ Government stock. Council's investment policy limits the amount of credit exposure to any one financial institution or organisation.

The level and spread of debtors and other receivables minimises the Council's exposure to risk. Collateral held: Rates as a charge on the property pursuant to the Local Government (Rating) Act 2002.

Maximum Exposure to Credit Risk and Fair Values

The maximum exposure to credit risk and fair value of financial instruments is equivalent to the carrying amount in the Statement of Financial Position. Council manages the credit risk by spreading its investments across several institutions that have approved credit ratings.

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Credit Rating	2015/16 \$000	2014/15 \$000
Loans and receivables			
Bank balances and term deposits	BBB and greater. No defaults in the past	19,202	16,332
Debtors and other receivables	Note 13	2,598	2,557
Community loans	Not rated, no defaults in the past	986	1,033
Total credit risk loans and receivables		22,786	19,922
Available for sale financial assets			
Investment bonds	A+ no defaults in the past	-	-
Promissory and floating rate notes	Not rated, no defaults in the past	-	-
Total Credit Risk Available for Sale Financial Assets			-
Total credit risk		22,786	19,922

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.

	2015/16		2014/15	
	\$000	\$000	\$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
	Effect on surplus (deficit)		Effect on surplus (deficit)	
Cash and cash equivalents	(13)	13	(23)	23
Promissory and floating rate notes			-	-
Total sensitivity	(13)	13	(23)	23

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 which maintain high levels of liquidity.

Price Risk

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

32. Internal Loans

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

	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing Balance \$000
Water	5,129	456	(377)	5,208
Wastewater	650	725	(107)	1,268
Stormwater	-	-	-	-
Transportation	3,567	791	(261)	4,098
Waste Minimisation	1,135	1,098	-	2,232
Other Infrastructure	1,212	274	(215)	1,272
Parks, Reserves and Cemeteries	89	-	(9)	80
Community Facilities, Libraries and Swimming Pools	996	436	(189)	1,243
District Development	186	45	(10)	221
Governance and Corporate Services	7,493	317	(503)	7,310
	20,460	4,142	(1,671)	22,932

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 following table details the amount of internal interest included within the respective Funding Impact Statements.

	2015/16 Actual \$000	2015/16 Estimate \$000	2014/15 Actual \$000
Water	182	365	235
Wastewater	23	86	33
Stormwater	-	-	-
Transportation	103	150	53
Waste Minimisation	37	25	11
Other Infrastructure	64	80	63
Parks, Reserves and Cemeteries	3	2	3
Community Facilities, Libraries and Swimming Pools	34	67	79
District Development	-	-	-
Governance and Corporate Services	260	423	315
	706	1,198	793

33. Capital Management

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

The Council has the following Council created reserves:

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

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

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

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

34. Statement of Cash Flow

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

	2015/16 \$000	2014/15 \$000
Net Surplus (Deficit) After Tax	6,299	2,330
Add (less) non-cash items:		
Depreciation	10,635	9,491
Amortisation of intangible assets	177	177
Vested Assets	(4,786)	(1,675)
Valuation gains	(109)	(197)
Valuation losses	373	684
Amortisation of landcare liability	5	5
Other non-cash expenses	-	100
Add (less) movements in working capital items:		
Decrease (increase) in debtors and other receivables	270	(53)
Decrease (increase) in prepayments	(141)	1
Increase (decrease) in agency and deposits	(144)	(437)
Increase (decrease) in creditors and other payables	1,383	(478)
Decrease (increase) in net GST receivable	(181)	222
Add (less) items included in investing activities:		
Net (gain) loss on sale of assets	(244)	(372)
(Increase) decrease in fixed asset related payables	14	(241)
Add (less) item included in term liabilities	-	-
Decrease in landfill aftercare liability	(5)	(5)
Net cash inflow (outflow) from operating activities	13,546	9,552

35. Adjustments to the Reserves Comparative Year Financial Statements

The Council has adjusted its comparative year financial statements for the year ended 30 June 2015 due to reclassification adjustments for assets that were not owned by council. The adjustments are shown in the table below:

RESERVES		Annual Report 2014/15 (\$000)	Transfers In 2014/15 (\$000)	Transfers Out 2014/15 (\$000)	Closing Balance 2014/15 (\$000)
Specific Reserves These reserves are designated from a statute or legal document or are to maintain and provide for improvements to separately identifiable areas.	Other Infrastructure	903	-	-	903
	Parks, Reserves and Cemeteries	18	-	-	18
	Libraries, Swimming Pools & Community Facilities	27	-	-	27
	Governance & Corporate Services	2,302	-	-	2,302
	Planning & Environment	291	-	-	291
	Self-insurance Fund	1,784	-	-	1,784
	Total Specific Reserves	5,325	-	-	5,325
Development Contributions To provide for growth in identifiable infrastructure assets.	Governance & Corporate Services	(5,138)	-	-	(5,138)
	Total Development Contributions	(5,138)	-	-	(5,138)
General Reserves These reserves are invested to provide a financial return to ratepayers.	Governance & Corporate Services	12,752	316	-	13,068
	Total General Reserves	12,752	316	-	13,068
Property To provide for the purchase of properties.	Other Infrastructure	257	-	-	257
	Libraries, Swimming Pools & Community Facilities	276	19	-	295
	Governance & Corporate Services	519	-	-	519
	Total Property	1,052	19	-	1,071
Loss of Service Potential and Development To set aside funds for the replacement or provision of assets in identifiable infrastructure areas.	Water	(1,984)	-	(11)	(1,995)
	Wastewater	2,061	-	-	2,061
	Stormwater	1,206	-	-	1,206
	Transportation	(1,767)	-	(4)	(1,771)
	Other Infrastructure	1	-	-	1
	Total Loss of Service Potential & Development	(483)	-	(15)	(498)
Amenities To provide funding for ongoing operations and assets in amenity areas.	Waste Minimisation	(297)	-	-	(297)
	Other Infrastructure	(207)	-	(4)	(211)
	Parks, Reserves & Cemeteries	687	63	-	750
	Libraries, Swimming Pools & Community Facilities	(316)	-	-	(316)
	Planning & Environment	317	-	-	317
	Total Amenities	184	63	(4)	243
Governance To provide funding for the elected member activity, specifically the democratic process.	Governance & Corporate Services	107	-	-	107
	Total Governance Reserves	107	-	-	107
District Development To provide funding for ongoing operations and assets in this activity.	District Development	148	-	-	148
	Total District Development Reserves	148	-	-	148
	Total Reserves	13,947	398	(19)	14,326

Explanatory Notes

Reclassification Adjustments

- (a) The following six assets historically listed on the council's asset register were found to be not owned by council:

Chatto Creek Recreation Reserve

Patearoa Recreation Reserve

Land Scotland Street, Roxburgh

Land Styx – Patearoa Road

Land Dunstan Road, Alexandra

Land The Mall, Cromwell

These assets were removed from the asset register and the asset revaluation reserve adjusted accordingly.

36. Events Subsequent to Balance Date

There were no events arising since balance date relating to Council activities that require adjustment to these financial statements.

Subsequent to balance date land located at Cemetery Road, Cromwell was sold. Council had in prior years declared the land surplus to requirement. The land was classified as commercial inventory. The sale agreement for 7.2 hectares went unconditional in September 2016.

Audit Opinion

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Central Otago District Council's Annual Report for the year ended 30 June 2016

The Auditor-General is the auditor of Central Otago District Council (the District Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 89 to 133:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - 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 and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 87, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision on pages 18 to 85:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 24 to 85, 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;
- the funding impact statement for each group of activities on pages 24 to 85, 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.

Compliance with requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 13 to 133 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 26 October 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

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 ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to this audit, we audited an amendment to the 2015-25 Long-term plan, which is compatible with those independence requirements. Other than these assignments we have no relationship with or interests in the District Council.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

WORK TOGETHER

We can all work together to make this a better place

OUR COUNCIL

elected members
community boards
executive team



Mayor and Councillors as at 30 June 2016



(From left to right) Martin McPherson, Clair Higginson, Stephen Jeffery, Neil Gillespie, Nigel McKinlay, Tony Lepper, Stuart Duncan, Stephen Battrick, Shirley Calvert, Malcolm Topliss and Barrie Wills

Tony Lepper
His Worship the Mayor

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mayor@codc.govt.nz

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Cromwell

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Cromwell

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Stephen Jeffery
Teviot Valley
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Community Boards as at 30 June 2016

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.

Maniototo Community Board

15 Perry Street, Ranfurly, Phone: (03) 444 9170



(From left to right) Mark Harris (Chair), Stu Duncan (Deputy), Sue Evans, Sue Umbers and Robert Hazlett.

Cromwell Community Board

42 The Mall, Cromwell. Ph: (03) 445 0211



(From left to right) Neil Gillespie (Chair), Helen Hucklebridge (Deputy), Nigel McKinlay, Gordon Stewart and Tom Pinckney.



(From left to right) Shirley Calvert and Glen Christiansen.

Community Boards as at 30 June 2016 cont...

Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: (03) 446 8105



(From left to right) Raymond Gunn (Chair), Cliff Parker (Deputy), Jenna Stevens, Russell Read and Stephen Jeffery.

Vincent Community Board as at 30 June 2016

1 Dunorling Street, Alexandra, Phone: (03) 440 0056



(From left to right) Clair Higginson (Chair), Barrie Wills (Deputy), Claire Goudie, Brian Fitzgerald and Malcolm Topliss.



(From left to right) Barry Hambleton and James Armstrong.

Executive Team as at 30 June 2016

Leanne Mash Chief Executive Officer			
Governance Communications Human Resources Emergency Management Health and Safety			
Bernard Murphy Chief Financial Officer	Julie Muir Executive Manager, Infrastructure Services	Louise van der Voort Manager, Planning and Environment	Anne Pullar Manager, Community Services
Accounting Financial Planning and Reporting Rating / Policy Information Systems Customer Service and Administration	Water Wastewater Stormwater Transportation Waste Minimisation Development Engineering	Resource Management Building Control Liquor Licensing Dog Control and Registration Environmental Health Elderly Persons' Housing Public Toilets District / Commercial Property Airports Community Facilities Parks and Recreation Cemeteries Libraries Swimming Pools	Economic Development Tourism Central Otago Visitor Information Centres Community Planning Regional Identity Promotions and Grants



1 Dunorling Street, PO Box 122, Alexandra

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