



2017/18

ANNUAL REPORT

Central Otago District Council



The Planning Cycle

Every third year Council sets out the strategic direction for the next 10 years. This document is the Long Term Plan and includes such things as the Capital Work Programme and financial information for the next 10 years along with key strategies and policies. In the two years between Long Term Plans, an Annual Plan is produced. Every year an Annual Report is produced that measures both financial and non-financial performance against the relevant Long Term or Annual Plan.

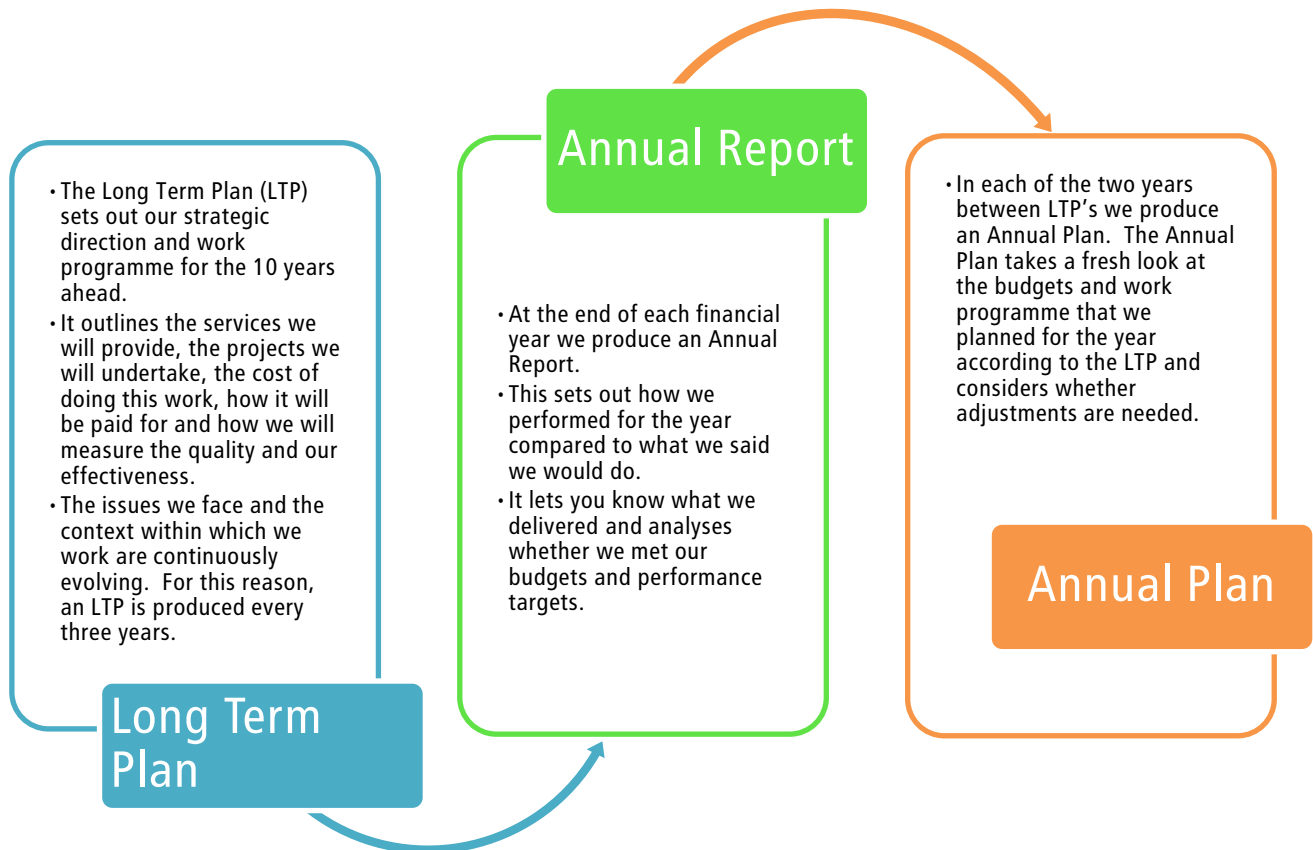


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Our Space, Our Place

The Central Otago District covers an area of 9,968.5km² 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 (2013 census). 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 an attractive 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

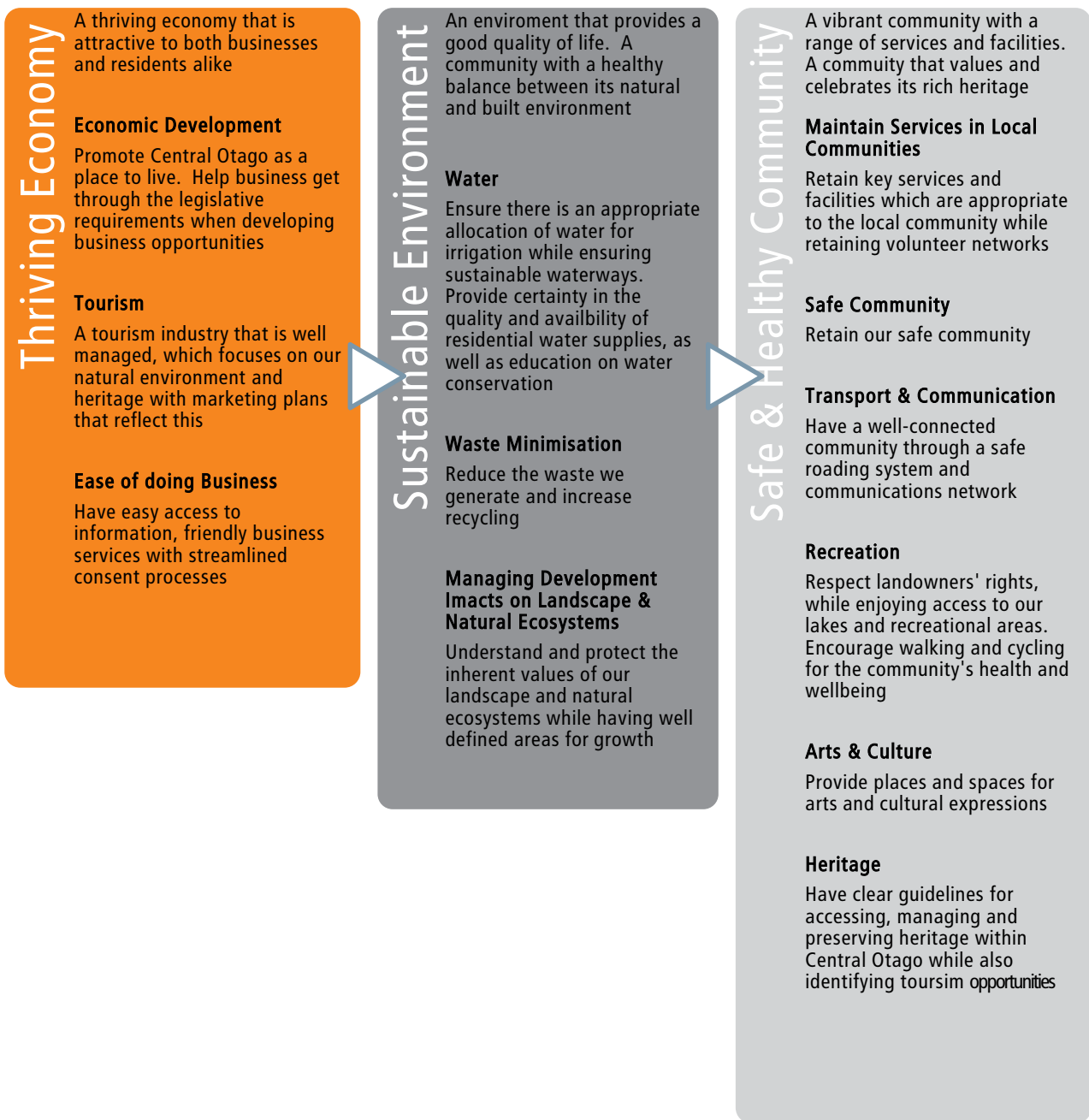
The aspirations of our Central Otago community are central to our planning.

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 Māori

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 Rōpu 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



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 2017/18 year.

When reflecting on the last 12 months something that really warrants mention from an organisational perspective is the Roxburgh flooding event of late November.

The flash flooding that hit on Sunday 26 November 2017 was a significant event for the Teviot Valley. Residents and businesses were affected by both the immediate deluge, plus the after effects of road closures, and the lack of water and wastewater services.

Mother Nature tested our emergency response and our resilience as a community. Nature's fury was well-matched by the powerful show of community support. Many people came together for the benefit of Roxburgh. Emergency services, Council staff and elected members, contractors, volunteers, suppliers, businesses, medical professionals, government, residents and more.

There were more than 400 truck movements a day at the height of the clean-up but when it comes down to it what made the biggest and lasting difference was people power. The spirit of Roxburgh, the wider Teviot Valley and Central Otago as a whole really shone.

The Roxburgh event was a climactic way to round off another big calendar year at Council and was one of the last official duties – as Controller for the event – for our former Chief Executive Officer (CEO) Leanne Mash.

Just prior to Christmas we appointed Sanchia Jacobs as our new CEO and she took up the role in early February. In fact, it was the same week we launched our "Take 10

for 10" campaign encouraging the community to take 10 minutes out of their busy lives to focus on our plans for Central for the decade ahead. Delivering our 10-Year Plan was a key focus for elected members and staff in the first half of 2018. We were determined to ramp up our efforts to engage our community in the process. The bumble-bee yellow t-shirts that some of you saw us in were just one factor, but they sure made our efforts more visible than in the past and we were thrilled to hear from our community in record numbers.



Expect more of this (although not necessarily the yellow tees) because we intend to keep pulling out the stops to do great things *with* the community, and *for* the community; to be more outward looking and future focused, while remaining highly customer and people focused at the same time.

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

However, when reflecting on the year there are many projects, activities and initiatives we have undertaken to improve our services and facilities, and enhance the well-being of our community. We should take the time to acknowledge and celebrate these and strive to build on them for a brighter future. Some of these highlights are touched on in the following pages and are detailed within our activity sections in this report.

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.



Tim Cadogan
Mayor



Sanchia Jacobs
Chief Executive Officer

Promoting Our Place

Getting a taste for this place

The inaugural Eat.Taste.Central event was held 20 September – 23 October 2017. A 'Central Otago Regional Menu' was developed, designed to encourage locals and visitors to explore the variety of locations and flavours throughout Central Otago. The inaugural promotion was incredibly well-received with great feedback from the public, tourism operators and the guest judges. It showcased the diverse dining experiences Central has to offer as well as its local produce.

Locals' Weekend

i-SITEs organised a Locals' Weekend to encourage residents and our neighbours to experience Central Otago's tourism products on 14 and 15 October. Seventeen activities were offered at special 'mates rates' at 40-50% off retail. Having a specific weekend with special rates for locals was aimed at inspiring locals to experience Central Otago's tourism products so they could be wonderful ambassadors for these great experiences and further promote them to friends and family.



Working With And Celebrating Our Community

Something to bark about

Molyneux Aquatic Centre held two special pool party events during the year that got tails wagging. The inaugural Soggy Doggy Splash was held in October 2017 as part of Thyme Festival’s opening weekend and was a huge hit so another event was held in April 2018 at the end of the outdoor pool’s season. Both events were fundraisers for the local SPCA.

Hub at Roxburgh Service Centre

The Teviot Valley Community Development Scheme installed a high-speed internet connection into the Roxburgh Service Centre that is available for community use. Until such time as high speed quality internet connections are in place for the entire valley, a centralised hub has been established for the community to utilise for their own personal activities or to run their business activities. The meeting room behind the community library has been set up with computers for public use, or people can bring their own devices. IT training and support is also being provided.

Youth mural project

In December 2017, four youth art murals were unveiled at an event at Molyneux Park that were destined to beautify four public toilet facilities around Alexandra and Clyde. Other murals are in the pipeline to brighten up public spaces around the wider district, following the model of this joint initiative between the Central Otago District Arts Trust, Creative Communities Scheme and Council.

Central Otago Awards

In September 2017, we celebrated the biennial Central Otago Awards in Roxburgh. The Awards are an opportunity to recognise individuals and businesses who are making an outstanding contribution to the community of Central Otago. They are built around our regional identity values and judging is determined by those entries and nominations that most closely represent those values.



Working Smarter And Using Resources Wisely

Smart lighting installation

By 30 June 2018, more than a thousand street lights had been re-fitted or replaced as LED lights. Making the switch to smarter street lighting means sizeable cost savings in the future and a bright future for dark sky tourism in our district.

Ushering in energy savings

The new pipeline from Alexandra’s Ice In Line ice rink to Molyneux Aquatic Centre was installed at the start of the 2017/18 year, along with a new heat pump. The pipeline will carry excess heat (from the ice making) to the pool and reduce the heating costs of the facility as per the agreement with the Vincent Community Board. Ice In Line’s new plant and energy share system was commissioned in May 2018 and the energy share system was fully operational through the month of June. Cost savings were immediately visible and will be monitored and analysed going forward.

Solar-powered compacting smart bins

Council was successful in securing significant funding through the Regional Mid-sized Tourism Facilities Grant for solar powered compacting smart bins. Eight sets of three bins for Refuse, Mixed Recycling and Glass were installed at tourist hot spots around our district.



Planning For The Future

Cromwell Masterplan Programme gets underway

The Cromwell 'Eye to the Future' Masterplan programme got underway earlier in 2018. It aims to bring a fresh, holistic perspective to examine how Cromwell could grow in the future and identify the civic facilities and infrastructure that will support this growth.

Waste Management and Minimisation Plan 2018

The Waste Management and Minimisation Plan (WMMP) 2018 was approved in June following public consultation. New initiatives in the WMMP, that will be implemented in the 2018/19 year, include a change to the kerbside collection regime with a two-weekly collection for mixed recycling (yellow bin) and an eight weekly collection for glass (blue bin). An extension to the rural refuse and recycling routes will also be phased in from 1 July 2018.

New strategy for Tourism Central Otago

Council approved both a new Tourism Strategy that will guide the work of Tourism Central Otago. The overarching driver of the new strategy is a focus on doubling the value of tourism to the Central Otago economy ahead of doubling the volume of visitor numbers – a 'value over volume' approach.

New Economic and Business Development Strategy developed

Community input was sought to develop a new Economic and Business Development Strategy for the district during 2017/18. Workshops were held in Alexandra, Cromwell, Ranfurly and Roxburgh to inform members of the community about the approach being taken with the new strategy and to gather community ideas. The new strategy will cover the period 2018 to 2021 and implementation will commence once it has been adopted by Council.



Improving Our Services & Facilities

New public toilets for Cromwell and Tarras

The new toilet facility at Murray Terrace opened at the end of February to meet increased demand from visitors. A new toilet facility in Tarras was operational by August 2017, to the delight of the local community and visitors. Both projects received support from the government’s Regional Mid-sized Tourism Facilities Grant.

Bannockburn Cycleway

The Bannockburn Cycleway has been completed and the public reaction to the new track has been positive. Sections of the cycleway will provide essential links with the planned Lake Dunstan Trail between Cromwell, Bannockburn and Clyde.

Playtime at Pioneer Playground

The new junior playground at Pioneer Playground opened for use in November 2017. Extensive community consultation targeting the “play experts” themselves – the young people of our district – was carried out to determine the type of play equipment chosen.

Beyond books

Our Libraries team worked hard and got creative bringing the vision statement – Inspire – Connect – Captivate – to life this year, connecting with our community in new ways. These included offering the first Human Library experience in our district, and introducing events such as Book Chat, Yarn 2gether (knitting and crocheting group), Digital Drop-ins and a Matariki celebration.



Our Results

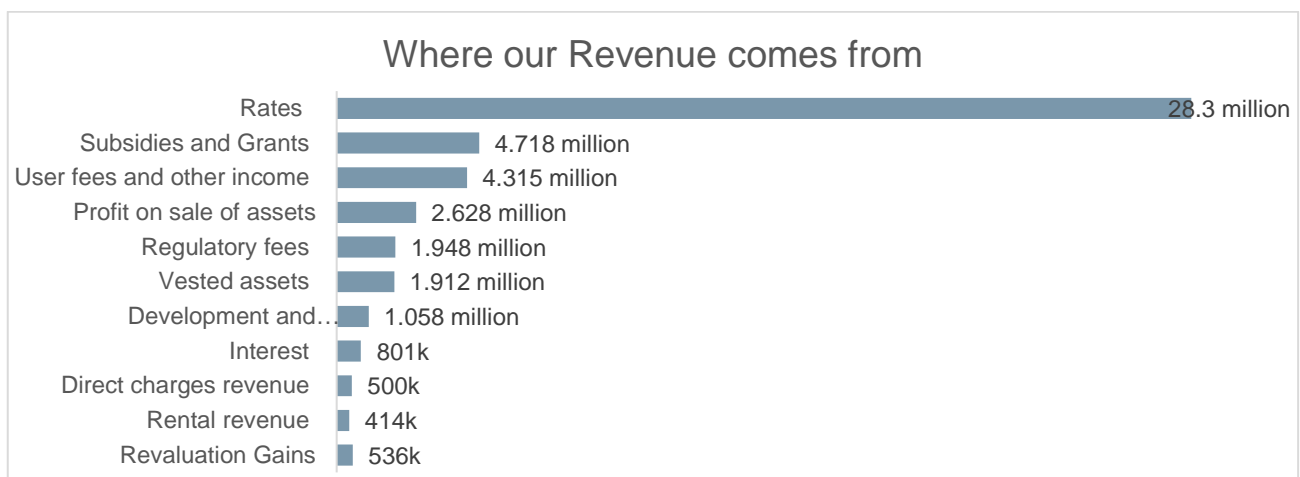
Our projects for the 2017/18 year, including those captured in our highlights on the previous page were achieved without Council going into debt. We are mindful that some projects are still in progress and there are major capital works on the horizon. We will manage these within the limits of our financial strategy.

Council ended the year with a surplus of \$5.076m after tax.

5 - Year Financial Performance	2017/18 \$000	2016/17 \$000	2015/16 \$000	2014/15 \$000	2013/14 \$000
Rates revenue *	28,300	27,185	26,458	24,957	23,657
Other revenue**	18,830	22,210	16,922	12,835	12,774
Total revenue	47,130	49,395	43,380	37,792	36,431
Employee benefit expenses	8,721	8,326	7,591	7,349	7,142
Depreciation and amortisation	12,114	10,996	10,812	9,668	9,463
Other expenses	21,219	19,292	18,678	18,445	16,553
Total expenditure	42,054	38,614	37,081	35,462	33,158
Net surplus (deficit)*	5,076	10,782	6,299	2,330	3,273
Working capital (net)	18,847	20,107	16,528	14,735	11,015
Total assets	721,531	716,438	705,590	665,039	662,771
Cash flows from operating activities	13,848	13,915	13,546	9,552	11,359
* Note: includes revenue from water meter charges					
** Note: includes vested assets	1,912	6,345	4,786	1,675	2,106

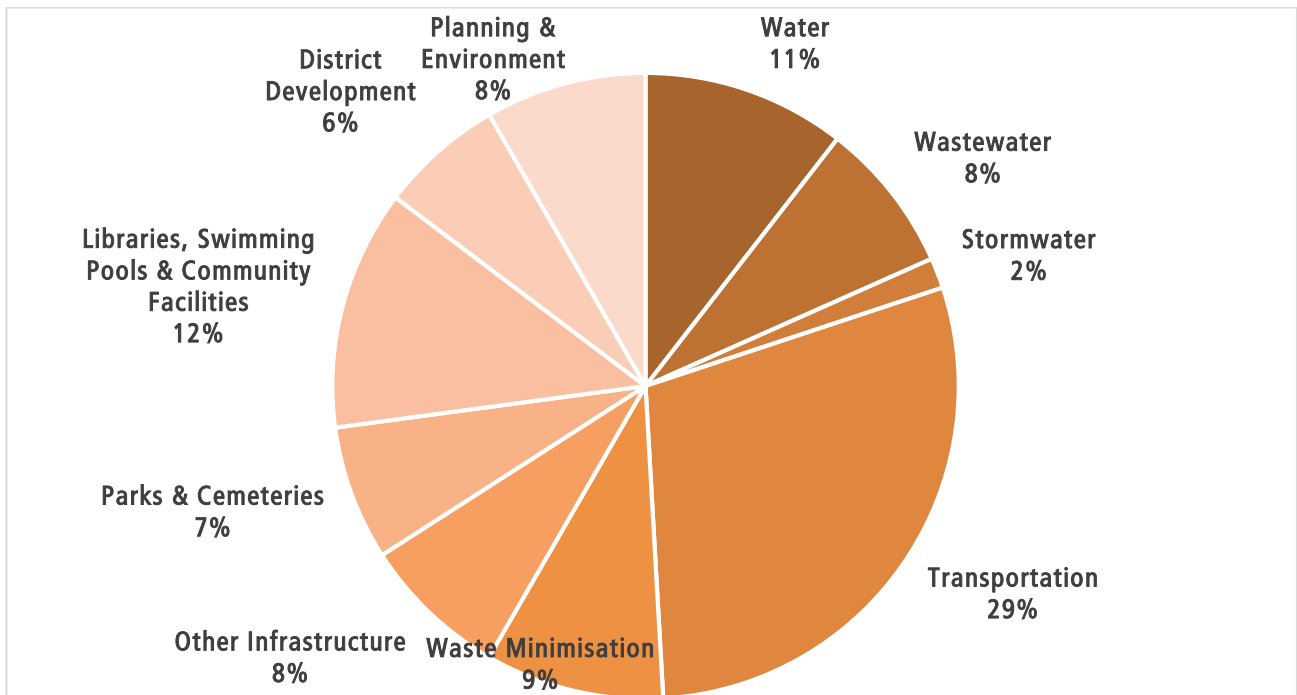
Where our revenue comes from

Total revenue of \$47.1 million.



How the money is spent by activity

Total expenditure of \$42 million.



Key Facts and Figures for 2017/18

\$47.1^{million} = Council's total revenue

\$42^{million} = Council's total expenditure

\$9.5^{billion} = our rateable capital value at 30 June 2018

\$4.6^{billion} = our rateable land value at 30 June 2018

\$0 = the district's debt

13,753 = the number of rateable properties in our district (13,309 in 2016/17)

\$696.8^{million} = the current book value of our district's non-current assets

Financial Prudence Benchmarks

Disclosure Statement

What is the purpose of this statement?

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

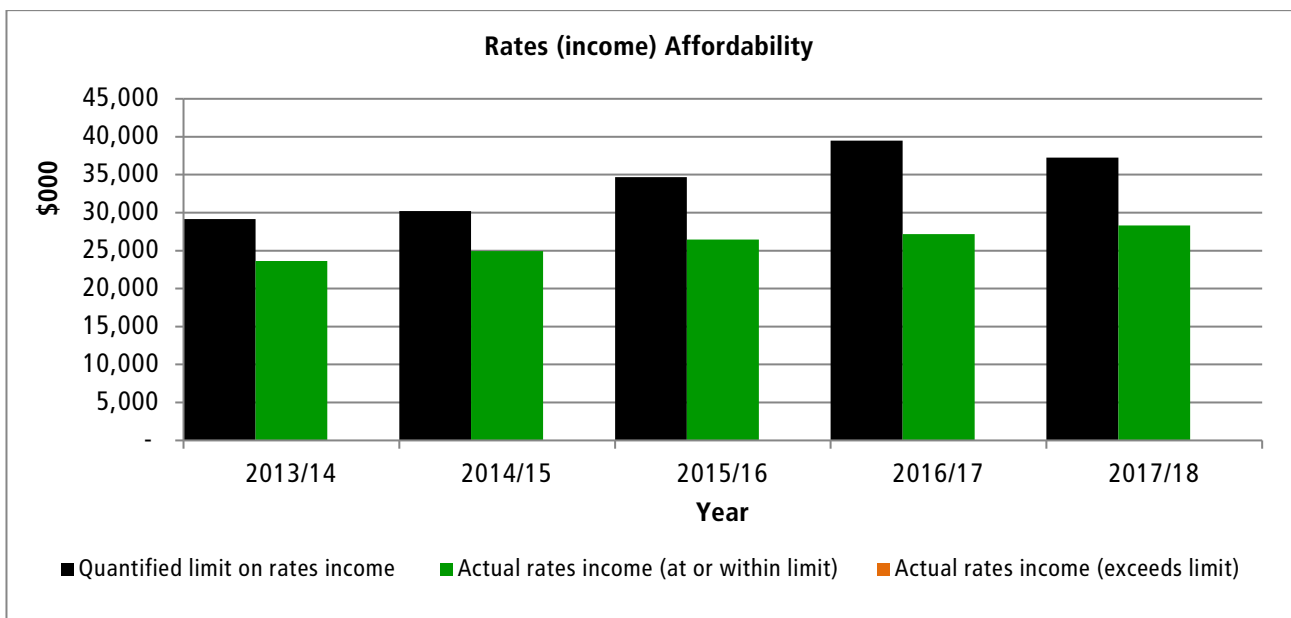
The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

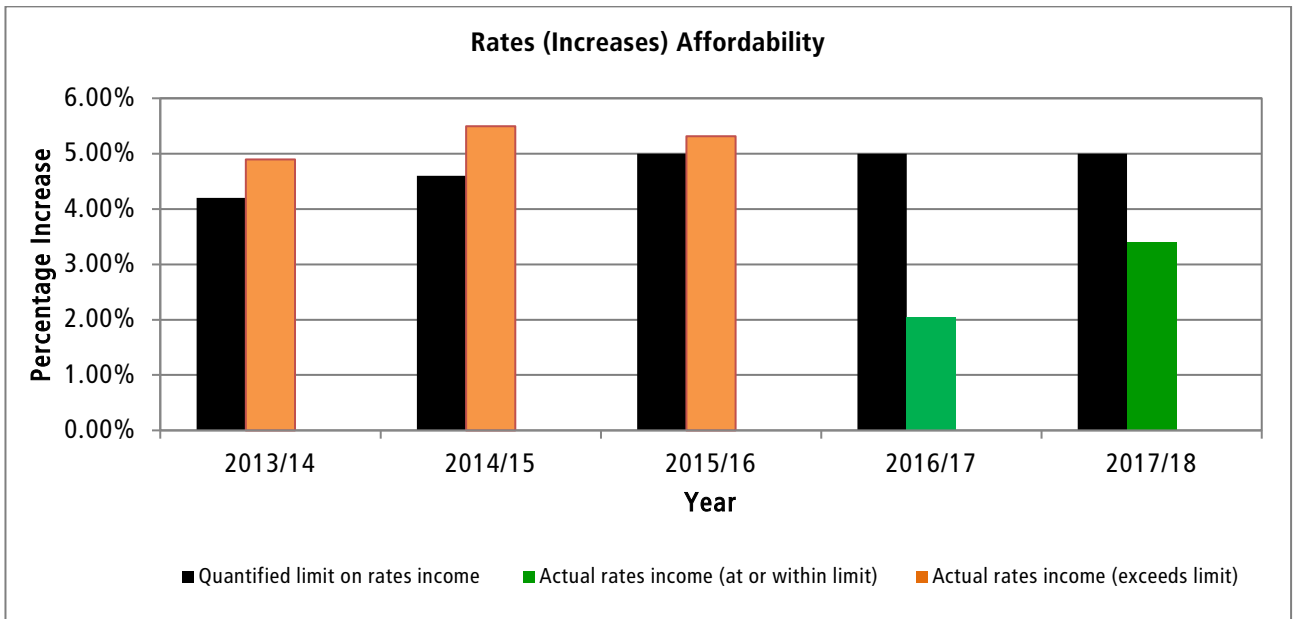
The council meets the rates affordability benchmark—

- > if actual or planned rates income for the year equals or is less than each quantified limit on rates; and
- > if actual or planned rates increases for the year equal or are less than each quantified limit on rates increases.

The following 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 is 80% of total revenue. This is shown in thousands of dollars.



The following graph compares the council’s actual rates increases with a quantified limit on rates increases from the financial strategy included in the council’s long-term plan. The quantified limit is 5% after 0.7% budgeted growth.

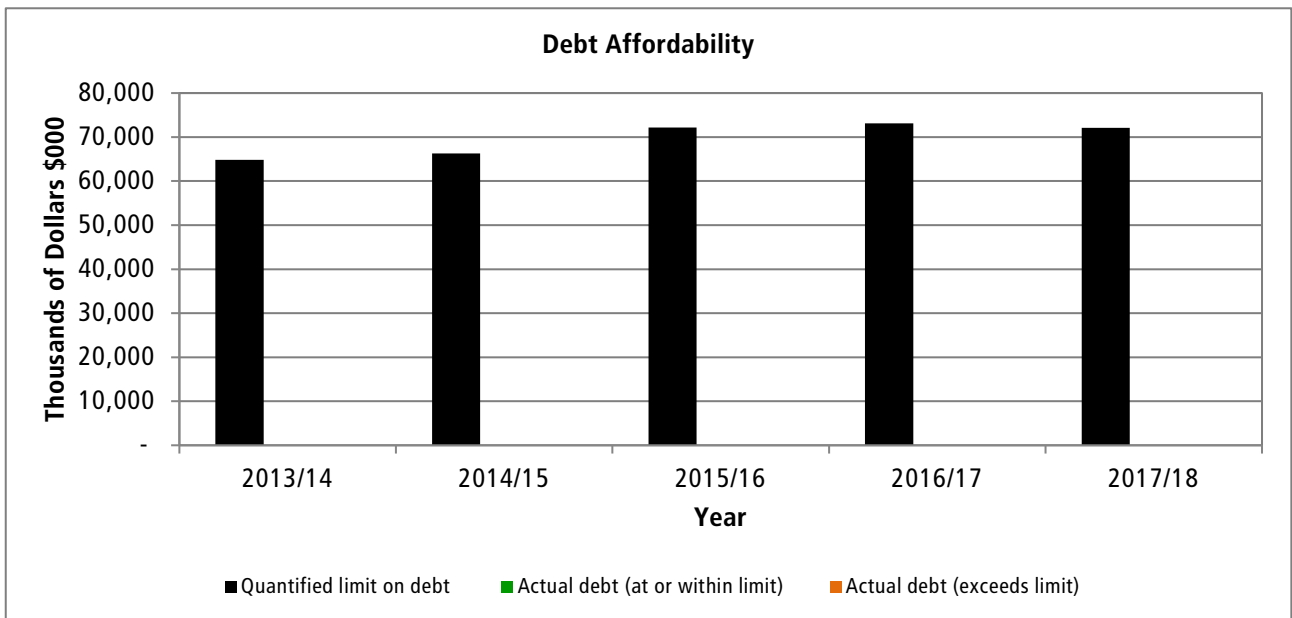


Debt Affordability

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

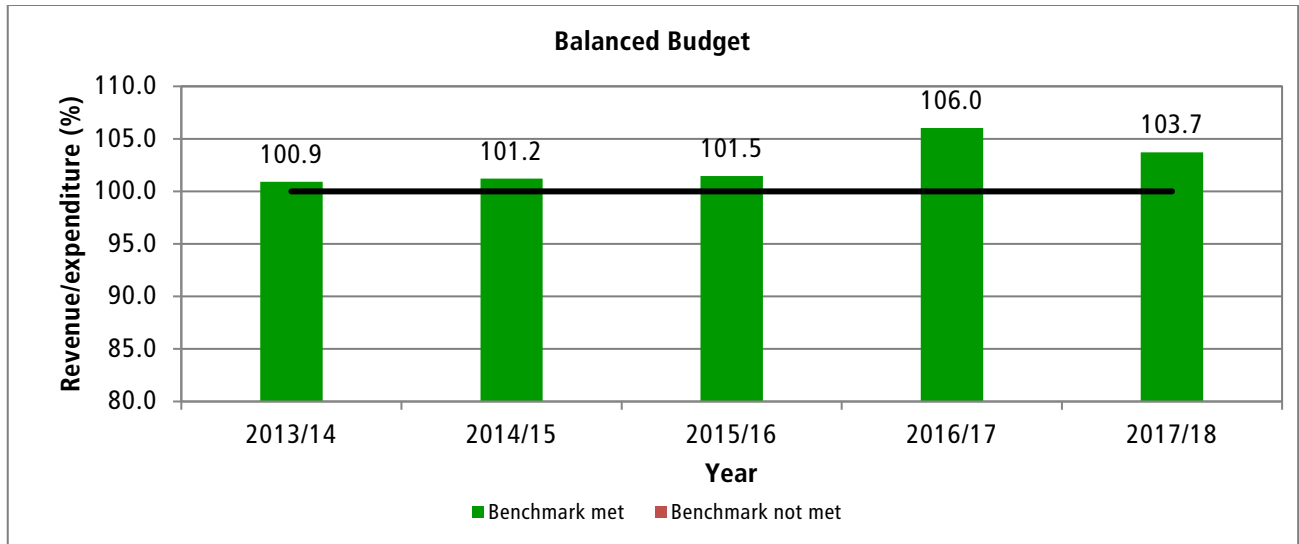
A borrowing limit of 10% of total assets will assist in prudently managing borrowing. At this point the council has no external borrowings and is therefore within debt limits.



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).

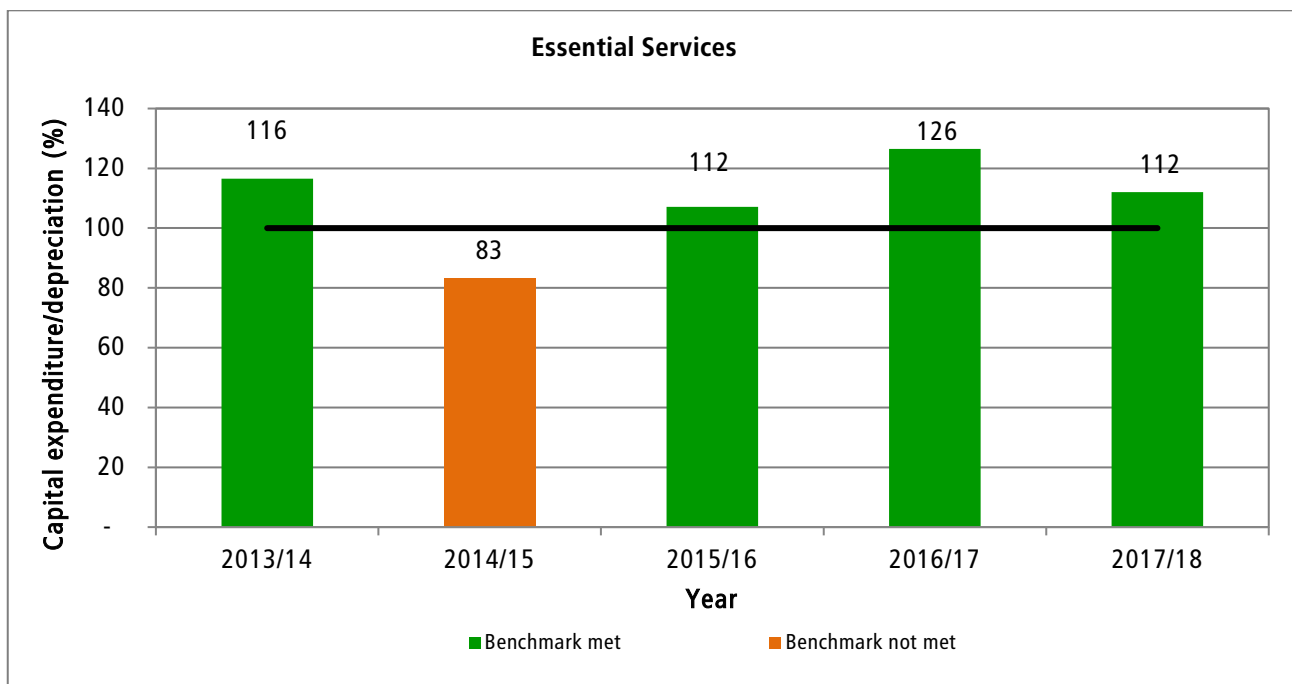
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services

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

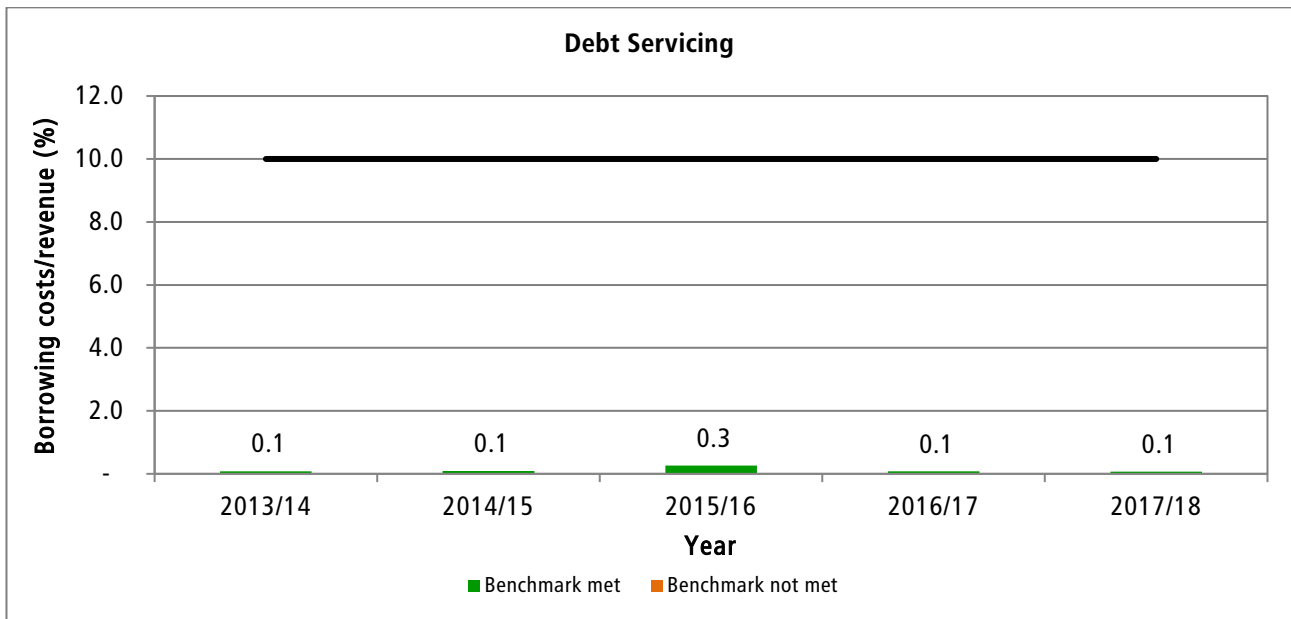
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

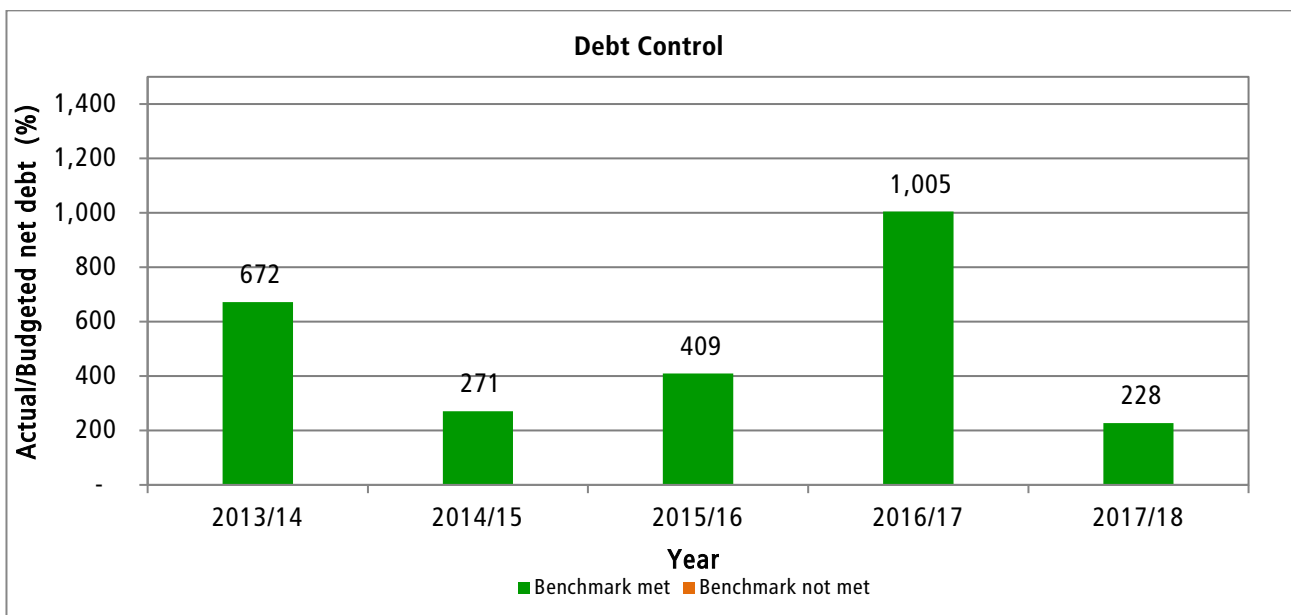
Due to no external borrowing the Council has limited debt servicing costs. The small borrowing costs represent bank fees in relation to current banking facilities. While an overdraft facility is in place the council has not utilised this during the current period.



Debt Control

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

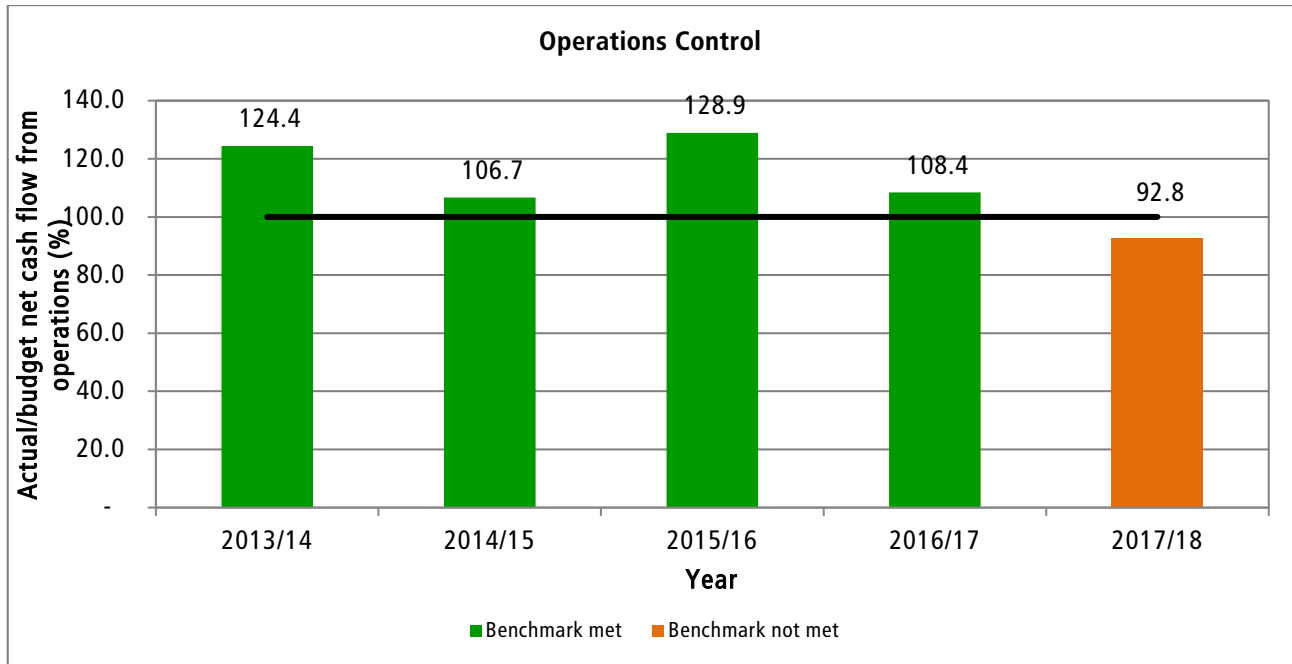
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



A handwritten signature in black ink, appearing to be 'T. Cadogan', written in a cursive style.

Tim Cadogan
Mayor
24 October 2018



A handwritten signature in black ink, appearing to be 'Sanchia Jacobs', written in a cursive style.

Sanchia Jacobs
Chief Executive Officer
24 October 2018

Our Activities

‘Our Activities’ provides a detailed overview of the activities we have undertaken during the 2017/18 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.

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

DECISIONS MADE TODAY

Decisions made today will affect tomorrow

THREE waters



Water

What we do

Central Otago’s vision for water services is “to deliver safe and wholesome water supplies which support a healthy community and environment”.

Council provides water to properties within nine water schemes, servicing approximately 15,000 residents and 4,000 visitors on an average day.

Each scheme operates under the same basic process. Water is drawn from a lake, river or bore before being treated.

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




THRIVING ECONOMY




SUSTAINABLE ENVIRONMENT




SAFE & HEALTHY COMMUNITY

Rising to the challenges

Omakau Water Supply

A temporary portable treatment plant was connected to the existing plant in Omakau in April to reduce the likelihood of a boil water notice due to dirty water from the Manuherikia River. This is operating very well and will remain in place until the new water supply is finalised.

Lake Dunstan Water Supply

The new bore that will supply water to Alexandra has been constructed. The pipeline route has been confirmed, and investigations and consents have been put in place for this. Design of the pipeline between Clyde and Alexandra, and the new treatment plant has been awarded to Stantech Ltd. Design is now well underway, with tenders expected to be called for construction early 2019.

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	2016/17 Results	2017/18 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)	29%	21%	Target current annual real losses from the networked reticulation system ≤ 20% of water produced	Target not achieved. Some improvements in data capture to be investigated.
		Percentage of budgeted capital works completed annually	47%	67%	To complete more than 90% of budgeted capital works	Target not achieved.
		Percentage of budgeted renewals completed annually	84%	98%	To complete more than 90% of budgeted renewals	Target achieved.
		Time with water per customer per annum (planned and unplanned)	99.9%	99.9%	To maintain supply to customers for ≥ 99% of the time	Target achieved.
A Sustainable Environment	Provide an efficient water network	Fault response time to urgent call-outs				
		Attendance:	97 minutes	-	Target median time to get to site ≤ 120 minutes	*Target not measured.
		Resolution:	432 minutes	-	Target median time to resolve ≤ 480 minutes	*Target not measured.

*Footnote: * This has not been measured due to issues relating to the ability to provide real time updates the current customer request system from site. This has meant that updates to the system are date stamped when the system is updated some time later when staff have returned to base. Council is working with the contractor to implement an alternative auditable process for providing real time updates. This will be operational for the second half of the 2018/19 financial year.*

Water						
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments
A Sustainable Environment	Provide an efficient water network	Fault response time to non-urgent call-outs				
		Attendance:	97 minutes	-	Target median time to get to site ≤ 1440 minutes	Target not measured.
		Resolution:	432 minutes	-	Target median time to resolve ≤ 4320 minutes	Target not measured.
		The average consumption of water per day per resident	585L/person/day	461L/person/day	To maintain water demand at <600 L/ person/day	Target achieved.
		Total number of customer complaints for:	3.74 per 1000 connections	5.27 per 1000 connections	≤ 13 per 1000 connections	Target achieved.
		<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 				

Water							
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments	
A Safe and Healthy Community	Provide a safe and healthy water network	Compliance with the NZ Drinking Water Standards	Part 4: Bacterial Compliance	Part 4: Bacterial Compliance	Part 4: Bacterial Compliance	All distribution zones achieved Bacterial Compliance. All treatment plants achieved Bacterial Compliance except Roxburgh due to the November 2017 flooding event.	
			Pt4: Bacterial:	Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = Yes Ranfurly = No Roxburgh = No	Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = Yes Omakau/Ophir = Yes Patearoa = Yes Pisa Village = Yes Ranfurly = Yes Roxburgh = No		Alexandra = Yes Clyde = Yes Cromwell = Yes Naseby = Yes Omakau/Ophir = Yes Patearoa = Yes Pisa Village = Yes Ranfurly = Yes Roxburgh = Yes
			Pt5: Protozoal:	Part 5: Protozoal Compliance	Part 5: Protozoal Compliance	Part 5: Protozoal Compliance	The Roxburgh treatment plant did not achieve protozoal compliance due to a treatment process issue and the November 2017 flooding event.
			Alexandra = No Clyde = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurly = No Roxburgh = No	Alexandra = No Clyde = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurly = No Roxburgh = No	Alexandra = No Clyde = No Cromwell = No Naseby = No Omakau/Ophir = No Patearoa = No Pisa Village = No Ranfurly = No Roxburgh = Yes		

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
		WATER		
		OPERATING		
		Sources of operating funding		
-	-	General rates, uniform annual general charges and rates penalties	-	-
4,956	4,333	Targeted rates	5,365	4,818
21	16	Subsidies and grants for operating purposes	22	25
-	7	Fees and charges	-	12
95	83	Internal charges and overheads recovered	89	79
-	1	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
5,072	4,440	Total operating funding	5,476	4,934
		Applications of operating funding		
1,793	1,827	Payments to staff and suppliers	1,867	2,106
670	-	Finance costs	953	-
999	559	Internal charges and overheads applied	901	713
65	39	Other operating funding applications	67	11
3,527	2,425	Total applications of operating funding	3,788	2,830
1,545	2,015	Surplus (deficit) of operating funding	1,688	2,104
		CAPITAL		
		Sources of capital funding		
-	-	Subsidies and grants for capital expenditure	-	-
62	449	Development and financial contributions	64	150
6,665	-	Increase (decrease) in debt	4,008	-
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum Contribution	-	-
-	-	Other dedicated capital funding	-	-
6,727	449	Total sources of capital funding	4,072	150
		Applications of capital funding		
		Capital expenditure		
537	50	- to meet additional demand	208	127
2,941	475	- to improve the level of service	941	555
2,116	1,728	- to replace existing assets	1,861	2,376
2,678	211	Increase(decrease) in reserves	2,750	(804)
-	-	Increase (decrease) in investments	-	-
8,272	2,464	Total applications of capital funding	5,760	2,254
(1,545)	(2,015)	Surplus (deficit) of capital funding	(1,688)	(2,104)
-	-	Funding balance	-	-

Wastewater

What we do

Central Otago’s vision for wastewater services is “to deliver safe and compliant wastewater networks which support a healthy community and environment”.

Council’s wastewater service enables the collection, conveyance, treatment and disposal of wastewater within seven schemes across the district. These provide service to approximately 13,500 residents and approximately 4,000 visitors.

Each scheme pumps, reticulates and treats the wastewater generated by households businesses and industrial processes. Wastewater is then treated and discharged into a nearby water body or onto land.

Townships and rural areas without reticulated schemes generally use septic tanks that are privately owned and maintained.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



THRIVING ECONOMY

SUSTAINABLE ENVIRONMENT

SAFE & HEALTHY COMMUNITY

Rising to the challenges

Alexandra and Ranfurly Wastewater

New inlet screens for Alexandra and Ranfurly wastewater treatment plants were installed and commissioned. These screens will greatly improve the capture of contaminants and the entire treatment process at both plants. This will improve the quality of the water discharge and reduce environmental impacts.

Clyde Wastewater

The significant project around the implementation of the Clyde wastewater scheme is starting with development of the full business case. This documents the reasons for the project, options considered, the expected costs, how the project will be funded, procurement plan, contracting strategy and measures of success. The project was one of the key consultation issues through the 10-Year Plan process.

Cromwell Wastewater

Downer NZ Ltd began construction of the Cromwell Wastewater Treatment Plant upgrade in September 2017. This work has significantly improved the quality of the discharge to Lake Dunstan, and will minimise the environmental impact.

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	2016/17 Results	2017/18 Results	Our Aim	Comments	
A Thriving Economy	Provide an efficient, accessible and reliable wastewater network	Number of complaints received from customers per 1,000 connections	0.5 per 1,000 connections	0.9 per 1,000 connections	Number of sewage odour complaints ≤ 1 per 1,000 connections.	Target achieved.	
			10 per 1,000 connection	8.6 per 1,000 connections		Number of sewerage system faults and blockage complaints ≤ 11 per 1,000 connections.	Target achieved.
			Nil	Nil		Number of complaints regarding responses to sewer service requests ≤ 1 per 1,000 connections.	Target achieved.
			10.6 per 1,000 connections	13.2 per 1,000 connections		Total number of customer complaints ≤ 13 per 1,000 connections.	Target not achieved.
		Percentage of budgeted capital works completed annually	31%	87%	To complete more than 90% of budgeted capital	Target not achieved.	
Percentage of budgeted renewals completed annually	51%	133%	To complete more than 90% of budgeted renewals	Target achieved.			

Wastewater						
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments
A Sustainable Environment	Provide a safe and compliant wastewater network	Compliance with discharge consents	Nil	Nil	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	Target achieved
		Fault response times				
		Attendance:	100 minutes	88 minutes	Target median time to get to site ≤ 120 minutes	Target achieved.
	Resolution:	1,344 minutes	745 minutes	Target median time to resolve the problem ≤ 480 minutes	Target not achieved.	
A Safe and Healthy Community	Provide a safe and compliant wastewater network	Number of dry weather sewerage overflows from sewerage scheme	2.7 per 1,000 connections	2.3 per 1,000 connections	Number of dry weather sewerage overflows ≤ 1 per 1,000 connections	Target not achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
		WASTEWATER		
		OPERATING		
		Sources of operating funding		
-	-	General rates, uniform annual general charges and rates penalties	-	-
3,499	3,373	Targeted rates	4,097	3,946
-	-	Subsidies and grants for operating purposes	-	-
-	1	Fees and charges	-	46
89	98	Internal charges and overheads recovered	146	97
-	1	Local authorities fuel tax, fines, infringement fees, and other receipts	-	58
3,588	3,472	Total operating funding	4,243	4,147
		Applications of operating funding		
1,251	1,471	Payments to staff and suppliers	1,326	1,049
348	-	Finance costs	830	-
602	376	Internal charges and overheads applied	643	459
70	38	Other operating funding applications	72	193
2,271	1,885	Total applications of operating funding	2,871	1,701
1,317	1,587	Surplus (deficit) of operating funding	1,372	2,446
		CAPITAL		
		Sources of capital funding		
-	1	Subsidies and grants for capital expenditure	-	(1)
113	799	Development and financial contributions	117	360
4,424	-	Increase (decrease) in debt	6,824	-
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
4,537	800	Total sources of capital funding	6,941	359
		Applications of capital funding		
		Capital expenditure		
1,377	478	- to meet additional demand	1,841	1,603
3,034	1,136	- to improve the level of service	3,683	4,290
1,927	972	- to replace existing assets	2,129	1,671
(484)	(199)	Increase(decrease) in reserves	660	(4,759)
-	-	Increase (decrease) in investments	-	-
5,854	2,387	Total applications of capital funding	8,313	2,805
(1,317)	(1,587)	Surplus (deficit) of capital funding	(1,372)	(2,446)
-	-	Funding balance	-	-

Stormwater

What we do

Central Otago’s vision for stormwater services is “to deliver safe and compliant stormwater networks which support a healthy community and environment”.

The stormwater activity enables the collection, conveyance, and disposal of stormwater within the following towns across the district: Cromwell, Alexandra, Roxburgh, Omakau and Ranfurly.

These towns have reticulated stormwater systems to manage drainage and prevent flooding. Stormwater in these towns is conveyed directly to waterways using piped infrastructure, natural water courses and open channels.

The remaining towns have mudtanks connected to soakpits, or open channels, with culverts across roads. This infrastructure is maintained as part of the roading activities.

Flood risks from rivers and large catchments, like the Clutha and Taieri rivers, are managed by the Otago Regional Council.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



Rising to the challenges

Maniototo Park, Ranfurly

The evaluation of a stormwater main in the Maniototo Park stadium grounds has been completed. Some interim maintenance work has been undertaken to improve stormwater flow through the stadium grounds. The large main, which has severe root intrusion, is planned for renewal in late 2018.

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	2016/17 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Provide a fully accessible and reliable water network.	Percentage of budgeted capital works completed annually	67%	0%	To complete more than 90% of budgeted capital works	Target not achieved. Revised Programme.
	Provide an efficient, fully accessible and reliable stormwater network	Percentage of budgeted renewals completed annually	8%	0%	To complete more than 90% of budgeted renewals	Target not achieved. Revised Programme.
A Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	Compliance with discharge consents	Nil	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	Target 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	Nil	Nil	Target number of habitable floors affected ≤ 1 per 1,000 properties	Target achieved.
		Response time to attend flood events	No flood events	No flood events	Target median time to get to site ≤ 120 minutes	Target achieved.
		Number of complaints received about stormwater performance	1 per 1,000 connections	2.85 per 1,000 connections	Total number of customer complaints ≤ 2 per 1,000 properties	Target not achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
STORMWATER				
OPERATING				
Sources of operating funding				
-	-	General rates, uniform annual general charges and rates penalties	-	-
412	453	Targeted rates	426	496
-	-	Subsidies and grants for operating purposes	-	-
-	-	Fees and charges	-	-
59	61	Internal charges and overheads recovered	66	63
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
471	514	Total operating funding	492	559
Applications of operating funding				
99	107	Payments to staff and suppliers	102	101
-	-	Finance costs	-	-
88	56	Internal charges and overheads applied	88	35
-	12	Other operating funding applications	-	12
187	175	Total applications of operating funding	190	148
284	339	Surplus (deficit) of operating funding	302	411
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	-	-
-	1	- to meet additional demand	14	-
93	60	- to improve the level of service	161	-
3	19	- to replace existing assets	6	218
243	204	Increase(decrease) in reserves	121	193
-	-	Increase (decrease) in investments	-	-
339	284	Total applications of capital funding	302	411
(339)	(284)	Surplus (deficit) of capital funding	(302)	(411)
-	-	Funding balance	-	-

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

Central Otago’s vision for roads and footpaths is “to ensure an efficient, fully accessible, safe network”.

Our roading activity enables the movement of goods, people and services across our district. We have 1,913km of roads within the district. We have 514km of sealed roads, and 1,399km of unsealed roads. We have 177 bridges, 167km of footpaths and close to 12,000 hectares of road reserve.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



Rising to the challenges

Wild Weather

Heavy snow in the Maniototo, followed by heavy rain across the region took its toll on the network in July 2017. The combined effects of snow melt and heavy rain culminated in significant damage to roads in the Maniototo, Manuherikia and Teviot Valley areas.

This resulted in scouring of gravel roads, damage to bridges from swollen rivers, and landslides in the Craig Flat area. The total cost to repair damaged roads and bridges from this weather event is \$970,000. One bridge on St Bathans Loop Road was damaged to such an extent that it will need to be replaced. Work will commence on replacing the bridge in 2018/19.

Clocking up the kilometers of work

During the 2017-18 construction season, work on Central Otago’s local roading network included:

- resurfacing of 18.9 kilometers of sealed roads;
- construction of a total of 100.8 kilometers of gravel road surfaces (including 8.8kms of re-gravelling on road sections classified as tracks); and
- completion of Council’s planned 2.1 kilometer ECO-seal programme, in the second quarter of 2017-18. A further site was added to the programme and completed in the third quarter.

Strengthening our iconic bridges

Detailed structural assessments of three of the district’s most significant bridges (in terms of accessibility and complexity of structure) were completed in 2017-18. These are the Millers Flat Bridge, the Jedburgh Street Bridge in Roxburgh and the Green Bridge at Waipiata. Work to make these structures accessible to most heavy vehicles, including 50Max trucks, is now at detailed design stage with specialist bridging engineers.

Smart lighting for our streets

A full audit of Council's street lights was completed towards the end of the 2017/18 year. This information was used to confirm the work that has been completed as part of Council's LED street lighting upgrades to date. It also provides a validated inventory to Council's electricity supplier for billing purposes, enabling the reduction in energy consumption by LED lighting to be reflected in operating costs. This data has enabled the planning of the final phase of the LED upgrade to be undertaken by Delta in 2018/19.

By 30 June 2018, around 1,060 street lights had been re-fitted or replaced as LED lights. A further 680 LED lights were either held in stock or ordered. Approximately 100 LED lights for greenways and paths were still to be ordered at the end of the financial year. Work to install these lights is ongoing, and will represent nearly 95% of the street lighting owned and maintained by Council when completed in 2018/19. These lights meet the 3,000 Kelvin colour temperature requirement for Dark Skies accreditation and include technology that dims the lighting output between 12am and 5am (10pm to 5am in Naseby).

Bannockburn Road cycle path completed

The Bannockburn Cycleway was completed, with just some minor work on the track surface and drainage channels to be finished off in Spring 2018. The public reaction to the new track has been positive and it is already getting good use. It is envisaged that sections of the cycleway will provide essential links with the planned Lake Dunstan Trail between Cromwell, Bannockburn and Clyde.

Skills not Thrills

Twenty-six participants took part in the 2018 Central Otago Young Driver programme, held over two days at Highlands Motorsport Park in Cromwell. This is the sixth time the programme has been held. It is designed, sponsored and run by locals to support our local young drivers aged between 16 and 25. This year's Best Young Driver went to one of Council's young roading engineers, Martin Alford.

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	2016/17 Results	2017/18 Results	Our Aim 2017/18	Comments
A Thriving Economy	Provide a fully accessible roading network	Percentage of budgeted capital works completed annually	100% of the projects were completed with 97% of the budget spent	94% of budgeted works completed. 94% of budget spent.	100% of the budgeted works completed. 100% of the budget spent	Target not achieved. Figures are cumulative. Final budget programme figures for 2017/18 taken from renewals, minor improvements and unsubsidised programmes. Response to repair July's flood damage impacted confirmation of renewals / improvements works and budgets for annual programme.
		Average length of time to issue a consent for access to a road	2.1 days	1.7 days	≤ 2 days	Target achieved.
		Average quality of ride on sealed local roads	Smooth Travel Exposure = 98.6%	Smooth Travel Exposure = 98.8%	Smooth Travel Exposure ≥ 90%	Target achieved.
A Sustainable Environment	Provide an efficient roading network	Percentage of sealed local road network that is resurfaced	23.7km sealed	18.9km sealed (3.6%)	≥ 20km sealed per annum (≥3.8%)	Target not achieved. Programmed 17-18 reseal length of 20.9km.
		Number of service requests	593 service requests	724 service requests	< 600 service requests	Target not achieved. Figures are cumulative and include all Road Management category calls.
		Number of service requests from customers responded to within 10 days	93%	91%	≥ 90%	Target achieved.

Transportation

Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim 2017/18	Comments
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. Decrease of 2 from previous year	Number of fatal and serious crashes = 12. Increase of 4 from previous year.	Stable or decreasing trend	Target not achieved. (Provisional 2017-18 Fatal and Serious Injury crash numbers lowest for 3 years.)
	Provide a fully accessible roading network	Percentage of footpaths that meet our service standard for footpath condition. Council will be measuring the condition of the footpaths from October 2015 and this will be used to set a baseline for setting the level of service and reporting against in the 2016/17 Annual Report	81%	85%	> 70%	Target achieved.
		Number of journeys impacted by unplanned events	2,735	15,285	< 16,423	Target achieved.
		Customer satisfaction with condition of unsealed roads	78%	75%	To maintain customer satisfaction at or above 70%	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
TRANSPORTATION				
OPERATING				
		Sources of operating funding		
3,888	4,548	General rates, uniform annual general charges and rates penalties	3,855	4,388
818	752	Targeted rates	870	1,173
1,920	1,877	Subsidies and grants for operating purposes	1,903	1,968
9	20	Fees and charges	10	11
43	57	Internal charges and overheads recovered	45	573
174	286	Local authorities fuel tax, fines, infringement fees, and other receipts	174	194
6,852	7,540	Total operating funding	6,857	8,307
Applications of operating funding				
3,612	3,543	Payments to staff and suppliers	3,566	4,485
-	-	Finance costs	-	-
975	1,275	Internal charges and overheads applied	993	1,772
27	5	Other operating funding applications	28	20
4,614	4,823	Total applications of operating funding	4,587	6,277
2,238	2,717	Surplus (deficit) of operating funding	2,270	2,030
CAPITAL				
Sources of capital funding				
1,886	2,009	Subsidies and grants for capital expenditure	1,866	2,235
165	610	Development and financial contributions	170	372
-	-	Increase (decrease) in debt	-	-
8	-	Gross proceeds from sale of assets	21	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
2,059	2,619	Total sources of capital funding	2,057	2,607
Applications of capital funding				
Capital expenditure				
389	452	- to meet additional demand	353	1,119
710	604	- to improve the level of service	670	770
3,254	4,429	- to replace existing assets	3,139	3,154
(56)	(149)	Increase(decrease) in reserves	165	(406)
-	-	Increase (decrease) in investments	-	-
4,297	5,336	Total applications of capital funding	4,327	4,637
(2,238)	(2,717)	Surplus (deficit) of capital funding	(2,270)	(2,030)
-	-	Funding balance	-	-

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

Central Otago’s vision for waste is “towards zero waste and a sustainable Central Otago”.

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

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



Rising to the challenges

Lid Latch trial

The lid latch trial was launched in October and a trial ran from November 2017 – February 2018 with a follow-up survey of participants in February. Surveys were undertaken at sign-up and post-trial to gather participant feedback.

A good number of participants used the latches during the trial (93%) with 96% finding the latches easy to use; 80% of the participants experienced windy conditions during the trial and found the latch prevented spillage. The feedback was positive with 96% of the participants recommending Council roll-out bin latches for the district.

Solar-powered compacting smart bins

Council was successful in securing significant funding through the Regional Mid-sized Tourism Facilities Grant for solar powered compacting smart bins. Eight sets of three bins for Refuse, Mixed Recycling and Glass were installed at tourist hot spots at Bendigo, Lowburn Inlet, Cromwell Mall, Pioneer Park Alexandra, Champagne Gully, Weatherall Creek, Omakau and Scotland Street in Roxburgh.

Waste Management and Minimisation Plan 2018

The Draft Waste Management and Minimisation Plan 2018 went out for consultation during April, and key changes from the plan were also highlighted through the 10-Year Plan consultation. The Waste and Property Infrastructure Committee approved the plan in June. Thirteen submissions were considered as part of the consultation process. The plan can be found on the Central Otago District Council website.

New initiatives from the 2018 Waste Management and Minimisation Plan were implemented for the 2018/29 year. The kerbside collection changed to a two-weekly collection for mixed recycling (yellow bin) and an eight weekly collection for glass (blue bin).

An extension to the rural refuse and recycling routes was approved and ready to be phased in from 1 July 2018.

New Recycling Drop-off Facility

A new recycling container depot was established near the Poolburn Hall with a new access road, culvert and turning area formed by Fulton Hogan. The provision of the depot aims to ease the pressure on the Omakau depot during busy holiday periods.

Bin Survey

Contamination in the kerbside collection bins has continued to increase. Any contamination from plastics and cardboard causes the rejection of the glass, resulting in cartage to Victoria Flats Landfill.

A survey is being conducted collecting information on the contamination at households that aims to give us an understanding of the contamination occurring. The survey will assess contamination in the mixed recycling (yellow) bin as well.

The survey team started collecting data during April. Six weeks of glass and mixed recycling bin surveys were undertaken in sample areas in Alexandra, Clyde and Cromwell. Bin contamination was assessed visually and bins tagged with labels to provide feedback and give information on how residents were going with their recycling. Classification of contamination in the bins ranged from no contamination ("Wow" bin tag); single or small item of contamination ("Ooops" bin tag) and many or large items of contamination ("On No!" bin tag).

Most of the residents are doing a great job with the glass and mixed recycling bins. The response from householders has been positive.

The team tagged 305 glass bins in the survey area and preliminary results found 74% of the bins had no visible contamination; 18% of bins single or minor contamination and 9% of bins high contamination. In the high contamination category the breakdown consisted of 22% cans; 5% food; 29% cardboard/paper; 25% soft plastics (bags) 18% plastic; 1% other such as meat trays, sheet glass.

A further round of surveying will be conducted once the new collection regime has been bedded in to see if the change to the collection regime, and targeted education about this issue, reduces contamination levels.

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	2016/17 Results	2017/18 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.)	7,909 tonnes*	9,208 Tonnes*	Incremental year on year reduction	Target not achieved. There was an increase of 16% (1,299 tonnes) more material sent to Victoria Flats landfill this year as compared to last year. This increase includes the growth in demand at the transfer stations and the increase in number of kerbside collection wheelie bins. Glass tonnage to landfill since the rejection of Central Otago District Council glass in Q2 from Parkburn Quarry has increased in the landfill totals. This amounts to 525.04 tonnes. Construction and Demolition Waste has been unaccounted for since July 2017. This material is diverted from the Cromwell Transfer Station and amounts to 730.45 tonnes for 2017/18. Wastewater sludge and screenings is also accounted for in this total. This amounts to 220.78 tonnes.
		Total amount generated per rateable property	804kg	866 kg	Incremental year on year reduction (measured as rubbish + recycling)	Target not achieved. The total tonnage of waste and recyclables generated per rateable property in the district has increased by 8% (62 kg) in comparison with the corresponding period of the previous year.

Waste Minimisation						
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments
		Total amount recycled (tonnes p.a.)	2,951 tonnes	2,511 tonnes	Incremental year on year increase	Target not achieved. There was a 15% decrease in the quantity of recycling compared to the same period in the previous year. The tonnage includes all material taken to the recycling drop off facilities and collected in the kerbside collection bins. It does not include scrap metal and greenwaste also diverted from landfill.
		Average rubbish wheelie bin weight (kg/bin collected)	21 kg	22 kg	Incremental year on year reduction in wheelie bin weight	Target not achieved.
A Sustainable Environment	Engage the community in waste reduction and wiser use of resources	Percentage of residents satisfied with waste minimisation education	89%	94%	Customer satisfaction $\geq 90\%$	Target achieved.
A Safe and Healthy Community	Provide compliant waste systems and facilities	Compliance with resource consents for transfer stations, closed and operational landfills	89%	45%	Incremental percentage improvements	Target not achieved. The last audit carried out by the Otago Regional Council (ORC) recorded a compliance score of 89%. As audits are carried out by ORC every three years, a self-auditing process is used. The groundwater monitoring and walkovers do not indicate any significant concerns. The lower score for this period is due to minor work needing to be carried out such as weed control.

*Waste to landfill 9,208 Tonnes + Recycling 2,511 Tonnes = 11,719 Tonnes divided over 13,525 (estimated) rateable properties = 866 kg per property.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
WASTE MINIMISATION				
OPERATING				
		Sources of operating funding		
-	-	General rates, uniform annual general charges and rates penalties	-	-
2,480	2,493	Targeted rates	2,503	2,492
69	72	Subsidies and grants for operating purposes	71	213
66	85	Fees and charges	67	87
-	18	Internal charges and overheads recovered	1	26
615	930	Local authorities fuel tax, fines, infringement fees, and other receipts	643	873
3,230	3,598	Total operating funding	3,285	3,691
Applications of operating funding				
2,738	3,019	Payments to staff and suppliers	2,800	3,402
-	-	Finance costs	-	-
311	345	Internal charges and overheads applied	315	317
190	8	Other operating funding applications	185	9
3,239	3,372	Total applications of operating funding	3,300	3,728
(9)	226	Surplus (deficit) of operating funding	(15)	(37)
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	-	-
-	-	Other dedicated capital funding	-	-
		Total sources of capital funding	-	-
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
55	41	- to improve the level of service	41	-
-	4	- to replace existing assets	-	213
(64)	181	Increase(decrease) in reserves	(56)	(250)
-	-	Increase (decrease) in investments	-	-
(9)	226	Total applications of capital funding	(15)	(37)
9	(226)	Surplus (deficit) of capital funding	15	37
-	-	Funding balance	-	-

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 from commercial property 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 hangars with residential annex. Opportunities for further development are being investigated.

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. Some have potential for other land use in the future as recognized by their zonings in the District Plan.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



THRIVING ECONOMY

Rising to the challenges

New Cromwell Public Toilets (Murray Terrace)

The new four pan Exeloo toilet at Murray Terrace was completed and opened at the end of February. The toilet is needed to meet increased demand from visitors and the project is partly funded by the government's Regional Mid-sized Tourism Facilities Grant. Photofilm images were installed early March showcasing local scenery and attractions.

Tarras Toilets

The Tarras Exeloo toilets were installed and operational by August, to the delight of the local community and visitors. Door counters, which were installed at the end of September, show an average of 200+ users per day.

Vincent Youth Art Project

In December four Youth Art Murals were unveiled at an event at Molyneux Park. The event was a chance to celebrate the culmination of a joint initiative to create public art to beautify public spaces. Artist Maxine Williams and students from Alexandra, St Gerards, The Terrace and Clyde Primary School were involved with the project, which was supported by Council, the Central Otago District Arts Trust and the Creative Communities Scheme. The four murals now brighten up the sides of public toilets in Alexandra and Clyde. Other murals are planned to brighten up public spaces around the wider district.

Alexandra Airport

The sealing of the hangar precinct taxiways was completed in early September in time for the Wings and Wheels event held as part of Blossom Festival, which attracted an estimated 5,000 people. We have experienced continued interest for hangar/accommodation sites and options for access are being investigated as a first step in the development of a proposed second hangar precinct on the other side of the runway.

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	2016/17 Results	2017/18 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	Target achieved.
	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Full compliance	Full compliance	Full compliance	Target achieved.
	Housing suitable and affordable for elderly is provided in the main 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	Target achieved.
	Free public toilets are available for the local community and visitors throughout the district at locations set out in the Public Toilet Strategy	Number of free public toilets	27 available	29 available	25 available	Target achieved.
	Airports will meet Airways Corporation's four-yearly inspection criteria	Four-yearly inspection and certification by Civil Airways Corporation (CAA)	Full compliance	No longer a certification requirement by CAA	Full compliance	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
		OTHER INFRASTRUCTURE		
		OPERATING		
		Sources of operating funding		
804	658	General rates, uniform annual general charges and rates penalties	813	710
334	621	Targeted rates	304	600
-	3	Subsidies and grants for operating purposes	-	-
858	932	Fees and charges	879	1,038
534	96	Internal charges and overheads recovered	559	130
60	57	Local authorities fuel tax, fines, infringement fees, and other receipts	61	74
2,590	2,367	Total operating funding	2,616	2,552
		Applications of operating funding		
1,996	1,343	Payments to staff and suppliers	2,002	2,101
5	-	Finance costs	5	-
-	515	Internal charges and overheads applied	-	428
387	186	Other operating funding applications	395	201
2,388	2,044	Total applications of operating funding	2,402	2,730
202	323	Surplus (deficit) of operating funding	214	(178)
		CAPITAL		
		Sources of capital funding		
6	217	Subsidies and grants for capital expenditure	3	178
-	-	Development and financial contributions	-	-
(1)	-	Increase (decrease) in debt	(1)	-
828	1,537	Gross proceeds from sale of assets	10	49
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
833	1,754	Total sources of capital funding	12	227
		Applications of capital funding		
		Capital expenditure	-	-
-	-	- to meet additional demand	-	-
16	365	- to improve the level of service	16	-
273	547	- to replace existing assets	169	702
747	1,140	Increase(decrease) in reserves	41	(698)
-	25	Increase (decrease) in investments	-	45
1,036	2,077	Total applications of capital funding	226	49
(202)	(323)	Surplus (deficit) of capital funding	(214)	178
-	-	Funding balance	-	-

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 Regional Identity
community planning Parks and recreation
promotion and grants community facilities



Parks, Reserves & 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 200 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 other cemeteries.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES




THRIVING ECONOMY




SUSTAINABLE ENVIRONMENT




SAFE & HEALTHY COMMUNITY

Rising to the challenges

New Manager

Central Otago District Council has employed a new Parks and Recreation Manager - who has previously held positions at councils in Queenstown and Gore.

Reserve Management Plan for Clyde

After an extensive consultation period the Clyde Reserves Management Plan was adopted and is now available on the website.

Playtime at Pioneer

The new junior playground at Pioneer Playground opened for use in November. Extensive community consultation targeting the "play experts" themselves – the young people of our district – was carried out to determine the type of play equipment chosen.

New Bylaw for Lake Dunstan

Submissions to the Draft Lake Dunstan Navigational Bylaw were heard by Council in early 2018. As a result Council made some changes to the bylaw, which took effect on 1 April 2018.

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	2016/17 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and a Sustainable Environment	Areas are maintained and operated so that they look good and meet the needs of users	Percentage of residents satisfied with parks and reserves in customer survey	92%	91%	Maintain satisfaction with parks and reserves at above 93%	Target not achieved. The Residents' Survey feedback related to the tidiness of parks, greenways and public gardens.
		Percentage of residents satisfied with sportsfields in customer survey	97%	97%	Maintain satisfaction with maintenance of sportsfields at above 93%	Target achieved.
		Percentage of residents satisfied with cemeteries in customer survey	92%	87%	Maintain satisfaction with cemeteries at above 90%	Target not achieved.
A Safe and Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	Percentage of residents satisfied with playgrounds in customer survey	89%	92%	Maintain satisfaction with playgrounds at above 90%	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
PARKS, RESERVES, CEMETERIES				
OPERATING				
Sources of operating funding				
-	-	General rates, uniform annual general charges and rates penalties	-	-
1,965	2,175	Targeted rates	1,997	2,212
-	4	Subsidies and grants for operating purposes	95	1
447	439	Fees and charges	456	454
30	28	Internal charges and overheads recovered	27	35
46	86	Local authorities fuel tax, fines, infringement fees, and other receipts	46	122
2,488	2,732	Total operating funding	2,621	2,824
Applications of operating funding				
1,901	1,756	Payments to staff and suppliers	1,934	1,871
-	-	Finance costs	-	-
173	300	Internal charges and overheads applied	172	142
102	63	Other operating funding applications	104	200
2,176	2,119	Total applications of operating funding	2,210	2,213
312	613	Surplus (deficit) of operating funding	411	611
CAPITAL				
Sources of capital funding				
20	-	Subsidies and grants for capital expenditure	-	41
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
20	-	Total sources of capital funding	-	41
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
614	275	- to replace existing assets	458	847
(282)	338	Increase(decrease) in reserves	(47)	(196)
-	-	Increase (decrease) in investments	-	1
332	613	Total applications of capital funding	411	652
(312)	(613)	Surplus (deficit) of capital funding	(411)	(611)
-	-	Funding balance	-	-

Community Facilities, Libraries & 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 pools in Ophir and Ranfurly. Millers Flat is operated by a community trust and the Teviot Valley Community Board financially supports the Roxburgh Pool.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



THRIVING ECONOMY



SAFE & HEALTHY
COMMUNITY

Rising to the challenges

Clyde Community Hall

The Clyde Community Hall received a new roof, new heat pumps, and re-varnishing of hall floors in the first quarter. This was a joint funding project between Council, Central Lakes Trust and the Otago Community Trust.

Ophir Hall

The project to renovate the kitchen at the Ophir Hall was completed by late April. The kitchen was then used for a community dinner and was hailed as a huge success.

This project was made possible due to funding from The Ophir Hall Committee, Ophir Welfare Committee, Central Lakes Trust, Otago Community Trust, and the Bob Turnbull Trust.

Great year for Libraries

We saw an increase of 8.8% in active library users and an increase of 1% on items issued on the previous year, at a time when many libraries are reporting continued, but slowing, decline. Both users and checkouts of our eBooks and eAudio platforms all increased. We welcomed 963 new users to our library membership, an increase of 20.5% on the previous year.

New library and Service Centre Manager

The District Library Manager and the Customer Services Manager roles were amalgamated and we welcomed our joint Customer Services and Libraries Manager in September. With Libraries and Customer Services sharing a customer-centric focus the move to a single management model has complemented both activities.

Exciting new services introduced at our libraries

Two exciting new services that have been introduced in mid-October 2017 are PressReader and Beamafilm. PressReader allows our library members to access over 6,000 digital newspapers and magazines from around the world. The most widely read newspaper is Otago Daily Times and the most popular magazine is the Australian Women's Weekly.

Beamafilm is a platform that allows library members to stream independent films and documentaries from the comfort of their home. These two new complimentary services have certainly been a big step towards delivering to a wider audience within our communities.

In November 2017 (the first full month of offering PressReader) there were 5,474 articles read, which increased to 14,327 read in June 2018 (an increase of 162%). The range of titles read in that period also increased by more than 100%.

An eventful space

Central Otago Libraries got involved in the 2017 Thyme Festival offering the first Human Library experience in our district, where people were on loan to readers. Participants had the opportunity to have conversations with others who are facing or have faced challenging times in their life. The Human Library is a worldwide initiative that helps break down barriers within our communities.

Central Otago District Libraries once again offered exciting school holiday programmes during the year, with themes including Gold Fever and Wild about Reading.

Other new features introduced to the library programme including Book Chat, Yarn 2gether, Digital Drop-ins and an "after hours" Matariki celebration.

Something to bark about

Molyneux Aquatic Centre held two special pool party events during the year that got tails wagging.

The inaugural Soggy Doggy Splash was held in October 2017 as part of Thyme Festival's opening weekend and was a huge hit so another event was held in April 2018 at the end of the outdoor pool's season. Both events were fundraisers for the local SPCA.

Ushering in Energy Savings

The new pipeline from the Ice In Line ice rink to Molyneux Aquatic Centre was installed at the start of the 2017/18 year, along with a new heat pump. The pipeline will carry excess heat (from the ice making) to the pool and reduce the heating costs of the facility as per the agreement with the Vincent Community Board. Ice In Line's new plant and energy share system was commissioned in May 2018 and the energy share system was fully operational through the month of June. Cost savings were immediately visible. Comparing the energy use data for June to historical June data showed energy savings of 22%. Further work is being undertaken to understand the full cost saving potential through a reduction in line charges during periods of peak winter demand.

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	2016/17 Results	2017/18 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	76%	78%	> 85% satisfied	Target not achieved. Community halls were identified as a priority area in the Cromwell ward in our Residents' Survey.
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	Achieved	Achieved	Charging policy in place	Target achieved.
	To provide aquatic facilities that meet the needs of the majority of the community	Percentage of users satisfied with pools through residents' survey	88%	87%	Maintain user satisfaction at >90%	Target not achieved. Survey feedback related to shower temperature and pool cost.
	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	-	To pass	Target achieved for Cromwell Swim Centre. Target not achieved for Molyneux Aquatic Centre as currently undertaking a full process review to obtain accreditation prior to summer.
	To provide a quality library service through friendly, helpful and knowledgeable staff that enables residents and visitors to have valued library experiences	Percentage of library users satisfied with the quality of library services	96%	96%	> 90%	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018 COMMUNITY FACILITIES, LIBRARIES AND SWIMMING POOLS	2017/18 Long Term Plan \$000	2017/18 Actual \$000
OPERATING				
Sources of operating funding				
-	-	General rates, uniform annual general charges and rates penalties	-	-
4,194	3,711	Targeted rates	4,330	3,791
2	3	Subsidies and grants for operating purposes	2	149
681	657	Fees and charges	693	647
38	23	Internal charges and overheads recovered	34	43
104	144	Local authorities fuel tax, fines, infringement fees, and other receipts	106	147
5,019	4,538	Total operating funding	5,165	4,777
Applications of operating funding				
3073	3,114	Payments to staff and suppliers	3,144	3,122
-	2	Finance costs	-	-
1,001	970	Internal charges and overheads applied	1,040	847
457	276	Other operating funding applications	339	102
4,531	4,362	Total applications of operating funding	4,523	4,071
488	176	Surplus (deficit) of operating funding	642	706
CAPITAL				
Sources of capital funding				
1	1	Subsidies and grants for capital expenditure	-	20
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
840	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum	-	-
-	-	Other dedicated capital funding	-	-
841	1	Total sources of capital funding	-	20
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
961	64	- to improve the level of service	231	-
2,000	370	- to replace existing assets	616	749
(1,632)	(257)	Increase(decrease) in reserves	(205)	(23)
-	-	Increase (decrease) in investments	-	-
1,329	177	Total applications of capital funding	642	726
(488)	(176)	Surplus (deficit) of capital funding	(642)	(706)
-	-	Funding balance	-	-

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 Central Otago regional identity and a modest promotional grants fund.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



Rising to the challenges

Teviot Valley Community Development Scheme

Seven workshops were hosted in Roxburgh over the course of seven months providing training opportunities in social media, marketing and websites for 45 Teviot Valley businesses. Initiatives that have developed “self-seeded” through this training have included a valley-wide online business forum plus the development of “The Teviot Loop” – a collaborative marketing initiative between 10 local businesses. The Teviot Valley Community Development Scheme (TVCDs) initiated these training courses with the intention of upskilling local businesses and encouraging collaboration. The outcomes from these workshops have more than measured up to these goals.

The TVCDs has installed a high-speed internet connection into the Roxburgh Service Centre that is available for community use. Internet connection capabilities are extremely variable throughout the Teviot Valley and the TVCDs governance group has been concerned that this may impede the community’s ability to evolve with new technologies as they become available. The group is investigating the possibility of installing high speed quality internet connections throughout the entire Teviot Valley, but this is not without its challenges. Until this can be achieved, a centralised hub has been established for the community to utilise for their own personal activities or to run their business activities. The meeting room behind the community library has been set up with computers for public use, or people can bring their own devices if preferred. IT training and support is also being provided at the Service Centre. Central Otago REAP has run three five-week-long fully-subscribed i-Pad and Samsung beginner courses. The governance group will be investigating if there are other training opportunities that could be explored for their community.

Strategic Thinking for Eden Hore Central Otago

A steering group was established to investigate opportunities and provide strategic oversight into the development and delivery of a programme of partnerships and initiatives for Eden Hore Central Otago. Steering group members will provide innovative thinking and are tasked with using their influence to infiltrate nationally significant opportunities. The steering group held its inaugural workshop in October.

The group comprises of the Mayor (group Chair), Claire Renault (Te Papa), Margaret Robertson (fashionista expert), Paul Blomfield (fashion PR specialist), Dr Jane Malthus (fashion historian and long-term advisor on the Collection), John Crawford (Naseby Vision representative and audio-visual advisor), and Tim Walker (museum strategist and group coordinator), and receives advice and support from Council's Chief Executive and staff, and Tourism Central Otago.

The two-day workshop involved a day spent visiting key places of interest and people connected with Eden Hore Central Otago story opportunities, and a day 'in the classroom' tossing around ideas and possibilities for the Eden Hore garments and experiences. Members who were new to the region were "wowed" by Central Otago's vistas, the genuineness and authenticity of the people and places they visited, and the quality of food outlets that they experienced. Their activities also attracted considerable media attention, including an article in the Otago Daily Times and a TV1 news article.

Recommendations and action points from the workshop will be collated for Council to review in 2018.

New Heritage Strategy and Plan for the district

A district-wide strategy and action plan was adopted in February by the Central Otago heritage community. Central Otago Heritage Strategy 2018, and its action plan, were developed by the Central Otago Heritage Trust. The documents were developed following extensive communication with heritage groups and stakeholders, and used the community-generated Towards Better Heritage Outcomes for Central Otago 2012 report as a base document. The Central Otago Heritage Strategy and Plan are referred to as a first edition as it is intended for these to be 'live' or 'working' documents, which will be updated and revised as and when required.

Cromwell Masterplan Programme gets underway

The Cromwell 'Eye to the Future' Masterplan programme got underway earlier in 2018. It aims to bring a fresh, holistic perspective to examine how Cromwell could grow in the future and identify the civic facilities and infrastructure that will support this growth.

Public drop-ins, stakeholder sessions with industry sectors, and a public survey were all part of the mix for the initial engagement phase of the programme.

New strategy for Tourism Central Otago

Council approved both a new Tourism Strategy for Tourism Central Otago as well as a new governance model. The overarching driver of the new strategy is a focus on doubling the value of tourism to the Central Otago economy ahead of doubling the volume of visitor numbers – a 'value over volume' approach.

Tourism Central Otago will remain as a business unit of Council with the establishment of an external advisory board. This is an important step in facilitating greater co-investment from the private sector in the promotion and development of Central Otago's tourism industry. It will also bring new thinking and a broader range of expertise to overseeing the implementation of the tourism strategy. The process to recruit the new board is underway.

Tourism Central Otago campaign, industry and media activities

During the 2017-18 financial year Tourism Central Otago received significant support from Central Otago operators and industry partners. The total in kind contributions increased from \$43,024 in 2016-17 to \$71,761 in 2017-18 – an increase of 66.7%. During the 2017-18 financial year 32 media, campaign and trade files or visits were managed. This amounted to 29 media, 174 travel trade and 4 consumers hosted in the region. It provided promotional opportunities for 82 individual tourism providers. The largest change over the 2016-17 year was an increase in travel trade activity. This was partially driven by TRENZ being hosted in Dunedin and involved larger numbers of participants than would normally be hosted. The file split was: 3x domestic media, 9x international media, 3x domestic/international marketing activities and 17x international travel trade.

EAT.TASTE.CENTRAL

The inaugural Eat.Taste.Central event (held 20 September – 23 October) focused on the development of a 'Central Otago Regional Menu' designed to encourage locals and visitors to explore the variety of locations and flavours throughout Central Otago during a four-week period. The Regional Menu featured 27 venues across the region and included 39 dishes. The menu was loaded into a customised section of the centralotagonz.com website and a range of print collateral was developed and distributed to support the campaign. Eat.Taste.Central received extensive media coverage during the campaign and People's Choice competition. The winning dish and overall Judge's Supreme award was given to the Provenance Lamb Shoulder from the Ancient Briton Hotel.

TRENZ 2018

Six Central Otago tourism operators joined Tourism Central Otago to attend TRENZ in Dunedin from 7-10 May 2018. Central Otago's booth had great visibility with a 9.6m footprint, cohesively branded and furnished. Pre and post TRENZ famils provided the opportunity to host 85 wholesalers and inbound tour operators spread across six separate itineraries across Central Otago. Company directors, product managers and sales staff were invited to participate in a range of unique experiences as well as be hosted to luncheons and dinners and undertake a variety of site inspections. Tourism Central Otago also co-ordinated and hosted a formal activities afternoon at TRENZ. Working with a variety of partners, Tourism Central Otago hosted a Central Otago Wine and Food Masterclass. Two Central Otago winemakers and two Central Otago executive chefs entertained a group of international buyers to a wine and food tasting. All those who attended were delighted with the quality of the food and wine they tasted and were quick to acknowledge that the quality would be exactly what their visitors are looking for.

Innovative i-SITEs

i-SITEs organised a Locals' Weekend to encourage residents and our neighbours to experience Central Otago's tourism products on 14 and 15 October. Seventeen activities were offered at special 'mates rates' at 40-50% off retail. The campaign targeted locals as they are often the last to try activities right on their back doorstep. Having a specific weekend with special rates for locals was aimed at inspiring locals to experience Central Otago's tourism products so they could be wonderful ambassadors for these great experiences and further promote them to friends and family. Over \$10,000 worth of Locals' Weekend activities were booked direct, with the majority of operators keen to take part again in a similar event.

Team Leaders and the i-SITE Manager established a weekly slot on Radio Central promoting events in Central for the coming week.

As part of the new Tourism Strategy the i-SITEs are moving into the business events (conferences and meetings) space. Conferences and meetings is an opportunity for the i-SITEs to grow bookings through coordinating delegate's accommodation. The new initiative is already working well with the team in discussion with organisers looking to hold conferences in Central Otago in 2019 and 2020.

Central Otago Awards

On 8 September the 2017 Central Otago Awards winners were announced in front of friends, family, colleagues and invited guests at a special ceremony held at the Roxburgh Entertainment Centre.

The Awards are an opportunity to recognise both individuals and businesses who are making an outstanding contribution to the community of Central Otago. They are built around our regional identity values and judging is determined by those entries and nominations that most closely represent those values.

All 2017 award recipients and winners were presented with a handcrafted recycled trophy and certificate. The Award winners were: Youth Award - James Sutherland Apprentice Award for Overall Excellence – Luke Bottrill Highly Commended for the Apprentice Award for Overall Excellence – Dave Ewan Young Professional Award – Morgan Grundy Business Excellence Award – The Real Dog Equipment Company Highly Commended for Business Excellence Award – Gary Anderson Solutions for Sound & Lighting The five Community Services Award recipients for 2017 were Judy Elliott Hall (Alexandra), Carol Haig (Clyde), Heather McPherson (Cromwell), Rod Peirce (Roxburgh) and Valerie Smith (Naseby).

More information on the award recipients is available on the Central Otago Awards website - www.aworldofdifference.co.nz/central-otago-awards.

Innovation Hub

There was good uptake from the community to an invitation from Council to participate in a facilitated workshop to develop a vision for a Central Otago based Innovation Hub. Central Otago has a rich history in science and innovation, from pioneering gold mining systems, to the Hayes Engineering wire strainer, to fruit crop variety development and innovative wine growing techniques. The idea behind the Innovation Hub is to provide a platform and support that will enable and encourage technology entrepreneurs to build on this rich heritage and grow an innovative district economy.

Study Central Otago initiative

Representatives of Central Otago education institutions and the Council's Economic Development Manager brainstormed ideas for a Study Central Otago initiative during a workshop facilitated by Tourism Central Otago's General Manager. The agenda focused on education institution business priorities, strategic questions such as what we are trying to achieve and why, what are the issues standing in the way, and who are our target audiences. The outcome was a confirmed vision for a Study Central Otago initiative through which the education institutions and Council will work with Education New Zealand to raise the profile of Central Otago as a study destination for students from other parts of New Zealand and from off-shore.

Alipay workshop

Alipay, the world's largest mobile payment platform, was explained to Central Otago businesses at a workshop held in Alexandra in February. Alipay is the preferred means of making payment for Chinese consumers both at home and when travelling, with over 520 million users. Central Otago businesses and service providers will increasingly miss out if they are unable to provide Chinese guests with this convenient payment option. The idea for the workshop resulted from a presentation by the Alibaba Group at the second New Zealand China Mayoral Forum in which Mayor Tim Cadogan participated. Christchurch International Airport has a contract with Alipay to facilitate up-take of the platform in New Zealand. Council is collaborating with Christchurch International Airport to help Central Otago businesses and service providers get on board.

New Economic and Business Development Strategy developed

A new Economic and Business Development Strategy for the district was developed during 2017/18. The Strategy is a key tool by which the Council helps create the vibrant and prosperous economy necessary to underpin good-quality infrastructure and the provision of local public services. In the weeks leading up to Christmas workshops were held in Alexandra, Cromwell, Ranfurly and Roxburgh to inform members of the community about the approach being taken with the new strategy and to seek community input. The new strategy will cover the period 2018 to 2021 and implementation will commence once it has been adopted by Council.

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	2016/17 Results	2017/18 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	3.9 days	2.30 days	Within 15 working days	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
DISTRICT DEVELOPMENT				
OPERATING				
Sources of operating funding				
438	1,009	General rates, uniform annual general charges and rates penalties	444	1,022
2,323	1,822	Targeted rates	2,371	1,853
49	136	Subsidies and grants for operating purposes	50	74
221	176	Fees and charges	226	115
5	12	Internal charges and overheads recovered	5	15
132	116	Local authorities fuel tax, fines, infringement fees, and other receipts	135	194
3,168	3,271	Total operating funding	3,231	3,273
Applications of operating funding				
1,711	1,690	Payments to staff and suppliers	1,759	1,514
8	12	Finance costs	8	-
558	593	Internal charges and overheads applied	582	557
824	1,361	Other operating funding applications	855	531
3,101	3,656	Total applications of operating funding	3,204	2,602
67	(385)	Surplus (deficit) of operating funding	27	671
CAPITAL				
Sources of capital funding				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
12	15	Gross proceeds from sale of assets	10	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
12	15	Total sources of capital funding	10	-
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
65	60	- to replace existing assets	42	-
14	(430)	Increase(decrease) in reserves	(5)	668
-	-	Increase (decrease) in investments	-	3
79	(370)	Total applications of capital funding	37	671
(67)	385	Surplus (deficit) of capital funding	(27)	(671)
-	-	Funding balance	-	-

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 & 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 license 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 provide a 24/7 noise complaint service in response to unreasonable domestic noise.

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 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. We work collaboratively with Emergency Management Otago who employ the Regional Manager/Group Controller and Emergency Management Officers for each of the districts. At a local level a number of staff are first line civil defence responders, and undergo training in roles ranging from welfare and logistics coordination through to local controllers.

THIS ACTIVITY CONTRIBUTES TO THE FOLLOWING COMMUNITY OUTCOMES



THRIVING ECONOMY



SUSTAINABLE ENVIRONMENT



SAFE & HEALTHY COMMUNITY

Rising to the challenges

Consent figures

During the 2017/18 year a total of 955 building consents were issued with a total value of building work of \$168,365,816. This was a decrease of 8.5% in number of consents and a 15.02% decrease in value from the previous year. During the 2017/18 year a total of 579 resource consent applications were received. This represents a 10% increase from the previous year (2016/17) and a 49% increase on 2015/16).

Alcohol Licensing - District Licensing Committee

The previous District Licensing Committee's term of appointment expired on 30 October 2017. The positions were advertised and the following appointments were made for a term of three years:

- Robert McNeil as a Commissioner to act as Chair of the Licensing Committee
- Neil Gillespie as Deputy Chair, and member of the District Licensing Committee
- Dr Michael MacAvoy, Brett Pay and Tanya Surrey as list members of the District Licensing Committee.

Environmental Health

In December Council appointed an Environmental Health Officer with the appropriate experience and qualifications to meet our responsibilities under the Food Act 2014. This area of our work has previously been supported by the use of contract staff with some aspects being deferred indefinitely. This new appointment should ensure all Council's environmental health requirements are met by in-house staff for the immediate future.

Back in 2014 we developed a four-year implementation plan for the transitioning of food premises to the appropriate system of food control under the Food Act 2014. By 30 June 2018 we had completed the registration transition phase, eight months ahead of schedule, which is a great success for the team.

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	2016/17 Results	2017/18 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	55%	72%	Maintain customer satisfaction \geq 75%	Target not achieved. Survey feedback related to a lack of information/communication around local developments.
		Resource consents processed within statutory timeframes	94.8%	94.9%	Resource consents processed within statutory timeframe \geq 99%	Target not achieved. The year ended 30 June 2018 saw a total 579 resource consents received compared with 547 for the previous year, an increase of approximately 6%.
A Thriving Economy and A Safe and Healthy Community		Customer satisfaction with building consent processes in residents' survey	87%	83%	Maintain customer satisfaction \geq 85%	Target not achieved. Survey feedback related to communication and staff ability to deal with consent issues.
		Building consents processed within statutory timeframes	98.94%	95.39%	Building consents processed within statutory timeframe 100%	Target not achieved. Due to staff resourcing. Staffing now at a sufficient level to meet demand.
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 food for sale is safe and suitable.	Annual registration of food premises.	100%	100%	100% premises registered programme	Target achieved.

Planning and Environment						
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments
		Acceptable outcomes from audit reports.	75%	80%	90%	Target not achieved. Due to the change from an inspection system to an audit regime, many premises have failed their initial audit as they come to grip with the changes.
A Safe and Healthy Community	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)	76%	83%	Maintain customer satisfaction \geq 75%	Target achieved.
	Community satisfaction with Council performance	Residents' survey – satisfaction with Emergency Management (Civil Defence)	92%	92%	> 90%	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
PLANNING & ENVIRONMENT				
OPERATING				
Sources of operating funding				
6	6	General rates, uniform annual general charges and rates penalties	6	6
1,258	1,094	Targeted rates	1,453	895
-	-	Subsidies and grants for operating purposes	-	1
1,360	2,359	Fees and charges	1,379	2,157
14	36	Internal charges and overheads recovered	15	146
256	442	Local authorities fuel tax, fines, infringement fees, and other receipts	258	503
2,894	3,937	Total operating funding	3,111	3,708
Applications of operating funding				
2,301	2,458	Payments to staff and suppliers	2,372	2,799
-	-	Finance costs	-	-
511	534	Internal charges and overheads applied	526	578
37	2	Other operating funding applications	127	2
2,849	2,994	Total applications of operating funding	3,025	3,379
45	943	Surplus (deficit) of operating funding	86	329
CAPITAL				
Sources of capital funding				
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
-	-	Increase (decrease) in debt	-	-
24	14	Gross proceeds from sale of assets	10	30
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
24	14	Total sources of capital funding	10	30
Applications of capital funding				
Capital expenditure				
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
131	73	- to replace existing assets	42	16
(62)	884	Increase(decrease) in reserves	54	343
-	-	Increase (decrease) in investments	-	-
69	957	Total applications of capital funding	96	359
(45)	(943)	Surplus (deficit) of capital funding	(86)	(329)
-	-	Funding balance	-	-

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 & 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

Taking 10 for 10

A key focus for the organisation over the first half of 2018 was the 10 for 10 campaign and consultation.

The 10 for 10 pre-consultation campaign was our way of warming up our community for this year's 10-Year Plan consultation in a more bold, engaging and interactive way than in past long term plans. The campaign kicked off with a launch event mid-February in Alexandra. Council had a tent set up at the Friday markets for people to sign up to "Take 10 for 10", plus there was the opportunity to "Strike up a Conversation" with elected members over a spot of 10-pin bowling. It was a highly visible launch with elected members sporting their bright yellow "10 for 10" t-shirts and caps.

Many of our elected members got out and about around the district attending events as "walking billboards" in their yellow shirts during the pre-consultation phase too, spreading the message and encouraging people to sign up. Our front-line customer services staff have also supported the campaign, greeting customers in brilliant yellow. The purpose of '10 for 10' was to raise awareness of the 10-Year Plan process and encourage our community to take at least 10 minutes to get involved and have their say during the consultation period.

During the consultation phase, the communications team organised a number of public engagement opportunities fronted by Council staff and elected members.

These included:

- two drop-in sessions in Clyde;
- a lunchtime pop-up outside the Ranfurly i-SITE;
- a yellow flash mob by Teviot Valley Community Board members at the Roxburgh Pumpkin Festival;
- a drop-in session in Council Chambers in Alexandra; and
- a pop-up at the Cromwell Farmers and Craft Market.

These sessions helped raise the profile of the consultation, as well as being an opportunity for people to find out more and clarify anything they needed to help make an informed submission.

The public engagement opportunities were well attended on the whole and with plenty of traditional media and social media coverage of the 10-Year Plan engagement we received comments that this was the most visible consultation campaign this Council had ever had.

This resulted in a record number of submissions received for a consultation by Central Otago District Council – 478 in total.

Community Outreach

As part of our ongoing commitment to all aspects of Health and Safety, a community assistance programme was trialled during Mental Health Awareness Week, 9-15 October 2017. Staff (in groups of up to six per day) finished their core role at 3pm and went into the community to “do good in the ‘hood” for a couple of hours. The teams assisted with sprucing up the SPCA, planting the seedlings at the Community garden, visiting the elderly and weeding and mulching the Native Reserve on Boundary Road. This initiative promoted both mental and physical wellness by giving staff the opportunity to take part in the “Five ways to well-being”.

Motivational March

A staff promotion of holistic wellbeing was held throughout March. The key focus was to provide all staff with the opportunity to try/learn a new or different way to make a positive change to their wellbeing. Activities ranged from free swims, learning about nutrition, pranayama, gym sessions, competitions and much more. All staff were given the opportunity to be in an Activity Challenge team that converted deliberate exercise into steps. The overall winning team did the equivalent steps of walking from Bluff to the Far North with 2,583,793 steps, approximately 1,968km. Motivational March was concluded with an all of staff function, with keynote speaker William Pike – a proud Kiwi, fanatical outdoorsman and a role model to thousands. He is the director of a successful nationwide youth development programme called the William Pike Challenge Award. He challenged staff to be explorers in their world — to think big and be more successful.

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	2016/17 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy and A Sustainable Environment	Satisfaction with the leadership, representation and decision-making by elected members	Satisfaction with the performance of elected members of local community boards	66%	75%	> 85%	Target not achieved.
A Safe and Healthy Community		Satisfaction with the performance of elected members	76%	80%	> 85%	Target not achieved.

What you can expect from us

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

Governance and Corporate Services						
Community Outcome	Our Objective Level of Service	How we Measure Success	2016/17 Results	2017/18 Results	Our Aim	Comments
A Thriving Economy	Satisfaction with the initial contact with Council	Residents' survey – the service was fast and efficient	87%	87%	> 90%	Target not achieved.
		Residents' survey – the service was friendly and courteous	96%	96%	> 90%	Target achieved.
		Residents survey – issues dealt with effectively	79%	78%	> 80%	Target not achieved.
A Sustainable Environment	Satisfaction with contact regarding service requests	Residents' survey – the service was fast and efficient	73%	93%	> 80%	Target achieved.
		Residents' survey – the service was friendly and courteous	92%	95%	> 90%	Target achieved.
		Residents' survey – issues dealt with effectively	68%	56%	> 75%	Target not achieved. We have identified customer enquiry follow up as a priority and have a programme of work underway to address this.
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Residents' survey – overall effectiveness of communications	81%	83%	> 80%	Target achieved.

2016/17 Long Term Plan \$000	2016/17 Actual \$000	Funding Impact Statement For the year ended 30 June 2018	2017/18 Long Term Plan \$000	2017/18 Actual \$000
GOVERNANCE & CORPORATE SERVICES				
OPERATING				
Sources of operating funding				
61	(116)	General rates, uniform annual general charges and rates penalties	21	(304)
324	174	Targeted rates	341	201
-	-	Subsidies and grants for operating purposes	138	-
138	178	Fees and charges	4,279	181
4,316	5,011	Internal charges and overheads recovered	562	1,399
470	842	Local authorities fuel tax, fines, infringement fees, and other receipts	-	79
5,309	6,089	Total operating funding	5,341	1,556
Applications of operating funding				
4,075	4,668	Payments to staff and suppliers	4,112	5,563
36	26	Finance costs	38	34
-	-	Internal charges and overheads applied	-	(3,253)
501	36	Other operating funding applications	490	18
4,612	4,730	Total applications of operating funding	4,640	2,362
697	1,359	Surplus (deficit) of operating funding	701	(806)
CAPITAL				
Sources of capital funding				
-	-	Subsidies and grants for capital expenditure	58	-
57	425	Development and financial contributions	-	176
-	-	Increase (decrease) in debt	-	-
20	3	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
77	428	Total sources of capital funding	58	176
Applications of capital funding				
-	-	Capital expenditure	-	-
-	-	- to meet additional demand	-	-
-	-	- to improve the level of service	-	-
1,027	363	- to replace existing assets	1,112	406
(145)	1,470	Increase(decrease) in reserves	(299)	(1,625)
(108)	(46)	Increase (decrease) in investments	(54)	589
774	1,787	Total applications of capital funding	759	(630)
(697)	(1,359)	Surplus (deficit) of capital funding	(701)	806
-	-	Funding balance	-	-

LEARN FROM THE PAST

Learn from past experiences with future generations in mind

FINANCIALS

assumptions

accounting policies **audit opinion**
fee and charges



2016/17 Annual Plan \$000	2016/17 Actual \$000	Funding Impact Statement Whole of Council For the year ended 30 June 2018	2017/18 Annual Plan \$000	2017/18 Actual \$000
OPERATING				
Sources of operating funding				
5,672	6,104	General rates, uniform annual general charges and rates penalties	5,744	5,823
21,474	21,001	Targeted rates	22,255	22,477
2,105	2,111	Subsidies and grants for operating purposes	2,106	2,430
3,870	4,853	Fees and charges	4,573	4,747
574	718	Interest and dividend from investments	496	801
1,706	2,186	Local authorities fuel tax, fines, infringement fees, and other receipts	1,902	2,245
35,401	36,973	Total operating funding	37,076	38,523
Applications of operating funding				
25,967	24,996	Payments to staff and suppliers	26,906	28,101
42	39	Finance costs	31	34
1,527	2,027	Other operating funding applications	1,247	1,299
27,536	27,062	Total applications of operating funding	28,184	29,434
7,865	9,911	Surplus (deficit) of operating funding	8,892	9,089
CAPITAL				
Sources of capital funding				
4,357	2,227	Subsidies and grants for capital expenditure	4,643	2,472
605	2,284	Development and financial contributions	1,833	1,058
-	-	Increase (decrease) in debt	-	-
685	1,570	Gross proceeds from sale of assets	1,235	78
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
5,647	6,081	Total sources of capital funding	7,711	3,608
Applications of capital funding				
Capital expenditure				
2,634	980	- to meet additional demand	2,356	2,849
8,777	2,778	- to improve the level of service	6,843	5,615
14,465	8,824	- to replace existing assets	14,287	10,352
(12,260)	3,432	Increase(decrease) in reserves	(6,812)	(6,757)
(104)	(22)	Increase (decrease) in investments	(71)	636
13,512	15,992	Total applications of capital funding	16,603	12,697
(7,865)	(9,911)	Surplus (deficit) of capital funding	(8,892)	(9,088)
-	-	Funding balance	-	-

2016/17 Actual \$000	2016/17 Annual Plan \$000	Funding Impact Statement Reconciliation For the year ended 30 June 2018	2017/18 Annual Plan \$000	2017/18 Actual \$000
OPERATING				
9,911	7,865	Surplus / (deficit) of operating funding from funding impact statement	8,892	9,089
(10,996)	(12,061)	Depreciation	(11,823)	(12,114)
2,227	4,357	Subsidies and grants for capital purposes	4,643	2,472
2,284	605	Development and financial contributions	1,833	1,058
6,345	-	Vested Assets	-	1,912
977	-	Profit / (Loss) on sale of assets	-	2,123
35	-	Valuation gains / (losses)	-	536
10,782	766	Net Surplus / (deficit) before tax in statement of comprehensive revenue an expense	3,545	5,076

2016/17 Actual \$000	Statement of Comprehensive Revenue and Expense For the year ended 30 June 2018	Notes	2017/18 Actual \$000	2017/18 Annual Plan \$000
REVENUE				
Revenue from non-exchange transactions				
27,185	Rates	1	28,300	27,999
4,230	Subsidies and Grants	2	4,718	6,652
2,153	Regulatory fees	3	1,948	2,117
5,525	User fees and other income	3	4,315	3,540
2,284	Development and financial contributions	3	1,058	1,833
6,345	Vested assets	4	1,912	-
55	Valuation gains	5	441	-
Revenue from exchange transactions				
506	Direct charges revenue – full cost recovery	6	500	495
372	Rental revenue	6	414	420
718	Interest		801	496
-	Dividends		-	-
43	Profit on sale of assets		2,628	-
(20)	Gains (losses) on revaluation of investment properties	5	95	-
49,395	Total Revenue		47,130	43,552
EXPENDITURE				
8,326	Employee benefit expenses	7	8,721	9,035
10,996	Depreciation and amortization	18, 19	12,114	11,823
39	Finance costs		34	31
-	Valuation losses		-	-
257	Loss on disposal of assets		505	-
18,996	Other expenses	8	20,680	19,118
38,614	Total Expenditure		42,054	40,007
10,782	Surplus / (Deficit) before tax		5,076	3,545
-	Income tax expense	9	-	-
10,782	Surplus / (Deficit) after tax		5,076	3,545
Gain on asset revaluations				
-	Gain (loss) on revaluation of wastewater assets		-	1,003
-	Gain (loss) on revaluation of water assets		-	1,482
-	Gain (loss) on revaluation of stormwater assets		-	493
-	Gain (loss) on revaluation of roading assets		-	8,870
-	Gain (loss) on revaluation of property and parks assets		-	1,693
-	Gain (loss) on revaluation of land assets		-	-
-	Gain (loss) on revaluation of building assets		-	-
-	Total gain on asset revaluations		-	13,541
-	Gain on available for sale financial assets		-	-
-	Gains (loss) on revaluation of investment bonds		-	-
7	Gains (loss) on revaluation of share equities		(1)	-
7	Total gain on available for sale financial assets		(1)	-
7	Total other comprehensive revenue and expense		(1)	13,541
10,789	Total comprehensive revenue and expense		5,075	17,086

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

2016/17 Actual \$000	Statement of Changes in Equity For the year ended 30 June 2018	Notes	2017/18 Actual \$000	2017/18 Annual Plan \$000
PUBLIC EQUITY				
699,789	Public equity balance at 1 July		710,575	690,648
Accumulated funds				
351,639	Balance at 1 July		362,726	356,036
10,782	Total comprehensive revenue and expense for the year		5,076	3,545
(3)	Transfer to restricted reserves		(2)	(3)
418	Transfer from revaluation reserve as intended for sale		-	-
(109)	Transfer from property revaluation reserve on disposal		66	-
362,726	Balance at 30 June	10	367,866	359,578
OTHER RESERVES				
Property revaluation reserve				
348,047	Balance 1 July		347,737	361,589
-	Revaluation gains / (loss)		-	13,541
(426)	Transfer from property revaluation reserve as intended for sale		-	-
116	Transfer to accumulated funds on disposal property		(86)	-
347,737	Balance at 30 June	10	347,652	375,130
Fair value through other comprehensive revenue reserve				
28	Balance at 1 July		35	-
7	Revaluation gains / (loss)		(1)	-
35	Balance at 30 June	10	34	-
Restricted Reserves (trust and bequest funds)				
75	Balance at 1 July		78	78
3	Transfer from accumulated funds		2	(3)
78	Balance at 30 June	10	80	75
347,850	Total other Reserves		347,766	375,205
710,575	Public Equity 30 June		715,632	734,783

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

2016/17 Actual \$000	Statement of Financial Position As at 30 June 2018	Notes	2017/18 Actual \$000	2017/18 Annual Plan \$000
EQUITY				
362,726	Accumulated funds	10	367,866	359,578
347,737	Property revaluation reserve	10	347,652	375,130
35	Fair value through other comprehensive income revenue reserve		34	-
78	Restricted reserves	10	80	75
710,575	Total Equity		715,632	734,783
REPRESENTED BY:				
Current assets				
1,789	Cash and Cash equivalents	11	1,881	4,748
20,400	Other financial assets	12	18,200	6,702
3,144	Receivables	13	4,249	2,919
616	Inventories	14	399	532
25,949	Total current assets		24,729	14,901
Less current liabilities				
552	Agency and deposits	15	249	309
4,537	Payables and deferred revenue	15	4,776	5,528
753	Employee entitlements	16	857	1,008
-	Borrowings and other financial liabilities		-	-
5,842	Total current liabilities		5,882	6,845
20,107	Working capital		18,847	8,056
Non-current assets				
163	Available for sale financial assets	12	162	156
957	Loans and receivables	17	476	850
686,675	Property, plant and equipment	18	692,830	723,145
658	Intangible assets	19	754	616
791	Forestry assets	21	1,240	723
1,245	Investment property	22	1,340	1,265
690,489	Total non-current assets		696,802	726,755
Less non-current liabilities				
23	Provisions	24	17	28
-	Borrowings and other financial liabilities		-	-
23	Total non-current liabilities		17	28
710,575	Net assets (assets minus liabilities)		715,632	734,783

The accompanying notes form an integrated part of these financial statements

2016/17 Actual \$000	Statement of Cash Flow For the year ended 30 June 2018	Notes	2017/18 Actual \$000	2017/18 Annual Plan \$000
Cash flows from operating activities				
40,379	Receipts from rates, fees and other revenue		43,142	42,750
718	Interest received		663	496
(79)	Net GST		(128)	-
(27,103)	Payments to suppliers and employees		(29,829)	(28,319)
13,915	Net cash flow from operating activities	34	13,848	14,927
Cash flows from investing activities				
1,570	Receipt from sale of property, plant and equipment		871	1,235
-	Receipt from sale of investments		20,414	9,998
30	Receipts from the repayment of loans and receivables		51	72
(12,259)	Purchase of property, plant and equipment		(16,718)	(23,486)
(255)	Purchase of intangibles		(166)	-
(13)	Purchase of forestry		(8)	-
(3,700)	Purchase of investments		(18,200)	-
-	Investment in loans and receivables		-	-
(14,628)	Net cash inflow (outflow) from investing activities		(13,756)	(12,181)
Cash flows from financing activities				
-	Proceeds from borrowings		-	-
-	Repayment of borrowings		-	-
-	Net cash inflow (outflow) from financing activities		-	-
(713)	Net cash increase (decrease) in cash held		92	2,746
2,502	Opening cash held 1 July		1,789	2,002
1,789	Closing cash held 30 June	11	1,881	4,748

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. These reserves are included in note 10.

Reserve Funds	Opening Balance 2017/18 (\$000)	Transfers In 2017/18 (\$000)	Transfers Out 2017/18 (\$000)	Closing Balance 2017/18 (\$000)
Specific Reserves				
Other Infrastructure	889	135	(7)	1,017
Parks, Reserves and Cemeteries	21	2	(0)	23
Libraries, Swimming Pools, and Community Facilities	26	1	0	27
Self Insurance fund	2,031	88	0	2,119
Planning and Environment	1,373	450	0	1,823
Governance and Corporate Services	2,428	120	(24)	2,524
Total Specific Reserves	6,768	796	(31)	7,533
Development Contributions				
Governance and Corporate Services	(4,148)	835	(2,005)	(5,318)
Total Development Contributions	(4,148)	835	(2,005)	(5,318)
General Reserves				
Governance and Corporate Services	17,506	1,048	(653)	17,902
Total General Reserves	17,506	1,048	(653)	17,902
Property				
Other Infrastructure	2,598	2,697	(5)	5,289
Libraries, Swimming Pools, and Community Facilities	(2)	0	(6)	(9)
Governance and Corporate Services	602	47	0	650
Total Property	3,198	2,744	(12)	5,930
Loss of Service Potential and Development				
Water	(2,015)	1,005	(1,066)	(2,076)
Wastewater	235	2,009	(4,954)	(2,710)
Stormwater	1,717	418	(6)	2,129
Transportation	(3,297)	1,226	(1,002)	(3,073)
Other Infrastructure	(20)	0	(9)	(29)
Total Loss of Service Potential and Development	(3,380)	4,658	(7,037)	(5,759)

Reserve Funds	Opening Balance 2017/18 (\$000)	Transfers In 2017/18 (\$000)	Transfers Out 2017/18 (\$000)	Closing Balance 2017/18 (\$000)
Amenities				
Waste Minimisation	(112)	1,138	(1,136)	(110)
Other Infrastructure	(628)	1	(456)	(1,084)
Parks, Reserves and Cemeteries	776	107	(67)	816
Libraries, Swimming Pools, and Community Facilities	(1,373)	140	(245)	(1,478)
Planning and Environment	418	46	0	464
Total Amenities	(919)	1,432	(1,905)	(1,391)
Governance				
Governance and Corporate Services	84	3	(18)	70
Total Governance Reserves	84	3	(18)	70
District Development				
District Development	211	174	0	385
Total District Development Reserves	211	174	0	385
Total Reserves	19,331	11,691	(11,661)	19,361

Variance Report For the year ended 30 June 2018	2017/18 Actual \$000	2017/18 Annual Plan \$000	2017/18 Variance Favourable / (Unfavourable) \$000
REVENUE			
Revenue from non-exchange transactions			
Rates	28,300	27,999	301
Subsidies and grants	4,718	6,652	(1,934)
Regulatory fees	1,948	2,117	(169)
User fees and other income	4,315	3,540	775
Vested assets	1,912	-	1,912
Valuation gains	441	-	441
Development and financial contributions	1,058	1,833	775)
Revenue from exchange transactions			
Direct charges revenue – full cost recovery	500	495	5
Rental revenue	414	420	(6)
Interest	801	496	305
Dividends	-	-	-
Profit on sale of assets	2,628	-	2,628
Gains on revaluation of investment properties	95	-	95
Total revenue	47,130	43,552	3,578
EXPENDITURE			
Water	4,091	3,879	(211)
Wastewater	3,164	3,350	186
Stormwater	647	674	28
Transportation	11,216	10,265	(952)
Waste Minimisation	3,785	3,626	(158)
Other Infrastructure	3,081	2,580	(502)
Parks and Cemeteries	2,873	2,869	(4)
Libraries, Swimming Pools and Community Facilities	5,036	4,974	(61)
District Development	2,637	3,298	661
Planning and Environment	3,355	3,114	(242)
Governance and Corporate Services	1,665	1,377	(288)
Loss on disposal of assets	505	-	(505)
Total expenditure	42,054	40,006	(2,048)
Net surplus (deficit)	5,076	3,546	1,530

Explanation of Variances

Revenue

Rates

Rates income has exceeded budget with the majority of the variance due to higher revenues in metered water sales.

Subsidies and Grants

Anticipated grants (\$2.8 million) in relation to the Cromwell Memorial Hall were not received due to the refurbishment project not now proceeding. This is offset by increased NZTA funding for the July 2017 Roxburgh flood event (\$316k), government grant for litter bins (\$139k) plus other capital donations for various community projects \$238k.

User Fees and Other Income

Income in a number of areas has exceeded expected income. These areas include such things as resource consent fees, recovery of professional fees, fuel tax, unbudgeted donations and contributions, i-SITE brochure display charges and rentals and hire. All of these increases in income reflect the increased activity in the district.

Vested Assets

The additional revenue of \$1.9 million relates to infrastructural assets that are passed on to Council from developers as part of the subdivision development process, prior to the titles being issued.

Valuations

Valuation gains are the result of forestry revaluations. There were significant increases in revaluations in all of the forestry holdings.

Development Contributions

Development Contribution income is lower than budget. The majority of development contributions received are for the Cromwell wastewater scheme and roading contributions for the new Cromwell Supermarket.

Interest

Deferral of some major projects has meant that cash reserves are higher than expected. A direct result of this is increased interest revenue.

Profit on sales of assets

Profit on sale of assets \$2.6 million largely relates to settled land sales at Isles Street, Cromwell (\$1.24m) and Rees Crescent (\$1.37m).

Expenditure

Water

Plant maintenance and reactive costs, unplanned hire of temporary treatment plant plus depreciation and direct overhead costs were greater than budget by \$398k. This unfavourable variance was offset by savings in physical works and planned treatment costs.

Waste Water

Contract, plant maintenance and asset management plan costs are lower than budget by \$432k. This favourable variance was partly offset by professional fees, other operating and direct overhead costs, plus sludge removal at Alexandra being greater than planned.

Transportation

Transportation is overspent mainly as a result of flood damage sustained in Roxburgh during the July 2017 storm event (\$594k). Depreciation costs are up; offset by savings in staff related and direct overhead costs.

Waste Minimisation

Contract, kerbside recycling, transfer station operating costs and solid waste minimisation strategy planning costs are ahead of budget by \$261k; offset by savings in green waste to landfills and overhead operating costs.

Other Infrastructure

A change in an internal allocation methodology has resulted in an unrecovered budget of \$228k, but with no overall change to the accounts.

In addition bridge repairs and maintenance, power and insurance, management consultants and public toilet contract work have exceeded the annual budget.

District Development

Savings across this activity have been made in general administration costs covering staff related costs, travel, training and general office expenses; plus savings in various projects and a small grants budget not utilised.

Planning and Environment

The unfavourable variance is primarily due to unbudgeted Cromwell Master Plan consultant costs (\$221k).

Governance and Corporate Services

Expenditure has exceeded budget mainly due to a provision for impairment of a community loan; offset by savings across areas within this activity.

Loss on Disposal of Assets

Loss on disposal of assets is largely the result of \$379k write-off of costs associated with the Cromwell Memorial Hall refurbishment project as approved by the Cromwell Community Board. The remaining losses relate to the sale of a closed road and water meter readers that were replaced.

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 2018. The financial statements were authorised for issue by the Council on 24 October 2018. 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, except for the annual valuation of infrastructure assets which was not performed as at 1 July 2017 in accordance with the Council's policy. Council considers that the carrying value of infrastructure assets reflected in note 18 are fair value.

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), except for the unused tax loss disclosure in note 9 which is rounded to the nearest dollar.

Standards issued but not yet effective

Standards issued but not yet effective have not been early adopted. They have no effect on the Financial Statements of the Council.

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 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 based on usage. 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 and when the Council obtains control of the asset.

vi. Development Contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged.

Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Revenue from exchange transactions:

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

vii. Direct Charges – full cost recovery

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

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.

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.

7. Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

Public equity is disaggregated and classified into the following components:

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

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

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

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

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

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

8. Cash and Cash Equivalents

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

9. Debtors and Other Receivables

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment Policy 17).

10. Inventories

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

11. Financial Assets

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

Available-for-Sale Financial Assets

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

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

Financial instruments classified as available for sale investments are recognised / derecognised by Council on the date it commits to purchase / sell the investments. Available-for-sale financial assets are derecognised when they mature. On 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.

12. Property, Plant and Equipment

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

- Water
- Wastewater
- Stormwater
- Transportation

All of the above were revalued on an optimised depreciation replacement cost basis. Revaluations of land and buildings are completed every 3 years and parks and reserves are completed every 5 years by external independent valuers.

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

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

Where Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases or decreases in the carrying amounts arising on revaluation of a class of assets are credited or debited to other comprehensive revenue and expenditure and are accumulated to an asset revaluation reserve in equity for that class of asset. However, the net revaluation result is recognised in the surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit.

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

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

*These were not performed in the 2017/18 year. Council considered that the carrying value of infrastructure assets reflected fair value.

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
Other assets	5-100 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.

13. Intangible Assets

i. Computer Software

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

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

ii. Other Intangible Assets

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

Easements are not amortised.

iii. Subsequent Expenditure

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

iv. Amortisation

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

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

14. 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.

15. 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.

16. Investment Property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or 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.

17. 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.

18. Impairment of Non-Financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 10), forestry assets (see Forestry Assets Policy 15), and Investment Property (see Investment Property Policy 16) 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. Critical accounting estimates and assumptions

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

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

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

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

- Classification of property –see Note 18.

Notes to the Financial Statements

For the year ended 30 June 2018

1. Rates

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

	2017/18 \$000	2016/17 \$000
General rates	4,300	4,235
Uniform annual general rate	1,418	1,441
	5,719	5,676
Targeted rates attributable to activities per funding impact statement:		
- Water	4,818	4,333
- Wastewater	3,946	3,373
- Stormwater	496	453
- Transportation	1,173	1,181
- Waste Minimisation	2,492	2,493
- Other Infrastructure	600	621
- Parks, Reserves and Cemeteries	2,212	2,174
- Community Facilities, Libraries and Swimming Pools	3,791	3,711
- District Development	1,853	1,822
- Economic Development	-	-
- Planning and Environment	895	1,094
- Governance and Corporate Services	201	174
Total targeted rates	22,477	21,429
Rates penalties	191	178
Rates remissions	(22)	(38)
Rates discount	(64)	(60)
	105	80
Total rates revenue	28,300	27,185

Total rates revenue of \$28.3 million includes revenue of \$1.763 million from targeted water meter supply rates (2017 \$1.501 million).

2. Subsidies and Grants

	2017/18 \$000	2016/17 \$000
New Zealand Transport Agency roading subsidies	4,202	3,886
Creative NZ and SPARC grants	26	30
Central Lakes Trust	54	-
Department of Internal Affairs Grant	48	80
Ministry of Business Innovation & Employment Grant	304	217
Other grants	84	17
Total subsidies and grants	4,718	4,230

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2017 nil).

3. User Fees and Other Income

	2017/18 \$000	2016/17 \$000
Regulatory fees - building consent and health charges	1,552	1,753
Regulatory fees - resource management fees	225	222
Regulatory fees – liquor licensing	171	178
User fees – libraries, swimming pools & visitor centres	981	961
User fees - parks, recreation reserves and cemeteries	251	214
User fees – waste collection, minimisation and disposal	1,043	1,087
User Fees - water	1	-
User Fees - wastewater	75	-
User fees – property and land usage	1084	851
User fees – roading and fuel taxes	202	309
User fees – planning	526	458
User fees – district development & corporate services	8	235
User fees – District Development	143	-
Development contributions	1,058	2,284
Sale of inventory	-	1,409
Total fees and charges	7,321	9,961

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.

	2017/18 \$000	2016/17 \$000
Parks & Reserves	108	540
Roading (including footpaths)	950	4,353
Stormwater	218	469
Wastewater	322	481
Water	314	502
Total vested assets	1,912	6,345

5. Valuation Gains and Losses

	2017/18 \$000	2016/17 \$000
Non-financial Instruments		
Gain (loss) in fair value of forestry assets (Note 21)	441	55
Gain (loss) in fair value of investment property	95	(20)
	536	35
Financial Instruments		
Gain (loss) in fair value of community loans	-	-
	-	-
Total Gains (Losses)	536	35

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.

	2017/18 \$000	2016/17 \$000
Full cost recovery - dog registration and dog control	184	184
Full cost recovery - camping ground revenue	315	322
Rental revenue - leased premises	414	372
Total revenue from exchange transactions	914	878

7. Employee Benefit Expenses

	2017/18 \$000	2016/17 \$000
Salaries and wages	8,512	8,161
Defined contribution plan employer contributions*	213	188
Increase (decrease) in employee benefit liabilities	(5)	(23)
Total employee benefit expenses	8,721	8,326

*includes employer contributions to Kiwisaver.

8. Other Expenses

	2017/18 \$000	2016/17 \$000
Audit fees:		
- audit fees for financial statement audit	96	94
- cost recoveries from 2017 financial statements	10	-
- audit of the Long Term Plan	79	-
- Cost recoveries from LTP audit	20	-
Maintenance contractors	7,145	9,375
Professional fees	1,679	1,155
Fuel and energy	1,006	1,125
Grants	578	1,613
Insurance premiums	320	299
Increase (decrease) in provision for bad debts	11	(26)
Payments under operating lease agreements	205	226
Other operating expenses	9,531	5,135
Total other expenses	20,680	18,996

9. Tax

CODC has unused tax losses of \$90,529 with a tax effect of \$25,348 that have not been recognised. (2016/17: tax losses \$85,289; tax effect \$23,881).

	2017/18 \$000	2016/17 \$000
Net surplus (deficit):	5,076	10,780
- Tax at 28%	1,421	3,018
- Plus (less) tax effect of:		
- Non-taxable income	1,421	3,018
- Tax loss not recognised	-	-
Tax Expense	-	-
Current tax	-	-
Deferred tax	-	-
Balance at Year End	-	-

10. Public Equity

	2017/18 \$000	2016/17 \$000
Accumulated funds		
Opening balance 1 July	362,727	351,639
Surplus (deficit) for the year	5,076	10,782
Transfers to restricted reserves	(2)	(3)
Transfers from property revaluation reserve	66	309
Closing balance 30 June	367,867	362,727

Property Revaluation Reserves

Property Revaluation reserves for each asset class consist of:

2017/18				
	Opening Balance \$000	Net Movement \$000	Adjustment for Assets Owned by Council \$000	Closing Balance \$000
Roading	183,423	-	-	183,423
Bridges	27,003	-	-	27,003
Water	40,943	-	-	40,943
Wastewater	28,923	-	-	28,923
Stormwater	13,612	-	-	13,612
Land	32,256	(166)	-	32,091
Buildings	19,637	80	-	19,717
Parks and Reserves	1,940	-	-	1,940
Total	347,736	(86)	-	347,651
Transfer to accumulated funds on realisation		(86)	-	-
Transfer to accumulated funds as property Intended for sale		-	-	-
Total gain on asset revaluation		(86)	-	-

Water, wastewater and stormwater and roading, infrastructural assets were not revalued as at 1 July 2017 nor at 1 July 2016. Parks and reserves were revalued as at 1 July 2015 - These are revalued every 5 years.

2016/17				
	Opening Balance \$000	Net Movement \$000	Adjustment for Assets Owned by Council \$000	Closing Balance \$000
Roading	183,423	-	-	183,423
Bridges	27,003	-	-	27,003
Water	40,943	-	-	40,943
Wastewater	28,883	89	-	28,923
Stormwater	13,612	-	-	13,612
Land	32,682	(426)	-	32,256
Buildings	19,614	25	-	19,639
Parks and Reserves	1,937	3	-	1,940
Total	348,047	(309)	-	347,739
Transfer to accumulated funds on realisation		109	-	-
Transfer to accumulated funds as property intended for sale		(426)	-	-
Total gain on asset revaluation		(317)	-	-

Available for Sale Revaluation Reserve

Available for sale revaluation reserves consist of:

2017/18			
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	35	(1)	34
Total	35	(1)	34

2016/17			
	Opening Balance \$000	Net Movement \$000	Closing Balance \$000
Shares in unlisted companies	28	7	35
Total	28	7	35

Restricted Reserves

	2017/18 \$000	2016/17 \$000
Trust and bequest funds		
Opening balance 1 July	78	75
Transfers from accumulated funds	2	3
Closing balance 30 June	80	78

11. Cash and Cash Equivalents

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

	2017/18 \$000	2016/17 \$000
Cash at bank and on hand	881	1,789
Term deposits with maturities of less than 3 months at acquisition	1,000	-
Total cash and equivalents	1,881	1,789

The carrying value of cash and cash equivalents approximates their fair value. Of the total cash balance of \$1,881,000 (2016/17:\$1,789,000), an amount of \$83,000 (2016/17: \$88,000) 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 2017. 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.

	2017/18	2016/17
	\$000	\$000
Current portion		
Deposits maturing 3-12 months	18,200	20,400
Investment bonds	-	-
	18,200	20,400
Add (less) fair value adjustment investment bonds	-	-
Total current portion	18,200	20,400

	2017/18	2016/17
	\$000	\$000
Non-current portion		
Share investments in unlisted companies	162	163
Total non-current portion	162	163
Total other financial assets	18,362	20,563

Interest Rates

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

	2017/18	2016/17
Short-term deposits, promissory and floating rate notes	3.54%	3.66%

Investment Maturities

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

	2017/18			Total
	Short-term Deposits	Promissory & Floating Rate Notes	Corporate & Bank Bonds	
	\$000	\$000	\$000	\$000
Less than 3 months				
3 to 12 months	18,200	-	-	18,200
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	18,200	-	-	18,200

	2016/17			Total \$000
	Short-term Deposits	Promissory & Floating Rate Notes	Corporate & Bank Bonds	
	\$000	\$000	\$000	
Less than 3 months	-	-	-	-
3 to 12 months	20,400	-	-	20,400
1 to 2 years	-	-	-	-
2 to 5 years	-	-	-	-
Total investments	20,400	-	-	20,400

13. Receivables

	2017/18 \$000	2016/17 \$000
Sundry accounts receivable	1,220	1,626
Goods and Services Tax	543	540
Rates receivable	558	532
NZ Transport Agency subsidy	1,799	370
Prepaid expenses	256	191
Receivables prior to impairment	4,376	3,260
Less provision for impairment receivables	(127)	(116)
Total receivables	4,249	3,144

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:

	2017/18		
	Gross \$000	Impairment \$000	Net \$000
Rates receivable			
Reporting year ended 30 June	305	(28)	277
Unpaid 1 year	86	(23)	63
Unpaid 2 years	49	(20)	29
Unpaid older	118	(54)	64
Total rates receivable	558	(125)	433

2016/17			
	Gross \$000	Impairment \$000	Net \$000
Rates receivable			
Reporting year ended 30 June	321	(26)	295
Unpaid 1 year	139	(23)	116
Unpaid 2 years	27	(18)	9
Unpaid older	45	(44)	1
Total rates receivable	532	(111)	421

As at 30 June 2018 and 2017, 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.

2017/18			
	Gross \$000	Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	967	-	967
Unpaid 1 month	126	-	126
Unpaid 2 months	56	-	56
Unpaid 3 months and older	71	(2)	69
Total sundry accounts receivable	1,220	(2)	1,218

The age of outstanding sundry accounts receivable is detailed below:

2016/17			
	Gross \$000	Impairment \$000	Net \$000
Sundry Accounts Receivable			
Current	1,389	-	1,389
Unpaid 1 month	123	-	123
Unpaid 2 months	47	-	47
Unpaid 3 months and older	67	(5)	62
Total sundry accounts receivable	1,626	(5)	1,621

14. Inventory

Council holds title to surplus land at Alexandra and Cromwell. During the year development costs associated with these properties were transferred from Property, Plant and Equipment to Inventory. Inventory is realised at cost.

	2017/18	2016/17
	\$000	\$000
Commercial inventory:		
- Land developed and held for sale	399	616
Total payables	399	616

15. Trade and Other Payables

	2017/18	2016/17
	\$000	\$000
Payables and deferred income	4,583	4,263
Audit fee accruals	96	76
Agency and deposits	249	552
PAYE / Kiwisaver owed to IRD	96	197
Total payables	5,024	5,088

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

	2017/18	2016/17
	\$000	\$000
Accrued pay	344	236
Annual and Statutory leave entitlements	513	517
Total employee entitlements	857	753

17. Community Loans

Community loans and receivables consist of lending to recreation and cultural clubs and bodies, vendor mortgages on sale of land and community lending to local clubs and bodies. The fair value of investments is equal to the holding value, apart from community loans which have been determined using the effective interest method for low interest loans (interest rate 2017/18 5%; 2016/17 5%) or interest free loans.

	2017/18	2016/17
Mortgages and other investments	-	-
- Interest bearing	352	405
- Non-interest bearing	551	552
	903	957
Less provision for impairment community loans	(427)	-
	476	957
Interest Rates		
Mortgages and other investments (interest bearing)	5.93%	5.90%

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 were revalued as at 1 July 2015 and are as follows:

	2017/18	2016/17
Buildings	109	114
Bridges	284	354
	393	468

Water, wastewater and stormwater assets were revalued with an effective date of 1 July 2016. These valuations were dated 8 May 2017.

Roading assets were revalued with an effective date of 1 July 2016. These valuations were dated 8 May 2017.

All the above are 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 are every 5 years.

Property, Plant and Equipment - as at 30 June 2018

	Cost Revaluation 1 Jul 17	Accumulated Depreciation and impairment Charges Jul 17	Assets Adjustments 1 Jul 17	Carrying Amount 1 Jul 17	Current Year Transfers of completed or additional work	Current Year Additions Council Constructed	Current Year Additions Transferred to Council	Current Year Disposals at Cost	Accumulation Depreciation on Disposals	Asset Adjustments	Current Year Depreciation	Revaluation	Revaluation Depreciation Recovered	Cost / Revaluation 30 Jun 18	Accumulated Depreciation and Impairment Charges 30 Jun 18	Carrying Amount 30 Jun 18
	\$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	34,384	(1,236)	-	33,148	-	-	-	-	-	-	(617)	-	-	34,384	(1,853)	32,531
Roading and footpaths	411,777	(8,642)	-	403,136	-	4,147	829	-	-	-	(5,111)	-	-	416,752	(13,753)	402,999
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	11,133	-	-	11,133	-	-	122	-	-	-	-	-	-	11,255	-	11,255
Stormwater	25,475	(942)	-	24,532	-	-	218	-	-	-	(495)	-	-	25,694	(1,437)	24,257
Water Supply																
Treatment plant & facilities	15,818	(795)	-	15,023	-	590	-	-	-	-	(437)	-	-	16,408	(1,232)	15,176
Other assets	59,390	(1,824)	-	57,565	-	1,861	314	-	-	(86)	(980)	-	-	61,479	(2,804)	58,675
Under construction	417	-	-	417	-	345	-	-	-	86	-	-	-	849	-	849
WasteWater																
Treatment plant & facilities	10,863	(837)	-	10,026	-	719	-	-	-	-	(455)	-	-	11,582	(1,292)	10,290
Other assets	39,540	(1,743)	-	37,797	14	936	322	-	-	107	(996)	-	-	40,920	(2,739)	38,181
Under construction	932	-	-	932	(14)	5,591	-	-	-	(107)	-	-	-	6,402	-	6,402
	609,728	(16,019)	-	593,709	-	14,188	1,804	-	-	-	(9,090)	-	-	625,723	(25,109)	600,614
Operational Assets																
Equipment	1,982	(1,490)	-	492	-	13	-	(6)	-	-	(157)	-	-	1,989	(1,646)	342
Furniture and Fittings	1,738	(1,114)	-	624	-	277	-	-	-	-	(96)	-	-	2,015	(1,210)	805
Parks and Reserves	10,341	(1,001)	-	9,340	1,024	694	108	-	-	-	(606)	-	-	12,168	(1,607)	10,561
Under construction	1,024	-	-	1,024	(1,024)	5	-	-	-	-	-	-	-	5	-	5
Other	6,125	(1,760)	-	4,365	80	317	-	-	-	(19)	(289)	-	-	6,503	(2,049)	4,455
Under construction	14	-	-	14	(80)	125	-	-	-	19	-	-	-	78	-	78
Plant and Machinery	2,143	(1,218)	-	924	-	208	-	-	-	-	(146)	-	-	2,350	(1,363)	987
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	817	(379)	-	438	-	91	-	(37)	12	-	(132)	-	-	872	(499)	373
Land	38,763	(85)	-	38,678	-	16	-	(170)	-	-	-	-	-	38,609	(85)	38,524
Buildings	39,767	(4,008)	-	35,758	370	646	-	-	-	-	(1,396)	-	-	40,783	(5,404)	35,379
Under construction	717	-	-	717	(370)	153	-	379	-	-	-	-	-	120	-	120
Library Books	1,628	(1,037)	-	591	-	126	-	-	-	-	(134)	-	-	1,754	(1,171)	583
	105,060	(12,093)	-	92,967	-	2,670	108	(592)	12	(0)	(2,954)	-	-	107,246	(15,034)	92,212
TOTAL FIXED ASSETS	714,788	(28,113)	-	686,675	-	16,859	1,912	(592)	12	(0)	(12,044)	-	-	732,969	(40,143)	692,825

Property, Plant and Equipment - as at 30 June 2017

	Cost Revaluation 1 Jul 17	Accumulated Depreciation and Impairment Charges Jul 17	Assets Adjustments 1 Jul 17	Carrying Amount 1 Jul 17	Current Year Transfers of completed or additional work	Current Year Additions Council Constructed	Current Year Additions Transferred to Council	Current Year Disposals at Cost	Accumulation Depreciation on Disposals	Asset Adjustments	Current Year Depreciation	Revaluation	Revaluation Depreciation Recovered	Cost / Revaluation 30 Jun 18	Accumulated Depreciation and Impairment Charges 30 Jun 18	Carrying Amount 30 Jun 18
	\$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	34,384	(619)	-	33,765	-	-	-	-	-	-	(617)	-	-	34,384	(1,236)	33,148
Roading and footpaths	403,588	(4,321)	160	399,428	-	4,699	3,329	-	-	-	(4,321)	-	-	411,777	(8,642)	403,136
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Under Roads	10,109	-	-	10,109	-	-	1,024	-	-	-	-	-	-	11,133	-	11,133
Stormwater	25,069	(470)	(160)	24,439	-	96	469	-	-	-	(473)	-	-	25,475	(942)	24,532
Water Supply																
Treatment plant & facilities	14,916	(392)	-	14,524	-	903	-	-	-	-	(403)	-	-	15,818	(795)	15,023
Other assets	57,717	(912)	-	56,805	86	1,085	502	-	-	-	(912)	-	-	59,390	(1,824)	57,565
Under construction	282	-	-	282	(86)	222	-	-	-	-	-	-	-	417	-	417
WasteWater																
Treatment plant & facilities	10,616	(414)	-	10,202	-	247	-	-	-	-	(423)	-	-	10,863	(837)	10,026
Other assets	36,434	(858)	-	35,576	2,019	607	481	-	-	-	(886)	-	-	39,540	(1,743)	37,797
Under construction	1,490	-	-	1,490	(2,019)	1,625	-	(165)	-	-	-	-	-	932	-	932
	594,605	(7,984)	-	586,621	-	9,484	5,804	(165)	-	-	(8,035)	-	-	609,728	(16,019)	593,709
Operational Assets																
Equipment	1,918	(1,297)	-	621	-	64	-	-	-	-	(193)	-	-	1,982	(1,490)	492
Furniture and Fittings	1,652	(1,030)	-	623	-	87	-	(1)	1	-	(85)	-	-	1,738	(1,114)	624
Parks and Reserves	9,528	(475)	-	9,053	-	272	540	-	-	-	(526)	-	-	10,34	(1,001)	9,340
Under construction	7	-	-	7	-	1,017	-	-	-	-	-	-	-	1,024	-	1,024
Other	5,758	(1,482)	-	4,276	2	365	-	-	-	-	(278)	-	-	6,125	(1,760)	4,365
Under construction	16	-	-	16	(2)	-	-	-	-	-	-	-	-	14	-	14
Plant and Machinery	2,037	(1,091)	-	946	-	114	-	(8)	3	-	(131)	-	-	2,143	(1,218)	924
Under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	804	(356)	-	448	-	139	-	(126)	103	-	(126)	-	-	817	(379)	438
Land	39,203	(85)	-	39,118	-	32	-	(427)	-	-	-	-	-	38,763	(85)	38,678
Buildings	39,548	(2,642)	-	36,906	61	243	-	(81)	2	-	(1,369)	-	-	39,771	(4,008)	35,763
Under construction	401	-	-	401	(61)	373	-	-	-	-	-	-	-	713	-	713
Library Books	1,504	(912)	-	592	-	124	-	-	-	-	(125)	-	-	1,628	(1,037)	591
	102,376	(9,369)	-	93,007	-	2,830	540	(687)	110	-	(2,834)	-	-	105,060	(12,093)	92,967
TOTAL FIXED ASSETS	696,982	(17,354)	-	679,628	-	12,314	6,345	(852)	110	-	(10,869)	-	-	714,788	28,113)	686,675

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 2017	83	1,423	144	1,650
Adjustments	-	(217)	-	(217)
Additions	-	166	-	166
Disposals	-	-	-	-
Balance at 30 June 2018	83	1,372	144	1,599
Balance at 1 July 2016	83	1,168	144	1,395
Additions	-	255	-	255
Disposals	-	-	-	-
Balance at 30 June 2017	83	1,423	144	1,650
Accumulated Amortisation and Impairment				
Balance 1 July 2017	-	(848)	(144)	(992)
Adjustment	-	217	-	217
Amortisation charge	-	(70)	-	(70)
Disposals	-	-	-	-
Balance at 30 June 2018	-	(701)	(144)	(992)
Balance at 1 July 2016	-	(719)	(145)	(864)
Amortisation charge	-	(129)	1	(128)
Disposals	-	-	-	-
Balance at 30 June 2017	-	(848)	(144)	(992)
Carrying Amounts				
Balance at 30 June 2017	-	575	-	658
Balance at 30 June 2018	83	671	0	754

20. Insurance

The Council holds asset insurance with multiple insurance companies including Vero, ACE, AIG and Primacy as at 30 June 2018.

The total value of all assets covered by insurance contracts is \$88 Million. The maximum amount for which these assets is insured is \$162 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 \$606 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 2018.

As at 30 June the Council owned forests had a 94% increase in value over the value as at the same time last year. The increase in valuation of the forest estate is the result of growing the forest on for 1 more year plus; there has been a significant increase in the 3 year, PPI Indexed, average log prices since the June 2018 valuation.

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 27 years old and 1.4 ha of Radiata pine 32 years old.

Naseby – 2.6 ha Corsican pine 37 years.

Roxburgh – 10.5 ha of Radiata pine 33 years old.

Assumption: Radiata mature for clear felling at 36 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 21 to 31 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 2018. A pre tax discount rate of 8.5% has been used this year (2017; 8.5%).

The value of the Joint Venture Forest as at 30 June represents a 32% increase in value over the same time last year. The increase is attributable to natural growth and higher log prices.

- 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 Assumption: Douglas fir mature for clear felling at an average age of 40 (2016/17; 45).

	2017/18	2016/17
	\$000	\$000
Balance as at 1 July	790	722
Increases due to purchases	8	13
Gain (loss) arising from revaluation	441	55
Decrease arising from sales / harvest	-	-
Balance as at 30 June	1,239	790
The gain (loss) comprised of: Queenstown		
Joint Venture Forest	145	173
Alexandra Forest	83	30
Cromwell Forest	161	(112)
Naseby Forest	12	4
Ranfurly Forest	3	(6)
Roxburgh Forest	37	(34)
	441	55

22. Investment Property

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

After initial recognition, all investment property is measured at fair value at each reporting date.

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

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

	2017/18	2016/17
	\$000	\$000
Balance as at 1 July	1,245	1,265
Gains (loss) arising from revaluation	95	(20)
Balance at 30 June	1,340	1,245
Rental income from investment property	114	101
Direct expenses from investment property	19	17

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 2017/18 included a valuation gain of \$144,817.

	2017/18	2016/17
	\$000	\$000
Current assets	-	-
Non-current assets	627	474
Current liabilities	-	-
Non-current liabilities	-	-
Income	144	173
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%.

	2017/18 \$000	2016/17 \$000
Opening balance	23	28
Less applied to operations	(7)	(7)
Add Interest time adjustment	1	2
Closing balance	17	23

25. Capital Commitments

	2017/18 \$000	2016/17 \$000
Capital Commitments		
Property	-	55
Water System	739	-
Wastewater System	677	48
Roading	16,443	14,406
Closing balance	17,859	14,509

The Roothing commitments will attract a subsidy of \$8,561k (2016-17 \$6,723k). 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, 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

	2017/18 \$000	2016/17 \$000
No longer than 1 year	215	320
Longer than 1 year and not longer than 5 years	77	227
Longer than 5 years	-	-
Total non-cancellable operating leases	292	547

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:

	2017/18 \$000	2016/17 \$000
No longer than 1 year	214	173
Longer than 1 year and not longer than 5 years	177	182
Longer than 5 years	-	-
Total non-cancellable operating leases	391	355

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 2017/18 and 2016/17, 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.

Contingent Liabilities

As at the date of these financial statements there were no matters that would indicate a potential liability brought to the Council's attention.

29. Remuneration

Remuneration of Elected Members

	2017/18 \$000	2016/17 \$000
Mayor		
T Cadogan	89	62
A B Lepper	-	26
Current Councillors		
NJ Gillespie*	31	26
M R McPherson*	27	23
S A Calvert	21	20
S L Duncan	21	20
S F Jeffrey	22	21
N McKinlay	22	21
M C Topliss	22	21
Dr D J Wills	22	21
V J Bonham	21	14
L J Claridge	21	14
S J Battrick	-	6
C R Higginson	-	6
Total elected representatives' remuneration	319	301

* 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:

	2017/18 \$000	2016/17 \$000
Salary – permanent CEO's	199	216
Motor vehicle	15	15

As at 30 June 2018, the annual cost, including benefits, to the Central Otago District Council for the combined remuneration package of the Chief Executive is calculated at \$214,026 (2017- \$231,176). The above figures are the full amount paid exclusive of expense claims.

During the year there were 2 CEO's. In that time, L Mash received salary of \$114,410 and S Jacobs received salary of \$84,615.

Remuneration of Key Management

	2017/18	2016/17
	\$000	\$000
Remuneration of Key Management	716	745

Key management includes the Chief Executive and the three Executive Managers, who form the Executive Team. 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

	2017/18	2016/17
	\$000	\$000
Total annual remuneration by band for employees at 30 June		
<\$60,000	160	160
\$60,000-\$79,999	32	25
\$80,000-\$99,999	17	15
\$100,000-\$159,999	5	7
\$160,000-\$240,000	4	3
Total employees	218	210

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. At balance date, the Council employed 99 (2017, 97) full-time employees, with the balance of staff representing 45 (2017, 19) 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 2017/18 (2016/17 – 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	2017/18 \$000	2016/17 \$000
Loans and receivables			
Bank balances and term deposits	AA- and greater No defaults in the past	20,081	22,194
Debtors and other receivables	Note 13	4,248	3,144
Community loans	Not rated, no defaults in the past	476	957
Total credit risk loans and receivables		24,805	26,295
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		24,805	26,295

Market Risk

Currency Risk

The Council is not exposed to any direct currency risk as all transactions are in New Zealand dollars.

Interest Rate Risk

The Council manages its investments to minimise interest rate risk, in accordance with its investment policy, by holding investments with differing maturities and fixed returns. The table below illustrates the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

	2017/18		2016/17	
	\$000	\$000	\$000	\$000
Interest rate risk	-50bps	+50bps	-50bps	+50bps
	Effect on surplus (deficit)		Effect on surplus (deficit)	
Cash and cash equivalents	(4)	4	(9)	9
Promissory and floating rate notes				
Total sensitivity	(4)	4	(9)	9

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.

	Note	2017/18			Total 2017/18
		Less than 1 year	1 year	2-5 years	
Financial Assets					
Cash and cash equivalents	11	1,881	-	-	1,881
Trade and other receivables	13	3,746	295	207	4,248
Other financial assets (excluding shares in companies)	12	18,200	-	-	18,200
Financial Liabilities					
Trade and Other Payables	15	5,024	-	-	5,024
Borrowings	-	-	-	-	-

	Note	2016/17			Total 2016/17
		Less than 1 year	1 year	2-5 years	
Financial Assets					
Cash and cash equivalents	11	1,789	-	-	1,789
Trade and other receivables	13	3,144	-	-	3,144
Other financial assets (excluding shares in companies)	12	20,400	-	-	20,400
Financial Liabilities					
Trade and Other Payables	15	5,088	-	-	5,088
Borrowings	-	-	-	-	-

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.

Internal Loans	Opening Balance \$000	New Advances \$000	Principal Paid \$000	Closing Balance \$000
Water	5,121	389	(554)	4,956
Wastewater	1,134	551	(17)	1,668
Transportation	3,986	1,726	(478)	5,235
Waste Minimisation	308	945	(307)	945
Other Infrastructure	1,129	215	(210)	1,134
Parks, Reserves and Cemeteries	96	6	-	102
Community Facilities, Libraries and Swimming Pools	1,899	209	(20)	2,088
District Development	251	56	(71)	236
Governance and Corporate Services	7,237	108	(766)	6,579
Total	21,161	4,205	(2,423)	22,943

In accordance with accounting standards, internal interest is excluded from the Statement of Comprehensive Income. It remains included in the individual Funding Impact Statements to recognise the actual cost to ratepayers of that particular activity. The internal interest rate charged is 3.54% (2016/17 3.66%). The following table details the amount of internal interest included within the respective Funding Impact Statements.

	2017/18 Actual \$000	2017/18 Estimate \$000	2016/17 Actual \$000
Water	250	337	182
Wastewater	74	213	41
Stormwater	-	-	-
Transportation	333	496	135
Waste Minimisation	30	30	28
Other Infrastructure	54	52	47
Parks, Reserves and Cemeteries	4	5	3
Libraries, Swimming Pools, and Community Facilities	75	64	44
District Development	7	14	5
Governance and Corporate Services	18	27	250
Total	845	1,855	734

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

	2017/18 \$000	2016/17 \$000
Net Surplus (Deficit) After Tax	5,076	10,782
Add (less) non-cash items:		
Depreciation	12,044	10,867
Amortisation of intangible assets	70	129
Vested Assets	(1,912)	(6,345)
Valuation gains	(95)	(203)
Valuation losses	482	168
Amortisation of landcare liability	6	6
Add (less) movements in working capital items:		
Decrease (increase) in debtors and other receivables	(819)	(571)
Decrease (increase) in prepayments	(65)	104
Increase (decrease) in agency and deposits	-	(272)
Increase (decrease) in creditors and other payables	(59)	(309)
Decrease (increase) in net GST receivable	(3)	(79)
Add (less) items included in investing activities:		
Net (gain) loss on sale of assets	(871)	(459)
(Increase) decrease in fixed asset related payables	-	103
Decrease in landfill aftercare liability	(6)	(6)
Net cash inflow (outflow) from operating activities	13,848	13,915

35. Events Subsequent to Balance Date

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

Independent Auditor’s Report
To the readers of Central Otago District Council’s annual report
for the year ended 30 June 2018

The Auditor-General is the auditor of Central Otago District Council (the District Council). The

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

We are also required to report on:

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

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

We completed our work on 24 October 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 81 to 126:
 - present fairly, in all material respects:
 - the District Council’s financial position as at 30 June 2018;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards;
- the funding impact statement on pages 79 and 80, 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 annual plan;
- the statement of service provision on pages 20 to 77:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, 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; and
- the statement about capital expenditure for each group of activities on pages 20 to 77, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 20 to 77, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 14 to 18, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

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

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 13, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan. Other than this engagement, we have no relationship with, or interests in, the District Council.



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

WORK TOGETHER

We can all work together to make this a better place

OUR COUNCIL

elected members
community boards
executive team



Mayor & Councillors

as at 30 June 2018



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



Stephen Jeffery
Teviot Valley
Mobile: 027 220 6080
stephen.jeffery@codc.govt.nz



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



Nigel McKinlay
Cromwell
Phone: 03 445 4262
Mobile: 027 474 1961
nigel.mckinlay@codc.govt.nz



Victoria Bonham
Earnsclough / Manuherikia
Mobile: 027 509 8041
victoria.bonham@codc.govt.nz



Martin McPherson
Alexandra
Phone: 03 448 9114
Mobile: 021 879 849
martin.mcpherson@codc.govt.nz



Shirley Calvert
Cromwell
Mobile: 021 252 6916
shirley.calvert@codc.govt.nz



Malcolm Topliss
Earnsclough-Manuherikia
Mobile: 027 475 8790
malcolm.topliss@codc.govt.nz



Lynley Claridge
Alexandra
Phone: 03 448 6942
Mobile: 027 289 1551
lynley.claridge@codc.govt.nz



Dr. Barrie Wills
Alexandra
Phone: 03 448 8215
Mobile: 021 138 1988
barrie.wills@codc.govt.nz



Stuart Duncan
Maniototo
Mobile: 021 224 2320
stuart.duncan@codc.govt.nz

Community Boards

as at 30 June 2018

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

Cromwell Community Board

42 The Mall, Cromwell, Ph: 03 445 0211



Neil Gillespie (Chair)



Shirley Calvert (Deputy)



Annabel Blaikie



Robin Dicey



Anna Harrison



Nigel McKinlay



Werner Murray

Maniototo Community Board

15 Pery Street, Ranfurly, Phone: 03 444 9170



Robert Hazlett (Chair)



Sue Evans (Deputy)



Stuart Duncan



Duncan Helm



Sue Umbers

Teviot Valley Community Board

120 Scotland Street, Roxburgh, Phone: 03 446 8105



Raymond Gunn (Chair)



Cliff Parker (Deputy)



Sally Feinerman



Stephen Jeffery



John Pritchard

Vincent Community Board

1 Dunorling Street, Alexandra, Phone: 03 440 0056



Sharleen Stirling-
Lindsay (Chair)



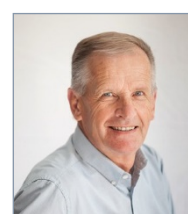
Dr. Barrie Wills
(Deputy)



James Armstrong



Victoria Bonham



Brian Fitzgerald



Russell Garbutt



Claire Goudie



Malcolm Topliss

Executive Team

as at 30 June 2018

Sanchia Jacobs
Chief Executive



- Governance
- Communications
- Human Resources
- Emergency Management
- Health and Safety
- Regional Identity
- Tourism Central Otago
- Visitor Information Centres



Bernard Murphy

Executive Manager – Corporate Services



Julie Muir

Executive Manager – Infrastructure Services



Louise van der Voort

Executive Manager – Planning & Environment

- Audit
- Accounting
- Financial Planning and Reporting
- Rating / Policy
- Information Systems
- Customer Service and Administration
- Libraries
- Management Accounting
- Payroll
- Risk & Procurement
- Water
- Rates

- Roading
- Water Services
- Waste Minimisation
- Economic Development
- Environmental Services

- Resource Management
- Building Control
- Alcohol Licensing
- Dog Control and Registration
- Environmental Health
- Elderly Persons' Housing
- Public Toilets
- District / Commercial Property
- Airports
- Community Facilities
- Parks and Recreation
- Cemeteries
- Swimming Pools



1 Dunorling Street, PO Box 122, Alexandra
03 440 0056 | info@codc.govt.nz | www.codc.govt.nz