
Clutha District Council

Item for DECISION

Report	Adoption of 2023/24 Annual Report and Summary – REPLACEMENT REPORT
Meeting Date	23 October 2024
Item Number	1
Prepared By	Sharon Jenkinson – Chief Financial Officer
File Reference	918286

REPORT SUMMARY

The report presents the recommendations of the Risk and Assurance Committee arising from the meeting held 10 October 2024 and presents the 2023/24 Annual Report and summary for adoption.

Outstanding issues relating to prior year transactions have been resolved with audit and the Office of the Auditor General.

The Annual Report has been provided to the chair of Risk and Assurance who will review it and provide comment to Council prior to the meeting.

RECOMMENDATION

- 1 That Council receives the ‘Adoption of 2023/24 Annual Report and Summary – REPLACEMENT REPORT’.**
- 2 That Council confirms the Risk & Assurance Committee Chair’s clearance on the 2023/24 Annual Report and Summary.**
- 3 That Council adopts the Accounting Policies contained within the Annual Report 2023/24.**
- 4 That Council adopts the 2023/24 Annual Report and Summary.**
- 5 That Council receives the Letter of Representation for the 2023/24 Annual Report.**
- 6 That Council approves the Mayor and Chief Executive sign the Letter of Representation for the 2023/24 Annual Report.**
- 7 That Council approves the Chief Executive to make minor editorial changes if required.**

REPORT

1 Background

The 2023/24 Annual Report and Summary have been completed.

The auditors have substantively completed the audit of the 2023/24 Annual Report and Summary and are not anticipating any significant issues impacting on giving clearance. We are expecting the auditors to issue an audit opinion including a qualification around Council's ability to measure response times for Three Waters KPI's and an Emphasis of Matter relating to the unknown effects of the recent significant flood event. This will be issued following the Council adopting the 2023/24 Annual Report and Summary and the letter of representation being signed.

At the Risk & Assurance Committee meeting held 10 October 2024 the following recommendations were made:

That the Risk & Assurance Committee receives the Draft Annual Report for the year ended 30 June 2023/24.

That the Risk and Assurance Committee receives the Deloitte Report to Risk and Assurance Committee on the audit of the Annual Report for the year ended 30 June 2024.

That the Risk & Assurance Committee acknowledges the draft Annual Report and draft Annual Report Summary for the 30 June 2023/24 year is substantively complete and the Risk & Assurance Committee supports the recommendation of the report to Council for adoption subject to an unmodified audit opinion and confirmation from the Risk & Assurance Committee Chairman that proposed amendments are appropriate.

Following feedback and auditor discussion, changes have been made, the most significant being, a change in classification of the IT digitisation project from an Intangible asset to an expense, inclusion of an impairment on the Rosebank Industrial development property, a change to the amount classified as assets held for sale relating to the Taylor Park cabins, an adjustment to the roading revaluation following the valuer updating their revaluation in relation to pavement surfacing useful lives and the addition of a subsequent event note in relation to the recent flood event. There were also adjustments to some disclosures and formatting corrections. There may be some editorial changes required next week after full audit review.

2 Attachments – under separate cover

Appendix 1: Annual Report 2023/24.

Appendix 2: Annual Report Summary 2023/24.

Appendix 3: Listing of Annual Report Edits

ANNUAL REPORT 2023/24

Our Place Clutha District



COUNCIL'S REPORTING DOCUMENTS

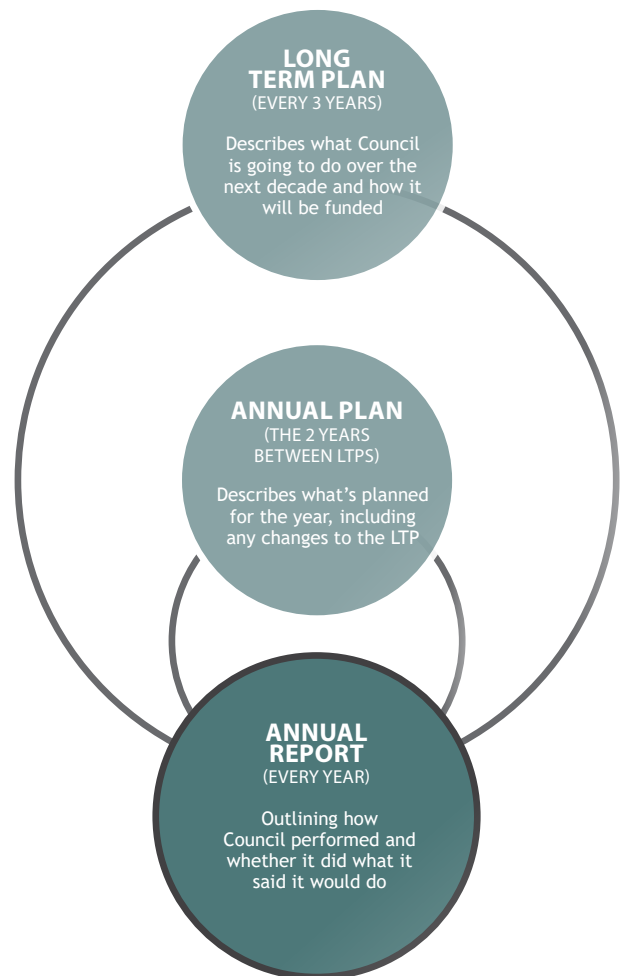
COUNCIL USES A NUMBER OF PLANNING PROCESSES TO REALISE ITS VISION FOR THE DISTRICT AND TO HELP PROVIDE ACCOUNTABILITY TO THE COMMUNITY.

All local authorities are required to prepare an Annual Report under Section 98 of the Local Government Act 2002.

Annual reports are part of a cycle which includes Long Term Plans (every three years) and Annual Plans in the two years between Long Term Plans.

The purpose of an annual report is:

- to compare Council's actual activities and performance during the year with the planned activities and performance for the year as set out in Council's 2021/31 Long Term Plan and 2023/24 Annual Plan; and
- to promote Council's accountability to the community for the decisions made throughout the year.



CONTENTS

Council's Reporting Documents	1
INTRODUCTION	3
Message from the Mayor	4
Living and Working in Clutha	5
Major Infrastructure Projects	7
Financial Overview	8
Independent Auditor's Report	10
STATEMENT OF SERVICE PERFORMANCE	14
2023/24 In Detail	15
Community Leadership	16
Economic & Community Development	18
Roading	20
Water Supply	22
Wastewater	31
Stormwater	33
Solid Waste	35
Community Services	37
Regulatory & Emergency Services	40
Internal Services	43
FINANCIAL INFORMATION	45
About this Financial Section	46
Statement of Compliance and Responsibility	46
Statement of Comprehensive Revenue and Expenditure	47
Statement of Changes in Equity	48
Statement of Financial Position	49
Statement of Cash Flows	50
Reconciliation of Surplus for the year to Cash Inflow From Operating Activities	51
Statement of Accounting Policies	52
Section A: Results for the Year	53
Section B: Long Term Assets	66
Section C: Borrowings And Financial Instruments	73
Section D: Working Capital And Equity	82
Section E: Financial Risk Management	93
Section F: Other Disclosures	96
Section G: Financial Reporting and Prudence Benchmarks	99

INTRODUCTION

ANNUAL REPORT 2023/24



MESSAGE FROM THE MAYOR



Thank you for taking the time to consider our Clutha District Council's Annual Report for 2023/24. We appreciate your ongoing assistance as we charter our district's pathway through what is the most disruptive of times.

As an organisation, we are virtually unrecognisable compared with only a handful of years ago. We now oversee \$1.9 billion in total assets and our population has increased markedly to 18,500. We sit in the lowest quartile for urban rate costings; however, we are entering a period of rate rises and debt increases with our total capital spend for 2023/24 being \$52.5 million, compared with \$39.7 million last year and \$27.3 million two years ago. That's a staggering 92% increase in just two years.

It should come as no surprise that the main culprit for these increases is the imperative of three waters. In fact, three waters capital spend for 2023/24 was \$32.2m, and roading was \$16m. This makes up almost 92% of all that we do, which has influenced all other aspects of council's operations. This results in an increase in rates and debt, combined with restrictions on every other line in other budgets, to try and contain the insatiable demands.

I think it is appropriate when there is such an all-consuming element dominating the demise of all councils, that we dwell on Clutha's own predicament. Historically, we have invested considerably in three waters, creating the third longest reticulating network in New Zealand, supplying 80% of our population along with approximately 1.2 million stock units. We presently have 12 wastewater and 15 water schemes, which is one plant for every 287 connections. Our comparatively low population and widely dispersed communities create a challenging and expensive environment to operate, which is complicated further by Wellington's lack of clear direction and changing compliance demands.

Our financial position is changing in tandem with the rate rises, as we balance the ledger with the only tools available. This year debt has increased by \$50.5 million to \$123 million and this trend is set to continue.

One highlight for the year was our determination to undertake a full Long Term Plan (LTP). Council was committed to engaging with our communities and ensuring that the full extent of our situation was apparent. This could only be shown through the 10-year horizon that the LTP offered, and we are thankful that we didn't take the lesser annual plan option, despite the uncertainty of the current climate.

Dominating the LTP was the \$611 million in combined capital and operational expenditure for three waters over the next ten years, and the completely unsustainable position this places Clutha in. We applied for and received a credit rating, which enabled us to increase our debt ceiling from 175% of revenue to 280%, but we are projected to breach the new amount in 2035. Couple this with the unrelenting rate increases that take the average urban rate to almost \$7,500 per annum by 2035, and it is obvious why there is such an emphasis on collaborative initiatives with other councils. However, these are by no means guaranteed.

Despite all of these challenges, Council remains a cohesive and highly functional team. We still fulfilled the majority of requests from our communities. We are fortunate to have our investment account performing well, allowing a degree of latitude and enabling us to support our community champions. The unrelenting scale and pace of change puts demands on us all, and there has never been a time where we need your assistance like today. So, thank you once again for your ongoing commitment to our district.

Onwards and upwards.

Bryan Cadogan
Mayor

Bryan Cadogan
Mayor

Steve Hill
Chief Executive

LIVING & WORKING IN CLUTHA UPDATE

Our 'Living & Working in Clutha' Strategy is one of our key guiding documents. In the current Long Term Plan we gave it a refresh to explain how we're intending to promote the well-being of the Clutha District's communities. It focuses on these priorities we believe have a crucial part to play:

Facilitating More Quality Housing

Clutha District's housing market is under pressure, with the availability of quality housing for both ownership and rental an issue. Demand for social housing is also growing. We're proposing to play an active leadership role to enable housing solutions. This includes continuing to build on partnerships with communities and Central Government. We will look to continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and in-fill development in our towns.

Filling Our Jobs

We're focused on sustaining and growing businesses by helping fill jobs in the district. For Clutha District this means continuing to provide direct recruitment support for our businesses. Having a vibrant and diverse workforce with the skills to meet the changing needs of the district will be crucial to our success both now and into the future. We see also a key role of Council is to provide supporting infrastructure which enables businesses to flourish.

Improving Health, Safety & Well-Being

Our communities are known for being caring and supportive, with a practical no nonsense approach to addressing issues. We have a relatively small and aging population and our volunteers are increasingly stretched. Drugs and alcohol can cause issues and we lack public transport options. We believe connectivity and access to health services should be a focus.

Supporting Culture & Heritage

We're looking to more actively showcase our culture and heritage to better share and celebrate who we are. Some examples include using innovative ways to make our community stories, objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

Reducing Our Environmental Footprint

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

LIVING & WORKING IN CLUTHA FRAMEWORK

KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans



CONTINUED...

Addressing Climate Change

Climate change will present challenges and opportunities throughout the district. We've been working on gathering better information about what we can expect in the coming century. This is providing more detail including 'trigger points'. We can use this information when making decisions, to set us up in the best position possible for the longer term.

Investing In Infrastructure

We intend to continue looking after what we've got and increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. Importantly, Council will also look at facilitating growth where there is potential for this. For more details refer to the Infrastructure Strategy 2024/54.



MAJOR INFRASTRUCTURE PROJECTS

UPDATING YOU ON OUR MAIN INFRASTRUCTURE PROJECTS FOR 2023/24

WASTEWATER UPGRADES

- \$2,179k spent on Balclutha treatment plant upgrade.
- \$822k spent on Milton mainstreet wastewater utilities
- \$323k spent on Clinton treatment plant upgrade.
- \$319k spent on Owaka treatment plant upgrade.
- \$266k spent on Hub pump station.
- \$252k spent on Waihola treatment plant upgrades.

ROADING

- Reseals were completed at a cost of \$3,300k covering 27.2 km of roads.
- Pavement Rehabilitation was completed at a cost of \$895K on Papatowai Highway and Kaka Point Road amounting to 1.4 km.
- Bridges 106, 112, 390 and 482 were renewed at a total cost of \$2,237k.
- A total of 1.2km of Urban Dust Suppression seal extensions were completed at a cost of \$981K on Sheerness Street and Nore Street, Waihola, Sawmill Road and Riverside Road, Taieri Mouth, Cross Street and Lilly Street Papatowai.
- A total of 1.9km of Rural Dust Suppression seal extensions in the amount of \$627K were completed on Akatore Road, School Road, Romahapa, Wetherstons Road, Lawrence.
- Two sections of Traction Seal totalling 490m were completed on Mount Stuart Road in the amount of \$409K.
- A total of 1.7km of Footpath Renewals were completed on Greenwich Street, Waihola, Irvine Street, Peel Street, Harrington Street, Whitehaven Street Lawrence at the total cost of \$805K.

WATER IMPROVEMENTS

- \$442k spent on Glenkenich treatment plant and pipeline renewals.
- \$10,437k spent on Balmoral/Tuapeka rural water scheme new supply.
- \$1,936k spent on Milton to Waihola Pipeline.
- \$843 spent on Moea Flat reservoir renewals.

- \$664k spent on North Bruce reservoir upgrade.
- \$586k spent on Richardson South reservoir upgrade.
- \$476k spent on Moea Flat AC pipeline renewals.

STORMWATER IMPROVEMENTS

- \$3,235k spent on Milton Mainstreet stormwater upgrades.
- \$314k spent on Pattersons Creek lower catchment improvements.

SOLID WASTE

- \$493k was spent on Mount Cooee wastewater pump station renewal.

COMMUNITY FACILITIES

- \$518k spent on Taylor Park cabins.
- \$237k spent on Toshvale community housing.
- \$217k spent on Balclutha library renewals.
- \$128k spent on the Milton Community Pool new facility.

*Please note only what was deemed a major project above a certain threshold is shown

FINANCIAL OVERVIEW 2023/24

MAJOR VARIANCES TO BUDGET EXPLAINED

Council operates a diverse and complex business which is reflected in the items recorded against operating revenue and expenditure. After forecasting a \$770k surplus in 2023/24, Council recorded a \$13,852k deficit.

The operating loss for the year was \$14,622k above budget which has been mainly caused by:

REVENUE

- \$325k Mayors Task Force grant not budgeted.
- \$1,043k of 'better off' funding was received.
- Budgeted financial contributions of \$496k have not yet been received.
- Due to changes in timing to the roading programme roading subsidies are \$3,200k more than budgeted
- Vested assets gained from \$1,948k subdivision infrastructure.

EXPENDITURE

- Grants paid out on Mayor's Task Force \$337k.
- Additional water operational expenditure of \$3,602k.
- Mount Cooee operational costs \$183k above budget.
- Roothing repairs \$898k above budget.
- Depreciation \$4,063k over budget mainly due to significant valuation increases.
- Personnel costs are \$3,365k above budget mainly due to additional 3 Waters Operations staff employed during the year which was unbudgeted

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for further information.

ACTUAL 30 JUNE 2024	BUDGET 30 JUNE 2024	ACTUAL 30 JUNE 2023
(\$,000)	(\$,000)	(\$,000)

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2024

INCOME

Rates Revenue	30,706	31,146	29,439
Other Operating Revenue	30,169	24,230	21,546
Total Operating Revenue	60,875	55,376	50,985

EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2024

Employee Benefits Expense	13,209	9,844	8,847
Depreciation and Amortisation	17,109	15,113	16,019
Finance Costs	5,838	1,906	2,509
Other Expenditure	40,639	27,743	32,835
Total Operating Expenditure	76,795	54,606	60,210
Operating Surplus	(15,920)	770	(9,225)

Gain/(Loss) on unlisted shares	1	-	(3)
Gain on Property, Plant and Equipment Revaluation	485,596	-	19,400
Total Comprehensive Revenue and Expenditure for the year	469,677	770	10,172

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

Equity at the beginning of the year	1,333,521	1,312,245	1,323,349
Total Comprehensive Revenue and Expenditure for the year	469,677	770	10,172
Equity at the end of the year	1,803,198	1,313,015	1,333,521

EQUITY REPRESENTED BY:

Accumulated Funds	200,972	220,851	221,608
Reserves	1,602,226	1,092,169	1,111,913

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Current Assets	50,264	37,068	48,044
Non Current Assets	1,891,409	1,396,297	1,373,170
Total Assets	1,941,673	1,433,365	1,421,214
Current Liabilities	47,928	12,285	28,148
Non Current Liabilities	90,547	108,060	59,545
Total Liabilities	138,475	120,345	87,693
Net Assets/Equity	1,803,198	1,313,020	1,333,521

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

Net Cashflows from Operating activities	(1,182)	14,887	7,356
Net Cashflows from Investing activities	(44,511)	(52,567)	(38,831)
Net Cashflows from Financing activities	50,551	36,500	34,571
Net Cashflows for the Year	4,858	(1,180)	3,096

MAJOR VARIANCES TO COUNCIL'S FINANCIAL POSITION COMPARED TO 2023 ACTUALS

- \$1,983k higher Waka Kotahi subsidy receivable due to year end activity.
- \$3,853k lower Nikko investment balance due to a \$6,776k rates subsidy withdrawal during the year, but also an improvement in the global share markets and interest rate movements.
- \$1,058k higher development property balance due to increased activity.
- \$496,359k higher property, plant and equipment balance and revaluation reserve mainly caused by \$464,948k roading revaluation adjustment.
- Rates receivable were \$668k higher at year-end.
- \$50,551k higher borrowing to reflect capital program completion and funding.

Refer to the Statement of Financial Position and notes to the financial statements for further information.

FINANCIAL STRATEGY.

In the 2021/31 Long Term Plan the Financial Strategy was determined to guide financial decisions. The following tables show our performance against these measures for the 2023/24 financial year.

RETURN ON INVESTMENTS

At the close of the 2023/24-year Council's investments were \$26.0 M, below the \$29.9 M forecast in the 2024/34 Long Term Plan, due to the \$6,776k rates subsidy withdrawal as mentioned above. There was a positive return on investment for 2024 due to higher than budget returns, as a result of the market and interest rate conditions having improved during 2024 showing increased performance.

CHANGES IN INVESTMENTS 2023/24

(\$M)	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
OPENING	30.5	30.6	29.9
CLOSING	29.6	29.9	26
CHANGE	(0.9)	(0.7)	(3.9)
RETURN (%)	3.4	3.4	9.8

Note: the change in the closing balance is net of the rates subsidy (\$6,776k).

LIMITS ON NET DEBT

Council's limits on net debt are set in the financial strategy at 175% of annual revenue. Council is \$10,000k below the limit and planned debt levels mainly due to less infrastructure projects completed against projections.

	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
NET DEBT (\$M)	81.7	51.2	97.1
DEBT LIMIT(\$M)	96.9	86.3	107.1

LIMITS ON RATES AND RATE INCREASES

Rates are an important source of funding for Council services. The \$29.2M collected in 2022/23 meant an increase on 2021/22 of \$1.3M. This was above the 3.94% projected in the Long Term Plan and the \$29.4M rates cap forecast in the 2021/31 Long Term Plan.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for more information.

	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
FORECAST RATES (\$M)	30.9	30.5	30.7
RATES LIMIT AT 4% (\$M)	30.6	30.5	30.5

**INDEPENDENT AUDITORS
REPORT - TO COME...**

STATEMENT OF SERVICE PERFORMANCE



ANNUAL REPORT 2023/24



2023/24 IN DETAIL

This section of the Annual Report includes detail about Council's achievements and performance in 2023/24 (known as Statement of Service Performance). It also includes information about the main achievements in each of Council's ten areas of work:

- Community Leadership
- Economic and Community Development
- Roading
- Water
- Sewerage
- Stormwater
- Solid Waste
- Community Services
- Regulatory and Emergency Services
- Internal Services

All of Council's work aims to contribute towards our long term goals, referred to as outcomes. How these link with Council's services is outlined below.

For each of the ten areas of Council, we include the following:

- What we do for each area, and why we do it.
- How we performed and whether we met our performance targets.
- What it cost, whether we met budgets, and an explanation for variances.

All performance measures were set in 2021 as part of the 2021/31 Long Term Plan. Performance is measured in a variety of ways, including independent annual surveys of Clutha District residents.

The Long-term Plan describes at least one performance measure and target for each activity. These measures and targets were selected to reflect the level of service being provided and the impact sought by the activity.

Considerations included national requirements (DIA measures) for measurement, whether there was any existing data to ascertain a baseline state and whether the measure and target were practical to monitor.

In terms of measuring, systems were established where no existing systems were in place for capturing the information. Disclosing of progress occurs every quarter through progress reporting on the Long-term Plan to Clutha District Council's Audit and Risk Committee, along with the Annual Report.

Reporting incorporates a traffic light system that provides a dashboard or signal for the results for the year is as follows:

SUMMARY OF NON-FINANCIAL PERFORMANCE MEASURES

SUMMARY OF KPI TARGETS BY ACTIVITY	YEAR ENDING 30 JUNE 2024			YEAR ENDING 30 JUNE 2023		
	MET	NOT MET	TOTAL	MET	NOT MET	TOTAL
Community leadership	1	1	2	1	1	2
Roading	3	3	6	2	4	6
Water: urban	9	5	14	9	5	14
Water: rural	7	5	12	6	6	12
Wastewater	6	5	11	7	4	11
Stormwater	6	2	8	7	1	8
Community services	2	0	2	1	1	2
Solid waste	3	0	3	3	0	3
Economic development	1	0	1	1	0	1
Regulatory and emergency services	0	2	2	0	2	2
Internal services	0	2	2	0	2	2
TOTAL	38	25	63	37	26	63
Total percentage	60%	40%	100%	59%	41%	100%

COMMUNITY LEADERSHIP

Our elected members represent the Clutha District and its communities, undertaking an important oath to make decisions in the best interests of the Clutha District.

WHAT WE DO

Clutha District Council comprises 14 Councillors and a Mayor.

The 14 Councillors represent eight wards - Balclutha, Bruce, Catlins, Clinton, Clutha Valley, Kaitangata-Matau, Lawrence-Tuapeka and West Otago. Together the Councillors and Mayor provide leadership for the district by setting an overall direction, determining priorities, and making decisions about the scope and the levels of service Council will provide. Decision making is an important part of their role, including what Council will do, and how to pay for activities.

The Mayor and Councillors set the performance standards and oversee the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources. Much of this work takes place in Council and Committee meetings.

The Mayor proposes and the Council approves the Council and Committee structure. This structure enables Council's decision-making processes to be implemented in an effective and efficient manner, and also allows for the delegation of certain powers.

An important part of elected members role also includes representing their community, including communicating with residents, informing them of the reasons for Council decisions and advocating on their behalf.

This activity also includes the conduct of elections, by-elections and review of representation arrangements.

COMMUNITY LEADERSHIP

	TARGET PER LTP/AP 2024	TARGET PER LTP/AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: PROVIDE EFFECTIVE LEADERSHIP, REPRESENTATION AND SERVICE TO RESIDENTS AND RATEPAYERS.				
Satisfaction with decision-making, leadership and planning of elected members (Council)	≥80%	≥80%	47% ¹	62%
LEVEL OF SERVICE 2: MONITOR RATES AFFORDABILITY AND PROVIDE PRUDENT, EFFECTIVE AND EFFICIENT FINANCIAL MANAGEMENT				
To stay within rates limits (\$m) and year on year increase ≤4%	30.5m	29.4m	30.5m 4.23%	29.2m 4.54%

1 - "Overall results from the 2024 residents survey rate satisfaction with elected members and the Council above average (>50%) with the exception of the decision making, planning and leadership of elected members. This has been identified as an area for improvement in the survey."

WHAT IT COST FOR COMMUNITY LEADERSHIP IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	1,127	1,171	1,219
Targeted rates (other than targeted rates for water supply)	254	262	279
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	60	60	64
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,441	1,493	1,562
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	778	761	900
Finance costs	18	19	45
Internal charges and overheads applied	552	586	628
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,348	1,366	1,573
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	93	127	(11)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(71)	(72)	(57)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(71)	(72)	(57)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(42)	(8)	(2)
Increase (decrease) of investments	64	63	(66)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	22	55	(68)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(93)	(127)	11
FUNDING BALANCE (A - B) + (C - D)	-	-	-

ECONOMIC & COMMUNITY DEVELOPMENT

Outcomes:

An economic environment that encourages growth in a way that sustainably supports the community.

A safe and supportive community.

A well-informed community where people have their say in decisions that affect them.

WHAT WE DO

Part of Council’s leadership involves supporting the economy and communities through economic and community development functions.

The following functions and services are included in this activity group:

- Economic Development: leading and delivering activities that will support, sustain and grow the economy, including via the economic development agency – Clutha Development Incorporated and in implementing Council’s Economic Development Strategy.
- Destination marketing for the district, including being a Regional Tourism Organisation (RTO), provided via Clutha Development Inc.
- Community Development which involves providing support and facilitation for community-driven initiatives throughout the district, including implementing Council’s Living and Working in Clutha Strategy via Community Plans.
- Youth development which involves part-funding the Clutha District Youth Development Programme, and providing coordination and support for the Clutha District Youth Council.
- Providing financial assistance through a range of community grants and funding schemes.

ECONOMIC & COMMUNITY DEVELOPMENT

	TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: SUPPORT THE DISTRICT’S COMMUNITIES AND ECONOMY THROUGH COMMUNITY PLANNING, FACILITATION AND SUPPORT				
Percentage of programmed Our Place community plans completed. (Includes coastal communities) ¹	100%	100%	100%	100%

1 - Ten Our Place community plans were originally proposed, and these have now all been completed. The first two plans (Balclutha & Milton) were adopted in 2018 and the final plan (Taieri Mouth) in 2024. Council employs a project manager to coordinate the ongoing work by staff and community leaders to implement the projects identified in each plan.

MAORI PARTICIPATION IN DECISION-MAKING/IWI LIAISON

Clutha District Council is currently on a journey to genuinely engage with all Māori associated with the District to foster and further develop positive relationships, improve communication and consultation processes, and to develop a greater understanding of issues. To further develop genuine relationships, Council staff have been liaising regularly with Aukaha, (an environmental consultancy that represents the Kāi Tahu Papatipu Rūnanga within the Clutha District) and Te Ao Marama Inc, (an Iwi liaison entity that represents the Southland Kāi Tahu Rūnanga that also have shared interests within Clutha District).

The four Southland councils have continued to fund and support Te Ao Marama Inc, the agency approved by Te Rūnanga o Ngai Tahu to act on iwi liaison matters in Murihiku/ Southland under the Resource Management Act 1991 and the Local Government Act 2002. Since its inception, Queenstown Lakes District Council, Otago Regional Council and Clutha District Council have also joined supporting Te Ao Marama Inc. The papatipu rūnanga and the participant councils continue to meet quarterly at the Te Rūnanga Taiao hui, and on regular occasions papatipu rūnanga across Otago and Southland meet with Otago and Southland Councils. This provides for excellent partnership and exchange of information. The key focus is to give these meetings more of a strategic focus and less focus on day to day operational/ retrospective reporting back. Council also acknowledges the local rūnanga, Waikoau Ngai Tahu South Otago Rūnanga, and liaises with them on matters that might be of relevance.

WHAT IT COST FOR ECONOMIC AND COMMUNITY DEVELOPMENT IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN	2024 LONG TERM PLAN	2024 ACTUAL
	\$(000)	\$(000)	\$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	1,345	1,354	1,469
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	325
Fees, charges and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,345	1,354	1,794
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,194	1,196	1,931
Finance costs	19	18	51
Internal charges and overheads applied	112	120	128
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,325	1,334	2,110
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	20	20	(316)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(47)	(48)	151
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(47)	(48)	151
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(27)	(28)	34
Increase (decrease) of investments	-	-	(199)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	(27)	(28)	(165)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(20)	(20)	316
FUNDING BALANCE (A - B) + (C - D)	-	-	-

1 Subsidies and grants for operating purposes includes Mayors Taskforce for Jobs funding.

2 Payments to staff and suppliers includes Mayors Taskforce for Jobs expenditure.

ROADING

Community Outcome: Roading infrastructure that sustainably supports the community and economy

WHAT WE DO

With a total maintained roading network of 2,908km, the Clutha District has the third largest local roading network in New Zealand. Of the 2,908km, 30% (860km) is sealed and 70% (2,048km) is unsealed. It supports a resident population of around 18,650 people.

Rural roads make up 95% of our network and form an important part of the export supply chain with the main land uses in the district being dairy, pastoral, farming, forestry and horticultural. There are also key tourist routes through the district.

The roading assets administered by Council include more than just roads. There are also footpaths, bridges, streetlights and other assets associated with transportation. The total replacement cost for Council's roading assets is \$1,560M.

HOW WE PERFORMED IN 2023/24

	TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
ROADS				
LEVEL OF SERVICE 1: PROVIDE AN EFFECTIVE AND SUSTAINABLE LOCAL ROADING NETWORK				
Average quality of ride on the sealed road network (as per STE)	≥96%	≥96%	96%	96%
Percentage of the sealed local network that is resurfaced	≥6.4%	≥6.7%	3.5% ¹	3%
% of customer service for roads and footpaths responded to within timeframes	≥95%	≥95%	72.6% ²	89%
LEVEL OF SERVICE 2: MONITOR SAFETY AND INVEST IN IMPROVING THE ROADING NETWORK				
Number of fatalities and serious injury crashes	≤10	≤10	7	17
FOOTPATHS				
LEVEL OF SERVICE 3: PROVIDE AN EFFECTIVE AND SUSTAINABLE NETWORK OF FOOTPATHS THROUGHOUT THE DISTRICT				
% of footpaths that are in good, very good or new / near new condition	≥97.9%	≥96.6%	93% ³	92%
BRIDGES				
LEVEL OF SERVICE 4: PROVIDE A SAFE AND ECONOMIC NETWORK OF BRIDGES THROUGHOUT THE DISTRICT				
Percentage of bridges on key routes that meet heavy vehicle (50 Max) safety requirements.	≥92.8%	≥92.2%	93.4%	92.3%

1 We were 27km short of target. Work carried out under Contract 858 (Reseals and Preseal Repairs 2022-23) as a sole tenderer and at higher rates resulting in less lengths achieved.

2 Due to new staff taking on the responsibility. Improved as staff gained more experience.

3 Target not met. Target not readjusted following COVID-19 delays. Through LTP 2021/31 development Council was given the option to readjust target or increase budgets. Neither option accepted. Some Condition 5 (Worst Condition) and 4 (Not the worst, but bad enough to require attention) footpaths deferred due to utility upgrades pending. No significant footpath deterioration observed over 2023/24, with automatic 1% deterioration applied. Further manual adjustment made with footpath renewals completed 2023/24 as part of Contract 843/821. Footpath Condition assessment to be completed in 2024/25, as at 30 June 2025.

WHAT IT COST FOR ROADS AND FOOTPATHS IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	64	84	-
Targeted rates (other than targeted rates for water supply)	7,756	7,335	7,730
Subsidies and grants for operating purposes	4,471	4,531	8,089
Fees, charges and targeted rates for water supply	865	890	495
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	13,156	12,840	16,314
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	6,345	6,424	9,491
Finance costs	92	128	238
Internal charges and overheads applied	2,437	2,555	1,185
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	8,874	9,107	10,914
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	4,282	3,733	5,400
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	5,448	5,831	8,916
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	2,358	2,820	834
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	7,806	8,651	9,750
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	3,382	3,953	3,506
Capital expenditure to replace existing assets	8,346	8,936	14,257
Increase (decrease) in reserves	(251)	(182)	(760)
Increase (decrease) of investments	611	(323)	(1,853)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	12,088	12,384	15,150
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(4,282)	(3,733)	(5,400)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

WATER SUPPLY

Community Outcome: Water services that sustainably supports the community and economy

WHAT WE DO

Council supplies water via a number of urban and rural water supply schemes, with approximately a third of the water produced being for domestic consumption and the balance being largely used for stock water. Council's water supplies include:

- Six urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui. With the exception of Owaka, which is a restricted supply, they provide an on demand supply of potable water for domestic, commercial and industrial use within each scheme area.
- Eleven rural water schemes which primarily provide drinking water for stock. These are Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa. All schemes other than Waipahi also provide water for domestic consumption.
- Five smaller communities and townships are provided water in bulk from rural water schemes. These townships are Clinton (Clydevale-Pomahaka), Kaka Point (Richardson), Waiholā (North Bruce), Benhar (South Bruce/Stirling Treatment Plant), and Stirling (South Bruce/Stirling Treatment Plant). Most of these communities have restricted supplies to consumers, except for Benhar and Stirling which are both on-demand schemes and Stirling is also universally metered.

HOW WE PERFORMED IN 2023/24

		TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
URBAN WATER					
LEVEL OF SERVICE 1: WATER FROM COUNCIL URBAN SUPPLIES IS SAFE TO DRINK.					
Compliance with the DWQAR Standards for bacteriological compliance		100%	100%	86% ¹	0%
Compliance with the DWQAR Standards protozoal compliance		≥100%	≥98%	81% ²	0%
LEVEL OF SERVICE 2: URBAN SUPPLIES PROVIDE A CONTINUOUS AND RELIABLE SOURCE OF WATER TO CONSUMER					
Number of drinking water complaints (Requests for Service) per 1000 connections about:	Clarity	≤17	≤17	7.9	8.69
	Taste	≤3	≤3	0.75	0.38
	Odour	≤2	≤2	0.56	0
	Pressure	≤5	≤5	6.21	4.54
	Continuity	≤30	≤30	15.43	27.97
	Council's response to any of these issues	≤14	≤14	0.94	0
Average consumption of drinking water per resident per day (litres per day)		≤650	≤650	541	530
LEVEL OF SERVICE 3: URBAN WATER SCHEMES ARE MANAGED EFFECTIVELY AND EFFICIENTLY					
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:	Urgent (hours)	≤2	≤2	1.83	4.15
	Non-urgent (hours)	≤24	≤24	19.6	18.75
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:	Urgent (hours)	≤12	≤12	23.8 ³	24.84
	Non-urgent (hours)	≤48	≤48	105.81 ³	76.62
Percentage of real water loss from Council's reticulation system		≤29%	≤29%	23.1%	28.3%

1 & 2 Council has engaged BECA to perform an independent evaluation of compliance with the Drinking Water Standards for New Zealand (DWSNZ) 2005 (revised 2018) and Drinking Water Quality Assurance Rules 2022 (DWQAR) for all its 15 potable water supplies. Please see results and further explanation of this testing on page 24.

3 Arrangements for delivery of reticulation services were changed to a new contractor from 1 July 2023 when treatment operations were brought in-house. Results reflect a settling in period, clean-up of aged outstanding work from the previous contractor, and manual capture of response and return to service times while an automated process has been developed. Report automation has been in place since early 2024 and accurate results for the 2024/25 financial year will be reflected going forward.

URBAN WATER COMPLIANCE WITH NZDW STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 July 2023 to 30 June 2024, this assessment has been completed against the DWQAR. CDC has used the rules relating to bacterial and protozoal compliance that are essentially equivalent to those in the previous DWSNZ. The modules in the DWQAR used to assess bacterial and protozoal compliance depend on the size of the water supply and the modules nominated by CDC. The results of this testing are as below.

An average of compliance with each relevant Rule from the DWQAR has been used to provide an overall compliance total percentage.

Level 3 distribution compliance uses the total average compliance. We have also provided residual disinfection and microbiological compliance separately.

1 – Bacteriological Compliance 1 July 2023 to 30 June 2024

Name	Treatment Plant	Population	Bacteriological Compliance 1 July 2023 – 30 June 2024
Balclutha	Balclutha	4002	Treatment plant - 100% compliance - Refer to comment a) Distribution zone – 97% compliance D3 Residual Disinfection Rules: 100% compliance D3 Microbiological Monitoring Rules: 92% compliance - Refer to comment e)
Clinton Township	Clydevale-Pomahaka	300	Treatment plant- 99% compliance - Refer to comment a) Distribution zone 97% compliance D3 Residual Disinfection Rules: 100% compliance D3 Microbiological Monitoring Rules: 92% compliance- Refer to comment e)
Kaitangata Township	Kaitangata	780	Treatment plant - 98% compliance - Refer to comments a) and b) Distribution zone – 94% compliance D3 Residual Disinfection Rules: 96% compliant D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e) and g)
Kaka Point Township	Puerua	235	Treatment plant - 69% compliance - Refer to comments a) and b) Distribution zone – 75% compliance D3 Residual Disinfection Rules: 67% compliance D3 Microbiological Monitoring Rules: 92% compliance - Refer to comment e), g), and i)
Lawrence	Lawrence	430	Treatment plant - (level 2) - 61% compliance - Refer to comments a), b), and d) Distribution zone – D2 Distribution Rules: 92% compliant- Refer to comments f), g), and h)
Milton	Milton	1929	Treatment plant - 96% compliance - Refer to comments b) and c) Distribution zone – 83% compliance D3 Residual Disinfection Rules: 79% compliant D3 Microbiological Monitoring Rules: 92% compliant - Refer to comments e), g), and k)
Milton	OCF	600	Treatment plant - 96% compliance - Refer to comments b) and c) Distribution zone - 83% compliance D3 Residual Disinfection Rules: 79% compliant D3 Microbiological Monitoring Rules: 92% compliant - Refer to comments e) and g)
Owaka	Owaka	315	Treatment plant (Level 2)- 69% compliance (1/7/23 - 31/3/24) - Refer to comments a) and j) Treatment plant (Level 3) – 100% compliance (1/4/24 - 30/6/24) Distribution zone – D2 Distribution Rules: 100% compliance (1/7/23 - 31/3/24) D3 Residual Disinfection Rules: 100% compliance (1/4/24 - 30/6/24) D3 Microbiological Monitoring Rules: 100% compliance
Stirling Township	Stirling	309	Treatment plant - 98% compliance - Refer to comment a) Distribution zone – 94% compliance D3 Residual Disinfection Rules: 96% compliance D3 Microbiological Monitoring Rules: 92% compliance - Refer to comment e)
Tapanui	Tapanui	760	Treatment plant - 97% compliance - Refer to comments b) and c) Distribution zone – 92% compliance D3 Residual Disinfection Rules: 92% compliance D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e) and g)

Waihola Township	North Bruce	430	Treatment plant - 70% compliance - Refer to comments a) Distribution zone – 67% compliance D3 Residual Disinfection Rules: 58% compliant D3 Microbiological Monitoring Rules: 83% compliant - Refer to comments e) and g), and k)
	Total	10090	Treatment Plants (Level 2): 65% Treatment Plants (Level 3): 92% Distribution Zones (Level 2): 96% Distribution Zones (Level 3): 89%

- a) The UV dose was not maintained for the required period to achieve compliance.
- b) The chlorine dose rate and/or contact time was not maintained for the required period to achieve compliance.
- c) The turbidity in the treated water exceeded the maximum allowable NTU.
- d) The pH level in the final water was outside the required range to achieve compliance.
- e) The days between collected samples exceeded the maximum allowable interval.
- f) Consecutive samples were collected on the same weekday.
- g) Chlorine residual in the distribution zone was too low
- h) Lawrence and Waihola have been on a long-term Boil Water Notice due to the inadequate bacteriological barriers at the treatment plant.
- i) Puerua Boil Water Notice was lifted on 5 January 2024.
- j) Owaka was updated from a level 2 supply to Level 3 supply on 1 April 2024
- k) *E. coli* transgression(s) in the distribution zone

2 – Protozoa; Compliance 1 July 2023 to 30 June 2024

Name	Treatment plant	Population	Protozoal Compliance 1 July 2023 - 30 June 2024
Balclutha	Balclutha	4002	95% compliance - Refer to comments a), c), and d)
Lawrence	Lawrence	430	85% compliance - Refer to comments a), c), d), and f)
Milton	Milton + OCF	2529	84% compliance - Refer to comments a) and e)
Owaka	Owaka	315	69% compliance (Level 2, 1/7/23 - 31/3/24) - Refer to comments b) and c) 100% compliance (Level 3, 1/4/24 - 30/6/24)
Tapanui	Tapanui	760	81% compliance - Refer to comments a), f), and g)
	Total	8036	77% overall (Level 2) 90% overall (Level 3)

- a) 4-log Protozoal Compliance must be met by all treatment plants that source water from rivers.
- b) The site did not continuously monitor the UVT of the treated water for the entire monitoring period.
- c) The UV dose or UVT was not sufficient to achieve compliance.
- d) Balclutha and Lawrence use a multibarrier approach (Filter + UV) to achieve Protozoal compliance. If either treatment process is compromised, Protozoal compliance is difficult to achieve.
- e) Milton relies on Membrane Filtration to achieve 4 Log Protozoal Compliance. To maintain compliance, each membrane unit must complete one integrity test every 24 hours. The integrity test provides assurance that the membrane unit is fully operational.
- f) A Boil Water Notice is only considered if there is significant non-compliance at the treatment plant or if *E. Coli* is detected in the distribution zone.
- g) Tapanui relies on Coagulation, Flocculation, Sedimentation, and Filtration to achieve 4 Log Protozoal removal. This process is highly susceptible to wet weather events and changing river conditions.

HOW WE PERFORMED IN 2023/24

		TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
RURAL WATER					
LEVEL OF SERVICE 1: WATER FROM COUNCIL RURAL SCHEMES IS SAFE TO DRINK					
Compliance with the DWQAR Standards for bacteriological compliance		≥ 94%	94%	62% ¹	39%
Compliance with the DWQAR Standards for protozoal compliance		≥78%	≥66%	63% ²	0%
LEVEL OF SERVICE 2: RURAL SCHEMES PROVIDE A CONTINUOUS AND RELIABLE SOURCE OF WATER TO CONSUMERS					
Number of drinking water complaints (requests for service) per 1000 connections about:	Clarity	≤12	≤12	6.52	21.6
	Taste	≤5	≤5	1.78	1.8
	Odour	≤3	≤3	0.59	0.6
	Pressure	≤200	≤200	144.55	291.9
	Continuity	≤200	≤200	237.56 ³	555
	Council's response to any of these issues	≤14	≤14	0	3
LEVEL OF SERVICE 3: RURAL WATER SCHEMES ARE MANAGED EFFECTIVELY AND EFFICIENTLY					
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:	Urgent (hours)	≤4	≤4	9.22 ³	4.3
	Non-urgent (hours)	≤24	≤24	23.08 ³	17
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:	Urgent (hours)	≤12	≤12	45.34 ³	54
	Non-urgent (hours)	≤48	≤48	55.26 ³	55

1 & 2 Council has engaged BECA to perform an independent evaluation of compliance with the Drinking Water Standards for New Zealand (DWSNZ) 2005 (revised 2018) and Drinking Water Quality Assurance Rules 2022 (DWQAR) for all its 15 potable water supplies.

3 Arrangements for delivery of reticulation services were changed to a new contractor from 1 July 2023 when treatment operations were brought in-house. Results reflect a settling in period, clean-up of aged outstanding work from the previous contractor, and manual capture of response and return to service times while an automated process has been developed. Report automation has been in place since early 2024 and accurate results for the 2024/25 financial year will be reflected going forward.

RURAL WATER COMPLIANCE WITH NZ DRINKING WATER STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 July 2023 to 30 June 2024, this assessment has been completed against the DWQAR. CDC has used the rules relating to bacterial and protozoal compliance that are essentially equivalent to those in the DWSNZ. The modules in the DWQAR used to assess bacterial (and protozoal compliance) depend on the size of the water supply and the modules nominated by CDC. The results of this testing are as below.

An average of compliance with each relevant Rule from the DWQAR has been used to provide an overall compliance total percentage.

Level 3 distribution compliance uses the total average compliance. We have also provided residual disinfection and microbiological compliance separately.

1 – Bacteriological Compliance 1 July 2023 to 30 June 2024

Name	Treatment plant	Population	Bacteriological Compliance 1 July 2023 – 30 June 2024
Balmoral 1	Waitahuna	247	29% compliance - Refer to comments b) and c). Distribution zone – 44% compliance. D3 Residual Disinfection Rules: 42% compliance. D3 Microbiological Monitoring Rules: 50% compliance - Refer to comments c), e), g), h), and j).
Balmoral 2	Waitahuna	399	29% compliance - Refer to comments b) and c). Distribution zone – 44% compliance. D3 Residual Disinfection Rules: 42% compliance. D3 Microbiological Monitoring Rules: 50% compliance- Refer to comments c), e), g), h), and j).
Clydevale-Pomahaka	Clydevale-Pomahaka	550	99% compliance - Refer to comment a). Distribution zone – 97% compliance. D3 Residual Disinfection Rules: 100% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comment e).
Glenkenich	Glenkenich	705	94% compliance - Refer to comments b) and c). Distribution zone – 86% compliance. D3 Residual Disinfection Rules: 83% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e), and g).
Moa Flat	Moa Flat	534	61% compliance - Refer to comment a). Distribution zone – 92% compliance. D3 Residual Disinfection Rules: 92% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e), g), h), and i).
North Bruce	North Bruce	658	70% compliance - Refer to comment a). Distribution zone – 67% compliance. D3 Residual Disinfection Rules: 58% compliance. D3 Microbiological Monitoring Rules: 83% compliance - Refer to comments e), g), h), and i).
Richardson North	Whitlea Road	312	77% compliance - Refer to comment b). Distribution zone – 75% compliance. D3 Residual Disinfection Rules: 63% compliance. D3 Microbiological Monitoring Rules: 100% compliance - Refer to comments e), and g).
Richardson South	Puerua	469	82% compliance - Refer to comments a) and b). Distribution zone – 75% compliance. D3 Residual Disinfection Rules: 67% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e), g), and j).
South Bruce	Stirling	434	98% compliance - Refer to comment a). Distribution zone – 94% compliance. D3 Residual Disinfection Rules: 96% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comments e), and g).
Tuapeka East	Waitahuna	276	29% compliance - Refer to comments b) and c). Distribution zone – 44% compliance. D3 Residual Disinfection Rules: 42% compliance. D3 Microbiological Monitoring Rules: 50% compliance - Refer to comments c), e), g), h), and j).
Tuapeka West	Evans Flat	283	29% compliance - Refer to comments b), c), and d). Distribution zone – D2 Distribution Rules: 71% compliance - Refer to comments f), g), h), and j).
Wangaloa	Kaitangata	50	98% compliance - Refer to comments a) and b). Distribution zone – 94% compliance. D3 Residual Disinfection Rules: 96% compliance. D3 Microbiological Monitoring Rules: 92% compliance - Refer to comment e).
	Total	4917	Treatment Plants (Level 2): 29% Treatment Plants (Level 3): 70% Distribution Zones (Level 2): 71% Distribution Zones (Level 3): 76%

- a) The UV dose was not sufficient to achieve compliance.
- b) The chlorine dose rate and contact time was not maintained for the required period to achieve compliance.
- c) The turbidity in the treated water exceeded the maximum allowable NTU.
- d) The pH level in the final water was outside the required range to achieve compliance.
- e) The days between collected samples exceeded the maximum allowable interval.
- f) Consecutive samples were collected on the same weekday.

- g) Chlorine residual in the distribution zone was less than 0.1 mg/l and/or below 0.2 mg/l in 85% of all samples collected.
- h) A Boil Water Notice is only considered if there is significant non-compliance at the treatment plant or if *E. Coli* is detected in the distribution zone.
- i) Moa Flat and North Bruce have been on a long-term Boil Water Notice due to the inadequate barriers at the treatment plant.
- j) Balmoral 1, Balmoral 1, Tuapeka East and Tuapeka West are on a permanent Boil Water Notice due to the inadequate barriers at the treatment plant. These plants will be replaced by the Balmoral/Tuapeka Rural Water Scheme.
- k) Puerua Boil Water Notice was lifted on 5 January 2024. Chlorination was the primary bacterial treatment from 1 July 2023 to 31 December 2023. UV disinfection was used as the primary bacterial treatment barrier from 1 January 2024.

2 - Protozoal Compliance 1 July 2023 to 30 June 2024

Name	Treatment plant	Population	Protozoal Compliance 1 July 2023 – 30 June 2024
Clydevale - Pomahaka	Clydevale - Pomahaka + Clinton	850	85% compliance - Refer to comments a), b), and c)
Evans Flat	Tuapeka West	283	0% compliance - Refer to comments a), f), g), and i)
Glenkenich	Glenkenich	705	88% compliance - Refer to comments a) and e)
Kaitangata	Kaitangata + Wangaloa	830	96% compliance - Refer to comments a) and d)
Moa Flat	Moa Flat	534	64% compliance - Refer to comments a), g), and h)
North Bruce	North Bruce + Waiholā	1088	67% compliance - Refer to comments a), g), and h)
Puerua	Richardson South + Kaka Point	704	49% compliance - Refer to comments a), b), c), and j)
Stirling	Stirling + South Bruce + Benhar	743	95% compliance - Refer to comments a), c), and d)
Waitahuna	Balmoral 1 + Balmoral 2 + Tuapeka East	922	0% compliance - Refer to comments a), f), g), and i)
Whitelea Road	Richardson North	312	88% compliance- Refer to comments a) and e)
	Total	6971	0% overall (Level 2) 70% overall (Level 3)

- a) 4-log Protozoal Compliance must be met by all treatment plants that supply a population greater than 500 and all that source water from rivers.
- b) The site did not continuously monitor the UVT of the treated water for the entire monitoring period.
- c) The UV dose or UVT was not sufficient to achieve compliance.
- d) Kaitangata and Stirling use a multibarrier approach (Filter + UV) to achieve 4 Log Protozoal removal. If either treatment process is compromised, 4 Log Protozoal Removal is difficult to achieve.

Notes continue on the next page

e)

Glenkenich and Whitelea Rd WTPs rely on Membrane Filtration to achieve 4 Log Protozoal Compliance. To maintain compliance, each membrane unit must complete one integrity test every 24 hours. The integrity test provides assurance that the membrane units are fully operational.

- f) Waitahuna and Evans Flat do not have sufficient processes in place to achieve 4 Log Protozoal Compliance.
- g) A Boil Water Notice is only considered if there is significant non-compliance at the treatment plant or if *E. Coli* is detected in the distribution zone.
- h) Moa Flat and North Bruce have been on a long-term Boil Water Notice due to the inadequate barriers at the treatment plant.
- i) Waitahuna and Tuapeka West are on a permanent Boil Water Notice due to the inadequate barriers at the treatment plant. These plants will be replaced by the Balmoral/Tuapeka Rural Water Scheme.
- j) Puerua Boil Water Notice was lifted on 5 January 2024. Compliant 180 out of 182 days (99%) after UV commissioned. Protozoal compliance not achievable between 1 July 2023 – 31 December 2023 without a protozoal barrier.

3 - Aluminium Compliance 1 February 2023 to 30 June 2024

Aluminium testing is a requirement of the Drinking Water Quality Assurance Rules which came into effect in November 2022. The rules stipulate a Maximum Allowable Value (MAV) of 1 mg/l for aluminium.

Aluminium levels exceeding the MAV continue to be detected at the North Bruce water treatment plant and in the distribution networks for that scheme. Investigation continues to find a solution to resolve this issue arising from parts of the treatment process. Of 657 samples collected, 173 were above the MAV, the majority were collected from the Titri Road and Mallard Drive sample points.

Aluminium levels exceeding the MAV continue to be detected in the Moa Flat distribution network. A new Aluminium Advisory notice was issued for the Moa Flat consumers on 27 March 2024. While a new coagulant is trialled at this site, the aluminium advisory notice will remain in place. Of the 309 samples collected, 16 were above the MAV, five from the water treatment plant and 11 from the distribution.

Aluminium levels exceeding the MAV continue to be detected at the Waitahuna water treatment plant and in the three distribution networks. A new Aluminium Advisory notice was issued for all Waitahuna consumers on 25 March 2024. Of the 428 samples collected, 37 were above the MAV, the majority were collected from the distribution zones.

An Aluminium Advisory notice was issued and lifted for the Lawrence, Tapanui, Kaitangata, Puerua, and Stirling consumers over the reporting period.

4 - *E. coli* Transgressions

The Waitahuna and North Bruce water supplies are under long term boil water notices.

E. coli transgressions occurred in Milton (1), North Bruce (2) and Waitahuna (46) water supplies in the 2023/24 reporting year. All transgressions occurred in the distribution zones of these supplies.

Milton in October 2023, one in the North Bruce distribution in August 2023, and one in the Waihola distribution in November 2023.

Waitahuna – 46 total transgressions occurred across the Balmoral 1, Balmoral 2, and Tuapeka East distribution zones. Transgressions occurred in July 2023, November 2023, December 2023, January 2024, February 2024, and March 2024.

WHAT IT COST FOR WATER IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)	
SOURCES OF OPERATING FUNDING				
General rates, UAGC's, rates penalties	-	-	-	
Targeted rates (other than targeted rates for water supply)	8,519	9,095	7,611	
Subsidies and grants for operating purposes	-	-	-	
Fees, charges and targeted rates for water supply	1,606	1,371	916	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
TOTAL SOURCES OF OPERATING FUNDING (A)	10,125	10,466	8,527	
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	4,937	5,087	8,423	1
Finance costs	280	385	1,102	2
Internal charges and overheads applied	1,030	1,075	1,873	3
Other operating funding applications	-	-	-	
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	6,247	6,547	11,398	
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	3,878	3,919	(2,871)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase (decrease) in debt (Internal debt)	6,871	11,137	18,844	4
Gross proceeds from sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
TOTAL SOURCES OF CAPITAL FUNDING (C)	6,871	11,137	18,844	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	2,505	1,851	-	
Capital expenditure to improve the level of service	3,768	9,896	15,375	
Capital expenditure to replace existing assets	3,667	3,562	3,308	
Increase (decrease) in reserves	343	125	1	
Increase (decrease) of investments	466	(378)	(2,711)	
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	10,749	15,056	15,973	
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(3,878)	(3,919)	2,871	
FUNDING BALANCE (A - B) + (C - D)	-	-	-	

1 Water operating costs are higher than expected due to bringing the three waters operations in house this year.

2 Borrowing is higher this year as more work has been done on the Greenfield Bore project.

3 Internal charges are higher due to bringing three waters operations in house.

4 Increase in debt includes borrowing for Greenfield Bore and Milton to Waihola pipeline.

WASTEWATER

WHAT WE DO

Council collects, treats and disposes of domestic wastewater and non-domestic liquid (tradewaste) discharges via 11 public wastewater schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoiti respectively. There is also a piped collection system for Pounaweia, connected to the Owaka treatment plant that will service properties, if they wish to connect. For new properties in Pounaweia, or significant changes to existing properties compulsory connection to this system is required under the Building Act.

HOW WE PERFORMED IN 2023/24

		TARGET PER LTP/AP 2024	TARGET PER LTP/AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: PROVIDE WASTEWATER SERVICES THAT EFFECTIVELY COLLECT AND DISPOSE OF WASTE					
Number of dry weather wastewater overflows expressed per 1,000 sewerage connections to that wastewater system		≤6	≤6	3.2	4.19
LEVEL OF SERVICE 2: WASTEWATER SCHEMES ARE MANAGED EFFICIENTLY AND EFFECTIVELY					
Median response time (in hours) from notification of fault to when personnel:	Reach the site (response)	≤2	≤2	2.4 ¹	1.56
	Confirm resolution of the blockage or other fault	≤8	≤8	22.4 ¹	12.8
Number of complaints per 1,000 connections about any of the following:	Waste odour	≤3	≤3	1.1	2.48
	Wastewater system faults	≤10	≤10	1.5	2.09
	Wastewater system blockages	≤5	≤5	6.3 ¹	7.81
	Council's response to any of these issues	≤5	≤5	0	0
Compliance with Council's resource consents for waste discharge, measured as number of:	Abatement notices	0	0	2 ²	7
	Infringement notices	0	0	4 ³	5
	Enforcement orders	0	0	0	0
	Convictions	0	0	0	0

1 Arrangements for delivery of reticulation services were changed to a new contractor from 1 July 2023 when treatment operations were brought in-house. Results reflect a settling in period, clean-up of aged outstanding work from the previous contractor, and manual capture of response and return to service times while an automated process has been developed. Report automation has been in place since early 2024 and accurate results for the current FY will be reflected going forward.

2 Wastewater discharge issues with the Heriot and Waihola wastewater treatment plants. Where treated wastewater sampled discharge did not meet the sufficient parameters as stated with the resource consent, and discharge timing was incorrect with tides as stipulated with the resource consent. We are required to meet the consent limits for Heriot Ammonia Nitrogen by 21 December 2024. If we do not meet them we need to request an extension or we may be prosecuted under section 338 of the Resource Management Act 1991 by the Otago Regional Council. Waihola Abatement notice for discharges outside the tidal constraints has 'expired' and we are complying with the consent stipulations for the majority of the period. We will request to cancel this notice.

3 Wastewater discharge issues with Balclutha, Waihola, and Clinton wastewater treatment plants. Where treated wastewater sampled discharge did not meet the sufficient parameters as stated with the resource consent and discharge timing was incorrect with tides as stipulated with the resource consent. The infringement notices for Balclutha, Clinton and Waihola had monetary implications (\$750) each, as well as highlighting where there will be increased focus for the compliance upon future audits.

WHAT IT COST FOR WASTEWATER IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)	
SOURCES OF OPERATING FUNDING				
General rates, UAGC's, rates penalties	-	-	-	
Targeted rates (other than targeted rates for water supply)	3,183	3,420	2,810	
Subsidies and grants for operating purposes	-	-	-	
Fees, charges and targeted rates for water supply	234	241	397	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
TOTAL SOURCES OF OPERATING FUNDING (A)	3,417	3,661	3,207	
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,452	1,494	1,939	1
Finance costs	42	53	112	
Internal charges and overheads applied	476	497	1,010	2
Other operating funding applications	-	-	-	
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,970	2,044	3,061	
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	1,447	1,617	146	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase (decrease) in debt (Internal debt)	717	1,890	4,933	3
Gross proceeds from sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
TOTAL SOURCES OF CAPITAL FUNDING (C)	717	1,890	4,933	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	211	76	-	
Capital expenditure to improve the level of service	3,425	2,178	4,818	
Capital expenditure to replace existing assets	840	810	895	
Increase (decrease) in reserves	(2,301)	430	(594)	
Increase (decrease) of investments	(11)	13	(40)	
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	2,164	3,507	5,079	
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(1,447)	(1,617)	(146)	
FUNDING BALANCE (A - B) + (C - D)	-	-	-	

1 Water operating costs are higher than expected due to bringing the three waters operations in house this year.

2 Internal charges are higher due to bringing three waters operations in house.

3 Increase in debt includes borrowing for Balclutha treatment plant upgrade and Milton mainstreet water utilities.

STORMWATER

WHAT WE DO

Clutha District has many diverse and widespread townships and settlements. All of them bring their own specific demands, including how we collect and dispose of stormwater run-off.

Council currently provides for the drainage of stormwater via eight community stormwater drainage schemes in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. These systems manage the disposal of surface water and ground water flows to protect property and public health. Generally, piped systems are designed to cope with stormwater flows resulting from a heavy rainfall such as a 1 in 5 year or 1 in 10 year event (20% or 10% probability of happening annually). However, when assessing and designing new systems consideration is given to how flows from much larger events can be handled within the catchment i.e. overland flow paths, flood channels, diversions.

A number of other smaller communities also have stormwater infrastructure such as minimal pipe systems, open ditches and drains. These include Heriot, Pounaweia, Taieri Mouth, Stirling and Waihola. These are communities that have previously been included in a general rural stormwater area, however they have only paid a very small amount towards this in their rates. In all of these areas, stormwater improvements are needed and systems are in place that have ongoing operational costs. Their inclusion as part of a district wide urban stormwater funding mechanism allows for stormwater issues in urban areas to be dealt with in a co-ordinated and consistent way.

All other rural stormwater issues are generally associated with roading and as such are funded as a roading activity.

HOW WE PERFORMED IN 2023/24

	TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: TO PROVIDE STORMWATER DRAINAGE THAT PROTECTS AGAINST THE EFFECTS OF FLOODING				
Flooding events to habitable floors due to overflows from a council stormwater system (per 1000 connected properties).	0	0	2 ¹	0
Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	≤23	≤23	13	6
Number of complaints about performance of stormwater systems (per 1,000 connected properties)	≤10	≤10	0.2	0
Median response time (in hours) from notification of fault to when personnel reach the site	<4	<4	82.9 ¹	21.7
Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement notices	0	0	0
	Infringement notices	0	0	0
	Enforcement orders	0	0	0
	Convictions	0	0	0

¹ Arrangements for delivery of reticulation services were changed to a new contractor from 1 July 2023 when treatment operations were brought in-house. Results reflect a settling in period, clean-up of aged outstanding work from the previous contractor, and manual capture of response and return to service times while an automated process has been developed. Report automation has been in place since early 2024 and accurate results for the current FY will be reflected going forward.

WHAT IT COST FOR STORMWATER IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	-	-	-
Targeted rates (other than targeted rates for water supply)	1,003	1,060	899
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	1,003	1,060	899
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	151	156	174
Finance costs	31	32	78
Internal charges and overheads applied	304	317	577
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	486	505	829
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	517	555	70
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	116	1,098	3,761 ¹
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	116	1,098	3,761
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	1,153	327	273
Capital expenditure to replace existing assets	221	1,089	3,250 ²
Increase (decrease) in reserves	(745)	277	100
Increase (decrease) of investments	4	(40)	208
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	633	1,653	3,831
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(517)	(555)	(70)
FUNDING BALANCE (A - B) + (C - D)	-	-	-

1 Increase in debt includes borrowing for Milton mainstreet stormwater upgrades.

2 Capital expenditure to replace existing assets includes Milton mainstreet stormwater upgrades.

SOLID WASTE

Community Outcome: A sustainable environment that promotes a clean green image

WHAT WE DO

Council oversees the management and minimisation of solid waste within the district. These activities include:

- Operating a sanitary landfill and recycling drop-off depot for the district at Mt Cooee on the outskirts of Balclutha.
- Providing a fortnightly collection of recyclables and residual household waste via kerbside wheelie bins in urban areas. The service is also available to individual rural households along service routes. Collection alternates weekly between collection of recyclables and collection of residual waste.
- Providing transfer stations/skip services which are collected on a weekly basis in Clinton, Lawrence, Macleannan, Milton, Owaka and Tapanui.
- Providing a skip service at Beaumont and Taieri Mouth that are collected on an as-needed basis.
- Monitoring and maintaining 19 closed tip sites throughout the district.
- Providing waste information and education services, including facilitating the Enviroschools programme at schools throughout the district.

HOW WE PERFORMED IN 2023/24

	TARGET PER LTP/ AP 2024	TARGET PER LTP/ AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: PROVIDE REFUSE & KERBSIDE RECYCLING COLLECTION THAT MEETS CUSTOMER EXPECTATIONS				
Resident satisfaction with refuse/recycling service	≥80%	≥80%	89%	90%
LEVEL OF SERVICE 2: MINIMISE THE AMOUNT OF WASTE TO LANDFILL				
Kilogrammes of waste per resident diverted from Mt Cooee landfill (kg)	≥56	≥53	63.58	64.22
Kilogrammes of waste per resident to Mt Cooee landfill (kg)	≤548	≤577	501.38	513.93

WHAT IT COST FOR SOLID WASTE IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	74	76	77
Targeted rates (other than targeted rates for water supply)	962	1,066	1,407
Subsidies and grants for operating purposes	416	78	313
Fees, charges and targeted rates for water supply	988	1,088	1,346
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	2,440	2,308	3,143
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,931	2,147	2,674
Finance costs	-	10	-
Internal charges and overheads applied	190	199	476
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,121	2,356	3,150
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	319	(48)	(7)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	634	(21)	631
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	634	(21)	631
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	726	-	33
Capital expenditure to replace existing assets	986	263	590
Increase (decrease) in reserves	(638)	(161)	281
Increase (decrease) of investments	(121)	(171)	(280)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	953	(69)	624
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(319)	48	7
FUNDING BALANCE (A - B) + (C - D)	-	-	-

1 Fees, charges and targeted rates for water supply reflects increase in fees and charges.

2 Payments to staff and suppliers reflects increased costs from Wasteco.

3 Includes Mt Cooee wastewater pump station renewal

COMMUNITY SERVICES

Community Outcome: Community facilities that sustainably benefit users and the wider community

WHAT WE DO

Council provides various community facilities and services throughout the district. Financial and non-financial assistance is also provided to external organisations that provide community services. Activities include:

LIBRARIES, INFORMATION AND SERVICE CENTRES

This involves the provision of:

A district network comprising five Community Libraries that place people at the heart of all activities, through the provision of welcoming spaces, extensive resources, delivery of lifelong learning programmes and a range of services, to enable people to:

- Build and maintain social and digital connectivity with others.
- Celebrate creativity and local heritage.
- Access and actively use information and services from a range of sources including council, community groups, businesses, and other organisations.

A Qualmark accredited isite that provides visitors with a range of services including:

- Promoting local attractions, assisting visitors (and locals) to plan itineraries, book accommodation, transport and activities.
- Assisting people to access council's various services.

The Owaka Community Library also operates as the Catlins information Centre, providing visitors with information and support to access the many and varied attractions of the Catlins area.

SWIMMING POOLS

This involves:

- Owning and operating year round, a pool in Balclutha and seasonal (summer) pool in Milton.
- Making grants available to various school and community-based pools located throughout the district.

PARKS, RESERVES, PLAYGROUNDS & SPORTSGROUNDS

This involves:

- Providing and maintaining 86 hectares of parks and reserves throughout the district, including 18 playgrounds and four sportsgrounds.
- Providing financial assistance for a further 19 hectares of reserves and sportsgrounds that are managed by local committees and sports groups.

HALLS & COMMUNITY CENTRES

This involves:

- Providing management oversight and financial assistance for 11 committees which operate community centres throughout the district on Council's behalf. These are at Clutha Valley, Hillend, Kaka Point, Lovells Flat, Moneymore, Owaka, Paretai, Waihola, Waipahi, Waitahuna and Waiwera.
- Providing financial assistance to various other halls and centres, which are owned and operated by their communities. These are at Beaumont, Clinton, Crookston, Dunrobin, Heriot, Hina Hina, Kaitangata, Lawrence, Milton, Romahapa, Tahakopa, Taieri Mouth, Toko Mouth, Tuapeka Mouth, Tuapeka West, Waikoikoi and Tapanui.

PUBLIC CONVENIENCES

This involves:

- Providing and maintaining 27 public toilets throughout the district (located in the Balclutha, Clinton, Jack's Bay, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Pounaweia, Tapanui, Taieri Mouth and Waihola areas).
- Providing and maintaining 5 public motor caravan dump stations in Clinton, Lawrence, Milton, Owaka and Tapanui.

CEMETERIES

This involves:

- Directly operating and maintaining six urban cemeteries - Balclutha (2), Fairfax (Milton), Kaitangata, Lawrence and Tapanui, and eight rural cemeteries - Port Molyneux, Romahapa, Taieri Beach, Waihola, Waikoikoi, Waipahi, Waipori, and Waitahuna.
- Providing financial assistance to a further four cemeteries that are managed by trustees (Clinton, Crookston, Owaka, Tuapeka).
- Providing financial assistance towards the maintenance of war memorials throughout the district.

COMMUNITY HOUSING & OTHER PROPERTY

This involves:

- Owning and maintaining 98 one bedroom housing units located in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui and Waihola.
- Other property is owned and maintained by Council for storage of materials and equipment.
- Property which is retained for renting and leasing at market rates with the income used to offset rates.
- Provision of five camping grounds at Kaka Point, Naish Park in Balclutha, Pounaweia, Taylor Park in Milton and Waihola. Council only directly manages one camping site (Milton) all others are leased out.

CROSS RECREATION CENTRE

This involves:

- Funding of a \$2.5 million loan towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha and providing an annual operating grant. This was for amounts paid to fund the Cross Recreation Centre in previous years funded via 25-year loan.

HOW WE PERFORMED IN 2023/24

	TARGET PER LTP/AP 2024	TARGET PER LTP/AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: OPERATE A NETWORK OF COMMUNITY FACILITIES THROUGHOUT THE DISTRICT INCLUDING LIBRARY / SERVICE / INFORMATION CENTRES, POOLS, HALLS, PLAYGROUNDS, SPORTSGROUNDS, PARKS AND RESERVES.				
Resident satisfaction with community facilities (weighted average)	>90%	>90%	90% ¹	87%
LEVEL OF SERVICE: PROVIDE QUALITY COMMUNITY HOUSING UNITS THROUGHOUT THE DISTRICT.				
Proportion of community housing units that meet healthy homes standards	>20%	>9%	100%	100%

1 - Overall satisfaction results were impacted due to lower satisfaction scores with the Milton Pool (67%) and public toilets (79%).

WHAT IT COST FOR COMMUNITY SERVICES IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)	
SOURCES OF OPERATING FUNDING				
General rates, UAGC's, rates penalties	3,860	4,014	4,634	1
Targeted rates (other than targeted rates for water supply)	1,962	2,045	2,509	1
Subsidies and grants for operating purposes	-	-	29	
Fees, charges and targeted rates for water supply	1,282	1,320	1,726	2
Internal charges and overheads recovered	90	60	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
TOTAL SOURCES OF OPERATING FUNDING (A)	7,194	7,439	8,898	
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,662	4,393	6,037	3
Finance costs	262	291	627	
Internal charges and overheads applied	1,515	1,592	1,520	
Other operating funding applications	-	-	-	
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	7,439	6,276	8,184	
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	(245)	1,163	714	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase (decrease) in debt (Internal debt)	1,975	2,655	186	
Gross proceeds from sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
TOTAL SOURCES OF CAPITAL FUNDING (C)	1,975	2,655	186	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	1,188	862	1,009	
Capital expenditure to replace existing assets	577	3,282	839	
Increase (decrease) in reserves	218	319	203	
Increase (decrease) of investments	(253)	(645)	(1,151)	
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,730	3,818	900	
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	245	(1,163)	(714)	
FUNDING BALANCE (A - B) + (C - D)	-	-	-	

1 General rates, UAGC's, rates penalties and targeted rates includes funding of loans on Te Pou a Matau Au and Destination Toilets as well as a budgeted increase in maintenance contract rates.

2 Reflects an increase in rentals following valuations and an increase in fees & charges

3 Reflects additional staffing and insurance costs and a budgeted increase in maintenance contract rates.

REGULATORY & EMERGENCY SERVICES

Community Outcome: A safe and supportive community and a sustainable environment that promotes a clean and green image.

WHAT WE DO

PROPERTY FILE RECORDS MANAGEMENT

This involves:

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.
- Keeping property files up to date and available for public inquiries.

RESOURCE MANAGEMENT

This involves:

- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies.
- Promoting the sustainable management of natural and physical resources in the Clutha District via the District Plan.
- Processing resource consent applications (for land use and subdivision). Approximately 90-100 resource consents are processed annually.
- Carrying out monitoring, enforcement and prosecution when necessary.

BUILDING CONTROL

This involves:

- Providing advice and administering the Building Act 2004, including checking that building complies with the New Zealand Building Code.
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion. Council processes around 500-550 building consents annually.
- Issuing building warrants of fitness and compliance schedules.
- Investigating complaints related to unauthorised building work.

ANIMAL CONTROL

We have a range of animal control responsibilities. They include maintaining a register of dogs in the District, responding to complaints of wandering stock and dogs, as well as barking and nuisance complaints, providing impounding facilities (located in Balclutha and Milton), providing education and advice to dog owners, prosecuting for non-compliance with dog control legislation and bylaws.

ENVIRONMENTAL HEALTH

This involves:

- Registering and inspecting/auditing premises that prepare or sell food.
- Registering and inspecting other controlled premises, e.g. camping grounds.
- Promoting safe health practices through seminars and newsletters.
- Responding to noise complaints. Approximately 120 noise complaints are responded to annually.

CIVIL DEFENCE

This involves:

- Preparing our communities to be ready and prepared for an emergency.
- Ensuring council has systems and processes in place and sufficient staff trained to be ready for and respond to an emergency and
- Helping facilitate recovery after an emergency .

HOW WE PERFORMED IN 2023/24

	TARGET PER LTP/AP 2024	TARGET PER LTP/AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: TO PROVIDE AN APPLICATION PROCESSING SERVICE WHERE CONSENTS ARE PROCESSED WITHIN STATUTORY TIMEFRAMES IN AN EFFICIENT MANNER				
Application lodged and processed within statutory timeframes	100%	100%	92% ¹	74%
LEVEL OF SERVICE 2: COMPLAINTS ARE PRIORITISED AND RESPONDED TO IN AN EFFICIENT MANNER				
Customer service requests are responded to within targeted time frames.	≥95%	≥95%	84.4% ²	86%

1 A proactive approach was employed by the team in 2022/23 to clear older consents that remained on file for some period. Over the past 12 (2023/24) months a majority of these consents were granted or withdrawn.

2 Due to a backlog of service requests that were prioritised. A restructure across various departments has seen tasks redistributed to correct departments, this will result in an improved clearance result.

WHAT IT COST FOR REGULATORY & EMERGENCY SERVICES IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN	2024 LONG TERM PLAN	2024 ACTUAL
	\$(000)	\$(000)	\$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	362	376	362
Targeted rates (other than targeted rates for water supply)	835	841	1,069
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	1,663	1,711	1,516
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
TOTAL SOURCES OF OPERATING FUNDING (A)	2,860	2,928	2,947
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,464	1,477	1,976
Finance costs	6	5	8
Internal charges and overheads applied	1,225	1,279	1,146
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,695	2,761	3,130
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	165	167	(183)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	(30)	(30)	(24)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(30)	(30)	(24)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	-
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	88	90	5
Increase (decrease) of investments	47	47	(212)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	135	137	(207)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(165)	(167)	183
FUNDING BALANCE (A - B) + (C - D)	-	-	-

1 Payments to staff and suppliers reflects additional staffing costs.

INTERNAL SERVICES

WHAT WE DO

Several internal services support our significant activities in delivering services to our communities. These include corporate management, human resources, policy and communications, district assets operations, regulatory operations, forestry, treasury, information services, geographic information systems (GIS) and the running and maintenance of our main office in Balclutha.

HOW WE PERFORMED IN 2023/24

	TARGET PET LTP/AP 2024	TARGET PER LTP/AP 2023	ACTUAL 2024	ACTUAL 2023
LEVEL OF SERVICE 1: WE HANDLE CUSTOMER REQUESTS FOR SERVICE EFFICIENTLY AND EFFECTIVELY				
Percentage of service requests resolved within timeframes	95%	95%	77% ¹	90%
LEVEL OF SERVICE 2: WE DELIVER ON OUR WORK PROGRAMMES				
Percentage of capital projects completed.	82%	80%	73.12% ²	73.34%

1 Responsibilities for call backs have changed throughout the year. Improvement was seen towards the end of the year once these people had gained experience.

2 - Due to material supply delays, we had a number of projects that were expected to be completed by 30 June 2024, however due to supplier material delays, this has caused delays in project delivery.

- There was an internal structural change, through this change management process we had some vacancies that we were waiting to recruit for following the change management process. This has also caused delays in delivery of some of our planned projects for the financial year.

WHAT IT COST FOR INTERNAL SERVICES IN 2023/24

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2023 LONG TERM PLAN \$(000)	2024 LONG TERM PLAN \$(000)	2024 ACTUAL \$(000)
SOURCES OF OPERATING FUNDING			
General rates, UAGC's, rates penalties	-	-	94
Targeted rates (other than targeted rates for water supply)	-	-	97
Subsidies and grants for operating purposes	-	-	-
Fees, charges and targeted rates for water supply	170	175	69
Internal charges and overheads recovered	7,867	8,246	9,714
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	157
TOTAL SOURCES OF OPERATING FUNDING (A)	8,037	8,421	10,131
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	8,051	8,380	20,635
Finance costs	62	66	5,750
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	8,113	8,446	26,385
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	(76)	(25)	(16,254)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt (Internal debt)	230	(1)	21,293
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	230	(1)	21,293
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	414	178	1,485
Capital expenditure to replace existing assets	283	284	416
Increase (decrease) in reserves	182	261	3,905
Increase (decrease) of investments	(725)	(749)	767
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	154	(26)	5,039
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	76	25	16,254
FUNDING BALANCE (A - B) + (C - D)	-	-	-

1 Payments to staff and suppliers includes additional staffing and consultancy costs resulting from bringing the provision of three waters in house.

2 Additional borrowing resulting from bringing the provision of three waters in house.

3 Comprising mostly additional vehicle, IT hardware and building costs associated with bringing three waters operations in house.

4 Includes reserve interest not subject to allocation rules.

FINANCIAL INFORMATION

ANNUAL REPORT 2023/24



ABOUT THIS FINANCIAL SECTION

This section of the annual report contains the financial statements of Clutha District Council for the year ended 30 June 2024.

The Annual Report 2023/24 received an unmodified audit report and was adopted on 17 October 2024.

The references to documents and information on Clutha District Council and other websites are provided solely for the convenience of the readers who may require more detailed information. None of the documents or other information on those websites' forms part of this Annual Report 2023/24.

For the clarity and usefulness of this report, this section has the following sub-sections:

- A – Results of the year
- B – Long-term assets
- C – Borrowings and financial instruments
- D – Working capital and equity
- E – Financial risk management
- F – Other disclosures
- G – Financial reporting and prudence benchmarks

The notes to the financial statements contain detailed financial information as well as the relevant accounting policies, explanation of significant variances against budget and local government disclosures.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Council and management of the Clutha District Council confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002, have been complied with.

RESPONSIBILITY

The Council and management of the Clutha District Council accept responsibility for the preparation and completion of the financial statements and the judgements used in them, and hereby adopt the financial statements as presented.

The Council and management of the Clutha District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Clutha District Council, the annual report for the year ended 30 June 2024 presents fairly the financial performance, financial position, and service performance of the Clutha District Council.



Bryan Cadogan
Mayor
Date: 23 October 2024



Steve Hill
Chief Executive
Date: 23 October 2024

STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

REVENUE	NOTES	2024 ACTUAL \$000	2024 BUDGET \$000	2023 ACTUAL \$000
Rates	A1	30,706	31,146	29,439
Grants, subsidies and donations	A1	17,836	13,704	11,889
Fees and user charges		1,099	1,691	1,255
Permits and licences		826	1,009	1,133
Other fees		1,838	3,021	2,089
Rental revenue		1,350	1,273	1,292
Interest revenue		1,906	1,001	1,133
Other revenue		1,276	904	714
Other gains/(losses)	A6	2,645	1,627	1,967
Sales of corporate and development property	A8	1,393	-	74
TOTAL REVENUE	A1	60,875	55,376	50,985

EXPENDITURE				
Grants, contributions and sponsorship	A2	796	1,976	3,863
Other operating expenditure	A2	28,481	17,348	20,627
Roading repairs and maintenance	A2	9,480	8,419	8,255
Employee benefits	A3	13,209	9,844	8,847
Depreciation and amortisation	A4	17,109	15,113	16,019
Finance costs	A5	5,838	1,906	2,509
Operating lease payments	A2	39	-	19
Cost of sales of corporate and development property	A8	1,843	-	71
TOTAL EXPENDITURE	A2	76,795	54,606	60,210

SURPLUS (DEFICIT) FOR THE YEAR		(15,920)	770	(9,225)
Other Comprehensive Revenue and Expenditure Items that may be reclassified to surplus or deficit:				
Fair value on unlisted shares - gain/(loss)	D6	1	-	(3)
Items that will not be reclassified to surplus or deficit:				
Gain on property, plant, and equipment revaluation	D6	485,596	-	19,400
Total Other Comprehensive Revenue and Expenditure		485,597	-	19,397
TOTAL COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR		469,677	770	10,172

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	ACCUMULATED FUNDS \$000	RESERVES \$000	TOTAL EQUITY \$000	BUDGET \$000
BALANCE AS AT 1 JULY 2022	225,778	1,097,571	1,323,349	1,167,880
Surplus/(Loss)	(9,225)	-	(9,225)	(1,205)
Other comprehensive revenue	-	19,397	19,397	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(9,225)	19,397	10,172	(1,205)
Transfers (from)/to reserves	5,055	(5,055)	-	-
BALANCE AS AT 30 JUNE 2023	221,608	1,111,913	1,333,521	1,166,675
BALANCE AS AT 1 JULY 2023	221,608	1,111,913	1,333,521	1,312,250
Surplus/(Loss)	(15,920)	-	(15,920)	770
Other comprehensive revenue	-	485,597	485,597	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(15,920)	485,597	469,677	770
Net transfers (from)/ to reserves	(4,716)	4,716	-	-
BALANCE AS AT 30 JUNE 2024	200,972	1,602,226	1,803,198	1,313,020

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

ASSETS	NOTES	2024 ACTUAL \$000	2024 BUDGET \$000	2023 ACTUAL \$000
CURRENT ASSETS				
Cash and cash equivalents	D1	11,927	614	7,069
Receivables and prepayments	D2	7,436	6,276	6,515
Other financial assets	C3	25,997	29,628	29,850
Derivative financial instruments	C2	1,171	-	1,887
Development property	D7	3,535	550	2,477
Assets held for sale		198	-	-
Total current assets		50,264	37,068	47,798
NON-CURRENT ASSETS				
Property, plant and equipment	B1	1,888,448	1,395,807	1,371,639
Intangible assets	B2	96	50	143
Other financial assets	C3	2,865	440	1,634
Total non-current assets		1,891,409	1,396,297	1,373,416
TOTAL ASSETS		1,941,673	1,433,365	1,421,214
LIABILITIES				
CURRENT LIABILITIES				
Payables and accruals	D3	12,359	7,529	12,836
Employee entitlements	D4	1,502	756	1,096
Derivative financial instruments		-	-	-
Borrowings	C1	34,067	4,000	14,216
Total current liabilities		47,928	12,285	28,148
NON-CURRENT LIABILITIES				
Provisions	D5	1,534	790	1,232
Other liabilities - Mercer Trust		13	18	13
Borrowings	C1	89,000	107,252	58,300
Total non-current liabilities		90,547	108,060	59,545
TOTAL LIABILITIES		138,475	120,345	87,693
NET ASSETS		1,803,198	1,313,020	1,333,521
EQUITY				
Reserves		1,602,226	1,092,169	1,111,913
Accumulated funds		200,972	220,851	221,608
TOTAL EQUITY		1,803,198	1,313,020	1,333,521

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	NOTES	2024 ACTUAL \$000	2024 BUDGET \$000	2023 ACTUAL \$000
CASHFLOW FROM OPERATING ACTIVITIES				
Receipts from customers, rates, grants and other services		54,565	54,374	45,683
Interest received		1,906	-	1,133
Payments to suppliers and employees		(52,177)	(37,581)	(37,299)
Interest expense		(5,476)	(1,906)	(2,161)
Net cash inflow from operating activities		(1,182)	14,887	7,356
CASHFLOW FROM INVESTING ACTIVITIES				
Disposal of development property	A8	1,393	-	74
Disposal of property, plant, and equipment		-	-	190
Purchase of property, plant, and equipment		(48,300)	(53,367)	(36,276)
Acquisition of other financial assets		(1,760)	800	(1,245)
Sale of other financial assets		6,776	-	-
Acquisition of development property		(2,620)	-	(1,574)
Net cash (outflow) from investing activities		(44,511)	(52,567)	(38,831)
CASHFLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings		50,551	36,500	34,571
Repayment of borrowings		-	-	-
Total cashflows from financing activities		50,551	36,500	34,571
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,858	(1,180)	3,096
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		7,069	1,795	3,973
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		11,927	615	7,069

Explanations of major variances against budget are included with the notes. The accompanying notes form part of these financial statements.

RECONCILIATION OF SURPLUS FOR THE YEAR TO CASH INFLOW FROM OPERATING ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	2024 ACTUAL \$000	2023 ACTUAL \$000
(DEFICIT) / SURPLUS FOR THE PERIOD ADD/(LESS) NON-CASH ITEMS	(15,920)	(9,225)
Depreciation and amortisation	17,365	16,019
(Reversal) impairment of development property	-	-
(Gain)/Loss on sale of property, plant and equipment	1,568	1,725
(Gain)/Loss on write off of software	-	-
Bad-debt write-off	25	67
Discount unwind on landfill provision	343	348
Unrealised (gain)/loss on revaluation of other financial assets to fair value	(1,679)	(1,902)
Work in progress assets expensed	-	-
Vested assets	(2,534)	(1,789)
	(832)	5,243
MOVEMENT IN WORKING CAPITAL:		
Trade and other receivables and prepayments	(946)	(2,032)
Trade other payments and accruals	(476)	5,359
Employee entitlements	406	178
Provisions	(41)	(8)
	(1,057)	3,497
ITEMS CLASSIFIED AS INVESTING ACTIVITIES:		
Movement in property, plant and equipment included in trade and other payables	736	(1,381)
Development properties non-operating activity included in surplus or deficit	(29)	(3)
	707	(1,384)
NET CASH INFLOW FROM OPERATING ACTIVITIES	(1,182)	7,356

STATEMENT OF ACCOUNTING POLICIES

This section contains Council's significant accounting policies that relate to the financial statements as a whole. Significant accounting policies are also included in the related note disclosures.

REPORTING ENTITY

The Clutha District Council (Council) is a local authority domiciled in New Zealand and governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002.

Council's principal address is 1 Rosebank Terrace, Balclutha New Zealand.

The primary objective of the Council is to provide services and facilities to the Clutha community for social benefit rather than make a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS) with amendments for the New Zealand environment.

BASIS OF PREPARATION

The financial statements have been prepared:

- in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 and comply with Tier 1 PBE Accounting Standards;
- on a historical cost basis, except for certain financial instruments which have been measured at fair value (note C2) and certain classes of property, plant, and equipment (note B1) which have been subsequently measured at fair value;
- on the going concern basis and the accounting policies have been applied consistently throughout the period; and
- in New Zealand dollars (NZD) rounded to the nearest thousand dollars, unless otherwise stated.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires judgements, estimates and assumptions. Application is based on future expectations as well as historical experience and other factors, as appropriate to the particular circumstances. Judgements and estimates which are considered material to understanding the performance of council are found in the following notes:

- B1 Property, plant, and equipment - fair value of infrastructure assets
- D5 Provisions - landfill aftercare provision

IMPLEMENTATION OF NEW AND AMENDED STANDARDS

Amendments to PBE IPSAS 1 (Disclosure of Fees for Audit Firm's Services)

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistence of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. Council will be required to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services
- Audit or Review Related Services
- Other Assurance Services and Other Agreed-Upon Procedures Engagements
- Taxation Services
- Other Services

Application of these amendments is required for accounting periods beginning on or after 1 January 2024, however early adoption is permitted. The Council has elected to early adopt the amended standard in preparing the Annual Report. Comparative information has been included within Note A2.

CHANGES IN ACCOUNTING POLICIES

Accounting policies have been changed to incorporate all necessary changes as required by the new PBE standards. No changes to recognition /measurement were required.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

PBE Standard interpretations that have recently been issued or amended but are not yet effective and have not been adopted by Council for the annual reporting period 30 June 2024 are outlined below:

- PBE IFRS 17 Insurance Contracts; effective for periods commencing 30 June 2025

Council expects to adopt the above standard in the period in which it becomes mandatory. Council anticipates that the above standard is not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has not yet been performed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

The budget figures presented in the financial statements are those included in the 2023/24 Annual Plan. Significant accounting policies are included in the notes to which they relate.

SECTION A: RESULTS FOR THE YEAR

This section focuses on the performance of Council during the year. It provides detail about rates and other revenue, and significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in the section are as follows:

- A1 Revenue
- A2 Operating expenditure
- A3 Employee benefits

- A4 Depreciation and amortisation
- A5 Finance costs
- A6 Net other gains and losses
- A7 Income tax
- A8 Corporate and development property

A1 REVENUE

ACCOUNTING POLICY

Council receives its revenue from exchange and non-exchange transactions.

Exchange transactions revenue arises when Council directly provides goods or services to a third party and receive approximately equal value in return.

Non-exchange transaction revenue arises when Council receives value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants and subsidies and fees and user charges derived from activities that are partially funded by rates.

The council's significant items of revenue are recognised and measured as follows:

Type	Recognition and measurement
Rates	<p>Rates are set annually by resolution of the council and relate to a particular financial year in accordance with the Local Government (Rating) Act 2002.</p> <p>Rates comprise general and targeted rates and are stated net of rates remissions.</p> <p>Rates revenue is recognised at the date of issuance of ratings notice and is measured at the present value of cash received or receivable.</p>
Grants and subsidies	<p>Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount recognised as revenue.</p>
Financial contributions	<p>Financial contributions are charged for new property developments to contribute to council's costs of building supporting infrastructure such as stormwater, roads, and footpaths. Revenue is recognised at the later of the point when the council is entitled to issue an invoice to developers for the contribution in accordance with milestones set out in council's financial contributions policy, and the point at which the council can provide the service for which the contribution has been charged. The timing of the recognition is dependent on the type of consent granted and the nature of the development.</p>
Vested assets	<p>Vested asset revenue represents infrastructure received from property developers who construct the infrastructure as a condition of development. Vested asset revenue is recognised when control of the asset is transferred to the council and is measured at the fair value of the asset received.</p>
Infringement fees and fines	<p>When the infringement notice is issued.</p>
Finance revenue	<p>Finance revenue comprises interest revenue and realised gains from the early close-out of derivatives. Revenue is recognised using the effective interest method.</p>
Dividend revenue	<p>Dividend revenue is recognised when the council's right to receive the dividend has been established.</p>

Type	Recognition and measurement
Water and wastewater user charges	<p>Water and wastewater revenue comprises the amounts received and receivable at balance date for water supplied to customers or sewerage processed for customers in the ordinary course of business. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily water consumption of customers between readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.</p>
Consents	<p>Building consents provide approval for specific building works on a specific site, and resource consents provide approval for projects that impact the environment or others. Consent revenue is recognised when consents are provided at fair value of the amount receivable.</p>
Licence and permit fees	<p>On receipt of application as these are non-refundable.</p>
Entrance fees	<p>Entrance fees are fees charged to users of Council's local facilities, such as the pools. Revenue from entrance fees is recognised upon entry to such facilities.</p>
Landfill fees	<p>Fees for disposing of waste at Council's landfill are recognised as waste is disposed by users.</p>
Development property	<p>On earliest of settlement of transaction or unconditional sale and purchase agreement.</p>

The split of exchange and non-exchange revenue is disclosed below:

	NOTES	2024 \$000	2023 \$000
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
REVENUE FROM RATES			
General		6,600	5,028
Targeted		24,403	24,698
Penalties		245	215
Internal		(542)	(502)
Total revenue from rates		30,706	29,439
REVENUE FROM EXCHANGE TRANSACTIONS			
Rental and lease revenue		1,350	1,292
Interest revenue and gain on changes in fair value		3,585	3,035
Otago Corrections Facility water		386	214
Development property sales	A8	1,393	74
Other revenue		1,099	1,255
Total revenue from exchange transactions		7,813	5,870
OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grants and subsidies		17,836	11,889
Vested assets	A6	2,534	1,789
Swimming pool revenue		123	108
Building consents		699	973
Other revenue		1,164	917
Total other revenue from non-exchange transactions		22,356	15,676
TOTAL REVENUE		60,875	50,985

The annual rates revenue of the council for the year ended 30 June 2024 for the purposes of the Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed disclosure is \$31,003k (2023: \$29,726k). Refer to note F1 for further information on the LGFA guarantees and indemnities.

	NOTES	2024 \$000	2023 \$000
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
Community Leadership		279	267
Internal Services		90	37
Roads and Footpaths		7,730	8,739
Water supply		7,610	7,555
Stormwater		899	911
Wastewater		2,810	2,845
Solid waste		1,407	1,138
Community services		2,509	2,134
Regulatory and emergency services		1,069	1,072
		24,403	24,698
GRANTS AND SUBSIDIES:			
NZTA subsidy		15,961	9,173
3 Waters Support funding		1,043	1,153
Mayors' taskforce for jobs		325	665
Other – PGF, NZLPP		507	898
		17,836	11,889

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET FOR THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE

Total revenue

Revenue was higher than budget by \$5,499k but within the different categories there was some variance:

- Grants and subsidies were \$4,132k higher than budget, mainly due to changes in timing to the Roothing programme resulting in roading subsidies being \$3,200k more than budgeted. We also received \$1.043m better off funding for Balclutha Streetscape. Grants of \$325k for the Mayor's Task Force was above budget.
- Significant financial contributions budgeted for the Milton to Waihola pipeline have not yet been received (\$496k behind). Dog registration fees were \$30k behind budget and resource consent fees \$79k behind budget.
- Solid Waste sales are \$1,199k behind budget.
- Nikko interest revenue is \$349k below budget and there is a net gain of \$2,394k at fair valuation giving an overall \$2,045k better performance on the Nikko portfolio. The lessening impact of Covid on global share markets and interest rate movements account for most of the variance, that caused losses in prior years. Operating interest of \$234k, LGFA interest of \$774k and interest rate swaps income of \$513k were above budget.
- Other gains are \$1,018k above budget due to vested assets of \$2,534k, the fair value gain of \$2,394k mentioned above and a net loss on disposal of property, plant and equipment of \$1,568k.

- Corporate and development property now reflects the revenue of \$1,393k instead of the net gain or loss position. Please refer to note A8 for details.

LOCAL GOVERNMENT DISCLOSURES

Council's rating base information relating to the current and prior financial year is as follows:

	2024 \$000	2023 \$000
Number of rating units	11,369	11,311
Total Capital Value of rating units	8,796,394	8,731,226
Total Land Value of rating units	5,595,544	5,588,525

These values are as per the most recent QV valuation dated 1 September 2023.

Breakdown of summary revenue for group of activities

	2024 \$000	2023 \$000
REVENUE		
Roading	17,500	9,660
Water Services - water	916	1,196
Water Services - wastewater	397	537
Solid Waste	1,659	1,335
Community Services - libraries & information centres	95	146
Community Services - swimming pools	177	120
Community Services - parks/reserves/sportsgrounds	50	124
Community Services - halls & community centres	96	424
Community Services - other council property	1,204	1,135
Community Services - public conveniences	-	469
Community Services - cemeteries	132	72
Regulatory Services - Resource Management	191	226
Regulatory Services - Animal Control	396	399
Regulatory Services - Environmental Health	33	25
Regulatory Services - Building Control	839	1,144
Regulatory Services - Alcohol Licensing	62	72
Total activity revenue	23,747	16,976
ADD		
Rates	30,706	29,438
Other Gains/(Losses)	2,645	1,967
Sales of corporate and development property	1,393	74
Petrol Tax	157	195
Other revenue	2,227	2,335
	37,128	34,009
TOTAL REVENUE	60,875	50,985

A2 OPERATING EXPENDITURE

ACCOUNTING POLICIES

GRANTS AND SUBSIDIES

Discretionary grants and subsidies are recognised as expenses when the council has advised their decision to pay and when the attached conditions, if any, are satisfied.

Non-discretionary grants are recognised as expenses on receipt of an application that meets the specified criteria.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The initial measurement on property, plant and equipment and intangible assets are disclosed in Notes B1 and B2.

Intangible assets subsequently measured at cost that have indefinite useful life are tested annually for impairment. Property, plant and equipment and intangible assets subsequently measured at cost that have finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, Council estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is recognised in surplus or deficit in the statement of comprehensive revenue and expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost (DRC).

Property, plant, and equipment that is measured at fair value, is not required to be separately tested for impairment.

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Expenditure

Expenditure was more than budget by \$22,189k but within the different categories there was some variance:

- Other operating expenditure is above budget by \$9,589k mainly caused by the following costs above budget:

- Water operational expenditure \$3,602k,
- Operating grants \$582k,
- Consultancy \$3,234k,
- IT costs \$363k,
- Mayor's Task Force expenditure \$337k,
- Mount Cooee operational costs \$183k,
- Roothing repairs are \$898k above budget due to timing of contracts.
- Personnel costs are \$3,365k above budget mainly due to additional 3 Waters Operations staff employed during the year which was unbudgeted (\$2,656k) .
- Depreciation is above budget by \$4,036k mainly due to the impact of significant valuation increases for infrastructural assets as of 30 June 2023 .
- Corporate and development property now reflects cost of sales and impairment losses of \$1,843k instead of the net gain or loss position.

Please refer to note A8 for details.

GROUP OF ACTIVITIES

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

	2024	2023
	\$000	\$000
EXPENDITURE		
Community Leadership - Governance	1,573	1,710
Community Leadership - Community Support	593	617
Community Leadership - Economic Development	1,493	1,229
Community Leadership - Culture & Heritage	244	232
Roothing	20,614	19,678
Water Services - water	14,650	12,128
Water Services - stormwater	1,369	1,228
Water Services - wastewater	5,078	4,271
Solid Waste	3,150	2,935
Community Services - libraries & information centres	2,474	2,121
Community Services - swimming pools	1,494	1,178
Community Services - parks/reserves/sportsgrounds	1,544	1,958
Community Services - halls & community centres	619	3,048
Community Services - other council property	997	941
Community Services - public conveniences	711	603
Community Services - cemeteries	315	292
Regulatory Services - Resource Management	648	648
Regulatory Services - Animal Control	485	435
Regulatory Services - Compliance	188	127
Regulatory Services - Environmental Health	121	155
Regulatory Services - Building Control	1,460	1,368
Regulatory Services - Alcohol Licensing	111	123
Emergency Services - Civil Defence	119	140
Total activity expenditure	60,050	57,165
ADD		
Additional Depreciation	1,599	1,401
Cost of sales corporate and development property	1,843	71
Forestry Expenditures	4	11
Other Expenditure	13,841	2,064
Internal Rates	(542)	(502)
	16,745	3,042
TOTAL EXPENDITURE	76,795	60,210
OPERATING EXPENDITURES INCLUDE:		
Grants, contributions, and sponsorship	796	3,863
Impairment of receivables	25	67
Minimum lease payments for operating leases	39	19
Other operating expenditure	28,481	20,627
Roothing repairs and maintenance	9,480	8,255
Fees paid to elected members	529	560

FEES TO AUDITORS

The following fees were charged for the services provided by the auditors of Council:

	2024 \$000	2023 \$000
Audit of financial statements and performance information	197	185
Debenture trust reporting	4	3
Audit of long term plan	132	-
TOTAL FEES TO AUDITORS	334	188

A3 EMPLOYEE BENEFITS

ACCOUNTING POLICY

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as an expenditure and liabilities when they accrue to employees.

	2024 \$000	2023 \$000
Employee Benefits Expenditure		
Salaries and wages	13,511	9,009
Kiwisaver	341	241
Capitalised salary and wages to roading assets	(643)	(403)
TOTAL EMPLOYEE BENEFITS EXPENDITURE	13,209	8,847

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Employee benefits expenditure

- Employee benefits expenditure of \$13,209k has increased by \$4,362k from 2023.

Related parties include key management personnel, the elected representatives of the council and their close family members and entities controlled by them. Close family members include spouses or domestic partners, children and dependants.

Apart from the disclosure of key management personnel remuneration, transactions with related parties that are on an arm's length basis are not disclosed.

Key management remuneration comprises of the total remuneration paid to the mayor, councillors, community board members, chief executive, and senior leadership team.

	2024 \$000	2023 \$000
COUNCILLORS		
Remuneration	529	560
Full-time equivalent members	15	15
COMMUNITY BOARD MEMBERS		
Remuneration	48	45
Full-time equivalent members	12	12
SENIOR MANAGEMENT TEAM, INCLUDING CHIEF EXECUTIVE		
Remuneration	526	653
Full-time equivalent members	2	4
SEVERANCE PAYMENTS		
For the year ended 30 June 2024 Council made two severance payments of \$31,154 and \$20,786 (2023: \$47,768, \$27,000 and \$25,000).		
REMUNERATION OF ELECTED MEMBERS		
During the year to 30 June 2024, the total remuneration and value of other non-financial benefits received by or payable to the Mayor and other Elected Members were as follows:		
His Worship the Mayor B A Cadogan	132	125
Kevin Barron	26	19
Dane Catherwood	27	26
Stewart Cowie	-	10
Wayne Felts	28	26
Gaynor Finch	39	34
Melinda Foster	-	8
Bruce Graham	36	34
John Herbert	33	33
Michele Kennedy	34	24
Alison Ludemann	35	32
Lloyd McCall	-	7
Dean McCrostie	27	19
Brent Mackie	27	20
Simon McAtamney	27	19
Jock Martin	32	23
Ken Payne	37	34
Carol Sutherland	-	7
Jo-anne Thomson	-	8
Bruce Vollweiler (including hearing fees)	40	44
Selwyn Wilkinson	-	7
Lawrence Tuapeka Community Board		
Roger Cotton	3	2
Lindy Chinnery	3	3
Geoff Davidson	6	6
Tim Dickey	3	3
Matthew Little	3	3
Garry McCorkindale	-	1
Suzanne Stephenson	3	3

	2024 \$000	2023 \$000
West Otago Community Board		
Cecil Crawford	4	4
Mark Diamond	4	3
Barbara Hanna	7	7
Sonia Richardson	4	3
Anthony Robertson	-	1
Bruce Robertson	4	4
Linda Roulston	4	4
Suzanne Wink	-	1

These amounts are set by the Remuneration Authority and vary according to the role.

Remuneration of Employees

At balance date Council employed 138 full time employees compared to 98 in 2023, with the balance of staff representing 21 full time equivalent employees (22 in 2023). A full time employee is determined based on a 37.5 hour working week.

Total annual remuneration by band for full and part time employees as at 30 June:

Salary band	2024 No of Employees	2023 No of Employees
<60,000	98	85
60,000-80,000	42	36
80,000-100,000	29	24
100,000-120,000	15	8
120,000-140,000	7	11
140,000-200,000	9	-
280,000-300,000	-	1
320,000-340,000	1	-

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable to the Chief Executive was \$327,427 (2023: \$282,250).

Other Transactions Involving Related Parties - 2024

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Bryan Cadogan					
Clutha Recreation Centre	Council Representative	1,872	59,294	339	
Happy You Theatre Company	Trustee	2,450	91,344		
Alison Joan Ludemann					
Clutha Community Hub	Council Representative	639	1,996,347	1,080	
Clutha Development Inc	Council Representative	87	694,476	56,000	
Clutha Foundation	Council Representative		8,696		
Clutha Health First	Council Representative	530			
Clutha Recreation Centre	Council Representative	1,872	52,294	339	
Alan Dean McCrostie					
Allandale Park farm LTD	Shareholder/ Director	426			348
Taieri Mouth Ameneties Society	Council Representative		304		
Waihola Looking Forward	Council Representative	436	1,739	2,800	
Brent John Mackie					
Waipahi Community Centre	Council Representative	6,814	6,189		
Waipahi Rural Water Scheme Committee	Council Representative	209,362	157,966		
Waiwera Community Centre	Council Representative	4,746	5,834		
Bruce Peter Vollweiler					
North Bruce Rural Water Scheme Committee	Council Representative	615,288	811,172	2,941	
Project Bruce Charitable Trust	Trustee		60,000		
Taieri Mouth Ameneties Society	Council Representative		304		
Tokomairiro Waiora Incorporated	Chairman	126			
Waihola Looking Forward	Council Representative	436	1,739	2,800	
Bruce Roger Graham					
Moneymore Community Centre	Council Representative	8,237	4,171		
Wangaloa Rural Water Scheme Committee	Council Representative	152,988	164,087	438	
Dane Catherwood					
Catlins Property & Maintenance	Shareholder/ Director				365
Kaka Point Community Centre	Council Representative	18,480	9,137		
Owaka Going Forward	Council Representative	105	\$198		90
Owaka Memorial Community Centre	Council Representative	270			
Richardson Rural Water Scheme Committee	Council Representative	727,718	865,309	3,638	
Kaka Point Community Group	Council Representative				30
Gaynor Finch					
Clutha Foundation	Council Representative		8,696		
Otago Museum Trust Board	Council Representative		148,210		
Taieri Mouth Ameneties Society	Council Representative		304		
Waihola Looking Forward	Council Representative	436	1,739	2,800	
Jason (Jock) Keith Martin					
Lawrence Playground Committee	Council Representative	41			
Simpson Park Sport Complex Inc	Council Representative		6,832		

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Tuapeka Rural Water Scheme	Council Representative	589,584	599,725	817	
John Stephen Herbert					
Glenkenich Rural Water Scheme Committee	Council Representative	755,472	706,031	1,437	
Moa Flat Rural Water Scheme Committee	Council Representative	585,596	723,000	9,949	
Heriot Domain	Council Representative	148			
Kenneth Paul Payne					
Clutha Community Hub	Council Representative	639	1,996,347	1,080	
South Bruce Rural Water Scheme Committee	Council Representative	244,530	309,578		
Te Pukenga, SIT - Telford	Member	-68			
Kevin William Barron					
Balclutha Bowling Club	Council Representative	1,391	1,053	1,053	807
Michele Lee Kennedy					
Clutha Health First	Trustee	530			
Glenkenich Rural Water Scheme Committee	Council Representative	755,472	706,031	1,437	
Moa Flat Rural Water Scheme Committee	Council Representative	585,596	723,000	9,949	
Tapanui West Otago Promotions	Council Representative	978			
Waipahi Rural Water Scheme Committee	Council Representative	209,362	157,966		
West Otago Health Trust	Council Representative	2,012	15,000		397
Simon Joseph McAtamney					
Balmoral 1 Rural Water Scheme Committee	Council Representative	300,549	265,343	870	
Balmoral 2 Rural Water Scheme Committee	Council Representative	472,350	530,853		
Clutha Valley Community Centre	Council Representative	21,499	20,661		
Clydevale/Pomahaka Rural Water Scheme Committee	Council Representative	707,277	802,266	112	
Hillend Community Centre	Council Representative	30,778	5,910		
Richardson Rural Water Scheme Committee	Council Representative	727,718	865,309	3,638	
Wayne John Felts					
Fraser ITM (John M Fraser & Company Limited)	Manager	270	8,879	244	
Barbara Anne Hanna					
Tapanui West Otago Promotions	Council Representative	978			
Geoffrey Thomas Davidson					
Lawrence Chinese Camp Charitable Trust	Trustee	546	1,828		

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Tuapeka Rural Water Scheme Committee	Council Representative	589,584	599,725	817	
Roger James Cotton					
Lawrence Chinese Camp Charitable Trust	Trustee	546	1,828		
Bellamy Station	Shareholder/ Director	979			
Lawrence Heritage and Cultural Charitable Trust	Chairman		68,692		
Tuapeka Rural Water Scheme	Chairman	589,584	599,725	817	
Suzanne Stephenson					
Tuapeka Community Health Company Ltd	Director	535			
Tuapeka Health Inc	Trustee		2,000		
Timothy Russel Dickey					
Fire and Emergency New Zealand	Employee	3,570			148
Cecil James Crawford					
Glenkenich Rural Water Scheme Committee	Council Representative	755,472	706,031	1,437	
Linda Rozel Roulston					
Moa Flat Rural Water Scheme Committee	Council Representative	585,596	723,000	9,949	
Tapanui West Otago Promotions	Council Representative	978			
Sonia Ann Richardson					
Heriot Domain	Council Representative	148			
Tapanui West Otago Promotions	Council Representative	978			
West Otago Health Ltd	Employee	430			
Stephen Herbert Halliwell					
Working Smarter Limited	Shareholder/ Director		15,321		

Other Transactions Involving Related Parties - 2023

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Bryan Cadogan					
Happy You Theatre Company	Trustee		4,900		
Clutha Recreation Centre	Council Representative	2,115	58,328	370	
Dane Catherwood					
Kaka Point Community Centre	Council Representative	98,934	8,393		
Owaka Memorial Community Centre	Council Representative	132,374	34,376	381	
Richardson Rural Water Scheme Committee	Council Representative	744,414	874,618	135,366	
Kaka Point Community Group	Council Representative		304		
Owaka Going Gorward	Council Representative	150	283		250
Kevin William Barron					
Balclutha Bowling Club	Member	1,848			
Wayne Felts					
Fraser ITM	Manager	139	3,908	46	
Sport Clutha Sterring Group	Council Representative	363			
Clutha Parks Trust	Council Representative		157,072		
Gaynor Finch					
Taieri Mouth Amenities Society	Council Representative		20,247		
Waiholo Looking Forward	Council Representative	403	3,061		
Otago Museum Trust Board	Council Representative		138,806		
Clutha Foundation	Council Representative	25	8,721		
Alan Dean McCrostie					
Allandale Park Farm LTD					1,217
Waiholo Looking Forward	Council Representative	403	3,061		
Bruce Roger Graham					
Lovells Flat Community Centre	Council Representative	7,360	5,216		
Moneymore Community Centre	Council Representative	8,224	4,076		
Wangaloa Rural Water Scheme Committee	Council Representative	153,344	178,656	540	
Kaitangata Promotions	Council Representative		80		
John Stephen Herbert					
Glenkenich Rural Water Scheme Committee	Council Representative	721,457	597,016	7,237	
Moa Flat Rural Water Scheme Committee	Secretary	274,914	390,103	23,504	
Brent John Mackie					
Waipahi Community Centre	Council Representative	4,434	2,138	97	
Waiwera Community Centre	Council Representative	48,636	1,565		
Waipahi Rural Water Scheme Committee	Council Representative	113,675	111,430	1,540	
Alison Joan Ludemann					
Clutha Community Health Co Ltd	Council Representative	13			25
Clutha Foundation	Council Representative	25	8,721		
Clutha Health Inc	Council Representative	4,998	561		235
Clutha Development Inc	Council Representative		603,612	133,383	
Clutha Community Hub	Council Representative		2,550,433		
Clutha Parks Trust	Council Representative		157,072		

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Kenneth Paul Payne					
Clutha Community Hub	Council Representative		2,550,433		
South Bruce Rural Water Scheme Committee	Council Representative	243,862	201,007		
Clutha Parks Trust	Council Representative		157,072		
Simon Joseph McAtamney					
Clutha Valley Community Centre	Council Representative	16,204	8,933		
Hillend Community Centre	Council Representative	127,739	2,045		
Balmoral 1 Rural Water Scheme Committee	Council Representative	165,708	140,994	4,430	
Balmoral 2 Rural Water Scheme Committee	Council Representative	243,889	293,889		
Clydevale/Pomahaka Rural Water Scheme Committee	Council Representative	364,853	430,133	31,238	
Richardson Rural Water Scheme Committee	Council Representative	398,553	589,443	134,831	
Jason (Jock) Keith Martin					
Tuapeka Rural Water Scheme Committee	Council Representative	301,258	356,802	35,703	
Simpson Park Sport Complex Inc	Council Representative	538			
Bruce Peter Vollweiler					
Project Bruce Charitable Trust	Trustee		60,000		
Tokomairiro Waiora Inc	Trustee & Chair	1,560			
North Bruce Rural Water Scheme Committee	Council Representative	619,487	656,242	6,167	
Taieri Mouth Amenities Society	Council Representative		20,247		
Waiholo Looking Forward	Council Representative	403	3,061		
Michele Lee Kennedy					
Glenkenich Rural Water Scheme Committee	Council Representative	368,556	434,397	2,583	
Moa Flat Rural Water Scheme Committee	Council Representative	274,914	390,103	23,504	
Waipahi Rural Water Scheme Committee	Council Representative	113,675	111,430	1,504	
Clutha Health Inc	Council Representative	4,720	561		235
Barbara Anne Hanna					
West Otago Community Centre	Council Representative	252	197,355		
Bruce Samuel Robertson					
Road Transport Logistics Ltd	Shareholder		64		
Black Gully Recreation Reserve	Council Representative	2,281	3,111	92	
Cecil James Crawford					
Glenkenich Rural Water Scheme Committee	Council Representative	721,457	597,016	7,237	
Linda Rozel Roulston					
Moa Flat Rural Water Scheme Committee	Council Representative	531,522	563,556	27,909	
Sonia Ann Richardson					
West Otago Health Ltd	Employee	213			
Nathaniel Mark Diamond					
Black Gully Recreation Reserve	Council Representative	2,281	3,334	92	

RELATED PARTY ENTITY	RELATIONSHIP TO RELATED PARTY ENTITY	TOTAL PAID BY THE ENTITY TO THE COUNCIL \$	TOTAL PAID TO THE ENTITY BY THE COUNCIL \$	OUTSTANDING BALANCE OWED BY COUNCIL TO THE ENTITY \$	OUTSTANDING BALANCE OWED TO COUNCIL BY THE ENTITY \$
Geoffrey Thomas Davidson					
Tuapeka Rural Water Scheme Committee	Council Representative	590,556	538,541	35,703	
Suzanne Stephenson					
Tuapeka Community Health Company Ltd	Director	441			
Tuapeka Health Inc	Trustee	254			
Simpson Park Sport Complex Inc	Council Representative	861	6,382		
Timothy Russel Dickey					
Fire and Emergency New Zealand	Employee	295			139
Roger James Cotton					
Lawrence Athenaeum and Mining Institute	Chair		500		
Lawrence Heritage and Cultural Charitable Trust	Chair				217
Tuapeka Rural Water Scheme Committee	Council Representative	301,258	356,802	35,703	
Melinda Jane Audrey Foster					
Weatherstons Brewery and Daffodils Trust	Unknown	87			
Lloyd Hugh McCall					
West Otago Health Trust	Unknown	114			
Jo-anne Janetta Thomson					
Clutha Health Incorporated	Trustee	278			
Selwyn John Wilkinson					
Southroads	Contractor	9,986	2,584,692		
Anthony William Robertson					
The Genesis Group	Shareholder/Director		16		
Garry Ian McCorkindale					
Tuapeka Community Health	Director	367			
Tuapeka Health Inc	Trustee	149			

Council undertakes transactions with related parties in the normal course of business on an arms-length commercial basis.

A4 DEPRECIATION AND AMORTISATION

ACCOUNTING POLICY

Depreciation is provided on all property, plant and equipment except for land, land under forests, road formation and land under roads. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight line basis over their useful economic lives (note B1).

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight line basis over their useful economic lives (Note B2).

Depreciation and Amortisation Expenditure

	NOTE	2024 \$000	2023 \$000
Depreciation of property, plant, and equipment	B1	17,063	15,973
Amortisation of intangibles	B2	47	46
TOTAL DEPRECIATION AND AMORTISATION		17,109	16,019

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Depreciation and amortisation

- Depreciation is above budget by \$4,036k, mainly due to the impact of significant valuation increases for infrastructural assets as of 30 June 2023.

LOCAL GOVERNMENT DISCLOSURES

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose depreciation and amortisation by group of activities:

Group of activity	2024 \$000	2023 \$000
Roading	9,700	9,645
Water	3,252	2,828
Wastewater	2,017	1,676
Stormwater	540	469
Community Services	672	750
Solid waste management	171	175
Regulatory and emergency services	5	5
Internal Services	752	471
TOTAL DEPRECIATION AND AMORTISATION (NOTES B1 & BW)	17,109	16,019

A5 FINANCE COSTS

ACCOUNTING POLICY

Finance costs include interest expense, amounts paid or payable on interest rate swaps, amortised borrowing costs, net realised losses on the early close-out of derivatives, the unwinding of discounts on provisions and financial assets and costs directly incurred in managing funding. Interest on debt is recognised using the effective interest rate method.

Finance costs

	2024 \$000	2023 \$000
Bank	19	-
Local Government Funding Agency	5,476	2,161
Discount unwind on landfill provision	343	348
TOTAL FINANCE COSTS	5,838	2,509

Refer to Note E1 about the description of interest rate risk and interest rate risk management.

A6 NET OTHER GAINS AND LOSSES

ACCOUNTING POLICY

Net other gains and losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that Council will receive the consideration due.

Net other gains and losses

	2024 \$000	2023 \$000
Vested assets	2,534	1,789
Net loss on disposal of property, plant and equipment	(1,568)	(1,724)
Net gain (loss) on changes in fair value of financial assets at fair value through surplus or deficit	1,679	1,902
TOTAL NET OTHER GAINS AND LOSSES	2,645	1,967

EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Net other gains and losses

- Vested assets amounted to \$2,534k mainly due to Springwell Rise and Tokoiti Subdivision wastewater, stormwater and water assets that were vested during 2023/24. Budget was zero.

- There was an unrealised gain of \$1,679k due to the lessening impact of global share markets and interest rates on the Nikko Investment portfolio. Budget was zero.

A7 INCOME TAX

ACCOUNTING POLICY

Income from Council activities is exempt from income tax under the Income Tax Act 2007.

A8 CORPORATE AND DEVELOPMENT PROPERTY

	2024	2023
	\$000	\$000
REVENUE		
Proceeds Rosebank Industrial	-	-
Proceeds Plantation Heights	-	-
Proceeds Kaitangata Development Property	1,393	74
Proceeds Other	-	-
TOTAL REVENUE CORPORATE AND DEVELOPMENT PROPERTIES	1,393	74
EXPENDITURE		
Cost of sales Rosebank Industrial – including impairment	479	-
Cost of sales Plantation Heights	-	-
Cost of sales Kaitangata Development property	1,364	71
Cost of sales Other	-	-
TOTAL REVENUE CORPORATE AND DEVELOPMENT PROPERTIES	1,843	71
GAIN / (LOSS) ON DISPOSAL OF CORPORATE AND DEVELOPMENT PROPERTIES		
Gain / (Loss) Rosebank Industrial	(479)	-
Gain / (Loss) Plantation Heights	-	-
Gain / Loss Kaitangata Development Property	29	3
Gain / (Loss) Other	-	-
TOTAL NET GAIN / (LOSS) ON DISPOSAL OF CORPORATE AND DEVELOPMENT PROPERTIES	(450)	3

SECTION B: LONG TERM ASSETS

This section provides information about the investments Council has made in long-term assets to provide services and facilities to the people of the Clutha District. The long-term assets include physical assets such as infrastructure, land and buildings, parks and reserves and non-physical assets such as computer software.

The notes in this section are as follows:

- B1 Property, plant, and equipment
- B2 Intangible assets

B1 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The property, plant and equipment consist of the Council are classified into three categories:

- **Operational Assets**
Include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings.
- **Infrastructural Assets**
Infrastructural assets include land under roads and systems and networks integral to the council's infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
 - Roads, bridges and lighting.
 - Land under roads.
 - Stormwater.
 - Wastewater.
 - Water.
- **Restricted Assets**
Include property and improvements where the use or transfer of title outside of the council is legally restricted.

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Property, plant, and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs, and internal surpluses.

Subsequent costs then extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant, and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

USEFUL LIVES

The useful lives used to calculate the depreciation of property, plant, and equipment are as follows:

Asset class	Estimated useful lives	Depreciation Rate
OPERATIONAL ASSETS		
Land	Not applicable	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and equipment	3-10	10% - 33.3%
Plant and motor vehicles	3-10	10% - 33.3%
Land under forest	n/a	Not depreciated
Library books	7	14.3%
INFRASTRUCTURAL ASSETS		
Roads - formation	Not applicable	Not depreciated
Roads - pavement (sealed)	2-100	1%-50%
Roads - pavement (unsealed)	35-100	1%-2.86%
Roads - other roading assets	20-150	0.6%-5%
Roads - other	10-50	2%-10%
Roads - bridges	50-150	0.6%-2%
Land under roads	Not applicable	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%
Restricted assets		
Reserves	Not applicable	Not applicable
Endowments	Not applicable	Not applicable
Other	Not applicable	Not applicable

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

DISPOSALS

Gains and losses on the disposal of property, plant, and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in surplus or deficit for the amount by which the carrying of property, plant, and equipment exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of the expected future cashflows.

For non-cash generating assets, value in use is determined using an approach based on depreciated replacement cost.

REVALUATION

Infrastructural assets (except land under roads) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on a class of asset basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for that class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus and deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

PROPERTY, PLANT AND EQUIPMENT 2024													
	Cost/ Valuation 1 July 2023 (\$000)	Additions (\$000)	Disposals (\$000)	Transfers (\$000)	Revaluation (\$000)	Cost/ Valuation 30 June 2024 (\$000)	Accumulated depreciation charges 1 July 2023 (\$000)	Impairment losses charged in Statement of Financial Performance (\$000)	Depreciation expense (\$000)	Accumulated depreciation reversed on disposal (\$000)	Accumulated depreciation reversed on revaluation 30 June 2024 (\$000)	Accumulated depreciation charges 30 June 2024 (\$000)	Carrying amount 30 June 2024 (\$000)
Operational Assets At Cost													
Land	3,019	-	-	-	-	3,019	-	-	-	-	-	-	3,019
Buildings	18,615	423	-	450	-	19,488	(5,733)	-	(387)	-	-	(6,120)	13,368
Land - restricted	1,815	-	-	-	-	1,815	-	-	-	-	-	-	1,815
Buildings - restricted	6,247	111	-	147	-	6,505	(1,175)	-	(129)	-	-	(1,844)	4,661
Furniture and equipment	2,061	195	-	142	-	2,398	(1,617)	-	(159)	-	-	(1,776)	622
Plant and motor vehicles	6,470	989	-	1,202	-	8,661	(3,409)	-	(772)	-	-	(4,181)	4,480
Library Books	1,342	114	-	-	-	1,456	(942)	-	(107)	-	-	(1,049)	407
Work in progress	5,463	2,539	(2,342)	(2,139)	-	3,521	-	-	-	-	-	-	3,521
TOTAL OPERATIONAL ASSETS	45,032	4,371	(2,342)	(198)	-	46,863	(13,416)	-	(1,554)	-	-	(14,970)	31,893
Infrastructural Assets													
Roads - Formation	651,163	664	-	-	123,297	775,124	-	-	-	-	-	-	775,124
Roads - Pavements (sealed)	231,006	6,481	-	-	146,567	384,054	(4,746)	-	(4,793)	-	9,539	-	384,054
Roads - Pavements (unsealed)	90,011	2,299	-	-	15,829	108,139	(1,500)	-	(1,500)	-	3,000	-	108,139
Roads - other roading assets	64,830	1,632	-	(65)	19,966	86,363	(1,766)	-	(1,773)	-	3,539	-	86,363
Roads - other	8,352	533	-	-	1,533	10,438	(570)	-	(571)	-	1,141	-	10,438
Roads - Bridges	53,076	4,256	-	-	159,039	216,371	(1,063)	-	(1,063)	-	2,126	-	216,371
Land under roads	7,833	-	-	-	-	7,833	-	-	-	-	-	-	7,833
Stormwater	22,209	4,558	(242)	2,855	-	29,380	-	-	(540)	160	-	(380)	29,000
Sewerage	75,169	5,586	(796)	3,381	-	83,340	-	-	(2,017)	348	-	(1,669)	81,671
Water	122,276	10,971	(2,261)	12,893	-	143,519	-	-	(3,252)	1,583	-	(1,669)	141,850
Work in Progress	23,739	11,237	(204)	(19,064)	-	15,708	-	-	-	-	-	-	15,708
TOTAL INFRASTRUCTURAL ASSETS	1,349,664	48,217	(3,863)	-	445,603	1,839,621	(9,645)	-	(15,509)	2,091	19,345	(3,718)	1,856,551
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,394,696	52,588	(6,205)	(198)	445,603	1,886,484	(23,061)	-	(17,063)	2,091	19,345	(18,688)	1,888,448

PROPERTY, PLANT AND EQUIPMENT 2023													
	Cost/ Valuation 1 July 2022 (\$000)	Additions (\$000)	Disposals (\$000)	Transfers (\$000)	Revaluation (\$000)	Cost / Valuation 30 June 2023 (\$000)	Accumulated depreciation charges 1 July 2022 (\$000)	Impairment losses charged in Statement of Financial Performance (\$000)	Depreciation expense (\$000)	Accumulated depreciation reversed on disposal (\$000)	Accumulated depreciation reversed on revaluation (\$000)	Accumulated depreciation charges 30 June 2023 (\$000)	Carrying amount 30 June 2023 (\$000)
Operational Assets At Cost													
Land	3,019	-	-	-	-	3,019	-	-	-	-	-	-	3,019
Buildings	17,876	669	-	70	-	18,615	(5,371)	-	(362)	-	-	(5,733)	12,882
Land - restricted	1,457	-	(6)	364	-	1,815	-	-	-	-	-	-	1,815
Buildings - restricted	4,407	856	-	984	-	6,247	(1,612)	-	(103)	-	-	(1,175)	4,532
Furniture and equipment	1,906	155	-	-	-	2,061	(1,477)	-	(140)	-	-	(1,617)	444
Plant and motor vehicles	5,289	1,218	(81)	47	-	6,470	(2,830)	-	(642)	63	-	(3,409)	3,061
Library Books	1,231	111	-	-	-	1,342	(834)	-	(108)	-	-	(942)	400
Work in progress	3,848	3,377	(292)	(1,470)	-	5,463	-	-	-	-	-	-	5,463
TOTAL OPERATIONAL ASSETS	39,030	6,386	(379)	(5)	-	45,032	(12,124)	-	(1,355)	63	-	(13,416)	31,616
Infrastructural Assets													
Roads - Formation	651,088	75	-	-	-	651,163	-	-	-	-	-	-	651,163
Roads - Pavements (sealed)	229,281	1,725	-	-	-	231,006	-	-	(4,746)	-	-	(4,746)	226,260
Roads - Pavements (unsealed)	87,895	2,026	-	-	-	90,011	-	-	(1,500)	-	-	(1,500)	88,511
Roads - other roading assets	64,603	227	-	-	-	64,830	-	-	(1,766)	-	-	(1,766)	63,064
Roads - other	7,884	468	-	-	-	8,352	-	-	(570)	-	-	(570)	7,782
Roads - Bridges	51,417	1,659	-	-	-	53,076	-	-	(1,063)	-	-	(1,063)	52,013
Land under roads	7,833	-	-	-	-	7,833	-	-	-	-	-	-	7,833
Stormwater	20,090	516	(124)	485	1,242	22,209	-	-	(469)	67	402	-	22,209
Sewerage	65,583	3,483	(757)	605	6,255	75,169	-	-	(1,676)	314	1,362	-	75,169
Water	105,630	3,763	(2,741)	6,949	8,675	122,276	-	-	(2,828)	1,365	1,463	-	122,276
Work in Progress	12,487	19,362	(71)	(8,039)	-	23,739	-	-	-	-	-	-	23,739
TOTAL INFRASTRUCTURAL ASSETS	1,303,881	33,304	(3,693)	-	16,172	1,349,664	-	-	(14,618)	1,746	3,227	(9,645)	1,340,019
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,342,911	39,690	(4,072)	(5)	16,172	1,394,696	(12,124)	-	(15,973)	1,809	3,227	(23,061)	1,371,639

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The method used by the council in revaluing its infrastructural assets as part of property, plant, and equipment, outlined below, is depreciated replacement cost (DRC). Operational land and buildings including land are not revalued.

DRC is calculated based on the replacement cost of infrastructure assets depreciated over their useful lives. This method takes into account the age and condition of the assets, estimated optimisation rates, and estimated remaining useful lives of those assets. The revaluation process involves physical inspection of selected assets at various sites to note aspects such as condition, use, replacement timing, and optimisation.

It is assumed that all asset classes have no residual value at the end of their useful lives.

ESTIMATING THE FAIR VALUE OF INFRASTRUCTURE ASSETS

- The most recent valuation of infrastructural assets effective 30 June 2024 was performed as follows:
- Stormwater, sewerage, and water infrastructural assets were revalued at 30 June 2023 by Rationale Limited, with a desktop valuation assessment performed for 30 June 2024 showing no material change.
- The roading infrastructural assets (excluding land under roads) were revalued at 30 June 2024 by Beca.

There are several estimates and assumptions exercised when valuing infrastructural assets which include:

Estimating the unit rates.

- The unit rate review sourced data from recent Council physical works contract payments, and unit rates from surrounding districts. These rates were analysed to:
 - Benchmark Council's 30 June 2024 unit rates against surrounding areas and recent project work.
- **Estimates of the remaining useful life over which the asset will be depreciated.**
Each asset is depreciated over its total useful life. An asset's total useful life defaults to its standard life except where its economic or physical life has been assessed. The economic or physical life of particular reticulation assets has not been assessed; therefore, the standard life has been applied in all instances.
- **Asset Optimisation**
Water supply, wastewater and stormwater line replacement costs have been optimised for material type. Further optimisation of reticulation assets has not occurred. Excess asset capacity, obsolescence and surplus assets are not considered a significant issue.

- **Roading**
Remaining useful lives were calculated from the base life and age of the asset. Where the remaining life has been determined from age, the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines recommend predictive modelling of the remaining life and describe a method using impact factors. Alternatively, the NZ Infrastructure Asset Management Manual describes a method based on condition and performance.

CHANGES AHEAD FOR LOCAL WATER DONE WELL

Water is the lifeblood for our way of life, for our people, environment, and economy. Wastewater and stormwater also play crucial parts. Combined these key services are referred to as Three-Waters.

80% of Clutha District's residents drink water from one of the 22 schemes currently taken care of by Council. Half of these schemes service our towns in Balclutha, Clinton, Milton, Benhar, Kaitangata, Lawrence, Stirling, Tapanui, Clinton, Owaka and Waihola. The rest are rural schemes that cover just about every other part of the district. They supply drinking water to people in these areas, and water to their businesses. Importantly, they are the backbone of our agricultural sector.

The combined extent of what we have here is also a point of difference and we have one of the longest networks of pipelines in NZ.

A 2016 campylobacter outbreak in Havelock North made over 5,000 people ill and was linked to three deaths. The inquiry into the outbreak concluded New Zealand's drinking water regulatory system was failing to provide necessary assurances that drinking water across the country is safe and reliable. In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally. Its premise is that councils have the funding and support to get the balance right.

WATER SERVICES REFORM PROGRAMME

Council had included within the Annual Plan, recognition of its three water assets following the announcement by the Local Government Minister on 13 April 2023 regarding a staged approach to the "go live" date for the ten new entities from early 2025 to 1 July 2026 rather than the original start date of 1 July 2024.

With the change of government in October 2023 and a new Local Water Done Well reform program, the previous government's asset transfer intentions were reversed through new legislation. Whilst the new program is comprehensive and new legislation was passed, with more to come, the outcome for the Annual Report period was no change to the accounts.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

CLASSIFICATION OF PROPERTY

Council owns properties held to provide social housing. The receipt of market-based rental from these properties is incidental to holding them.

These properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

RESTRICTIONS

Various properties held by the council have restrictions on the use of proceeds generated from them including the sales proceeds. These proceeds may only be applied to specified purposes, generally being to benefit the Clutha region.

The carrying value of the classes of property, plant, and equipment where restrictions apply follow:

	2024	2023
	\$000	\$000
Land and buildings, including parks and reserves	6,476	6,347
TOTAL	6,476	6,347

SECURITY OVER PROPERTY, PLANT AND EQUIPMENT

Other than property, plant, and equipment subject to finance leases, no other property, plant, and equipment is pledged as security for liabilities (2023: \$nil) of the Council.

LOCAL GOVERNMENT DISCLOSURES

CORE ASSETS

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, Council is required to disclose information about Council's core assets.

Included within the infrastructure assets are the following core assets:

		Closing book value 30 June 2024 \$000	Additions constructed by Council \$000	Additions transferred to Council \$000	Estimated replacement cost \$000
Water supply	Treatment plants and facilities	43,527	5,522	153	66,925
Water supply	Other assets (such as reticulation systems)	98,323	17,693	496	169,635
Wastewater	Treatment plants and facilities	32,416	6,362	9	48,191
Wastewater	Other assets (such as reticulation systems)	49,255	1,892	703	98,663
Stormwater/drainage		29,000	6,240	1,173	55,220
Roads and footpaths		1,580,490	15,800	-	2,127,856

Estimated replacement cost is stated as per most recent valuations for Water (30 June 2023) and Roading (30 June 2024).

INSURANCE OF ASSETS

Under the LGA 2002, the Council is required to disclose the following information on insurance of assets as at 30 June 2024:

	2024 Actual \$000	2023 Actual \$000
Total value of all assets of the local authority that are covered by insurance contracts	103,707	85,051
Maximum amount to which they are insured	186,935	166,253
Total value of all assets of the local authority that are covered by financial risk sharing arrangements.	-	-
Maximum amount available to the local authority under those arrangements	-	-
Total value of all assets that are self-insured (underground assets)	172,352	155,922
TOTAL VALUE OF FUNDS MAINTAINED FOR SELF-INSURED ASSETS (UNDERGROUND ASSETS)	580	569

Roads are uninsured. However, subject to meeting defined criteria, the cost associated with the immediate response, reopening and/or restoration of these assets as a result of a short natural event such as earthquake or tsunami, could be subsidised by Waka Kotahi NZTA.

B2 INTANGIBLE ASSETS

ACCOUNTING POLICY

INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead, and other direct costs that are incurred within the development phase of the asset.

Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

USEFUL LIVES

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 to 5 years	20% to 33.3%
-------------------	--------------	--------------

DISPOSALS

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

IMPAIRMENT

Intangible assets are assessed annually for indicators of impairment. An impairment loss is recognised in surplus or deficit 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 its value in use.

Computer Software	\$000
Gross carrying amount	
Balance at 1 July 2022	114
Additions	93
Transfer from Work in Progress	5
Disposals	-
Intangibles Expensed during the year	-
Balance at 1 July 2023	212
Additions	-
Transfer from Work in Progress	-
Disposals	-
Intangibles Expensed during the year	-
Balance at 30 June 2024	212
Accumulated Amortisation	
Balance at 1 July 2022	23
Amortisation Expenditure	46
Disposals	-
Balance at 1 July 2023	69
Amortisation Expenditure	47
Disposals	-
Software assets written off during the year	-
Balance at 30 June 2024	116
Net book value	
As at 30 June 2023	143
As at 30 June 2024	96

SECTION C: BORROWINGS AND FINANCIAL INSTRUMENTS

This section provides details of Council's borrowings, a major source of funding used to deliver the services to the people of the Clutha District. It also includes information about the council's financial instruments that are used to manage the risks associate with borrowings. The notes in the section are as follows:

- C1 Borrowings
- C2 Financial instruments
- C3 Other financial assets
- C4 Fair value and classification of financial instruments

C1 BORROWINGS

ACCOUNTING POLICY

Borrowings are initially recognised at face value plus transaction costs. Interest due on borrowings is subsequently accrued and added to the borrowings balance.

External Borrowings

	2024 \$000	2023 \$000
Current		
LGFA	31,067	14,216
Westpac Multi Option Credit Line	3,000	2,000
Non-Current		
LGFA	89,000	56,300
TOTAL	123,067	72,516

Date Borrowed	Date Maturing	Amount \$000	Interest Rate	Fixed/Float	Accrued Interest \$000
October 2020	April 2025	2,000	0.78%	Fixed	3
April 2021	April 2026	2,000	6.30%	Float	27
May 2021	April 2027	2,500	6.37%	Float	34
May 2021	May 2028	2,500	6.37%	Float	20
July 2021	April 2026	2,000	6.14%	Float	26
July 2021	April 2027	2,000	6.22%	Float	26
March 2022	May 2028	2,500	3.90%	Fixed	12
April 2022	April 2025	1,500	6.14%	Float	19
June 2022	April 2025	2,800	6.12%	Float	36
June 2022	April 2026	2,000	6.23%	Float	26
June 2022	April 2027	2,000	6.28%	Float	26
June 2022	May 2028	2,000	5.21%	Fixed	13
October 2022	April 2029	5,000	6.59%	Float	63
January 2023	April 2029	3,000	6.53%	Float	38
January 2023	April 2026	3,000	6.34%	Float	40
April 2023	May 2028	3,000	5.11%	Fixed	20
April 2023	April 2025	4,000	6.17%	Float	52
April 2023	April 2026	2,500	6.30%	Fixed	33
April 2023	April 2027	3,000	6.41%	Float	41
June 2023	April 2029	3,500	5.50%	Fixed	38
June 2023	April 2027	3,500	6.37%	Float	47
July 2023	April 2025	5,000	6.16%	Float	65
July 2023	April 2026	3,000	6.23%	Float	39
July 2023	May 2028	2,000	5.60%	Fixed	14
October 2023	April 2027	3,000	6.30%	Float	40
December 2023	April 2025	3,000	6.25%	Float	40
December 2023	April 2026	5,000	6.31%	Float	67
December 2023	April 2029	4,000	5.32%	Fixed	42
March 2024	April 2027	4,000	6.44%	Float	54
March 2024	May 2030	4,000	5.42%	Fixed	28
April 2024	May 2030	6,000	5.51%	Fixed	42
May 2024	August 2024	11,669	5.84%	Fixed	-
May 2024	May 2030	4,000	5.52%	Fixed	20
June 2024	May 2030	8,000	5.12%	Fixed	5
TOTAL		118,969	5.82%		1,097

Interest Rate Swaps

An interest rate swap is an agreement between two parties to exchange one stream of interest payments for another over a set period of time.

Council uses interest rate swaps to stay within the benchmarks set in our liability management policy. They convert our floating rate borrowings into fixed rate borrowings.

Swaps Summary

	LESS THAN 1 YEAR \$000	1-2 YEARS \$000	3-5 YEARS \$000	5+ YEARS \$000	TOTAL \$000
Council 2024					
Interest rate swaps - not hedge accounted					
Nominal amount	4,000	6,000	18,500	-	28,500
Fair value	198	515	458	-	1,171
Average fixed rate	0.43%	0.57%	3.57%	0.00%	2.50%
Council 2023					
Interest rate swaps - not hedge accounted					
Nominal amount	4,000	4,000	14,500	7,000	29,500
Fair value	210	386	1,239	51	1,887
Average fixed rate	0.33%	0.43%	2.01%	4.00%	2.04%

Interest rates

The weighted average cost of funds for the council's borrowings as at 30 June 2024 is 5.82% (2023: 5.68%). Refer to Notes A5 and E1 for the net finance costs during the period and the interest rate risk analysis, respectively.

LOCAL GOVERNMENT DISCLOSURES

Internal borrowings

Internal borrowing occurs when an activity borrows from reserve funds held for another purpose. Internal borrowings are eliminated and not recorded in the financial statements.

In relation to each group of activities, Council has incurred internal borrowings during the financial year to 30 June 2024, as reflected below:

Internal borrowings	Opening Balance 2023	Borrowed during the Year	Funds Repaid in the Year	Interest Paid in the year (for information)	Closing Balance 2024
	\$000	\$000	\$000	\$000	\$000
Administration	5,958	8,533	121	211	14,371
Community Services	17,170	751	547	608	17,374
Community Leadership	1,803	-	75	64	1,727
Economic Development	1,428	195	44	51	1,579
Emergency Services	67	-	3	2	65
Water	31,124	18,903	59	1,102	49,968
Sewerage	3,169	4,933	-	112	8,102
Stormwater	2,192	3,761	-	78	5,953
Regulatory	215	-	23	8	192
Solid Waste	-	631	-	-	631
Roading	6,714	1,240	405	238	7,549
TOTAL	69,842	38,947	1,277	2,472	107,511

C2 FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

Financial assets and financial liabilities are recognised on the statement of financial position when Council becomes a party to contractual provisions of the Instrument. Council is party to financial instruments as part of its normal operations.

At initial recognition, Council measures a financial asset or financial liability at its fair value, plus or minus directly attributable transactions costs, in the case of a financial asset or financial liability not at fair value through surplus or deficit.

Financial assets are classified as either:

1. Amortised cost
2. Fair value through surplus or deficit (FVTSD), or
3. Fair value through other comprehensive revenue and expense (FVTOCRE)

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include cash and cash equivalents, trade and other receivables, term deposits and borrower notes.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category. Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designates into this category all unlisted equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Instruments in this category include the Council's derivative financial instruments and its managed investment portfolio.

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

Council recognizes an allowance for ECL for all financial assets not classified as FVTSD. ECLs are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls which is the difference between cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

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

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

Council considers a financial asset to be in default when the financial assets is more than 90 days past due.

FINANCIAL LIABILITIES

Financial liabilities are classified as either:

1. Amortised cost
2. Fair value through surplus or deficit

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at FVTSD.

A financial liability is classified as FVTSD if it meets one of the following conditions:

- It is held for trading, or
- It is designated as at FVTSD

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of re-purchasing in the near term or
- On initial recognition it is part of a portfolio or identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short term profit taking, or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective.

AC – Amortised cost; FVTSD – Fair sale through surplus and deficit, FVTOCRE - Fair value through other comprehensive revenue and expense.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments, such as interest rate swaps to mitigate risks associated with interest rate fluctuations. The council does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. Council has not elected to adopt hedge accounting.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the maturity is 12 months or less from balance date or non-current when the maturity is more than 12 months from balance date.

	2024	2023
FINANCIAL ASSETS	\$000	\$000
Cash and cash equivalents (AC)	11,927	7,067
Trade and other receivables (AC)	7,436	6,515
Other Financial Assets	-	-
Fair value through surplus or deficit (FVTSD)	25,997	29,850
Derivative financial instruments (FVTSD)	1,171	1,887
Borrower Notes in LGFA	2,833	1,604
Unlisted shares (FVTOCRE)	31	30
FINANCIAL LIABILITIES		
Bank overdraft (AC)		
Trade and other payables (AC)	12,357	12,836
LGFA Borrowings (AC)	120,067	70,516
Westpac Multi Option Credit Facility (AC)	3,000	2,000
Other Liabilities (AC)	13	13
Derivative Financial Liabilities (FVTSD)	-	-

AC – Amortised cost; FVTSD – Fair sale through surplus and deficit, FVTOCRE - Fair value through other comprehensive revenue and expense.

C3 OTHER FINANCIAL ASSETS

ACCOUNTING POLICY

The council's other financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in surplus or deficit.

Other financial assets of the council include wholesale managed (Nikko) funds, borrower notes and unlisted shares.

The accounting policies on classification of these financial assets for the purpose of measurement are outlined in Note C4.

BORROWER NOTES

Borrower notes are subordinated convertible debt instruments that the council subscribes for in an amount equal to 2.5% of the total borrowing from LGFA. LGFA will redeem borrower notes or convert to equity under specific circumstances when the council's related borrowings are repaid or no longer owed to LGFA.

UNLISTED SHARES

The council has investments of \$31k (2023: \$30k) in Civic Financial Services Limited. The fair values are determined by reference to the council's share of net asset backing as there is no market information on the value of the organisations' shares.

	2024	2023
At fair value through surplus or deficit (FVTSD)	\$000	\$000
CURRENT		
Wholesale NZ Bond Fund – Unit Trusts - Nikko AM	3,404	3,645
Wholesale NZ Cash Fund – Unit Trusts - Nikko AM	1,171	1,355
Wholesale Core Equity Fund – Unit Trusts – Nikko AM	2,556	2,970
Wholesale Global Bond Fund – Unit Trusts – Nikko AM	8,380	9,351
Wholesale Multi Strategy Fund – Nikko AM	1,973	2,211
Wholesale Multi Strategy Fund – MAR20	6	4
Wholesale Global Equity Unhedged Fund – Unit Trusts – Nikko AM	3,575	4,784
Wholesale Global Equity Hedged Fund – Unit Trusts – Nikko AM	3,715	4,215
Wholesale Property Fund – Unit Trusts – Nikko AM	1,217	1,315
	25,997	29,850
A fair value through other comprehensive revenue and expense		
NON-CURRENT		
Unlisted shares	31	30
	31	30
Disclosed in the financial statements as:		
Current	25,997	29,850
Non-current	31	30
	26,028	29,880

There are no impairment provisions for other financial assets.

C4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The carrying amount of financial assets and financial liabilities are recorded at amortised cost in the financial statements which approximates their fair values.

Fair value measurements recognised in the Statement of Comprehensive Revenue and Expenditure.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, reconciled into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note C2 and C3 for the valuation techniques used to value derivative financial instruments and other financial assets, respectively.

The fair value hierarchy for Council is as follows:

	Total	Quoted Market Price 2024 \$000	Observable Inputs 2024 \$000	Significant Non Observable Inputs 2024 \$000
FINANCIAL ASSETS - FAIR VALUE THROUGH SURPLUS AND DEFICIT				
Wholesale NZ Bond				
Fund – Unit Trusts - Nikko AM	3,404	-	3,404	-
Wholesale NZ Cash				
Fund – Unit Trusts - Nikko AM	1,171	-	1,171	-
Wholesale Core				
Equity Fund – Unit Trusts – Nikko AM	2,556	-	2,556	-
Wholesale Global				
Bond Fund – Unit Trusts – Nikko AM	8,380	-	8,380	-
Wholesale Multi				
Strategy Fund – Nikko AM	1,973	-	1,973	-
Wholesale Multi				
Strategy Fund – MAR20	6	-	6	-
Wholesale Global				
Equity Unhedged Fund – Unit Trusts – Nikko AM	3,575	-	3,575	-
Wholesale Global				
Equity Hedged Fund – Unit Trusts – Nikko AM	3,715	-	3,715	-
Wholesale Property				
Fund – Unit Trusts	1,216	-	1,216	-
Derivative financial assets				
	1,171	-	1,171	-
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Unlisted shares				
Civic Assurance	31	-	-	31

The fair value 2023 hierarchy for Council is as follows:

	Total	Quoted Market Price 2023 \$000	Observable Inputs 2023 \$000	Significant Non Observable Inputs 2023 \$000
FINANCIAL ASSETS - FAIR VALUE THROUGH SURPLUS AND DEFICIT				
Wholesale NZ Bond				
Fund – Unit Trusts - Nikko AM	3,645	-	3,645	-
Wholesale NZ Cash				
Fund – Unit Trusts - Nikko AM	1,355	-	1,355	-
Wholesale Core				
Equity Fund – Unit Trusts – Nikko AM	2,970	-	2,970	-
Wholesale Global				
Bond Fund – Unit Trusts – Nikko AM	9,351	-	9,351	-
Wholesale Multi				
Strategy Fund – Nikko AM	2,211	-	2,211	-
Wholesale Multi				
Strategy Fund – MAR20	4	-	4	-
Wholesale Global				
Equity Unhedged Fund – Unit Trusts – Nikko AM	4,784	-	4,784	-
Wholesale Global				
Equity Hedged Fund – Unit Trusts – Nikko AM	4,215	-	4,215	-
Wholesale Property				
Fund – Unit Trusts	1,315	-	1,315	-
Derivative financial assets	1,887	-	1,887	-
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Unlisted shares Civic Assurance	30	-	-	30

For the purpose of measurement, the council's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition.

Council does have financial assets for purposes of trading. Council has listed investments in managed funds and unit trusts that are designated on initial recognition at fair value through surplus or deficit. This is because the performances of these groups of assets are managed, and performance evaluated, on a fair value basis, in accordance with Council's investment management policy. Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenditures arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

Derivatives are, by their nature, categorised as fair value through surplus or deficit unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised on a net-basis for like items.

Fair Value Reconciliation for level 3 shares

	2024 \$000	2023 \$000
Unlisted shares in Civic Assurance		
Balance 1 July	30	33
(Losses)/gains recognised in other comprehensive revenue and expense – Civic	1	(3)
TOTAL	31	30

SECTION D: WORKING CAPITAL AND EQUITY

This section provides information about the operating assets and liabilities available to Council's day-to-day activities. This section also contains analysis of the net assets of Council, accumulated funds, and restricted reserves.

The notes included in the following section are as follows:

D1	Cash and cash equivalents
D2	Receivables and prepayments
D3	Payables and accruals
D4	Employee entitlements
D5	Provisions
D6	Ratepayer equity
D7	Development property

D1 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdraft classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

	2024 \$000	2023 \$000
Cash and cash equivalents	11,927	7,069
Term deposits with maturities of less than three months at acquisition	-	-
TOTAL CASH AND CASH EQUIVALENTS	11,927	7,069

The total value of cash and cash equivalents that can only be used for a specific purpose as outlined in the relevant trust deeds is \$13k (2023: \$13k).

D2 RECEIVABLES AND PREPAYMENTS

ACCOUNTING POLICY

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

	2024 \$000	2023 \$000
Trade and other receivables	676	2,287
Rates receivable	1,566	898
Subtotal – see below	2,242	3,185
Allowance for credit loss	(273)	(248)
Net trade and other receivables	1,969	2,937
NZTA subsidy	4,915	2,932
GST Refundable	552	646
Total receivables and prepayments	7,436	6,515
Disclosed in the financial statements as:		
Current	7,436	6,515
Total receivables and prepayments	7,436	6,515
Receivables from non-exchange transactions:		
This includes outstanding amounts for rates, grants, infringements and fees and charges	7,033	4,476
That are partly subsidised by rates:		
Receivables from exchange transactions: This includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates		
	403	2,039
	7,436	6,515

Most receivables are non-interest bearing and the carrying value approximates fair value. In relation to rates receivable, ratepayers may apply for payment plan options in special circumstances, which defers the balance to non-current where applicable.

ASSESSMENT FOR UNCOLLECTABILITY

RATES RECEIVABLES

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

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

Council provides for impairment on rates receivables only for abandoned land and properties at rating sales with little chance of recovery.

Council applies the simplified Expected Credit Loss (ECL) model of recognizing lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due.

A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

All past due balances are considered collectable (except those specific debtors identified as requiring an impaired credit loss) however Council applies a simplified approach to measuring expected credit losses.

Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

All receivables more than 30 days in age are considered to be past due.

Other than NZTA, Council has no significant concentration of credit risk, as it has a large number of credit customers, mainly ratepayer. Council believes no further credit provision is required in excess of the credit loss allowance.

The chief executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: nil (2023 : nil)
- Section 90B: nil (2023 : nil)

D3 PAYABLES AND ACCRUALS

ACCOUNTING POLICY

Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates fair value.

Non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.

Payables and accruals

	2024	2023
	\$000	\$000
Payables and accruals under exchange transactions		
Trade and sundry payables	9,558	10,951
Rates in advance	684	590
Deposits and retentions	2,117	1,295
Deferred revenue	-	-
Payables and accruals under non-exchange transactions		
Trade and sundry payables	-	-
TOTAL PAYABLES AND ACCRUALS	12,359	12,836

The average credit period on purchases is 30 days.

D4 EMPLOYEE ENTITLEMENTS

ACCOUNTING POLICY

Employee entitlements to be settled within 12 months of balance date are reported at the amount expected to be paid within current liabilities. The liability for long-term employee entitlements is measured at the present value of estimated future cash outflows and is reported within non-current liabilities.

Employee entitlements

	2024	2023
	\$000	\$000
Salary and wage accrual	526	374
Annual leave	942	691
Retirement gratuities	34	31
TOTAL EMPLOYEE ENTITLEMENTS	1,502	1,096

D5 PROVISIONS

ACCOUNTING POLICY

Provisions are recognised in the statement of financial position where the council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance cost in surplus or deficit.

JUDGEMENTS AND ESTIMATES

The consent for the Mt. Cooee landfill expired in September 2023, prompting a new consent application to the Otago Regional Council (ORC). The Council has budgeted for the future extension of the landfill by designing a new landfill area adjacent to the current one, as well as the construction of a transfer station in 2025/26.

It's estimated that it will be more cost-effective to continue landfilling waste at Mt. Cooee for as long as possible. However, operational costs, landfill gas capture, and central government policy on landfill tax and emissions trading will all influence how long this remains viable.

Council has also set targets to divert as much waste as possible from landfill, increased diversion will impact the financial viability of the Mt. Cooee landfill due to reduced throughput.

The cash outflows for closed landfills are not expected to occur until 2027. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 5.06% (2023: 4.86%).

Other assumptions made in the calculation of the provision are:

- CDC will only maintain the liability for closed landfills in its ownership, or as part of the sales agreement where a liability is retained. No major capital improvements are required should resource consents be needed.
- The Mt Cooee Landfill will remain cost effective up until the point, bulking, transfer, delivery and disposal becomes cheaper at alternative locations, including landfills outside of the Clutha boundary.

Landfill aftercare provision

	2024 \$000	2023 \$000
Balance at beginning of year	1,232	892
Finance costs – Discount unwind	343	348
Amounts used	(41)	(7)
BALANCE AT END OF YEAR	1,534	1,232

D6 RATEPAYER EQUITY

ACCOUNTING POLICY

Ratepayer equity is the community's interest in the council.

Ratepayer equity has been classified into various components to identify those portions of equity held for specific purposes:

- Accumulated funds;
- Restricted reserves;
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expenditure reserve.

RESTRICTED RESERVES

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

Restricted reserves include 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 only for certain specified purposes or when certain specified conditions are met.

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

PROPERTY REVALUATION RESERVE

This reserve relates to the revaluation of property, plant, and equipment to fair value.

FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expenditure.

CAPITAL MANAGEMENT

For the purpose of the council's capital management, the council's capital is its ratepayer equity, which comprises contributed equity, reserves, and accumulated funds. Equity is represented by net assets. The Local Government Act 2002 (the LGA 2002) requires the council to manage revenue, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and general financial dealings.

In addition, the Local Government (Financial Reporting and Prudence) Regulations 2014 sets out a number of benchmarks for assessing whether the council is managing revenue, expenses, assets, and liabilities prudently. Refer to Section G for the financial reporting and prudence benchmarks of the council for the year ended 30 June 2024.

The objective of managing the council's capital is to achieve intergenerational equity, which is a principle promoted in the LGA 2002 and applied by the council. Intergenerational equity requires today's ratepayers to meet the cost of using the council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

To achieve this objective, the council have asset management plans in place for major classes of assets detailing renewal and maintenance programmes to minimise the likelihood of ratepayers in future generations being required to meet the costs of deferred renewals and maintenance.

An additional objective of capital management is to ensure that the expenditure identified in the 10-year budget and annual budget are met in the manner set out in these budgets. The LGA 2002 requires the council to make adequate and effective provision in the 10-year budget and annual budget to meet the expenditure needs identified in those budgets. It sets out factors that the council is required to consider when determining the most appropriate sources of funding for each of the council's activities.

The sources and levels of funding are set out in the funding and financial policies of the 10-year budget. The council monitors actual expenditure incurred against the 10-year budget and annual budget.

No changes were made in the objectives, policies, or processes for managing capital of the council during the years ended 30 June 2024 and 30 June 2023.

Reserves

	2024 \$000	2023 \$000
Fair value through other comprehensive revenue and expenditure reserve (a)	(46)	(47)
Asset revaluation reserve (b)	1,552,442	1,066,846
Trust Funds (c)	446	498
Reserves (d)	49,386	44,618
BALANCE AT END OF YEAR	1,602,226	1,111,913

(a) Fair value through other comprehensive revenue and expenditure reserve.

	2024 \$000	2023 \$000
Balance at beginning of year	(47)	(44)
Valuation gain/(loss) recognised	1	(3)
Equity securities	-	-
BALANCE AT END OF YEAR	(46)	(47)

The reserve arises on the revaluation of unlisted equity securities. Where a revalued financial asset is sold, the portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Statement of Comprehensive Revenue and Expenditure. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the Statement of Comprehensive Revenue and Expenditure.

(b) Asset Revaluation Reserve

	2024 \$000	2023 \$000
Balance at beginning of year	1,066,846	1,047,447
Revaluation (decrease) / increase		
Equity securities		
- Rooding revaluation	485,596	-
- Stormwater revaluation	-	1,644
- Wastewater revaluation	-	7,617
- Water revaluation	-	10,138
BALANCE AT END OF YEAR	1,552,442	1,066,846

The asset revaluation reserve arises on the revaluation of infrastructural assets. Where a revalued asset is sold, the portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to accumulated funds.

Reconciliation of Revaluation Reserve

	Rooding \$000	Stormwater \$000	Wastewater \$000	Water \$000	Total \$000
Balance at 30 June 2022	915,795	13,809	49,458	68,385	1,047,447
Revaluation increase / (decrease)	-	1,644	7,617	10,138	19,400
Balance at 30 June 2023	915,795	15,453	57,075	78,523	1,066,847
Revaluation increase / (decrease)	485,596	-	-	-	485,596
BALANCE AT 30 JUNE 2024	1,401,391	15,453	57,075	78,523	1,552,442

(c) Trust Funds (restricted)

Fund	Type/ Purpose	Opening	Transfers	Interest	Transfers	Closing	
		Balance 2023	into the reserve	Allocated	out of the reserve	Balance 2024	
		\$000	\$000	\$000	\$000	\$000	
Trust Funds							
Tapanui Domain Trust	Trust	17	-	-	-	17	
Butler Trust	Trust	-	-	-	-	-	
Milton Brass Band	Trust	1	-	-	-	1	
O'Hara Sports Trust	Trust	2	-	-	-	2	
JD Swan Estate	Trust	10	-	-	-	10	
George Melville Estate	Trust	172	-	2	50	124	
Kate Leslie Trust	Trust	120	-	2	1	121	
Elderly Citizens Trust (Lawrence)	Trust	29	-	1	5	25	
TLCC	Trust	49	-	1	5	45	
Clinton Endowment Land	Trust	98	-	2	-	100	
TOTAL TRUST FUNDS		1,380,743	498	-	8	61	446

(d) Reserves Funds

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
*(All rounded to \$000s)						
INTERNAL SERVICES						
Information Technology	Depn	(1,111)	213	(18)	-	(917)
Office Computer Equipment	Spec	97	-	2	-	99
Rosebank Terrace Main Office	Depn	91	81	2	79	96
Underground Insurance	Spec	569	-	12	-	580
Human Resources	Spec	21	-	-	-	21
Cars	Spec	196	272	9	44	433
Gratuities	Spec	82	-	2	-	83
GIS	Spec	135	-	3	-	138
District Assets Infrastructure	Spec	2	-	-	-	2
Policy and Communications	Spec	168	-	3	-	172
COMMUNITY LEADERSHIP AND ECONOMIC AND COMMUNITY DEVELOPMENT						
Lawrence Tuapeka Community Board	Spec	58	-	1	-	59
West Otago Community Board	Spec	29	-	1	-	29
Tuapeka Bursary	Spec	28	-	-	4	24
Economic Development	Spec	112	28	3	-	143
Clutha Gold Trail	Spec	26	-	1	-	27
Opportunities Fund	Spec	78	-	2	-	80
Signage	Spec	8	-	-	-	8
Welcome to Signage	Spec	5	-	-	-	5

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
*(All rounded to \$000s)						
COMMUNITY SERVICES						
Libraries	Depn	134	147	3	113	171
Service Centres	Depn	145	-	3	-	148
Service Centres	Spec	252	-	5	-	257
Balclutha pool	Depn	57	57	-	90	24
Kaitangata Pool	Depn	190	-	2	77	115
Kaitangata Pool	Spec	42	-	1	-	42
Lawrence Pool	Depn	(2)	-	-	-	(2)
Lawrence Pool	Spec	51	-	1	-	52
Milton Pool	Depn	109	27	3	-	138
Reserve Contributions	Spec	83	-	2	-	84
Parks and Reserves	Depn	23	17	-	24	15
Sports Grounds	Depn	280	-	6	-	286
Grandstand 2000	Depn	165	-	3	-	168
Cemetery	Depn	154	-	3	14	142
Cemeteries	Spec	531	-	11	-	542
Kaitangata Cemetery	Spec	15	-	-	-	16
Lawrence Cemetery	Spec	32	-	1	-	32
Public Conveniences	Depn	128	55	2	66	119
Balclutha Town Hall	Depn	86	1	2	-	89
Balclutha Town Hall	Spec	60	-	1	-	61
Milton Civic Centre	Depn	16	-	-	-	16
Kaitangata Hall	Depn	(234)	-	(5)	-	(239)
Clutha Valley Hall	Depn	-	4	-	-	4

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
*(All rounded to \$000s)						
Hillend Hall	Depn	40	26	1	-	67
Kaka Point	Depn	66	17	2	-	84
Lovells Flat	Depn	10	15	1	-	26
Moneymore Hall	Depn	9	15	-	-	25
Paretai Hall	Depn	4	3	-	-	7
Owaka Hall	Depn	28	4	-	11	21
Waihola Hall	Depn	7	5	-	-	12
Waipahi Hall	Depn	16	1	-	-	17
Waitahuna Hall	Depn	283	29	6	-	318
Waiwera Hall	Depn	8	-	-	-	9
Various Halls	Depn	163	25	4	-	192
Clinton Hall	Depn	-	27	1	-	27
Naish Park Camping Ground	Depn	94	18	2	8	106
Kaka Point Camping Ground	Depn	75	12	2	8	81
Taylor Park Camping Ground	Depn	7	1	-	-	8
Pounaweia Camping Ground	Depn	17	8	-	14	12
Waihola Camping Ground	Depn	14	5	-	-	19
Community Housing	Depn	5	119	-	100	24
Endowment Land	Spec	649	-	13	-	663
Depots	Depn	386	-	8	-	394
Other Property	Depn	137	-	3	-	140
Dunrobin Recreation Reserve Board	Spec	77	-	2	-	78
Parkhill Rec Reserve Board	Spec	5	-	-	-	5
Waikoikoi Domain Board	Spec	18	-	-	-	19

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
*(All rounded to \$000s)						
FUNDS NOT SPECIFICALLY ALLOCATED TO AN ACTIVITY GROUP						
General Funds	Spec	4,276	-	4,173	-	8,449
Serdel - Externally Invested	Spec	4,773	-	-	-	4,773
Forestry Fund - Externally Invested	Spec	6,348	-	86	-	6,434
Investment Fund Balance	Spec	3,654	-	-	218	3,436
Rates Disbursement Reserve	Spec	4,778	-	606	-	5,384
Treasury Return to Balance Reserve	Spec	2,015	-	304	-	2,319
Education Fund	Spec	15	-	-	-	16
Land and Buildings	Spec	220	-	4	-	225
Emergency Fund	Spec	4,123	-	84	-	4,207
Capital Works and Purchases	Spec	155	-	3	-	158
Bulb Growing/Project	Spec	4	-	-	-	4
Momona Airport Refund	Spec	30	-	1	-	31
REGULATORY & EMERGENCY SERVICES						
Animal Control	Depn	26	3	1	-	29
Regulatory Reserve	Depn	65	-	1	-	66
Civil Defence and Emergency	Depn	34	-	1	-	34
Rural Fire	Depn	2	-	-	-	2
ROADING						
Roading - Bridge Lights	Spec	46	-	1	-	47
Roading	Depn	2,896	347	36	1,490	1,789
Balclutha Main Street	Spec	63	-	1	-	64
Deferred Roading	Depn	2,473	288	56	-	2,818
WASTE MANAGEMENT						
Solid Waste	Depn	56	78	2	30	106

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
*(All rounded to \$000s)						
Waste Minimisation	Spec	620	214	17	-	851
WATER						
Urban Water	Depn	25	221	1	200	47
Urban Water	Spec	28	-	1	-	29
Balmoral 1	Depn	5	6	-	-	12
Balmoral 2	Depn	56	15	1	41	30
Balmoral 2 Plant Renewal	Spec	52	-	1	-	53
Clydevale / Pomahaka	Depn	6	36	1	-	43
Glenkenich	Depn	8	35	1	-	44
Glenkenich Rural Water Scheme Renewal	Spec	1	-	-	-	1
Moa Flat	Depn	6	35	1	-	41
North Bruce	Depn	1	30	1	-	32
Richardson	Depn	(471)	37	(9)	-	(443)
Richardson Rural Water Scheme Renewal	Spec	478	-	10	-	487
South Bruce	Depn	9	6	-	-	15
Tuapeka Rural Water Scheme	Depn	87	23	1	60	51
Waipahi	Depn	19	43	-	52	10
Waitahuna	Depn	71	14	2	-	86
Wangaloa	Depn	122	4	2	30	98
Stirling Treatment Plant	Depn	3	12	-	30	(15)
Stirling Water Treatment Plant	Spec	32	-	1	-	32
Kaitangata Treatment Plant	Depn	53	13	-	53	13
Wangaloa Plant Renewal	Spec	17	-	-	-	17
Telemetry	Depn	309	-	5	84	229
Telemetry	Spec	186	-	4	-	190

FUND	TYPE/ PURPOSE	OPENING BALANCE 2023 *(\$000s)	TRANSFERS INTO THE RESERVE *(\$000s)	INTEREST ALLOCATED *(\$000s)	TRANSFERS OUT OF THE RESERVE *(\$000s)	CLOSING BALANCE 2024 *(\$000s)
Wastewater						
Urban	Depn	504	288	-2	900	-110
Tapanui Works Infrastructure Fund	Spec	9	-	-	-	9
Balclutha Sewerage	Spec	713	-	15	-	728
Kaitangata Sewerage	Spec	52	-	1	-	53
Kaka Pt Sewerage Renewal	Spec	87	-	2	-	89
Stirling Sewerage Plant	Spec	3	-	-	-	3
Waihola Sewerage	Spec	113	-	2	-	115
Stormwater						
Urban Stormwater	Depn	309	91	8	-	408
Milton Stormwater	Spec	25	-	1	-	26
UNRESTRICTED RESERVES		44,618	3,069	5,541	3,842	49,386

*Council holds funds on behalf of 3 Recreation Reserve/Domain Boards.

Accumulated Comprehensive Revenue and Expenditure

	2024 \$000	2023 \$000
Balance at beginning of year	221,608	225,778
Net (Loss) / Surplus for the year	(15,920)	(9,225)
Transfer from/(to)		
- Transfer from Reserves	3,842	11,968
- Transfer from Trust Funds	61	2
- Transfer to Reserves to balance investments	(5,550)	(3,469)
- Transfer to Reserves	(3,069)	(3,439)
- Transfer to Trust Funds	-	(7)
BALANCE AT END OF YEAR	200,972	221,608

D7 DEVELOPMENT PROPERTY

ACCOUNTING POLICY

Development Properties are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for the development properties less all estimated costs to make the sale.

	2024	2023
	\$000	\$000
ROSEBANK INDUSTRIAL SITE		
Opening Balance	689	576
Plus: Additions in current year	161	113
Less: Amounts expensed due to sale	(25)	-
Add impairment reversal, (Less: Impairment loss)	(479)	-
Closing Balance	345	689
ROSEBANK TERRACE SUBDIVISION		
Opening Balance	199	46
Plus: Additions in current year	1,817	153
Less: Amounts expensed due to sale	-	-
Closing Balance	2,016	199
STIRLING SUBDIVISION		
Opening Balance	503	60
Plus: Additions in current year	-	443
Less: Amounts expensed due to sale	-	-
Closing Balance	503	503
KAITANGATA HOUSE AND LAND PACKAGE		
Opening amount capitalised	1,086	292
Plus: Additions in current year	945	865
Less: Amounts expensed due to sale	(1,364)	(71)
Less: Impairment loss	-	-
Closing Balance	667	1,086
KEITHMORE ROAD		
Opening amount capitalised	-	-
Plus: Additions in current year	4	-
Closing Balance	4	-
	3,535	2,477

SECTION E: FINANCIAL RISK MANAGEMENT

This section provides information on how the Council is exposed to a variety of financial risks and how these risks are managed.

The council's core policies relating to financial risk are contained in the Treasury Management Policy (TMP). The TMP meets the requirements of the LGA 2002 and sets out the council's policies on how it will manage its key financial risks including risks associated with borrowing, interest rates, foreign exchange, counterparty credit, liquidity, and investment.

Any changes to the TMP require the approval of the Council.

The significant financial risks to the council are set out below. Within each subsection a definition and explanation of the risk is detailed (risk definition) and then an explanation of how council manages each financial risk (risk management).

The following are the financial risks significant to Council:

- E1 Interest rate risk
- E2 Equity price risk
- E3 Credit risk
- E4 Liquidity risk
- E5 Foreign exchange risk

E1 INTEREST RATE RISK

RISK DEFINITION

Interest rate risk is the risk that the Council is exposed to adverse changes in interest rates which may result in net financing costs exceeding annual budget or 10-year budget forecasts. The council is exposed to interest rate risk on all debt obligations and cash investments.

RISK MANAGEMENT

The council seeks to limit interest rate risk by:

- actively managing interest rates using a mix of derivatives and fixed rate debt; and
- managing interest rates on both current and forecast debt.

The council manages interest rates on a portfolio basis. The council's risk management approach aims, over the long term, to:

- minimise volatility and provide certainty of interest costs thereby reducing the likelihood that adverse movements in interest rates will materially impact the operating surplus;
- minimise the cost of borrowings within acceptable risk parameters; and
- manage the divergence between the council's effective interest rate and prevailing market interest rates.

Mechanisms used to manage interest rate risk are:

- matching the interest rate risk profile of the council's financial assets and liabilities; and
- fixing rates through fixed rate borrowings or interest rate hedging instruments to fix rates on floating rate borrowings.

The council measures the risk through sensitivity analysis which is based on possible movements of 10% in the interest rate.

The impact on potential surplus or deficit and equity (excluding accumulated funds) calculated using the council's financial instrument exposures at balance date are as follows:

- LGFA debt impact - a 10% increase in interest rate would have a \$692k (2023: \$398k) decrease in surplus and a \$692k (2023: \$398k) increase in surplus with a 10% decrease in interest rate.
- The sensitivity analysis below has been determined based on the exposure to interest rate risks at the reporting date.
- Surplus would (decrease) / increase by \$23k (2023: \$36k). This is mainly attributable to Council's exposure to interest rates on its investments within its managed funds held with Nikko Asset Management.
- Other equity reserves would remain unaffected.
- Council's sensitivity to interest rates has changed due to investment in Nikko funds.

E2 EQUITY PRICE RISK

At reporting date, if equity prices had been 10% higher or lower and all other variables were held constant, Council's:

- Surplus would increase / decrease by \$2,261k (2023: \$2,622k) as the equity investments are classified as fair value through surplus or deficit.

Council's sensitivity to equity prices has increased with the move to the Nikko investment.

RISK EXPOSURE

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to price risks arising from managed funds investments held within Unit Trusts with Nikko AM. Council also holds unlisted equity securities.

RISK MANAGEMENT

This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in the treasury management policy.

MEASUREMENT OF RISK

Council measures the risk through sensitivity analysis which is calculated based on a reasonably possible movement in the relevant unit price and unlisted held by the entity.

E3 CREDIT RISK

RISK DEFINITION

Credit risk is the risk that a third party will default on its obligation to the council, causing the council to incur a loss. Credit risk may arise from cash and cash equivalents, deposits with banks, credit exposures to receivables, related party loans, financial guarantees as well as derivative financial instruments and other financial assets.

The council's maximum credit risk exposure for each class of financial assets is the carrying amount of these financial assets which is presented in Note C4 under the category of financial instruments.

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in note F1.

RISK MANAGEMENT

The council seeks to limit counterparty exposure by:

- only transacting with counterparties with acceptable credit ratings;
- avoiding concentrations of credit exposure to one counterparty by spreading exposures amongst many counterparties;
- executing Credit Support Annex's (CSAs) with selected counterparties to manage derivative risk; and
- having netting provisions in International Swaps and Derivatives Association (ISDA) arrangements.

Acceptable credit standings are determined with reference to long term credit ratings published by S&P Global Ratings (or similar international credit rating agency).

The council are not exposed to material concentrations of credit risk around rates and other receivables from non-exchange transactions as there is a large number of ratepayers and customers, and the council has a statutory right to recover outstanding funds under the Local Government (Rating) Act 2002. Refer to Note D2.

Rates and other receivables

Receivables mainly arise from the council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal and external credit rating.

Maturity Profiles of Financial Liabilities excluding derivatives

The following tables detail Council's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned on those liabilities except where Council anticipates that the cash flow will occur in a different period.

2024	Weighted Average Effective Interest Rate %	Fixed Maturity Dates						Non Interest Bearing \$000	Total \$000
		Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
		\$000	\$000	\$000	\$000	\$000	\$000		

Financial liabilities:

Trade and other payables	-	-	-	-	-	-	-	12,359	12,359
Borrowings	5.82	31,067	19,500	20,000	12,000	15,500	22,000	-	120,067
Other Liabilities	-	3,000	-	-	-	-	-	-	3,000
TOTAL		34,067	19,500	20,000	12,000	15,500	22,000	12,359	135,426

2023	Weighted Average Effective Interest Rate %	Fixed Maturity Dates						Non Interest Bearing \$000	Total \$000
		Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
		\$000	\$000	\$000	\$000	\$000	\$000		

Financial liabilities:

Trade and other payables	-	-	-	-	-	-	-	12,836	12,836
Borrowings	5.68	14,216	12,300	11,500	13,000	10,000	11,500	-	72,516
Other Liabilities	-	-	-	-	-	-	-	13	13
TOTAL		14,216	12,300	11,500	13,000	10,000	11,500	12,849	85,365

The above table also represents the maturity dates of the underlying securities.

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in note C1.

E4 LIQUIDITY RISK

RISK DEFINITION

Liquidity risk is the risk that the council is unable to meet its obligations as they fall due.

The council is exposed to liquidity risk whenever it refinances existing debt or when it is contractually committed to make cash payments.

RISK MANAGEMENT

The council seeks to limit liquidity risk by:

- maintaining sufficient unutilised committed funding facilities;
- ensuring investments are short term and liquid in nature; and
- maintaining longer term cash flow forecasts to recognise potential future financing pressures early, allowing time for a financing strategy to be planned and implemented.

In addition, the council seeks to limit financing risk by:

- spreading financing over a range of maturities, to minimise the risk of large concentrations of debt having to be refinanced in periods where credit margins are high for reasons beyond the council's control. This includes the spreading of short-term debt where practical and economic;

- maintaining a mixture of short-term facilities (which generally have lower credit margins and flexibility) and long-term facilities to achieve an effective funding mix, balancing the requirements of cost minimisation and limiting re-financing risk;
- not giving financial covenants in respect of any borrowing except for a most favoured lender clause and those already given to the LGFA;
- complying with borrowing covenants imposed by the LGFA; and
- reviewing funding principles every three years in line with the 10-year budget.

The Council has a multi option credit line facility of \$3m which expires 31 July 2026 and a business MasterCard facility with a limit of \$20k. Interest is charged on a daily basis.

OVERDRAFT FACILITY	2024 \$000	2023 \$000
Amount used	-	-
Amount unused	250	250
Multi Option Credit Facility with Westpac Banking Corporation (secured by a negative pledge over rates):		
Amount used	3,000	2,000
Amount unused	-	1,000
	3,000	3,000

The Council is exposed to liquidity risk as a guarantor of all the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note C1.

E5 FOREIGN EXCHANGE RISK

RISK DEFINITION

Foreign exchange risk is the risk that costs materially exceed budget due to adverse movements in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

SECTION F: OTHER DISCLOSURES

This section provides other financial information that will enhance clarity and understanding of this financial report. Required disclosures such as the remuneration of Clutha's mayor, councillors and local board members are presented under Related party transactions.

The notes included in this section are as follows:

F1 Contingencies, commitments, and subsequent events

F2 Funding Impact Statement

F1 CONTINGENCIES, COMMITMENTS, AND SUBSEQUENT EVENTS

ACCOUNTING POLICY

The council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact that they cannot be reliably measured.

Disclosures are provided for as follows:

- Contingent liabilities are disclosed unless the possibility that these will crystallise is remote; and
- Contingent assets are only disclosed when it is probable that they will crystallise.

Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or contingent assets (2023 Nil).

ONGOING OBLIGATION RELATING TO NEW ZEALAND MUTUAL LIABILITY RISKPOOL SCHEME

Clutha District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

GUARANTEES

New Zealand Local Government Funding Agency (LGFA)

Clutha District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA+. LGFA has a local currency rating from Fitch of AA+.

As at 30 June 2024, Clutha District Council is one of 72 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Clutha District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,840m (2023: \$17,684m).

Clutha District Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Financial reporting standards require Clutha District Council to initially recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised.

At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

ANZ

The Council has issued stock security certificates of \$750k (2023: \$750k) in favour of ANZ Bank.

Commitments

Commitments relate to obligations which the council has committed to. This specifically relates to work that is yet to commence and the expenditure that is yet to be incurred. The council's commitments are as follows:

Expenditure commitments - Non-cancellable contracts

	2024 \$000	2023 \$000
Not later than 1 year	16,771	23,203
Later than 1 year, less than 5 years	24,218	22,143
Later than 5 years	-	-
	40,989	45,346

Subsequent events

The severe weather event that hit the Clutha District in early October 2024 has caused widespread damage to the region and many of the assets Clutha owns and manages. Many residents were affected, some severely by flooding, slips and debris, with some residents isolated for a period of time. Our immediate priority was to assure peoples safety, then start recovery and clean up. There will be costs associated with our response and recovery efforts, however it will take some time to determine the exact impact. Costs will include spend on flood response, recovery work, emergency accommodation, slip remediation and costs to repair or replace damaged assets. This may require us to reprioritise our capital spend to restore three waters and roading assets. We will recover some of the costs from insurance and transport related emergency works are anticipated to be co-funded with Waka Kotahi NZ Transport Agency.

There were no other material events subsequent to balance date. (2023: Nil)

F2 FUNDING IMPACT STATEMENT – WHOLE OF COUNCIL

For the Year ended 30 June 2024

(ALL IN \$000S)	ANNUAL PLAN	ACTUAL	ANNUAL PLAN	ACTUAL
	2024	2024	2023	2023
	\$000	\$000	\$000	\$000
SOURCES OF OPERATING FUNDING				
General rates, UAGC's, rates penalties	6,549	6,845	5,184	5,242
Targeted rates	24,597	24,409	24,425	24,698
Subsidies and grants for operating purposes	6,029	8,755	6,059	7,712
Fees and charges	9,524	6,529	7,766	6,565
Interest and dividends from investments	-	2,206	-	1,133
Fuel tax, infringement fees and other receipts	216	157	210	195
TOTAL SOURCES OF OPERATING FUNDING (A)	46,914	48,901	43,644	45,545
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	37,581	54,180	36,221	43,247
Finance costs	1,906	5,462	1,362	2,509
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	39,487	59,642	37,583	45,756
SURPLUS (DEFICIT) OF OPERATING FUNDING (A - B)	7,427	(10,741)	6,061	(211)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	7,460	8,916	6,363	4,030
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	36,500	50,552	26,000	34,576
(Debt repayments)	-	-	-	-
Gross proceeds from sale of development property	-	-	2,200	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	43,960	59,468	34,563	38,606
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	1,933	-	2,974	381
Capital expenditure to improve the level of service	31,802	30,342	18,826	23,724
Capital expenditure to replace existing assets	19,632	19,712	19,397	13,792
(Increase) decrease in reserves	(1,181)	3,172	227	498
(Increase) decrease of investments	(800)	(4,499)	(800)	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	51,386	48,727	40,624	38,395
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C - D)	(7,427)	10,741	(6,061)	211
FUNDING BALANCE (A - B) + (C - D)	-	-	-	-

SECTION G: FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

Annual Report disclosure statement for the year ending 30 June 2024.

What is the purpose of this statement?

The purpose of this statement is to disclose the Clutha District 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.

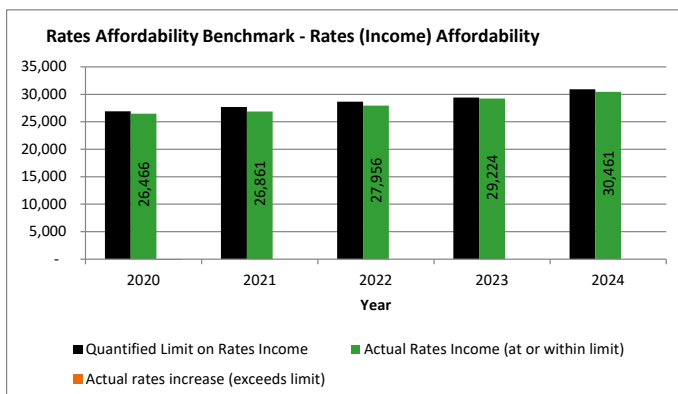
Unless prescribed by the regulations, the quantified limit for the current year benchmark is calculated using financial information disclosed in the long term plan 2021/31 including the prospective financial statements.

RATES (REVENUE) AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

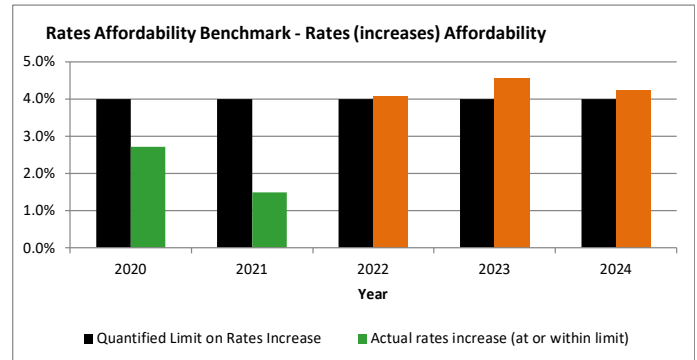
- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates revenue increases equal or are less than each quantified limit on rates increases.

The following graph compares Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in Council's long term plan. The quantified limits are 2020 \$26,900, 2021 \$27,700, 2022 \$28,500, 2023 \$29,400 and 2024 \$30,900.



RATES (INCREASES) AFFORDABILITY

The following graph compares Council's actual rates increase percentages with a quantified limit on rates percentage increases included in the financial strategy. The quantified limit is 4%.

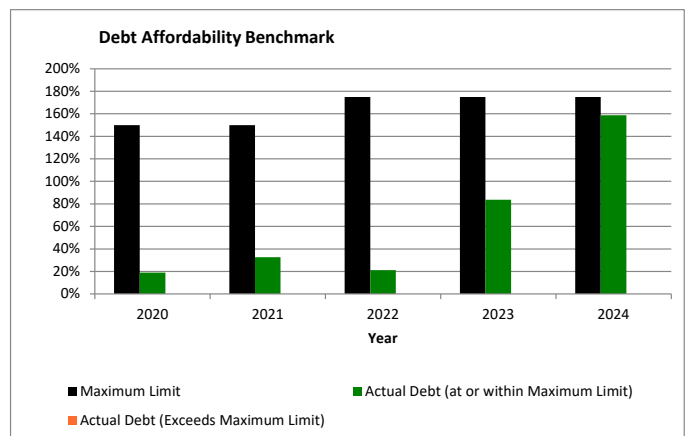


Council has exceeded the percentage increase limit set due to additional separately used or inhabited parts (SUIPS) being identified, in 2022 and 2023 and budgeting a rates increase of 5.22% in 2024.

DEBT AFFORDABILITY BENCHMARK

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 Council's long term plan. The quantified limit for the years 2020 and 2021 is that external debt will not exceed 150% of annual revenue (per 2018/28 LTP) and the quantified limit for the years 2022-2024 is that net debt will not exceed 175% of revenue (per the 2021/31 LTP)

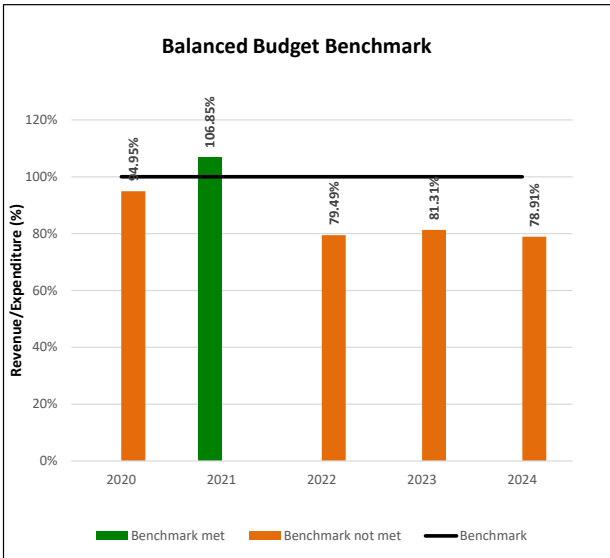


Council has complied with its debt affordability benchmark.

BALANCED BUDGET BENCHMARK

The following graph displays 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 expenditures (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

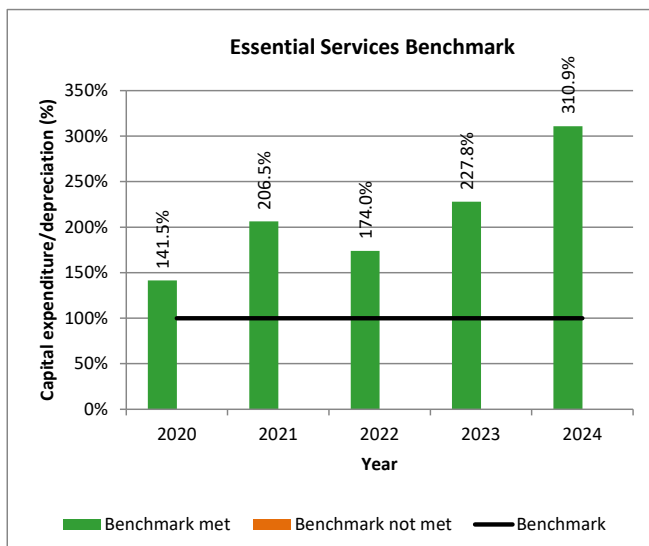
Council meets this benchmark if its revenue equals or is greater than its operating expenditures.



Council did not meet this benchmark in 2020 due to additional costs relating to emergency costs relating to the February 2020 Flood, in 2022 a budgeted grant paid to Clutha Community Hub Trust of \$7.5M, in 2023 & 2024 additional costs relating to the Three Waters contract and subsequent bring Three waters operations back in house.

ESSENTIAL SERVICES BENCHMARK

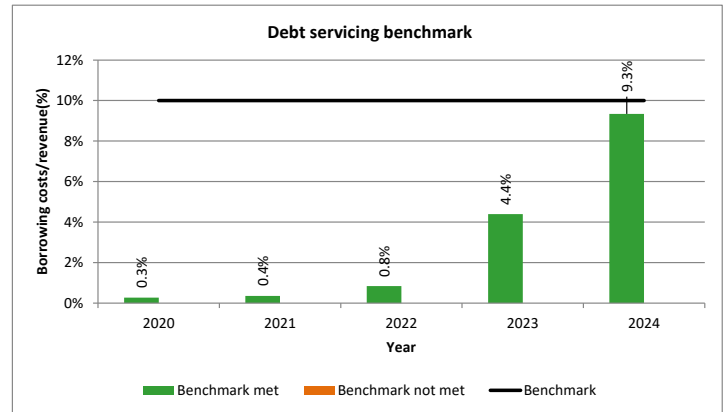
The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to water services and roading.



DEBT SERVICING BENCHMARK

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

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



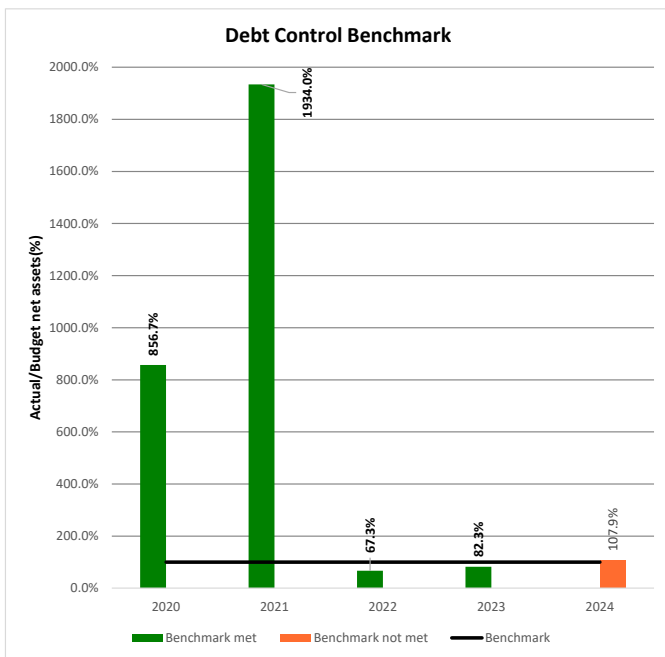
DEBT CONTROL BENCHMARK

This benchmark is intended to report Council’s performance in relation to net debt, which is defined in the regulations as financial liabilities less financial assets (excluding Trade and Other Receivables).

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.

For the 2020 and 2021 years Council is in a net asset position because its financial assets exceed its financial liabilities.

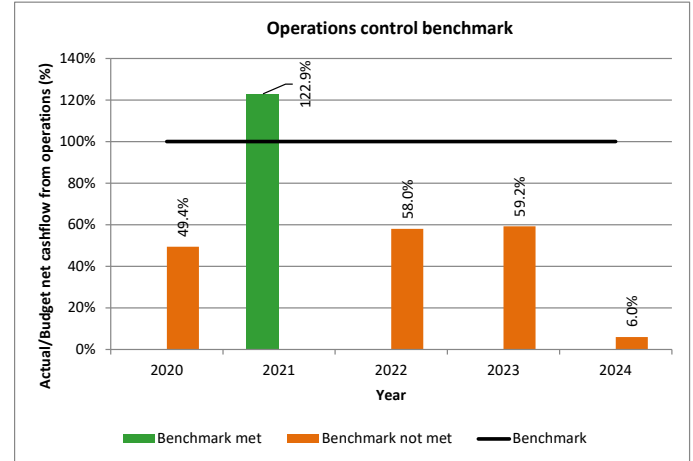


Council has not met this benchmark in 2024 due to not borrowing more than planned to cover unbudgeted costs associated with 3 Waters Operations in house.

OPERATIONS CONTROL BENCHMARK

This graph displays Council’s actual net cashflow from operations as a proportion of its planned net cashflow from operations.

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



Council did not meet this benchmark mainly due to higher operating and employee costs and particularly in 2024 due to bringing three waters operations in house.

ANNUAL REPORT SUMMARY

2023/24

Our Place

Clutha District



MESSAGE FROM THE MAYOR



Thank you for taking the time to consider our Clutha District Council's Annual Report for 2023/24. We appreciate your ongoing assistance as we charter our district's pathway through what is the most disruptive of times.

As an organisation, we are virtually unrecognisable compared with only a handful of years ago. We now oversee \$1.9 billion in total assets and our population has increased markedly to 18,500. We sit in the lowest quartile for urban rate costings; however, we are entering a period of rate rises and debt increases with our total capital spend for 2023/24 being \$52.5 million, compared with \$39.7 million last year and \$27.3 million two years ago. That's a staggering 92% increase in just two years.

It should come as no surprise that the main culprit for these increases is the imperative of three waters. In fact, three waters capital spend for 2023/24 was \$32.2m, and roading was \$16m. This makes up almost 92% of all that we do, which has influenced all other aspects of council's operations. This results in an increase in rates and debt, combined with restrictions on every other line in other budgets, to try and contain the insatiable demands.

I think it is appropriate when there is such an all-consuming element dominating the demise of all councils, that we dwell on Clutha's own predicament. Historically, we have invested considerably in three waters, creating the third longest reticulating network in New Zealand, supplying 80% of our population along with approximately 1.2 million stock units. We presently have 12 wastewater and 15 water schemes, which is one plant for every 287 connections. Our comparatively low population and widely dispersed communities create a challenging and expensive environment to operate, which is complicated further by Wellington's lack of clear direction and changing compliance demands.

Our financial position is changing in tandem with the rate rises, as we balance the ledger with the only tools available. This year debt has increased by \$50.5 million to \$123 million and this trend is set to continue.

One highlight for the year was our determination to undertake a full Long Term Plan (LTP). Council was committed to engaging with our communities and ensuring that the full extent of our situation was apparent. This could only be shown through the 10-year horizon that the LTP offered, and we are thankful that we didn't take the lesser annual plan option, despite the uncertainty of the current climate.

Dominating the LTP was the \$611 million in combined capital and operational expenditure for three waters over the next ten years, and the completely unsustainable position this places Clutha in. We applied for and received a credit rating, which enabled us to increase our debt ceiling from 175% of revenue to 280%, but we are projected to breach the new amount in 2035. Couple this with the unrelenting rate increases that take the average urban rate to almost \$7,500 per annum by 2035, and it is obvious why there is such an emphasis on collaborative initiatives with other councils. However, these are by no means guaranteed.

Despite all of these challenges, Council remains a cohesive and highly functional team. We still fulfilled the majority of requests from our communities. We are fortunate to have our investment account performing well, allowing a degree of latitude and enabling us to support our community champions. The unrelenting scale and pace of change puts demands on us all, and there has never been a time where we need your assistance like today. So, thank you once again for your ongoing commitment to our district.

Bryan Cadogan
Mayor

Bryan Cadogan
Mayor

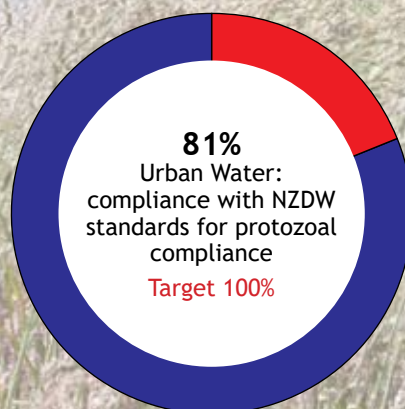
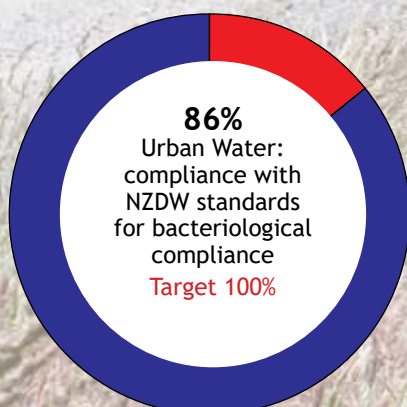
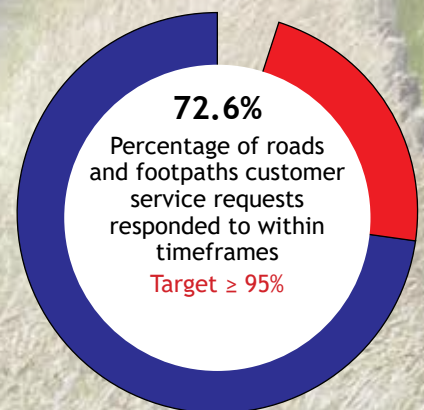
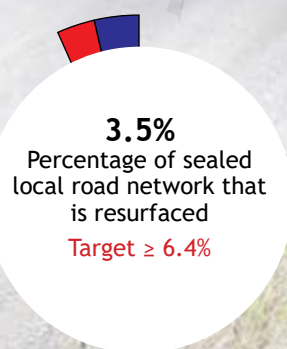
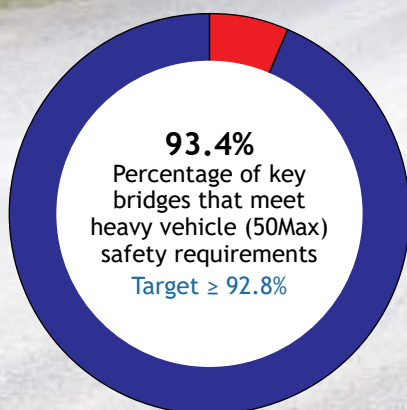
Steve Hill
Chief Executive

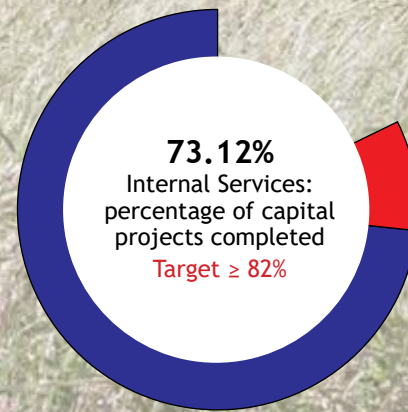
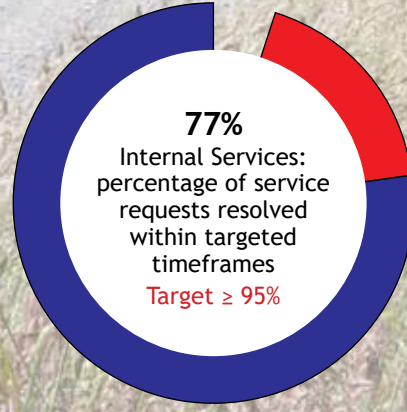
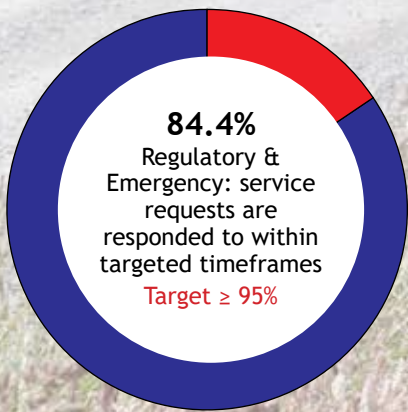
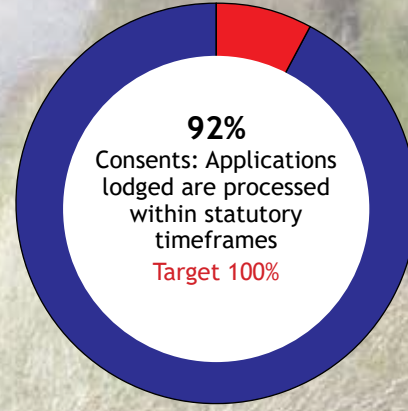
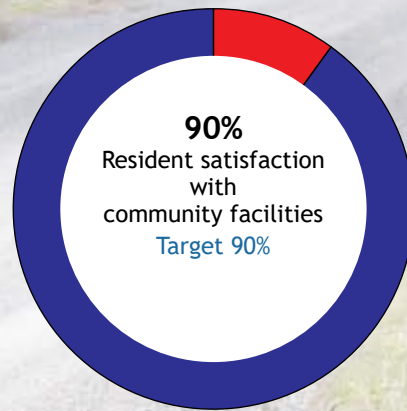
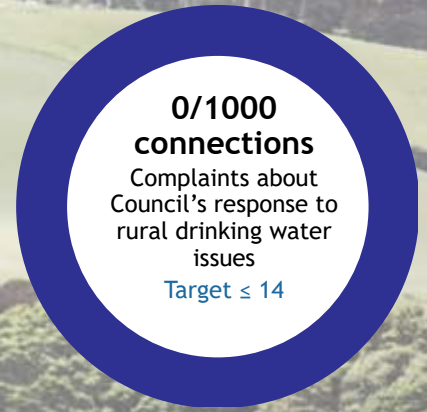
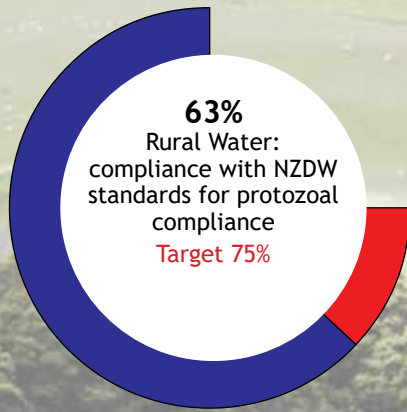
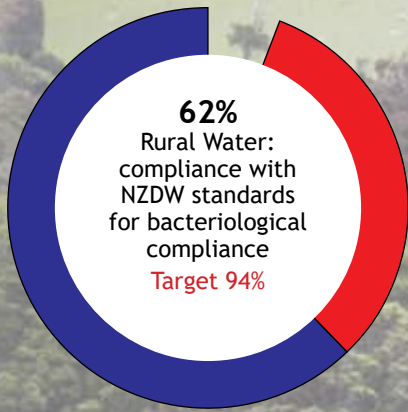
HOW DID WE DO?

During 2023/24 we collected information to show how we were progressing against the goals we set for the year in the Long Term Plan 2021/31. These results show some of the goals we measured and are compared to our targets for 2023/24. The full audited annual report 2023/24 contains further details on measures, targets and performance.

SUMMARY OF NON-FINANCIAL PERFORMANCE MEASURES

SUMMARY OF KPI TARGETS BY ACTIVITY	YEAR ENDING 30 JUNE 2024			YEAR ENDING 30 JUNE 2023		
	MET	NOT MET	TOTAL	MET	NOT MET	TOTAL
Community leadership	1	1	2	1	1	2
Roading	3	3	6	2	4	6
Water: urban	9	5	14	9	5	14
Water: rural	7	5	12	6	6	12
Wastewater	6	5	11	7	4	11
Stormwater	6	2	8	7	1	8
Community services	2	0	2	1	1	2
Solid waste	3	0	3	3	0	3
Economic development	1	0	1	1	0	1
Regulatory and emergency services	0	2	2	0	2	2
Internal services	0	2	2	0	2	2
TOTAL	38	25	63	37	26	63
Total percentage	60%	40%	100%	59%	41%	100%





LIVING & WORKING IN CLUTHA UPDATE

Our 'Living & Working in Clutha' Strategy is one of our key guiding documents. In the current Long Term Plan we gave it a refresh to explain how we're intending to promote the well-being of the Clutha District's communities. It focuses on these priorities we believe have a crucial part to play:

Facilitating More Quality Housing

Clutha District's housing market is under pressure, with the availability of quality housing for both ownership and rental an issue. Demand for social housing is also growing. We are playing an active leadership role to enable housing solutions. This includes continuing to build on partnerships with communities and Central Government. We are looking to continue to facilitate residential development to add more quality housing in the district, whether that be residential subdivisions, or single houses and in-fill development in our towns. This will be a key consideration in work in 2023/24 as part of the development of the Long Term Plan 2024/34.

Filling Our Jobs

We're focused on sustaining and growing businesses by helping fill jobs in the district. For Clutha District this means continuing to provide direct recruitment support for our businesses. Having a vibrant and diverse workforce with the skills to meet the changing needs of the district will be crucial to our success both now and into the future. We see also a key role of Council is to provide supporting infrastructure which enables businesses to flourish.

Improving Health, Safety & Well-Being

Our communities are known for being caring and supportive, with a practical no nonsense approach to addressing issues. We have a relatively small and aging population and our volunteers are increasingly stretched. Drugs and alcohol can cause issues and we lack public transport options. We believe connectivity and access to health services should be a focus.

Supporting Culture & Heritage

We're looking to more actively showcase our culture and heritage to better share and celebrate who we are. Some examples include using innovative ways to make our community stories, objects and records more accessible; and incorporating our local history and culture into community facilities such as halls and public spaces.

Reducing Our Environmental Footprint

We want to help promote a district that plans for a sustainable future, through effective planning of infrastructure, efficient delivery of services, along with protection, maintenance and enhancement of our natural and built environments. Focus areas include waste reduction, water conservation and quality, and protecting and enhancing habitats of local significance. Other initiatives include supporting infrastructure for electric vehicles and reducing greenhouse gas emissions.

LIVING & WORKING IN CLUTHA FRAMEWORK

KEY TO THE WHEEL

- Vision
- Community Outcomes
- Key Priority Area
- Key Strategies & Plans



CONTINUED...

Addressing Climate Change

Climate change will present challenges and opportunities throughout the district. We are working on gathering better information about what we can expect in the coming century. This is providing more detail including 'trigger points'. We can use this information when making decisions, to set us up in the best position possible for the longer term.

Investing In Infrastructure

We continue to look after what we've got and increase levels of service to meet compulsory requirements. Whilst maintaining standards for sewage discharges and drinking water have been challenging with ageing infrastructure, Council has moved to new arrangements to ensure standards are increased as a matter of priority. Importantly, Council will also look at facilitating growth where there is potential for this. For more details refer to the Infrastructure Strategy 2024/54.



MAJOR INFRASTRUCTURE PROJECTS

UPDATING YOU ON OUR MAIN INFRASTRUCTURE PROJECTS FOR 2023/24

WASTEWATER UPGRADES

- \$2,179k spent on Balclutha treatment plant upgrade.
- \$822k spent on Milton mainstreet wastewater utilities
- \$323k spent on Clinton treatment plant upgrade.
- \$319k spent on Owaka treatment plant upgrade.
- \$266k spent on Hub pump station.
- \$252k spent on Waihola treatment plant upgrades.

ROADING

- Reseals were completed at a cost of \$3,300k covering 27.2 km of roads.
- Pavement Rehabilitation was completed at a cost of \$895K on Papatowai Highway and Kaka Point Road amounting to 1.4 km.
- Bridges 106, 112, 390 and 482 were renewed at a total cost of \$2,237k.
- A total of 1.2km of Urban Dust Suppression seal extensions were completed at a cost of \$981K on Sheerness Street and Nore Street, Waihola, Sawmill Road and Riverside Road, Taieri Mouth, Cross Street and Lilly Street Papatowai.
- A total of 1.9km of Rural Dust Suppression seal extensions in the amount of \$627K were completed on Akatore Road, School Road, Romahapa, Wetherstons Road, Lawrence.
- Two sections of Traction Seal totalling 490m were completed on Mount Stuart Road in the amount of \$409K.
- A total of 1.7km of Footpath Renewals were completed on Greenwich Street, Waihola, Irvine Street, Peel Street, Harrington Street, Whitehaven Street Lawrence at the total cost of \$805K.

WATER IMPROVEMENTS

- \$442k spent on Glenkenich treatment plant and pipeline renewals.
- \$10,437k spent on Balmoral/Tuapeka rural water scheme new supply.
- \$1,936k spent on Milton to Waihola Pipeline.
- \$843 spent on Moea Flat reservoir renewals.

- \$664k spent on North Bruce reservoir upgrade.
- \$586k spent on Richardson South reservoir upgrade.
- \$476k spent on Moea Flat AC pipeline renewals.

STORMWATER IMPROVEMENTS

- \$3,235k spent on Milton Mainstreet stormwater upgrades.
- \$314k spent on Pattersons Creek lower catchment improvements.

SOLID WASTE

- \$493k was spent on Mount Cooee wastewater pump station renewal.

COMMUNITY FACILITIES

- \$518k spent on Taylor Park cabins.
- \$237k spent on Toshvale community housing.
- \$217k spent on Balclutha library renewals.
- \$128k spent on the Milton Community Pool new facility.

COUNCIL SPENDING AT A GLANCE

	Operating Spend 2023-24	Capital Spend 2023-24	Total Spend	Rates value per \$100
 Rooding	\$10.9m	\$17.8m	\$28.7m	\$24
 Water	\$11.4m	\$18.7m	\$30.1m	\$25
 Community Services	\$8.2m	\$1.8m	\$10.0m	\$8
 Regulatory & Emergency Services	\$3.1m	\$0.0m	\$3.1m	\$3
 Wastewater	\$3.1m	\$5.7m	\$8.8m	\$7
 Solid Waste	\$3.2m	\$0.6m	\$3.8m	\$3
 Economic & Community Development	\$2.1m	\$0.0m	\$2.1m	\$2
 Community Leadership	\$1.6m	\$0.0m	\$1.6m	\$1
 Stormwater	\$0.8m	\$3.5m	\$4.3m	\$4
 Internal Services	\$26.4m	\$1.9m	\$28.3m	\$23
TOTAL	\$70.8m	\$50.0m	\$120.8m	\$100

FINANCIAL OVERVIEW

2023/24

MAJOR VARIANCES TO BUDGET EXPLAINED

Council operates a diverse and complex business which is reflected in the items recorded against operating revenue and expenditure. After forecasting a \$770k surplus in 2023/24, Council recorded a \$13,852k deficit.

The operating loss for the year was \$14,622k above budget which has been mainly caused by:

REVENUE

- \$325k Mayors Task Force grant not budgeted.
- \$1,043k of 'better off' funding was received.
- Budgeted financial contributions of \$496k have not yet been received.
- Due to changes in timing to the roading programme roading subsidies are \$3,200k more than budgeted
- Vested assets gained from \$1,948k subdivision infrastructure.

EXPENDITURE

- Grants paid out on Mayor's Task Force \$337k.
- Additional water operational expenditure of \$3,602k.
- Mount Cooee operational costs \$183k above budget.
- Roothing repairs \$898k above budget.
- Depreciation \$4,063k over budget mainly due to significant valuation increases.
- Personnel costs are \$3,365k above budget mainly due to additional 3 Waters Operations staff employed during the year which was unbudgeted

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for further information.

	ACTUAL 30 JUNE 2024	BUDGET 30 JUNE 2024	ACTUAL 30 JUNE 2023
	(\$,000)	(\$,000)	(\$,000)

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2024

INCOME			
Rates Revenue	30,706	31,146	29,439
Other Operating Revenue	30,169	24,230	21,546
Total Operating Revenue	60,875	55,376	50,985
EXPENDITURE			
Employee Benefits Expense	13,209	9,844	8,847
Depreciation and Amortisation	17,109	15,113	16,019
Finance Costs	5,838	1,906	2,509
Other Expenditure	40,639	27,743	32,835
Total Operating Expenditure	76,795	54,606	60,210
Operating Surplus	(15,920)	770	(9,225)
Fair value on unlisted shares	1	-	(3)
Gain on Property, Plant and Equipment Revaluation	485,596	-	19,400
Total Comprehensive Revenue and Expenditure for the year	469,677	770	10,172

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

Equity at the beginning of the year	1,333,521	1,312,245	1,323,349
Total Comprehensive Revenue and Expenditure for the year	469,677	770	10,172
Equity at the end of the year	1,803,198	1,313,015	1,333,521
EQUITY REPRESENTED BY:			
Accumulated Funds	200,972	220,851	221,608
Reserves	1,602,226	1,092,169	1,111,913

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Current Assets	50,264	37,068	48,044
Non Current Assets	1,891,409	1,396,297	1,373,170
Total Assets	1,941,673	1,433,365	1,421,214
Current Liabilities	47,928	12,285	28,148
Non Current Liabilities	90,547	108,060	59,545
Total Liabilities	138,475	120,345	87,693
Net Assets/Equity	1,803,198	1,313,020	1,333,521

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

Net Cashflows from Operating activities	(1,182)	14,887	7,356
Net Cashflows from Investing activities	(44,511)	(52,567)	(38,831)
Net Cashflows from Financing activities	50,551	36,500	34,571
Net Cashflows for the Year	4,858	(1,180)	3,096

MAJOR VARIANCES TO COUNCIL'S FINANCIAL POSITION COMPARED TO 2023 ACTUALS

- \$1,983k higher Waka Kotahi subsidy receivable due to year end activity.
- \$3,853k lower Nikko investment balance due to a \$6,776k rates subsidy withdrawal during the year, but also an improvement in the global share markets and interest rate movements.
- \$1,537k higher development property balance due increased activity.
- \$496,359k higher property, plant and equipment balance and revaluation reserve mainly caused by \$464,948k roading revaluation adjustment.
- Rates receivable were \$668k higher at year-end.
- \$50,551k higher borrowing to reflect capital program completion and funding.

Refer to the Statement of Financial Position and notes to the financial statements for further information.

FINANCIAL STRATEGY

In the 2021/31 Long Term Plan the Financial Strategy was determined to guide financial decisions. The following tables show our performance against these measures for the 2023/24 financial year.

RETURN ON INVESTMENTS

At the close of the 2023/24-year Council's investments were \$26.0 M, below the \$29.9 M forecast in the 2024/34 Long Term Plan, due to the \$6,776k rates subsidy withdrawal as mentioned above. There was a positive return on investment for 2024 due to higher than budget returns, as a result of the market and interest rate conditions having improved during 2024 showing increased performance.

CHANGES IN INVESTMENTS 2022/23

(\$M)	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
OPENING	30.5	30.6	29.9
CLOSING	29.6	29.9	26
CHANGE	(0.9)	(0.7)	(3.9)
RETURN (%)	3.4	3.4	9.8

Note: the change in the closing balance is net of the rates subsidy.

LIMITS ON NET DEBT

Council's limits on net debt are set in the financial strategy at 175% of annual revenue. Council is \$10,000k below the limit and planned debt levels mainly due to less infrastructure projects completed against projections.

	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
NET DEBT (\$M)	81.7	51.2	97.1
DEBT LIMIT(\$M)	96.9	86.3	107.1

LIMITS ON RATES AND RATE INCREASES

Rates are an important source of funding for Council services. The \$29.2M collected in 2022/23 meant an increase on 2021/22 of \$1.3M. This was above the 3.94% projected in the Long Term Plan and the \$29.4M rates cap forecast in the 2021/31 Long Term Plan.

Refer to the Statement of Comprehensive Revenue and Expenditure and notes to the financial statements for more information.

	ANNUAL PLAN 2023/24	LONG TERM PLAN 2023/24	ACTUAL 2023/24
FORECAST RATES (\$M)	30.9	30.5	30.7
RATES LIMIT AT 4% (\$M)	30.6	30.5	30.5

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its Annual Report.

This summary booklet of the Annual Report 2023/24 provides:

- An outline of Council's end of year financial position.
- An overview of Council services during 2023/24.
- A statement from Council's auditors - Deloitte Limited.

The specific disclosures included in the summary have been extracted from the full Annual Report 2023/24 adopted by Council on 24 October 2024. This summary document cannot be expected to provide as complete an understanding as provided by the full financial report itself.

A full copy of the Annual Report 2023/24 is available from Council main office at Rosebank Terrace, Balclutha or by contacting 0800 801 350. It is also available on the Council website at www.cluthadc.govt.nz.

The Annual Report 2023/24 has been audited and gained an unmodified opinion, which means the report has met the requirements of the Local Government Act 2002.

This summary financial report has been examined by the auditor for consistency with the full financial report. The auditor's report on the summary annual report is included with this summary.

Council's full financial report has been prepared in accordance with Tier 1 PBE Standards and has been complied with NZ GAAP and stated explicitly that they comply with NZ equivalents to IPSAS (International Public Sector Accounting Standards) as applicable for public entities. The summary financial report complies with FRS PBE 43 - summary financial statements.

The presentation currency of the annual report is in New Zealand dollars. The summary annual report is rounded to the nearest thousand dollars.

WATER SERVICES REFORM PROGRAMME

Council had included within the Annual Plan, recognition of its three water assets following the announcement by the Local Government Minister on 13 April 2023 regarding a staged approach to the "go live" date for the ten new entities from early 2025 to 1 July 2026 rather than the original start date of 1 July 2024.

With the change of government in October 2023 and a new Local Water Done Well reform program, the previous government's asset transfer intentions were reversed through new legislation. Whilst the new program is comprehensive and new legislation was passed, with more to come, the outcome for the Annual Report period was no change to the accounts.

INFRASTRUCTURE VALUATIONS

Infrastructural assets (except land under roads) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on a class of asset basis. Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for that class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus and deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenditure.

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF CLUTHA DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30
JUNE 2024**

Heidi Rautjoki, Partner

for Deloitte Limited

On behalf of the Auditor-General

Dunedin, New Zealand

Appendix 3 – Listing of Annual Report Edits

- Minor wording edits and references to wrong dates along with a full proof of the document has been done. Also minor formatting of the Financial Information section to improve layout on pages. Page numbering checked and updated.
- P4 – percentage of population supplied by three waters reticulating network changed from 82% to 80%.
- P24 – References to Audit NZ guidance has been removed as this was not provided.
- P24 and 25 - Bacteriological Compliance details in table have been updated to match Beca report and colours removed. Note j) has been amended to be explained in plain English. Colours removed.
- P26 – Percentages updated under Level of Service 1.
- P27/28 – Bacteriological and Protozoal Compliance details in tables have been updated to match Beca report and colours removed.
- P29 – Note 3 – Edited to be less technical. Note 4 – comments added regarding boil water notices from Beca report.
- P38 – Cross Recreation Centre note – updated for current year with further information regarding the loan term.
- P44 – Percentages updated.
- P48 – Flow through of adjustments as mentioned in agenda item have also been updated.
- P49 – Budget balance as at 1 July 2023 changed from \$1,313,020 to \$1,312,250. Flow through of adjustments as mentioned in agenda item have also been updated.
- P50 – Flow through of adjustments as mentioned in agenda item have also been updated.
- P51/52 – Flow through of adjustments as mentioned in agenda item have been updated (Development Property, Intangibles, Taylor Park Cabins and amended Roding revaluation).
- P53 – Note removed from bottom of page.
- P56-58 – Flow through of adjustments as mentioned in agenda item have been updated.
- P59 – Fees to Auditors minor update to note.
- P60 – 260,000-280,000 salary line item removed.
- P61- Updates made to related parties figures that were previously incorrect due to formula error.
- P67 – Amortisation of intangibles note reference changed from D2 to B2. Note updated for flow through of changes to intangibles as mentioned in agenda item. Depreciation and amortisation note on significant valuation increases changed to from 30 June 2024 to 2023. \$19k added to finance costs note for Bank to add to \$5,838 rather than \$5,819.
- P68 –Note A8 updated for changes to development property impairment as mentioned in agenda item. “Subsequent costs” paragraph transferred here previously on page 72.
- P71 –Total carrying amount 30 June 2023 corrected to match previous year note.
- P72 – Comment on Roding useful lives has been added. Comment changed from “Just under two-thirds (12,000) of Clutha’s residents” to “80% of Clutha’s residents” to match the note per P4 mentioned above.
- P75 – Intangible assets note amended per flow through of adjustments as mentioned in agenda item.

- P77 – Figures in swaps summary table have been corrected as were not previously rounded to \$000. Internal borrowings table shifted up from P78 to P77.
- P83 – Comparative description updated from 2022 to 2023 and amount from \$18k to \$13k.
- P86 – Judgements and Estimates note – provision discount rate changed from 5.08% to 5.06%.
- P93 – Accumulated Comprehensive Revenue and expenditure table updated for flow through of adjustments as mentioned in agenda item.
- P94 – Note D7 updated for impairment on development property.
- P95 – LGFA debt impact bullet point – amounts updated to \$692k from \$404k. Surplus bullet point – updated to \$23k from \$255k.
- P96 – Missing \$3m for MOCL added to Other Liabilities in 2024 table.
- P97 – Note above Overdraft Facility table – date changed to 31 July 2026 from 2024. Amount used in table changed to \$3m from \$2m. Contingent Liabilities and Assets note – comparative changed to 2023 from 2022.
- P98 – Subsequent events – paragraph added in about October 2024 flooding impact.
- P101 – Explanation added for orange years on Balanced Budget Benchmark graph.
- P102 – Comments amended for Debt Control Benchmark and Operations Control Benchmarks graphs.