



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

**I hereby give notice that the
Additional Meeting of the Waitaki District Council
will be held on:**

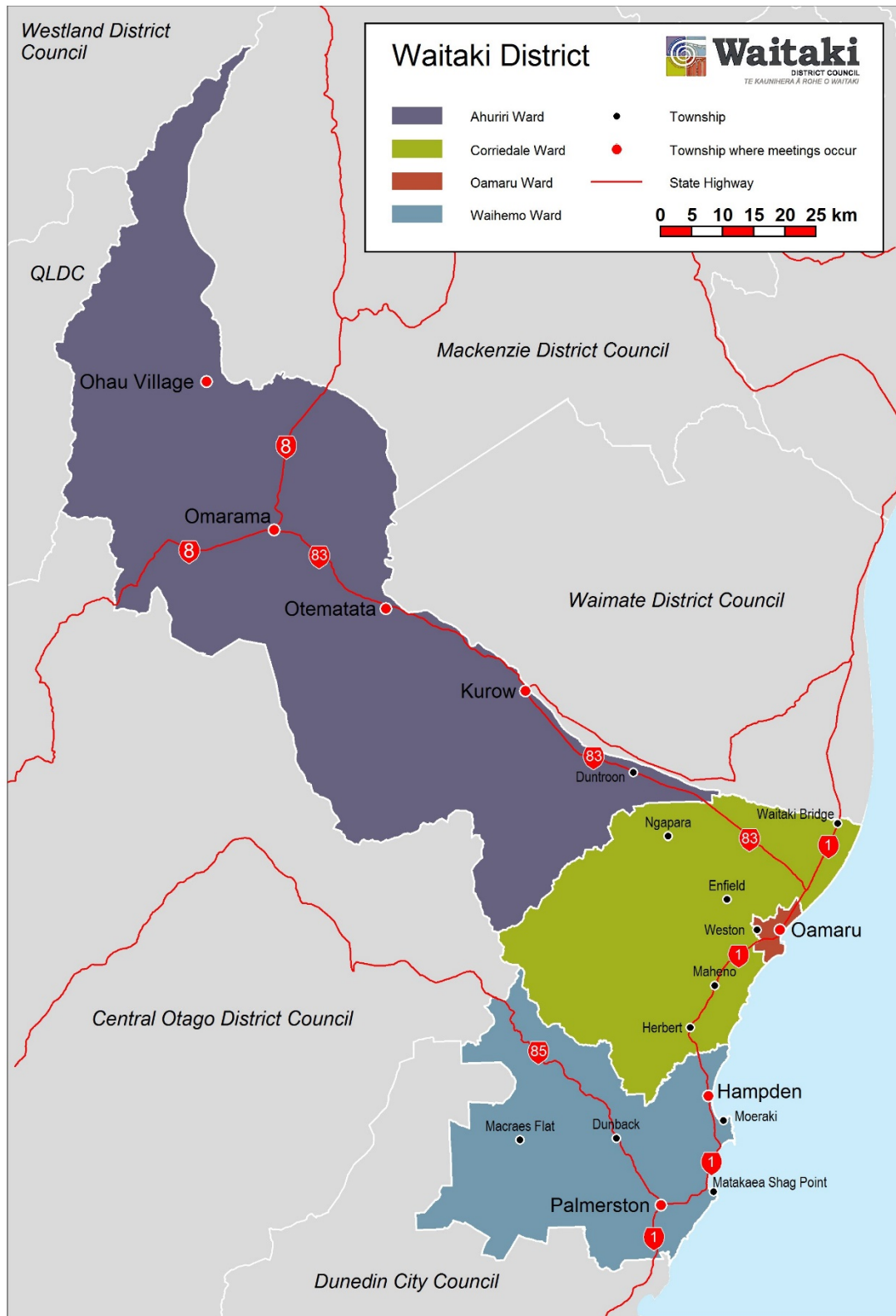
Date: Tuesday, 26 October 2021
Time: 9.00am
**Location: Council Chamber, Third Floor
Office of the Waitaki District Council
20 Thames Street, Oamaru**

Agenda

Additional Council Meeting

26 October 2021

Alex Parmley
Chief Executive



STRATEGIC FRAMEWORK

Waitaki

THE BEST PLACE TO BE!

Waitaki - Whenua taurikura

EMPOWERING OUR PEOPLE AND PLACE TO THRIVE

Whakapuāwai takata, Whakapuāwai whenua

COMMUNITY OUTCOMES

economic

PROSPEROUS DISTRICT

- Attractive to new opportunities
- Support local businesses
- Foster a diverse and resilient economy

social and cultural

STRONG COMMUNITIES

- Enable safe and healthy communities
- Connected, inclusive communities
- Promoting a greater voice for Waitaki
- Celebration of our community identity

environment

VALUED ENVIRONMENT

- Protecting our diverse landscapes and water bodies
- Meeting environmental and climate change challenges

STRATEGIC PRIORITIES

Providing high-quality core infrastructure and services

Determining the best way to deliver 3-waters for the community

Working with the community to respond to COVID-19 challenges

Creating a District Plan that is fit for Waitaki's future

Striving towards better Council performance

Driving best value for rates

Ensuring we get core business done while delivering on our strategic priorities and achieving our community outcomes



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- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 PUBLIC FORUM**

4 DECISION REPORTS

4.1 WAITAKI INDOOR SPORTS AND EVENTS CENTRE LOCATION

Author: Victoria van der Spek, Executive Officer

Authoriser: Paul Hope, Finance and Corporate Development Group Manager

RECOMMENDATIONS

That Council:

1. Receives the additional information requested at the 18 October 2021 hearing of submissions on the Waitaki Indoor Sports and Events Centre location.
2. After consideration of the submissions and additional information, confirms that Council wishes to proceed with Centennial Park, Ōamaru between the existing grandstand and Taward Street as the location for development of the Waitaki Indoor Sports and Events Centre.
3. Directs the project team to consider the feedback received from submitters around matters of design and work together with key stakeholders to inform the preferred design features of a new indoor sports and events centre.

DECISION OBJECTIVES

- To consider further information requested by elected members during the deliberations following the hearing of submissions on the preferred location if the Waitaki Indoor Sports and Events Centre held on 18 October 2021; and
- To confirm the location of the Waitaki Indoor Sports and Events Centre following the consideration of submissions from the community.

SUMMARY

A Council hearing was held on 18 October 2021 to hear the 295 community submissions received on the location of the Waitaki Indoor Sports and Events Centre.

90% of submitters supported the recommended location for the Waitaki Indoor Sports and Events Centre – at Centennial Park, Ōamaru between the existing grandstand and Taward Street.

Elected members requested some additional information during their deliberations following the hearing of submissions to help inform their decision on the location of this development.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:

To decide the location for the development of the Waitaki Sports and Events Centre

Operational Decision-Making:

To implement the governance decision relating to the location for the development of the Waitaki Sports and Events Centre

Communications:

Media Releases – contributed to by officers and Elected Members

Media/public enquiries regarding governance decision-making topics above can be addressed by governance

Media/public enquiries regarding operational decision-making topics above can be addressed by officers.

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	Key	Community Board Views	No
Consultation	Key	Publicity and Communication	Key

BACKGROUND

Council committed to building an indoor sports and events centre in Ōamaru in June 2021 following community consultation feedback on the 2021-31 Waitaki District Council Long Term Plan. Council, Sport Otago, Sport Waitaki and other key stakeholders identified the preferred location for the development at Centennial Park, Ōamaru, between the existing grandstand and Taward Street (see Figure 1).



Figure 1: Preferred location for the Waitaki Indoor Sports and Events Centre

The preferred location at Centennial Park, Ōamaru is a Recreation Reserve managed by Waitaki District Council under the Reserves Act 1977. The anticipated use of this land would change its character from an outdoor sports field into a developed indoor space with an impermeable carparking area. Multi-use recreation facilities and buildings developed by Council are anticipated at Centennial Park, Ōamaru under section 53 (g) of the Reserves Act and under the Waitaki Reserves Management Plan.

COMMUNITY CONSULTATION

Over the period 30 August to 1 October 2021, Council consulted with the community to determine the level of support to utilise the Centennial Park location for this development. 295 submissions were received by Council. Most submitters (90%) indicated that they supported the use of Centennial Park, Ōamaru for the development. Submitters also provided a number of suggestions around the future design of the facility.

COUNCIL CONSIDERATION OF COMMUNITY FEEDBACK

A Council hearing was held on 18 October 2021. Nine (9) submitters presented verbal submissions to elected members. The remainder of submissions (including both verbal and non-verbal submissions) were also considered at this time.

Key matters discussed during deliberations included the following:

Future proofing the site to ensure there is the opportunity for future growth

An initial assessment indicates there will be space to expand to provide eight courts in the future at the Centennial Park location. St Kevin's College are interested in having discussions on future use of land adjacent. In addition, there will still be two courts at Waitaki Girls High School and a court each at St Kevin's College and Waitaki Boys High School.

Managing traffic congestion and carparking on Taward Street, Ōamaru

Elected members requested an update on a traffic assessment in Taward Street currently being undertaken by Council's Roading unit. This report will not be available until later in 2021. Officers note that there are already traffic issues in northern Oamaru with existing sports activity at Centennial Park, two high schools, Oamaru Intermediate School and St Joseph's School. Possible future subdivision and intensification and improvements to manage traffic flows already need to be considered, and any changes associated with the new facility will be a minor part of the traffic movements and can be considered as part of this planning work.

Incorporating the Centennial Park grandstand into the development of a new indoor sports and events centre

At this stage, the proposed indoor sports and events centre scope does not anticipate a redevelopment of the Centennial Park grandstand. However, the preferred location at Centennial Park as consulted on with the community does not preclude the potential for grandstand redevelopment.

The project team are in the process of investigating options and possible costs for refurbishment or replacement of the grandstand. This does not preclude or need to hold up progress on the sports and events centre, and with adequate planning and consideration could be completed as a separate project should this be a community priority and enough funding be made available.

The scope of the development will be contingent on the level of funding received. Council has committed up to \$10 million for the development, with the remainder set to come from fundraising efforts and grants. The project team intends to develop a "must-have-list" and a "nice-to-have" list for the sports and events centre development in conjunction with key sporting groups and other key stakeholders and the grandstand could be included as one of the 'nice to haves' within the fiscal envelop available for proposals.

Design considerations of a new facility

Elected members have requested that the project team consider design matters raised through the submission process and collaborate with key stakeholders in relation to these details in the next phase of the project.

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Proceed with Centennial Park, Ōamaru between the existing grandstand and Taward Street as the location for the Waitaki Indoor Sports and Events Centre (**Preferred**);

Option 2 – Do not proceed with Centennial Park, Ōamaru as the location for the Waitaki Indoor Sports and Events Centre and direct the project team to reconsider other options discussed in the Business Case, to be presented for further community consideration at a later date (**Not recommended**).

ASSESSMENT OF PREFERRED OPTION

Option 1 is the preferred option as it was considered the best site through the Business Case, has the support of the Waitaki Events Centre Trust, key stakeholders and the community, and complements the wide range of sports already established at the park. A key theme of the submissions was for Council to ‘get on with it’.

CONCLUSION

Council committed to building an indoor sports and events centre in Ōamaru in June 2021. The location of this development was the focus of the recent community consultation (August to October 2021).

The use of land at Centennial Park, Ōamaru between the existing grandstand and Taward Street (as consulted with the community) for the purpose of an indoor sports and events centre is anticipated under the Reserves Act and Council’s Waitaki Reserves Management Plan. The Centennial Park location has the support of the Waitaki Events Centre Trust, key stakeholders and the community. Design suggestions presented through submissions received from the community will be considered by the project team in the next phase of the development plans.

If Council does not wish to proceed with the Centennial Park Ōamaru location for the development of the Waitaki Indoor Sports and Events Centre, an alternative site will need to be considered. This would require the project team going back to options presented in the Business case and working further with Council and the community to determine a more suitable location. This option would push back timeframes significantly and is not recommended, especially given that a majority of submitters indicated that they wanted Council to “get on with it”.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

Prosperous district

- Attractive to new opportunities
- Support local businesses
- Foster a diverse and resilient economy

Strong communities

- Enable safe and healthy communities
- Connected, inclusive communities
- Promoting a greater voice for Waitaki
- Celebration of our community identity

Strong services

- Robust core infrastructure and services
- Community facilities and services, we are proud of

Community Views

The community was given the opportunity to provide feedback on the preferred location of the Waitaki Sports and Events Centre over the period 28 August to 1 October 2021.

Publicity and Community Considerations

A media release will be prepared in advance of any Council decision on the location of the Waitaki Sports and Events Centre.

4.2 REQUEST FOR LETTER OF SUPPORT FROM WAITAKI DISTRICT HEALTH SERVICES LIMITED

Author: Paul Hope, Finance and Corporate Development Group Manager

Authoriser: Alex Parmley, Chief Executive

Attachments: 1. Request for Letter of Support from Waitaki District Health Services Limited to Waitaki District Council - 19 October 2021

RECOMMENDATIONS

That Council:

1. Reaffirms its support of Waitaki District Health Services Limited, including by providing a letter of support to ensure its solvency and operational viability; and
2. Agrees to a further extension of the current loan arrangement to Waitaki District Health Services Limited for a further period ending 31 December 2022.

DECISION OBJECTIVE

To consider requests from the Waitaki District Health Services Limited (WDHSL) for Council to reaffirm its support for WDHSL's operational viability by agreeing to provide funding as required and consent to a further extension of the current loan arrangement.

SUMMARY

Although improvements have occurred in financial performance over the last year, WDHSL continues to face a challenging future due to upcoming changes in the health sector. Reaffirmation of Council's previous support has been requested by Waitaki District Health Services Limited to ensure it can be treated as a "going concern" for financial reporting purposes.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	To support the requests and vary the loan terms
Operational Decision-Making:	None
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	Moderate	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Although the Annual Report from WDHSL is still to be received, the final version will show an improvement in the financial performance of WDHSL over the last year. This is consistent with the reports that WDHSL has provided to Council during the year. However, WDHSL is still operating in a challenging environment which is made more difficult by the changes that are to occur in the structure and funding of the public health sector.

Council has previously provided a letter of support to WDHSL, which addressed a specific concern about the company’s ability to meet requirements set out in the financial reporting and auditing standards and also to assist it in meeting the “going concern” test.

WDHSL has requested, in a letter dated 19 October 2021 to Council (Attachment 1), that a further letter of support be provided by Council to enable the company once again to pass the “going concern” test. Council needs to consider whether it wants to reaffirm its commitment to support WDHSL.

In addition, in the request letter (Attachment 1), WDHSL has also sought an extension to the terms of the loan Council originally provided under resolution WDC 2019/264.

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Grant the requests

Option 2 – Decline the requests

ASSESSMENT OF PREFERRED OPTION

Granting both requests is the preferred option. A series of negative outside events, along with internal changes, have limited the ability of WDHSL to fully implement its recovery plan and get this fully operational over the full year. This has prompted the letter of requests from WDHSL.

By reaffirming its general support for WDHSL and allowing a “letter of support” to be issued, Council will help address any technical going-concern issues for the company that may arise during the annual audit process. In addition to that general support, the specific request for assistance in relation to the terms of the loan is also consistent with the idea of ensuring the viability of the company. As Council has no immediate requirement for the funds and is receiving a market level of return on them, an extension of the advance is not considered unreasonable.

Council could decline either or both of the requests if it believes the circumstances have changed significantly since the original arrangement was put in place.

CONCLUSION

The matters considered in this report are the next step in an evolving situation. Both decisions are part of the ongoing process of Council providing support to Waitaki District Health Services Limited as the company seeks to deliver the best possible health services to the district in a very challenging funding environment.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We provide and enable services and facilities so people want to stay and move here

We understand the diverse needs of our community

We maintain the safest community we can

Legal Considerations

These are primarily covered in the body of the report. The decision is required to comply with legal and financial reporting requirements.

Financial Considerations

The amounts involved are not significant, but they are subject to increased scrutiny due to related party considerations.



19 October 2021

Attention: Paul Hope
Finance and Corporate Development Group Manager
Waitaki District Council
Email: phope@waitaki.govt.nz

WAITAKI DISTRICT HEALTH SERVICES LIMITED – COUNCIL CONFIRMATION OF CONTINUING SUPPORT

I write to formally request a re-confirmation of Council's ongoing support for Waitaki District Health Services Limited (WDHSL) in regards to the following:

1. Finalisation of the 2020/21 Financial Statements for the WDHSL Group.
2. Support for WDHSL's solvency and operational viability, and ensuring the meeting of its ongoing financial commitments for the financial year 2021/22.
3. To confirm the extension for a further 12 months to 30 June 2022 of the temporary funding arrangement provided to WDHSL under the agreement dated 6 December 2019.

I re-confirm WDHSL's commitment to make at least a part repayment to council of the loan provided under point 3 above, during the current financial year (2021/22).

The ongoing support of Council in these matters is greatly appreciated.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Mark Rogers', with a blue circular stamp or mark below it.

Mark Rogers
Chair
Waitaki District Health Services Limited

Waitaki District Health Service Limited
Oamaru Hospital • Private Bag 50059 • 8 Steward Street • Oamaru • Ph (03) 433 0290 • Fax 433-0283

4.3 REQUEST FOR EXTENDED LEAVE OF ABSENCE BY AN ELECTED MEMBER

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

RECOMMENDATIONS

That Council:

1. Notes that an application for an extended leave of absence for personal reasons was received from Waihemo Community Board Elected Member Casey Linklater on 18 October 2021, with a request that it be backdated to commence on 1 October 2021 and to continue for six months through to 1 April 2022;
2. Notes that the Remuneration Authority has confirmed that the application can be considered and approved by Council in accordance with the Remuneration Authority's eligibility criteria for an extended leave of absence without pay by a local government elected member; and
3. Notes that the Waihemo Community Board Chairperson has confirmed the Board's support for Ms Linklater's application for the extended leave of absence; and
4. Approves the request from Elected Member Casey Linklater for an extended leave of absence without pay for the six-month period backdated to start from 1 October 2021 through to 1 April 2022 from her position as an elected member to the Waihemo Community Board for the reasons stated.

DECISION OBJECTIVE

To seek Council's consideration of an application for an extended leave of absence from an elected member of the Waihemo Community Board, in accordance with Remuneration Authority guidelines.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Consider the request for an extended leave of absence for an elected member to the Waihemo Community Board
Operational Decision-Making:	Implementation of Council's decision in relation to the extended leave request by an elected member
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	Moderate
Financial Criteria	Moderate	Economic Considerations	No
Community Views	No	Community Board Views	Key
Consultation	No	Publicity and Communication	Moderate

BACKGROUND

Earlier in the year, Waihemo Community Board Member Casey Linklater enquired about the opportunity to take extended leave from her position for personal reasons (stated as maternity leave). This enquiry was referred to the Remuneration Authority to ascertain whether it could be considered by Council under the Remuneration Authority’s criteria for extended leave of absences for elected members. The matter was then considered at a Remuneration Authority Meeting, which determined that Council could consider the request using that criteria.

The Remuneration Authority’s criteria for extended leave of absence by an elected member and the implications of it have been discussed with Ms Linklater and the Waihemo Community Board Chairperson. A formal leave application was received from Ms Linklater on 18 October 2021.

REMUNERATION AUTHORITY CRITERIA

The Remuneration Authority’s guidance on Local Government Elected Members’ Leave of Absence, and key points from that guidance are set out below:

“Local authorities may grant an extended leave of absence without pay to an elected member. ... An extended leave of absence could be for personal reasons such as family/parental leave, prolonged holiday, illness or, in some cases, when standing for another public office.

Eligibility for an extended leave of absence

Individual local authorities will need to resolve and adopt their own rules for granting an extended leave of absence to an elected member, mayor or regional council chair. As a general rule of thumb for all elected members (including the mayor or regional council chair):

- the period must be longer than a single cycle of council meetings, whether that be monthly or six weekly or whatever meeting cycle is set by the council.
- the leave of absence without pay can be granted for a period of up to six months (maximum) by formal resolution of the council.
- the period of leave must involve total absence. The elected member cannot be present for any duties either formal or informal – this includes council meetings, meetings with external parties and constituent work. Nor can the elected member speak publicly on behalf of the council or represent it on any issues.

Cessation of remuneration, allowances and benefits while on an extended leave of absence

The payment of the elected member’s (including mayor or regional council chair) remuneration and allowances ceases during the whole of period for which the leave of absence is granted.

All other benefits (including the use of a council provided vehicle for the mayor or regional council chair) will also be unavailable to the elected member during the whole of period for which the leave of absence is granted.

Ms Linklater's request for an extended leave of absence meets the Remuneration Authority's criteria. It was addressed to the Waitaki District Council which is the approving entity for such a leave request. The leave period is for six months (which is longer than the two-month meeting cycle for Waitaki's community boards and is the maximum allowed); a formal resolution of Council is being sought at this meeting; and Ms Linklater has stated her intention to comply with the total absence requirements as set out in the criteria, and accepted that the leave, if granted, will be without pay for the whole period.

Under Clause 13.3 (Leave of Absence) of Waitaki District Council Standing Orders, "*A council may grant a member leave of absence following an application from that member. The council may delegate the power to grant a leave of absence to the Mayor in order to protect a member's privacy. The Mayor may approve a member's application, and the Council may approve an application from the Mayor. The Mayor will advise all members of the council whenever a member has been granted leave of absence under delegated authority. Meeting minutes will record that a member who has leave of absence as an apology for that meeting*".

Pursuant to that Clause 13.3, Waitaki District Council has not delegated the power to grant a leave of absence to the Mayor, and therefore Ms Linklater's application must be considered by the full Council.

Ms Linklater has advised that she is keen to return to her elected member position upon the expiry of her maternity leave (if granted). However, if she was to decide not to return, and effectively resign from her position within or at the end of the leave period, then it would not trigger a by-election in the Waihemo Ward in this triennium because it will be within 12 months of the expected date of the next Local Body Election (in October 2022).

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Approve the elected member's request for an extended leave of absence (preferred option)

Option 2 – Approve the elected member's request for an extended leave of absence for a period less than the six months being sought

Option 3 – Decline the request

ASSESSMENT OF PREFERRED OPTION

Option 1 is the preferred option. Ms Linklater's request meets the Remuneration Authority criteria for eligibility for an extended leave of absence for an elected member, and she has confirmed her willingness to abide by the total absence requirements and to accept that the leave will be without pay. The saving in remuneration for the leave without pay period would amount to \$3,067 – ie 50% of the annual remuneration for a Waihemo Community Board member as set down in the Local Government Members (2021/22) Determination 2021.

Option 2 is not recommended because Ms Linklater already has approved parental leave from her daytime employer for a period of six months and a shorter period of approved leave from her elected member position may mean that she would feel the need to resign to avoid a conflict of timeframes.

Option 3 is also not recommended because Ms Linklater's application meets the Remuneration Authority eligibility criteria and it has the support of the Waihemo Community Board. If declined, Ms Linklater could still submit an apology for each of the three Community Board meetings that are scheduled to be held within the proposed leave period, but then she would still be entitled to be remunerated in accordance with the current Determination 2021.

CONCLUSION

Approving Ms Linklater's application for an extended leave of absence without pay for the six months from 1 October 2021 to 1 April 2022 will enable her to align her leave as an elected member with that already approved by her daytime employer. It will also save 50% of the stated remuneration for a Waihemo Community Board member. The application has the support of Ms Linklater's fellow Waihemo Community Board members, and democracy will still be well served in the Waihemo Ward through the Chair, other Board members and the Mayor who directly represents the whole district.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We understand the diverse needs of our community

Legal Considerations

These have been discussed in the body of the report.

Publicity and Community Considerations

A media release announcing Ms Linklater's extended leave of absence from her elected member position on the Waihemo Community Board, and that is not available to conduct Board work during the leave period, is recommended. Council's website will also be updated to remove her contact details and advise her leave status.

5 MEMORANDUM REPORTS

5.1 RESIGNATION OF AHURIRI COMMUNITY BOARD MEMBER PETER ELLIS

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

RECOMMENDATIONS

That Council:

1. Formally acknowledges receipt of the resignation of Ahuriri Community Board Member Peter Ellis with effect from 20 October 2021; and
2. Considers passing a Minute of Appreciation for Mr Ellis at this meeting.

PURPOSE

To report to Council the resignation of an elected member to the Ahuriri Community Board.

BACKGROUND AND SUMMARY

At the 10 May 2021 Council Meeting, Council approved a six-month extended leave of absence without pay for Ahuriri Community Board member Peter Ellis, for the period from 3 May 2021 to 3 November 2021.

On Wednesday 20 October 2021, Council received a letter of resignation from Mr Ellis from his position on the Ahuriri Community Board. The resignation takes effect from the date of the letter.

Mr Ellis referred to his appreciation for the opportunity to have served the community as a member of the Ahuriri Community Board, and advised that he is no longer resident in the district.

Mayor Gary Kircher acknowledged receipt of Mr Ellis' letter of resignation by reply, and thanked him for the service he has given to Waitaki in his role on the community board and in other roles in which he has contributed a lot to the district over the years.

MINUTE OF APPRECIATION

Council may wish to resolve a Minute of Appreciation for Mr Peter Ellis at this meeting.

AHURIRI COMMUNITY BOARD REQUEST

The Ahuriri Community Board Chair has expressed interest in co-opting a member of the public onto the Ahuriri Community Board for the remainder of this triennium, following Mr Ellis' resignation. This request is now being investigated and a report will be included in the Ahuriri Community Board's agenda papers for its 8 November 2021 meeting for consideration. Factors such as voting rights, remuneration and appointment approvals will be among the matters to be discussed in the officer's report. A follow up report could be included in the 8 December 2021 Council Meeting agenda, if the Board makes a decision to pursue the matter at its November meeting.

5.2 WAITAKI RESOURCE RECOVERY TRUST ANNUAL REPORT 2020/21

Author: Erik van der Spek, Recreation Manager

Authoriser: Paul Hope, Acting Assets Group Manager

Attachments: 1. Waitaki Resource Recovery Trust 2020/21 Report

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

To provide Council with the Waitaki Resource Recovery Trust Annual Report for the annual reporting period that ended on 30 June 2021.

BACKGROUND

Last financial year, Waitaki District Council provided \$243,000 to the Waitaki Resource Recovery Trust to support their local resource recovery activities.

The attached report summarises the work undertaken.

Geoff Brown and Dick Cottier (Trustees) and Trish Hurley (Manager) will attend the meeting and answer any questions.



Annual Report: July 2020-June 2021

Written by
Trish Hurley
Operations Manager

Financial Report

Executive Summary

Payments (Appendix 1)

Payments requiring confirmation for the month of June 2021 were \$33489.57 and included a non-operational payment of \$3208.50 to Confidence Can.

**Profit and Loss
Waitaki Resource Recovery Trust
1 July 2020 to 30 June 2021**

	30 Jun 21	30 Jun 20	30 Jun 19
Income			
Builders Waste Income	\$656.53	\$476.10	\$693.89
Cardboard Income	\$67,119.03	\$12,121.44	\$50,402.25
Demolition Income	\$4.35	\$0.00	\$0.00
E Waste Income	\$9,857.20	\$7,970.58	\$9,778.79
Electrical Income	\$429.75	\$160.82	\$53.05
Furniture Income	\$2,272.54	\$1,431.68	\$197.57
Garden Corner income	\$17,571.13	\$14,449.37	\$0.00
Glass Income	\$22,174.42	\$20,598.32	\$20,199.10
Green Waste Income	\$28,244.22	\$27,056.72	\$28,935.35
Metal Income	\$14,338.77	\$10,065.94	\$15,710.31
Mulch income	\$3,206.71	\$1,228.20	\$1,590.93
Other Fees	\$5,049.48	\$5,158.99	\$104.35
Other Sales	\$326.75	\$69.48	\$0.00
Paper Income	\$0.00	\$928.22	\$8,952.85
Pick up and Delivery Income	\$1,174.36	\$2,788.84	\$3,540.73
Plastic Income	\$41,674.70	\$22,158.35	\$39,483.86
Recycling Charge	\$87,471.25	\$36,286.81	\$33,142.64
Refuse Income	\$100,250.70	\$108,114.13	\$99,164.91
Shop Income	\$153,029.40	\$116,763.70	\$122,805.67
Total Income	\$554,851.29	\$387,827.69	\$434,756.25
Less Cost of Sales			
ACC Levies	\$9,261.21	\$10,989.56	\$12,846.36
Baling	\$15,749.88	\$7,890.00	\$10,630.57
Cartage	\$23,178.30	\$35,132.68	\$19,264.84
Consignments	\$0.00	\$0.00	\$0.00
Electrical Testing & Degassing	\$1,022.00	\$220.00	\$821.25
Electricity	\$7,498.56	\$6,024.62	\$6,243.66
Equipment Leases	\$1,317.96	\$2,679.80	\$8,368.76
Ewaste Consignments	\$7,586.60	\$9,315.75	\$8,152.90
Fuel	\$6,300.21	\$6,601.64	\$8,357.09
Payroll	\$628,803.87	\$661,928.59	\$684,245.62
Providing Literacy Services	\$28,078.00	\$38,055.00	\$22,096.25
Purchases	\$4,465.75	\$3,186.13	\$0.00
Repairs & Maintenance Plant & Vehicles	\$6,644.20	\$9,994.68	\$9,531.22
Residual Waste Disposal	\$122,945.89	\$89,007.24	\$104,627.81
Total Cost of Sales	\$862,852.43	\$881,025.69	\$895,186.33
Gross Profit	-\$308,001.14	-\$493,198.00	-\$460,430.08

Plus Other Income

**ADDITIONAL COUNCIL
MEETING AGENDA**

26 OCTOBER 2021

Donations Received	\$4,431.25	\$8,497.81	\$9,196.61
Interest Received	\$66.84	\$50.49	\$26.44
Project Grants & donations	\$0.00	\$18,421.00	\$3,726.00
Subsidies	\$16,707.47	\$36,076.08	\$50,289.73
Tertiary Education Commission Grant	\$0.00	\$0.00	\$0.00
WDC Operating Grants	\$242,000.00	\$363,000.00	\$361,500.00
WDC Site Redevelopment Grant	\$31,742.26	\$27,249.18	\$91,459.88
Total Other Income	\$294,947.82	\$453,294.56	\$516,198.66
Less Operating Expenses			
Accountancy Fees	\$5,165.00	\$6,025.00	\$7,090.00
Advertising	\$130.43	\$80.00	\$152.39
Assets Under \$500	\$0.00	\$0.00	\$173.90
Audit Fee	\$3,100.00	\$3,060.00	\$3,050.00
Bank Fees and Charges	\$180.70	\$195.60	\$773.45
Computer Expenses	\$394.26	\$196.00	\$527.00
Conference, Courses and Training	-\$315.78	\$413.04	\$169.57
Depreciation	\$0.00	\$0.00	\$0.00
Donations	\$0.00	\$0.00	-\$1,000.00
Health & Safety	\$11,841.71	\$3,001.80	\$2,998.09
Insurance	\$9,691.25	\$10,743.08	\$10,431.52
Interest	-\$9.87	-\$6.07	-\$66.78
Light Heat and Power	\$0.00	\$0.00	\$0.00
Motor Vehicle Expenses	\$195.04	\$512.71	\$661.40
Other Employee Costs	\$0.00	\$17.39	\$1,764.68
Postage	\$178.07	\$187.87	\$345.33
Repairs & Maintenance	\$3,708.46	\$25.00	\$304.94
Staff Amenities	\$3,791.88	\$2,338.90	\$2,997.93
Stationary & Office	\$3,700.33	\$2,530.14	\$1,999.01
Subscriptions & Fees	\$4,278.09	\$4,156.31	\$4,112.93
Telephone & Tolls	\$2,792.48	\$3,050.83	\$3,766.88
Yard Maintenance	-\$8,986.52	\$0.00	\$0.00
Total Operating Expenses	\$39,835.53	\$36,527.60	\$40,252.24
Net Profit	-\$52,888.85	-\$76,431.04	\$15,516.34

Landfill diversion Monthly figures 2020-2021

Month	Cardboard	Ewaste	Glass	Green-waste	Metal	Paper	Plastic	Shop	Total recycled	Landfill	Total	Diversion %
Jul-20	67.54	3.02	90.46	10.16	11.09	0.00	11.42	54.03	247.72	38.82	286.54	86.45
Aug-20	46.44	11.30	36.24	11.30	9.41	0.00		62.14	176.83	21.92	198.75	88.97
Sep-20	65.24	2.43	35.48	10.11	5.84	0.00	43.15	67.65	229.90	27.44	257.34	89.34
Oct-20	24.02	3.26	0.00	10.27	8.17	0.00	19.80	69.28	134.80	36.86	171.66	78.53
Nov-20	51.60	3.37	86.64	4.53	2.19		17.18	66.06	231.57	29.40	260.97	88.73
Dec-20	73.50	2.48	50.04	15.27	8.35		28.65	62.64	240.93	34.28	275.21	87.54
Jan-21	44.94	4.44	68.34	18.22	0.00	0.00	46.63	57.35	239.92	40.90	280.82	85.44
Feb-21	40.02	0.00	50.50	18.63	8.19		28.24	53.65	199.23	56.00	255.23	78.06
Mar-21	36.03	0.74	49.86	23.39	6.61		48.09	69.40	234.12	43.86	277.98	84.22
Apr-21	48.08	3.22	50.74	18.81	6.26		20.85	60.90	208.86	46.60	255.46	81.76
May-21	43.96	5.04	17.80	14.44	8.92		24.17	52.35	166.68	52.32	219.00	76.11
Jun-21	48.11	2.60	50.88	10.07	2.84		16.95	43.81	175.27	32.12	207.39	84.51
									0.00			
Total	589.48	41.90	586.98	165.20	77.88	0.00	305.13	719.26	2485.83	460.52	2946.35	86.45
Stock on hand	15.00	2.00	34.64	4.00	8.00	51.00	75.00		189.64			
Total	604.48	43.90	621.62	169.20	85.88	51.00	380.13		2675.47			

Cost averted by diversion @ \$285 168001.80 11942.78 167289.30 47082.00 22195.29 0.00 86961.77 204989.10 708462.03

Disposal per tonne \$285.00 \$708,462.03
 Transport per tonne \$43.75 \$108,755.14
 Total cost averted \$817,217.17

Including stock \$285.00 \$762,509.43
 Transport \$43.75 \$117,051.89
 Total savings for Recycling \$879,561.32

Expenditure & Income

WRRT have shipped 305.13 tonne of plastic. With the majority being to new markets within New Zealand, This is an increase of 147.19% from the previous year. This is due to acquiring new markets and reinstatement of previous markets to different companies.

With the introduction of new markets throughout the year our recycling figures are up in cardboard by 24.37%, glass 12.20%, shop 28.62%. We anticipate these to increase further with the introduction of new markets as they come to fruition.

Metal prices have been very slowly to return to previous figures, they have now started to come back a little.

We have been able to reinstate our paper recycling. Cardboard prices are remaining stable with an increase this quarter.

Study Tour & conferences

I recently attended a study tour of the lower North Island. This proved to be extremely beneficial to our operation as I was able to develop some great working networks and potential markets that weren't available to us prior to this tour. As a result of the tour and the networks I developed, we have been offered the trial of Tetra Pak recycling which is only available to our district at this time. See below.

Having Council support and enabling me to attend conferences and tours of other facilities is giving us a leg up in developing our markets and networking resources and very much appreciated.

Trial recycling project

Tetra Pak, in partnership with the Waitaki Resource Recovery Park, are launching New Zealand's first paper-based food package community collection initiative. The pilot will turn used Tetra Pak cartons into low-carbon building materials (predominantly for housing). It is hoped this will be the first of many national resource recovery initiatives aimed at encouraging more Kiwis to recycle their used Tetra Pak cartons.

Currently, there are limited collection streams in New Zealand for paper-based milk and juice cartons. This new initiative, with The Resource Recovery Trust to collect Tetra Pak Cartons, aims to decrease the number of cartons going to landfills in the Oamaru/Waitaki area. Other community groups throughout the country are being approached to trial this initiative in the hope it will be adopted nationwide.

The Waitaki Resource Recovery Trust are providing a bin for the community to dispose of the cartons which are then sorted before they are flattened, baled, and sent north to SaveBOARD in Te Rapa (near Hamilton). SaveBOARD will use these cartons, as well as feedstock from other sources to create low-carbon building materials from everyday packaging waste. The used cartons are turned into high-performance building materials that can themselves be recycled.

New Markets

WRRT are currently working on an additional 2 markets to be able to offer recycling options for another 2 hard to recycle products. We are working closely with the Packaging Forum, Goodman Fielder & Expol NZ to get these sorted as soon as possible.

Freight

As freight prices are increasing WRRT are at a disadvantage due to our location. In order to gain the best possible price we have started to send larger consignments, which means we will have more stock on site until the required amount of bales are achieved for shipment.

Due to the difficulty in getting bookings on ships for exporting overseas we are trying to only use New Zealand markets where possible.

Social Benefit

We currently have 5 volunteers through corrections, 6 from Waitaki Boys High School; we have also been approached from another School to join this program. WRRT are the only agency where Probation can send volunteers for community work.

There are 7 volunteers for work experience from other community groups. Total savings in wages is \$92,000. Benefit back into the community by having a facility where people can come is priceless. We have done 4 Site tours with local schools with another due in the next couple of weeks. This has slowed down from previous years. This could be due to development of the Enviro in schools program and the uncertainty of Covid 19.

Health and Safety

WRRT's Health and Safety program complies fully with the recently introduced new standards. We carry out a three weekly Health and Safety audit's and discuss the findings at our regular Team Talk meetings. Any concerns are then taken to the Board of Trustee monthly meetings for discussion.

WRRT have developed a H & S committee that meet fortnightly to go over any situations that have arisen.

Workplace Literacy

Due to the changes the Tertiary Education Commission has made to funding application guidelines, we are unable to apply for the funding for the Workplace Literacy program in the same format as the lead provider in the consortium. Prior to the changes we could have multiple workplaces to get the required amount of learners. The new requirements limit the amount of employers you can have to meet the required number of learners for each application. Confidence Can have taken this over and are still offering a workplace literacy program which 6 of our staff are involved in.

One of our staff who is partaking in the literacy program wanted to help the Penguin population by making houses for the Penguins. With assistance from his tutor he began working with the staff at the Colony, then getting local schools involved to put the houses together after The Oamaru Menz Shed assisted by cutting the timber ready for the children to hammer together.

Training

WRRT were due to host the Resource Recovery Training through the Zero Waste Network in March 2020 which was postponed, and then in August 2021, this was put off due to the Covid 19 Pandemic. This is now being rescheduled for a date to be decided.

Site Redevelopment

The Site redevelopment was completed at the start of 2021. Traffic flow around the site is more user friendly. This has seen better health and safety for all who use the site. There are still some issues relating to the mud on site and how best to fix this situation permanently which will then eliminate any further health & safety issues in this area.

This has been evident in the positive comments from customers and the ease at moving around the yard. Being able to go directly to the car park if they are going to the shop rather than waiting in line out on the street until the customers ahead can move on. There is less of a wait time, safer entry to the park, cars not blocking the road for other users, increased number of customers coming to the site which shows in the increased diversion figures.

Council investment

Waitaki District Council has invested \$242,000 this financial year for an operating grant to WRRT. The return for this investment is \$3.38 per dollar Council has invested. This is reflective in the diversion figures.

Commodity prices and markets are expected to remain stable in the 2021-2022 financial year. As well as possible introductions of new markets developing that we are currently working on.

WRRT have tried to reduce expenses where possible and have reduced the payroll budget by not replacing the previous Trust Manager and filling the position internally by developing the existing Site Manager with training and mentoring to be able to fulfill the position.

WRRT have been committed at trying to increase the income during this financial year. The recycling car charge was increased, developed a Garden Corner to sell recycled plants, developing a landscaping section to sell manure, soil etc.

WRRT are working closely with 2 Lions groups which are giving existing and new customers alternative location for their self service booths. This is also to reduce the risks of dishonesty by members of the public who choose not to pay at the other locations. WRRT have also approached the ATC cadet group to possibly locate a booth at the site selling their compost also.

WRRT are not charging for either party to be on site, they are using it to give back to the community by having more services available in one place to reduce customer's carbon footprints by only needing to come to one location rather than several scattered locations.

Although WRRT have had a total loss of over \$100,000 over the last 2 years, you can see the income has increased and expenditure has gone down over this financial year. WRRT have reduced costs without reducing the health and safety of the staff and the Community.

Disposal per tonne	\$285.00	\$708,462.03
Transport per tonne	\$43.75	\$108,755.14

Total cost averted		\$817,217.17
Including stock	\$285.00	\$762,509.43
Transport	\$43.75	\$117,051.89
<u>Total savings for Recycling</u>		\$879,561.32

5.3 NORTH OTAGO IRRIGATION COMPANY LIMITED ANNUAL REPORT 2020/2021

Author: Paul Hope, Finance and Corporate Development Group Manager

Authoriser: Alex Parmley, Chief Executive

Attachments: 1. North Otago Irrigation Company Limited Annual Report 2020/2021

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

To provide to Council the North Otago Irrigation Company Limited (NOICL) Annual Report for 2020/2021. This outlines the activities and performance of the company over the 2020/2021 financial year. Supply of this report is a requirement of the loan agreement between Council and NOICL.

SUMMARY

The Annual Report has more of a focus on providing a greater range of information, particularly non-financial performance information. The narrative provided on pages 3 to 13 in the report sets out the highlights as the company sees them in a number of key areas including environmental performance, risk and asset management, financial sustainability and service delivery.

The company's Board Chairperson Matt Ross and Chief Executive Andrew Rodwell will be attending the meeting to speak to the information provided and answer any questions from elected members.

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inside this report

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Cover photo:
A lateral pivot on Coal Pit Road, Enfield

This page:
High quality new pasture between Alma and Weston

Inside back cover:
Maize crop irrigated by NOIC's scheme



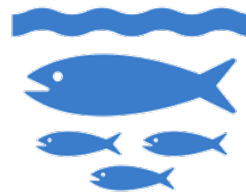
our performance at a glance 2020-21



Water supplied
60 million m3
+60% vs 2019-20



Irrigation season
294 days
a record length

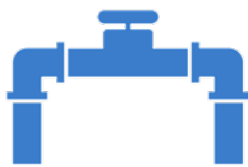


FEP audit grades

Grade	2021	2020
A	49%	32%
B	44%	65%
C	7%	3%
D	0%	0%



Lost time injuries
ZERO!
Incidents **16**
Hazards mitigated
59



Assets
\$168.7 million
+6.2% on last year



Scheduled debt repayments target
a **25% reduction** in debt by 2031



Share fixed charge **\$660**
no change on last year



Share variable charge/m3
\$0.06 no change on last year





the most reliable water supply
for irrigation in new zealand



WHAT WE DO

North Otago Irrigation Company Limited's (NOIC) purpose is to construct, maintain and operate an irrigation scheme for the benefit of its shareholders who are also the users of the water supplied through its infrastructure.

The company aims to deliver the most cost effective and reliable supply of water, while maintaining both social and regulatory licences to operate by meeting its communications and environmental objectives.

The company has a strong set of values that guide its actions and these values include confidence, prosperity, inclusiveness and openness, and equal opportunity and responsibility.

Farmer-shareholders have invested significant capital in the construction of a state-of-the-art pressurised piped system that is capable of delivering water over a significant area of North Otago. With the expansion completed and now delivering water, there is over 200km of pipe in the ground and sixteen highly automated, enclosed pumping stations in operation.

NOIC is founded on cooperative principles and was created entirely for the direct benefit of its shareholders. Reflecting this, the company's primary objectives are around the prudent and safe management of its assets, including its human resources, as well as adherence to the environmental obligations that allow it to operate within the North Otago and wider community.

People pics from top to bottom:

Anna, Brent and Tim Craig of Bowalley Free Range Farm.

Blair Smith inspecting his brassica crop.

Apiarist David Ruddenklau of Newhaven Farms.

Rosedale Farm owners (from left) Peter and Sandra Mitchell with Topflite marketing co-ordinator Samara Allardice enjoying a sunny crop near Weston (photo by Stephen Jaquiere, courtesy of the *Otago Daily Times*).



irrigation to support diversity

Riparian plantings on Waiareka Stream feature New Zealand bulrush/raupo (*Typha orientalis*).

ENVIRONMENTAL MANAGEMENT

North Otago Irrigation Company has a strong commitment to environmental management, which we implement at a scheme level through our well-developed Environmental Management System, based around Farm Environment Plans (FEPs) and auditing.

The environmental team continues to assess the regulations coming from both central and local government, and to review our systems and processes to ensure we can best support our shareholders to meet these challenges.

Highlights for the year include:

- > The 2020/2021 irrigation season saw 52 farms audited within the NOIC scheme area, 93% of which received an A or B (Pass) grade.
- > Engagement with the NOIC FEP and audit process has continued, with farmers being generally well prepared for audit.
- > Our FEP template was approved by ECan, allowing its use within the Canterbury Region.
- > Irrigation workshops at the start of the season had excellent turnouts and NOIC will continue to provide development and training opportunities to shareholders.
- > NOIC held a successful and well received Fixed Grid Information Day to encourage farmers to think about fixed grid systems on steeper parts of their farms.
- > An extensive Critical Source Area mapping project was undertaken in the Awamoko

Stream catchment. This will help form specifics for planting, stock exclusion and other mitigation opportunities which are key to supporting water quality improvement in this catchment.

- > NOIC hosted 'drop-in days' to aid shareholders to understand new intensive grazing rules and assist with consent applications and completing intensive grazing management plans.
- > An intensive grazing photo competition was held to celebrate excellent management in this important emerging area.
- > NOIC's commitment to our strategic partnerships continued, with regular engagement with Te Runanga o Moeraki through the year, including our shared intent to progress joint environmental projects.
- > NOIC has commenced a contract to provide environmental management services to the Kurow-Dunroon Irrigation Company and has begun to implement our environmental system and processes with this scheme. We look forward to the new relationships and challenges this will bring.
- > Compliance with all ORC consent conditions.
- > \$84,000 total spend on environmental initiatives.



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our commitment is zero harm!

Ian Richards, drive technician of DRS, servicing variable speed drive (VSD) units at Glen Settlement extension pump station

HEALTH AND SAFETY AT WORK

The Board and Management of NOIC are committed to providing and maintaining an environment that is safe and without undue risk to workers and others who can be affected by our work.

The Board maintains a Health and Safety Charter and reviews it on a regular basis. Health and Safety is a formal agenda item at all board meetings and at least one in-field visit is completed by the directors each year.

The Company recorded no lost-time injuries during the year.

Staff and contractors remain continuously involved in the implementation and continuous improvement of health and safety management systems.

During the year safety fencing around valves and pump station forebays was improved, isolation procedures for pipeline shutdowns were updated, and rope buoys extended at the head pond.

Procedures and controls were updated with actions including the continued identification of at-risk infrastructure, reviewed and improved procedures while operating under COVID 19 alert levels, and pro-active approach employed to address any signs of slumping.

H&S RECORD 2020/21

- 0** Lost-time injuries
- 16** Incidents
- 59** Hazards mitigated



NOIC operator Will Fisher giving a newly-installed underground supply pipe the all-okay





REPORT FROM THE CHAIR AND CHIEF EXECUTIVE

As the door closes on another year end for the Company, we inevitably reflect on what has been achieved during the past 12 months as we bring this report to you, our shareholders.

In a departure from the past where both the Chair and CE provided separate reports largely about the same things, we have decided a combined effort will bring together a better and more concise summary of the year that was.

Last year we referred to our Five-Year Strategic Plan, a document which guides many of the decisions we take throughout the year. That plan presents a vision: "To be a strong, adaptable, water infrastructure company".

Given the effects of Covid-19, the extraordinarily dry year and the number of regulatory changes proposed or imposed by the government, our capacity to remain strong and adaptable has been severely tested. However, the Company has passed that test, in this year, with flying colours.

Through a number of strategic calls, involving our financial/capital arrangements, our infrastructure and our security to continue to take and deliver water, NOIC is in very good shape, stronger and more able to meet the needs of our farmer shareholders.

Throughout the year, we sought to stay true to our mission: "to deliver cost-effective, reliable water, be committed to environmental leadership, and enable positive social and economic outcomes".

First and foremost, our job is to deliver you water.

Replacement motors for two of our four primary pumps at Pump Station One (PS1) were delayed in arriving in New Zealand due to the disruptions to shipping brought about by Covid-19. The remaining two pumps simply could not keep up with the exceptionally high demand for water and we had no choice but to put farms on a one-in-seven day roster for a time. Our thanks to all for helping the scheme and your fellow shareholders get through this.

The season started earlier than the usual first of September and, other than a few weeks over Christmas, demand remained unusually high and didn't taper off in March/April, as it tends to.

In all, the scheme delivered 60 million m3 of vital water, nearly 60% more than usual.

Like any gear that is run harder and longer than usual, it needed maintaining on the fly through the season and a big thank you to our

Pictured left: vegetable seedlings in a tunnel house at Statement Trees, south of Alma. Irrigation includes an overhead system, but hand-held sprinklers are preferred to achieve controlled saturation with "a gentle touch".

Pictured above: installation of NOIC's new P11 2.5MW primary motor at Pump Station One in October 2020.

North Otago Irrigation Company Limited
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operations team for making that happen.

Covid, of course, affected so many Kiwis. As an “essential service company” we were able to continue with our maintenance programme last autumn-winter, following the MoH guidelines and ensuring the safety of our people and the contractors we brought in.

And finally, the regulatory changes. We are acutely aware of how much this affects farmers and the joy of farming. In order to remain able to supply water to our shareholders, we must remain compliant with all conditions of our Consents and all regulations that apply to farming.

The Company has required its shareholders to have, and to manage their farming operations with, Farm Environment Plans. These are designed to identify where the environment may be at risk as the result of the farming system operated and to list the ways this risk will be mitigated. We believe we can be grateful for the discipline this has brought to the NOIC farming family as our farmers are considerably better prepared to cope with some of the changes being foisted on the sector.

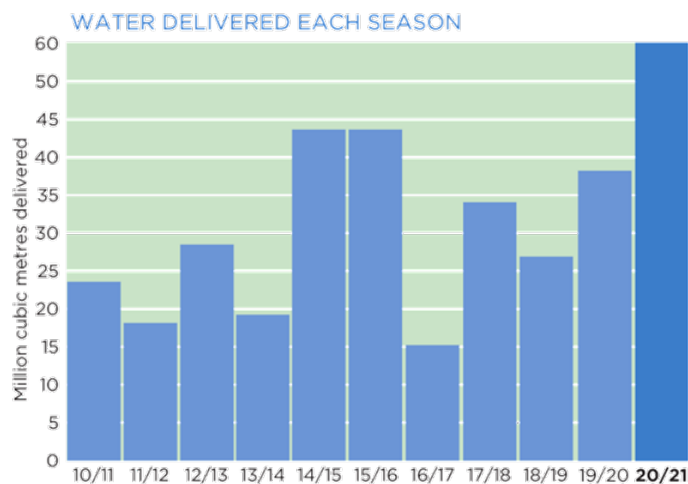
When it is all said and done, we farm in what is officially a drought region in New Zealand – generally considered one if the annual rainfall averages less than 560mm.

In the 11.5 months to Dec 20, 2020, there had been roughly 270mm, less than half with two weeks to run.

Without NOIC, high productivity farming in North Otago would simply not have been possible last year and these are the times we remember the vision and foresight of the farmers whose commitment created the North Otago Irrigation Company and the value of holding shares in this Company.

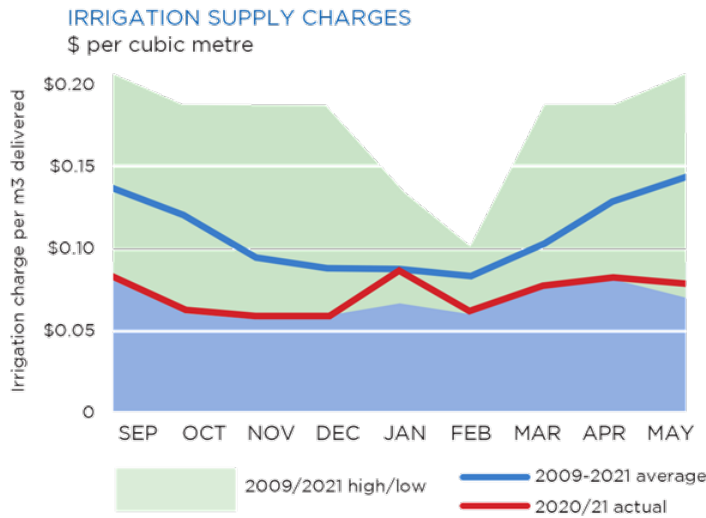
FINANCIAL PERFORMANCE 2020/21

Financial performance was positive and consistent. As is our policy we did not seek to generate more in revenue than was needed to meet our costs:



- > Income from all sources was \$15.1 million.
- > Fixed charges per share were unchanged. Fixed charge revenue was 1% higher than in the 2020 financial year reflecting additional shares issued.
- > Variable supply charges, at \$0.06 per cubic meter, equalled the record lows set last year.
- > Of our main costs:
 - Electricity was 37% higher driven by a 60% increase in water volume delivered to farmers;
 - Interest costs decreased slightly reflecting favourable reductions in market interest rates.
- > Depreciation, for accounting purposes, was more than capital expenditure for the year, and operating cashflow was no more than necessary to cover necessary costs and scheduled loan repayments.
- > A significant outcome was concluding new borrowing arrangements with the ASB and Waitaki District Council as our principal lenders. The WDC loan is rearranged on a new 10-year term and principal repayments are now being made on both loans. Principal repayments will strengthen the Company's balance sheet and set the Company up well for the future. In putting these arrangements in place, we reduced the WDC loan by \$2m, funded by the issue of more shares and from surplus cash on hand. WDC's support through the negotiation of this new loan and the

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- partnership we enjoy with them is greatly appreciated.
- > The Company ended the year with prudent levels of liquidity on hand to cover contingencies.

KEY OUTCOMES 2020/21

**Capital structure —
Waitaki District Council
and ASB loans**

During the year the Company negotiated a new loan facility agreement with the Waitaki District Council. The existing agreement was to have expired in 2022, requiring the settling of the \$17 million balance.

The new agreement included the repayment of \$2 million to the Council and an extension of the balance (\$15 million) to 2030. Alongside that, a new facility agreement was negotiated with ASB, which includes the shortening of the amortisation term (to strengthen the company's balance sheet) and flexibility on the calculation of the annual covenant. This latter condition is especially important to the Company and one that has been sought for some time.

New motors

As mentioned earlier, two new 2.5MW Hyundai motors were installed and commissioned in PS1.

Sale of high-voltage assets

When the scheme was first built the Company acquired and installed the high voltage equipment necessary to receive Transpower's main 110kV supply and step it down to 11kV for use by the scheme's motors. The equipment is highly specialised and presented such a high safety risk that it was maintained by external contractors.

NOIC is a water infrastructure business with no capability nor wish to have capability in managing high voltage electrical equipment. As a result, we sought an arrangement with Network Waitaki Ltd (the logical owner and operator of HV gear) to

purchase these assets from NOIC. This deal was completed at a transaction price of \$1.8 million in late-2020. NOIC and NWL have entered a long-term Private Network Service Agreement which establishes commercial and service terms. This is a much safer situation for NOIC.



NOIC Chair Matt Ross and Network Waitaki Chair Chris Dennison signing a Private Network Service Agreement which has many advantages for NOIC.

Second 110/11kV transformer

One of the greatest risks to being able to deliver water to farms is power failure and the key risks for this was our total reliance on a single transformer.

Were it to fail the options included



**North Otago Irrigation Company Limited
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borrowing one from Transpower (there is only one other in New Zealand), or having a new one built, which would take nine months.

Given three or more weeks without water in the peak of the irrigation season would be catastrophic for farms and this is an unacceptable risk.

As part of the sale of HV assets to Network Waitaki Limited (which included the single transformer), NWL was required to purchase a second transformer, to be kept at the HV yard at Blackpoint and able to be switched on within seven days should the operating transformer fail. That transformer has been set up at Blackpoint and for the 2021/22 irrigation season and beyond, the risk of transformer-failure has been removed.

Share sales (IM2)

An Information Memorandum containing an Offer for Shares was released during the year. The uptake was a further 397 shares sold, with some still being processed for connection or consent eligibility, leaving around 1950 left to sell.

This is a pleasing position; however, we remain committed to seeing the last of these shares sold, with the financial benefits of a fully utilised scheme being enjoyed by all shareholders. The terms in the recent offer were designed to reduce the upfront financial load on applicants and this was welcomed by many. With the close of the offer, shares are available again on standard terms: 10% deposit and the balance on connection. The board has no plans at this stage for a new, special offer.

EMS overseer contract

During the year the Kurow-Dunroon Irrigation Scheme contracted NOIC to manage its Environmental Management System (EMS) for at least the next three years, effectively to oversee its environmental programme.

As a Canterbury-based scheme this does present some challenges, however, we are confident of doing this well, and enjoying the synergies of scale, with the cost to deliver the NOIC and KDIC EMS programmes less for the shareholders in both schemes.

Consent renewal

NOIC's consent to take water from the Waitaki River expires in 2030. We are determined to be well-prepared and give ourselves the best possible chance of securing a renewal from ECan with as few, if any, new conditions.

To that end, we commissioned an environmental consultancy to provide an assessment of the "issues", particularly regulatory issues, we need to be aware of. There are a few, none of significance other than the likely need to upgrade our fish bund for a mechanical screen, to meet the requirement to screen out native species.

Community engagement

We continue to ensure NOIC is well connected in the community and with our stakeholders through our funding of NOSLaM (the local catchment group), representation on the board of the Waitaki Irrigators Collective (WIC) and on the Board of IrrigationNZ.

Further stakeholder relationships with the Irrigation Scheme CEO's Forum and with Te Runanga o Moeraki are critical to our role as members of the Waitaki and wider, irrigation community.

Student scholarship

While we will all shape our future, living in it and managing it will fall to the next generation. To that end, NOIC continues to support the education of our young people with the NOIC Tertiary Scholarship.



Sophie Hawkins receiving her NOIC Tertiary Scholarship from Emily Anderson (NOIC Environmental Manager) and Andrew Rodwell (NOIC Chief Executive).

Pivot irrigator near Alma



Bortons Pond, the location of NOIC's intake from the Waitaki River and a popular recreational area

In 2020, Sophie Hawkins was selected from a strong field of applicants from schools across the Waitaki region. Sophie is studying Agricultural Science at Lincoln University, with a focus on animal, plant and soil sciences and a goal to use this to preserve and enhance waterways for future generations.

FUTURE FOCUS

The board continues to progress ideas and challenge our thinking as an organisation to ensure we remain fit for purpose in a rapidly changing world.

As noted earlier, the Company is in a very good state. There will still be headwinds, not the least of which will be rising electricity and transmission costs, but NOIC is well-prepared to weather these.

Regulatory change is a dominate feature of the rural sector – water quality, GHG's, SNA's, biodiversity and so on. We are conscious how much pressure this puts on you, as farmers.

Our role is to use our strengths to alleviate as much of this as possible, whether directly or indirectly through our involvement with key stakeholder groups, such as WIC and IrrigationNZ, or through our drafting submissions on issues that matter to you.

NOIC is your Company, so reach out when required. We are resourced to help in this space and always happy to do so.

Dealing with issues such as these in a

collective way is certainly going to become a more important part of our future.

We will actively engage with other like-minded organisations to ensure we advocate strongly, maintain cost effectiveness and avoid duplication.

Building on existing relationships and looking to develop new ones with key stakeholders is also a high priority and likely a crucial part of any future successes.

As a Company, it is important we remain proactive in our approach, can demonstrate real progress and encourage all shareholders to be better farmers. However, we don't make decisions for you or give effect to your actions on farm.

Public pressure and wider stakeholder expectation continue to build. Longer term this will most likely be reflected in any future consent conditions while the short-term implications mean the increased scrutiny of our auditing and Farm Environment Plan processes.

Finding balance and demarcation of responsibility is an increasing tension for the Company. We need shareholder support and engagement with this. Examples of poor practise and on-farm decision making need to be a thing of the past.

We are not alone on these issues, and with time we expect to see more collaboration and coordination between the irrigation

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companies as we all seek to improve consistency, efficiency and delivery on regulatory expectations.

Scheme integration and consolidation seems to be a logical next step in this process and the board supports this direction of travel. The recent agreement to provide environmental services to KDIC is a step in that direction.

OUR PEOPLE

In this most difficult of years, our people shone. The commitment of the team was exceptional. You, our customers, and the level of service we aim to provide is top-of-mind always.

We strive to deal professionally and efficiently with enquiries, with offtake and water supply issues, and any other matters that impact on you. We aim to keep the process of producing and auditing FEPs as smooth as possible. In short, we aim to be as “customer-oriented” as we can be.

We have implemented measures to record and report on these service level goals, which include water supply outages and response times to call-outs.

Lastly, our thanks to the Board. The four shareholder-elected farmer directors and three independent directors bring skills, experience, enthusiasm and leadership to enabling a strong management team and the best outcomes for shareholders.

On behalf of the Board, thanks go to Andrew and the team for their efforts over the past year. There has been plenty to do and a good deal of it quite challenging at times. However, all tasks whatever they may have been, are consistently met with a positive can-do attitude and the Company is in a good place as a consequence.

All the best for the season ahead.

Matt Ross
Chairperson

Andrew Rodwell
Chief Executive



STRATEGIC PLAN

Vision:

To be a strong, adaptable water infrastructure company.

Mission:

To deliver cost-effective, reliable water; be committed to environmental leadership and enable positive social and economic outcomes.

Strategic priorities:

- > Shareholder value
 - Water security
 - Scheme integrity
 - Economic sustainability
- > Environmental leadership
- > Staff development
- > Community engagement (social capital/ thriving Waitaki).

Values:

- > Respect - we will value and respect relationships with our shareholders, our people and our community
- > Safety - we will prioritise the wellbeing of all people
- > Leadership - we will strive to be good environmental stewards, setting aspirational standards and acting with integrity
- > Transparency and fairness - we will maintain strong co-operative principles
- > Prosperity - we will operate in the best interests of our shareholders
- > Personal achievement - we will aspire to improve, to be excellent in all that we do.

Measures of success:

- > No increase in nominal charges for water/ha
- > All shares subscribed/relative cost of water declines
- > Core services are provided to other schemes, with mutual benefit
- > A successful outcome on the Water Allocation Plan (2025) and the renewal of our consent (2030)
- > NOIC is recognised for its farmer engagement and environmental leadership.



Directors' Responsibility Statement

For the year ended 30 June 2021

The Directors of North Otago Irrigation Company Limited are pleased to present the financial statements for the Company for the year ended 30 June 2021 to shareholders.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly reflects the financial position for the Company and the results of its operations and cash flows as at 30 June 2021.

The Directors consider the financial statements of the Company have been prepared using accounting policies that have been consistently applied that are supported by reasonable judgments and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Company and the compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Annual Financial Statements are signed for on behalf of the Board, and were authorised for issue on the 9th of September 2021.

Matt Ross
Director
9 September 2021

Geoff Plunket
Director



Company Information

For the year ended 30 June 2021

DIRECTORS

Matt F Ross (Chair)
Paul B Hope
Gareth L Isbister
Grant A Isbister
Callum R Kingan
Geoff P Plunket
Sina Cotter Tait

CHIEF EXECUTIVE

Andrew Rodwell

NATURE OF BUSINESS

Management and operation of irrigation infrastructure

CONTACT

Phone 03 433 1201
Email office@noic.co.nz
Postal PO Box 216, Oamaru 9444

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North Otago, New Zealand

REGISTERED OFFICE

Harvie Green Wyatt
229 Moray Place, Dunedin

ADDRESS FOR SERVICE

Harvie Green Wyatt
229 Moray Place, Dunedin

SHARE REGISTRAR

Harvie Green Wyatt, Dunedin
229 Moray Place, Dunedin

BANKER

ASB Rural Corporate, Dunedin

SOLICITORS

Berry & Co, Oamaru

AUDITORS

Crowe Horwath New Zealand
Audit Partnership, Dunedin



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 44 York Place
 Dunedin 9016
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of North Otago Irrigation Company Limited

Opinion

We have audited the financial statements of North Otago Irrigation Company Limited (the Company) on pages 20 to 47, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
<p>Valuation of Infrastructure Assets</p> <p>Infrastructure assets total \$155 million and represent 95% of the company's total assets. The infrastructure assets are revalued by an independent valuer every 3 years with the last revaluation being done at 30 June 2021.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ Reviewing minutes and reports of the directors and management to identify any critical maintenance discussions, ▪ Assessing the nature of costs incurred in capital projects by testing a sample of costs and determining whether the expenditure met the capitalisation criteria, ▪ Assessing the nature of costs incurred in repairs and maintenance projects by testing a sample of costs

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	<p>and determining whether the expenditure met the repairs and maintenance criteria,</p> <ul style="list-style-type: none"> ■ Reviewing the company's assessment of impairment of infrastructure assets ■ Reviewing the company's assessment of useful lives allocated to all major assets. ■ Assessed the valuation reports prepared by managements expert, including the methodologies employed and key assumptions and estimates used ■ Assessed the valuers qualifications, expert competence, capabilities and objectivity to undertake the valuations ■ We confirmed the valuation approach was aligned with accounting standards and suitable for use in determining the fair value as at 30 June 2021
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Information Other Than the Financial Statements and Auditor's Report

The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.

Emphasis of Matter

Without modifying our opinion, we draw attention to the disclosure in note 31 on page 46 which outlines the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Directors' Responsibilities for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,



they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Restriction on Use

This report is made solely to the Company's Shareholders, as a body. Our audit has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Michael Lee

For and on behalf of:

A handwritten signature in blue ink that reads "Michael Lee".

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Invercargill this 9th day of September 2021

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
Revenue	2	15,149	14,162
Expenses			
Scheme power		4,693	3,428
Environmental		84	86
Scheme operations		89	84
Scheme repairs and maintenance		1,387	1,010
Accounting and finance		53	50
Audit fees		32	24
Directors' fees		120	118
Insurance		493	464
Rebate paid to irrigators		-	701
Other general and administration expenses		1,629	1,554
Depreciation and amortisation	3	3,648	3,376
Net finance costs	4	4,360	4,772
Total expenses		16,588	15,667
Net profit/(loss) prior to other gains and tax		(1,439)	(1,505)
Fair value gain/(loss) on interest rate swaps		2,469	(413)
Profit/(Loss) before income tax		1,030	(1,918)
Income tax (expense)/credit	7	(536)	1,042
Net profit/(loss) for the year		494	(876)
Revaluation gain	5	11,324	-
Deferred tax adjustment	5	(3,171)	
Total comprehensive income for the year		8,647	(876)

The accompanying notes form part of these financial statements



Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Accumulated (losses)	Share capital	Asset revaluation reserve	Treasury stock	Total equity
		\$000	\$000	\$000	\$000	\$000
2021						
Opening balance 1 July 2020		(14,740)	51,489	18,228	(6)	54,971
Profit/(Loss) for the year		8,647	-	-	-	8,647
Other comprehensive income	5	(8,153)	-	8,153	-	-
Total comprehensive income for the year		494	-	8,153	-	8,647
Issue of share capital	8	-	769	-	-	769
Total transactions with owners recorded directly in equity		-	769	-	-	769
Balance 30 June 2021		(14,246)	52,258	26,381	(6)	64,387
2020						
Opening balance 1 July 2019		(12,786)	50,950	18,228	(6)	56,386
Profit/(Loss) for the year		(876)	-	-	-	(876)
Prior period adjustment	6	(1,078)	-	-	-	(1,078)
Total comprehensive income for the year		(1,954)	-	-	-	(1,954)
Issue of share capital	8	-	539	-	-	539
Total transactions with owners recorded directly in equity		-	539	-	-	539
Balance 30 June 2020		(14,740)	51,489	18,228	(6)	54,971

The accompanying notes form part of these financial statements

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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$000	2020 \$000
Current assets			
Cash and cash equivalents		3,626	5,087
Receivables and prepayments	18	3,069	1,299
Inventories	19	789	788
		<u>7,484</u>	<u>7,174</u>
Non-current assets			
Intangible assets	22	155	170
Property, plant and equipment	20	160,489	151,573
Right to use asset	21	545	-
Investments	23	3	3
		<u>161,192</u>	<u>151,746</u>
TOTAL ASSETS		168,676	158,920
Current liabilities			
Trade and other payables	12	797	1,051
Employee benefits	17	41	41
Lease liabilities	21	135	-
Borrowings	16	1,682	368
		<u>2,655</u>	<u>1,460</u>
Non-current liabilities			
Borrowings	16	90,074	94,108
Lease liabilities	21	1,942	-
Derivative financial instruments	10	3,739	6,209
Deferred tax	7	5,879	2,172
		<u>101,634</u>	<u>102,489</u>
TOTAL LIABILITIES		104,289	103,949
TOTAL NET ASSETS		64,387	54,971
Equity			
Share capital	8	52,258	51,489
Accumulated (losses)		(14,246)	(14,740)
Asset revaluation reserve	9	26,381	18,228
Treasury stock		(6)	(6)
		<u>64,387</u>	<u>54,971</u>
TOTAL EQUITY		64,387	54,971

For and on behalf of the Board, who authorise these financial statements for issue on 9 September 2021.

Matt Ross
Director

Geoff Plunket
Director

The accompanying notes form part of these financial statements



Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers		14,808	13,438
Interest received		3	8
Other		132	521
		<u>14,943</u>	<u>13,967</u>
<i>Cash was disbursed to:</i>			
Payments to suppliers		(7,694)	(6,234)
Payments to and on behalf of employees		(1,213)	(1,141)
Interest paid		(4,341)	(4,780)
GST		24	-
		<u>(13,224)</u>	<u>(12,155)</u>
Net cash flows from operating activities	24	<u>1,719</u>	<u>1,812</u>
Cash flows from investing activities			
<i>Cash was disbursed to:</i>			
Purchase of irrigation infrastructure		(1,170)	(1,155)
		<u>(1,170)</u>	<u>(1,155)</u>
Net cash flows/(outflows) from investing activities		<u>(1,170)</u>	<u>(1,155)</u>
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Call on shares and shares issued		769	539
Borrowings		-	14
		<u>769</u>	<u>553</u>
<i>Cash was provided to:</i>			
Repayment of borrowings		(2,721)	-
Payment of lease liabilities		(58)	-
		<u>(2,779)</u>	<u>-</u>
Net cash flows from financing activities		<u>(2,010)</u>	<u>553</u>
Net increase/(decrease) in cash held		(1,461)	1,210
Cash and cash equivalents at the beginning of year		5,087	3,877
Cash and cash equivalents at end of year		<u>3,626</u>	<u>5,087</u>

The accompanying notes form part of these financial statements



Notes to the Financial Statements

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

1 REPORTING ENTITY

North Otago Irrigation Company Limited ('the Company') is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993.

The Company is an issuer for the purposes of the Financial Markets Conduct Act 2013. Its principal activity is the management and operation of an irrigation scheme.

The financial statements for the year ended 30 June 2021 were authorised for issue with a resolution of the directors on 9 September 2021.

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013. The financial statements have also been prepared on an historical cost basis, except for derivative financial instruments, which have been measured at fair value and irrigation infrastructure which is carried at optimised depreciated replacement cost.

The financial statements are presented in New Zealand dollars which is the Company's functional currency. All amounts have been rounded to the thousand, unless otherwise indicated.

The financial statements are prepared on an accrual basis.

Statement of compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparatives have been reclassified to conform with the current year's presentation.

a) *Financial instruments*

Financial instruments are recognised in the statement of financial position when the Company becomes party to a financial contract. They include cash balances, receivables, payables, investments, interest rate swaps and term borrowings. For the purposes of cash flow management, the Company currently enters into interest rate swap contracts, which are classified as 'fair value through profit or loss' instruments. The contracts are fair valued at each reporting date and recorded as an asset if the fair value is positive to the Company or as a liability if it is negative to the Company.

The movement in fair value of the contracts are recorded in the Statement of Comprehensive Income.

Financial assets

Financial assets consist of cash and cash equivalents, trade and other receivables and equity investments. Financial assets are measured at amortised cost using the effective interest method less any expected credit loss. Trade debtors are not expected to have any credit losses. This is because if a customer defaults on its debt, the Company can forfeit the customers shares by exercising its rights under the Property Law Act and the Land Transfer Act.



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Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Trade and other payables and loans and borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective interest basis.

Derivative financial instruments (interest rate swaps) are classified as financial liabilities 'at fair value through profit or loss' (FVTPL).

b) Impairment of non-financial assets

The carrying amount of Company assets are reviewed at each balance date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

c) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Employee entitlements

Short-term employee benefits

Employee benefits, previously earned from past services, that the Company expects to be settled within 12 months or reporting date are measured based on accrued entitlements at current rate of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

d) Lease payments

In applying NZ IFRS 16, the company has used the following practical expedients permitted by the standard:

- Relying on previous assessments applying NZ IAS 17 and NZ IFRIC 4 Determining whether an arrangement contains a lease.
- Accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Per the practical expedients above, short-term and low-value leases are recognised as an expense on a straight-line basis over the term of the lease.

e) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, and change in the fair value of financial assets at fair value through the statement of comprehensive income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

f) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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- (i) *Irrigation infrastructure*
Irrigation infrastructure is valued at optimised depreciated replacement cost as determined by independent valuers.
- (ii) *Other non-derivative financial instruments*
The carrying values less impairment provisions of trade receivables and payables are assumed to approximate their fair value.

The carrying values of loans and borrowings approximate their fair values.

g) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, fair value swaps, revenue recognition and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

- (i) *Impairment of non-financial assets*
The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include performance, technology, economic and political environments and future use expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.
- (ii) *Depreciated replacement cost of infrastructure assets*
Independent valuers are used to determine the optimised depreciated replacement cost of infrastructure assets. The values are estimated amounts for the replacement cost of a modern equivalent asset.
- (iii) *Estimated useful lives of infrastructure assets*
Useful lives for infrastructure assets are estimated based on the typical total useful life for each particular type of asset. Remaining useful lives have been determined using the total useful life less the period of service.
- (iv) *Resource consent lives*
The useful lives of the infrastructure assets are dependent on renewal of the Company's water rights resource consents, which are currently set to expire between 2030 and 2033. The independent valuer's valuation is based on the assumption the existing resource consent will be renewed. The valuation assigns standard lives of components of the scheme between 15 and 100 years.

h) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the balance sheet as current liabilities, within short term borrowings. Cash and cash equivalents are shown in Note 10.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.



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i) **Changes in accounting policies**

There were no changes in accounting policies during the year, all accounting policies have been applied on a basis consistent with the prior year.

2 REVENUE

Revenue comprises the fair value of consideration received or receivable for the delivery of water for irrigation or stock and other income in the ordinary course of the Company's activities. The Company's performance obligations are typically satisfied when water is made available.

Fixed infrastructure revenue

Fixed infrastructure revenue covers all the costs of operating, maintaining and renewing scheme infrastructure, environmental services, Company administration, debt servicing, capital works and other expenditure needed to ensure continued development and operation of the Company. Fixed infrastructure revenue is invoiced as "monthly fixed charges" and is recognised over a 12-month period as the infrastructure is made available.

Variable water revenue

Variable water revenue covers the direct and indirect variable cost of supplying the volume of water utilised by irrigators. Variable supply revenue is invoiced as "supply charges" and is recognised at a point in time as water is consumed during the irrigation season which runs from 1 September to 31 May each year.

	Note	2021 \$000	2020 \$000
Revenue			
Fixed infrastructure revenue		11,311	11,179
Variable water revenue		3,701	2,462
Total revenue		15,012	13,641
Other revenue			
Depreciation recovered		4	-
Other revenue		114	45
Environmental Farm Plan audit cost recovery		19	26
Compensation pay-out		-	450
Total other revenue		137	521
Total operating revenues		15,149	14,162
3 DEPRECIATION AND AMORTISATION			
Depreciation expense	20	3,526	3,105
Lease depreciation	21	30	-
Water permit amortisation	22	15	15
Losses on disposal	20	77	256
Total depreciation and amortisation		3,648	3,376

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	2021 \$000	2020 \$000
4 NET FINANCE COSTS		
Interest income on bank deposits	(3)	(8)
Finance expenditure		
Bank interest	4,053	4,313
Waitaki District Council interest	300	467
Lease interest	10	-
Total finance expenditure	<u>4,363</u>	<u>4,780</u>
Total net finance costs	<u>4,360</u>	<u>4,772</u>
5 OTHER COMPREHENSIVE INCOME		
Revaluation gain	11,324	-
Deferred tax adjustment	(3,171)	-
Total other gains	<u>8,153</u>	<u>-</u>
6 PRIOR PERIOD ADJUSTMENT		
Prior period adjustment	-	1,078
Total prior period adjustment	<u>-</u>	<u>1,078</u>

In the 2020 year a prior period adjustment has been made to the deferred taxation account to reflect the depreciation claimed on buildings that ceased to be claimable for taxation in the 2011 year.

The original liability is referenced against a tax base of nil as the assets were not depreciable for taxation after the 2010 year.

The adjustment has been reflected as a prior period adjustment in the 2020 year financial statements.

7 INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reported date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax losses are available to the Company and have been recognised as a deferred tax asset.



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	2021 \$000	2020 \$000
Tax expense		
Profit/(Loss) for the year before tax	1,030	(1,918)
Income tax at 28%	288	(537)
<i>Plus/(Less) tax effect of:</i>		
Expenses not deductible for tax purposes	1	1
Adjustment to deferred tax	247	-
Reduction in deferred tax liabilities (building depreciation)	-	(506)
Tax expense/(credit)	536	(1,042)

Deferred tax asset/(liability)

	Opening asset (liability)	Other comp. income	Charged to income	Closing asset (liability)
2021				
Property, plant and equipment	(7,737)	(3,171)	(791)	(11,699)
Employee benefits	12	-	-	12
IFRS 16 transactions	-	-	(1)	(1)
Tax losses	5,553	-	(165)	5,388
Leaseback liability	-	-	421	421
	<u>(2,172)</u>	<u>(3,171)</u>	<u>(536)</u>	<u>(5,879)</u>
2020				
Property, plant and equipment	(6,888)	(1,078)	229	(7,737)
Employee benefits	9	-	3	12
Tax losses	4,743	-	810	5,553
	<u>(2,136)</u>	<u>(1,078)</u>	<u>1,042</u>	<u>(2,172)</u>

The Company has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised before they expire.

Imputation credit account

Balance at beginning of year	-	-
Resident withholding tax received	-	-
Balance at end of year	-	-

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8 SHARE CAPITAL	2021 shares	(\$000)	2020 shares	(\$000)
Ordinary shares				
Opening balance	17,352	51,489	17,152	50,950
Shares issued in year fully paid	75	769	-	-
Shares issues partly paid	-	-	200	539
Closing balance	17,427	52,258	17,352	51,489
Total share capital		52,258		51,489

17,427 ordinary shares have been issued of 20,000 authorised for issue. All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up and have no-par value.

Share repurchase held as Treasury Stock

Treasury stock of 3 shares valued at \$5,550 was held at 30 June 2021. There have been no movements during the year.

17,427 shares as at 30 June 2021 have been issued (2020: 17,352).

9 ASSET REVALUATION RESERVE	2021 \$000	2020 \$000
Balance at beginning of year	18,228	18,228
Net change in fair value of irrigation infrastructure assets	8,153	-
Balance at end of year	26,381	18,228

The asset revaluation reserve relates to the revaluation of scheme infrastructure. A full valuation was undertaken as at 30 June 2021. The next full valuation will be carried out at 30 June 2024.



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10 FINANCIAL INSTRUMENTS

Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2021 \$000				
Financial assets				
Cash and cash equivalents	-	3,626	-	3,626
Trade debtors and other receivables	-	3,069	-	3,069
Investments	3	-	-	3
Total	3	6,695	-	6,698
Financial liabilities				
Trade creditors and other payables	-	-	797	797
Loans and borrowings	-	-	91,756	91,756
Interest rate swaps	3,739	-	-	3,739
Total	3,739	-	92,553	96,292
2020 \$000				
Financial assets				
Cash and cash equivalents	-	5,087	-	5,087
Trade debtors and other receivables	-	1,299	-	1,299
Investments	3	-	-	3
Total	3	6,386	-	6,389
Financial liabilities				
Trade creditors and other payables	-	-	1,051	1,051
Loans and borrowings	-	-	94,477	94,477
Interest rate swaps	6,209	-	-	6,209
Total	6,209	-	95,528	101,737

11 DISTRIBUTIONS TO OWNERS

There have been no distributions to shareholders (2020: nil).

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	2021 \$000	2020 \$000
12 CURRENT TRADE AND OTHER PAYABLES		
Trade payables	526	277
Sundry payables and accruals	197	724
GST payable	74	50
Total payables	797	1,051

13 FINANCIAL INSTRUMENTS

Recognition and measurement

Financial instruments are recognised when the Company becomes party to a financial contract. Financial instruments are measured initially at fair value, adjusted by transaction costs, except for those carried at fair value through the statement of comprehensive income, which are initially measured at fair value. They include funds deposited with a bank, receivables, payables, investments in and loans to others, and term borrowings.

In addition, the Company is party to interest rate swaps to reduce exposure to fluctuations in interest rates.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Financial instruments at fair value through other comprehensive income (FVTOCI)
- Financial instruments at fair value through profit and loss (FVTPL)

All financial instruments, except for those at FVTPL, are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category.

Amortised cost

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method less any expected credit loss. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial instruments at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are neither classified at amortised cost or at fair value through other comprehensive income. Financial assets are initially recognised at fair value including directly attributable transaction costs.



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The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities designated as FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments are accounted for at FVTPL. All interest related charges and, if applicable, changes in an instruments fair value that are reported in the statement of comprehensive income are reported as fair value movement for interest rate swaps.

Maturity profile of financial instruments

	Effective average interest rate	Maturity dates (years)						Non- interest bearing	Total \$'000
		0-1	1-2	2-3	3-4	4-5	5+		
As at 30 June 2021									
Financial assets									
Cash and cash equivalents	-	3,626	-	-	-	-	-	-	3,626
Trade and other receivables	-	3,096	-	-	-	-	-	3,096	3,096
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Financial liabilities									
Trade and other payables	-	797	-	-	-	-	-	797	797
Borrowings - ASB	5.25%	4,403	4,498	4,498	4,498	4,498	97,628	-	120,023
Borrowings - WDC	3.26%	479	813	845	1,067	1,485	14,075	-	18,764
Interest rate derivatives	-	-	260	1,812	1,667	-	-	-	3,739
As at 30 June 2020									
Financial assets									
Cash and cash equivalents	-	5,087	-	-	-	-	-	-	5,087
Trade and other receivables	-	1,299	-	-	-	-	-	1,299	1,299
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Financial liabilities									
Trade and other payables	-	1,092	-	-	-	-	-	1,092	1,092
Borrowings - ASB	5.57%	4,674	4,728	4,728	4,728	4,728	99,820	-	123,406
Borrowings - WDC	2.75%	2,465	15,411	-	-	-	-	-	17,876
Interest rate derivatives	-	142	-	550	2,941	2,575	-	-	6,208

Financial instrument risk management

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk.

Credit risk

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. The carrying amount of these financial instruments represents the maximum exposure to credit risk. Management has a credit policy in place under which each new customer is individually analysed for credit worthiness. The Company does not require collateral in respect of trade and other receivables. This is because if a customer defaults on its debt, the Company can forfeit the customers shares by exercising its rights under the Property Law Act and the Land Transfer Act. Cash handling is only carried out with the counterparties that have an investment grade credit rating.

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Further detail in relation to the credit quality of financial assets is provided Note 18.

Liquidity risk

Liquidity risk represents the Company's ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an ongoing basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has cash reserves in place to cover potential shortfalls and meet capital expenditure requirements.

Market risk

Market risk is the risk that market prices, with interest rates will affect the Company's income or the value of its holding in other instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Most of the Company's transactions are carried out in New Zealand Dollars (NZD).

Interest rate risk

The Company enters into derivative arrangements in the ordinary course of business to manage interest rate risks.

The Company uses interest rate swaps to hedge its exposure to interest rate risk arising from financing activities by providing a mix of fixed and floating rate exposure.

Interest rate swap contracts are recognised in the statement of financial position at their fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

The principal or contract amount of interest rate swap contracts outstanding at balance date was \$42,617,300 (2020: \$54,617,300).

Sensitivity analysis

The following sensitivity analysis assumes the total amount of borrowings outstanding at year end was outstanding for the whole year. If interest rates were 50 basis points higher/lower and all other variables were held constant the Company's profit would have been \$438,605 lower/higher (2020: \$472,303).

14 FAIR VALUE MEASUREMENT

The following presents the Company's assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair values.

Level 1: Quoted prices, unadjusted in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly, as prices or indirectly derived from prices.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using published market swap rates.

Level 3: Inputs for the asset or liability that are not based on observable market data.



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Financial liabilities at fair value through the Statement of Financial Position

Interest rate derivatives	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2021				
Interest contracts	-	3,739	-	3,739
Total liabilities	-	3,739	-	3,739
2020				
Interest contracts	-	6,209	-	6,209
Total liabilities	-	6,209	-	6,209

Property, plant and equipment

An independent valuation of the irrigation infrastructure was performed by valuers to determine the fair value as at 30 June 2021.

2021				
Irrigation infrastructure	-	155,212	-	155,212
Other scheme infrastructure	-	1,424	-	1,424
Total carrying amount	-	156,636	-	156,636

There were no transfers between levels 1 and 3 during the year

2020				
Irrigation infrastructure	-	148,743	-	148,743
Other scheme infrastructure	-	1,284	-	1,284
Total carrying amount	-	150,027	-	150,027

There were no transfers between Levels 1 and 3 during the year

Valuation techniques used to derive Level 2 fair values

The Level 2 fair value of irrigation infrastructure has been derived using optimised depreciated replacement cost. The most significant inputs into this valuation approach include obtain and review asset data, the calculation of replacement costs, assumptions about the useful lives, residual value, and the term of the consents to extract water from the Waitaki River. The replacement costs have been largely determined using recent cost information based on similar projects, local council pipe installation rates, and the original installations costs in 2005 and 2017 escalated by the capital goods price index between 2005 and 2017 and 2018. The useful lives have been derived from observable sources including the Commerce Commission guidelines for electrical equipment and various council asset valuation databases and are disclosed per the depreciation policy. Irrigation equipment has been assumed to have nil residual value due to its specific nature and use. It has been assumed that the local council will renew consents at the time of expiry.

A significant increase/(decrease) in the suspected useful life of the Irrigation Infrastructure would result in a significantly higher/(lower) fair value measurement.

A full valuation was undertaken as at 30 June 2021 of the completed irrigation infrastructure. The next full valuation will be carried out as at 30 June 2024.

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Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

15 CAPITAL RISK MANAGEMENT

The Company's capital includes share capital, debt, reserves and retained earnings. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The Directors' objective is to ensure the entity continues as a going concern.

Refer to Note 16 for the Company's debt financing and note 8 for the Company's share capital, including changes from the prior period.

The Company meets its objectives for managing capital through its investment decisions on the acquisition, disposal and development of assets.

The Company's policy is to maintain the following debt ratios and within treasury policy limits:

	Target	Actual	2020
Equity contribution rate	Minimum 25%	38%	35%
Debt percentage	60 - 75%	62%	65%
Debt service cover ratio	> 1.0	1.1:1	1.09:1

The exception to the above policy is when there is a temporary movement away from these ratios as approved by the board and lenders to the Company so as to allow the Company to build expansion infrastructure with overbuild for future uptake.

The Company has a financial covenant to maintain a debt service cover ratio of not less than 0.8:1 for the financial year to 30 June 2021. This covenant is measured is tested annually.

	2021	2020
	\$000	\$000
16 BORROWINGS		
Current		
Bank loans	1,336	360
Waitaki District Council loan	338	-
Vehicle funding	8	8
	1,682	368
Non-current		
Bank loans	75,686	77,073
Waitaki District Council loan	14,361	17,000
Vehicle funding	27	35
	90,074	94,108
Total borrowings	91,756	94,476



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Repayable as follows:

	2021	2020	2021	2020	2021	2020
	Less than one year		Between 1-5 years		Greater than 5 years	
\$000						
Bank loans	1,336	360	6,679	4,797	69,007	72,276
Waitaki District Council loan	338	-	4,721	17,000	9,640	-
Total	1,674	360	11,400	21,797	78,647	72,276

The Company's borrowings include bank loans and a loan from the Waitaki District Council secured against Company property. The bank loans require maintenance of a debt service cover ratio. The Company has complied with all debt covenant requirements for the year to 30 June 2021.

17 EMPLOYEE ENTITLEMENTS

	2021	2020
	\$000	\$000
Balance at beginning of year	41	30
Additional provision (reduction)	-	11
Balance at end of year	41	41
<i>This is represented by:</i>		
Current liability	41	41
Non-current liability	-	-
Balance at end of year	41	41

18 RECEIVABLES AND PREPAYMENTS

Trade receivables	1,193	1,223
Sundry receivables	1,796	-
Prepayments	80	76
Total receivables and prepayments	3,069	1,299

Trade debtors are initially recognised as fair value less an allowance for impairment. Collectability of trade debtors is reviewed on an ongoing and assessed for the need to recognise any impairment. There are no overdue debtors considered impaired. COVID 19 has not resulted in deterioration in debtor performance or the collection of any debtors.

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Credit Risk

The following table details the aging of the Company's trade receivables at balance date.

	2021 Gross \$000	2021 Impairment \$000	2020 Gross \$000	2020 Impairment \$000
Not yet due	1,146	-	1,202	-
Overdue 0-31 days	40	-	2	-
Overdue 32-92 days	2	-	19	-
Overdue 93-184 days	5	-	-	-
Total trade receivables	1,193	-	1,223	-

19 INVENTORIES

Inventories comprise critical spares, spare parts and other consumables which are used to maintain service to irrigators and repair the Company's infrastructure assets. Inventories are stated at the lower of cost and net realisable value. Cost is based on first-in first-out.

	2021 \$000	2020 \$000
Parts and spares	789	788
Balance at end of year	789	788

20 PROPERTY, PLANT AND EQUIPMENT

(i) *Recognition and measurement*

Except for irrigation infrastructure, items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Land is not depreciated.

The initial cost includes the purchase price and any costs directly attributable to bringing the asset to the state of being ready for use in location. These costs can include installation costs, borrowing costs, professional design fees and project management costs. Any feasibility costs are expensed.

The Company has seven classes of property, plant and equipment:

- Freehold land
- Freehold buildings/structures
- Plant and equipment
- Irrigation infrastructure
- Other scheme infrastructure
- Electricity reticulation
- Capital work in progress.

(ii) *Irrigation Infrastructure recognition and measurement*

Infrastructure assets are initially stated at cost. On a three yearly basis or sooner if the Directors deem necessary, such assets are valued by an independent valuer, the valuation approach being optimised depreciated replacement cost. The depreciated replacement cost includes, among other things, estimates and assumptions about the useful lives, replacement costs and residual value of the assets and water resources consents term.

A valuation was undertaken at 30 June 2021 by Rationale Limited. They have done all



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previous valuations and been involved since the company's inception. The valuation was carried out in accordance with NZIFRS 13 (cost approach) standard and is an optimised depreciated replacement cost valuation.

The key assumptions of the valuation are:

- The asset register compiled is an accurate reflection of the NOIC scheme.
- The unit rates and total useful lives derived by Rationale Ltd, as described in the valuation report, are a suitable basis to determine fair value of both Stage 1 and Stage 2 assets, along with subsequent additions, as at 30 June 2021.
- The pipeline unit rates are consistently applied across Stage 1 and Stage 2.

Any gain arising from a change in the value of the assets is recognised in the statement of comprehensive income as other comprehensive income. A loss is only recognised in other comprehensive income to the extent that a gain has previously been recognised for that asset, with any residual recognised in profit and loss.

The carrying amount of the revalued irrigation infrastructure had the cost method been used at 30 June 2021 is \$121.776 million.

(iii) *Subsequent expenditure*

Subsequent expenditure is added to the gross carrying amount of an item of property, plant or equipment, if that expenditure increases the future economic benefits of the asset beyond its existing potential, or is necessarily incurred to enable future economic benefits to be obtained and its cost can be measured reliably.

(iv) *Disposal of property, plant or equipment*

When an item of such is disposed of, the gain or loss is recognised in the Statement of Comprehensive Income at the difference between the net sale price and the net carrying amount of the item.

(v) *Depreciation*

Depreciation is calculated on an appropriate basis to allocate the cost of an asset, less its residual value, over its useful life. The estimated useful lives of significant asset categories are:

— Buildings	7-50 years
— Plant and equipment	1-100 years
— Irrigation infrastructure	15-100 years
— Pipelines	100 years
— Offtakes	15 years
— Pumps and motors	25 years
— Major electrical equipment	45 years
— Control equipment	25 years
— HDPE linings	30 years
— Buildings	50 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(vi) *Security*

The company's ASB loan has a maturity date of 31 October 2030, a facility limit of \$77.262 million and an unused facility of \$240,000 as at 30 June 2021. The loan is secured over the company assets of \$158.232 million, which is the total Property, Plant & Equipment shown below less the Electricity Reticulation assets sold to NWL. The company has a hire purchase agreement with monthly payments of \$705.39, maturity date of 30 September 2023 and is secured over the motor vehicle it relates to.

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	Land (Cost) \$000	Buildings (Cost) \$000	Plant and equipment (Cost) \$000
2021			
Gross carrying amount			
Balance 1 July 2020	1,320	34	592
Additions	-	125	11
Revalued during year	-	-	-
Transfer NWL assets	-	-	-
Disposals	-	-	(12)
Reversal of accumulated depreciation on revaluation	-	-	-
Balance 30 June 2021	1,320	159	591
Accumulated depreciation and impairment			
Balance 1 July 2020	-	(20)	(380)
Current year depreciation	-	(12)	(63)
Revalued during year	-	-	-
Disposals	-	-	1
Reversal of accumulated depreciation on revaluation	-	-	-
Balance 30 June 2021	-	(32)	(442)
Carrying amount 30 June 2021	1,320	127	149
2020			
Gross carrying amount			
Balance 1 July 2019	1,320	34	539
Additions	-	-	53
Revalued during year	-	-	-
Disposals	-	-	-
Reversal of accumulated depreciation on revaluation	-	-	-
Balance 30 June 2020	1,320	34	592
Accumulated depreciation and impairment			
Balance 1 July 2019	-	(16)	(298)
Current year depreciation	-	(4)	(82)
Revalued during year	-	-	-
Disposals	-	-	-
Reversal of accumulated depreciation on revaluation	-	-	-
Balance 30 June 2020	-	(20)	(380)
Carrying amount 30 June 2020	1,320	14	212



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Other scheme infrastructure (Cost) \$000	Irrigation infrastructure (Valuation) \$000	Electricity reticulation (Cost) \$000	Capital work in progress (Cost) \$000	Total \$000
1,595	154,928	-	-	158,469
302	765	-	-	1,203
-	11,324	-	-	11,324
-	(2,361)	2,361	-	-
-	-	-	-	(12)
-	(9,444)	-	-	(9,444)
1,897	155,212	2,361	-	161,540
(311)	(6,185)	-	-	(6,896)
(162)	(3,185)	(104)	-	(3,526)
-	-	-	-	-
-	(74)	-	-	(73)
-	9,444	-	-	9,444
(473)	-	(104)	-	(1,051)
1,424	155,212	2,257	-	160,489
1,105	154,329	-	-	157,327
490	603	-	-	1,146
-	-	-	-	-
-	(4)	-	-	(4)
-	-	-	-	-
1,595	154,928	-	-	158,469
(254)	(2,967)	-	-	(3,535)
(57)	(2,962)	-	-	(3,105)
-	-	-	-	-
-	(256)	-	-	(256)
-	-	-	-	-
(311)	(6,185)	-	-	(6,896)
1,284	148,743	-	-	151,573

North Otago Irrigation Company Limited
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21 LEASES

The company recognises a right-of use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less and lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The company is leasing office space at 277 Thames Street with a right of renewal every five years and an expiry date of 30 September 2035. An industrial site at 486 Coal Pitt Road with right of renewal every three years and an expiry date of 30 December 2030.

Short-term and low-value leases

The company has elected not to recognise right-of use assets and lease liabilities for the short-term lease of office space that had a lease term of 12 months or less and leases of low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sale and leaseback

In December 2020 the company entered an agreement with Network Waitaki Limited to sell certain electrical assets for \$1.56 million. These assets are shown separately in note 20 and had a carrying value of \$2.3 million and useful life of 36 years. The company then leased the assets back from Network Waitaki Limited and entered into a Private Network Service Agreement.

	2021 \$000	2020 \$000
Right of use assets		
Buildings		
Balance at 1 July	-	-
Additions	575	-
Depreciation charge for the year	(30)	-
Balance at end of year	545	-
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	150	-
One to five years	680	-
More than five years	1357	-
Total undiscounted lease liabilities at 30 June	2,187	-
Lease liabilities included in the statement of financial position at 30 June		
Current liability	135	-
Non-current liability	1,942	-
Balance at end of year	2,077	-



North Otago Irrigation Company Limited
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	2021 \$000	2020 \$000
Amounts recognised in profit or loss		
Interest on lease liabilities	10	-
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-to-use assets	-	-
Expenses relating to short-term leases	13	26
Expenses relating to leases of low-value assets	8	8
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	58	-

22 INTANGIBLE ASSETS

Intangible assets acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses. The Company's intangible assets comprise acquired water permits.

Amortisation is recognised on a straight-line basis over the estimated useful life of the asset, from the date they are available for use, and disclosed within expenses. The following amortisation rates have been applied to each class of intangible assets:

Water permit 20 - 23 years.

Residual values and useful lives are reviewed at each reporting date.

Disposals

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the intangible asset and reported in the statement of comprehensive income.

Gross carrying amount

Opening balance	315	315
Additions - separately acquired	-	-
Closing balance	315	315

Amortisation and impairment

Opening balance	145	130
Amortisation	15	15
Closing balance	160	145

Carrying amount	155	170
------------------------	------------	------------

All intangible assets are included in the floating charge security in favour of the Company's lenders.

23 INVESTMENTS

Waitaki Irrigators Collectives Ltd shares	2	2
Farmlands shares	1	1
Total investments	3	3

Investments are stated at cost.

North Otago Irrigation Company Limited
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	Note	2021 \$000	2020 \$000
24 RECONCILIATION OF REPORTED SURPLUS AFTER TAXATION WITH CASH FLOWS FROM OPERATING ACTIVITIES			
Net after tax profit/(loss) for the year		8,647	(876)
Adjustments for:			
Depreciation	20	3,526	3,105
Depreciation recovered	20	(4)	-
Amortisation of intangible property	22	15	15
Losses on disposal		77	256
Lease depreciation		30	-
Fair value loss/(gain) on interest rate swaps		(2,469)	413
Revaluation		(11,324)	-
Changes in assets and liabilities:			
Increase/(Decrease) in payables		(297)	524
Increase/(Decrease) in Deferred taxation payable		3,707	35
Increase/(Decrease) in inventory		(1)	(349)
GST received/(paid)		24	(31)
(Increase)/Decrease in receivables		(212)	(202)
Prior period adjustment		-	(1,078)
Net cash flows from operating activities		1,719	1,812

25 RELATED PARTIES

a) Inter entity transactions and balances

Services provided to Waitaki Irrigators Collective Ltd	-	-
Services received from Waitaki Irrigators Collective Ltd	27	31
Shares in Waitaki Irrigators Collective Ltd	2	2
Amounts receivable from Waitaki Irrigators Collective Ltd	-	-
Amounts due to Waitaki Irrigators Collective Ltd	-	-

Transactions with directors are conducted on normal commercial terms no more favourable than other shareholders.

The Company has a 16.67% equity interest in Waitaki Irrigators Collective Limited.

b) Key management and directors 2021

Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date
Description of transactions				
Sales to North Otago Irrigation Company Limited (\$)				
Irrigation New Zealand	A Rodwell	Board Member	28,400	nil
Payments for service				
Waitaki District Council	P B Hope	Group Manager	300,157	14,699m
Loan for the development of irrigation infrastructure				
Purchases from North Otago Irrigation Company Limited (\$)				
GSI Trading Ltd	G L Isbister	Director/Shareholder	40,526	2,846
Shareholder water and overhead charges				



North Otago Irrigation Company Limited
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Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date
Description of transactions				
Kokoamo Farms Ltd Shareholder water and overhead charges	M F Ross	Director/Shareholder	160,388	11,385
Isa Holdings Ltd Shareholder water and overhead charges	G A Isbister	Director/Shareholder	879,956	69,620
Enfield Farm Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	44,911	3,163
Windsor Park Dairies Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	47,867	3,795
Windsor Park Farms Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	151,968	10,753
Serpentine Trust Shareholder water and overhead charges	G L Isbister	Trustee	87,060	3,479
North Otago Sustainable Land Management Partnership funding 2020/2021	C R Kingan	Member	20,000	nil
Other related party transactions (\$)				
Windsor Park Dairies Ltd The company leases an industrial site at 486 Coal Pitt Road.	C R Kingan	Director/Shareholder	9,000	nil
Key management and directors 2020				
Sales to North Otago Irrigation Company Limited (\$)				
Irrigation New Zealand Payments for service	R Wells	Board Member	28,400	nil
Waitaki District Council Loan for the development of irrigation infrastructure.	P B Hope	Group Manager	466,650	17m
Purchases from North Otago Irrigation Company Limited (\$)				
GSI Trading Ltd Shareholder water and overhead charges	G L Isbister	Director/Shareholder	36,115	3,171
Kokoamo Farms Ltd Shareholder water and overhead charges	M F Ross	Director/Shareholder	146,431	15,182
Isa Holdings Ltd Shareholder water and overhead charges	G A Isbister	Director/Shareholder	427,975	38,434
Enfield Farm Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	41,528	3,163
Windsor Park Dairies Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	45,073	4,762
Windsor Park Farms Ltd Shareholder water and overhead charges	C R Kingan	Director/Shareholder	135,341	13,681
North Otago Sustainable Land Management Partnership funding 2019/2020	C R Kingan	Member	20,000	nil

North Otago Irrigation Company Limited
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	2021 \$000	2020 \$000
26 KEY MANAGEMENT COMPENSATION		
Salaries and other short-term benefits	238	236
Total key management personnel compensation	238	236

27 CONTINGENT LIABILITIES

As at 30 June 2021 there are no contingent liabilities (2020: nil).

28 COMMITMENTS

Capital commitments

Estimated commitments for the acquisition of property, plant and equipment contracted for at balance date but not provided for

199	566
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29 EVENTS AFTER BALANCE DATE

There are no events after balance date to disclose.

30 STANDARDS AND INTERPRETATIONS ISSUED

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the company has decided not to adopt early. These standards are not expected to have a material impact on the company in the current or future reporting periods on foreseeable future transactions.

- NZ IFRS 17 Insurance Contracts
- Onerous Contracts – Cost of fulfilling a contract (Amendment to NZ IAS 37)
- Property, plant and equipment: Proceeds before Intended Use (Amendments to NZ IAS 16)
- Annual improvements to NZ IFRS Standards 2018-2020 (Amendments to NZ IFRS 1, NZ IFRS 9, NZ IFRS 16 and NZ IAS 41)
- References to Conceptual Framework (Amendments to NZ IFRS 3).

31 IMPACT OF COVID-19

The directors are aware of the current Covid-19 emergency and the New Zealand Government's decision that all non-essential businesses are to close effective 17 August 2021. This matter is being addressed with business continuity planning and the directors have considered that this is a "non-adjusting" subsequent event and there is no impact on the 2021 financial year, however, minimal impact is anticipated given North Otago Irrigation Company is classified as an essential business.

Financial forecasts have been prepared until September 2022 under scenarios which show that profitability and cash flows along with cash reserves are adequate to meet the investing and financing cash flow requirements of the Company. For this reason, the directors continue to adopt the going concern assumption in preparing the financial statements for the year ended 30 June 2021.

STATUTORY INFORMATION

Remuneration

Directors' remuneration and other benefits paid during the year or due and payable are as follows (\$):

	2021	2020
G A Isbister	14,000	14,000
G P Plunket	18,000	18,000
J A Wright (resigned 30 March 2020)	-	13,500
G L Isbister	14,000	14,350
P B Hope	14,000	14,000



North Otago Irrigation Company Limited
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M F Ross	28,000	28,700
C R Kingan	14,000	14,000
S Cotter Tait	18,000	1,500

One employee received remuneration and benefits of between \$230,000 and \$240,000 during the year (2020: one between \$230,000 and \$240,000).

The board received notices during the year from directors that they had an interest in transactions or proposed transactions by the Company.

Directors' and officers' liability insurance has been taken prior to 30 June 2021. The Company has indemnified directors for liabilities that may arise out of normal performance of their duties.

Donations

No donations were made by the Company during the year.

Auditor's fees

Crowe NZ Audit Partnership have audited these financial statements and continue to act as the company's auditor. Crowe provide no other services to the Company. All amounts paid are shown as a separate amount in the financial statements.

Company information

Refer to page 15.

Interest register

The following disclosures of existing and new interests have been made in the interest's register for the year to 30 June 2021.

Name	Name of Company/Entity	Nature of interest
M F Ross	Kokoamo Farms Ltd	Director/Shareholder
	Bortons Agri Ltd	Director/Shareholder
	Maerewhenua District Water Resource Company	Shareholder
	Kurow Duntroon Irrigation Company Ltd	Ratepayer
	Waitaki Independent Irrigators Association (WIIA)	Member
	Irrigation New Zealand Incorporated	Member
	Livestock Improvement Corporation (LIC)	Director
	LIC Agritechnology Company Ltd	Director
G A Isbister	ISA Holdings Ltd	Director /Shareholder
	Lower Waitaki Irrigation Ltd	Shareholder
G L Isbister	GSI Trading Ltd	Director/Shareholder
	Serpentine Trust	Trustee
C R Kingan	Windsor Park Dairies Ltd	Director/Shareholder
	Windsor Park Farms Ltd	Director /Shareholder
	Enfield Farm Ltd	Director/Shareholder
	North Otago Sustainable Land Management	Steering Committee Member
P B Hope	Watiaki District Council	Acting Chief Executive
	Kurow Duntroon Irrigation Company Ltd	Observer
G P Plunket	Blis Technologies Ltd	Director
	Orokonui Ecosanctuary Ltd	Director
S Cotter Tait	Collective Success Ltd	Director/Shareholder
	Pasefika Trustees Ltd	Director/Shareholder
	Lewis Bradford & Associates Ltd	Shareholder





5.4 WAITAKI COMMUNITY RECREATION CENTRE ANNUAL REPORT 2021/21

Author: Erik van der Spek, Recreation Manager

Authoriser: Paul Hope, Acting Assets Group Manager

Attachments:

1. Waitaki Community Recreation Centre 2020-21 Draft Performance Report
2. Waitaki Community Recreation Centre 2021-21 Annual Report

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

To provide Council with the Waitaki Community Recreation Centre Annual Report for the 2020/2021 year ending 30 June 2021.

BACKGROUND

Last financial year, Waitaki District Council provided \$80,650 to the Waitaki Community Recreation Centre to support their activities.

The attached reports summarise their achievements for the 2020/21 financial year.

Mrs Diane Talanoa (Recreation Centre Manager) will attend the Additional Council Meeting to give a brief PowerPoint presentation and answer any questions.

Performance Report

Waitaki Community Recreation Centre Trust
For the year ended 30 June 2021

Contents

- 3 Entity Information
- 5 Statement of Service Performance
- 6 Statement of Financial Performance
- 7 Statement of Financial Position
- 8 Statement of Cash Flows
- 9 Notes to the Performance Report
- 16 Fixed Assets and Depreciation Schedule

Draft

Entity Information

Waitaki Community Recreation Centre Trust For the year ended 30 June 2021

Legal Name of Entity

The Waitaki Community Recreation Centre Trust

Type of Entity and Legal Basis

Waitaki Community Recreation Centre Trust is an Incorporated Society registered with Charities Services. Charities Commission number is (CC34561).

Entity's Purpose and Mission

Vision - for the community to be actively engaged and enjoying indoor recreational and community activities which contribute positively to their health and wellbeing.

Mission - to provide affordable indoor sport and recreation facilities to those living in and visiting the Waitaki district.

Entity Structure

Waitaki Community Recreation Centre Trust consists of eight Trustees which include one nominee from the Waitaki District Council, one nominee from the Waitaki Girls High School Board of Trustees, and six community representative Trustees. The Trustees may co-opt up to three additional Trustees. The Waitaki Community Recreation Centre Trust currently has seven Trustees plus one co-opted Trustee.

Trustees

Dianne Roberts

Claire Hitchcock

Bronwyn Banks

Lynda Wilson

Alan Kerby

Stephen Strachan

Jeremy Holding

Wayne Todd

Main Activity

Recreation Centre

Business Location

43 Orwell Street, Oamaru 9400

Taxation Status

IRD Taxation Exemption Number: 079-872-970

Entity Information

Incorporation & Registration

Date of Incorporation: 06/07/2001
Registration Number: 1153019

Chartered Accountant

Fraser McKenzie
Ph: (03) 434 7944
Fax: (03) 434 8055
Email: fraser@mckenzieca.co.nz

Solicitors

Berry & Co
20 Eden Street
Oamaru 9400
Ph: (03) 433 0007
Fax: (03) 434 7119

Auditors

Audit Professionals
PO Box 620
Dunedin 9054

Bankers

ANZ Bank New Zealand Limited

Reliance on Volunteers

The Trust relies on volunteer time and expertise for the governance of the organisation. Volunteers also assist in other areas such as maintenance, working bees and fundraising.

Main Source of Cash and Resources

Fees and revenue from goods and services provided.

Main Methods to Raise Funds

Funds are raised through user and membership fees, grants, subsidies and donations.

Statement of Service Performance

Waitaki Community Recreation Centre Trust For the year ended 30 June 2021

Description of the Entity's Outcomes

An indoor recreation facility that meets the indoor sports needs of the local community. A range of recreation programmes that meet the needs of the community and promote community health.

Description and Quantification (to the extent practicable) of the Entity's Outputs:

	2021	2020
Collaborative projects with Sport Waitaki		
Active Kids Holiday Programs	4	3
Mini Movers	3	3
Senior Social Sport afternoons	-	-
Summer League Mixed Basketball nights	-	-
Events - Rainbow Colour Run Event	-	1

Collaborative projects with Sport Waitaki include Active Kids Holiday programmes, Mini Movers programme, Rainbow Colour Run event.

One event was cancelled due to naming rights sponsorship withdrawal (Covid related).

	2021	2020
Other Usage		
Basketball, taekwondo, indoor soccer, tai chi, rock wall - (Hours)	1,349	851
One-off informal gym usage - (Hours)	724	650
124.5 scheduled hours were cancelled in 2021 due to Covid-19 (2020:365.5)	-	-
One-off tournaments and large sporting events hosted (4 events cancelled in 2020 due to Covid-19)	7	5
One-off major educational, cultural, fundraising events	3	8
Creche facilities provided - (Child Hours)	339	644
Casual users	443	634
Members - (Average)	183	213
Group training programmes - (Bootcamps)	10	11
Number of sports and activities undertaken e.g. basketball, volleyball, netball, rock wall, soccer, tai chi, taekwondo, indoor soccer, table tennis, gymnastics, target shooting, weight training, aerobics, badminton, rugby, flips & tumble	21	21
Number of different groups who hired the gyms	60	50
Community fundraiser events: Partnered fundraising event with North Otago Plunket (12 hour Spin-a-thon) was cancelled in 2020 due to Covid-19; Rainbow Run - partnered with Sport Waitaki and raised approximately \$5,000	1	1

Additional Output Measures:

New users - "Inlightin Me" Massage, Corporate Risk Insurers, Therapy Consultants, Albion Cricket Club, Devo Dance, Tuvalu Group, Stand Children Services, Ka Hale Ola Massage

Statement of Financial Performance

Waitaki Community Recreation Centre Trust For the year ended 30 June 2021

	NOTES	2021	2020
Revenue			
Revenue from Goods and Services provided	7	148,013	136,768
Donations, Grants & Subsidies	7	81,630	79,965
Interest Revenue		99	82
Other Revenue	7	45,137	76,554
Total Revenue		274,879	293,369
Expenses			
Costs related to Recreation Centre	7	73,167	78,882
Volunteer and Employee related costs	7	167,983	174,262
Other Expenses	7	21,712	22,812
Total Expenses		262,862	275,956
Surplus for the Year		12,017	17,413

Draft

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Statement of Financial Position

Waitaki Community Recreation Centre Trust
As at 30 June 2021

	NOTES	2021	2020
Assets			
Current Assets			
Bank accounts and cash	8	181,433	196,758
Accrued Interest		33	27
Debtors and prepayments		5,933	4,749
Inventory		441	316
Total Current Assets		187,840	201,850
Non-Current Assets			
Property, Plant and Equipment	6	1,097,770	1,112,027
Total Non-Current Assets		1,097,770	1,112,027
Total Assets		1,285,610	1,313,877
Liabilities			
Current Liabilities			
Creditors and accrued expenses	8	14,007	45,142
Employee costs payable		7,591	17,940
Unused donations and grants with conditions	8	15,500	14,000
Total Current Liabilities		37,098	77,083
Total Liabilities		37,098	77,083
Accumulated Funds			
Accumulated surpluses	8	1,248,512	1,236,795
Total Liabilities and Funds		1,285,610	1,313,877

On Behalf of the Board

.....
Trustee (Chairperson)

Trustee

Date

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Statement of Cash Flows

Waitaki Community Recreation Centre Trust For the year ended 30 June 2021

'How the entity has received and used cash'

	2021	2020
Cash Flows from Operating Activities	\$	\$
Receipts from providing goods or services	149,172	157,114
Interest Received	93	94
Donations and grants	97,130	93,965
GST recived / (paid)	(2,305)	(1,895)
Payments to suppliers and employees	(284,054)	(254,481)
Covid-19 wages subsidy received	30,224	86,432
Total Cash Flows from Operating Activities	(9,740)	81,229
Cash flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	0	2,475
Payments to acquire property, plant and equipment	(5,585)	(9,466)
Total Cash Flows (to) Investing and Financing Activities	(5,585)	(6,991)
Net Increase in Cash	(15,325)	74,238
Cash Balances		
Cash and equivalents at beginning of period	196,758	122,520
Cash and equivalents at end of period	181,433	196,758
Net change in cash for the period	(15,325)	74,238

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Notes to the Performance Report

Waitaki Community Recreation Centre Trust For the year ended 30 June 2021

Basis of Preparation

As the Trust is a registered Charity, it is required to comply with the new financial reporting framework for financial statements which has been developed by the External Reporting Board (The XRB). The Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) (Tier 3) on the basis that it does not have a public accountability and its annual operating expenses do not exceed \$2,000,000 for the last two annual reporting periods.

The performance report has been prepared on the assumption that the Trust will continue to operate in the foreseeable future.

These financial and other statements are presented in New Zealand dollars.

1. Statement of Accounting Policies

Measurement Base

The Performance Report has been prepared on a historical cost basis, unless otherwise stated.

Accrual accounting is used to recognise expenses and revenues when they occur.

Nature of Business

The Trust conducts the business of a Recreation Centre.

Revenue

Revenue is recorded in the period that it is earned.

Accounts Receivable

Accounts Receivable are recorded at their estimated realisable value, after writing off all known losses. Accounts Receivable are reported inclusive of GST.

Property, Plant & Equipment

All property, plant and equipment are recorded at cost. Assets are depreciated annually using the rates listed below:

Furniture & Fittings	3 - 30% DV
Buildings >50 Life	100 years SL
Buildings <50 Life	50 years SL
Fitout	10 - 25% DV or 1 - 20% CP
Office Equipment	5 - 25% DV
Aerobics Room	3 - 48% DV
Weights Room	3 - 80.4% DV
RPM Equipment	40% DV

Notes to the Performance Report

Depreciation

Depreciation is provided on all property, plant and equipment, at rates that will write off the costs to their estimated residual values over their useful lives. Depreciation is calculated on a Diminishing Value (DV) basis or on a Cost Price (CP) basis.

Accounts Payable

Accounts Payable are recorded at the amounts owing at balance date and are inclusive of GST.

Stock on Hand

Stock is stated at the lower of cost and net realisable value.

Income Tax

As a Registered Charity, the Trust is exempt from Income Tax.

Goods & Services Tax (GST)

The Trust is registered for GST. These Financial Statements have been prepared on a GST exclusive basis except for Accounts Receivable and Accounts Payable.

Changes in Accounting Policies

There have been no changes in accounting policies since the previous annual Financial Statements.

2. Related Party Transactions

Bronwyn Banks Trustee, is also a shareholder of Banks Building Services Ltd, a company that provides building services to the Trust. Payments are on an arm's length basis and totalled \$Nil during the 2021 year. (2020 \$8,303 (excluding GST))

The Trust has not undertaken any other material transactions with related parties that do not form part of the normal trading operations of either party. (2020: Nil)

No related party debts have been written off or forgiven during the year. (2020: Nil)

3. Liabilities & Security Details

Security Details

ANZ have a registered First Mortgage over the property at 45 Orwell Street, for the priority amount of \$240,000. There is currently no credit or lending facility either in use or available with the ANZ.

4. Commitments & Contingent Liabilities

This Trust has no financial commitments at balance date. (2020: Nil). There are no contingent liabilities at 30 June 2021 (2020: Nil).

5. Events After The Balance Date

There were no significant events after the balance date that impacts this performance report.

Notes to the Performance Report

	2021	2020
6. Property, Plant & Equipment		
Furniture & Fittings		
Cost Price	15,920	15,920
Accumulated Depreciation	(12,875)	(11,643)
Closing Book Value	3,044	4,276
Depreciation for the year	1,232	942
Land & Improvements		
Cost Price	1,320,164	1,319,403
Accumulated Depreciation	(253,248)	(238,492)
Closing Book Value	1,066,916	1,080,911
Depreciation for the year	14,756	14,195
Office Equipment		
Cost Price	7,565	7,565
Accumulated Depreciation	(5,468)	(5,219)
Closing Book Value	2,097	2,346
Depreciation for the year	249	283
Aerobics Room		
Cost Price	25,496	20,672
Accumulated Depreciation	(18,363)	(17,709)
Closing Book Value	7,133	2,963
Depreciation for the year	654	231
Weights Room		
Cost Price	76,502	76,502
Accumulated Depreciation	(58,564)	(55,967)
Closing Book Value	17,938	20,535
Depreciation for the year	2,597	4,295
RPM Equipment		
Cost Price	23,096	23,096
Accumulated Depreciation	(22,454)	(22,100)
Closing Book Value	642	996
Depreciation for the year	354	559
Total Property, Plant & Equipment	1,097,770	1,112,027

The latest Quotable Value New Zealand valuation of the buildings owned by the Trust is \$2,750,000.

Notes to the Performance Report

	2021	2020
7. Analysis of Revenue and Expenses		
Revenue		
Revenue from goods and services provided		
Programmes		
Activity Programme	13,425	9,031
Active & Age	10,192	8,679
Aerobics	23,863	25,887
Rockwall	5,828	5,344
Wage Recovery	12,907	12,078
Weights	24,495	28,469
RPM	2,385	3,707
Weights Casual	1,256	1,465
Aerobic Casual	1,593	1,701
Total Programmes	95,945	96,360
Other Services		
Canteen	2,966	2,173
Creche	506	851
Hall Hire	47,348	36,715
Key Sales	1,248	670
Total Other Services	52,068	40,408
Total Revenue from goods and services provided	148,013	136,768
Other Revenue		
Covid-19 - Wage Subsidy	30,224	56,208
WGHS Physical Education	1,739	1,739
WGHS Electricity	1,719	7,475
WGHS Wages	4,819	4,507
WGHS Maintenance & Equipment	6,591	6,476
Staff Development	43	149
Total Other Revenue	45,137	76,554
Donations, Grants & Subsidies		
Waitaki District Council	80,651	79,070
The Trusts Charitable Foundation	-	2,500
C Jones Trust	200	250
D & N Malcolm Trust	200	-
Donations	-	145
Other Grants	16,079	12,000
Unused Grants with Conditions At Year End	(15,500)	(14,000)
Total Donations, Grants & Subsidies	81,630	79,965

Notes to the Performance Report

	2021	2020
Expenses		
Service Costs		
Purchases - Canteen	1,923	1,235
Depreciation - Creche	6	7
Purchases - Keys	956	382
Total Service Costs	2,885	1,624
Programme Costs		
Advertising	100	-
Aerobics	1,537	1,741
Franchise	4,284	3,570
Rockwall	1,668	1,311
Weights	1,297	1,381
Activity Programme	8,938	6,565
Total Programme Costs	17,824	14,568
Administration		
Accountancy	3,410	2,860
Audit	1,870	1,870
Consultancy & Legal Expenses	44	184
Bank Charges	65	65
Depreciation - Office	249	283
Depreciation - Kitchen	31	34
Depreciation - Aerobic Office	213	264
Depreciation - ACC Office	982	637
Eftpos	747	747
General Expenses	803	1,061
Low Value Assets	853	5,008
Postage/Courier	241	439
Software Maintenance & Support	2,909	2,622
Printing & Stationery	1,693	1,781
Telephone & Communications	1,275	1,238
Total Administration	15,385	19,093
Employment		
ACC Levies	1,025	973
Staff/Professional Development	1,786	690
Wages	165,151	172,599
Travel & Accommodation	21	-
Total Employment	167,983	174,262

Notes to the Performance Report

	2021	2020
Equipment		
Aerobics		
Purchases - Aerobic	661	901
Repairs & Maintenance - Aerobic	432	639
Depreciation - Aerobics Room	654	231
Loss on Disposal - Aerobics Room	-	88
Weights		
Purchases - Weights Room	39	1,804
Repairs & Maintenance - Weights	846	103
Depreciation - Weights	2,597	4,295
Loss on Asset Disposal - Weights	-	350
Gym		
Repairs & Maintenance - Gym	2,253	4,294
Spin		
Repairs & Maintenance - Spin	49	149
Depreciation - Spin	354	559
Total Equipment	7,884	13,412
Building Occupancy		
Caretaking Supplies	2,259	2,397
Depreciation	14,756	14,195
Electricity & Gas	8,721	14,276
Insurance	16,173	14,974
Repairs & Maintenance	8,670	7,049
Water Rates	323	104
Total Building Occupancy	50,901	52,996
Total Expenses	262,862	275,956

Notes to the Performance Report

	2021	2020
8. Analysis of Assets and Liabilities		
Bank accounts and cash		
ANZ Current Account	181,333	196,658
Cash on Hand	100	100
Total Bank accounts and cash	181,433	196,758
Creditors and accrued expenses		
GST Payable	3,500	5,804
Accounts Payable	10,507	9,114
Covid-19 Wages Subsidy Payable	-	30,224
Total Creditors and accrued expenses	14,007	45,142
Accumulated Funds		
Accumulated surpluses at Start of Year	1,236,495	1,219,382
Surplus for the Year	12,017	17,413
Equity at Year End	1,248,512	1,236,795
	2021	2020
Unused grants with conditions		
J.W. Christie Trust	10,000	10,000
Dunedin Casino Charitable Trust	2,500	2,500
Network Waitaki	3,000	1,500
Total Unused grants with conditions	15,500	14,000

The above grants received were for specific capital expenditure which had not been incurred at balance date.

9. Covid-19 Virus

The Covid-19 virus pandemic, which resulted in a lockdown throughout New Zealand from 24 March 2020 to mid May 2020 and from 17 August 2021, is not expected to significantly affect the future activity of the Trust.

Fixed Assets and Depreciation Schedule

Waitaki Community Recreation Centre Trust
For the year ended 30 June 2021

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Aerobics Room - Audiovisual Equipment									
Music Sound System	48.00%	DV	10,079	5	-	-	2	10,076	3
TV	10.00%	DV	300	32	-	-	3	271	29
Video	5.00%	DV	300	97	-	-	5	207	93
Total Aerobics Room - Audiovisual Equipment			10,679	135	-	-	11	10,555	124
Aerobics Room - General									
Body Pump Storage Rack	48.00%	DV	446	-	-	-	-	446	-
Carpet - Aerobics Room	40.00%	DV	4,824	-	4,824	-	482	482	4,342
Heater	5.00%	DV	100	33	-	-	2	68	32
Multiflex Mats (38)	40.00%	DV	2,280	142	-	-	57	2,195	85
Swiss Balls (23)	3.00%	DV	1,388	680	-	-	20	728	660
Weights (132) & Pump Bars (30)	3.00%	DV	2,400	1,174	-	-	35	1,261	1,139
Total Aerobics Room - General			11,438	2,030	4,824	-	597	5,181	6,258
Aerobics Room - Plates									
Plates 6 x15kg Cast Ivanko	48.00%	DV	198	-	-	-	-	198	-
Plates 6x 10kg Vinyl	48.00%	DV	106	-	-	-	-	106	-
Total Aerobics Room - Plates			304	1	-	-	-	304	-
Aerobics Room - Steps									
Big Step (13)	40.00%	DV	1,575	61	-	-	24	1,538	37
Step Boxes (30)	3.00%	DV	1,500	736	-	-	22	786	714
Total Aerobics Room - Steps			3,075	797	-	-	47	2,325	750
Furniture & Fittings - Aerobic Office									

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Desk	10.00%	DV	50	10	-	-	1	41	9
Heat Pump - Aerobics Room	20.00%	DV	4,550	995	-	-	199	3,754	796
Les Mills Tapes	10.00%	DV	1,000	109	-	-	11	902	98
Shelves	10.00%	DV	100	20	-	-	2	82	18
Total Furniture & Fittings - Aerobic Office			5,700	1,133	-	-	213	4,780	920
Furniture & Fittings - Creche									
Benches (2)	10.00%	DV	50	10	-	-	1	41	9
Chairs	10.00%	DV	100	20	-	-	2	82	18
Table	10.00%	DV	50	10	-	-	1	41	9
Toys	10.00%	DV	200	22	-	-	2	180	20
Total Furniture & Fittings - Creche			400	62	-	-	6	345	55
Furniture & Fittings - Kitchen									
Fridge	10.00%	DV	300	32	-	-	3	271	29
Oven	10.00%	DV	800	88	-	-	9	721	79
Rheem H/Water	5.00%	DV	800	347	-	-	17	471	329
Zip	10.00%	DV	100	20	-	-	2	82	18
Total Furniture & Fittings - Kitchen			2,000	488	-	-	31	1,544	456
Furniture & Fittings - Office									
Basketball Score Board	30.00%	DV	3,553	65	-	-	19	3,508	45
Carpet - Reception	40.00%	DV	2,957	2,365	-	-	946	1,537	1,419
Desk & Chairs	10.00%	DV	100	20	-	-	2	82	18
Filing Cabinet	10.00%	DV	100	20	-	-	2	82	18
Heater	10.00%	DV	30	6	-	-	1	24	6
Stereo	10.00%	DV	80	9	-	-	1	72	8
Video Camera	10.00%	DV	1,000	109	-	-	11	902	98
Total Furniture & Fittings - Office			7,820	2,594	-	-	982	6,207	1,612

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Land & Improvements									
Access Control System	20.00%	SL	3,371	-	-	-	-	3,371	-
Building	1.00%	SL	1,090,550	902,638	-	-	10,906	198,818	891,733
Building Fitout	2.00%	SL	21,030	17,242	-	-	421	4,209	16,821
Camera System	20.00%	DV	2,475	2,351	-	-	470	594	1,881
Extraction Fan Unit		Full	760	-	760	-	760	760	-
Fire Alarm Panel & Sounders	10.00%	DV	3,120	1,298	-	-	130	1,951	1,169
Garage Carpet to store rooms	25.00%	DV	583	355	-	-	89	316	266
Reasphalt Path and Pavers		None	11,339	11,339	-	-	-	-	11,339
Reline & Insulate Ceiling	1.00%	SL	137,895	118,589	-	-	1,379	20,685	117,210
Storage Area		None	19,015	19,015	-	-	-	-	19,015
Toilet Upgrade	12.00%	DV	19,579	4,853	-	-	582	15,308	4,271
Vinyl	20.00%	SL	4,955	-	-	-	-	4,955	-
Vinyl	24.00%	DV	2,341	80	-	-	19	2,280	61
Weights Room		None	1,854	1,854	-	-	-	-	1,854
Window Tinting		None	1,297	1,297	-	-	-	-	1,297
Total Land & Improvements			1,320,164	1,080,911	760	-	14,756	253,248	1,066,916
Office Equipment - Furniture									
Furniture	10.00%	DV	355	49	-	-	5	311	44
Tressels (4)	20.00%	DV	178	5	-	-	1	174	4
Total Office Equipment - Furniture			533	54	-	-	6	485	48
Office Equipment - General									
Fridge	5.00%	DV	300	97	-	-	5	208	92
Sony Mini Stereo	20.00%	DV	402	10	-	-	2	394	8
Water Cooler	25.00%	DV	600	87	-	-	22	535	65
Total Office Equipment - General			1,302	193	-	-	29	1,137	165

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Office Equipment - Office Machines									
Brother HL5140 Printer	48.00%	DV	222	-	-	-	-	222	-
Casio 200c Cash Register	20.00%	DV	764	14	-	-	3	753	11
Kerrick Vacuum	10.00%	DV	565	69	-	-	7	503	62
Label Writer	20.00%	DV	388	12	-	-	2	379	9
Laminator	20.00%	DV	231	6	-	-	1	226	5
Safe	5.00%	DV	200	64	-	-	3	139	61
Total Office Equipment - Office Machines			2,370	165	-	-	17	2,221	149
Office Equipment - Signage									
Roadside Signage	12.00%	DV	405	69	-	-	8	344	61
Sign in Front of Garden	10.00%	DV	1,110	884	-	-	88	315	795
Signage on ACM Panel	10.00%	DV	1,110	839	-	-	84	355	755
Signs	12.00%	DV	735	142	-	-	17	610	125
Total Office Equipment - Signage			3,360	1,934	-	-	198	1,624	1,736
RPM Equipment									
2 Spin Bikes	40.00%	DV	2,217	1	-	-	1	2,216	1
4 Spin Bikes	40.00%	DV	4,433	3	-	-	1	4,431	2
5 Spin Bikes	40.00%	DV	2,884	1	-	-	1	2,883	1
Bodyworx Spin Bike 20110917203	40.00%	DV	609	12	-	-	5	602	7
Bodyworx Spin Bike 20120626011	40.00%	DV	608	12	-	-	5	601	7
Bodyworx Spin Bike 20120626012	40.00%	DV	608	12	-	-	5	601	7
Bodyworx Spin Bike 20120626030	40.00%	DV	609	12	-	-	5	602	7
Bodyworx Spin Bike 20120626110	40.00%	DV	609	12	-	-	5	602	7
Life Fitness Spin Bike	40.00%	DV	1,540	277	-	-	111	1,374	166
Nitro X9 Spin Bike	40.00%	DV	955	40	-	-	16	931	24
Nitro X9 Spin Bike	40.00%	DV	956	40	-	-	16	932	24
Schwinn Spin Bike	40.00%	DV	370	50	-	-	20	340	30

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Spin Bike	30.00%	DV	650	444	-	-	133	339	311
Spirit CT800 Spin Cycle	40.00%	DV	1,062	9	-	-	4	1,057	5
Spirit CT800 Spin Cycle	40.00%	DV	1,062	6	-	-	2	1,058	4
Spirit CT800 Spin Cycle	40.00%	DV	1,062	9	-	-	4	1,057	5
Spirit CT800 Spin Cycle	40.00%	DV	1,062	6	-	-	2	1,058	4
X-Rev Spinner Bike	40.00%	DV	900	25	-	-	10	885	15
X-Rev Spinner Bike	40.00%	DV	900	24	-	-	10	885	15
Total RPM Equipment			23,096	996	-	-	354	22,454	642
Weights Room - Benches									
Benches (2)	3.00%	DV	600	294	-	-	9	315	285
Multi Position Bench	19.20%	DV	961	67	-	-	13	907	54
Total Weights Room - Benches			1,561	361	-	-	22	1,222	339
Weights Room - Free Weights, Dumbells and Barbells									
Barbells (7) - Rack Bar Hammer	3.00%	DV	2,000	980	-	-	29	1,049	951
Dumbells	19.20%	DV	1,160	63	-	-	12	1,109	51
Dumbells (15) Dark Green Various Kgs	3.00%	DV	600	294	-	-	9	315	285
Free Weights (87) Dark Green Various Kgs	3.00%	DV	500	246	-	-	7	262	238
Neoprene Dumbell 2kg (20)	16.00%	DV	124	40	-	-	6	90	34
Olympus Hex Dumbells Mixed (12)	16.00%	DV	179	61	-	-	10	128	51
Plastic Free Weights (9)	3.00%	DV	150	74	-	-	2	78	72
Plates Vinyl 2.5kg (4)	16.00%	DV	30	10	-	-	2	22	8
Plates Vinyl 5kg (8)	16.00%	DV	121	40	-	-	6	87	34
Rodos Weights (22)	3.00%	DV	400	196	-	-	6	210	190
Spinloc Dumbell Bars Weider Weights & Bars (32) Various Kgs	3.00%	DV	1,000	489	-	-	15	525	475
Weights Racks (4)	3.00%	DV	500	246	-	-	7	262	238

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Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
York Vinyl Dumbell 4kg (2)		None	44	44	-	-	-	-	44
Total Weights Room - Free Weights, Dumbells and Barbells			6,808	2,783	-	-	112	4,137	2,671
Weights Room - General									
Bench Press	3.00%	DV	1,000	489	-	-	15	525	475
Bicep Curl Machine	3.00%	DV	500	246	-	-	7	262	238
Calf Raiser	3.00%	DV	600	293	-	-	9	316	284
Chin Bar	3.00%	DV	100	50	-	-	2	52	48
Filing Cabinet	10.00%	DV	100	20	-	-	2	82	18
Gas Hot Water	19.20%	DV	5,900	345	-	-	66	5,621	279
Gym Tek Pec Dec	19.20%	DV	1,594	112	-	-	21	1,504	90
Gymball	48.00%	DV	70	-	-	-	-	70	-
Lateral Pull Down	3.00%	DV	800	392	-	-	12	419	381
Leg Curl	3.00%	DV	800	392	-	-	12	419	381
Leg Extensions	3.00%	DV	900	441	-	-	13	472	428
Leg Press	3.00%	DV	900	442	-	-	13	471	429
Mats Sinclair	3.00%	DV	410	261	-	-	8	157	253
Numat Rubber Matting	10.00%	DV	4,117	2,078	-	-	208	2,246	1,871
Rowing Machine	3.00%	DV	1,500	734	-	-	22	788	712
Scales	3.00%	DV	90	43	-	-	1	48	42
Scoreboard	3.00%	DV	7,017	4,467	-	-	134	2,684	4,333
Spirit CT800 Treadmill	40.00%	DV	3,500	31	-	-	12	3,482	18
Spirit CT800 Treadmill	48.00%	DV	3,500	5	-	-	2	3,498	2
Spirit E Glide Cross Trainer	40.00%	DV	2,920	39	-	-	16	2,896	24
Stairclimber	40.00%	DV	4,841	2,518	-	-	1,007	3,331	1,511
Stepper	3.00%	DV	400	198	-	-	6	208	192
Swiss Balls (12)	3.00%	DV	720	354	-	-	11	377	343
Treadmill Precor TRM800	40.00%	DV	5,000	350	-	-	140	4,790	210

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.

Fixed Assets and Depreciation Schedule

NAME	RATE	METHOD	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
Treadmill York	10.00%	DV	8,000	1,814	-	-	181	6,367	1,633
Treadmill - S Dowling	40.00%	DV	1,739	351	-	-	140	1,529	210
York Rowing Machine	48.00%	DV	1,243	1	-	-	-	1,243	-
Total Weights Room - General			58,261	16,466	-	-	2,061	43,857	14,405
Weights Room - Gyms									
2 x Netball Posts	67.00%	DV	1,410	13	-	-	9	1,406	4
B/Ball Backboard	40.00%	DV	3,157	31	-	-	12	3,139	18
Basketball Backboard	67.00%	DV	1,560	515	-	-	345	1,390	170
Chest & Shoulder Press	19.20%	DV	1,067	86	-	-	17	997	70
Interlock Mat	80.40%	DV	783	-	-	-	-	783	-
Rowing Machine	48.00%	DV	1,244	1	-	-	-	1,244	-
Total Weights Room - Gyms			9,221	645	-	-	383	8,958	263
Weights Room - Olympic Bars									
Crossfit Olympic Bar	16.00%	DV	251	85	-	-	14	180	71
Olympic Bars	3.00%	DV	400	196	-	-	6	210	190
Total Weights Room - Olympic Bars			651	280	-	-	19	390	261
Total			1,468,743	1,112,027	5,585	-	19,842	370,973	1,097,770

The statement above is to be read in conjunction with the Notes to the Performance Report and the Audit Report.



Annual Report for the period 1 July 2020 to 30 June 2021
Prepared for the Waitaki District Council by Diane Talanoa, WCRC Manager
(presented October 2021)

Summary

The Waitaki Community Recreation Centre continues to play an important role in providing recreation, fitness and health facilities and services in our local community during the 2020-21 year, despite the ongoing disruptions we all experienced due to the COVID-19 virus. Our focus is on providing quality and affordable indoor sports facilities and services to our local community.

The examples and information in this report illustrate the breadth of people and activities using the Centre to stay connected, active, entertained and informed, and the benefits the Centre provides for our community.

Key one-off event hire during 2020-21 included: the North Otago Sports Bodies Network Waitaki Sports Awards; a local cricket club fundraiser; an NZUTE Taekwondo tournament; a 3 day regional church event; N.O. Plunket Spin-a-thon fundraiser, regional Yr 7/8 basketball tournament.

Our hire hours were 35% up on last year (Covid-19 impact) and 15% up on the previous year despite approximately 235 hours of our regular and 1-off activities and events being cancelled due to Level 2 restrictions. We experienced an increase during September due to the rescheduling of previously postponed events due Covid. Some of our scheduled programmes and services suffered from lack of numbers as we observed a reluctance to congregate from some parties.

We were fortunate in being eligible for two Government Covid wage subsidy payments as a result of decreased revenue.

Targeted maintenance during the period included replacement of carpet in the aerobics room and re-covering of weights room equipment. We have contracted K-South to carry out monthly grounds maintenance. The projects to resurface / retape the gym floors and to install new LED lights system in the gyms are scheduled for early in 2022.

The Centre serves a diverse demographic, and is utilised for a considerable range of activities, gatherings and events. Our long term regular users include Whitestone Taekwondo, N.O. Basketball, Filipino Waitaki Inc basketball, Pacific Island community group sports, Tai chi, NO Section of NZ Alpine Club, as well as regular group fitness and associated programmes. We also had massage therapists working from the Centre during 2020-21.

We've continued to provide our regular programmes including kid's holiday programmes and fitness circuits, toddler programmes, programmes for seniors, social mixed basketball, group fitness and boot camps, and social sports. One of our key values is community, reflected by our hosting of the NO Plunket Spin-a-thon fundraiser and having an active role in the N.O. Sports Bodies Assn, running the annual Network Waitaki Sports Awards and Waitaki Sports Hall of Fame inductions.

We were fortunate to receive funding from J W Christie Trust, WDC Community Group grants, Colin Jones Trust, Donald & Nellye Malcolm Trust, and Network Waitaki during the 2020-21 year, as well as a generous annual grant from Waitaki District Council.

The Waitaki Community Recreation Centre is governed by Trustees who take an active interest in the Centre, and we are fortunate to have a stable and loyal staff group. We have an excellent partnership with Waitaki Girls High School and a positive relationship with the Waitaki District Council.

The unofficial (DRAFT) end-of-year financial performance shows a positive result, with a surplus of \$12,017. This surplus is tagged grant funding for projects being carried over into the new year. Please note that this is an unofficial figure, accounts are yet to be audited.

Review of Business Plan Objectives

Objective 1. To provide an indoor recreational facility to meet the community's indoor sports needs.

The Centre hosted a multitude of community indoor sports and other activities throughout 2020-21, despite the COVID-19 disruptions. Overall usage was up approximately 35% on the Covid affected 2019-20 year and 15% up on the previous year.

The Centre is available for hire to any group/individual and this past year again demonstrates that it is being used for a wide and varied range of activities. Our user profile reflects the diversity in our local demographics.

Key regular users were:

- North Otago Basketball: 3 nights per week during the winter season (some rescheduling due to Covid impact), plus tournaments and numerous trainings
- Taekwondo: Whitestone Taekwondo regular club nights twice weekly throughout the year
- Tai chi: 4 classes per week throughout the year
- Filipino community: basketball league on Friday and Saturday nights through summer – a valuable sporting and community-bonding activity.
- North Otago section of the NZ Alpine Club rockwall: regular club nights twice weekly throughout the year plus group hire. Bouldering wall for club and casual use.
- Valley Netball weekly practices throughout the netball season
- massage therapists were based at the Rec Centre
- Devo Dance – regular weekly classes for kids
- Indoor football: the Rec Centre ran the summer Indoor Football season due to the Indoor Football Waitaki club's lack of personnel, however numbers were down and it ran for a half season only. It will be back under a rejuvenated Indoor Football Waitaki Club for the 2021-22 spring / summer season.

A large selection of other groups also hired gymnasiums / ran occasional or 1-off activities, including:

A range of community groups: Oamaru Pacific Island Community group; Filipino Waitaki Basketball Inc; church youth groups; NZ Flight School, Inspired Faith Church, Latter Day Saints Church, Tuvalu group; Tongan Community group; plus others.

Tournaments: Small Bore Rifle Shooting; Network Waitaki Basketball; NZUTE Taekwondo; Albion Cricket Club fundraiser tournament. Some tournaments were cancelled due to Covid implications.

Many sports teams and activities including netball, football, basketball, volleyball, badminton, dance, rock climbing, cricket, taekwondo, gymnastics, tai chi, fitness, table tennis. Age range from pre-school to masters.

Groups included: NO Netball; NO Basketball Assn; Maheno Netball; Valley Netball, Athletic Netball; NO Smallbore Rifle Shooting Assn; Football Waitaki; Old Boys Rugby JAB; McGeown Taekwondo; Daydream Dance; Scott's Own Sea Scouts & Cubs; as well as a range of informal groups and individuals.

Many schools used the Centre for lots of different activities including rock wall, gymnastics, volleyball. St Joseph's School Dunedin; Oamaru Intermediate School; East Otago high School; Ardgowan School; Waitaki Girls High School; Te Aho O Te Kura; One School Global; Weston School; Waitaki Boys High School; St Kevins' College.

Other events / users: Trustpower Kids Xmas party; St John Youth; Sport Waitaki; N.O. Sports Bodies Assn AGM; Network Waitaki Sports Awards; Oamaru Multisport Club meetings; Corporate Risks Insurance; private use, e.g. birthday parties

Health and wellbeing: Ka Hale Ola Massage; Inlightin Me Massage; STAND children's services; Therapy Consultants

Expos: cancelled due to Covid implications

Other: individual use e.g. basketball shots (almost 1000 individual visits over the 12 month period)

CANCELLATIONS due to Covid-19 concerns: NO Asthma Kids Fun Day; Tongan Community Trust; local church event; NO Table Tennis tournament; Small Bore Rifle Shooting tournaments; Clued Up Kids Expo; Waitaki Rural Schools Network gymnastics festival; NO Primary Schools Fiefia night

Objective 2. To provide a range of recreation programmes to meet the needs of a wide community cross-section and to promote community health.

We continue to provide a wide scope of activities, services and programmes here at the Centre which have generally been well supported throughout the year, although numbers were low in some programmes and membership and casual usage of our fitness services has declined over the 12 month period. There are strong social connections, mental health and physical benefits for individuals and groups using our facilities, contributing to overall health and wellbeing in our community.

- **Mini Movers:** this programme is aimed at developing movement skills in 3-4 year olds and is offered one morning per week for six weeks each term. Numbers have been low despite promotion of the programme. We ran 3 out of 4 programmes this year.
- We offer the highly popular **Active Kids Holiday Programme** which runs for one week every school holidays with 40 children attending daily. A key benefit of the programme is that local sports clubs get exposure for their sports, often resulting in new kids enrolling in their clubs and activities. This is also an opportunity for local youth to develop leadership skills and we have a great team of young people volunteering regularly on this programme. Activities during the 2020-21 programmes included taekwondo, badminton, netball, football, dance, duathlon, basketball, rock climbing, tennis, gymnastics, rippa rugby, cricket, golf, FunFit Kids
- **Boot camp / Fitness Challenges** – regular 10 week programmes catering to groups. There are different time slots to cater for varying lifestyles – 6am, 9am and 6pm. We ran ten Challenges during the 12 month period.
- **Group fitness classes** - we offer a comprehensive range of classes that are attended by teenagers through to those in their nineties.
- **Weights Room:** users represent all ages and stages, from school students through to retirees. The weights room is unmanned. Clients can get guidance and support from a Personal Trainer.
- **Creche:** - this operates 6 mornings a week and is used by parents who attend morning classes or make use of the other gym facilities. Demand for this service however has been low over the 12 month period.
- **Massage Therapists** were based at the Centre throughout the year
- **Climbing Wall:** owned and maintained by the North Otago section of the NZ Alpine Club who run club nights twice a week, also hired for use by schools and other groups. It is suitable for beginners through to advanced. The North Otago Section of NZ Alpine Club also has a **Bouldering wall** in the area at the back of the weights room which is used by club members and casual users.
- **'Senior Strong'** - we are certified with WellSouth to deliver a falls-prevention programme. The class provides a service for those wanting to improve their leg strength and balance and live more independently. It is a really popular class and provides an important focus for social interaction and support.
- We run a regular **FunFit Kids** programme for primary and intermediate school kids focused on age-appropriate fitness activities. We ran 3 programmes during 2020-21. Demand was low for this programme over the period.
- We run a **Social Mixed Basketball League** twice a year which attracts between 10 and 12 teams and provides the only regular local competition for adults
- We run a weekly **Social Sports** afternoon session, which involves fun activities with the emphasis on social enjoyment and participation e.g. table tennis and badminton followed by a 'cuppa' and a yarn.

Objective 3. To ensure that WCRC facilities and assets are safe and professionally maintained.

Over the 2020-21 period the following developments and projects have been undertaken

- Regular maintenance and repairs to the building and equipment were carried out throughout the year, as expected in a busy environment to keep things up to date, compliant and running effectively. Various pieces of new and replacement equipment were purchased for the gyms, weights and aerobics rooms, crèche and office enabling us to stay innovative, keep equipment up to standard and meet all regulatory requirements.
- With support from Network Waitaki, Donald & Nellye Malcom Trust and a WDC Community Groups grant we were able to replace carpet in the aerobics room, making this safer, more functional and more attractive to users
- We have contracted K-South to carry out regular grounds maintenance as we were struggling to carry this out within our current staff capacity
- Equipment in the weights room was re-covered
- We plan to resurface and re-mark the floors in both gyms and have scheduled this for the end of 2021 / early 2022. We have secured some funding and are in the process of applying for further funds
- We also plan to replace the current lighting system in both gyms with a new LED lighting system, this will be more cost effective and minimise the maintenance required to keep all lights operational. We have secured some funding towards this and hope to have it completed early 2022.

Objective 4. To improve WCRC profile and reputation through high quality customer service and through sustaining partnerships with local organisations.

- We are fortunate in having a stable and loyal staff who are well trained and supported to ensure we deliver excellent service.
- We have good systems in place to ensure we meet our compliance standards
- Through our partnership with Sport Waitaki we provide the Active Kids Holiday Programme and the Mini Movers programme, both of which receive excellent feedback from those who take part.
- We are part of a small organising committee with Sport Waitaki for the very successful Rainbow Confectionery 5km Colour Run event. This was unfortunately cancelled due to withdrawal of the key sponsor, we plan to resurrect it in the spring of 2021.
- Current panel member of the WDC Sport NZ Rural Travel Fund
- Actively involved in bringing the NO Sports Bodies Assn annual Network Waitaki Sports Awards event, incorporating the Waitaki Sports Hall of Fame inductions, to the Centre in March 2021. This was a successful evening, professionally run with an entertaining speaker, recognition of local contributors to Waitaki sport, and acknowledgement of achievements of our local sportspeople. The inclusion of the Waitaki Sports Hall of Fame inductions was a huge success and will be an ongoing feature of the annual event. We look forward to collaborating with the key stakeholders to host this event each year.
- Integral partnership with the NO Section of the NZ Alpine Club whose facilities include the climbing walls and the new bouldering wall.
- We have a great partnership with WGHS, working closely to ensure maximisation of hire space

Objective 5. To ensure the Centre is financially sustainable.

- the financial performance for 2020-21 shows a positive result with a surplus of \$12,017. 00. This surplus is tagged grant funds for projects being carried over into the new financial year.
- Waitaki Girls High School contributes financially to the centre (annual PE grant and annual maintenance grant, and contribution towards cost of utilities) and the Centre is fortunate to be able to take advantage of partnering with the school where possible to achieve cost savings.
- our partnership continues with Waitaki District Council whose annual grant for our community facility is critical to our ongoing sustainability. This is very much appreciated
- we received other funding from the following sources:
 - WDC Community Group Grants towards carpet in the aerobics room and also towards a cabinet for the AED defibrillator
 - Donald & Nellye Malcolm Trust towards carpet in the aerobics room
 - J W Christie Trust towards the aerobics room carpet
 - Colin CL Jones Trust towards resistance bands for senior activities
 - Network Waitaki funding towards the gym lights upgrade
 - Sponsorship from Laser Plumbing
- systems are in place for accurately recording statistics to enable us to analyse, review and ensure programmes are self-sustaining
- our appreciation goes to all the volunteers who have helped us including the Trust members and various individuals for volunteering their time
- the WCRC Trust carry out effective governance of the Centre
- our Centre-based programmes are generally well-supported and financially viable. We did experience a small decrease in our membership, casual usage and some of our Centre-based programmes during this period. Our facility hire income is up again compared to the previous two years
- we continue to attract new users for facility hire, the 2020-21 year included: Ka Hale Ola Massage; “Inlightin Me” Massage; Corporate Risk Insurers; Therapy Consultants; Albion Cricket Club; Devo dance; Tuvalu Group; Stand Children’s Services.

6 RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Ōmārama land purchase for a new water treatment plant	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

7 PUBLIC EXCLUDED SECTION

8 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RECOMMENDATION

That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

9 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, any previously public excluded information that Council decides to release will be included under this agenda item in the Public Minutes of this meeting.

10 MEETING CLOSE