



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Annual Report

**for the year ended
30 June 2019**

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Introduction from the Council and Chief Executive

The 2018/19 Annual Report presents Council's progress and performance against the first year of the 2018-28 Long Term Plan from 1 July 2018 to 30 June 2019. This Annual Report is an opportunity to reflect on the year and report to the community on the progress Council has made towards achieving the plans we agreed in the Long Term Plan.

The last twelve months has seen continued progress towards achieving Council's vision for the community of Growing Waitaki – the best place to live, work and play. While some of the highlights for the year are outlined below, there is much more that has been delivered right across all areas of Council.

Financial Result

We've ended the year in a strong financial position, despite recording a deficit of (\$1.582 million), due to the requirement to write off assets abandoned and decommissioned as a consequence of recent Water infrastructural upgrades. This is the first deficit recorded by Council in many years, after reporting healthy surpluses since 2012.

Council's financial position remains sound, despite this non-trading deficit, and we will continue to review our costs, particularly from an operational perspective, ensuring ratepayers get the best value for money. Our financial position is indicative of our prudence. When developing the 2018-28 Long Term Plan, we expected a 4.1% rates increase for the year ending 30 June 2020. Despite a significant increase in activity, we were able to contain the rates increase to only 2.96%, a very pleasing outcome. We have also introduced some new projects for the coming year that will help grow our district.

Infrastructure

A lot of the work Council does relates to making sure we have the infrastructure our district needs. Much of this work is not visible to residents but it is essential for us to continue to thrive as a district.

Roads

During 2018/19 we have been delivering improvements and road maintenance including seal widening, resurfacing, safety improvements, and road safety programmes. We have also continued to focus on ensuring resilience of the road network in times of heavy storms.

Four new assets were added to the roading network in Oamaru. A new road was constructed connecting Tyne Street with the Esplanade, and a new footpath has been built connecting Solway Street with Saleyards Road. In addition, two new roundabouts have been installed, one at the intersection of Eden and Reed Streets (which has improved traffic flows and safety), and one at the intersection of Wansbeck and Tyne Streets.

Water

A major milestone was completing the new water supply pipeline from Ōamaru to Herbert, Waianakarua, Hampden and Moeraki in August 2018. This pipeline supplies safe, high quality water from the Ōamaru Water Treatment Plant to more than 1,200 residents in those areas. This complex and challenging project received a "Highly Commended" award at the Local Government New Zealand Excellence Awards in June for its contribution to economic wellbeing.

The contract for Stage 2 of the project to upgrade the South Hill water mains was awarded to Whitestone Contracting Limited, who completed all required works by Council's June deadline. This extensive project has greatly improved supply resilience and capacity in the South Hill area.

Council engineers successfully managed three significant events on the district's water supplies during the year – most notably in Ōamaru when treatment and supply capacity was significantly reduced following a prolonged period of rain events. This affected all consumers on the Ōamaru Water Supply and highlighted the need to increase storage capacity at the plant, resulting in the project to build an additional reservoir for Ōamaru water being brought forward to the 2019/20 financial year.

Significant progress was made on identifying and consulting on options to upgrade the Lake Ohau Alpine Village water supply to meet the Drinking Water Standards. This is a high priority for Council.

Wastewater

The first part of a multi-stage Ōamaru Wastewater Capacity Study was completed. This study will provide a sound basis for long-term asset planning.

Planning to de-sludge Council's wastewater ponds around the district commenced. As part of this, a survey of sludge levels within the ponds is underway. Information from the survey will form the basis of a sludge removal contract to be released later this year.

Waste Minimisation

To promote waste minimisation, Council funded two free composting workshops held at the Waitaki Community Gardens in December, which were well-attended. In addition, Council funded a series of waste minimisation workshops by Kate Meads in Kurow, Ōamaru and Palmerston during June.

Parks and Recreation

Two new bike parks were designed and constructed in Kurow and Palmerston with support from local communities and with community funding from the Otago Community Trust, Oceania Gold, and Meridian.

The November flood events resulted in a significant amount of damage to the Alps to Ocean cycle trail. Fortunately, we were able to secure \$380,000 of additional funding from Ministry of Business Innovation and Employment to enable us to reinstate the trail and increase resilience to flood damage in the future. We continued to progress construction of the Alps to Ocean cycle trail between Aviemore Dam and Kurow with completion of this section scheduled following completion of the Kurow Irrigation works and prior to next Christmas. Additional funding to complete the section of trail from Sailors Cutting to Benmore Dam has been applied for and we hope this work can commence this summer.

Culture Waitaki - Forrester Gallery, North Otago Museum, Waitaki District Archive, Waitaki District Libraries, Ōamaru Opera House

We have worked on improving our diversity by engaging more widely across the community. In April the Ōamaru Opera House hosted the production of Still Life with Chickens. At the same time the Pacifika Treasures Exhibition ran at the Ink Box at the Ōamaru Opera House. The exhibition was a significant collaborative project between the Pacifika community, Ōamaru Opera House, Forrester Gallery and the Waitaki District Library, and was created to support the Still Life with Chickens production. The Pacifika community played an integral role in the organisation of the exhibition. This collaboration was very successful with 160 members of the Pacific Island Community attending the show and exhibition.

Waitaki District Libraries

We have begun subscribing to the PressReader Library which provides online access to today's newspapers and magazines from around the world in full colour in their traditional format and layout. There are 7,000+ titles available from around the world and PressReader also provides up to 90 days of back issues and the ability to print, email and share individual pages and stories. To use PressReader you can download their app from Google Play or the Apple Store and this is available to anyone with a Waitaki District Library card.

Forrester Gallery

The Forrester Gallery was closed in December 2018 because of building issues. Since then work has been undertaken to remediate the building from mould and asbestos. The building has undergone a comprehensive interior and exterior refurbishment including improvements to the fire systems and heating, ventilation, and air conditioning. Work on the building is ongoing and it will reopen to the

public in early 2020. In the meantime a range of options for further development of the gallery building as part of the Cultural Facilities Development Project is underway.

Economic Development

We supported the establishment of the New Zealand Airline Academy at Ōamaru Airport which has won international contracts to train private and airline cadet pilots. In August a partnership was announced between the New Zealand Airline Academy and AirAsia India, with the companies entering into an agreement to commence training commercial airline pilots for AirAsia India at Oamaru airport. International commercial airline pilot training began in August 2019, with 15 AirAsia India pilot cadets expected in the first intake.

It is expected that this partnership will be worth millions of dollars to the district's economy over the contract term, and we also anticipate job growth in the highly valuable aerospace sector.

Harbour

Developments in the Ōamaru harbour have transformed it into a popular destination for locals and tourists alike. A Harbour area committee was formed to come up with a plan to shape the development of the Ōamaru Harbour Space from now into the future. We undertook a significant piece of public engagement, with the community sending the clear message that they are passionate about the harbour and want to ensure it continues to be cared for, while any changes or development need to be carefully considered.

A Harbour Area Committee workshop, which was open to the public, was held in July to discuss the next steps for the Harbour Plan 2019. The team is continuing preparation work for the next phase of the Harbour Plan after the public workshop held on 25 July at the Opera house. Information required for the next steps include parking strategies, traffic management and planning rules.

A number of harbour projects are underway. At the Breakwater 8,500 tonne of rock has been installed and concrete repairs have been undertaken. Stage 1 of 2 has been completed on the dredging with 7,000 cubic metres of dredging spoil having been moved.

Heritage, Environment and Regulation

Regulatory and Environmental

The "Pay my Park" app was introduced to Waitaki as an easy way to pay for parking. This has produced excellent results with up to 60 people paying via the App in a day.

Building

The Building team implemented a significant change to the way they work with the introduction of e-services. On 11 March Building consent processing and building inspections became fully digital, fundamentally changing the way consumers engage with Council for these services. Feedback from all involved has been positive.

Community development and engagement

We established the Waitaki Housing Taskforce to provide recommendations that can guide the district's long-term housing needs and meet community outcomes related to housing. The role of the taskforce is to utilise the knowledge and expertise of members to provide advice and recommendations to Council and other key stakeholders within the housing sector for example central government, social sector, property developers, and landlords.

We are working towards obtaining World Health Organisation Age Friendly Status for Waitaki. We want to ensure that we are meeting the needs of our ageing population and promote the inclusion and contribution of older people in all areas of community life.

Finally, we would like to thank councillors, staff, and contractors for their ongoing efforts in delivering on the vision and strategies of Council. We are proud of what we have achieved by working together to meet our district's present and future needs.



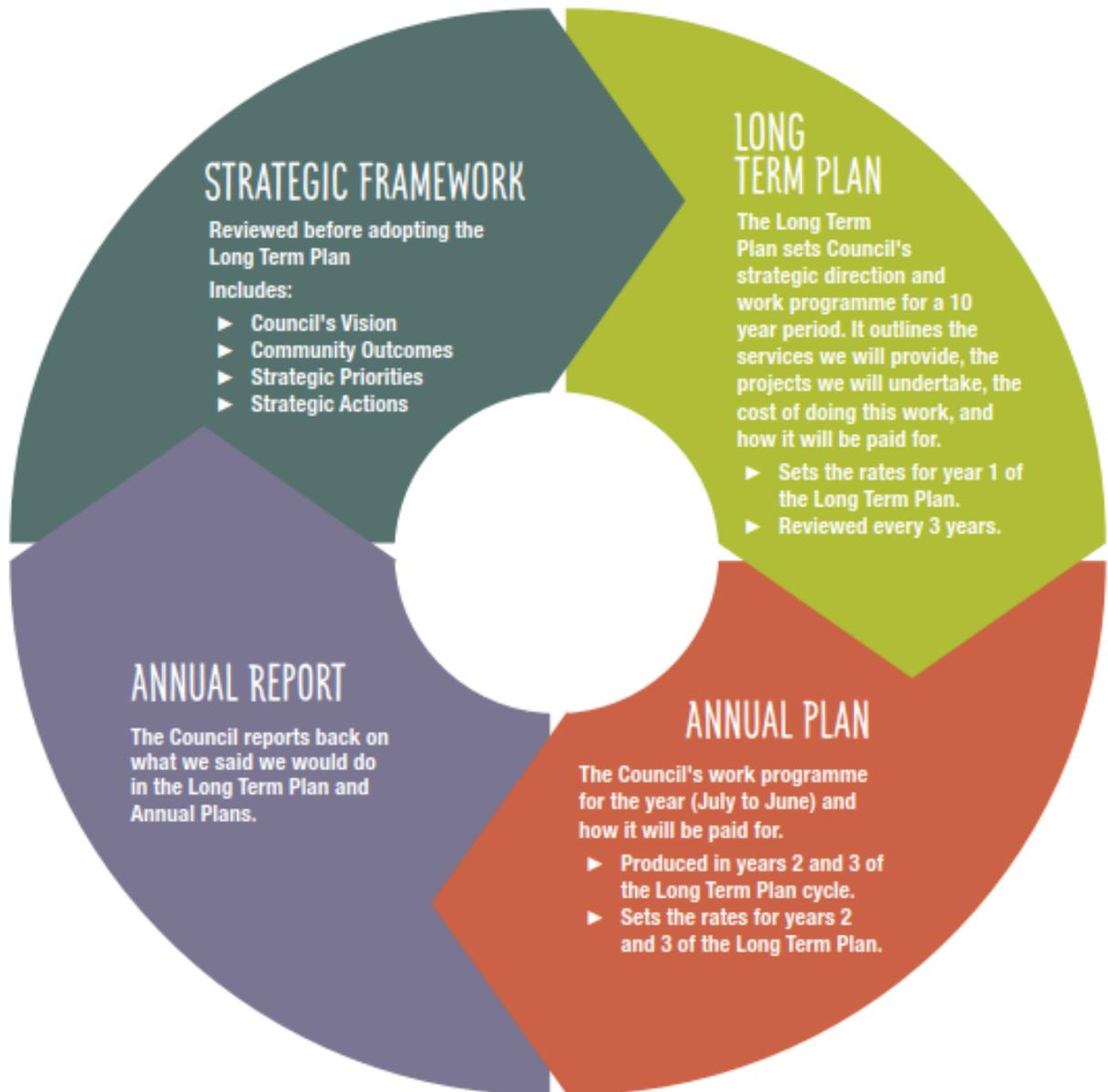
Fergus Power
Chief Executive

Gary Kircher
Mayor for Waitaki

Our Strategic Framework



Our Planning Cycle



Community Outcomes

Council's vision is "Waitaki – the best place to live, work and play." The following community outcomes describe how we want our community to be in order to achieve our vision and what success will look like.

COMMUNITY OUTCOME		WHAT SUCCESS LOOKS LIKE
ECONOMIC 	Business opportunities <i>"We enable opportunities for new and existing businesses"</i>	<ul style="list-style-type: none"> • We plan ahead to ensure there is sufficient land available to meet development demands; • We provide key infrastructure that meets business and industry requirements; • We make Council processes easy for business; • There is a consistent and fair regulatory environment – barriers, costs, risks and uncertainties are minimised where practical; • We advocate in areas that maximise economic opportunity and benefits for the district; • We show leadership – partnership and facilitation; • We celebrate and promote business innovation and success.
SOCIAL AND CULTURAL 	Affordability <i>"We keep our district affordable"</i>	<ul style="list-style-type: none"> • We carefully balance the needs and wants of our community responsively (prudent); • We recognise the large geographical area and small rating base of our district; • We seek alternative funding sources where possible to complement the provision and delivery of our services.
	Access to services and facilities <i>"We provide and enable services and facilities so people want to stay and move here"</i>	<ul style="list-style-type: none"> • There is a higher proportion of the resident population under 50 years old; • We manage public infrastructure to ensure it is sustainable, and to a standard to meet the present and future needs of our residents and visitors; • We promote quality urban design in our district's communities; • We have attractive and liveable townships and communities; • We value our culture, arts and heritage; • Our public places and civic facilities are accessible, welcoming and vibrant; • Our visitor facilities and attractions are welcoming, attractive and meet the demand of a growing tourism base; • There are increasing visitor numbers; • We celebrate and tell our unique stories.
	Diverse community <i>"We understand the diverse needs of our community"</i>	<ul style="list-style-type: none"> • We have a range and choice of housing options; • There are strong community connections and participation rates; • We understand the needs of our communities – changing age structure and a multicultural society; • There are increased joint projects and initiatives with partners and organisations.

COMMUNITY OUTCOME		WHAT SUCCESS LOOKS LIKE
	<p>Safe community</p> <p><i>“We maintain the safest community we can”</i></p>	<ul style="list-style-type: none"> • We manage Council infrastructure and community facilities to ensure the safety of ratepayers and visitors; • Individuals and families feel safe; • We are responsive and prepared for natural hazard events; • We are responsive to climate change implications on the district’s public infrastructure; • We are aware of and responsive to central and regional government obligations.
<p>ENVIRONMENTAL</p> 	<p>Environmental protection and value</p> <p><i>“Waitaki’s distinctive environment is valued and protected”</i></p>	<ul style="list-style-type: none"> • Our community respects our natural resources and how they interact with these (e.g. water, waste, energy, climate change, natural hazards); • We are aware of and responsive to central and regional government obligations; • Our District Plan provisions ensure the sustainable management of our land use, and subdivision of land; • Significant areas, features and landscapes are recognised and protected through the District Plan; • Land area with native vegetation under protection and those with significant native plants and animals is not declining.

Independent Auditor's Report

To the readers of Waitaki District Council's annual report for the year ended 30 June 2019

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

We are also required to report on:

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

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

We completed our work on 30 October 2019. This is the date on which we give our report.

Opinion

Qualified opinion on the financial statements – Non-consolidation of controlled entities

In our opinion, except for the possible effects of the matter described in the Basis for our qualified opinion on the audited information section of our report, the financial statements on pages 93 to 154:

- present fairly, in all material respects:
 - the District Council and the Group's financial position as at 30 June 2019;
 - the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Unmodified opinion on the audited information, excluding the financial statements

In our opinion:

- the funding impact statement on page 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the District Council's activities on pages 21 to 91:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 21 to 91, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 21 to 91, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 14 to 19, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and the Group's audited information and, where applicable, the District Council's Long-term plan and annual plans.

Basis for our qualified opinion on the audited information

In our view, the Observatory Village Charitable Trust and its controlled entities Observatory Village Lifecare Limited, Observatory Village Care Limited, and Reed Street Healthcare Limited, are controlled entities of the Group in terms of PBE IPSAS 6 Separate and Consolidated Financial Statements (Public Sector) (PBE IPSAS 6). The District Council has not consolidated the financial information of these entities into the Group financial statements. This is a departure from the requirements of PBE IPSAS 6, which requires the Group financial statements to include all controlled entities.

The District Council has disclosed in Note 31 on page 150 what it estimates to be the financial effect on the Group's financial statements if these entities had been consolidated. As this information is based on unaudited information provided by the entities, we are unable to determine if the information presented is materially correct.

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

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

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

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

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

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 11, 20 and 152 to 154, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements,

we have audited the District Council's summary annual report which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or

interests in, the District Council or its subsidiaries and controlled entities.

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

Council Only - Financial Summary

Financial Statistics

Council Only	Actual 2019	Annual Plan 2019	Actual 2018
Proportion of Rates to Total Income (%)	61.1%	63.8%	60.7%
Proportion of Rates to Total Expenditure (%)	59.3%	65.0%	61.8%
Total rating assessments (at the previous 1st of July)	13,659	13,827	13,831
Average Rates per rateable property	\$2,351.27	\$2,330.70	\$2,178.12
Average Expenditure per rateable property	\$3,961.78	\$3,587.23	\$3,525.25
Net Public Debt - External (percentage of Total Assets)	N/A	N/A	N/A
Net Public Debt - Internal (percentage of Total Assets)	2.69%	3.18%	2.97%
Net Public Debt - External (per rateable property)	N/A	N/A	N/A
Net Public Debt - Internal (per rateable property)	\$1,650.71	\$2,014.28	\$1,758.82
Current ratio	1.08	1.95	1.45
<i>Ratio of Current Assets to Current Liabilities</i>			
Liquid ratio	1.15	2.30	1.61
<i>Ratio of Liquid Assets (cash & cash equivalents, trade & other receivables and other financial assets) to Liquid Liabilities (Trade & other payables, borrowings)</i>			

Five Year Financial Summary

Council Only	2019 \$000	2018 \$000	2017 \$000	2016 \$000	2015 \$000
Rates revenue	32,116	30,779	30,303	30,375	30,026
Net Operating Surplus/(Deficit)	(1,582)	913	1,531	1,320	2,992
Cashflows					
Operating Activities	11,429	13,034	15,316	15,486	15,757
Investing Activities	(13,280)	(15,301)	(13,296)	(19,841)	(10,560)
Financing Activities	-	-	-	-	(3)
Net Increase/(Decrease) in cash held	(1,851)	(2,267)	2,020	(4,355)	5,194
Net Public Debt - External	-	-	-	-	-
Net Public Debt - internal	22,547	24,326	22,673	23,943	25,075
Total Assets	839,061	819,934	769,436	757,918	750,411

Waitaki District Rating Base

This rating base information reflects the position as at the end of the preceding financial year, and was used as the basis on which rates for the current financial year were struck.

	At 30 June 2018
Total Rateable Properties	13,659
Total Land Value of the District	\$4,224,506,300
Total Capital Value of the District	\$8,270,814,950

Council Only - Financial Disclosures

Annual Report Disclosure Statement for the year ended 30 June 2019

What is the purpose of this statement?

This statement discloses Council's financial performance in relation to various benchmarks to enable an assessment of whether Council is prudently managing its revenues, expenditure, assets, liabilities and general financial dealings.

The inclusion of this statement in the Annual Report is a mandatory requirement imposed by the Local Government (Financial Reporting and Prudence) Regulation 2014 (The Regulations). Please refer to the Regulations for more information, including definitions of some of the terms used.

Rates Affordability Benchmark

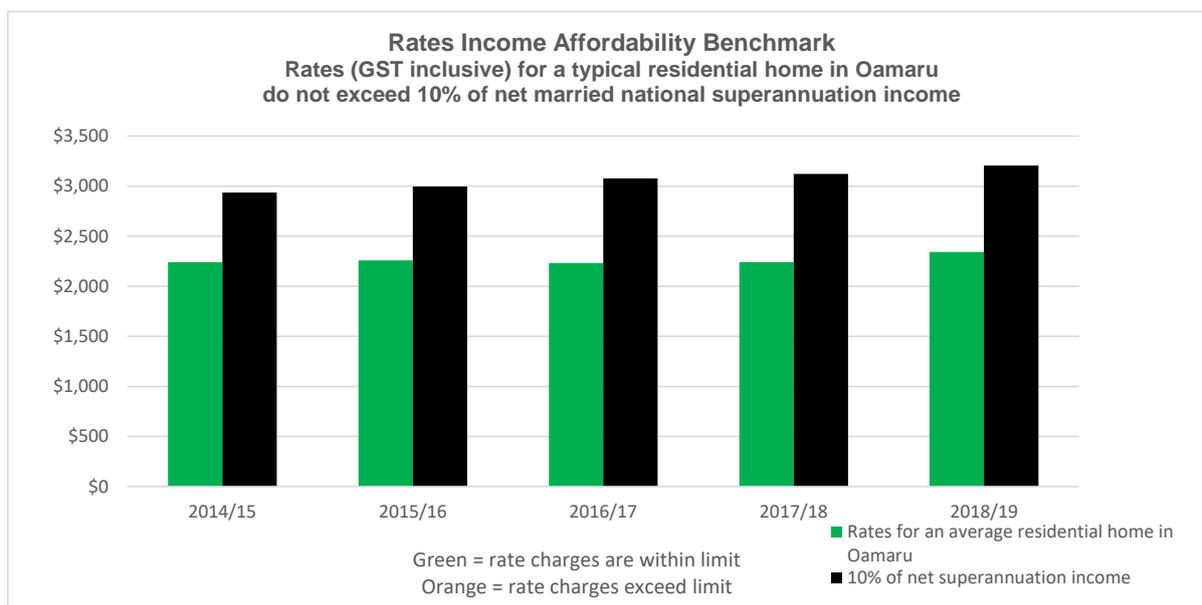
Council meets the Rates Affordability benchmarks when:

- actual rates revenue equals or is less than each quantified limit on rates, and when;
- Annual increases in rates equal or are less than each quantified limit on rates increases.

Rates Revenue Affordability

These graphs compare Council's actual rates revenue with quantified limits on rates contained in the financial strategy appearing in Council's 2018-28 Long Term Plan.

This quantified limit on total rates is that the average annual rate levied on a typical residential property in Ōamaru will not exceed 10% of married national superannuation, net of tax. This limit was set when adopting the 2018-28 Long Term Plan.



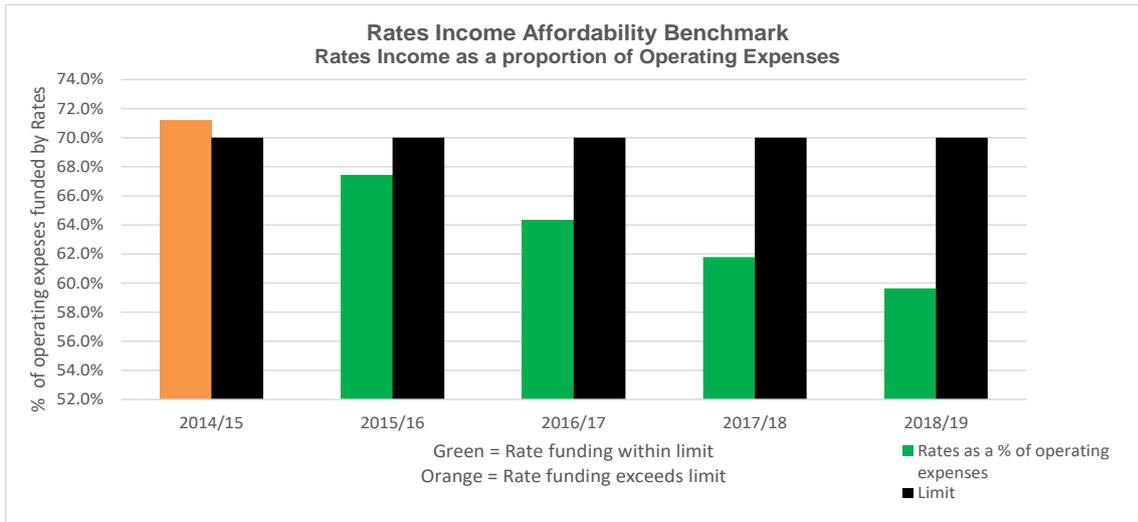
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Rates Affordability Benchmark (continued)

Rates Revenue Affordability

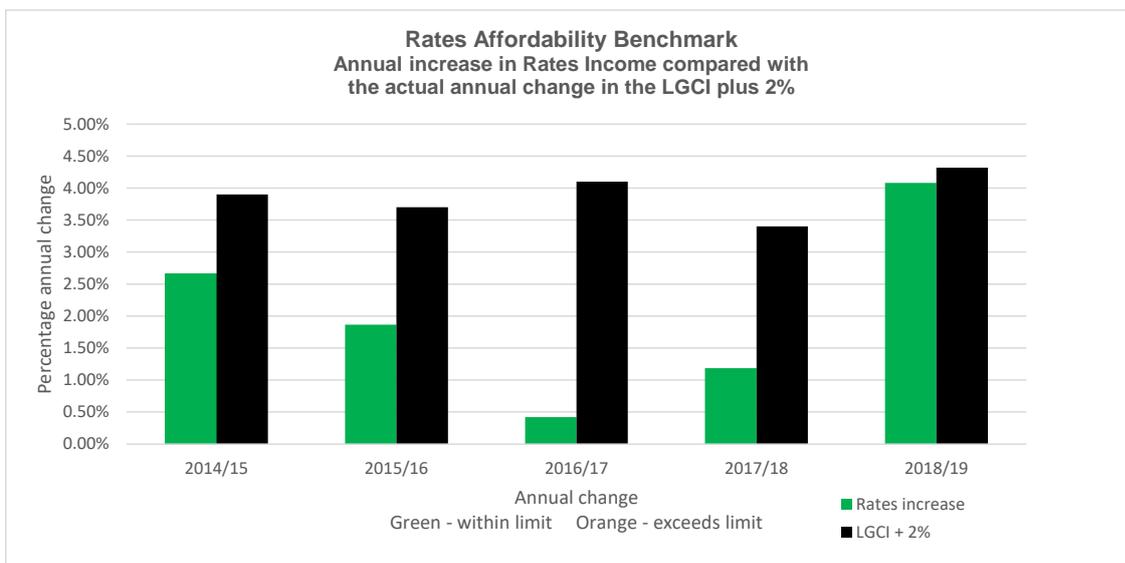
This graph compares Council's rates revenue with a quantified limit on rates contained in the financial strategy appearing in Council's 2018-28 Long Term Plan. The quantified limit on total rates is that revenue raised from Rates should fund no more than 70% of total operating expenditure.



Rates Revenue Affordability

This graph compares Council's actual rates increases with a quantified limit on rates increases contained in the financial strategy appearing in Council's 2018-28 Long Term Plan.

The quantified limit on total rates increases is that the increase in the average annual rates levied by Council will not exceed the increase in the Local Government Cost Index (LGCI) for the previous year (to 30 June) plus 2%. The limit was first adopted in the 2018-28 Long Term Plan.



Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Debt Affordability Benchmark

Council meets the Debt Affordability benchmarks when actual borrowings are within each quantified limit on borrowing.

External Debt Affordability

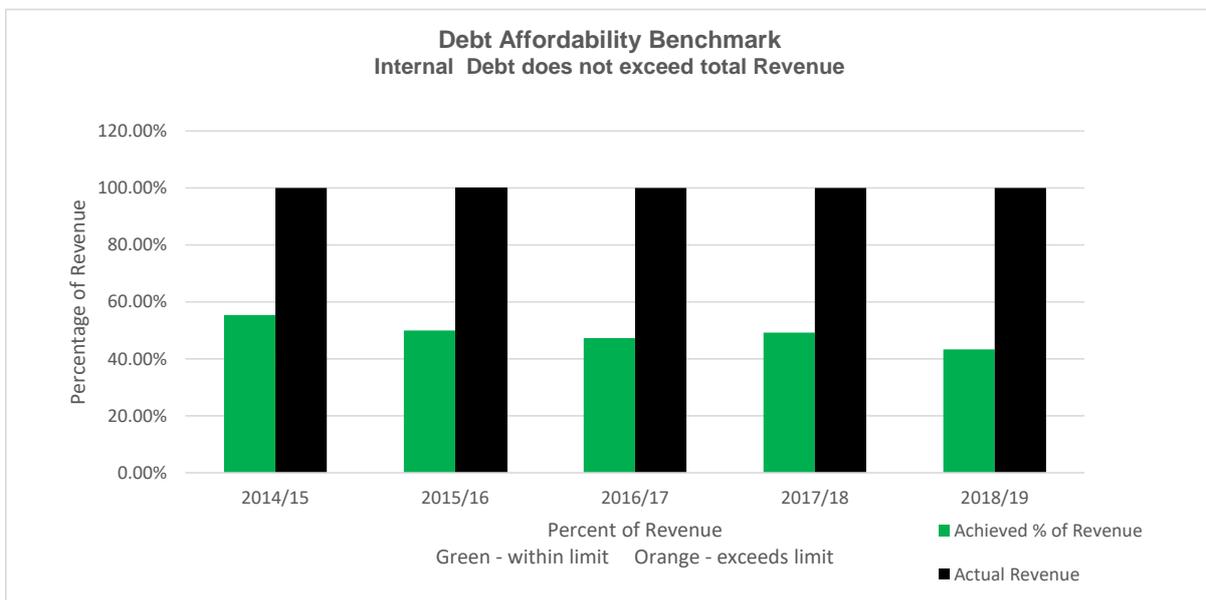
Actual external borrowing is compared with the quantified limit on external borrowing contained in the financial strategy appearing in Council's 2018-28 Long Term Plan. Council fully repaid any remaining external debt at 30 June 2015; prior to that date, external debt was an insignificant burden on Council. Council does not consider the provision of a graph to represent its current position is warranted.

Internal Debt Affordability

Rather than relying on external debt, Council has a strategy of funding capital works internally, through the use of depreciation reserves, development contributions and internal loans. Internal loans do not appear in Council's Statement of Financial Position, but are detailed in Note 21.

The financial strategy in 2018-28 Long Term Plan set a quantified limit on internal debt, such that internal debt should not exceed total revenue. This limit was not set prior to adoption of the 2018-28 Long Term Plan but, to provide meaningful comparison, results for earlier periods have been included.

For the purposes of this disclosure, that benchmark is achieved when internal debt is less than total Revenue.



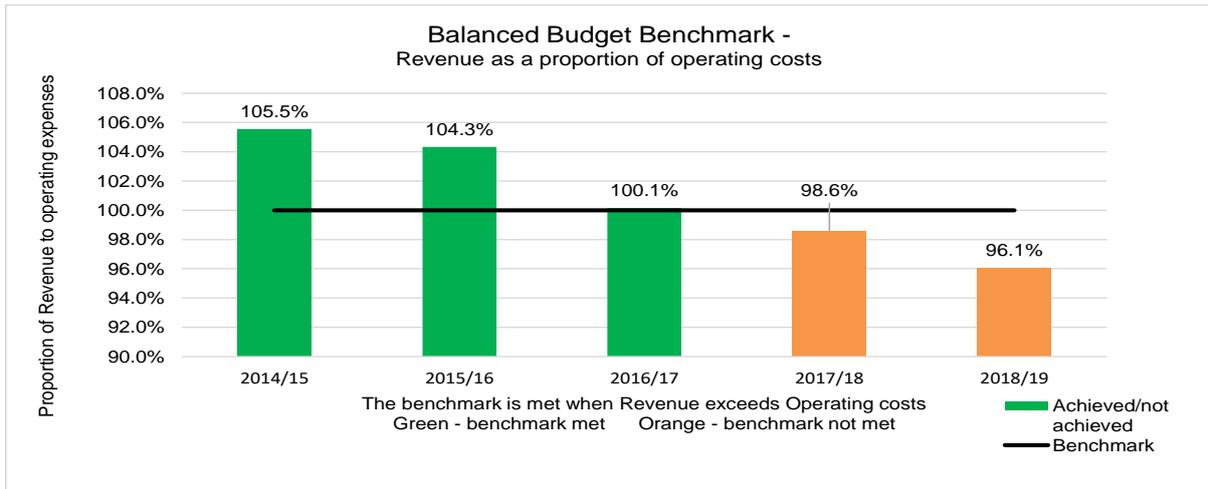
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Balanced Budget Benchmark

This benchmark is achieved when Council’s operating revenues, excluding development and financial contributions (DCs), vested assets and the effects of revaluations, exceed total operating expenses.

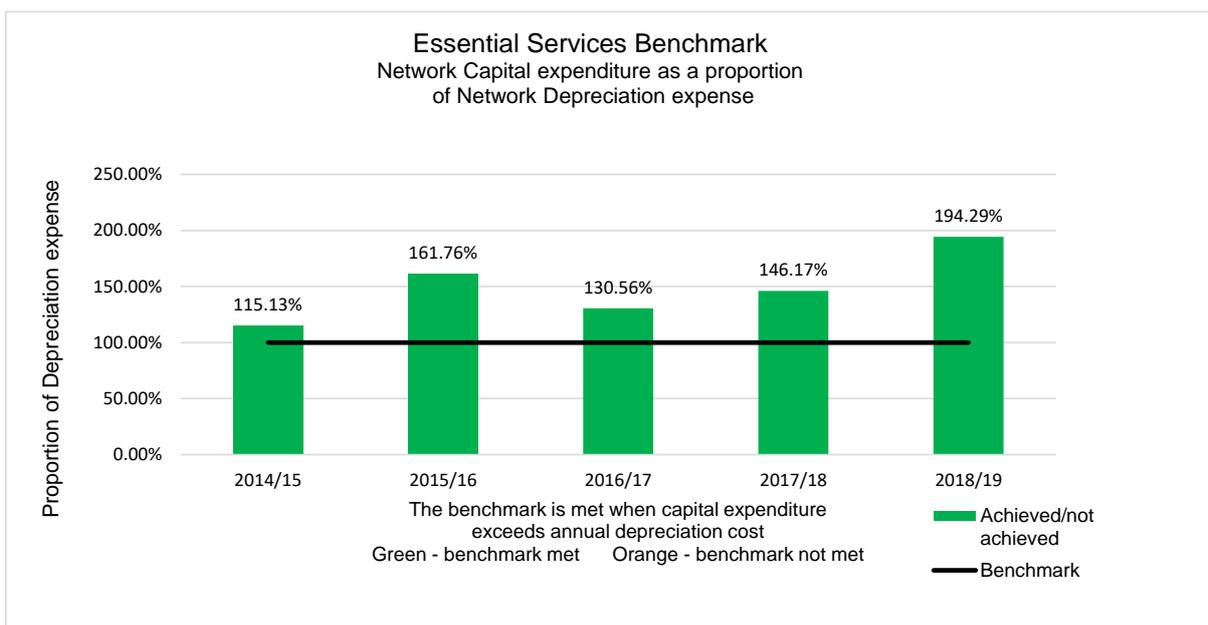
DCs are not available to fund operating expenditure, but to fund future growth and expansion of the capacity of Council’s infrastructure, while vested assets and asset revaluations do not involve the receipt of cash, or entitlement to receive cash, as do other forms of operating revenue.



Operating costs in the current year include unplanned maintenance arising from essential works at the Forrester Gallery, while both the current and previous financial years have seen significant non-trading costs associated with asset write-offs.

Essential Services Benchmark

Council meets this benchmark when capital expenditure on Network Services (Roads, bridges and footpaths, water supply systems, sewer systems and stormwater systems) equals or exceeds the annual Depreciation charge related to those assets. The graph displays Council’s capital expenditure on Network Services as a proportion of the annual depreciation charge on those assets.



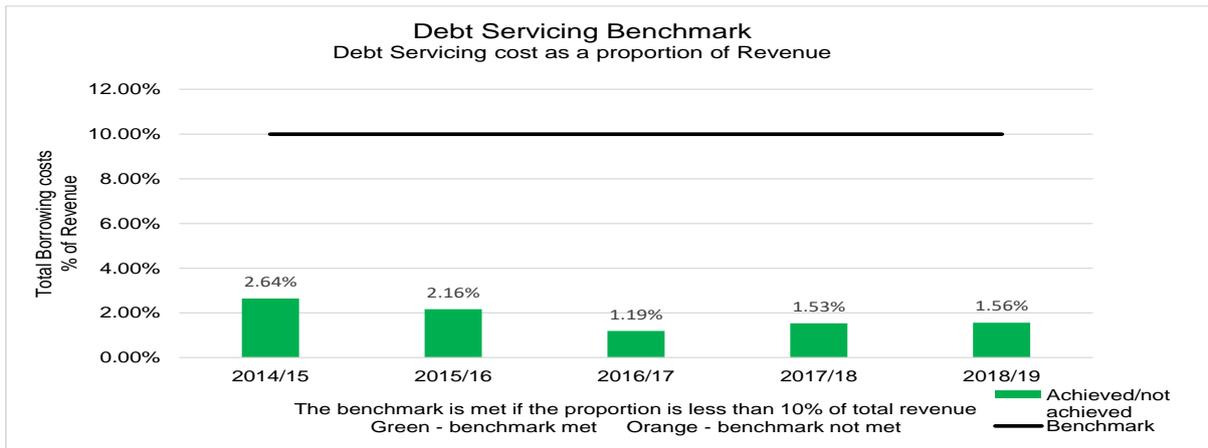
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Debt Servicing Benchmark

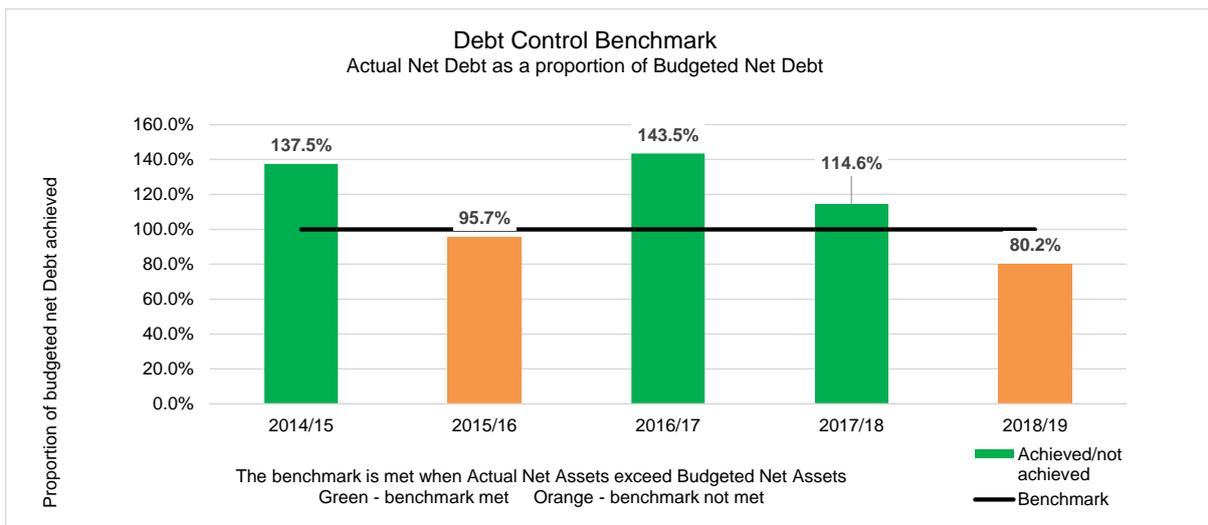
As the population of the District is expected to grow more slowly than the projected growth rate of the national population, Council meets this benchmark when borrowing costs equal, or are less than, 10% of Operating Revenue (less development and financial contributions, vested assets and the effect of revaluations).

Debt servicing costs are interest cost only. As Council has no external debt, this graph measures the cost of servicing internal borrowing. This is a notional cost only, and is not reported elsewhere in this annual report, although it is a real cost for each specific service area to which it relates.



Debt Control Benchmark

This benchmark reports Council's performance in relation to Net Debt, defined as Financial Liabilities less Financial Assets (excluding Trade and Other Receivables). Council is in a Net Asset position because Financial Assets exceed Financial Liabilities, so the measure is inverted to effectively report performance on a Net Asset basis. The benchmark is met when actual Net Assets equal or exceed planned Net Assets.



The current financial year has seen reduced levels of cash resources due to capital expenditure and other factors such as unplanned expenditure arising from extreme weather events and from essential maintenance undertaken on the Forrester Gallery. Council remains in a stronger financial position than this benchmark suggests.

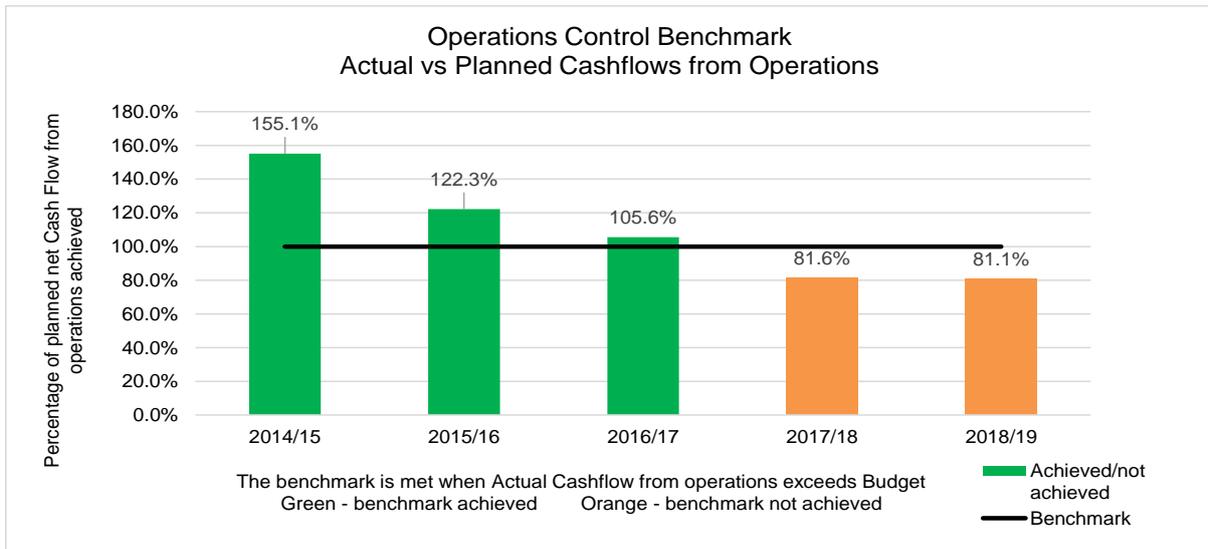
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Operations Control Benchmark

Positive cash flow is critical for any business. Net Cash Flow from Operations refers to the net result of cash generated by and used in Council's normal day-to-day activities. Cash flow from operations is dynamic and can be significantly influenced by the timing of receipts from debtors and of payments to suppliers and payment of staff salaries.

This benchmark compares Council's actual Net Cash Flow from Operations as a proportion of its planned Net Cash Flow from Operations. Council meets the Operations Control benchmark when actual Net Cash Flow from Operations equals or exceeds planned Net Cash Flow from Operations.



Significant factors that have impacted Council's performance against this benchmark over 2018 and 2019 include the deferral of the Cultural Facilities redevelopment project, which has led to lower levels of external grants and donations, and increased maintenance costs arising from the adverse weather event in July 2017 and from works undertaken at the Forrester Gallery.

Statement of Compliance and Responsibility

Compliance

- Council and management confirm that all statutory requirements of the Local Government Act 2002 regarding financial management and borrowing have been complied with.

Responsibility

- Council and management accept responsibility for the preparation of the financial statements, and for judgements exercised in preparing these;
- Council and management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- In the opinion of Council and management, the Annual Report and the financial statements contained therein for the year ended 30 June 2019 fairly reflect the financial position and operations of the Waitaki District Council and Group.

Fergus Power
Chief Executive

30 October 2019

Gary Kircher
Mayor of Waitaki

30 October 2019

Groups of Activities

Council

This activity group covers district leadership, customer service, and support services.

District Leadership

What we do

The Mayor and Councillors are elected to represent the Waitaki community, to set the vision and outcomes, and to make decisions that serve the best interests of the community now and in the future. This includes reviewing and developing local policies, making regulatory decisions, and reviewing Council performance.

As part of meeting Council’s obligations around fostering Māori contribution to the decision-making process, Council representatives also meet with Te Rūnanga o Moeraki and Waitaha Taiwhenua O Waitaki Trust Board.

In addition to Council, two Community Boards (Ahuriri and Waihemo) provide representation and advocacy for their local communities. The Waitaki District Youth Council is a voice for young people in the Waitaki District. This group meets regularly, and ensures the voice of Waitaki’s young people is heard and well represented.

To support the elected representatives, Council governance staff provide governance information and support including the preparation and coordination of meetings, the provision of meeting agendas and minutes and other elected member support including remuneration, expenses, technology and advice.

Why we do it

In undertaking its role, Council must consider the diverse range of ‘communities of interest’ within the district as it plans and responds to issues.

Council staff are involved in this activity to safeguard the overall quality of the relationship between Council and its communities, to facilitate effective, open, and transparent decision-making, and to assist with the district and its communities to progress and move forward. Council decisions are made in the interests of the whole of the district, with current and future generations in mind.

Community outcomes and well-beings

Community outcome	Well-being	How does this activity effect the well-being of our community?
We keep our district affordable	Social and Economic well-being	By providing governance structures, planning and reporting to provide cost effective, good quality infrastructure, public services and regulatory functions
We provide and enable services and facilities so people want to stay and move here	Social well-being	By providing opportunities for the community to actively contribute to democratic local decision making on services and facilities
We understand the diverse needs of our community	Social well-being	By providing opportunities to participate in democratic local decision making through representation on Community Boards, Council and by consultation

Council

What we have been doing in 2018/19

Setting direction and policy

- Worked with the Ahuriri and Waihemo Community Boards on the development of their 10 year plans
- 2017/18 Annual Report was adopted 30 October 2018
- 2019/20 Annual Plan was adopted 25 June 2019
- Waitaki Alcohol Ban Bylaw 2018 was adopted 4 December 2018
- Dangerous and Insanitary Buildings Policy was adopted 4 December 2018
- Class 4 Gambling Venues Policy was adopted 10 December 2018
- TAB Venues Policy 2018 was adopted 10 December 2018
- Strategic Routes and Priority Thoroughfares was adopted 28 May 2019
- Strategic Framework was approved 2019

Community Boards

Ahuriri Community Board

- Developed a 10 year plan which will provide a vision for the Ahuriri Community Board over the next ten years. The plan will help guide Community Board decisions, action and future engagement with the community and Council.
- Supported the development of masterplans for Otematata and Ōmārama.
- Paid \$900 (including GST) to the Otematata Residents' Association to contribute to the purchase of a tractor for the use of volunteers who run the Otematata wetlands. This was funded from the Ahuriri Community Board Community Grant Fund.
- Gave \$3,000 to support the Upper Waitaki Valley Society for the front of the house (Kurow Museum), this was funded from the Community Grants fund. This is in addition to the \$5,000 that the board donates to the Kurow Museum each year which is funded from the Board's discretionary fund.

Waihemo Community Board

- Developed a 10 year plan which will provide a vision for the Waihemo Community Board over the next ten years. The plan will help guide Community Board decisions, action and future engagement with the community and Council.
- Repairs were carried out on the clock tower and the new clock was installed (November 2018)
- December 2018 the board approved a contribution of \$400 (GST exclusive) to the East Otago High School Year 7/8 Classes to assist with the provision of hanging baskets in the Palmerston shopping area. This was funded from the Waihemo Community Board Discretionary Fund.
- Liaised with the Ignite project (an initiative aimed at encouraging children to get involved in the community) on a skate park sign which was designed by East Otago High School. The Board supported in principle and financially (\$715) the installation of the sign and planting. This was funded from the Board's discretionary fund

Council

How we performed – District Leadership

Community Outcome	Performance Measures	Service target	Achievements
<p>We understand the diverse needs of our community</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	Residents satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.	70% of residents are satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.	<p>2018/19 - Not achieved 64%</p> <p>(2017/18 Not achieved = 56%)</p>
<p>We understand the diverse needs of our community</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	Residents satisfied or very satisfied that the Ahuriri Community Board is making a positive difference.	<p>Years 1-3: 50% of residents are satisfied or very satisfied that the Community Board is making a positive difference.</p> <p>Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.</p>	<p>2018/19 - Achieved 55%</p> <p>(2017/18 Not achieved = 44%)</p>
<p>We understand the diverse needs of our community</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	Residents satisfied or very satisfied that the Waihemo Community Board is making a positive difference.	<p>Years 1-3: 50% of residents are satisfied or very satisfied that the Community Board is making a positive difference.</p> <p>Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.</p>	<p>2018/19 - Not achieved 39%</p> <p>(2017/18 Not achieved = 49%)</p>

How we performed –Council

Community Outcome	Performance Measures	Service target	Achievements
<p>We understand the diverse needs of our community</p> <p>We keep our district affordable</p>	Residents satisfied or very satisfied with the information provided about Council's current actions and its plans.	<p>Years 1-3: 60% of residents satisfied or very satisfied with the information provided.</p> <p>Years 4-10: 5% increase per year in satisfaction (to 80%).</p>	<p>2018/19 - Not achieved 47%</p> <p>(2017/18 Not achieved = 39%)</p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Democracy and Accountability

Democracy and Accountability				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
2,271	2,187	General Rates, Uniform Annual General Charge, Rates Penalties	2,128	2,126	Levels of service are consistent with those anticipated in the Annual Plan.
1,668	1,682	Targeted Rates	1,698	1,664	
3,939	3,869	Rates Revenue	3,826	3,790	
1	34	Subsidies and Grants for Operating Purposes	-	1	
-	-	Fees and Charges	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
1	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	2	-	
2	34	Operating Revenue	2	1	
3,941	3,903	Total Sources of Operating Funding	3,828	3,791	
		Applications of Operating Funding			
917	983	Payments to Staff and Suppliers	962	918	
-	-	Finance Costs	-	-	
2,674	3,010	Internal Charges and Overheads Applied	2,629	2,898	
-	-	Other Operating Funding Applications	-	-	
3,591	3,993	Total Applications of Operating Funding	3,591	3,816	
350	(90)	Surplus / (Deficit) of Operating Funding	237	(25)	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
-	-	Total Sources of Capital Funding	-	-	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
-	-	to improve Levels of Service	-	-	
-	-	to replace Existing Assets	-	-	
350	(90)	Increase / (Decrease) in Reserve	237	(25)	
-	-	Increase / (Decrease) in Investments	-	-	
350	(90)	Total Applications for Capital Funding	237	(25)	
(350)	90	Surplus / (Deficit) of Capital Funding	(237)	25	
-	-	Funding Balance	-	-	

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Support Services (Net Allocated)

Support Services (Net Allocated)				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Levels of service are consistent with those anticipated in the Annual Plan. The programme of replacement and upgrading of computer systems has been stepped up this year
-	-	Targeted Rates	-	-	
-	-	Rates Revenue	-	-	
-	-	Subsidies and Grants for Operating Purposes	-	-	
4	1	Fees and Charges	10	19	
17,409	17,944	Internal Charges and Overheads Recovered	18,894	18,904	
74	45	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	50	27	
17,487	17,990	Operating Revenue	18,954	18,950	
17,487	17,990	Total Sources of Operating Funding	18,954	18,950	
		Applications of Operating Funding			
11,222	12,012	Payments to Staff and Suppliers	11,854	11,724	
-	-	Finance Costs	-	-	
5,457	5,255	Internal Charges and Overheads Applied	6,619	5,837	
-	-	Other Operating Funding Applications	-	-	
16,679	17,267	Total Applications of Operating Funding	18,473	17,561	
808	723	Surplus / (Deficit) of Operating Funding	481	1,389	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	14	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
73	26	Gross Proceeds from Sale of Assets	7	75	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
73	26	Total Sources of Capital Funding	21	75	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
354	35	to improve Levels of Service	763	348	
355	176	to replace Existing Assets	492	789	
172	538	Increase / (Decrease) in Reserves	(753)	327	
-	-	Increase / (Decrease) in Investments	-	-	
881	749	Total Applications for Capital Funding	502	1,464	
(808)	(723)	Surplus / (Deficit) of Capital Funding	(481)	(1,389)	
-	-	Funding Balance	-	-	

Economic Development and Property

This activity group covers district development, property management, and investments.

Economic Development

What we do

Part of Council's leadership involves supporting the economy and communities through economic and community development functions. Council provides advice and encourages initiatives to support existing economic activity and diversification across the District. This includes encouraging sustainable development of our local economy through partnerships, innovation, quality infrastructure, and planning.

Why we do it

Waitaki businesses need the right economic environment to flourish. Council undertakes this activity to promote and guide economic development in the District which benefits everyone living in and visiting the district. Council also fosters economic development through Tourism Waitaki Ltd (a Council Controlled Organisation), the tourism arm of Council.

What we have been doing in 2018/19

Council supported the establishment of the NZ Airline Academy at Ōamaru Airport which has won international contracts to train private and airline cadet pilots.

We have helped the Waitaki Whitestone Geopark Trust advance the district's application to become a UNESCO Global Geopark, including bringing Prof Patrick McKeever (recently Head of Earth Sciences for UNESCO) to the district to tell people about geoparks. This work has strengthened our connections with central Government, local businesses, iwi and a wide range of community groups. We will wait on the outcome of the Geopark application before deciding whether or not to pursue World Heritage Status for Historic Ōamaru.

We have assisted local organisations to submit funding applications to the Provincial Growth Fund, participated in the consultation process regarding Ōamaru Harbour development, and facilitated multi-group discussions on reinvigorating retail in Ōamaru.

The Council's communications team has raised the level of engagement with the community throughout the year by doubling our social media audience through posting informative and engaging content on Facebook and Instagram, as well as the Council's website. This has encouraged two-way dialogue with the public, supplementing the various public consultation processes run by the team.

Wherever possible we have removed jargon from Council material with the aim of communicating in an honest and human way using great graphics, fun info bites and plain English.

We purchased a caravan to use as a mobile platform to increase the community's access to Council in places all around the district.

The Communications team has also increased the accuracy of and reduced the response time for media inquiries. The team has also supported the social media presence of the Waitaki Whitestone Geopark.

Property Management & Investment

What we do

Council's property unit provides a property advisory service for the Council organisation, and oversees the use, development, investment, and disposal of land and buildings owned by the Waitaki District Council on behalf of the community.

Why we do it

The activities of the property unit supports the administration of Council, facilitates opportunities for new and existing businesses and economic development initiatives, manages Council property investment, and supports the lifestyle and experience of the district's residents and visitors.

What we have been doing in 2018/19

- A number of harbour projects were carried out including:
 - Breakwater – we undertook 8,500 tonne of rock and concrete repairs. A 3D mesh survey was completed.
 - Dredging – Stage 1 of 2 is now complete – during this work 7,000 cubic metres of spoil were dredged
 - Slipway – work was carried out to increase the load capacity from 7 tonne to 12 tonne
 - Ōamaru Harbour Visitor Accommodation – construction works have commenced
- Forrester Gallery – work was undertaken to remediate the building from mould and asbestos. The building has undergone a comprehensive interior and exterior refurbishment including improvements to the fire systems and heating, ventilation, and air conditioning. Options are currently being developed for Stage 2 consideration.
- North Otago Museum – Stage 1 refurbishment for the front exhibition space is well underway. Options for Stage 2 are being developed for consideration.
- We completed seismic strengthening and refurbishment of the Ōamaru Courthouse, Ministry of Justice services have returned to the building
- Work on the Dog pound upgrade has commenced
- A Humber Street building was demolished due to it being structurally unsound
- A number of Community Housing Units were refurbished
- We carried out a number of refurbishments on the HQ building including: fire alarm panel and zone upgrade, basement remediation, and staff movements
- We undertook exterior refurbishment on 24 Thames Street including Heritage trials for stone repairs
- The carpet at the Opera House was replaced
- We carried out roof repairs at the Aquatic Centre
- The Palmerston Town Clock was repaired
- Lakes Centre was upgraded so that the building is now compliant with fire regulations.

Economic Development

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
Waitaki's distinctive environment is valued and protected	Economic and Environmental well-being	By encouraging sustainable development of our local economy through partnerships, innovation, quality infrastructure, and planning.
We enable opportunities for new and existing businesses	Economic well-being	By providing advice and encouraging initiatives to support existing economic activity and diversification across the District

How we performed - Economic Development

Community Outcome	Performance Measures	Service target	Achievements
<p>Waitaki's distinctive environment is valued and protected</p> <p>We enable opportunities for new and existing businesses</p>	Level of central government business support funding accessed by the District.	<p>Years 1-2: At least 1 key Long Term Plan project receives a level of funding that secures ongoing project development.</p> <p>Year 2: At least 2 key Long Term Plan projects receive a level of funding that secures ongoing project development.</p> <p>Year 3: Funding contribution has realised key Long Term Plan project.</p> <p>Years 4-10: Funding contribution has realised key Long Term Plan project.</p>	<p>2018/19 - Achieved Funding received : PGF Waitaki Whitestone Geopark Validation Business Case funding \$90k+GST MBIE Curious Minds Education programme \$30k + GST NatComm UNESCO capability building \$5k + GST</p> <p>(New measure)</p>

Property Management & Investment

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We enable opportunities for new and existing businesses	Economic well-being	By contributing to the economy of the district
We keep our district affordable	Economic well-being	By effectively managing the property portfolio, meaning returns are maximised and rates input is minimised
We provide and enable services and facilities so people want to stay and move here	Social and Economic well-being	By providing properties that meet the needs of the community, meaning that people are more likely to want to stay and they will encourage others to move here

How we performed - Property Management & Investment

Community outcome	Performance Measures	Service target	Achievements
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>Tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey:</p> <p>a) Community housing tenants; b) Commercial tenants.</p>	<p>a) 90% of community housing tenants satisfied with their tenancy; b) 90% of commercial tenants are satisfied with their tenancy.</p>	<p>a) 2018/19 - Achieved 94% of community housing tenants satisfied with their tenancy <i>(2017/18 Achieved = 98%)</i></p> <p>b) 2018/19 - Not achieved 74% of commercial tenants are satisfied with their tenancy. The main reason for dissatisfaction was maintenance. Note this is from a sample size of 7 responses (from 15 which were sent out). <i>(2017/18 Achieved = 90%)</i></p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>Individual tenancies are occupied as a percentage of available units/tenancies:</p> <p>a) Community housing units b) Commercial tenants.</p>	<p>a) 90% of community housing units occupied; b) 90% of commercial tenancies occupied.</p>	<p>a) 2018/19 - Achieved 95% of community housing units occupied <i>(2017/18 Achieved = 97%)</i></p> <p>b) 2018/19 - Achieved 100% of commercial tenancies occupied <i>(2017/18 Achieved = 100% of commercial tenancies occupied)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Economic Development and Property

Economic Development and Property				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
(35)	206	General Rates, Uniform Annual General Charge, Rates Penalties	415	411	Progress on previously deferred capital projects, and lower than expected interest rates on invested funds, resulted in Council's funds available for investment reducing significantly. Dividends received from subsidiaries exceeded budget, which compensated to a degree for reduced interest revenue.
816	800	Targeted Rates	1,108	1,103	
781	1,006	Rates Revenue	1,523	1,514	
45	-	Subsidies and Grants for Operating Purposes	280	-	
1,622	1,430	Fees and Charges	1,716	1,593	
(568)	(590)	Internal Charges and Overheads Recovered	(482)	(691)	
1,928	1,907	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	2,305	2,206	
3,227	2,747	Operating Revenue	3,819	3,108	
4,008	3,753	Total Sources of Operating Funding	5,342	4,622	
		Applications of Operating Funding			
2,591	2,749	Payments to Staff and Suppliers	3,849	3,654	
-	-	Finance Costs	1	2	
31	133	Internal Charges and Overheads Applied	127	161	
-	-	Other Operating Funding Applications	-	-	
2,622	2,882	Total Applications of Operating Funding	3,977	3,817	
1,386	871	Surplus / (Deficit) of Operating Funding	1,365	805	
		Sources of Capital funding			
260	250	Subsidies and Grants for Capital Expenditure	768	1,025	
1,028	-	Development and Financial Contributions	475	-	
-	-	Increase / (Decrease) in Debt	-	-	
706	239	Gross Proceeds from Sale of Assets	(247)	183	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
1,994	489	Total Sources of Capital Funding	996	1,208	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
1,479	4,828	to improve Levels of Service	2,137	353	
137	700	to replace Existing Assets	54	111	
1,764	(4,168)	Increase / (Decrease) in Reserve	170	1,549	
-	-	Increase / (Decrease) in Investments	-	-	
3,380	1,360	Total Applications for Capital Funding	2,361	2,013	
(1,386)	(871)	Surplus / (Deficit) of Capital Funding	(1,365)	(805)	
-	-	Funding Balance	-	-	

Heritage, Environment and Regulation

This activity group covers planning, regulatory, environmental, and community development and engagement.

Heritage and Planning

What we do

The Planning Unit of Council undertakes activities mainly through land use and subdivision planning. The activity also provides policy advice on planning and development, conservation, design, heritage, and environmental issues that affect the Waitaki District.

Why we do it

Planning services are provided to ensure that development by people and businesses does not adversely affect the environment. The Council has a responsibility under the Resource Management Act (RMA) via the provisions of the Waitaki District Plan to manage the effects of development on the natural and physical resources of the district and protect the environment's life supporting capacity. Planning decisions made by Council influence the nature of the Waitaki District communities and how the district will develop in the future.

What we have been doing in 2018/19

There is a high level of growth in the Waitaki district that is very positive and can also be challenging to manage. New consents continue to increase from the previous financial year. Across the lower South Island it is difficult to recruit experienced Planning Officers and this has resulted in a substantially greater use of external contractors to assist us in meeting statutory timeframes than previous years.

There have been some large developments consented to including Mitre10 Mega (Ōamaru) and Natural Chicken Company (Moeraki). Staff have been working through complex landscape, biodiversity and heritage related issues including at the Macraes Mine, an Environment Court case in the Mackenzie Basin and consenting and compliance issues within the Ōamaru Heritage precinct.

The District Plan Review has also picked up momentum with greater use of internal staff to build up our evidence base. It has culminated with the successful public release of the Discussion Document as part of the public engagement. Staff continue to keep informed of the changing institutional landscape through the Mackenzie Basin Agency Alignment Programme, RMA reform, National Standards and multiple pieces of upcoming National Direction.

Heritage, Environment and Regulation

Regulatory and Environmental

What we do

The regulatory and environmental unit covers a broad range of activities. This group is concerned with monitoring and enforcement functions across a wide cross-section of statutes, focusing on the protection of community health, safety, and amenity. Another major function of the group is the processing and monitoring of building consents.

Why we do it

We must undertake this activity group to meet statutory obligations and best practice in respect of regulatory and environmental services across the District. This includes ensuring that people, communities, and the environment are kept safe and nuisances are mitigated under a number of statutes such as the Building Act 2004, Health Act 1956, Food Act 2014 and local bylaws. Building Control services are provided to ensure a safe residential, and commercial built environment exists for people to use in accordance with the provisions of the Building Act 2004.

What we have been doing in 2018/19

Regulatory and Environmental

Funding was received, and work commenced for the upgraded, fit for purpose dog pound facility on the existing site. The dog pound is expected to be completed by September/October 2019.

By February 2019 100% of food premises had transitioned to registration under the Food Act 2014.

The “Pay my Park” app was introduced to Waitaki as an easy way to pay for parking. This has produced excellent results with sometimes up to 60 people paying via the app in a day. The Parking Officer is consistently promoting the “Pay My Park App” message.

Building Services

We continue to see a high demand for our services with volumes of consent applications and compliance investigations similar to last year. We continue to deliver a high level of service against our statutory time and legislative requirements.

During the year the Building team implemented a significant change to the way we work through the introduction of e-services. Following disciplined project methodology with a cross functional team from within Council, system specifications were documented, vendor selection process completed and the system was piloted. On 11 March building consent processing and building inspections became fully digital, fundamentally changing the way consumers engage with Council for these services. Feedback from all involved has been positive.

In June this year International Accreditation New Zealand (IANZ) on behalf of the Ministry for Business Innovation and Employment (MBIE) conducted the biennial Accreditation audit of the Waitaki District Council Building Consent Authority (BCA). We are pleased to report that Accreditation has been maintained and this validates the effectiveness of our Quality Assurance programme. Accreditation assessment is a significant event for BCAs as it is required to be met in order to undertake functions and responsibilities of the Building Act.

During the past year some very successful events were held. These events included an Earthquake Prone Building Legislation Information evening attend by Building owners, real estate agents and builders and an industry breakfast sponsored by Winstone Wallboards and Placemakers on the subject of Passive Fire protection systems and fire risk management. We have also established a Waitaki Building Forum with key industry representatives to provide a closer link between Industry and the Regulator thereby improving communication and understanding.

The Outstanding Code Compliance Certification project has been hugely successful during the year reducing the numbers from the start of the project in 2017 at over 800 to just 10 at June 2019. The team have also audited 169 Commercial building for Building Warrant of Fitness compliance and 37 swimming pools and are pleased to report a high level of engagement and desire to comply by building owners.

Heritage, Environment and Regulation

Community Development and Engagement

What we do

Community development and engagement activities are coordinated and managed in collaboration with key stakeholders from across the community. These include Government agencies, non-Government organisations, community groups and other relevant partners to address issues and create opportunities to build connected and safe communities across the Waitaki District.

Why we do it

To provide a mechanism for the community to work together, maximising resources and expertise. Through Safer Waitaki, we have created an opportunity for the community to align and coordinate their efforts. Working in partnership in this way, we aim to build a vibrant culture, recognising and understanding diversity, maintaining a safe and welcoming environment for our residents and visitors to the Waitaki District and contributing to economic development.

What we have been doing in 2018/19

- Reviewed the Community Safety Strategy
- Increased Safer Waitaki membership to include over 140 organisations
- Delivered a Family Harm Mini Conference with 106 attendees
- Worked with the Safer Waitaki working groups to:
 - Deliver a suite of Mental Health Awareness Week community activities
 - Develop a Community Response Plan for Methamphetamine and other Drugs
 - Review and revise Waitaki Suicide Prevention/Postvention plan
 - Initiate and Progress the Age Friendly Community project
 - Deliver a broad range of education and awareness workshops
 - Deliver Clued Up Supers Expo
- Regional Promotion of the Safer Communities Model
- Presented the Waitaki perspective to Mental Health Enquiry
- Enhanced the CCTV Network
- Dissemination of the training opportunities available to community groups.

Heritage, Environment and Regulation

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We keep our district affordable	Economic well-being	By managing the activity efficiently and effectively
We provide services and facilities so people want to stay and move here	Economic and Social well-being	By providing building control services in a professional and efficient manner
We enable opportunities for new and existing businesses	Economic well-being	By ensuring building consents are processed accurately, efficiently and within statutory timeframes
We enable opportunities for new and existing businesses	Economic well-being	By ensuring sufficient land is zoned for business, commercial and rural activities
We maintain the safest community we can	Social and Environmental well-being	<p>By ensuring buildings are safe and do not pose a risk to the public</p> <p>By ensuring that food for sale to the public is prepared in safe premises that meet food hygiene regulations</p> <p>By ensuring the threat to the community from nuisance or dangerous dogs or wandering stock is minimised</p> <p>By having a fully functional Emergency Operations Centre and trained and competent emergency management personnel to ensure we play an active role in supporting and co-ordinating emergency responses in the district</p> <p>By playing an active role in the Safer Waitaki Coalition</p>
Waitaki's distinctive environment is valued and protected	Social and Environmental well-being	<p>By resolving commercial and domestic environmental impacts</p> <p>By monitoring approved resource consents and conditions to minimise environmental impact and promote sustainable land management</p>

Heritage and Planning

How we performed – Heritage and Planning

Community Outcome	Performance Measures	Service target	Achievements
We keep our district affordable	Compliance with legislative requirement timeframes for the processing of resource consents.	95% of resource consents are processed within statutory timeframes.	2018/19 - Not achieved 93% (224 out of 240 consents processed within statutory timeframe) (2017/18 Not achieved = 94%)
We keep our district affordable	Customer level of satisfaction with the resource consent process.	80% and maintain.	2018/19 - No responses received in 2018/19. Survey Monkey Feedback is sought on decisions issued. Nothing received during the 2018/19 year. (New measure)
We keep our district affordable	Total number of individual resource consents monitored for compliance and were in non-compliance with at least one condition.	Increasing trends of compliance with resource consent conditions.	2018/19 - Not achieved Council has not undertaken proactive compliance monitoring during the 2018/19 year. This is not untypical of Councils, however, funding for a new paid position has been approved and monitoring charge regime established. (New measure)
Waitaki's distinctive environment is valued and protected	Level of protection of heritage items and features in the Waitaki District Plan.	Maintain or increase.	2018/19 - Achieved The District Plan is being reviewed at this time and no additional items have been added during the year. (New measure)
Waitaki's distinctive environment is valued and protected We enable opportunities for new and existing businesses	Review the operative Waitaki District Plan and replace with new District Plan in compliance with statutory process and timeframes.	2 years from date of notification of Proposed District Plan.	2018/19 - Achieved The District Plan is being reviewed at this time and notification has not commenced. (New measure)
Waitaki's distinctive environment is valued and protected We enable opportunities for new and existing businesses	Compliance with legislative requirements for the processing of Council and private plan changes.	Greater than 95% of plan changes are processed within statutory timeframes.	2018/19 - Achieved Nothing received during the 2018/19 year. (Nothing received during 2017/18)

Heritage and Planning

How we performed – Heritage and Planning

Community Outcome	Performance Measures	Service target	Achievements
<p>Waitaki's distinctive environment is valued and protected</p> <p>We enable opportunities for new and existing businesses</p>	<p>Increase in private land area under management for the protection of indigenous biodiversity values (QEII / SNA / other covenant).</p>	<p>Maintain or increase.</p>	<p>2018/19 - Achieved The District Plan is being reviewed at this time and no additional areas have been added during the year. Two new QEII covenants registered in the year to June 2019 – A wetland near Duntroon (1.5 ha) and a south facing hill above Kakaho Creek (3.4 ha). Neither of these sites had Council involvement. Two other QEII covenants with heavy Council involvement (Anatini wetland and Kakaho wetland) were finalised prior to June 2019 but are not yet registered with QEII.</p> <p>We have no data on Department of Conservation covenants on private land. No Significant Natural Area (SNA) sites were protected (pending district plan review).</p> <p><i>(New measure)</i></p>

Regulatory, Environmental and Building

How we performed – Regulatory, Environmental and Building

Community Outcome	Performance Measures	Service target	Achievements
<p>We keep our district affordable</p> <p>We provide services and facilities so people want to stay and move here</p> <p>We enable opportunities for new and existing businesses</p>	<p>Building consents processed within 15 working days.</p>	<p>100% of building consents processed within 15 working days.</p>	<p>2018/19 - Not achieved 97.3% processed within 20 working days There were some consents that exceeded processing days during the transition from paper based processing to e-services. Note the figure reported is the percentage of building consents processed within 20 working days rather than the measure in the LTP which is 15 working days. The reason for this is the current reporting capability within the processing systems is built to comply with the statutory processing and reporting requirements of the Building Act 2004. The average processing time for all consents during the year was 13 days.</p> <p>(2017/18 Not achieved = 98.57%)</p>
<p>We keep our district affordable</p> <p>We provide services and facilities so people want to stay and move here</p> <p>We enable opportunities for new and existing businesses</p>	<p>Maintain Building Consent Authority status.</p>	<p>Maintain</p>	<p>2018/19 - Achieved Maintained following audit end of June 2019</p> <p>(New measure)</p>
<p>We keep our district affordable</p> <p>We provide services and facilities so people want to stay and move here</p> <p>We enable opportunities for new and existing businesses</p> <p>We maintain the safest community we can</p>	<p>Public buildings with specified systems audited annually against building compliance standards.</p> <p>High risk buildings (such as hotels) checked more than once every five years.</p>	<p>20% of premises audited.</p> <p>High risk buildings (such as hotels) checked more than once every five years.</p>	<p>2018/19 - Achieved 52% of buildings have been audited in the last 12 months</p> <p>(2017/18 Achieved = 23%)</p> <p>Not achieved 93% of High risk buildings have been audited more than once in the last 5 years.</p> <p>(2017/18 Not achieved = 98.5%)</p>

Regulatory, Environmental and Building

How we performed – Regulatory, Environmental and Building

Community Outcome	Performance Measures	Service target	Achievements
We maintain the safest community we can	To transition to the Food Act 2014 requirements with premises verified in accordance with the new Act.	100%	2018/19 - Achieved 100% achieved as at 21 January 2019 (New measure)
We maintain the safest community we can	Licensed premises identified as having a high risk or identified as a high risk are inspected once every 6 months.	100%	2018/19 - Achieved 100% (2017/18 Achieved = 100%)
We maintain the safest community we can	Number of dog owners in the district with a selected owner status.	Year 1: 31% Year 2: 33% Year 3: 35% Years 4-10: Maintain year 3 levels	2018/19 - Achieved 36% Of the 3,043 dog owners in the district, 1,100 of them have the selected dog owner status. (New measure)
We maintain the safest community we can	Residents satisfied or very satisfied with emergency services.	80% of residents are satisfied or very satisfied with emergency services.	2018/19 - Not achieved 61% (2017/18 Not achieved = 72%)

Community Development and Engagement

How we performed – Community Development and Engagement

Community Outcome	Performance Measures	Service target	Achievements
We maintain the safest community we can	Residents are satisfied or very satisfied that Waitaki is a safe place to live	80% of residents are satisfied or very satisfied that the Waitaki district is a safe place to live.	2018/19 - Achieved 85% <i>(2017/18 Achieved =87%)</i>
We maintain the safest community we can	Level of satisfaction that partner organisations have with Safer Waitaki initiatives.	80% of partner organisations are satisfied with Safer Waitaki initiatives.	2018/19 - Achieved 100% <i>(New measure)</i>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Heritage, Environment and Regulation

Heritage, Environment and Regulation				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
2,447	2,329	General Rates, Uniform Annual General Charge, Rates Penalties	2,686	2,677	Levels of service are consistent with those anticipated in the Annual Plan. Costs have continued to increase, as work to progress the district plan continues. Levels of Internal Charges and Overheads, both recovered and applied, have been impacted by recent restructuring which was not anticipated in the LTP
70	68	Targeted Rates	24	23	
2,517	2,397	Rates Revenue	2,710	2,700	
3	-	Subsidies and Grants for Operating Purposes	1	-	
1,579	1,605	Fees and Charges	1,755	1,781	
-	-	Internal Charges and Overheads Recovered	719	-	
145	76	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	119	124	
1,727	1,681	Operating Revenue	2,594	1,905	
4,244	4,078	Total Sources of Operating Funding	5,304	4,605	
		Applications of Operating Funding			
926	1,469	Payments to Staff and Suppliers	2,578	2,431	
-	-	Finance Costs	-	-	
3,065	2,869	Internal Charges and Overheads Applied	2,992	2,827	
-	-	Other Operating Funding Applications	-	-	
3,991	4,338	Total Applications of Operating Funding	5,570	5,258	
253	(260)	Surplus / (Deficit) of Operating Funding	(266)	(653)	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
320	175	Development and Financial Contributions	423	175	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
320	175	Total Sources of Capital Funding	423	175	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
-	-	to improve Levels of Service	11	-	
1	-	to replace Existing Assets	2	-	
572	(85)	Increase / (Decrease) in Reserve	144	(478)	
-	-	Increase / (Decrease) in Investments	-	-	
573	(85)	Total Applications for Capital Funding	157	(478)	
(253)	260	Surplus / (Deficit) of Capital Funding	266	653	
-	-	Funding Balance	-	-	

Infrastructure and Services

This activity group covers the core assets of roads and footpaths, water, stormwater, wastewater, waste management and minimisation, and recreation services.

Roads and footpaths

What we do

Council maintains and develops a safe, effective, efficient, accessible, affordable and fit for purpose roading network (including footpaths). The movement of heavy goods and tourism are key to the district's economic activity.

The Waitaki District covers 7,152 km² and is sparsely populated with approximately 23,000 residents. The district's roading network is rural, low volume, and comprised of more unsealed roads than sealed roads. Our roads provide access to properties and people. A further breakdown of the roading profile includes:

- 90% of roads are rural (i.e. have a speed limit of more than 70 km/h);
- 59% of roads are unsealed;
- Over 94% of roads have traffic volumes of less than 500 vehicles per day.

Over 85% of the roads within the Waitaki District are owned and operated by Council, with the NZ Transport Agency (NZTA) operating the remaining 15% on state highways. Walking and cycling is a relatively small mode of transport but is becoming increasingly important as our population ages.

The majority of investment in roading is for the annual maintenance, operation and renewal of our transport infrastructure. Other investments include transport planning, demand management and developing new low cost/low risk infrastructure for local roads.

- Road maintenance and renewals;
- Road safety;
- Footpaths;
- Bridges;
- Road improvements;
- Township amenity, parking, litter bins, street cleaning;
- Street lighting;
- Corridor management;
- Permitting and regulatory.

Why we do it

Our road corridor networks connect people with destinations, to places of work, are lines of communication and are used for underground infrastructures water, waste water, stormwater, telecommunications and energy service reticulations. Our roads also link goods and freight from our farms and high country stations to far away markets. Without a reliable roading network, much of the economic activity within our district and country would not be possible.

What we have been doing in 2018/19

- Improvements and road maintenance including seal widening, resurfacing, safety improvements, and road safety programmes
- Maintained a focus on resilience of the road network in times of heavy storms
- Collaboration with stakeholder groups to better understand their needs within the roading network
- Upgrade of Tenby Street to provide an improved and more resilient route through Moeraki township
- New road constructed to connect Tyne street with the Esplanade
- New footpath connecting Solway Street with Saleyards Road
- Installation of roundabouts at the Eden and Reed Street intersection, and Wansbeck Street and Tyne Street have improved traffic flows and safety
- LED upgrade of streetlights throughout the district completed

Roads and footpaths

- The table below shows expenditure from the Maintenance and Operations Report to NZTA for 2018/19.

Work category No.	Works completed	Actual expenditure (\$) 2018/19
111	Routine pavement repairs (\$)	999,369
	Pre-reseal repairs (\$)	450,000
112	Grading unsealed roads (\$)	306,528
	Other unsealed pavement maintenance (\$)	182,086
113	Street cleaning (\$)	61,356
	Drainage maintenance (\$)	437,801
114	Bridge maintenance (\$)	183,695
	Retaining wall maintenance (\$)	7,114
121	Vegetation control (\$)	276,609
	Winter maintenance activities (\$)	2,805
	Litter, debris and graffiti control (\$)	20,304
	Other environmental maintenance (\$)	33,846
122	Traffic services power supply (\$)	119,330
	Carriageway lighting maintenance	63,490
	Road markings (\$)	142,571
	Signs and other traffic services (\$)	103,539
123	Event and incident management	1,285,166
124	Cycleway operations and maintenance (\$)	8,391
151	Network management (incl inspections) (\$)	1,398,276
341	Minor Improvements	1,520,964

Roads and Footpaths

Renewals

Work category No.	Works completed	Actual expenditure (\$) 2018/19
211	Unsealed road rehabilitation (\$)	685,659
212	Chip seals resurfacing (\$)	1,358,964
	Thin asphaltic surfacing	302,501
	Other pavement resurfacing	109,930
213	Culvert renewals (\$)	569,971
	Kerb and channel renewals (\$)	169,880
	Other drainage renewals (\$)	28,146
	Rural sealed road pavement rehabilitation (\$)	1,119,136
215	Other structure component replacements (\$)	77,008
222	Traffic signs renewals (\$)	82,934
	Traffic monitoring and lighting renewals (\$)	230,115

Roads and Footpaths

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We enable opportunities for new and existing businesses	Social well-being	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods
We provide and enable services and facilities so people want to stay and move here	Social well-being	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods
We maintain the safest community we can	Social well-being	By providing transport networks and services that are safe
We keep our district affordable	Social and Economic well-being	By ensuring roading activities are managed efficiently and effectively

How we performed – Roads and Footpaths

Community Outcome	Performance Measures	Service target	Achievements
We maintain the safest community we can	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (excludes State Highways).	Reduce the number of serious injuries and fatalities when compared to the previous year	2018/19 - Achieved 0 fatalities, 7 serious injuries (2017/18 Achieved = 8 fatal or serious injury crashes)
We enable opportunities for new and existing businesses We provide and enable services and facilities so people want to stay and move here	Residents satisfied or very satisfied with the condition of Waitaki's non state highway sealed roads when compared to other districts.	Year 1-3: 60% 4-10: 70%	2018/19 - Not achieved 41% Note the satisfaction measured for this question relates to that of satisfaction with the roads in the Waitaki district only. We are currently unable to measure resident satisfaction with roads in other districts. (2017/18 Not achieved= 35%)
We enable opportunities for new and existing businesses We provide and enable services and facilities so people want to stay and move here	Residents satisfied or very satisfied with the condition of Waitaki's non state highway unsealed roads when compared to other districts.	Year 1-3: 50% 4-10: 60%	2018/19 - Not achieved 28% Note the satisfaction measured for this question relates to that of satisfaction with the roads in the Waitaki district only. We are currently unable to measure resident satisfaction with roads in other districts. (2017/18 Not achieved =29%)

Roads and Footpaths

How we performed – Roads and Footpaths

Community Outcome	Performance Measures	Service target	Achievements
<p>We keep our district affordable</p> <p>We enable opportunities for new and existing businesses</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>The average quality of ride on a sealed local road network, measured by smooth travel exposure (excluding state highways).</p> <ul style="list-style-type: none"> - Combined - Rural - Urban 	<p>Greater than 90% of roads are maintained at 96 NAASRA counts or lower</p>	<p>2018/19 – Combined - Not achieved 90% Urban Not achieved 78% Rural Achieved 97%</p> <p><i>(2017/18 Combined Not achieved =87% We didn't previously report on Urban and Rural separately)</i></p>
<p>We keep our district affordable</p> <p>We enable opportunities for new and existing businesses</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>The percentage of the sealed local road network that is resurfaced:</p> <ul style="list-style-type: none"> - Combined - Rural - Urban 	<p>Greater than 5% of sealed roads are resurfaced each year.</p>	<p>2018/19 – Combined Achieved 5.5% Urban Not achieved 0.9% Rural Not achieved 4.6%</p> <p><i>(2017/18 Combined =6.4% We didn't previously report on Urban and Rural separately))</i></p>
<p>We keep our district affordable</p> <p>We enable opportunities for new and existing businesses</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>The percentage of footpaths within the district that fall within the specified level of service (fit for purpose) set within the Roding Asset Management Plan.</p>	<p>96%</p>	<p>2018/19 - Not achieved 93%</p> <p><i>(2017/18 Not achieved =95.6%)</i></p>
<p>We keep our district affordable</p> <p>We enable opportunities for new and existing businesses</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>The percentage of requests for service relating to roads and footpaths responded to within agreed timeframes.</p>	<p>Greater than 90% of public enquiries responded to within agreed timeframes.</p>	<p>2018/19 – Not achieved 90%</p> <p><i>(2017/18 Achieved = 92%)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Roads and Footpaths

Roads and Footpaths				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
66	56	General Rates, Uniform Annual General Charge, Rates Penalties	56	56	Levels of service are consistent with those in the Annual Plan. Council's programme of works was again impacted by adverse weather events which resulted in increased operating costs
6,693	6,663	Targeted Rates	7,303	7,259	
6,759	6,719	Rates Revenue	7,359	7,315	
4,627	2,898	Subsidies and Grants for Operating Purposes	3,917	3,945	
238	284	Fees and Charges	265	264	
21	20	Internal Charges and Overheads Recovered	18	25	
549	409	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	462	431	
5,435	3,611	Operating Revenue	4,662	4,665	
12,194	10,330	Total Sources of Operating Funding	12,021	11,980	
		Applications of Operating Funding			
7,134	5,261	Payments to Staff and Suppliers	7,087	5,736	
-	-	Finance Costs	-	-	
1,435	1,811	Internal Charges and Overheads Applied	1,520	1,599	
-	-	Other Operating Funding Applications	-	-	
8,569	7,072	Total Applications of Operating Funding	8,607	7,335	
3,625	3,258	Surplus / (Deficit) of Operating Funding	3,414	4,645	
		Sources of Capital funding			
3,213	4,026	Subsidies and Grants for Capital Expenditure	3,758	3,828	
319	200	Development and Financial Contributions	279	200	
-	-	Increase / (Decrease) in Debt	-	-	
87	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
3,619	4,226	Total Sources of Capital Funding	4,037	4,028	
		Applications of Capital funding			
-	-	Capital Expenditure to meet Additional Demand	-	-	
1,594	2,233	to improve Levels of Service	1,343	1,630	
6,110	6,233	to replace Existing Assets	5,724	5,647	
(460)	(982)	Increase / (Decrease) in Reserve	384	1,396	
-	-	Increase / (Decrease) in Investments	-	-	
7,244	7,484	Total Applications for Capital Funding	7,451	8,673	
(3,625)	(3,258)	Surplus / (Deficit) of Capital Funding	(3,414)	(4,645)	
-	-	Funding Balance	-	-	

Water, Stormwater, Wastewater & Waste Management & Minimisation

This group of activities includes:

- Water Supply
- Stormwater
- Wastewater
- Waste Management and Minimisation

Water Supply

What we do

Council supplies water to over 95% of the district's population through the operation of fifteen (15) individual water supplies consisting of Ōamaru and Waihemo (with on demand and restricted zones), five urban areas (including Ōamaru and Waihemo), and ten (10) rural water supplies.

The urban supplies in most areas provide an "on demand" service to consumers and have provision for some fire-fighting from water supply mains. The rural supplies are intended to supply water for stock and domestic use on a continuous but restricted supply basis. The management and operation of the urban and rural water supplies are via a mixture of Council organisation or operational liaison groups. This activity is funded by Service targeted rates from properties that have access to water supply systems.

Council supports this service by:

- Providing, operating, and maintaining water infrastructure in compliance with New Zealand legislation and standards;
- Responding to call outs and service disruptions quickly and efficiently;
- Planning for future development and needs.

Why we do it

Council has a legal obligation under the Health Act 1956 to improve, promote, and protect public health across the district. The Health (Drinking Water) Amendment Act 2007 places further obligation on Council to comply with the Drinking Water Standards for New Zealand. Under the Local Government Act 2002 (LGA02), the continued operation of water supplies is required unless approval has been obtained by Council to cease some or all of the activity. The Havelock North water incident and subsequent Government inquiry has renewed the focus on the very high standard of care and diligence required to supply drinking water. The outcomes of the Havelock North Water inquiry are expected to result in further legislative changes relating to potable water.

Water is the single most significant underlying resource supporting business growth and environmental health. The Council considers that the provision of reliable and safe drinking water to the community is a major contribution to the district's economy and to resident's wellbeing. The water supplies contribute to improving, promoting and protecting public health and provide fire-fighting capabilities in urban areas. In rural areas, water is also used by stock, thus contributing to the rural economy.

Water, Stormwater, Wastewater & Waste Management & Minimisation

What we have been doing in 2018/19

Council continued to source, treat, store and distribute drinking water to more than 20,000 residents across 15 water supplies.

Providing, operating, and maintaining water infrastructure in compliance with New Zealand legislation and standards;

Managing significant events:

Engineers were able to successfully manage three significant events which impacted the district's water supplies during the year – most notably in December when treatment and supply capacity at the Ōamaru Treatment Plant was reduced following a prolonged period of rain events. This affected all consumers on the Ōamaru supply south to Moeraki, highlighting the need to increase storage capacity at the plant and resulting in the project to build an additional reservoir for Ōamaru water being brought forward to the 2019/20 financial year. Planning for this commenced in February.

Ōamaru Water Treatment Plant treatment and storage capacity improvements:

Various investigations and work continued at the Ōamaru Water Treatment Plant to ensure it has capacity to supply plentiful, high quality water to the community over the long term. This included bringing the additional reservoir project forward to 2019/20 and continuing to identify and address issues with membrane fouling that have impacted on treatment capacity, and optimising the long-term resilience and capacity of the ozone treatment and membranes.

Moeraki water supply improvements:

In tandem with the project to upgrade the water supplies south of Ōamaru to Moeraki, the Hampden township water mains were upgraded to improve supply capacity to the Moeraki township and enable population and business growth in the area. Additional work to support this included replacing various water assets at Moeraki to improve the supply's resilience.

Ōmārama Water Reservoir roof replacement:

The Ōmārama Water Reservoir's roof was quickly and successfully replaced in September to protect the supply storage for current and future consumers.

Protecting the communities from drinking water related health issues by providing quality potable water to agreed areas:

Following completion of the water supply pipeline from Ōamaru south to Hampden in August, Council now supplies water that is compliant with the NZ Drinking Water Standards to 91% of the District's population.

Ōamaru to Hampden pipeline project (Hamnak water supply upgrade):

Completion of the new water supply pipeline from Ōamaru to Herbert, Waianakarua, Hampden and Moeraki in August was a major milestone. Since then the pipeline has been supplying safe, high quality water from the Ōamaru Water Treatment Plant to more than 1,200 residents in those areas. This complex and challenging project received a Highly Commended award at the Local Government New Zealand Excellence Awards in June for its contribution to economic wellbeing.

Lake Ohau Alpine Village water supply upgrade:

Significant progress was made on identifying and developing options to upgrade the Lake Ohau Alpine Village water supply to meet the Drinking Water Standards. This has included extensive engagement with the community and ongoing liaison with a community taskforce set up following a meeting held at the village in early January.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Water safety plan development and implementation:

- A new water safety plan was completed for Kurow during January. Work continued on developing new water safety plans for Ōamaru and Stoneburn.
- Various rural water supplies were shut down and issued with boil water notices during flood and other events to protect consumers in accordance with our other water safety plans.
- Chlorine disinfection was introduced to the Otematata and Duntroon supplies and remains in place. This step was taken by many local authorities to maximise protection of water supply consumers following recommendations arising from the Havelock North contamination event.

Providing assurance of a sustainable, efficient and effective water service through long term planning for maintenance, renewals and provision for growth:

Ōamaru water network renewals:

Four years of infrastructure renewal works for Ōamaru's water supply network were combined into one contract, which went out for tender in June. This combined approach will give Council longer term surety of contractor availability and facilitate more competitive prices from contractors.

South Hill water main renewals and micro-zone project:

Stage 2 of the South Hill water main upgrades was completed by the June 2019 deadline. This extensive project has greatly improved supply resilience and capacity in the South Hill area. The South Hill 'micro-zone' project was completed in September and has since improved water pressure for residents in the Bywell and Brinkburn Street areas.

Redcastle Road water intake improvements:

An additional pump and supporting infrastructure were installed during January at the Redcastle Road intake for the Ōamaru Water Supply. This has improved supply resilience and caters for future growth.

Measuring demand and use to actively manage water:

Moeraki and Hampden restrictor checks:

Restrictor checks in Moeraki and Hampden were completed to ensure supply continuity during the busy summer months and that consumers are receiving the volume of water they pay for. The checks in Moeraki, which were completed before the summer period, resulted in a noticeable reduction in water demand. This complemented the pipeline capacity improvements for the township as part of the Hamnak water supply upgrade.

Ōamaru Water Supply Capacity Study:

The first part of a comprehensive multi-stage study commenced into future demand for water supply in the Ōamaru area and the effect this may have on current water facility and reticulation capacity. The study is utilising a range of Council data along with information provided by various stakeholders. It will provide a sound basis for asset management and development into the future and will ensure we can provide the services needed for community wellbeing and economic sustainability.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Stormwater

What we do

Council operates stormwater systems in Kurow, Ōamaru, Ōmārama, Otematata, Lake Ohau, Moeraki, Palmerston and Weston. The stormwater systems are designed to provide a safe and effective collection, divert and control moderate intensity rainfall, and protect property from damage. It is estimated that 65% of the district's population have access to a public reticulated stormwater system with the remainder being served by individual soak pits and associated disposal systems.

Council supports this service by:

- Providing, operating and maintaining the stormwater infrastructure;
- Responding to call outs and service disruptions quickly and efficiently;
- Planning for future development and needs.

Why we do it

Council's stormwater assets contribute to conserving public health and therefore enhancing the quality of life of residents in urban areas of the district. Council is legally obliged under the Health Act to improve, promote, and protect public health within the District. This includes identifying the need for stormwater services and either providing these directly, or to oversee the service if it is provided by others.

Like water supply, the LGA02 requires ongoing stormwater services unless Council has gained approval to withdraw from such services. Council-issued building consents require that plans comply with the building regulations for drainage, which specify standards for protection of buildings against flood inundation. Council owned stormwater assets in urban areas must also comply with building regulations.

What we have been doing in 2018/19

Council continued to collect and dispose of stormwater across eight community areas.

Beyond business-as-usual, a stormwater main adjacent to Scott's Brewery was realigned to allow for future development in the area. A stormwater main along Tyne Street was also realigned to improve network performance.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Wastewater

What we do

Council provides eight (8) wastewater systems at Duntroon (limited service area), Kurow, Lake Ohau, Moeraki, Ōamaru (including Kakanui and Weston), Ōmārama, Otematata and Palmerston. The aim of reticulated wastewater systems is to ensure the health of the community where urban housing exists, thereby eliminating the need for individuals to provide their own wastewater system (which carry a much higher health risk).

The wastewater systems collect, treat and dispose of liquid waste to acceptable environmental standards. The wastewater network is operated under resource consent framework (meeting regional council requirements). This requires Council to ensure that adverse environmental effects associated with the discharges are mitigated. The quality of treated effluent is continually monitored and must be compliant with resource consent conditions.

Why we do it

Council has a legal obligation under the Health Act to improve, promote, and protect public health within the District. This includes identifying the need for wastewater services and either providing these directly, or overseeing the service if it is provided by others. The Council sees the provision of reliable wastewater collection and treatment services to the community as a major contribution to the District's economy and to resident's wellbeing. The LGA02 requires ongoing wastewater services unless Council has obtained approval to withdraw these services. The wastewater assets are fundamental to Council's statutory responsibilities and strategies for conserving public health in pursuit of its mission to enhance the quality of life of residents in the district.

What we have been doing in 2018/19

Council continued to collect, treat and dispose of wastewater from over 14,000 residents across eight networks.

Maintaining quality and continuity of wastewater services:

Moeraki wastewater disposal upgrade:

This project is required to ensure disposal of treated wastewater meets Otago Regional Council consent requirements. The final design for the upgrade was completed and work is expected to be completed prior to Christmas 2019.

Ōmārama wastewater treatment plant disposal upgrade:

This project is required to ensure disposal of treated wastewater meets Environment Canterbury resource consent requirements. A final design for disposal to land via infiltration trenches at the Ōmārama Airfield was developed and land use agreements with Ōmārama Airfield Ltd successfully negotiated. The project is expected to be completed prior to Christmas 2019.

Treatment plant pond de-sludging:

Planning commenced to de-sludge Council's wastewater ponds around the district. As part of this, a survey of sludge levels within the ponds is underway and information from the survey will form the basis of a sludge removal contract to be released later this year.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Ōamaru Wastewater Capacity Study:

The first part of a comprehensive multi-stage study commenced into future demand on the wastewater network in the Ōamaru area and the effect this may have on current wastewater infrastructure capacity. Significant floods in July 2017 resulting in reticulation network overflows when the systems in Ōamaru failed to cope, and the number of aging wastewater infrastructure throughout the town, highlighted the need for this study. Flood events are anticipated to increase in frequency and intensity as a result of climate change. The study is utilising a range of Council data along with information provided by various stakeholders and will provide a sound basis for risk assessment and asset management and development into the future.

Managing the activity efficiently and effectively:

Regulating trade waste activity:

The ten-year review of Council's Trade Waste Bylaw commenced. Consideration will be given to the capacity of Council's wastewater treatment plants and the impacts and effects of commercial, industrial and tankered wastes now and in the future. The national issue of blockages and failures caused by wet wipes being flushed into the network will also be considered.

Acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure:

We have continued to collaborate and consult with key stakeholders - including landowners, Otago Regional Council, Environment Canterbury and Te Rūnanga o Moeraki – to ensure the natural environment is considered in our operation, maintenance and development of wastewater infrastructure.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Waste Management and Minimisation

What we do

In 2012, Council ceased Council-controlled kerbside waste collection and commenced planning for the development of a private refuse transfer station to coincide with the closure of the Ōamaru landfill. The outcome of the 2012 decision was to encourage the private market to provide waste services in Waitaki. The private sector were seen to be more able to provide services that meet the needs of these residents.

Council now works collaboratively with both the private sector and community organisations to ensure households and businesses have convenient access to affordable, effective and efficient solid waste disposal and waste minimisation services and facilities, and can choose what best suits their needs and budgets.

While Council no longer provides kerbside collection services and encourages the private market to provide services and facilities wherever possible, we continue to provide the following:

- A network of four rural recovery parks (transfer stations) located at Otematata, Ōmārama, Kurow and Hampden;
- A landfill in Palmerston;
- Financial assistance to the Waitaki Resource Recovery Trust to operate the Resource Recovery Park in order to provide recovery, recycling and education services;
- Financial assistance to other community organisations, such as Waihemo Wastebusters, to provide recycling and waste minimisation services;
- Recycling drop-off facilities in Papakaio, Enfield, Duntroon and Herbert;
- Educational material about reducing, reusing and recycling waste;
- Management of fourteen closed landfills throughout the district (including the closed Ōamaru landfill).

Why we do it

Council has a statutory responsibility to promote effective and efficient waste management and minimisation within the Waitaki District. The provision of good quality waste management services is essential in supporting the health and economic wellbeing of our community.

Convenient access to waste minimisation services reduces the volume of residual waste going to landfill and provides opportunities for our community and businesses to save money through reducing their waste. Waste management and minimisation services need to be sufficiently robust and yet flexible enough to meet the reasonable needs of all sectors of our community. Inadequate services can place substantial cost burdens on businesses, residents and visitors alike, reducing affordability and discouraging development.

Council must have regard to the following statutes in managing and overseeing waste:

- New Zealand Waste Strategy
- Local Government Act 2002
- Resource Management Act 1991
- Litter Act 1979
- Health Act 1956
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015.

Water, Stormwater, Wastewater & Waste Management & Minimisation

What we have been doing in 2018/19

Managing the activity in accordance with consent conditions and enforcement of the relevant legislation to mitigate adverse environmental effects:

In 2018/19, key activities beyond business-as-usual included:

- Monitoring and assessing the effectiveness of the new cap on the Ōamaru Closed Landfill. This resulted in some additional capping and ancillary works (stormwater control) being completed during January and February to ensure ongoing compliance with aftercare consents.
- Looking in more detail at options to address the ongoing subsidence of the Hampden Closed Landfill. Council commenced this work when long-standing subsidence escalated following ex-Cyclone Gita in February 2018 and due to the complexity of the issue – including the financial and environmental constraints – assessing options is taking longer than anticipated. Investigative work has included determining the extent and composition of the waste.

Providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities:

In 2018/19, key activities beyond business-as-usual included:

- Ensuring our contractor increased their staff and plant resourcing over the busy summer months at the rural recovery parks Council provided in Hampden, Kurow, Otematata and Ōmārama. This addressed issues raised in previous years, including overflowing bins – particularly in the Waitaki Valley.
- Ensuring the rural resource recovery parks are sustainable and available to these communities over the long term by increasing rubbish and greenwaste disposal fees. The fee increases have raised the level of cost recovery by five percent over the year across all four facilities (with Otematata and Hampden each showing an 11% gain).

Encouraging minimisation, reuse and recycling of waste:

In 2018/19, key activities beyond business-as-usual included:

- Continuing to provide annual financial support of \$270,000 to the Waitaki Resource Recovery Trust to support them in running the Chelmer Street recovery park and continuing to assist them with their site redevelopment. We also provided a \$24,000 grant to Waihemo Wastebusters.
- Funding two free composting workshops held at the Waitaki Community Gardens in December, and then a series of waste minimisation workshops facilitated by Kate Meads in Kurow, Ōamaru and Palmerston during June. These events were all well-attended.
- Surveying waste received at the Ōamaru Refuse Transfer Station (using a SWAP – solid waste analysis protocol) to determine the volume and type of materials included in the waste stream that could have been diverted. This information will be used to inform planning for waste minimisation initiatives and services
- Helping the Waitaki Resource Recovery Park communicate changes to contractors and the community regarding changes to recycling services following the collapse of global recycling markets for 3 to 7 plastics.
- Council continued to leave the provision of waste management services to the private market in accordance with the Waste Management and Minimisation Plan, which became operational in July.

Water Supply

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We enable opportunities for new and existing businesses	Environmental well-being	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth
We provide and enable services and facilities so people want to stay and move here	Environmental well-being	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth
We maintain the safest community we can	Environmental well-being	By protecting the communities from drinking water related health issues by providing quality potable water to agreed areas
We keep our district affordable	Economic well-being	By measuring demand and use to actively manage water through timely response to service requests and failure

Water Supply

How we performed – Water Supply

Community outcome	Performance Measures	Service target	Achievements
We maintain the safest community we can	The extent to which Council's water supply complies with: Part 4 of the drinking water standards (bacteria compliance criteria) Part 5 of the drinking water standards (protozoa compliance criteria)	Compliant: Ōamaru (including Hampden-Moeraki and Herbert-Waianakarua), Waihemo, Kurow, Lake Ohau, Awamoko, Ōmārama, Otematata, Lower Waitaki, Tokarahi, Kauru Hill and Windsor. No compliance required (classified Rural agricultural water supplies): Stoneburn, Bushey Creek. No compliance required (Council has elected to comply with Section 10): Duntroon.	2018/19 a) Bacterial Compliant/Achieved: Kauru Hill, Kurow, Lower Waitaki, Ōamaru, Ōmārama, Otematata, Tokarahi, Waihemo, Windsor Non-compliant/Not achieved: Awamoko, Lake Ohau (2017/18 = a) Bacterial Compliant/Achieved: Kurow, Lower Waitaki, Ōamaru, Ōmārama, Waihemo. Non-compliant/Not achieved: Lake Ohau, Awamoko, Hampden-Moeraki, Herbert-Waianakarua, Kauru Hill, Otematata, Tokarahi, Windsor. b) Protozoa Compliant/Achieved: Kurow, Ōamaru, Waihemo, Lower Waitaki Non-compliant/Not achieved: Awamoko, Kauru Hill, Ōmārama, Otematata, Tokarahi, Windsor, Lake Ohau (2017/18 = b) Protozoa Compliant/Achieved: Kurow, Ōamaru, Waihemo. Non-compliant/Not achieved: Lake Ohau, Awamoko, Hampden-Moeraki, Herbert-Waianakarua, Kauru Hill, Lower Waitaki, Ōmārama, Otematata, Tokarahi, and Windsor.)
We keep our district affordable We enable opportunities for new and existing business We provide and enable services and facilities so people want to stay and move here	The percentage of real water loss from our networked reticulation system. This is calculated in accordance with Water New Zealand's Water Loss Guidelines-Minimum Night Flow Analysis.	Maintain or reduce	2018/19 - Not achieved Ōamaru - 31% Palmerston - 43% Otematata - 47% Ōmārama - 46% Kurow - 64% (2017/18 = Ōamaru - 24% Ōmārama - 45%, Otematata - 26% Palmerston - 37% Kurow - 58%)

Ōmārama, Lake Ohau, Awamoko, Tokarahi, Windsor and Kauru Hill are yet to be upgraded to meet Drinking Water Standards. Lake Ohau and Awamoko were not included in the 2017/18 reporting but their compliance results for 2017/18 have been included here to enable a comparison between years.

The 2018/19 results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor.

Water Supply

How we performed – Water Supply

Community Outcome	Performance Measures	Service target	Achievements
We keep our district affordable	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulated system, the following median response times are measured: Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site.	One hour median attendance time for urgent call outs.	2018/19 - Achieved 0.9 hours (there were 501 urgent call outs in total) (2017/18 Achieved = 0.7 hours)
We keep our district affordable	Resolution of urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption.	24 hours median time for resolution of urgent call outs.	2018/19 - Achieved 3.2 hours (there were 501 urgent call outs in total) (2017/18 Achieved = 3.6 hours)
We keep our district affordable	Attendance of non-urgent call outs: from the time that Council receives notification, to the time that service personnel reach the site.	2 working day* median attendance time for non-urgent call outs.	2018/19 - Achieved 0.7 working days (6.3 working hours). There were 1807 non-urgent call outs in total.** (2017/18 Not achieved = 20.7 hours)
We keep our district affordable	Resolution of non-urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption.	5 working day* median attendance time for non-urgent call outs.	2018/19 - Achieved 1.0 working day (9.4 working hours). There were 1807 non-urgent call outs in total. (2017/18 Achieved = 28 hours)

* A working day is any calendar day, between the hours of 8am and 5pm, other than Saturday, Sunday or a public holiday. For routine fault notifications received outside of working hours, the Service target response and resolution timeframes apply from 8am of the next working day.

** Call-outs received and resolved after hours (evenings, weekends and public holidays) have been assigned a resolution time of 0 hours.

Water Supply

How we performed – Water Supply

Community Outcome	Performance Measures	Service target	Achievements
We keep our district affordable	Total number of complaints received by Council about: (a) drinking water clarity; (b) drinking water taste; (c) drinking water odour; (d) drinking water pressure or flow; (e) continuity of supply; (f) Council's response to any of these issues.	Less than 25 complaints per 1,000 connections to Council's networked reticulation system.	2018/19 - Not achieved 27.3 complaints/1,000. There were 335 complaints in total.* (2017/18 Achieved = 28.8)
We enable opportunities for new and existing businesses We provide and enable services and facilities so people want to stay and move here	The average consumption of drinking water per day per resident within Waitaki district	Less than 500 litres per day average consumption of drinking water per resident within the Waitaki District.	2018/19 - Not achieved 503 litres per day average. Consumption has been calculated for on-demand (urban) water supplies only as restricted supplies (rural) are for stock consumption also and the percentage split cannot be confirmed. Visitors are included in the 'resident' population for the purposes of this calculation. (2017/18 Not achieved =583)

* The '1000 connections' unit is based on a count of physical service connections. For the Waitaki District this is a more accurate method of measurement compared to 'rateable units'.

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Water Supply

Water Supply				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
1	1	General Rates, Uniform Annual General Charge, Rates Penalties	1	1	Capital spending increased this year as several projects which had been deferred from previous periods were undertaken
5,373	5,378	Targeted Rates	5,505	5,507	
5,374	5,379	Rates Revenue	5,506	5,508	
-	-	Subsidies and Grants for Operating Purposes	-	-	
571	481	Fees and Charges	548	542	
209	236	Internal Charges and Overheads Recovered	122	276	
26	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	25	17	
806	717	Operating Revenue	695	835	
6,180	6,096	Total Sources of Operating Funding	6,201	6,343	
		Applications of Operating Funding			
3,562	2,848	Payments to Staff and Suppliers	4,023	3,085	
-	-	Finance Costs	-	-	
1,217	1,364	Internal Charges and Overheads Applied	1,432	1,430	
-	-	Other Operating Funding Applications	-	-	
4,779	4,212	Total Applications of Operating Funding	5,455	4,515	
1,401	1,884	Surplus / (Deficit) of Operating Funding	746	1,828	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
800	218	Development and Financial Contributions	617	219	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	158	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
800	218	Total Sources of Capital Funding	775	219	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
4,992	1,840	to improve Levels of Service	1,599	90	
2,714	1,935	to replace Existing Assets	3,553	1,503	
(5,505)	(1,673)	Increase / (Decrease) in Reserve	(3,631)	454	
-	-	Increase / (Decrease) in Investments	-	-	
2,201	2,102	Total Applications for Capital Funding	1,521	2,047	
(1,401)	(1,884)	Surplus / (Deficit) of Capital Funding	(746)	(1,828)	
-	-	Funding Balance	-	-	

Stormwater

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We maintain the safest community we can	Environmental well-being	By managing flooding events in urban areas
We enable opportunities for new and existing businesses	Environmental and Economic well-being	By managing flooding events in urban areas
Waitaki's distinctive environment is valued and protected	Environmental well-being	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure
We keep our district affordable	Environmental and Economic well-being	By providing a timely response to service requests and system failures By managing the activity efficiently and effectively
We provide and enable services and facilities so people want to stay and move here	Environmental and Economic well-being	By maintaining the quality and continuity of stormwater services

How we performed – Stormwater

Community Outcome	Performance Measures	Service target	Achievements
We keep our district affordable	The number of flooding events that occur in Council's stormwater reticulation system.	NIL	2018/19 – Not Achieved 1 <i>(2017/18 Not achieved =1)</i>
We maintain the safest community we can We keep our district affordable We enable opportunities for new and existing businesses	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater system).	NIL	2018/19 – Not achieved 0.1 <i>(2017/18 Not achieved =0.1)</i>

Stormwater

How we performed – Stormwater

Community Outcome	Performance Measures	Service target	Achievements
<p>We keep our district affordable</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>Compliance with Council's resource consent for discharge from its stormwater system measured by the number of:</p> <p>(a) abatement notices; and (b) infringement notices; and (c) enforcement orders; and (d) successful prosecutions received by Council in relation to those resource consents.</p>	NIL	<p>2018/19 - Achieved</p> <p>As of 30 June 2019, we do not have any stormwater discharge resource consents. An application for a global stormwater discharge resource consent for our Ahuriri townships has been submitted to Ecan and is pending approval.</p> <p><i>(New measure)</i></p>
<p>We maintain the safest community we can</p> <p>We keep our district affordable</p>	<p>The median response time to attend a flooding event, measured from the time that Council receive notification to the time that service personnel reach the site.</p>	2 hours	<p>2018/19 - Achieved 0. Council was not advised of the flooding to the property until 11 days after the flood event occurred.</p> <p><i>(2017/18 Achieved =0)</i></p>
<p>We keep our district affordable</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	<p>The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system.</p>	Less than eight (8) complaints per 1,000 connections.	<p>2018/19 - Not achieved 9.5. The target was increased in 2018/19 to include complaints associated with mudtanks/sumps which were previously excluded as they are roading assets.</p> <p><i>(2017/18 Achieved =0.6)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Stormwater

Stormwater Drainage				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Capital spending increased this year as several projects which had been deferred from previous periods were undertaken
471	471	Targeted Rates	426	426	
471	471	Rates Revenue	426	426	
-	-	Subsidies and Grants for Operating Purposes	-	-	
6	-	Fees and Charges	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
-	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	
6	-	Operating Revenue	-	-	
477	471	Total Sources of Operating Funding	426	426	
		Applications of Operating Funding			
119	60	Payments to Staff and Suppliers	109	250	
-	-	Finance Costs	-	-	
105	164	Internal Charges and Overheads Applied	136	158	
-	-	Other Operating Funding Applications	-	-	
224	224	Total Applications of Operating Funding	245	408	
253	247	Surplus / (Deficit) of Operating Funding	181	18	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	5	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
-	-	Total Sources of Capital Funding	5	-	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
-	-	to improve Levels of Service	-	-	
33	15	to replace Existing Assets	339	-	
220	232	Increase / (Decrease) in Reserve	(153)	18	
-	-	Increase / (Decrease) in Investments	-	-	
253	247	Total Applications for Capital Funding	186	18	
(253)	(247)	Surplus / (Deficit) of Capital Funding	(181)	(18)	
-	-	Funding Balance	-	-	

Wastewater

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We enable opportunities for new and existing businesses	Economic well-being	By providing community reticulated systems in agreed areas
We provide and enable services and facilities so people want to stay and move here	Environmental and Economic well-being	By providing a timely response to service requests and system failures By maintaining quality and continuity of wastewater services
We maintain the safest community we can	Environmental well-being	By maintaining the quality and continuity of wastewater services and protecting the community from wastewater related health issues
We keep our district affordable	Environmental and Economic well-being	By providing a timely response to service requests and system failures By managing the activity efficiently and effectively
Waitaki's distinctive environment is valued and protected	Environmental well-being	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure

How we performed – Wastewater

Community Outcome	Performance Measures	Service target	Achievements
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We maintain the safest community we can</p> <p>We keep our district affordable</p>	The number of dry weather overflows from the sewerage system, expressed per 1,000 sewerage connections to the system.	Less than 4 sewerage overflows per 1,000 connections (<20 total).	<p>2018/19 - Achieved 1. There were 8 overflows in total.</p> <p>(2017/18 Not achieved =2 – 15 in total)</p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We maintain the safest community we can</p> <p>We keep our district affordable</p>	<p>Compliance with resource consents for discharge from the sewerage system measured by the number of:</p> <p>a) abatement notices; b) infringement notices; c) enforcement orders; and d) convictions received by Council in relation to those resource consents.</p>	Nil for all	<p>2018/19 - Achieved Nil for all</p> <p>(2017/18 Achieved =Nil for all)</p>

Wastewater

How we performed – Wastewater

Community Outcome	Performance Measures	Service target	Achievements
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We maintain the safest community we can</p> <p>We keep our district affordable</p>	<p>Where Council attends sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times measured:</p> <p>a) attendance time: from the time that Council receives notification to the time that service personnel reach the site;</p> <p>b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p>	<p>a) 1 hour attendance time for sewerage overflows;</p> <p>b) 24 hours resolution time for sewerage overflows.</p>	<p>2018/19 - a) Achieved 0.4 hour attendance time for sewerage overflows b) Not achieved 36.3 hours resolution time for sewerage overflows</p> <p>For the majority of the jobs, the overflow was resolved within the required period however the CRM remained open as further works to prevent future blockages were required i.e. a repair to the pipe.</p> <p><i>(2017/18 Achieved = 0.6 hours for attendance for sewerage overflows; and 3.6 hours resolution time for sewerage overflows.)</i></p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p>	<p>The total number of complaints received by Council about any of the following:</p> <p>a) sewage odour;</p> <p>b) sewerage system faults;</p> <p>c) sewerage system blockages; and</p> <p>d) Council's response to issues with the sewerage system expressed per 1,000 properties connected to the system.</p>	<p>Less than 12 complaints per 1,000 connections.</p>	<p>2018/19 - Achieved 7.2 (There were 56 complaints in total)</p> <p><i>(2017/18 Achieved = 9.3 complaints received per 1,000 connections)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Wastewater

Sewerage (Treatment & Disposal)				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Levels of service are consistent with those in the Annual Plan. Council successfully resolved an outstanding insurance claim during the year
1,639	1,628	Targeted Rates	1,755	1,749	
1,639	1,628	Rates Revenue	1,755	1,749	
-	-	Subsidies and Grants for Operating Purposes	-	-	
291	319	Fees and Charges	337	309	
338	333	Internal Charges and Overheads Recovered	342	391	
51	21	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	122	12	
680	673	Operating Revenue	801	712	
2,319	2,301	Total Sources of Operating Funding	2,556	2,461	
		Applications of Operating Funding			
1,453	959	Payments to Staff and Suppliers	1,321	1,258	
-	-	Finance Costs	-	-	
469	570	Internal Charges and Overheads Applied	532	550	
-	-	Other Operating Funding Applications	-	-	
1,922	1,529	Total Applications of Operating Funding	1,853	1,808	
397	772	Surplus / (Deficit) of Operating Funding	703	653	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
208	100	Development and Financial Contributions	251	96	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	5	-	
208	100	Total Sources of Capital Funding	251	96	
		Applications of Capital funding			
-	-	Capital Expenditure			
-	-	to meet Additional Demand	-	-	
254	525	to improve Levels of Service	260	473	
631	525	to replace Existing Assets	313	562	
(280)	(178)	Increase / (Decrease) in Reserve	381	(286)	
-	-	Increase / (Decrease) in Investments	-	-	
605	872	Total Applications for Capital Funding	954	749	
(397)	(772)	Surplus / (Deficit) of Capital Funding	(703)	(653)	
-	-	Funding Balance	-	-	

Waste Management and Minimisation

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We enable opportunities for new and existing businesses	Environmental and Economic well-being	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We provide and enable services and facilities so people want to stay and move here	Environmental and Economic well-being	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We maintain the safest community we can	Environmental and Economic well-being	By providing access to reliable and efficient waste disposal systems and facilities
Waitaki's distinctive environment is valued and protected	Environmental and Economic well-being	By managing the activity in accordance with consent conditions and enforcement of the relevant legislation to mitigate adverse environmental effects By encouraging minimisation, reuse and recycling of waste
We understand the diverse needs of our community	Environmental and Economic well-being	By encouraging the provision of different waste disposal options by the private sector

How we performed - Waste Management and Minimisation

Community Outcome	Performance Measures	Service target	Achievements
We provide and enable services and facilities so people want to stay and move here We maintain the safest community we can	Waitaki residents reside within 25km of a refuse transfer station, rural recovery park or landfill or recycling drop-off station.	Greater than 90% of residents are within 25km of a transfer station, landfill or recycling drop-off station.	2018/19 - Achieved 97% <i>(2017/18 Achieved =97%)</i>
Waitaki's distinctive environment is valued and protected We understand the diverse needs of our community	Volume of waste generated per person in Waitaki and received at the Ōamaru Refuse Transfer Station and Palmerston landfill over the lifetime of this Plan.	Reduction in per capita volume of waste.	2018/19 - 468 kg per capita <i>(New Measure)</i>
Waitaki's distinctive environment is valued and protected We understand the diverse needs of our community	Ratio of recycled material to residual waste generated in the Waitaki District.	<i>(New measure – no baseline established)</i>	2018/19 - 41% <i>(New Measure)</i>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Waste Management and Minimisation

Waste Management & Minimisation				Commentary on Major Changes	
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
1,115	1,116	General Rates, Uniform Annual General Charge, Rates Penalties	753	750	Capping of the closed Oamaru landfill has continued, and work has commenced on planning for the relocation of the former Hampden landfill. Use of the Palmerston landfill has again exceeded budget expectations in the current year, but has also contributed to increased operating costs
-	-	Targeted Rates	-	-	
1,115	1,116	Rates Revenue	753	750	
85	82	Subsidies and Grants for Operating Purposes	85	92	
160	76	Fees and Charges	218	168	
-	-	Internal Charges and Overheads Recovered	-	-	
-	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1	-	
245	158	Operating Revenue	304	260	
1,360	1,274	Total Sources of Operating Funding	1,057	1,010	
		Applications of Operating Funding			
1,383	783	Payments to Staff and Suppliers	924	826	
-	-	Finance Costs	-	-	
205	258	Internal Charges and Overheads Applied	150	142	
-	-	Other Operating Funding Applications	-	-	
1,588	1,041	Total Applications of Operating Funding	1,074	968	
(228)	233	Surplus / (Deficit) of Operating Funding	(17)	42	
		Sources of Capital funding			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
-	-	Total Sources of Capital Funding	-	-	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
-	-	to improve Levels of Service	-	-	
-	-	to replace Existing Assets	-	-	
(228)	233	Increase / (Decrease) in Reserve	(17)	42	
-	-	Increase / (Decrease) in Investments	-	-	
(228)	233	Total Applications for Capital Funding	(17)	42	
228	(233)	Surplus / (Deficit) of Capital Funding	17	(42)	
-	-	Funding Balance	-	-	

Parks and Recreation

What we do

Council manages approximately 1,200 hectares of parks and reserves across the Waitaki District (equating to around 26 hectares per 1,000 residents of publicly accessible park and reserves). This includes sports fields, public open spaces, neighbourhood parks, gardens and reserves, and a network of walking and cycling tracks. The following recreation services and opportunities are provided across the district:

Playgrounds - Council provides twenty-two (22) playgrounds and four skate parks, with four additional school playgrounds in Ōamaru being available to the public outside school hours in return for grounds maintenance.

Cemeteries and burial service - Council operates thirteen (13) cemeteries (eleven (11) currently open), with a total land area of 38.44 hectares (26.27 hectares actively in use with the remaining area grazed for future expansion). The majority of interment activity occurs at the Ōamaru Cemetery. The provision of cemeteries is managed as part of the recreation activity and meets Councils obligations under the Burial and Cremation Act 1964 to make provision for burials within the district.

Camping opportunities - Council provides six (6) “kiwi-experience” style campgrounds. Five (5) campgrounds are leased to commercial entities.

Public toilets - are located at parks, sports fields, campgrounds, and at roadside stopping points throughout the district with the aim of providing convenient, safe, and healthy toilet facilities and to protect from impacts on the environment. Two dump stations are provided in Ōamaru and Ōmārama.

Waitaki Aquatic Centre and pools - Located in Ōamaru providing a safe environment for aquatic based recreation and sport activities, and opportunities for learn to swim and water safety programmes. Council grants are also provided to assist with community access to school pools at Kurow and Palmerston.

Maintaining monuments and heritage items - Council manages heritage features and items located in recreation areas on behalf of the community.

Town and street beautification / streetscapes - Council provides street beautification in townships to enhance the amenity values of urban areas. This includes trees and shrubs, landscaped areas and hanging flower baskets.

Forestry - Council manages commercial farming forestry (reserve or endowment land) from which income is generated.

Why we do it

Parks and reserves are provided by local government to deliver a range of benefits. Due to limited commercial opportunity and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore, provision by local government, as a public good, is required. The community expects parks, recreation facilities, public toilets, and interment facilities to be managed in such a way that costs are minimised, while providing the levels of service that the community desires. This is a balancing act.

Council provides and manages affordable, safe and attractive sports and recreational facilities, amenities, and services responsive to a variety of community needs. These assets and services help contribute to the quality of life of the district’s visitors and residents.

Parks and reserves are highly valued by the community and many of those in the Waitaki District have significant history associated with them. Many of the parks and reserves are protected and managed through legislation, and their underlying ownership history as crown derived or vested land. Through protecting, enlarging, and enhancing this network we will, over time, create significant ecological, amenity, recreation, and economic value.

Parks and Recreation

What we have been doing in 2018/19

Flooding in November resulted in unplanned remedial work and reprioritising our work programme for the year. This coupled with warm temperatures resulted in high growth rates throughout spring with maintenance issues from spring into summer. We had these issues resolved by mid to late summer with continued satisfactory maintenance for the remainder of the year. A number of measures have been put in place to mitigate against maintenance issues occurring in the coming year. Despite this we received a number of unsolicited compliments, particularly from sports codes (on the presentations of the sports fields) and from tourists (on the presentation of the Ōamaru Public Gardens), Harbour and other high profile areas.

Two new bike parks were designed and constructed in Kurow and Palmerston with support from local communities and with community funding from the Otago Community Trust, Oceania Gold, and Meridian.

Streetscaping plantings were completed in Dunback and Hampden with design completed for Maheno.

We carried out levelling of King George Park and planned for further drainage work on this sports field in the coming year.

New toilet blocks were installed at Weston Domain, Katiki Straight (x2), All Day Bay and Otematata, with support from central government funding. We have received favourable comments from local communities regarding these new toilet blocks. A further \$300,000 of support has been confirmed for replacement toilet blocks at Moeraki and Campbells Bay from Ministry of Business Innovation and Employment.

The November flood events resulted in a significant amount of damage to the Alps to Ocean cycle trail. Fortunately, we were able to secure \$380,000 of additional funding from Ministry of Business Innovation and Employment to enable us to reinstate the trail and increase resilience to flood damage in the future. We continued to progress construction of the Alps to Ocean cycle trail between Aviemore Dam and Kurow with completion of this section scheduled following completion of the Kurow Irrigation works and prior to next Christmas. Additional funding to complete the section of trail from Sailors Cutting to Benmore Dam has been applied for and we hope this work can commence this summer.

Work on a feasibility study for a cycle trail between Ōamaru and Dunedin commenced in conjunction with Dunedin City Council.

We consulted on the location of a dump station for Palmerston with funding support from the Government. The community's preferred location for the dump station is the Mill Domain. We also installed two 'Big Belly' compactor bins at the dump station in Ōmārama as a trial.

We repainted the exterior of the Aquatic Centre, resealed roof seams to remove leaks and replaced the compressor unit that provides the heating for the pool water. This work was carried out without impacting on availability to customers.

New commemorative signs for the 'lost graves' in the Ōamaru Old Cemetery that were disturbed in the 1950's were created and installed with support from Geoff Pye and volunteers at the Museum archives.

A walking connection between Park Lane and TA Munro Lane in Ōmārama was secured to provide certainty for the community.

Community outcomes

What we do leads to a happier, healthier, safer and better connected community. Council provides these facilities because the community desires them as they provide the social benefits outlined above but are not economic for private enterprise to supply.

Community outcome	Well-being	How does this activity effect the well-being of our community?
We provide and enable services and facilities so people want to stay and move here	Environmental, Social and Cultural well-being	By providing parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses
We keep our district affordable	Social well-being	By providing activities at low cost or free to users and managing the activity efficiently and effectively
We understand the diverse needs of our community	Environmental and Cultural well-being	By acknowledging the needs of the wider community and cultural and recreation/sport groups through the provision of multipurpose spaces
We maintain the safest community we can	Social well-being	By meeting industry standards and providing opportunities for people to feel safe while being active and to connect the community through sport and recreation
Waitaki's distinctive environment is valued and protected	Environmental well-being	By complying with resource consents and regulations By providing opportunities for people to enjoy the district's distinctive environment.
We enable opportunities for new and existing businesses	Economic well-being	By providing facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events, accommodation

Parks and Recreation

How we performed – Parks and Recreation

Community Outcome	Performance Measures	Service target	Achievements
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We understand the diverse needs of our community</p> <p>We maintain the safest community we can</p> <p>We enable opportunities for new and existing businesses</p>	<p>Increase in visitors to the Waitaki Aquatic Centre.</p>	<p>1% increase in number of visits per annum</p>	<p>2018/19 - Not achieved -4% Lower frequency of attendance from squad swimmers and fewer casual swims.</p> <p>(2017/18 Achieved =8.3% increase)</p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We understand the diverse needs of our community</p> <p>We maintain the safest community we can</p> <p>We enable opportunities for new and existing businesses</p>	<p>Customers satisfied or very satisfied with the Waitaki Aquatic Centre.</p>	<p>80% of customers satisfied or very satisfied with the Waitaki Aquatic Centre.</p>	<p>2018/19 - Not achieved 77%</p> <p>A number of 'code browns' and difficulty in catering for all customers at peak times may have resulted in drop in satisfaction.</p> <p>(2017/18 Not achieved = 85%. Note the target was (90%)</p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We understand the diverse needs of our community</p> <p>We maintain the safest community we can</p> <p>Waitaki's distinctive environment is valued and protected</p>	<p>Residents satisfied or very satisfied with Waitaki's parks and reserves.</p>	<p>80% of residents are satisfied or very satisfied with Waitaki's parks and reserves.</p>	<p>2018/19 - Achieved 84%. Rapid Spring growth resulted in maintenance difficulties.</p> <p>(2017/18 Not achieved = 87%. Note the target was 90%)</p>

Parks and Recreation

How we performed – Parks and Recreation

Community Outcome	Performance Measures	Service target	Achievements
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We understand the diverse needs of our community</p> <p>We maintain the safest community we can</p> <p>Waitaki's distinctive environment is valued and protected</p>	Residents who have used the district's campgrounds and are satisfied or highly satisfied with the quality of the greenspace provided.	70% of users are satisfied or very satisfied.	<p>2018/19 - Achieved 71%. Customers enjoy the basic, natural, laid back style and believe are generally well priced.</p> <p>(2017/18 <i>Not achieved</i> =64%)</p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p> <p>We understand the diverse needs of our community</p> <p>We maintain the safest community we can</p> <p>Waitaki's distinctive environment is valued and protected</p>	Residents satisfied or very satisfied with Waitaki's sports fields and facilities.	80% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities.	<p>2018/19 - Achieved 80%. Feedback from sporting codes is that sports field maintenance this year was very good.</p> <p>(2017/18 <i>Not achieved</i> =84%. <i>Note the target was 90%</i>)</p>
<p>We understand the diverse needs of our community</p> <p>Waitaki's distinctive environment is valued and protected</p>	Residents who have visited a cemetery in Waitaki who are satisfied or very satisfied with the maintenance of the greenspace.	80% satisfaction with the district's cemeteries.	<p>2018/19 - Achieved 82%. Rapid Spring growth resulted in maintenance difficulties.</p> <p>(2017/18 <i>Not achieved</i> =86%. <i>Note the target was 95%</i>)</p>
<p>We provide and enable services and facilities so people want to stay and move here</p> <p>We keep our district affordable</p>	Residents who have recently used public toilets in the district who are satisfied or very satisfied with the facility(s).	70% of residents are satisfied with public toilets	<p>2018/19 - Achieved 74%. New facilities installed in Otematata, Katiki Straight, Weston and All Day Bay.</p> <p>(2017/18 <i>Not achieved</i> = 73% <i>Note the target was 80%</i>)</p>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Parks and Recreation

Parks & Recreation					Commentary on Major Changes
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
		Sources of Operating Funding			
734	713	General Rates, Uniform Annual General Charge, Rates Penalties	620	618	Levels of service are consistent with those anticipated in the Annual Plan.
3,109	3,094	Targeted Rates	3,048	3,041	
3,843	3,807	Rates Revenue	3,668	3,659	
		Subsidies and Grants for Operating Purposes	42	34	
84	24	Fees and Charges	1,115	1,056	
1,111	1,015	Internal Charges and Overheads Recovered	-	-	
-	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	44	36	
235	8	Operating Revenue	1,201	1,126	
1,430	1,047				
5,273	4,854	Total Sources of Operating Funding	4,869	4,785	
		Applications of Operating Funding			
3,943	3,565	Payments to Staff and Suppliers	3,982	3,577	
-	-	Finance Costs	-	-	
814	1,021	Internal Charges and Overheads Applied	767	1,031	
-	-	Other Operating Funding Applications	-	-	
4,757	4,586	Total Applications of Operating Funding	4,749	4,608	
516	268	Surplus / (Deficit) of Operating Funding	120	177	
		Sources of Capital funding			
10	20	Subsidies and Grants for Capital Expenditure	102	20	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
86	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
96	20	Total Sources of Capital Funding	102	20	
		Applications of Capital funding			
		Capital Expenditure			
-	-	to meet Additional Demand	-	-	
61	93	to improve Levels of Service	149	319	
324	468	to replace Existing Assets	308	208	
227	(273)	Increase / (Decrease) in Reserve	(235)	(330)	
-	-	Increase / (Decrease) in Investments	-	-	
612	288	Total Applications for Capital Funding	222	197	
(516)	(268)	Surplus / (Deficit) of Capital Funding	(120)	(177)	
-	-	Funding Balance	-	-	

Arts, Culture and Community

This activity group covers the Waitaki District Libraries, Forrester Gallery, North Otago Museum, Waitaki District Archive, and the Ōamaru Opera House.

Waitaki District Libraries

What we do

The district's libraries provide collections, resources and services to groups and individuals that promote life-long learning to the community.

Key District library activities include:

- The provision of a central library (Ōamaru);
- Providing five branch libraries;
- Fostering reading and support information and digital literacy;
- Encouraging lifelong learning, research and innovation;
- Acting as a community hub.

Why we do it

We provide libraries across the district to enable educational opportunities and resources for residents and visitors that contribute to their quality of life.

What we have been doing in 2018/19

- Our major focus areas this year have been Branch equity development; Seniors outreach; Bi-Cultural acknowledgement; Multi-Cultural outreach; and Staff development in Digital Literacy
- The Branches are being further developed. We have refurbished the extended Hampden Library with good quality shelving and furniture donated by Otago University and Invercargill City Library. A more collaborative approach ensuring a win-win relationship with the Hampden Hall committee is now in place.
- The Community Space is one of the success stories of the reconfiguration and is being used for community activities and lifelong learning as well as being used for meetings, interviews, events, eGovernment sessions, JP sessions, quiet study or reading, business support, Puzzle, Scrabble clubs and genealogy group, to name a few.
- We have worked collaboratively with government and community agencies in particular Literacy North Otago, ARA, and WorkBridge to address the challenges of access to technology. This will ensure the upskilling of residents to engage with e-Government sites as part of Council's commitment to Lifelong Learning.
- We have also further developed our own Digital Literacy modules to train staff and the public
- The Library is also continuing to supporting a SparkJump initiative that provides cheap internet to families with school aged children
- We have developed branch liaison and development and have recruited additional volunteers
- We have engaged in regular visits throughout the district to offer support to our branches.
- We have held a number of successful displays, events, talks, presentations and demonstrations in the library by authors and musicians. Celebrated NZ Book Month and Music Month; hosted book launches, community talks, and multi-cultural events, etc.
- Fostered a positive relationship with the shared Customer Service/Library at Palmerston and shifted the service levels to be more library focused, with on-going events and programmes and expanding children's programmes

Arts, Culture and Community

Waitaki District Libraries

What we have been doing in 2018/19 – continued

- Continued to offer the ever-popular range of Youth and Children’s programmes to the community:
 - School holiday programmes
 - Wriggle & Rhyme; an active movement programme for 0-24 month olds
 - Toddler Time; we have also expanded the Toddler Time programme to Palmerston
 - Continued developing the Kids’ Book Club and started a Young Adults’ Book club
 - Staff visited educational providers and encouraged visits to the Library
- Palmerston and Kurow team members are supporting outsourcing processing of new library materials
- Reduced newspaper and magazine subscriptions and subscribed to PressReader and other electronic subscriptions, e.g. Story Box Library and Ancestry
- Expanded the use of Facebook, Pinterest and Twitter as marketing tools, with excellent results in event attendance
- Further developed the Culture Waitaki website, working with staff of the Forrester Gallery, Waitaki District Archive, Ōamaru Opera House and North Otago Museum
- Continued to use and develop the Open Source Koha Library Management System which was upgraded and enhanced during the year. Supported Waimate District Council with their development and upgrade of the Koha system, introduction of RFID and shared in staff training. We joined a Koha consortium for cloud based access, resulting in savings and efficiencies as we do not have to go through a dedicated server thus enhancements of the system are instant and free.

Arts, Culture and Community

Forrester Gallery, North Otago Museum and Waitaki District Archive

What we do

The Forrester Gallery, North Otago Museum, and Waitaki District Archive preserves, promotes, and provides access to the social, natural, and visual culture of our district. We look after, grow, and develop our collections as important repositories of knowledge about the culture and heritage of our community which are preserved and made publicly accessible in perpetuity. We provide and enable activities, researching and telling the stories of our collections and the art, culture and natural heritage of our community.

Why we do it

- We are a museum and as such we are a permanent, not for profit institution in the service of society and its development.
- We are a community service which contributes to the district's quality of life so that people want to stay and move here.
- We serve our community by acquiring, caring for, creating, and sharing new knowledge and ideas about our collections in order to tell the stories of our district as a community in the world.
- We are valuable because we enable cultural activities exploring our collections, the art, culture and natural heritage of our district which leads to the development of a connected, culturally inclusive, vibrant and safe community.

What we have been doing in 2018/19

Supported the proposed review of the Cultural Facilities Development Project (CFDP) by Council by facilitating a series of workshops followed by ongoing collaborative work with the Council's Property and Regulatory Units (heritage consultant) as well as third party consultants to develop a range of options for the Forrester Gallery and for the North Otago Museum and Waitaki District Archive on their existing sites.

Responded in a timely, professional and safe manner to the building issues which led to the closure of the Forrester Gallery from December 2018 until the close of the financial year. Again we worked collaboratively with the Council's Property and Regulatory Units to develop a plan for resolution of the building issues. Work on the building issues will continue into 2020.

Provided support and advice to the proposed UNESCO Waitaki Whitestone Geopark Project through the Project and Advisory Teams and the launch of our project to redevelop the North Otago Museum main display spaces for a proposed UNESCO visit which was scheduled for May-July 2019. We continue to support the Geopark Project.

Began developing new exhibits for the North Otago Museum main display area off Thames Street, with the aim of delivering a full suite of new exhibits in early 2020. This work will meet our goals of providing a Museum upgrade to balance the likely delay of the CFDP; continuing to support the Geopark project; and is consistent with the development of ranged options for the redevelopment of the North Otago Museum and Waitaki District Archive as part of the review of the CFDP.

Delivered a well-rounded programme of exhibition, event, education and outreach activities which engage with our community, and are consistent in volume with previous years. All this despite being hampered by the review of the CFDP and the closure of the Forrester Gallery in December 2018.

Nurtured our volunteer support across the facilities, creating a loyal and supportive base enabling us to provide a service level beyond our staff resource.

Arts, Culture and Community

Forrester Gallery, North Otago Museum and Waitaki District Archive

What we have been doing in 2018/19 – Continued

The volunteers at the Forrester Gallery provide invaluable front-of-house customer service for the six hours the facility is open every day of the week, a service level which we could not otherwise resource. A highlight of Museum volunteer involvement this year has been the creation of our 'Museum in a Box' programme where selected Museum collections (for example vintage toys) are taken to Ōamaru Rest Homes for 'show and tell' and discussion with residents. Six visits were made this year and feedback has been very positive. Through the work of Archive volunteers we were also able to add the first tranche of Palmerston Cemetery records to the WDC online cemetery search.

Met the increased demand for more participative and event-based community engagement by taking an active role in community events such as the Heritage Week and Steampunk Parades. We reinvigorated and made our community gallery space more accessible. Our most successful community gallery exhibition this year - Life and Limb: Ōamaru Life Drawing Group (Aug-Sept 2018) received a record number of participants in the opening event at 77, well in excess of the current fire rating occupancy for the pre-CFDP Gallery building.

Improved our diversity by engaging more widely across the community. A highlight was the production and delivery of our Pacifika Treasures Exhibition in the Ink Box at the Ōamaru Opera House. This project ran from 2-6 April with 499 visits. It was created to support the Ōamaru Opera House production of Still Life with Chickens on 2 and 3 April 2019.

Leveraged our relationships with: the art and museum sector; local community businesses; other education providers and academia to deliver the collaborative exhibition Full Steam Ahead: A decade of Steampunk in Ōamaru from May to July 2019, our third annual Archaeology Week Lecture by Professor Richard Walter and the co-delivery of school education programmes with the Heritage Education Services team from South Canterbury Museum.

Continued to provide education programmes onsite in our facilities and also offsite. We visited schools to run programmes. We also continued with our successful holiday programme format, albeit at two different venues following closure of the gallery.

Articulated the value of our culture, arts and heritage programmes and how well we celebrate and tell our story by carrying out qualitative surveys of our audiences for some of our activities. Our results indicated we are hitting the target with 95% and upwards confirming the value of our offerings.

Increased online access to collections by: providing additional content to the Culture Waitaki website in the form of blogs and searchable database records of historic rating data; continuous improvement of the website; and a comprehensive flow of content across the website and social media platforms of Instagram, Facebook and Twitter. We will launch the first stage of Vernon collections online in August 2019 – with a test selection of digitised collections from across the Forrester Gallery and North Otago Museum and Waitaki District Archive.

Developed our collections through careful and timely accessioning in accordance with collection significance and policy work completed in previous years. Highlights of our work include: a collaborative project with Waitaki Valley School and Archives NZ ensuring the archives for Hakataramea, Kurow Area, and Otematata schools remain in this district; the acquisition of an impressive and unusual set of carved bullock horns; and an array of geological specimens for our new Museum displays.

Looked after and prepared our collections for greater public access by working collaboratively with Otago Museum conservation staff to assess collections and carry out conservation repair and cleaning on key collection items including: the Volunteer Army uniform worn by well-known Victorian-era gentleman George Sumpter. We digitized and photographed collections ready for input into the Vernon online project and we carried out an exhaustive review of our Vernon database classification and nomenclature directories to ensure information was accurate, clean and in accordance with best archival practices.

Arts, Culture and Community

Ōamaru Opera House

What we do

The Ōamaru Opera House is one of the most significant heritage places in Ōamaru, important to the town and nationally to New Zealand for its historic, social and aesthetic values. This is recognised by its registration under the Heritage New Zealand Pouhere Taonga Act 2014 (Category I) and its listing in the Waitaki District Plan.

Key activities include:

- Venue for performing arts and other cultural and community activities;
- Rentable space for private and community events, functions and conference activities.

Why we do it

The Ōamaru Opera House helps to enhance the commercial, community and cultural growth of the Waitaki District. Council provides and maintains through the Opera House facility, a high quality venue for performing arts, functions and conference activities to enhance the commercial, community and cultural growth of the district.

What we have been doing in 2018/19

- An estimated 42,000 people came through the doors of the Ōamaru Opera House – for shows, meetings, events, conferences, toilet stops, tourists and café use – an increase of 16% from the previous year
- We had a significant collaborative project with the Forrester Gallery and the Library so we could work with the Pacific Island Community which resulted in 160 members of the Pacific Island Community attending a show and exhibition of their crafts. The exhibition ran over the week and attracted 500 visitors.
- The Residents' survey showed:
 - A 96% satisfaction rate, this is a 4% increase on the previous year
 - 84% of people visited to watch a show
- We held 41 ticketed events with 10,287 people attending
- We hosted 180 commercial events, this includes 8 conferences, training sessions, workshops and award ceremonies
- We hosted 93 community events with 9,384 people attending
- We held 7 school events throughout the year with full houses in all of these
- The Opera House provides facilities for the pre-school programme Wriggle & Rhyme run by the library staff
- Support groups for Waitaki Newcomers, Alzheimers, Migrants are provided with facilities for their meetings
- 6 international touring performances were held at the Opera House in the past year
- The foyer area furniture was replaced with commercial grade furniture and the number of seating areas increased, which has resulted in the café being fully utilised and used as a casual meeting space

Arts, Culture and Community

Community outcomes

Community outcome	Well-being	How does this activity effect the well-being of our community?
We provide and enable services and facilities so people want to stay and move here	Social and Cultural well-being	By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here

How we performed:

- Waitaki District Libraries,
- Forrester Gallery,
- North Otago Museum,
- Waitaki District Archive,
- Ōamaru Opera House

Arts, Culture and Community

How we performed: Waitaki District Libraries

Community Outcome	Performance Measures	Service target	Achievements
We provide and enable services and facilities so people want to stay and move here	Residents who have visited the library who are satisfied or very satisfied with library services.	80% of residents are satisfied or very satisfied with library services.	2018/19 - Achieved 89% <i>(2017/18 Achieved = 93%)</i>
We provide and enable services and facilities so people want to stay and move here	Average number of attendees per event held at the libraries.	Maintain or grow average number of people attending each event.	2018/19 - Not achieved 19 attendees per event <i>(2017/18 Achieved = 25 attendees per event at libraries)</i>
We provide and enable services and facilities so people want to stay and move here	Increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries.	Maintain.	2018/19 - Not achieved 4,983 enquiries <i>(2017/18 Achieved =9,521)</i>
We provide and enable services and facilities so people want to stay and move here	Number of library visitors: 1) Electronic visits to the library website; 2) Physical visits.	Maintain numbers.	2018/19 - Not achieved 9,954 Electronic visits to the website 117,319 Physical visits <i>(2017/18 Achieved = 9,785 visits to website, and Not achieved 124,931 physical visits)</i>
We provide and enable services and facilities so people want to stay and move here	% of library members of resident population.	60%	2018/19 - Achieved 65% of the resident population are library members <i>(New measure)</i>

Arts, Culture and Community

How we performed: Forrester Gallery, North Otago Museum and Waitaki District Archive

Community Outcome	Performance Measures	Service target	Achievements
We provide and enable services and facilities so people want to stay and move here	Number of visitors to the Gallery.	Maintain visitor numbers to the Gallery.	2018/19 – Not Achieved 5,570 for 5 months to 7/12/2019 - when gallery closed due to mould infestation (2017/18 Not achieved =12,180)
We provide and enable services and facilities so people want to stay and move here	Schools in the Waitaki District who are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement.	80% of the district's schools are satisfied or very satisfied with the Gallery's and Museum's educational activities and/or engagement.	2018/19 - Achieved 95% (2017/18 Achieved = 88%)
We provide and enable services and facilities so people want to stay and move here	Archive users satisfied with the Archive services.	80% of Archive users are satisfied with the Archive services.	2018/19 - Achieved 100% (2017/18 Achieved =96%)

Arts, Culture and Community

How we performed: Ōamaru Opera House

Community Outcome	Performance Measures	Service target	Achievements
We provide and enable services and facilities so people want to stay and move here	Residents who have visited the Opera House who are satisfied or very satisfied with the Opera House.	90% of residents are satisfied or very satisfied with the Opera House.	2018/19 - Achieved 96% <i>(2017/18 Achieved =92%)</i>
We provide and enable services and facilities so people want to stay and move here	Number of community meetings and events held at the Opera House.	Maintain numbers of community meetings and events held.	2018/19 - Not achieved 106 meetings <i>(2017/18 Achieved = 145)</i>
We provide and enable services and facilities so people want to stay and move here	Number of tickets sold for performances.	Average 5% increase in the number of tickets sold for performances over the previous 2 year period.	2018/19 - Achieved 10,287 (up 6%) <i>(2017/18 Achieved =9,669)</i>
We provide and enable services and facilities so people want to stay and move here	Growth in use of the Opera House for commercial meetings, events, functions and conferences.	Average 5% increase in contracted hires over the previous 2 year period.	2018/19 - Not achieved 180 (down 3.7%) <i>(2017/18 Achieved =187)</i>

Waitaki District Council: Funding Impact Statement for 30 June 2019 for Arts, Culture and Community

Arts, Culture & Community			Commentary on Major Changes		
2017/18 Actual \$000	2017/18 Budget \$000		2018/19 Actual \$000	2018/19 Budget \$000	
Sources of Operating Funding					
364	361	General Rates, Uniform Annual General Charge, Rates Penalties	381	381	Levels of service were impacted by the forced closure of the Forrester Gallery (due to essential remediation of mould) and the North Otago Museum (for planned work to upgrade the facility)
3,324	3,323	Targeted Rates	3,450	3,442	
3,688	3,684	Rates Revenue	3,831	3,823	
113	117	Subsidies and Grants for Operating Purposes	-	110	
330	359	Fees and Charges	361	394	
-	-	Internal Charges and Overheads Recovered	-	-	
217	136	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	185	153	
660	612	Operating Revenue	546	657	
4,348	4,296	Total Sources of Operating Funding	4,377	4,480	
Applications of Operating Funding					
2,774	2,653	Payments to Staff and Suppliers	2,718	2,743	
-	-	Finance Costs	-	-	
1,519	1,444	Internal Charges and Overheads Applied	1,946	1,594	
-	-	Other Operating Funding Applications	-	-	
4,293	4,097	Total Applications of Operating Funding	4,664	4,337	
55	199	Surplus / (Deficit) of Operating Funding	(287)	143	
Sources of Capital funding					
20	2,000	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
3	-	Gross Proceeds from Sale of Assets	-	-	
-	-	Lump Sum Contributions	-	-	
-	-	Other dedicated capital funding	-	-	
23	2,000	Total Sources of Capital Funding	-	-	
Applications of Capital funding					
Capital Expenditure					
-	-	to meet Additional Demand	-	-	
179	2,255	to improve Levels of Service	59	5	
131	135	to replace Existing Assets	144	192	
(232)	(191)	Increase / (Decrease) in Reserve	(490)	(54)	
-	-	Increase / (Decrease) in Investments	-	-	
78	2,199	Total Applications for Capital Funding	(287)	143	
(55)	(199)	Surplus / (Deficit) of Capital Funding	287	(143)	
-	-	Funding Balance	-	-	

Council Controlled Organisations (CCOs)

Council holds shares in four Council Controlled Organisations (CCOs). Council reconsiders its reason for ownership annually by reviewing each company's Statement of Intent. The four CCOs are particularly diverse in their functions and objectives.

- Council promotes and supports economic development and tourism through Tourism Waitaki Ltd and, through its 50% ownership of Ōmārama Airfield Ltd, supports one of the world's best gliding centres which brings both tourism and economic benefits to the district.
- Council provides on-going support for health services and other important social functions for the community through its continued ownership and support of Waitaki District Health Services Ltd.
- Whitestone Contracting Ltd provides contracting services to Council and other customers throughout and beyond the Waitaki district, retaining employment, revenue and economic benefits within the district.

Subsidiary companies must submit regular six-monthly reports on their financial and operational affairs, and provide annual reports and audited financial statements within two months of the end of the financial year.

Each business must report its achievements against Service targets set out in its individual Statement of Intent – full detail of these achievements, and full financial statements, may be obtained directly from the companies concerned.

Tourism Waitaki Limited

The purpose of Tourism Waitaki Ltd is to advance tourism and promotion within the district. This includes fostering a diverse, sustainable, and growing tourism sector, and developing a consistent, district-wide promotional message.

Council's primary objective for continued ownership and control of the company is to advance and promote tourism within the district.

Tourism Waitaki Ltd contributes to the following Council community outcomes:

- Enables opportunities for new and existing business;
- Provide and enables services and facilities so people want to visit and reside in the district;
- Waitaki's distinctive environment is valued and protected.

Performance Measures	Service target	Achievements
Growth in visitors from core domestic markets.	Achieve annual growth in visitors from core domestic markets	Not specifically measured. Spend on accommodation across the district rose by \$3 million to \$23 million in the year to June 2018 (the most recent data available)
	Tourism strategy developed and Implemented.	A final draft of the Tourism Strategy was submitted in June 2018, and is in the process of being implemented
Expansion of current trade ready products	Develop new trade ready products.	Improved and enhanced Whitestone City, promoted the Alps2Ocean cycletrail, upgraded the Oamaru Blue Penguin Colony and supported the Waitaki Whitestone Geopark while developing and supporting events and handling inquiries from new tourism operators
Travel infrastructure network expanded	Expand travel infrastructure network.	Worked with Council to identify and develop required tourism infrastructure
International Marketing Alliance (IMA) agreements in place across the South Island.	International Marketing Alliance agreements in place.	Worked with IMA partners in Otago-Southland to host TRENZ in Dunedin
Industry affiliations expanded.	Expand wider industry affiliations.	Raised awareness of local tourism product, developed and fostered existing and new trade contacts
Increased inbound operators (IBO) visitors	Increase number of Inward Bound Organised visitors.	Achieved an 11% increase in international visitors, and international spend in the district increased from \$56 million to \$63 million
Growth in TRENZ attendees from the district.	Increase number of TRENZ attendees.	Not measured/reported

At the time of reporting, the audit of the Company was not yet complete for the year ended 30 June 2019. A full copy of the Company's Annual Report will be available at the Company's offices when the audit has been completed.

Waitaki District Health Services Limited

The purpose of Waitaki District Health Services Ltd is to operate a successful healthcare business by providing infrastructure and healthcare facilities and services for the district. This includes:

- Operating and providing planning services within budgeted income, establishing strategic alliances with business partners and community groups to achieve desired health service outcomes;
- Supporting, as appropriate, initiatives for health services involving the housing and care of the elderly.

Council's primary objective for continued ownership and control is to ensure the healthcare needs and interests of the district are met through the provision of quality, locally based, healthcare services, principally at Ōamaru Hospital.

Waitaki District Health Services Ltd contributes to the following Council community outcomes:

- Provide and enable services and facilities so people want to visit and reside in the district;
- Maintain a safe and healthy community.

Performance Measures	Service target	Achievements
Fulfilment of all professional and technical standards	Meet all professional and technical standards	Achieved
Forums provided for effective collaboration with stakeholders	Provide adequate forums for effective collaboration with stakeholders	Achieved
Percentage compliance with all performance Service targets and service standards required by the Ministry of Health contractual arrangements with the company	100% compliance with performance Service targets and service standards required under the Ministry of Health contractual arrangements with the company	Achieved
Percentage of planned services provided within budget	Operate and provide 100% of planned services within budgeted income including services contract with the Southern District Health Board	The company established a break-even budget for the year which was not achieved (2018: achieved)

The Group comprises Waitaki District Health Services Limited and Waitaki District Health Services Trust.

At the time of reporting, the audit of the Company and Group was not yet complete for the year ended 30 June 2019. A full copy of the Company's Annual Report will be available at the Company's offices when the audit has been completed.

Whitestone Contracting Limited

The purpose of Whitestone Contracting Ltd is to be a reputable and trusted contractor, supporting local employment, the environment, and community while maximising profit and performance.

Council's objectives for continued ownership and control include:

- Stimulating and maintaining a competitive contracting sector in our district;
- Supporting local opportunities for a diverse labour market;
- Obtaining a good return on investment commensurate with the business risks of Whitestone Contracting Limited and the risk appetite of Council;
- Providing emergency services support.

Whitestone Contracting Ltd contributes to the following Council community outcomes:

- We provide and enable services and facilities so people want to stay and move here;
- We enable opportunities for new and existing businesses.

Performance Measures	Service target	Achievements
Before income tax return on opening shareholders' funds	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 8% return on investment	Achieved a return of 14.09% (2018: 10.66%)
Maintenance of the relevant quality standards	Maintain ISO 9001 registration and related quality assurance programmes Maintain ISO 14001 standard to ensure we have systems in place to meet environmental legislative and regulatory requirements	Maintained accreditation under both ISO 9001 and ISO 14001
Ratio of shareholder funds to total assets	Maintain the ratio of shareholder funds to total assets greater than 40%	Achieved 72.64% (2018: 77.46%)

The Company received an unqualified audit report for the year ended 30 June 2019 on 29 August 2019. A full copy of the Company's Annual Report is available at the Company's offices.

Ōmārama Airfield Limited

The purpose of Ōmārama Airfield Ltd is to provide airfield facilities to support flying activities and opportunities in the Ōmārama area. This includes:

- Public access to airfield facilities;
- Recreational flying activities;
- Commercial operations;
- Competitions and events.

Council's primary objective for continued involvement in the ownership and control of the company is to advance and promote tourism and provide economic benefits and opportunity within the district.

Ōmārama Airfield Ltd contributes to the following Council community outcomes:

- Provide and enable services and facilities so people want to visit or reside in the district.

Performance Measures	Service target	Achievements
Maintain, operate and provide planned services within budgeted income	<p>Operate and provide planned services within budgeted income</p> <p>Achieve a break-even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements</p>	Achieved, with income 15% over budget. Expenditure was budgeted to increase markedly over that for 2018, due to necessary refurbishment of the café and development of a new runway. Accordingly, the budgeted loss was extraordinary in nature, and the actual result improved on that.
Enhance the economic benefits to the Ōmārama and Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in events	Maintain or improve economic benefits (against 2011/12 benchmarks)	Supports tourism in the area, by attracting an estimated 1,500 visitors purely to use the airport's facilities, and by hosting regional and national championship events, and employs, during the season, at least 20 local residents

The Company received an unqualified audit report for the year ended 30 June 2019 on 23 September 2019. A full copy of the Company's Annual Report is available at the Company's offices.

Financial Statements

Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2019

	Notes	Council Only			Consolidated	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Revenue						
Rates Revenue	1	32,116	31,835	30,779	32,070	30,733
User Charges		4,950	4,348	5,116	29,778	29,754
Regulatory Charges		1,744	1,810	1,573	1,744	1,573
Development and RMA Contributions		1,570	690	1,351	1,570	1,351
Government Grants and Subsidies	2	9,191	8,496	8,160	19,785	18,989
Other Grants and Donations	3	504	636	422	534	564
Finance Revenue	4	1,064	1,299	1,220	1,134	1,332
Petrol Tax		214	205	206	214	206
Infringements and Fines		48	49	88	48	88
Dividend and Subvention Payments		672	500	504	-	-
Assets vested in Council	5	459	-	976	459	976
Other non-trading gains	5	-	-	-	-	-
Total Revenue	29	52,532	49,868	50,395	87,336	85,566
Expenses						
Personnel costs	6	12,325	12,489	10,822	31,333	30,168
Depreciation and amortisation	10,11	14,185	13,714	13,396	16,568	15,416
Finance Costs	4	1	2	-	15	8
Other expenses	7	26,064	22,793	24,540	40,403	38,482
Other non-trading losses	5	1,539	-	724	614	418
Total Expenses	29	54,114	48,998	49,482	88,933	84,492
Surplus / (Deficit) before Tax		(1,582)	870	913	(1,597)	1,074
Income Tax Expense / (Refund)	8	-	-	-	468	301
Surplus / (Deficit) after tax		(1,582)	870	913	(2,065)	773
Other Comprehensive Revenue and Expense						
Gain/(Loss) on revaluation of Infrastructural Assets	10	22,690	6,621	46,519	22,690	46,519
Gain/(Loss) on revaluation of Properties	10	-	-	-	-	309
Other Comprehensive Revenue		-	-	-	-	-
Total Other Comprehensive Revenue and Expense		22,690	6,621	46,519	22,690	46,828
Total Comprehensive Revenue and Expense		\$21,108	\$7,491	\$47,432	\$20,625	\$47,601

The accompanying Notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2019

	Council Only			Consolidated	
	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Public Equity at 1 July	809,601	851,660	762,169	833,917	786,316
Total Comprehensive Revenue and Expense	21,108	7,491	47,432	20,625	47,601
Public Equity at 30 June	\$830,709	\$859,151	\$809,601	\$854,542	\$833,917

The accompanying Notes form part of these financial statements

Statement of Financial Position

As at 30 June 2019

	Notes	Council Only			Consolidated	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Public Equity						
Ratepayers' Equity	9	310,208	310,208	310,208	310,208	310,208
Revaluation Reserve	9	480,934	503,977	460,450	491,129	470,645
Operating Reserve	9	24,255	27,379	24,515	37,893	38,636
Other Reserves	9	15,312	17,587	14,428	15,312	14,428
Total Public Equity		\$830,709	\$859,151	\$809,601	\$854,542	\$833,917
Non-Current Assets						
Property Plant and Equipment	10	793,768	819,145	770,691	818,806	793,590
Intangible Assets	11	908	755	647	1,016	992
Forestry	12	269	125	253	269	253
Assets held for Sale	16	1,150	1,150	1,150	1,150	1,150
Other Financial Assets						
- Investments in CCO's	13	4,912	4,912	4,912	-	-
- Investments in other entities	13	145	145	145	145	145
- Loans to other entities	13	29,252	26,920	28,606	32,118	31,125
		830,404	853,152	806,404	853,504	827,255
Current Assets						
Cash and Cash Equivalents	14	365	2,234	2,216	1,117	3,761
Receivables	15	6,408	3,666	6,613	11,390	10,521
Prepayments		443	245	345	569	478
Inventory	18	14	15	10	967	916
Work in Progress	17	-	-	-	101	293
Other Financial Assets						
- Term deposits	13	600	5,500	4,250	1,854	6,885
- Loans to other entities	13	40	1,366	96	40	16
Assets held for Sale	16	787	-	-	787	-
		8,657	13,026	13,530	16,825	22,870
Total Assets		839,061	866,178	819,934	870,329	850,125
Non-Current Liabilities						
Provisions	19	364	358	719	364	719
Employee Entitlement Liabilities	20	-	-	-	60	116
Borrowings	21	-	-	-	1,144	8
Deferred Tax Liability	8	-	-	-	397	522
		364	358	719	1,965	1,365
Current Liabilities						
Trade and Other Payables	22	6,447	5,539	8,179	9,027	10,349
Employee Entitlement Liabilities	20	1,249	1,115	1,126	4,042	3,998
Provisions	19	292	15	309	315	326
Short Term Borrowings	21	-	-	-	59	1
Provision for Taxation		-	-	-	379	169
		7,988	6,669	9,614	13,822	14,843
Total Liabilities		8,352	7,027	10,333	15,787	16,208
Net Assets		\$830,709	\$859,151	\$809,601	\$854,542	\$833,917

The accompanying Notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	Council Only			Consolidated	
		2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Cash Flows from Operating Activities						
Receipts from Rates Revenue		32,123	31,124	30,617	32,085	30,579
Interest received		1,064	1,299	1,055	1,150	1,178
Dividends/Subvention payments received		672	500	504	-	-
Receipts from Other Revenues		18,804	16,749	14,327	54,557	50,018
Payments to Suppliers & Employees		(40,708)	(35,300)	(33,408)	(74,972)	(66,664)
Interest paid		(1)	(2)	-	(15)	(8)
Income tax Refund received / (Paid)		-	-	-	(383)	(206)
Net GST		(525)	(270)	(61)	(560)	(61)
Net Cash from Operating Activities		11,429	14,100	13,034	11,862	14,836
Cash Flows from Investing Activities						
Proceeds from sale of Property, Plant & Equipment		532	258	1,643	843	1,939
Proceeds from sale of Investments		5,452	7,103	18,593	8,086	19,410
Purchase of Property, Plant & Equipment		(16,872)	(12,234)	(18,658)	(20,903)	(21,083)
Acquisition of Investments		(2,392)	(9,143)	(16,879)	(3,646)	(16,879)
Net Cash from Investing Activities		(13,280)	(14,016)	(15,301)	(15,620)	(16,613)
Cash Flows from Financing Activities						
Proceeds from Borrowing		-	-	-	1,200	-
Repayment of Borrowing		-	-	-	(86)	(2)
Net Cash from Financing Activities		-	-	-	1,114	(2)
Net Increase / (Decrease) in Cash		(1,851)	84	(2,267)	(2,644)	(1,779)
Cash Resources at 1 July		2,216	2,150	4,483	3,761	5,540
Total Cash Resources at 30 June	14	365	2,234	2,216	1,117	3,761

The accompanying Notes form part of these financial statements

Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities

For the year ended 30 June 2019

	Council Only			Consolidated	
	2019 Actual \$000	2019 Budget \$000	2018 Actual \$000	2019 Actual \$000	2018 Actual \$000
Net Operating Surplus	(1,582)	870	913	(2,065)	773
Add/(Less) non-cash items					
Depreciation & Amortisation	14,185	13,714	13,396	16,582	15,416
Interest compounded	-	-	(165)	-	(165)
Increase/(Decrease) in Provision for Doubtful Debts	27	-	(10)	22	(3)
Increase/(Decrease) in Provision for Closed Landfills	(372)	(91)	106	(372)	106
Net Loss / (Profit) on sale of Assets	1,555	-	836	976	675
Gain on Forestry harvesting	-	-	(60)	-	(60)
Loss / (Gain) on Forestry revaluation	(16)	(25)	(52)	(16)	(52)
Provision for impairment	-	-	-	(346)	(145)
Vested Assets	(459)	-	(975)	(459)	(975)
Surrender of Carbon Units	2	-	8	2	8
Increase / (Decrease) in Deferred Tax position	-	-	-	(125)	102
	14,922	13,598	13,084	16,264	14,907
Add/(Less) in other Working Capital items					
Decrease / (Increase) in Trade & Other Receivables	178	(391)	(3,133)	(547)	(3,358)
Decrease / (Increase) in Prepayments	(98)	40	(112)	(93)	(91)
Decrease / (Increase) in Inventories	(4)	(1)	16	(50)	165
Decrease / (Increase) in Work in Progress	-	-	-	192	(138)
Increase / (Decrease) in Trade & Other Payables	(2,110)	(81)	2,214	(2,038)	2,380
Increase / (Decrease) in Employee Entitlements	123	65	52	(12)	(39)
Increase / (Decrease) in Provision for Taxation	-	-	-	211	237
	(1,911)	(368)	(963)	(2,337)	(844)
Net Cash Flow from Operating Activities	11,429	14,100	13,034	11,862	14,836

The accompanying Notes form part of these financial statements

Statement of Accounting Policies

REPORTING ENTITY

The Waitaki District Council (Council) is a territorial local authority established under the Local Government Act 2002 (the LGA, the Act), domiciled and operating exclusively within New Zealand. Relevant legislation governing Council's operations include the LGA and the Local Government (Rating) Act 2002.

Council's consolidated group consists of the ultimate parent, Waitaki District Council, and its subsidiaries: Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki Limited (100% owned). The investment in Ōmārama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide local infrastructure and public services, and to perform regulatory functions in the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Waitaki District Council are for the year ended 30 June 2019 and were authorised for issue by Council on 30 October 2019.

BASIS OF PREPARATION

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

Statement of Compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards, and are fully compliant with those accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values, unless otherwise stated, are rounded to the nearest thousand dollars (\$000), apart from disclosures relating to remuneration and severance payments. The functional currency of Council and the group is New Zealand dollars.

Standards issued and not yet effective and not early adopted

The External Reporting Board (XRB) has issued several new or updated standards including:

- Effective for financial periods commencing on or after 1 January 2019: new PBE IPSAS 39 "Employee Benefits" replaces PBE IPSAS 25, and five new standards for accounting for interests in other entities (PBE IPSAS 34 – 38) replace the current PBE IPSAS 6 – 8.
- Effective for financial periods commencing on or after 1 January 2021: amended PBE IPSAS 21 and PBE IPSAS 26 dealing with impairment of revalued assets; and new PBE FRS 48 "Service Performance Reporting", establishing principles and requirements for presenting service performance information.
- Effective for financial periods commencing on or after 1 January 2022: the new PBE IPSAS 41 "Financial Instruments", which upon application replaces parts of PBE IPSAS 29 and all of the recently updated PBE IFRS 9, both of which also related to recognition and reporting of Financial Instruments.

In each case, Council has completed an initial assessment, and does not expect any significant changes to accounting treatment or presentation will result from the application of these new or revised standards. Council does not intend early adopting these standards.

- Effective for financial periods commencing on or after 1 January 2019, applying to "For Profit" entities: updated NZ IFRS 15 "Revenue from contracts with Customers"; and the new NZ IFRS 16 "Leases".

These standards do not directly affect Council, and have been considered by those members of Council's group of companies which are classified as "for profit" and so were potentially impacted, and by their professional advisers. As a result of that process, it has been determined that the new financial standard requires no changes in reporting and measurement to be made by those entities.

Statement of Accounting Policies

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies affecting the measurement of operating results, cash flows and financial position may be found in the notes to the financial statements.

Other more general accounting policies and practices are detailed below:

Basis of Consolidation

The Consolidated Group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities in the group on a line-by-line basis. Intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

Subsidiaries

Council consolidates as subsidiaries in the group financial statements all those entities where Council has the capacity to control financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power of the governing body, or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Council measures the cost of a business combination as the aggregate of the fair value, at the date of exchange, of assets given and liabilities incurred or assumed, in exchange for control of the subsidiary, plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The following entities are consolidated as subsidiaries, and the bases of their inclusion for consolidation in these financial statements are as follows:

- Whitestone Contracting Limited
- Tourism Waitaki Limited
- Waitaki District Health Services Limited

These entities are Council Controlled Organisations as defined by Part 5 of the LGA, with Whitestone Contracting Limited being a Council Controlled Trading Organisation. Council holds 100% of the shares. The companies' balance dates are 30 June. Whitestone Contracting Limited has three non-trading, fully owned subsidiaries: Whitestone Quarries and Landfill Limited, Dunstan Sprayers Ltd and Dunstan Contracting Ltd.

Joint Ventures

A joint venture is a binding arrangement whereby two or more parties are committed to undertaking an activity that is subject to their joint control (being the agreed sharing of control over the activity). For jointly controlled operations, Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue earned from the joint venture.

- Ōmārama Airfield Limited

This company is a Council Controlled Trading Organisation as defined by Part 5 of the Act. Its balance date is 30 June. Council holds 50% of the shares, and the company is treated as a joint venture.

Council's investment in its subsidiaries and joint ventures is carried at cost in the parent financial statements.

Statement of Accounting Policies

Foreign Currency Transactions

Council does not undertake significant transactions in foreign currencies. Foreign currency transactions are translated into New Zealand dollars upon receipt or payment at the prevailing spot rate. Council does not recognise gains or losses on such transactions, and holds no assets or liabilities denominated in foreign currencies.

Goods and Services Tax

These accounts have been prepared on a GST exclusive basis, except for receivables and payables which are presented on a GST-inclusive basis. Any net GST due or owing at balance date is included as part of receivables or payables in the Statement of Financial Position as appropriate. Any GST that is not recoverable as an input tax is recognised as part of the related asset or expense.

The net GST paid to, or received from, IRD, including GST related to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are stated exclusive of GST.

Budget Figures

The budget figures are those approved by Council in the 2018-19 Annual Plan, being the first year of the 2018-28 Long Term Plan, and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

Groups of Activities

Groups of Activities, as provided in the Annual Plan, report the net cost of services for each significant activity of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities:

The net cost of service for each significant Council activity has been derived using the cost allocation system outlined below:

- Direct costs are directly attributable to a significant activity, and are charged accordingly.
- Indirect costs are those that cannot be attributed in an economically feasible manner to a specific significant activity, and are instead allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, floor area occupied, etc.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets

Refer to Note 10 for information about the estimates and assumptions applied in determining the fair value of infrastructural assets, including donated and vested assets.

Forestry Holdings

Refer to Note 12 for information about the estimates and assumptions applied in determining the fair value of Council's forestry plantations.

Changes in Accounting Policies

There have been no changes in accounting policies.

Statement of Accounting Policies

General Revenue Recognition - Policy

Revenue is measured at the fair value of consideration received or receivable, and is reported gross.

Specific accounting policies for significant revenue items not otherwise outlined in Notes 1 to 5 that follow are detailed below:

- **User and Regulatory charges, Sales of goods and revenue from commercial activities**
 - Fees and charges, and proceeds from sales of goods, are recognised when invoiced or when an item is sold or a service is provided to a customer
 - Rental income is recognised as revenue over the course of individual lease terms
 - The gross revenue from other commercial operations undertaken in the normal course of business is recognised when earned

- **Petrol Tax**
 - Petrol Tax is recognised when earned

- **Development and financial contributions**
 - Development and financial contributions are recognised at the latter of invoicing or the event that will give rise to a requirement for a development or financial contribution under the relevant legislation

- **Infringements and Fines**
 - Infringement fees and fines are recognised when an infringement notice is issued, but the degree to which income is recognised takes into account the likelihood that the fee or fine will be collected

- **Dividends and subvention payments**
 - Dividends, and subvention payments from subsidiaries, are recognised when the right to receive payment is established

Notes 1 to 5 provide analysis in relation to specific types of Revenue, and include detail of relevant accounting policies.

Notes to the Financial Statements

	2019	Council Only 2019 Budget	2018	Consolidated 2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 1: Operating Revenue - Rates

Rates revenue - Policy

- General rates, Service targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates, at the amounts then due.
- Late payment penalties applied to unpaid rates are recognised as revenue when rates become overdue
- Revenue from rates for water supplied by meter is recognised quarterly based on usage
- Rate remissions are recognised as a reduction in rates revenue at the start of the financial year

Analysis of revenue from Rates:

General Rates	2,079	2,076	1,762	2,033	1,717
District Services Rates	2,162	2,144	1,621	2,162	1,621
Uniform Annual General Charge	4,829	4,812	5,199	4,829	5,199
Ward Rates	6,505	6,471	6,447	6,505	6,447
Separate Rates	10,275	10,222	9,723	10,275	9,723
Targeted Rates for water supply	5,505	5,507	5,373	5,505	5,373
User charges for water supply by meter	536	468	559	536	558
Rates Penalties charged	478	375	336	478	336
Less Rates Remitted	(253)	(240)	(241)	(253)	(241)
Total Rates Revenue	\$32,116	\$31,835	\$30,779	\$32,070	\$30,733

Note 2: Operating Revenue – Government Grants and Subsidies

Government grants and subsidies - Policy

- The New Zealand Transport Agency provides funding for road maintenance and capital expenditure which is recognised as revenue when conditions pertaining to eligible expenditure have been met
- The Ministry of Business, Innovation and Employment (MBIE) administers the NZ Cycletrails Fund, which provides funding for construction of the Alps2Ocean Cycletrail and other similar projects. Revenue is recognised as work is completed towards meeting milestones set as part of that contract.
- MBIE also administers the Tourism Infrastructure Fund and the Provincial Growth Fund which support tourism and other economic growth initiatives.
- Revenue from Government agencies is generally recognised when eligibility is established, unless there is an obligation in substance to return the funds should conditions of the grant not be met. Such grants are initially recorded as revenue in advance, and recognised as revenue when all conditions are satisfied.

Analysis of revenue from Government Grants:

New Zealand Transport Agency subsidies	7,640	7,723	7,839	7,640	7,839
Ministry of Business, Innovation & Employment	737	575	152	737	492
Ministry of Justice	645	-	-	645	-
Ministry for the Environment	85	92	85	85	85
Oranga Tamariki - Ministry for Children	34	-	-	34	-
Ministry of Social Development	-	-	10	-	10
Southern DHB operational contract funding	-	-	-	10,594	10,489
Other Government grants and subsidies	50	106	74	50	74
Total Government Grants	\$9,191	\$8,496	\$8,160	\$19,785	\$18,989

The Ministry of Justice has funded elements of the refurbishment and upgrading of the Ōamaru Courthouse. Oranga Tamariki has contracted Council to deliver the SKIP Literacy programme in North Otago.

Notes to the Financial Statements

	2019	Council Only 2019 Budget	2018	Consolidated 2019	2018
	\$000	\$000	\$000	\$000	\$000

Note 3: Operating Revenue – Other Grants and Donations

Other Grants and donations - Policy

- Revenue is recognised when eligibility has been established, unless there is an obligation in substance to return the funds should conditions of the grant not be met. Such grants are initially recorded as revenue in advance, and recognised as revenue when all conditions are satisfied.

Analysis of revenue from Other Grants and Donations:

Cycletrail construction and operation

Friends of the Alps2Ocean Cycletrail	110	400	143	110	143
Dunedin City Council	40	-	-	40	-
Oamaru Events Ltd	25	-	-	25	-
McKenzie District Council	-	-	-	30	50

Cultural Facility redevelopment

Local residents, businesses and organisations	-	-	10	-	10
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General purposes and other projects

North Otago Rugby	33	30	33	33	33
Otago Community Trust	23	-	11	23	11
Waitaki Valley Community Society	52	-	-	52	-
Oceana Gold NZ Ltd	10	-	-	10	-
McMillan Trust	10	-	-	10	-
Rotary Club Of Oamaru - Craig Fountain	-	-	10	-	10
Other grants and donations	201	206	215	201	307

Total Grants and Donations	\$504	\$636	\$422	\$534	\$564
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Friends of the Alps2Ocean Cycletrail provided grants from Trust Aoraki and the Meridian Community Fund.

Note 4: Finance Revenue and Finance Expense

Finance Revenue & Expense - Policy

- Interest revenue is recognised when earned
- Borrowing costs are recognised as an expense in the year in which they are incurred

Analysis of Finance revenue and Finance expense

Finance Income

Bank deposits	93	232	359	163	471
North Otago Irrigation Co Ltd	567	646	558	567	558
Observatory Village Lifecare Ltd	386	407	288	386	288
NZ Airline Academy	1	-	-	1	-
Other community loans	15	14	15	15	15
Sundry interest	2	-	-	2	-
Total Finance income	1,064	1,299	1,220	1,134	1,332

Finance Expense

Interest on bank overdraft	1	2	-	1	-
Interest on bank borrowings	-	-	-	14	-
Interest on other external borrowings	-	-	-	-	8
Total Finance expense	1	2	-	15	8
Net Finance revenue/(expense)	\$1,063	\$1,297	\$1,220	\$1,119	\$1,324

Notes to the Financial Statements

	2019	Council Only 2019 Budget	2018	Consolidated 2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 5: Operating Revenue – Non-trading Gains / (Losses)

Non-trading Gains / (Losses) - Policy

- Vested Infrastructural Assets – assets received for no or nominal consideration are recognised at their fair value when Council obtains control of the asset. Fair value may be determined by reference to the cost of constructing the asset which may be based either on information provided by the property developer, or on certified engineers' certificates.

Analysis of revenue from Non-trading Gains / (Losses):

Assets vested in Council

Land & Improvements	321	-	12	321	12
Roading & Bridges	10	-	365	10	365
Stormwater Drainage	-	-	160	-	160
Water Assets	-	-	193	-	193
Sewer Assets	125	-	241	125	241
Plant Assets	-	-	1	-	1
Other Assets	3	-	4	3	4
Total Assets Vested in Council	\$459	\$ -	\$976	\$459	\$976

Non-trading Gains / (Losses)

Gain/(loss) on Property Plant & Equipment	(1,784)	-	(845)	(1,782)	(853)
Gain from Depreciation recovered on disposal	229	-	9	806	178
Gain on forestry harvesting	-	-	60	-	60
Gain/(loss) on revaluation of Forestry Assets	16	-	52	16	52
Recovery / Impairment of non-current financial asset	-	-	-	346	145
Total Non-trading Gains / (Losses)	(\$1,539)	\$ -	(\$724)	(\$614)	(\$418)
Disclosed as Other Non-trading Gains	\$ -	\$ -	\$ -	\$ -	\$ -
Disclosed as Other Non-trading Losses	\$1,539	\$ -	\$724	\$614	\$418

Notes to the Financial Statements

	2019	Council Only 2019 Budget	2018	Consolidated	
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>2019</u>	<u>2018</u>
				<u>\$000</u>	<u>\$000</u>

Note 6: Personnel Costs

Personnel costs - Policy

- Defined contribution plan employer contributions – contributions to Kiwisaver and similar schemes are accounted for as defined benefit superannuation schemes and expensed as incurred

Analysis of Personnel Costs:

Salaries and wages	11,926	12,135	10,503	30,338	29,325
Redundancy and severance payments	34	-	10	34	12
Defined contribution plan employer contributions	327	313	278	802	713
Fringe Benefit Taxes	38	41	31	159	118
Total personnel costs	\$12,325	\$12,489	\$10,822	\$31,333	\$30,168

Remuneration of the Chief Executive Officer

	Council only	
	2019	2018
	\$	\$
Neil Jorgensen (2018: in an acting capacity, 1 July to 15 September 2017)	-	62,369
Fergus Power (2018: from 15 September 2017)	266,913	193,716
Total remuneration	\$266,913	\$256,085

Key Management Personnel

Council considers the Mayor and Councillors, the Chief Executive and the five Group Managers to be key management personnel.

Total remuneration of key management personnel is as follows:

	Council only	
	2019	2018
	\$000	\$000
Senior management team, including Chief Executive	1,176	1,151
<i>Full-time equivalent members (number)</i>	6	6
Councillors	393	371
<i>Full-time equivalent members (number)</i>	11	11
Total remuneration	\$1,569	\$1,522
Total Full-time equivalent members	17	17

Notes to the Financial Statements

Note 6: Personnel Costs (continued)

Mayor's and Elected Members' Remuneration

	Council only	
	2019	2018
	\$	\$
<u>Waitaki District Council</u>		
<u>Mayor:</u>		
Gary Kircher	101,551	94,269
<u>Elected Members:</u>		
Craig Dawson	27,550	26,272
Peter Garvan	27,550	26,272
Jeremy Holding	27,550	26,272
Jim Hopkins	27,550	26,272
William Kingan	30,544	29,139
Guy Percival	27,550	26,272
Hugh Perkins	30,544	29,139
Melanie Tavendale (Deputy Mayor)	34,735	32,379
Janice Wheeler	26,908	26,272
Colin Wollstein	30,544	29,139
Total Remuneration – Mayor and Elected Members	\$392,576	\$371,697
<u>Ahuriri Community Board</u>		
<u>Chair:</u>		
Graham Sullivan	11,632	11,461
<u>Elected Members:</u>		
Antony Chapman	5,817	5,730
Brent Cowles	5,817	5,730
Vicky Munro	5,817	5,730
Calum Reid	5,817	5,730
Total Remuneration – Ahuriri Community Board	\$34,900	\$34,381
<u>Waihemo Community Board</u>		
<u>Chair:</u>		
Kathleen Dennison	11,842	11,669
<u>Elected Members:</u>		
Ken Brown	5,923	5,834
Heather McGregor	5,923	5,834
Paul Roy	5,923	5,834
Carol Watson	5,923	5,834
Total Remuneration – Waihemo Community Board	\$35,534	\$35,005

Notes to the Financial Statements

Note 6: Personnel Costs (continued)

Employee Staffing Levels and Remuneration

At 30 June 2019, Council had 117 full-time employees (2018: 106), and casual and part-time employees equating to 35 full-time equivalent (FTE) staff (2018: 33 FTE). These figures include approximately 10 FTE positions on a fixed-term basis (2018: 4 FTE).

137 employees received annual remuneration of less than \$60,000 (2018: 133), and 86 staff (2018: 75) received annual remuneration greater than \$60,000. In the table below, these are expressed in bands of \$20,000 or in bands adjusted as appropriate to ensure compliance with the Act:

<u>Remuneration band</u>	Council Employees	
	2019 Number	2018 Number
\$160,000 – \$299,999	5	5
\$120,000 – \$159,999	6	6
\$100,000 – \$119,999	13	10
\$80,000 – \$99,999	24	23
\$60,000 – \$79,999	38	31
Total staff	86	75

The Group, comprising Council and four CCOs, has a total of 50 employees receiving annual remuneration in excess of \$100,000 (2018: 45).

Severance Payments (Clause 33)

Council made one severance payment of \$33,750, and one partial redundancy of \$10,000 during the financial year (2018: 1 payment, \$10,014).

Other members of Council's group made no severance payments (2018: 1 payment, \$1,614).

Notes to the Financial Statements

	2019	Council Only 2019 Budget	2018	Consolidated	
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>2019</u>	<u>2018</u>

Note 7: Operating Expenses – Other operating costs

Operating costs - Policy

- **Grant Expenditure**

- Non-discretionary grants are awarded when grant applications meet specified criteria, and are recognised as expenditure when such applications are approved and payment is made.
- Discretionary grants are those which Council has no obligation to award, and are recognised as expenditure when approved by Council and when that approval is communicated to the applicant.
- In all cases, grants, or portions of grants, which are not applied to the purpose for which they were provided, must be returned, thus reducing grants expense for the period in which the funds are received.

- **Leases**

Operating Leases

Operating leases are leases that do not transfer substantially all the risks and rewards of ownership of an asset. These are charged on a straight-line basis over the term of the lease.

Analysis of Other Operating Costs

Audit Fees - Audit NewZealand

Audit Current Year Annual Report	133	129	117	198	180
Audit Prior Year Annual Report	7	-	-	7	-
Audit 2018-28 Long Term Plan	-	-	87	-	87

Audit Fees - Other audit providers

Audit Current Year Annual Report	-	-	-	25	24
Other Services provided	-	-	-	-	6

Community grants and donations	1,006	1,030	903	1,080	982
Directors' Fees	-	-	-	407	409
Impairment of Receivables (Note 15)	45	150	373	41	374
Insurance premiums	568	408	406	917	712
Operating lease expense	108	115	95	542	508
Provision for closed landfill	(372)	(501)	106	(372)	106
Other Expenditure	24,569	21,462	22,453	37,558	35,094
Total Other Operating Expenses	\$26,064	\$22,793	\$24,540	\$40,403	\$38,482

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 8: Taxation

Taxation - Policy

Income tax expense includes components relating to both current and deferred tax, and is calculated using rates that have been enacted or substantively enacted by balance date.

- Current tax
 - Income tax payable based on the taxable profit for the current year, plus any adjustments to income tax related to prior years.
- Deferred tax
 - Income tax payable or recoverable in future periods related to temporary differences and unused tax losses, calculated at tax rates that are expected to apply when the liability is settled or asset realised. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profit.
 - A Deferred Tax liability is generally recognised for all taxable temporary differences, but a Deferred Tax asset is recognised only to the extent that taxable profits are likely to be available against which deductible temporary differences or tax losses can be utilised.
 - Deferred Tax is not recognised if a temporary difference arises from initial recognition of goodwill or an asset and liability in a transaction that is not a business combination, and which, at the time of the transaction, affects neither accounting or taxable profit.

Analysis of Taxation expense and Tax Provision

Relationship between tax expense and accounting profit

Net surplus / (deficit) before taxation	(1,582)	913	(1,597)	1,074
Prima facie taxation at 28%	(443)	256	(447)	302
Plus/(Less) Taxation Effect of Differences				
- Revenue not liable for taxation	443	(256)	990	37
- Tax effect of other differences	-	-	(75)	(38)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$468</u>	<u>\$301</u>
<i>This is represented by:</i>				
Current taxation	-	-	618	354
Prior year adjustment	-	-	(10)	48
Deferred taxation provision	-	-	(140)	(101)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$468</u>	<u>\$301</u>
Deferred taxation liability/(benefit)				
Opening balance	-	-	522	623
Deferred taxation position current year	-	-	(125)	(101)
Total Deferred Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$397</u>	<u>\$522</u>
<i>Deferred taxation comprises:</i>				
Short term temporary differences	-	-	397	522
	<u>\$ -</u>	<u>\$ -</u>	<u>\$397</u>	<u>\$522</u>

Whitestone Contracting Ltd has imputation credits of \$2,451,734 (2018: \$2,070,100) which can be used to impute dividend payments made to Council. Imputation credit balances are not recorded in the financial statements.

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 9: Public Equity

Public Equity – Policy

Public Equity is the Community's interest in Council, measured as the difference between total assets and total liabilities. Public Equity is disaggregated and classified into components that better distinguish the specific uses that Council makes of its accumulated surpluses.

The components of equity are:

- Ratepayers Equity
- Restricted Reserves (Special Funds)
- Operating Reserves
- Asset Revaluation Reserves

Capital Management

Council's capital is its equity (or ratepayers' funds), comprising retained earnings and reserves. Net Equity is represented by net assets.

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

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

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and Annual Plan (where applicable) to meet expenditure needs identified in those plans, and sets out factors that must be considered when determining appropriate sources of funding for each activity. The sources and levels of funding are outlined in funding and financial policies in Council's LTP.

Ratepayers Equity

Balance at 1 July	310,208	310,208	310,208	310,208
Transfer from Operating Reserves	-	-	-	-
Balance at 30 June	<u>\$310,208</u>	<u>\$310,208</u>	<u>\$310,208</u>	<u>\$310,208</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 9: Public Equity (continued)

Reserves

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

• Revaluation Reserves

Asset revaluation reserves represent unrealised gains on assets owned by Council, being the difference between revalued assets and the value of those assets originally incorporated in Council's or other entities' financial statements. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to operating reserves.

Balance at 1 July	460,450	415,187	470,645	425,073
Roading Increase	-	46,519	-	46,519
Roading Disposals (to operating reserve)	-	-	-	-
Water & Waste Increase	22,690	-	22,690	-
Water & Waste Disposals (to operating reserve)	(1,611)	(926)	(1,611)	(926)
Property Increase (Decrease)	-	-	-	309
Property Disposals (to operating reserve)	(595)	(330)	(595)	(330)
Balance at 30 June	<u>\$480,934</u>	<u>\$460,450</u>	<u>\$491,129</u>	<u>\$470,645</u>

Represented by

Infrastructural Assets	426,197	405,118	426,197	405,118
Council Property	54,612	55,207	55,612	55,207
Council Other (Museum)	125	125	125	125
Waitaki District Health Services Ltd	-	-	7,388	7,388
Whitestone Contracting Ltd	-	-	2,807	2,807
Balance at 30 June	<u>\$480,934</u>	<u>\$460,450</u>	<u>\$491,129</u>	<u>\$470,645</u>

• Operating Reserves

Operating reserves are established by Council decision and may be altered by Council without reference to third parties or the Courts. Transfers to and from these reserves are made at Council discretion.

Balance at 1 July	24,515	21,932	38,636	36,193
Net surplus/(deficit) after tax	(1,582)	913	(2,065)	773
Transfer from Revaluation Reserves	2,206	1,256	2,206	1,256
Transfer from Other Reserves	2,524	2,314	2,524	2,314
Transfer to Other Reserves	(3,408)	(1,900)	(3,408)	(1,900)
Balance at 30 June	<u>\$24,255</u>	<u>\$24,515</u>	<u>\$37,893</u>	<u>\$38,636</u>

Operating Reserves represent the un-appropriated surpluses of the entities and as such are paper transactions and not fully represented by cash funds.

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 9: Public Equity (Continued)

Other Reserves

These consist of Reserves and Trust Funds created or received by Council under terms that restrict their use. All such funds are available only for the purpose specified.

• Restricted Reserves

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

Balance at 1 July	14,426	14,838	14,426	14,838
Deposits and Interest	3,378	1,870	3,378	1,988
To Operating Reserves to meet disbursements	(2,492)	(2,282)	(2,492)	(2,400)
Balance at 30 June	<u>\$15,312</u>	<u>\$14,426</u>	<u>\$15,312</u>	<u>\$14,426</u>
Represented by				
Special Funds	13,262	12,366	13,262	12,366
Trust Funds	2,049	2,059	2,049	2,059
Loan Funds	1	1	1	1
Balance at 30 June	<u>\$15,312</u>	<u>\$14,426</u>	<u>\$15,312</u>	<u>\$14,426</u>

Additional analysis of the movements in Other Reserves, and specifics of the purpose of significant types of Other Reserves, are provided in the table appearing on the following page.

• Trust Funds

These are funds provided for distribution to local community and sporting groups by SPARC and Creative Communities nationally. Depending on the number and quality of funding applications received, Council may not be able to distribute all funds provided and may carry any balance remaining undistributed forward for future periods.

Balance at 1 July	2	4	2	4
Deposits and Interest	30	30	30	30
To Operating Reserves to meet disbursements	(32)	(32)	(32)	(32)
Balance at 30 June	<u>\$-</u>	<u>\$2</u>	<u>\$-</u>	<u>\$2</u>
Represented by				
SPARC Commission Funds	-	-	-	-
Creative Communities Funds	-	2	-	2
Balance at 30 June	<u>\$-</u>	<u>\$2</u>	<u>\$-</u>	<u>\$2</u>
Total Other Reserves	<u>\$15,312</u>	<u>\$14,428</u>	<u>\$15,312</u>	<u>\$14,428</u>

Notes to the Financial Statements

Note 9: Public Equity (Continued)

Other Reserves (Continued)

Type of Reserve	Purpose of Reserve	Balance at 1 July 2017 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2018 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2019 \$000	
Special Reserves									
<u>Development Funds</u>									
Roading	Future expansion and upgrading infrastructure for growth	550	340	(413)	477	297	(263)	511	
Water		1,333	586	(604)	1,315	654	(1,119)	850	
Sewer		2,321	242	(156)	2,407	332	(44)	2,695	
Total Development Funds	A	4,204	1,168	(1,173)	4,199	1,283	(1,426)	4,056	
<u>Other Council-created Funds</u>									
Disaster & Insurance Excess Funds	Contingency for rapid response	C	3,855	139	(41)	3,953	150	(273)	3,830
Land Endowment Fund	Operational funding	D	1,621	51	(817)	855	224	(359)	720
Community Housing Fund	Community housing projects & upgrades	E	608	18	(114)	512	132	143	787
Forestry Planting Fund	Net proceeds from forestry activities	F	1,423	44	(104)	1,363	68	(32)	1,399
Other Council-created funds	Established for other specific purposes		1,339	75	70	1,484	1,151	(164)	2,471
Total Special Reserves		13,050	1,495	(2,179)	12,366	3,008	(2,111)	13,263	
Trust Funds									
Waitaki Heritage Fund	Support for heritage projects		374	111	-	485	44	(258)	271
RMA Reserve	Future recreational developments	G	690	341	(80)	951	418	(132)	1,237
Oamaru Public Gardens	Grants, donations, bequests and other gifts for specific purposes		197	8	(55)	150	5	-	155
North Otago Museum			132	14	-	146	8	-	154
Other community purposes			394	8	(75)	327	2	(98)	231
Total Trust Funds		1,787	482	(210)	2,059	477	(488)	2,048	
Reserved Funds									
SPARC and Creative NZ Funds	Funds for community organisation grants		4	30	(32)	2	30	(32)	-
Loan Funds	Repayments of heritage loans		1	-	-	1	-	-	1
Total Reserved Funds		5	30	(32)	3	30	(32)	1	
Total Restricted Reserves		\$ 14,842	\$ 2,007	(\$ 2,421)	\$ 14,428	\$ 3,515	(\$ 2,631)	\$ 15,312	

Note A - Development Contributions fund infrastructure projects that provide expanded service capacity resulting from or in anticipation of growth

Note B - With the exception of the Disaster Fund, Council-created funds may only be accessed by Council resolution

Note C - The Disaster and Insurance Excess Funds provide emergency funding to allow Council to respond quickly in the event of disaster

Note D - Endowment Funds provide additional operational funding for specific Council activities

Note E - Funds from the sale of community housing units are held for other community housing initiatives

Note F - Proceeds from Forestry activities held to fund future re-planting requirements

Note G - Financial contributions received from developers under the Resource Management Act provide and upgrade parks and green spaces to service new subdivisions

Notes to the Financial Statements

Note 10: Property, Plant and Equipment

Property, Plant and Equipment – Policy

Property, Plant and Equipment consists of:

Operational assets – including land, buildings, landfill (post closure), library books, plant and equipment, furniture and fittings, and motor vehicles.

Restricted assets – mainly parks, reserves and other property owned by Council for benefit or service to the community and which cannot be disposed of because of legal or other restrictions.

Infrastructure assets – fixed utility systems owned by Council. Each asset class includes all items required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (both operational and restricted) is measured at fair value, and buildings (operational and restricted), library books and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Accounting for Revaluations

Land and buildings, library books and infrastructural assets are revalued with sufficient regularity to ensure that their carrying value does not differ materially from their fair value, and at least every three years.

The results of revaluations of property, plant and equipment are credited or debited to other comprehensive revenue and expense, and are accumulated in an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in Progress

Capital projects that are incomplete at balance date are regarded as Work in Progress, and included in Fixed Assets. Such assets are not depreciated until they are complete and commissioned. Movements into Work in Progress represent the value of work done on incomplete capital projects, while movements out of Work in Progress represent the final capitalisation of the completed project.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

Property, Plant and Equipment – Policy (continued)

Disposals

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

Depreciation

Other than Land and certain elements of cultural and heritage collections, and unless otherwise stated in the table below, Council fixed assets are depreciated on a straight-line basis at rates that will write off the cost, or valuation, of the assets to their estimated residual values over their useful lives. Useful lives and related depreciation rates of major classes of assets have been estimated as follows:

Infrastructure Assets

Roading		
Formation, sub-base course	Not depreciated	N/A
Pavement structure	30 – 70 years	1.43% - 3.33%
Surfacing	4 – 20 years	5% - 25%
Drainage, Footpaths	10 – 100 years	1% - 10%
Bridges, retaining structures	50 – 100 years	1% - 2%
Street lights, railings	4 – 35 years	2.85% - 25%
Water Schemes		
Headworks	10 – 100 years	1% - 10%
Reservoirs	10 – 150 years	0.67% - 10%
Pumps	10 – 20 years	5% - 10%
Reticulation	40 – 150 years	0.67% - 2.5%
Sewerage Schemes		
Reticulation	50 – 120 years	0.83% - 2%
Pumps	10 – 20 years	5% - 10%
Treatment works	10 – 100 years	1% - 10%
Stormwater - reticulation	80 – 150 years	0.67% - 1.25%
Transfer stations, landfill development	3 – 25 years	4% - 33.33%
Alps2Ocean Cycle Trail		
Track formation, sub-base course	Not depreciated	N/A
Track surface	10 years	10%
Bridges, retaining structures	50 – 60 years	1.67% - 2%
Facilities – signage	12 years	8.33%
Facilities – livestock proofing	35 years	2.85%
Buildings	15 – 100 years	1% - 6.67%
Harbour – wharves and breakwater	40 – 100 years	1% - 2.5%
Motor vehicles	3 – 10 years	10% - 33.33%
Cultural and heritage assets – library books	7 years	14.28%
Office equipment	2 – 5 years	20% - 50%
Office furniture & fittings	2 – 10 years	10% - 50%

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

Property, Plant and Equipment – Policy (continued)

Depreciation

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each year end.

Property, Plant and Equipment with a finite useful life is reviewed for impairment at each balance date, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use.

Fair Values

Council considers that current book values for fixed assets accurately reflect fair value overall. Property and infrastructural assets are revalued regularly in accordance with Council policy.

Revaluations

Certain classes of assets, as detailed below, are revalued on a three-yearly cycle, and fair value assessment are undertaken annually in the intervening years to ensure that Council's assets reflect the most current and up to date valuations.

Land and Buildings

Property holdings, with the exception of Parks and the Ōamaru Airport, were valued at 1 July 2016 by Andrew Parkyn of QV Asset & Advisory. Parks infrastructural assets were valued at 1 July 2016 by George Jason Smith of AECOM NZ Ltd, while the valuation of the Ōamaru Airport and associated assets was completed by Miles Wyatt also of AECOM NZ Ltd.

Infrastructural Assets

The roading network, including bridges and retaining structures, was valued as at 1 July 2017 by Tui Craven, Asset Data Manager, and reviewed by Thayalan Sivachelvan, Road and Traffic Safety Manager, both of Opus International Consultants Ltd. Information provided by the external valuer based on current contract values indicates that no material movements have occurred in underlying pricing since the date of that valuation

The valuation of water, waste and drainage assets as at 1 July 2018 was prepared by Council's engineers, and peer reviewed by John Vessey, of Opus International Consultants Limited. Information provided by Council's engineers based on current contract values indicates that no material movements have occurred in underlying pricing since the date of that valuation.

Harbour Assets

Deemed cost of harbour wharves and other structures, and of the Ōamaru Harbour breakwater, was established by Royds Garden Limited, Consulting Engineers, at June 1992, with subsequent additions recorded at cost. These assets are not revalued.

Library Collection

Library collections are carried at depreciated replacement cost. Valuations are performed annually by the Head Librarian and are not subject to independent review because they are based on readily available market prices.

Cultural and Heritage Assets

These assets provide a cultural or heritage service to the community, and include North Otago Museum artefacts, the Forrester Gallery art collection and the Libraries' resources. They are recorded at valuation, based on net current value, with subsequent additions at cost.

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (Council Only)

2019 Council Only	Cost/ Valuation 01-Jul-18	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-19	Accum Depn & Impairment Charges 01-Jul-18	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-19	Book Value 30-Jun-18	Book Value 30-Jun-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	47,178	60	30	(416)		46,852							47,178	46,852
Buildings and Improvements	46,103	2,085	291	(698)		47,781	5,823	2,637	(187)			8,273	40,280	39,508
Infrastructural Assets														
- Roading	512,098	7,347	10			519,455	6,284	6,054				12,338	505,814	507,117
- Bridges	23,390	85				23,475	628	632				1,260	22,762	22,215
- Water Supply Schemes:														
Treatment Plants and Facilities	15,810	352		(136)	4,620	20,646	2,130	861	(15)	(2,130)		846	13,680	19,800
Other Assets (ie Reticulation)	45,766	10,058		(1,313)	2,793	57,304	2,490	1,118	(51)	(2,491)		1,066	43,276	56,238
- Sewerage Schemes:														
Treatment Plants and Facilities	8,740	1		(1)	64	8,804	936	359		(936)		359	7,804	8,445
Other Assets (ie Reticulation)	34,464	109	125	(68)	4,535	39,165	2,012	809	(5)	(2,012)		804	32,452	38,361
- Drainage Schemes	15,417	339		(136)	2,443	18,063	666	272	(2)	(666)		270	14,751	17,793
- Solid Waste Facilities	1,300					1,300	1,127	23				1,150	173	150
- Oamaru Harbour	32,509					32,509	5,755	338				6,093	26,754	26,416
- Alps to Ocean	4,358	525				4,883	540	169				709	3,818	4,174
Total Infrastructural Assets	693,852	18,816	135	(1,654)	14,455	725,604	22,568	10,635	(73)	(8,235)		24,895	671,284	700,709
Operational Assets														
- Plant, Equipment and Vehicles	2,227	253		(74)		2,406	1,253	176	(65)			1,364	974	1,042
- Office Equipment and Fittings	4,106	496		(180)		4,422	3,180	391	(179)			3,392	926	1,030
Total Operational Assets	6,333	749		(254)		6,828	4,433	567	(244)			4,756	1,900	2,072
Collections	2,057	103	3	(114)		2,049	548	92	(98)			542	1,509	1,507
Capital Works in Progress	8,540	1,999		(7,419)		3,120							8,540	3,120
	804,063	23,812	459	(10,555)	14,455	832,234	33,372	13,931	(602)	(8,235)		38,466	770,691	793,768

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (Council Only)

2018 Council Only	Cost/ Valuation 01-Jul-17	Current Year Assets Constructed by WDC \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-18 \$000	Accum Depn & Impairment Charges 01-Jul-17 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-18 \$000	Book Value 30-Jun-17 \$000	Book Value 30-Jun-18 \$000
Land	47,579	128		(529)		47,178							47,579	47,178
Buildings and Improvements	44,763	1,601	12	(273)		46,103	3,273	2,604	(54)			5,823	41,490	40,260
Infrastructural Assets														
- Roading	473,999	6,550	365		31,184	512,098	13,756	5,974		(13,446)		6,284	460,243	505,614
- Bridges	22,664	612			114	23,390	1,775	628		(1,775)		628	20,889	22,762
- Water Supply Schemes:														
Treatment Plants and Facilities	15,467	409			(66)	15,810	1,363	794		(27)		2,130	14,104	13,680
Other Assets (re Retention)	41,775	4,706	193		(908)	45,766	1,694	861		(65)		2,490	40,081	43,276
- Sewerage Schemes:														
Treatment Plants and Facilities	8,102	657			(19)	8,740	626	314		(4)		936	7,478	7,804
Other Assets (re Retention)	33,497	896	241		(172)	34,464	1,364	693		(45)		2,012	32,133	32,452
- Drainage Schemes	15,142	152	160		(37)	15,417	445	223		(2)		666	14,697	14,751
- Solid Waste Facilities	1,300					1,300	1,092	35				1,127	208	173
- Oamaru Harbour	32,509					32,509	5,417	338				5,755	27,092	26,754
- Alps to Ocean	4,207	151				4,358	366	154				540	3,821	3,618
Total Infrastructural Assets	648,662	14,135	959	(1,202)	31,296	693,652	27,918	10,014	(143)	(15,221)		22,568	620,744	671,264
Operational Assets														
- Plant, Equipment and Vehicles	2,188	235	1		(197)	2,227	1,208	170		(125)		1,253	980	974
- Office Equipment and Fittings	3,883	402			(179)	4,106	3,034	319		(173)		3,180	849	926
Total Operational Assets	6,071	637	1	(376)		6,333	4,242	489	(298)			4,433	1,829	1,900
Collections	2,045	114	4		(106)	2,057	558	83		(93)		548	1,487	1,509
Capital Works in Progress	6,111	6,166			(3,737)	8,540							6,111	8,540
	755,231	22,781	976	(6,223)	31,296	804,063	35,991	13,190	(588)	(15,221)		33,372	719,240	770,691

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (Consolidated)

2019 Consolidated	Cost/ Valuation 01-Jul-18	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-19	Accum Depn & Impairment Charges 01-Jul-18	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-19	Book Value 30-Jun-18	Book Value 30-Jun-19
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	50,576	1,325	30	(416)		51,515							50,576	51,515
Buildings and Improvements	57,170	2,175	291	(708)		58,928	5,916	3,071	(197)		8,790		51,254	50,138
Infrastructural Assets														
- Roading	512,098	7,347	10			519,455	6,284	6,054			12,338		505,814	507,117
- Bridges	23,390	85				23,475	628	632			1,260		22,762	22,215
- Water Supply Schemes														
Treatment Plants and Facilities	15,810	352		(136)	4,620	20,646	2,130	861	(15)	(2,130)	846		13,680	19,800
Other Assets (ie Reticulation)	45,766	10,058		(1,313)	2,793	57,304	2,490	1,118	(51)	(2,491)	1,066		43,276	56,238
- Sewerage Schemes														
Treatment Plants and Facilities	8,740	1		(1)	64	8,804	936	359		(936)	359		7,804	8,445
Other Assets (ie Reticulation)	34,464	109	125	(68)	4,535	39,165	2,012	809	(5)	(2,012)	804		32,452	38,361
- Drainage Schemes	15,417	339		(136)	2,443	18,063	666	272	(2)	(666)	270		14,751	17,793
- Solid Waste	1,300					1,300	1,127	23			1,150		173	150
- Oamaru Harbour	32,509					32,509	5,755	338			6,093		26,754	26,416
- Alps to Ocean	4,358	525				4,883	540	169			709		3,818	4,174
Total Infrastructural Assets	693,852	18,816	135	(1,654)	14,455	725,604	22,568	10,635	(73)	(8,235)	24,895		671,284	700,709
Operational Assets														
- Plant, Equipment and Vehicles	27,153	3,301		(2,671)		27,783	18,560	1,746	(2,533)		15	17,788	8,593	9,995
- Office Equipment and Fittings	6,338	547		(498)		6,387	4,527	533	(495)		4,565		1,811	1,822
Total Operational Assets	33,491	3,848		(3,169)		34,170	23,087	2,279	(3,028)		15	22,353	10,404	11,817
Collections	2,057	103	3	(114)		2,049	548	92	(98)		542		1,509	1,507
Capital Works in Progress	8,563	1,999		(7,442)		3,120							8,563	3,120
	845,709	28,266	459	(13,503)	14,455	875,386	52,119	16,077	(3,396)	(8,235)	15	56,580	793,590	818,806

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (Consolidated)

2018 Consolidated	Cost/ Valuation 01-Jul-17	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-18	Accum Depn & Impairment Charges 01-Jul-17	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-18	Book Value 30-Jun-17	Book Value 30-Jun-18
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	50,856	249		(529)		50,576							50,856	50,576
Buildings and Improvements	56,594	1,680	12	(283)	(833)	57,170	4,089	3,034	(64)	(1,143)		5,916	52,505	51,254
Infrastructural Assets														
- Roading	473,999	6,550	365		31,184	512,098	13,756	5,974		(13,446)		6,284	460,243	505,814
- Bridges	22,664	612			114	23,390	1,775	628		(1,775)		628	20,889	22,762
- Water Supply Schemes														
Treatment Plants and Facilities	15,467	409			(66)	15,810	1,363	794		(27)		2,130	14,104	13,680
Other Assets (ie Reticulation)	41,775	4,706	193		(908)	45,766	1,694	861		(65)		2,490	40,081	43,276
- Sewerage Schemes														
Treatment Plants and Facilities	8,102	657			(19)	8,740	626	314		(4)		936	7,476	7,804
Other Assets (ie Reticulation)	33,497	898	241		(172)	34,464	1,364	693		(45)		2,012	32,133	32,452
- Drainage Schemes	15,142	152	160		(37)	15,417	445	223		(2)		666	14,697	14,751
- Solid Waste	1,300					1,300	1,092	35				1,127	208	173
- Oamaru Harbour	32,509					32,509	5,417	338				5,755	27,092	26,754
- Alps to Ocean	4,207	151				4,358	386	154				540	3,821	3,818
Total Infrastructural Assets	648,662	14,135	959	(1,202)	31,298	693,852	27,918	10,014	(143)	(15,221)		22,568	620,744	671,284
Operational Assets														
- Plant, Equipment and Vehicles	26,070	2,574	1		(1,492)	27,153	18,274	1,572		(1,286)		18,560	7,796	8,593
- Office Equipment and Fittings	5,914	698			(274)	6,338	4,322	465		(260)		4,527	1,592	1,811
Total Operational Assets	31,984	3,272	1	(1,766)		33,491	22,596	2,037	(1,546)			23,087	9,388	10,404
Collections	2,045	114	4	(106)		2,057	558	83	(93)			548	1,487	1,509
Capital Works in Progress	6,548	6,166		(4,151)		8,563							6,548	8,563
	796,689	25,616	976	(8,037)	30,465	845,709	55,161	15,168	(1,846)	(16,364)		52,119	741,528	793,590

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

Capital Work in Progress

Capital Work in Progress consists of the following asset categories:

	2019	2018
	<u>\$000</u>	<u>\$000</u>
Infrastructural Assets – roading and bridges	209	651
Infrastructural Assets – water supply schemes	1,396	6,658
Infrastructural Assets – sewerage schemes	568	111
Infrastructural Assets – drainage schemes	65	64
Property and other assets	882	1,056
Total	<u>\$3,120</u>	<u>\$8,540</u>

Restricted Assets

The asset categories Land, and Buildings and Improvements, include properties that are restricted. These restrictions affect Council's right to use, or dispose of, the asset, and may derive either from legislation (such as the Reserves Act 1977) or from the terms of particular endowments or bequests which determine the purpose for which the assets may be used. These assets have a carrying value of \$8,423,984 (2018: \$8,626,666).

Insurance (mandatory disclosure under Schedule 10, s31A of the LGA 2002)

Risk management, insurance and risk financing are key considerations in the protection of public assets. Council can provide key services in the future only if its infrastructural assets, in particular, remain available for use, and must consider carefully ways of managing risk effectively and making the best use of insurance and other mitigation tools.

- Water, Waste Water and Storm Water Assets

Total carrying value \$140,633,933. Individual assets valued in excess of \$1,000,000 are insured – value of these assets for insurance purposes is \$34,429,640 (2018: \$34,429,640). Council mitigates the risk related to the remaining assets through its membership of the Local Authority Protection Programme (LAPP), use of depreciation reserves and the Disaster Fund (refer below).

Estimated cost of full replacement of the assets totals \$243,392,000, based on the most recent valuation at 1 July 2018, and subsequent additions at cost or valuation, and can be analysed as follows:

Water Supply schemes – treatment plants and facilities	\$33,540,000
Water Supply schemes – other assets (i.e. reticulation)	\$88,546,000
Waste Water (Sewerage) schemes – treatment plants and facilities	\$25,550,000
Waste Water (Sewerage) schemes – other assets (i.e. reticulation)	\$63,715,000
Storm Water (Drainage) schemes	\$32,041,000

- Land and Buildings

Land has a carrying value of \$46,852,275 and cannot be insured. Restoration might be funded by the Earthquake Commission if the loss occurred as a result of earthquake or landslip.

Buildings have a carrying value of \$39,508,298, and a value of \$115,823,851 (2018: \$112,041,131) for insurance purposes. Council self-insures buildings which would either not be replaced in the event of loss, or would be funded from depreciation reserves and the Disaster Fund (refer below).

- Roading Assets, including bridges and footpaths

Total carrying value \$529,331,145. These are not specifically insured, but significant loss or damage would be subsidised by the New Zealand Transport Agency, which has previously funded costs arising from storm events. Current rates of financial assistance may change in the future. Any un-subsidised cost would be met from depreciation reserves, and the Disaster Fund (refer next page). Estimated cost of full replacement of the assets is \$710,737,428 based on the valuation at 1 July 2017.

- Solid Waste facilities, Ōamaru Harbour and the Alps2Ocean Cycle Trail

Total carrying value of \$30,741,604. Not specifically insured. Replacement or reinstatement would be funded from operational budgets or depreciation reserves.

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

- Art Works, Museum Collections, Library Books

Total carrying value \$1,508,208. Valued at \$4,000,550 for insurance purposes (2018: \$3,950,550), being \$3,000,550 for Council's own art works (2018: \$2,950,550), and \$1,000,000 for art works on loan to Council (2018: \$1,000,000). The balance of Council's own art works is uninsured. No provision has been made to self-insure these items, as they are considered unique, and could not be replaced.

Library books are not insured, and their replacement would be met from depreciation reserves.

- Vehicles, Plant and Equipment, Furniture and Fittings

Vehicles have a carrying value of \$1,041,443, and a value for insurance purposes of \$843,214 (2018: \$1,108,997). All are insured for replacement value.

Other items with a carrying value of \$1,031,981 are not insured. Individual items are not generally of material value, and depreciation reserves would provide funding for replacement.

- Summary of Insurance Cover arranged by Council

Total carrying value of Property Plant and Equipment	\$793,767,602
Total value of cover for insurance purposes	<u>\$154,097,255</u>
Total value of uninsured assets	\$639,670,347

Significant uninsured assets include:

Roading Network (NZTA subsidies, Council reserves)	\$529,331,145
Water, Waste water and stormwater assets (LAPP assistance)	\$106,204,293
Land holdings (uninsurable, potential Earthquake Commission funding)	\$46,852,275
Solid Waste, Harbour, Cycle Trail	\$30,741,604

In the event of the destruction of or significant damage to uninsured assets as a result of a natural disaster, financial support might be provided from NZTA subsidies, the LAPP fund, the Earthquake Commission and Council's own reserves, including the Disaster Fund and the Insurance Excess Fund (details below).

Furthermore, assets that were destroyed might not be rebuilt or, if reconstructed, might not be in the same configuration as the previous asset, in order to control and reduce cost.

Disaster Fund, Insurance Excess Fund (refer also Note 9 – Special Reserves)

Council has specific reserves to enable it to provide a rapid response to significant and damaging events and to provide a reserve to meet uninsured losses that may arise. At 30 June 2019, the Disaster Fund stood at \$3,769,338 (2018: \$3,749,846), and the Insurance Excess Fund remained at \$203,094 (2018: \$203,094). Council maintains committed cash facilities with its bankers to provide additional and immediate funding to meet any shortfall.

Critical Judgements in applying Council's Accounting Policies in relation to Property, Plant and Equipment

Management has exercised these critical judgements in applying Council's accounting policies:

- Classification of Property – Community Housing
Council owns and maintains properties to provide community housing. The receipt of market-based rental is incidental to holding these properties, which are held for service delivery objectives as part of Council's social housing policy, and are accounted for as property, plant and equipment.
- Classification of Property – Unoccupied Land
Council owns unoccupied land which is classified as property, plant and equipment. Given the uncertainty over the future intended use of the land, Council has not classified the land as investment property.

Notes to the Financial Statements

Note 11: Intangible Assets

Intangible Assets – policy

Intangible assets are identifiable non-monetary assets without physical substance.

The main categories of intangible assets are:

Software

Computer software licenses are capitalised based on costs incurred to acquire and bring into service. Costs, including employee costs and related overheads, associated with developing software for internal use are recognised as an intangible asset.

Costs related to staff training, maintaining computer software and developing and maintaining Council's website are expensed when incurred.

The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.

Carbon Credits

Carbon credits are recognised at cost on acquisition, while those received from the Crown under the Emissions Trading Scheme are recognised at fair value, being the value on the tradable carbon credit market at the time of receipt. Carbon credits are not amortised, but are tested for impairment annually, and are derecognised when they are surrendered to satisfy carbon emission obligations.

Credits have been purchased in past years to meet anticipated future obligations related to emissions at the Ōamaru landfill facility. These obligations have now been satisfied by surrendering (disposing of) credits based on volumes of waste accepted at the facility up to its closure. Remaining purchased credits, and those vested in Council by Central Government in the 2012/13 financial year, are held against the potential liability that would arise should Council, in the future, decide against replanting forested areas after harvesting or fire.

Other Intangible Assets, include:

- *Goodwill*

Goodwill arising as part of a business combination is measured, as at the date of acquisition, at fair value of consideration transferred, less fair value of assets acquired and liabilities assumed. It is subsequently assessed for impairment, and its value adjusted accordingly, on an annual basis, or more frequently as indicators of impairment become apparent.

- *Resource consents*

Resource consents are initially valued at cost, and subsequently amortised on a straight-line basis over the term of the specific consent.

- *Other*

These are other intangible assets with an identifiable useful life of 25 years, and are amortised on a straight-line basis.

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

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

Notes to the Financial Statements

	2019				2018			
	Software	Carbon Credits	Other	Total	Software	Carbon Credits	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Note 11: Intangible Assets (continued)

Council only

Balance at 1 July

Cost	2,330	16	165	2,511	2,150	24	165	2,339
Accumulated Amortisation	(1,712)	-	(152)	(1,864)	(1,512)	-	(146)	(1,658)
Opening Book Value	618	16	13	647	638	24	19	681

Movements for the year

Additions	517	-	-	517	180	-	-	180
Disposals - cost	(10)	(2)	-	(12)	-	(8)	-	(8)
Amortisation charge	(248)	-	(6)	(254)	(200)	-	(6)	(206)
Disposals - accum amortisation	10	-	-	10	-	-	-	-
Net movement for the year	269	(2)	(6)	261	(20)	(8)	(6)	(34)

Balance at 30 June

Cost	2,837	14	165	3,016	2,330	16	165	2,511
Accumulated Amortisation	(1,950)	-	(158)	(2,108)	(1,712)	-	(152)	(1,864)
Closing Book Value	\$887	\$14	\$7	\$908	\$618	\$16	\$13	\$647

Consolidated

Balance at 1 July

Cost	2,436	16	988	3,440	2,289	24	988	3,301
Accumulated Amortisation	(1,801)	-	(647)	(2,448)	(1,584)	-	(617)	(2,201)
Opening Book Value	635	16	341	992	705	24	371	1,100

Movements for the year

Additions	517	-	-	517	180	-	-	180
Disposals - cost	(10)	(2)	-	(12)	(33)	(8)	-	(41)
Amortisation charge	(257)	-	(234)	(491)	(217)	-	(30)	(247)
Disposals - accum amortisation	10	-	-	10	-	-	-	-
Net movement for the year	260	(2)	(234)	24	(70)	(8)	(30)	(108)

Balance at 30 June

Cost	2,943	14	988	3,945	2,436	16	988	3,440
Accumulated Amortisation	(2,048)	-	(881)	(2,929)	(1,801)	-	(647)	(2,448)
Closing Book Value	\$895	\$14	\$107	\$1,016	\$635	\$16	\$341	\$992

Impairment of Intangible Assets

Intangible assets with a finite useful life are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may no longer be recoverable, and at each balance date. If there is an indication of impairment, the asset's recoverable amount is estimated, and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use.

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

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 12: Forestry Assets

Forestry Assets – Policy

Forestry is the estimated worth of the maturing tree stocks in Council's forests as at date of valuation. The valuation method adopted is Net Present Value based on the age and condition of the trees. Trees under fifteen years are valued at replacement cost.

The cost of maintaining forestry assets is included in the reported surplus or deficit.

Analysis of Forestry Assets

Balance at 1 July	253	226	253	226
Impact arising from harvesting activities	-	(25)	-	(25)
Gains / (Losses) arising from changes in fair value less estimated point of sale costs	16	52	16	52
Balance at 30 June	<u>\$269</u>	<u>\$253</u>	<u>\$269</u>	<u>\$253</u>

Council has several forest stands covering a net stocked area of 113.8ha (2018: 102.1ha), planted mainly in *pinus radiata* in the Waitaki district. These are at varying stages of maturity, mainly from 20 – 30 years. Council's forestry holdings are primarily for aesthetic and land protection purposes.

The annual valuation, dated 30 June 2019, was performed by David Janett, B.For.Sc, MNZIF, a registered forestry consultant, on behalf of Forestry Management Limited. A pre-tax discount rate of 9.0% (2018: 9.0%) has been used to discount the present value of expected cash flows. All costs and prices used are based on current market information.

Council is exposed to financial risks arising from changes in timber prices. Council is a long term forest owner and has therefore not taken any measures to manage this risk.

Insurance

Council's forestry assets are subject to the risk of fire and storm damage. In the current financial year Council arranged insurance providing maximum cover of \$268,815 (2018: \$180,424) for the forestry plantations, up to \$250,000 (2018: \$250,000) for fire-fighting costs and up to \$111,800 (2018: \$111,800) for replanting and other re-establishment costs. The reduced level of insurance cover reflects the decreased value of the forest asset after logging activities undertaken during the year.

Emissions Trading Scheme

The forestry plantations are professionally managed and Council adheres strictly to a replanting plan developed by its advisers to ensure that there is no liability related to the Emissions Trading Scheme. Council holds carbon credits specifically related to its forestry asset (refer note 11).

Notes to the Financial Statements

Note 13: Other Financial Assets

Other Financial Assets – Policy

Financial assets, other than shares in subsidiaries, are initially recognised at fair value plus transaction costs, if any, unless they are carried at fair value through surplus or deficit, in which case transaction costs are expensed when incurred.

Term deposits, community and other loans

These are reported as current assets except for those with maturities greater than twelve months after balance date, which are included in non-current assets.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between loan balance and the present value of future cash flows for the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits, community and other loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the outstanding balance of the investment.

At year end, all assets are assessed for indicators of impairment. Impairment is established when Council and the group will not be able to collect amounts due according to the original terms of the investment. Indicators of impairment include: significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments due.

If assets are considered impaired, the amount of the impairment is recognised in the surplus or deficit.

Listed and unlisted shares

Council may hold shares in businesses, whether listed or unlisted, for strategic or other reasons. The intention at the time of acquisition is normally to hold long term, but the assets may be realised prior to maturity. Shares held at year end are classified as Non-Current Assets unless disposal is contemplated within the following twelve month period.

After initial recognition, unlisted shares (other than those in subsidiaries) are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, any cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in fair value provides objective evidence of impairment. If such evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Shares in subsidiaries

The investment in subsidiaries is carried at cost in Council's parent entity financial statements.

Notes to the Financial Statements

	Council		Consolidated	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000

Note 13: Other Financial Assets (continued)

Analysis of Other Financial Assets

Non-Current

Shares in other companies (see below)	145	145	145	145
Shares in Subsidiaries	4,912	4,912	-	-
Secured Loans	29,252	28,606	32,118	31,125
Total Non-Current Other Financial Assets	\$34,309	\$33,663	\$32,263	\$31,270

Current

Term Deposits maturing between 3 & 12 months	600	4,250	1,854	6,885
Secured Loans	40	96	40	16
Total Current Other Financial Assets	\$640	\$4,346	\$1,894	\$6,901

Maturity Profile

Within one year	640	4,346	1,894	6,901
One to two years	17,817	366	17,817	366
Two to five years	5,671	21,095	5,671	21,095
Five years and over	5,909	7,290	8,775	9,665
Total Other Financial Assets	\$30,037	\$33,097	\$34,157	\$38,027

The effective interest rate on mortgages and secured loans at year end was 3.25% (2018: 3.25%).

Secured Loans include:

North Otago Irrigation Co Ltd (NOIC)	17,000	17,000	17,000	17,000
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This advance matures in August 2022, and is secured by a General Security Agreement covering the Company's assets including Water Supply Contracts and Memorandum of Encumbrances between NOIC and the Irrigators. Interest is based on the 1 year bill rate plus a margin, and is reviewed annually.

Observatory Village Lifecare Ltd	11,500	10,836	11,500	10,836
Observatory Village Charitable Trust	157	250	5,757	5,850
Less: Provision for Impairment	-	-	(2,734)	(3,081)

Council's advances are secured by a General Security Agreement over assets of the Trust and the company, with interest based on the 1 year bill rate, plus a margin. The loan to the Trust is interest-free and repayable in 2029.. The Group's advance to the Trust is secured over its interests in Observatory Village Lifecare Ltd and Observatory Village Care Ltd, and includes an interest-free element on which repayments will commence in the 2028 financial year. The loan is recorded at fair value based on discounted cash flows using a discount rate of 5.49% (2018: 6.09%), which has resulted in a reduction in the impairment provision of \$346,341 (2018: reduction of \$144,618) as shown in Note 5.

Notes to the Financial Statements

	Council		Consolidated	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000

Note 13: Other Financial Assets (continued)

Shares in Other Companies

Council holds shares in the following unlisted companies:

Civic Financial Services Limited (balance date 31 December)

Shares held	120,000	120,000	120,000	120,000
Percentage of Issued Shares	1.07%	1.07%	1.07%	1.07%
Book Value	\$113,908	\$113,908	\$113,908	\$113,908

Lower Waitaki Irrigation Co Limited (balance date 31 December)

Shares held	2,909	2,909	2,909	2,909
Percentage of Issued Shares	11.50%	11.50%	11.50%	11.50%
Book Value	\$31,016	\$31,016	\$31,016	\$31,016

As there is no market for shares in these companies, or any like market or any shares for sale, a fair value cannot be accurately estimated for these holdings.

Note 14: Cash and Cash Equivalents

Cash and cash equivalents – Policy

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying value of cash at bank and term deposits maturing within three months approximates fair value.

Analysis of Cash and cash equivalents

Cash at bank and in hand	105	166	846	821
Deposits with initial terms of 3 months or less	260	2,050	271	2,940
Total Cash Equivalents	\$365	\$2,216	\$1,117	\$3,761

Note 15: Trade and Other Receivables

Trade and other receivables – Policy

Short-term receivables are initially measured at the amount due, less any provision for impairment.

A receivable is considered impaired when there is evidence that the amount due will not be fully collected. The amount that is impaired is the difference between the amount due and the present value of the amount that is likely to be collected.

Receivables are generally short-term and non-interest bearing. Accordingly, the face value of Accounts Receivable approximates their fair value. Receivables are inclusive of GST where applicable.

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 15: Trade and Other Receivables (continued)

Receivables comprise

Receivables from non-exchange transactions

Outstanding debt related to rates, external grants, infringements and fees and charges for services that are partly subsidised from rates

4,877	5,650	6,065	6,743
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Receivables from exchange transactions

Outstanding debt related to commercial sales, and fees and charges that are not subsidised from rates

1,531	963	5,325	3,778
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Total Receivables

<u>\$6,408</u>	<u>\$6,613</u>	<u>\$11,390</u>	<u>\$10,521</u>
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Analysis of Receivables, and other information

Rates	1,594	1,491	1,594	1,491
Government Funding	1,541	1,177	2,729	2,270
Sundry Debtors	982	1,555	4,796	4,395
Inter-company	29	40	-	-
Infringements	58	62	58	62
Accrued Revenue	2,580	2,637	2,596	2,667
Total Receivables	6,784	6,962	11,773	10,885
Less Provision for Impairment	(376)	(349)	(383)	(364)
Total Receivables	<u>\$6,408</u>	<u>\$6,613</u>	<u>\$11,390</u>	<u>\$10,521</u>

The only significant concentrations of credit risk outside the group are with the New Zealand Transport Agency and the Southern District Health Board. Given the nature of these organisations and the trading history over many years, the risk is considered very low.

Aging profile of Receivables

Not yet overdue	303	787	2,810	3,237
Overdue 0 – 30 days	248	91	1,491	344
Overdue 30 – 60 days	213	74	255	150
Overdue more than 61 days	218	603	240	664
Total Receivables	<u>\$982</u>	<u>\$1,555</u>	<u>\$4,796</u>	<u>\$4,395</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 15: Trade and Other Receivables (continued)

Analysis of Provision for impairment

Individual provision	43	38	50	53
Collective provision	333	311	333	311
Total Provision	<u>\$376</u>	<u>\$349</u>	<u>\$383</u>	<u>\$364</u>

General receivables are assessed for impairment and individual provisions are applied. The collective impairment relates to rates outstanding over 12 months and to a portion of current year rate penalties.

Movements in the Provision for impairment

At 1 July	349	359	364	367
Increase / (Decrease) in Provision	37	65	29	73
Less Receivables written off	(10)	(75)	(10)	(76)
Total Provision	<u>\$376</u>	<u>\$349</u>	<u>\$383</u>	<u>\$364</u>

Note 16: Assets Held for Sale

Assets held for sale – Policy

Non-current assets held for sale are treated as current assets when a sale is highly probable, there is commitment to a plan to sell the asset, and the sale is expected to occur within a year. Such assets are valued at the lower of carrying value and fair value less disposal costs.

Impairment losses for write-downs of assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any previously recognised impairment losses. Property held for sale is not depreciated while part of this classification.

Analysis of Assets held for Sale

Land – North End Industrial Park, 3 sites	1,150	1,150	1,150	1,150
Land in the Harbour area, rural fire stations	787	-	787	-
Total Assets held for Sale	<u>\$1,937</u>	<u>\$1,150</u>	<u>\$1,937</u>	<u>\$1,150</u>

Classification of Assets held for Sale

Non-current asset	1,150	1,150	1,150	1,150
The North End Industrial Park sites are subject to an agreement for sale and purchase, with deferred settlement. Interest is charged on the outstanding balance. The sale must be settled by June 2023, but precise timing cannot be determined.				
Current asset	787	-	787	-
The property at 47 & 47A Tyne Street in the harbour area was subject to an agreement for sale and purchase, which was settled in August 2019, while Council's rural fire station properties were gifted to Fire and Emergency NZ in September 2019.				
Total Assets held for Sale	<u>\$1,937</u>	<u>\$1,150</u>	<u>\$1,937</u>	<u>\$1,150</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 17: Construction contracts

Construction contracts – Policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. This is measured by reference to the contract costs incurred as a percentage of total estimated costs for each contract. Contract costs include all costs directly related to specific contracts, those that are specifically chargeable to the customer under the terms of the contract and an allocation of overheads incurred in connection with the group's construction activities in general.

An expected loss on a contract is recognised immediately as an expense in the surplus or deficit. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense when incurred, and if it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred plus recognised surpluses less recognised losses and progress billings. If progress billings exceed aggregate costs incurred plus surpluses less losses, the net amount is reported as a liability.

Analysis of Construction work in progress

Contract costs	-	-	5,244	6,952
Profit recognised to date	-	-	879	838
Gross construction work in progress	-	-	6,123	7,790
Less progress billings	-	-	(6,218)	(7,612)
Net construction work in progress	-	-	(95)	178
Other contracts	-	-	196	115
Total Work in Progress	-	-	\$101	\$293

Note 18: Inventories

Inventories – Policy

Inventories are held for sale, or for the provision of goods and services, and comprise materials on hand at year end, measured at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Any write down from cost to net realisable value is recognised immediately in the surplus or deficit.

Analysis of Inventories

Retail Inventories	14	10	92	84
Metal and Soil Stocks	-	-	407	355
Other Supplies	-	-	468	477
Total Inventory, classified as Current	\$14	\$10	\$967	\$916

Notes to the Financial Statements

	Council Only		Consolidated	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000

Note 19: Provisions

Provisions – Policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) resulting from past events, and it is probable that an outflow of future economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax discount rate reflecting the current assessment of the time value of money and of the risks specific to the obligation.

Landfill Aftercare and Site Restoration

Opening	1,028	921	1,045	932
Provision utilised	(239)	(167)	(239)	(167)
Additions to / Reduction in Provision	(133)	274	(127)	280
	<u>\$656</u>	<u>\$1,028</u>	<u>\$679</u>	<u>\$1,045</u>
<u>Analysed:</u>				
Non-Current	364	719	364	719
Current	292	309	315	326
	<u>\$656</u>	<u>\$1,028</u>	<u>\$679</u>	<u>\$1,045</u>

Estimating Landfill aftercare costs – Critical accounting estimates and assumptions

Council has operated landfills in Ōamaru and Palmerston, and is required by the conditions of its consents to maintain and monitor those landfills after their closure, including establishing a provision to undertake clean-up work at these and other potentially contaminated sites.

Council has engaged an independent consultant, David Brown, NZCE-Civil, REA, of Waugh Consultants Ltd, to assess and value Council's landfill aftercare provision.

Cash outflows for post-closure costs in relation to the Ōamaru landfill, which closed in April 2017, will be incurred over the next twenty years, commencing in 2018, while those related to the Palmerston landfill are expected to occur over a twenty year period commencing in 2027. The extremely long-term nature of this liability means there are inherent uncertainties in the estimation of the costs that will be incurred. Future cash outflows have been estimated based on existing technology and known or assumed changes to legal requirements.

The provision is based on the remaining expected life of the remaining landfill, as determined by current and expected future volumes, and the anticipated costs of cleaning up, capping and monitoring the sites. Gross projected costs, before being discounted to present value using a discount rate of 5.0% (2018: 5%), amount to \$916,350 (2018: \$1,338,010).

Site Restoration

This provision is to allow for the restoration of land used for quarrying and other processes.

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 20: Employee Entitlements

Employee Entitlements – Policy

Short-term benefits

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

Council recognises a liability and an expense for bonuses if contractually obliged or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

Long-term benefits

Employee benefits that are due to be settled beyond 12 months after balance date, such as long service leave, have been calculated on an actuarial basis, taking into account:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- The present value of estimated future cashflows, applying an appropriate discount rate and inflation factor. The discount rate is based on the weighted average of Government interest rates for bonds with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for the employees.

Analysis of Employee Entitlements

Accrued Salaries and Wages	437	415	1,339	1,361
Annual Leave	812	711	2,607	2,514
Long Service Leave	-	-	70	114
Sick Leave	-	-	56	46
Continuing Medical Education	-	-	30	79
	<u>\$1,249</u>	<u>\$1,126</u>	<u>\$4,102</u>	<u>\$4,114</u>
Analysed:				
Non-Current	-	-	60	116
Current	<u>1,249</u>	<u>1,126</u>	<u>4,042</u>	<u>3,998</u>
	<u>\$1,249</u>	<u>\$1,126</u>	<u>\$4,102</u>	<u>\$4,114</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 21: Borrowings and other financial liabilities

Borrowings and other financial liabilities - Policy

Borrowings on commercial terms

These are initially recognised at fair value plus transaction costs, then measured at amortised cost using the effective interest rate method, and are classified as current liabilities unless settlement is deferred for at least twelve months after balance date.

Analysis of Borrowings and other financial liabilities

Non-Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	-	-	1,144	8
Total	<u>\$-</u>	<u>\$-</u>	<u>\$1,144</u>	<u>\$8</u>

Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	-	-	59	1
Total	<u>-</u>	<u>-</u>	<u>\$59</u>	<u>\$1</u>
Total Borrowings	<u>\$-</u>	<u>\$-</u>	<u>\$1,203</u>	<u>\$9</u>

Repayment Terms

The following is a maturity analysis of total debt:

Payable no later than one year	-	-	59	1
Later than one, not later than five years	-	-	1,144	8
	<u>\$-</u>	<u>\$-</u>	<u>\$1,203</u>	<u>\$9</u>

Financing Costs

Council has a Committed Cash Facility that can be drawn down for periods between 1 and 90 days. Costs are based on the 90-day rate plus a margin consistent with that charged to similar organisations.

Security

Public debt reported by Council as secured is normally secured over future rates revenues, while debt reported by members of Council's group is generally secured over property.

Notes to the Financial Statements

	Interest Expense \$000	Balance 1 July \$000	Increased Borrowing \$000	Principal Repaid \$000	Balance 30 June \$000
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Note 21: Borrowings and other financial liabilities (continued)

Internal Loans (Council Only)

Council's Liability, Management and Investment Policy established an internal loan system using cash reserves to fund activities in preference to raising external debt. By using this policy, Council has repaid all its external debt. Internal loans are deemed part of ratepayer debt as, at a future date when cash is needed for the purpose for which it has been raised, external loans may be required.

Internal loan balances outstanding at 30 June 2019 were \$22,547,044 (2018: \$24,326,220), as below:

Movements for the year ended 30 June 2019

Roads and Footpaths	17	546	-	(89)	457
Waste Water	12	359	151	(73)	437
Stormwater Drainage	-	-	-	-	-
Water Supply	395	12,344	(841)	(1,030)	10,473
Waste Management and minimisation	6	204	54	(74)	184
Arts, Heritage and Culture	3	101	-	(10)	91
Parks and Recreation	18	517	157	(105)	569
Community amenities	8	164	301	(11)	454
Oamaru Harbour and Historic Precinct	65	2,037	-	(146)	1,891
Commercial and Development Activities	254	8,054	368	(431)	7,991
Support Services	(778)	-	-	-	-
	-	24,326	190	(1,969)	22,547

Movements for the year ended 30 June 2018

Roads and Footpaths	15	467	150	(71)	546
Waste Water	10	266	149	(56)	359
Stormwater Damage	0	5	-	(5)	-
Water Supply	339	8,947	4,228	(831)	12,344
Waste Management and minimisation	8	433	-	(229)	204
Arts, Heritage and Culture	4	112	-	(11)	101
Parks and Recreation	19	807	14	(304)	517
Community amenities	4	84	84	(4)	164
Oamaru Harbour and Historic Precinct	67	1,852	281	(96)	2,037
Commercial and Development Activities	267	9,700	464	(2,110)	8,054
Support Services	(733)	-	-	-	-
	-	22,673	5,370	(3,717)	24,326

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 22: Trade and Other Payables

Trade and other payables – Policy

Trade and other payables are recorded at their face value. They are generally non-interest bearing and settled on 30-day terms.

Analysis of Trade and other payables

Sundry Creditors	4,576	6,066	6,956	8,620
Accruals	91	104	573	288
Owing to Subsidiaries	572	904	-	-
Revenue Charged or Received in Advance	1,072	979	1,362	1,315
Deposits	136	126	136	126
Total Trade and other payables	\$6,447	\$8,179	\$9,027	\$10,349

Note 23: Commitments

Capital Commitments

Water infrastructure	500	795	500	45
Roading infrastructure	1,329	4,120	1,329	4,120
Property, Plant & Equipment	398	549	423	691
Total Capital Commitments	\$2,227	\$5,464	\$2,252	\$4,856

Contractual Commitments

Council and the group have long-term contractual commitments with the following payment profile:

Not later than one year	12,829	10,813	12,249	10,089
Later than one year and not later than two	7,707	10,056	7,225	9,429
Later than two years	7,396	10,594	6,946	9,993
Total Contractual commitments	\$27,932	\$31,463	\$26,420	\$29,511

Contractual commitments within one year include the provision of loan funding of up to \$3,000,000 for the Kurow-Duntroon Irrigation Company Ltd (2018: commitments within one year included the balance of \$663,182 required to reach the approved lending cap of \$11.75 million for Observatory Village Lifecare Ltd).

Operating Leases

Council and the group have commitments related to non-cancellable operating leases with the following payment profile:

Not later than one year	43	109	274	245
Later than one year and not later than five years	7	25	502	214
Later than five years	-	-	344	-
Total Operating Lease commitments	\$50	\$134	\$1,120	\$459

Notes to the Financial Statements

Note 24: Contingencies

Council and Group

- The Building Act 2004 imposes certain obligations and liabilities on local authorities related to issuing of building consents and the inspection of work done. In association with other local authorities, Council belongs to the Civic Liability Pool (CLP) established to provide insurance for claims under the Building Act 2004. Further calls may be made by the CLP on Council, and a liability will be recognised when there is certainty over the amounts involved.
- Council belongs to the Local Authority Protection Programme (LAPP). Members may be called upon to make a contribution should a future major natural disaster negatively impact the LAPP. A liability will be recognised in relation to any future contributions when there is certainty over their amount and timing. Council is not aware of any such liability due at, or after, balance date. *See Note 10 – Insurance section – for further information.*
- Council is not aware of any actual or potential personal grievance claims (2018: nil).
- Council owns and manages closed landfills whose contents are unknown. Resource consents require regular monitoring of these landfills. Except for the former Hampden landfill, there are no known defects that might result in a claim, and Council believes defects at this site have been resolved and plans eventually to completely relocate the contents of this facility to the Palmerston landfill. Future changes to environmental conditions or land use may affect this position. Council has established a Provision for Closed Landfills to reflect the estimated future cost of its obligation – *see Note 19 for further information.*
- Council owns several forestry plantations, all classified as pre-1990 forest in terms of the emissions trading scheme. If this land is permanently de-forested, a de-forestation penalty may be incurred, the potential amount of which is unknown but which is unlikely to be incurred as Council has no current intention to de-forest any of its forest holdings. Council has been allocated and continues to hold carbon credits related to its forestry asset. *See Notes 11 and 12 for further information.*
- A Group member is conducting an investigation to ensure compliance with the Holidays Act 2003 due to specific circumstances where staff hours and patterns of work have varied. No conclusion has yet been reached as to whether there is likely to be any additional liability and, accordingly, no amounts have been included in this financial report.
- A Group member has established performance bonds amounting to \$1,245,292 (2018: \$1,499,517) to guarantee performance obligations under particular contracts. These bonds are released when performance criteria are met
- As a significant property owner, Council faces a number of issues, including:
 - Depending on the scale and timing of any structural strengthening or other mitigation work required following an assessment of the findings of the Canterbury Earthquakes Royal Commission of Inquiry, and statutory deadlines for its completion, Council may be required to reprioritise other capital expenditure; and
 - To mitigate the effect of extreme changes in insurance premiums following the Christchurch and Kaikoura earthquakes, Council has resolved to self-insure a range of assets, and to assume larger excesses in some cases. This strategy carries increased risk of financial loss, the potential impact of which cannot be accurately quantified. Council continues to monitor this risk and to consider ways by which it can practically limit its exposure. *See Note 10 – Insurance section – for further information.*

Notes to the Financial Statements

	Council Only		Consolidated	
	2019	2018	2019	2018
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 25: Financial Instruments

Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and the group have policies to manage these risks and to minimise exposure from its treasury activities. These policies do not allow any transactions that are speculative in nature.

- Market Risk**

Fair value interest rate risk

The risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Council's exposure is limited to any borrowing, short-term bank deposits and short- and longer-term investments in other entities, mainly Whitestone Contracting Ltd, North Otago Irrigation Company Ltd, Observatory Village Lifecare Ltd and major registered banks with which Council may have dealings.

Cash flow interest rate risk

The risk that cash flows from financial instruments will fluctuate due to changes in market interest rates. Borrowing and investments issued at variable interest rates expose Council to cash flow interest rate risk. Council's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements.

Currency risk

The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council does not enter into foreign currency transactions.

- Credit Risk**

The risk that a third party will default on its obligations causing Council to incur a loss. Due to the timing of cash inflows and outflows, surplus cash is invested with registered banks. Council's investment policy limits the amount of credit exposure to any one institution.

The maximum credit exposure for each class of financial instrument is the total carrying amount of cash equivalents, trade receivables and loans and receivables as summarised in the table below.

Community and other loans (Note 13)	29,292	28,702	32,158	31,141
Term deposits (Note 13)	600	4,250	1,854	6,885
Cash at bank (Note 14)	365	2,216	1,117	3,761
Accounts Receivable (Note 15)	6,408	6,613	11,390	10,521
Total Financial Instruments	<u>\$36,665</u>	<u>\$41,781</u>	<u>\$46,519</u>	<u>\$52,308</u>

No collateral is held as security against cash equivalents and some short-term community loans.

Credit Quality of financial assets that are neither past due nor impaired can be assessed by reference to credit rating or historic information about default rates.

Cash with institutions rated AA- or better by Standard and Poor's	965	6,466	2,971	10,646
Cash with other entities with no default history	29,292	28,702	32,158	31,141
Total Cash and Cash Equivalents	<u>\$30,257</u>	<u>\$35,168</u>	<u>\$35,129</u>	<u>\$41,787</u>

Notes to the Financial Statements

Note 25: Financial Instruments (continued)

- **Credit Risk (continued)**

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

Council has a significant geographic concentration of credit risk in the Waitaki District of New Zealand, but there are no other significant concentrations of credit risk. Council's largest receivable balance is the New Zealand Transport Agency, which owed 25.58% (2018: 17.93%) of the total debtors due to Council at balance date. The Southern District Health Board is the most significant debtor of Waitaki District Health Services Ltd.

- **Liquidity Risk**

The risk that Council will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Council maintains flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a Service target level of investments that mature within specified timeframes.

Council and other Group members have total bank overdraft facilities of \$1,750,000 (2017: \$1,750,000). Council has uncommitted facilities of \$15,000,000 (2018: \$15,000,000), and other Group members hold a further \$2,700,000 (2018: \$1,500,000) for the purposes of meeting borrowing needs, and had utilised \$1,200,000 of these facilities at balance date.

Subject to the continuance of satisfactory credit ratings, the facilities may be drawn down at any time.

Other Matters

Council has performed a sensitivity analysis and estimated that a change in interest rates of 1% would increase, or decrease, Council's reported operating surplus by approximately \$331,000 (2018: \$363,000).

Contractual Maturity Analysis

The tables on the following pages analyse financial assets and liabilities into relevant maturity groupings at balance date based on the remaining term to maturity date. Amounts disclosed represent undiscounted cash flows, including future interest payments, estimated based either on the contracted fixed rate or on the appropriate floating rate at balance date.

Notes to the Financial Statements

	Carrying Amount \$000	Contractual Cash flows \$000	Due within 1 Year \$000	Due between 1 & 2 Years \$000	Due between 2 & 5 Years \$000	Due later than 5 Years \$000
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Note 25: Financial Instruments (continued)

Council only - 2019

Other Financial Assets						
- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	29,292	32,630	896	18,274	6,622	6,838
Cash and Cash Equivalents	365	372	372	-	-	-
Trade and Other Receivables	6,408	6,408	6,408	-	-	-
Term Deposits	600	615	615	-	-	-
Total Financial Assets	41,722	40,025	8,291	18,274	6,622	6,838
Trade and Other Payables	6,447	6,447	6,447	-	-	-
Employee Entitlements	1,249	1,249	1,249	-	-	-
Total Financial Liabilities	7,696	7,696	7,696	-	-	-
Net Liquidity	\$ 34,026	\$ 32,329	\$ 595	\$ 18,274	\$ 6,622	\$ 6,838

Council only - 2018

Other Financial Assets						
- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	28,702	32,860	1,011	1,261	22,564	8,024
Cash and Cash Equivalents	2,216	2,256	2,256	-	-	-
Trade and Other Receivables	6,613	6,613	6,613	-	-	-
Term Deposits	4,250	4,378	4,378	-	-	-
Total Financial Assets	46,838	46,107	14,258	1,261	22,564	8,024
Trade and Other Payables	8,179	8,179	8,179	-	-	-
Employee Entitlements	1,126	1,126	1,126	-	-	-
Total Financial Liabilities	9,305	9,305	9,305	-	-	-
Net Liquidity	\$ 37,533	\$ 36,802	\$ 4,953	\$ 1,261	\$ 22,564	\$ 8,024

Notes to the Financial Statements

	Carrying Amount \$000	Contractual Cash flows \$000	Due within 1 Year \$000	Due between 1 & 2 Years \$000	Due between 2 & 5 Years \$000	Due later than 5 Years \$000
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Note 25: Financial Instruments (continued)

Group - 2019

Other Financial Assets						
- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	32,158	35,496	896	18,274	6,622	9,704
Cash and Cash Equivalents	1,117	1,137	1,137	-	-	-
Trade and Other Receivables	11,390	11,390	11,390	-	-	-
Term Deposits	1,854	1,910	1,910	-	-	-
Total Financial Assets	46,664	49,933	15,333	18,274	6,622	9,704
Borrowings	1,203	1,471	62	62	1,347	-
Trade and Other Payables	9,027	9,027	9,027	-	-	-
Employee Entitlements	4,102	4,102	4,042	-	60	-
Total Financial Liabilities	14,332	14,600	13,131	62	1,407	-
Net Liquidity	\$ 32,332	\$ 35,333	\$ 2,202	\$ 18,212	\$ 5,215	\$ 9,704

Group - 2018

Other Financial Assets						
- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	31,141	34,768	1,011	1,261	22,033	10,463
Cash and Cash Equivalents	3,761	3,829	3,829	-	-	-
Trade and Other Receivables	10,521	10,521	10,521	-	-	-
Term Deposits	6,885	7,092	7,092	-	-	-
Total Financial Assets	52,453	56,210	22,453	1,261	22,033	10,463
Borrowings	9	11	1	2	6	-
Trade and Other Payables	10,349	10,349	10,349	-	-	-
Employee Entitlements	4,114	4,114	3,998	-	116	-
Total Financial Liabilities	14,472	14,474	14,348	2	122	-
Net Liquidity	\$ 37,981	\$ 41,736	\$ 8,105	\$ 1,259	\$ 21,911	\$ 10,463

Notes to the Financial Statements

Note 26: Members' Interests Transactions

This information relates to Councillors and Community Board Members who, through their business and other external relationships, have, or may have, dealings with Council in a commercial context.

All transactions are assumed to have been undertaken at normal commercial rates in the normal course of business. All amounts are stated in whole dollars.

- Mayor Gary Kircher is a Trustee of:
 - The Observatory Village Charitable Trust (and associated entities), which is developing a retirement village in Ōamaru. Council provided planning and other services totaling \$105,427 (2018: \$6,780), and was owed \$49,676 (2018: \$6,780) at year end. Council also provided a grant of \$93,000, and had outstanding loans of \$11,656,638 (2018: \$11,086,818), on which it earned interest of \$386,247 (2018: \$288,035).
 - The Waitaki Whitestone Geopark Trust (and associated entities) which leads the development of the proposed UNESCO Geopark in the Waitaki district. In association with the Ministry of Business, Innovation and Employment, Council provided financial support of \$10,191 for the preparation of the Validation Business Case for presentation to UNESCO, and has committed a further \$19,809 towards completion of this project.
 - The Phoenix Mill Restoration Trust, which has restored the historic Phoenix Water Wheel with financial support from Council of \$13,908.
- Cr Colin Wollstein is a Director of North Otago Motor Group Ltd which, during the current year, provided vehicle maintenance services to Council amounting to \$8,083 (2018: \$6,087). At 30 June 2019, Council owed \$58 (2018: \$424).
- Cr Jeremy Holding is:
 - a Trustee of the Waitaki Community Recreation Trust which operates the Waitaki Community Recreation Centre. During the current year, the Trust received operating grants from Council and other services totaling \$79,520 (2018: \$76,000), and.
 - married to Cristy Holding, who has provided design and creative services to Council amounting to \$2,301 (2018: \$8,120).
- Kathy Dennison, Chair of the Waihemo Community Board, owns Palmerston Dental Surgery Ltd which rented premises to the value of \$5,000 (2018: \$5,000), and owed \$1,917 at year end (2018: \$958). The Dennison family is associated with Jeffrey Dennison Builders Ltd which undertook maintenance work on Council property amounting to \$22,417 (2018: \$77,872). Council owed \$Nil at year end (2018: \$44,566).
- Calum Reid, a member of the Ahuriri Community Board, is a Director and/or shareholder of several companies with which Council conducts business:
 - Calect Electrical Ltd – purchases by Council \$1,043 (2018: \$1,564) – Council owed \$nil at year end (2018: \$nil).
 - Waitaki Test & Tag Ltd - purchases by Council \$Nil (2018: \$3,031) - Council owed \$nil at year end (2018: \$nil).

Transactions with elected members, key management personnel and staff

As part of a normal customer relationship, Councillors and staff, including key management personnel, may undertake minor transactions with Council, including the payment of rates, registering of dogs and incurring and paying other fees and charges.

Close family members of Councillors, key management personnel and other staff may be employed by Council or other Group entities from time to time.

The terms and conditions of any such personal transactions or employment arrangements are no more or less favourable than would have been the case had there not been a relationship with the Councillor, key management personnel or other staff member.

Notes to the Financial Statements

Note 27: Related Party Transactions

Council is the ultimate parent of the Group, controlling four individual trading entities. Through shared directorships and other relationships, there are other related entities, but none over which Council can exert control.

All transactions between the parent and group members are completed on normal contractual terms, with payments made either in accordance with those contracts, or in the month following supply.

Entities listed may transact business between themselves, but the values of such transactions are not detailed here and are not considered material for the purposes of this disclosure.

<u>Entity and details of transaction</u>	Council only	
	2019 \$000	2018 \$000
<ul style="list-style-type: none"> Waitaki District Health Services Limited Services provided by Council 78 62 Balance owed to Council at year end 8 (4) 		
<ul style="list-style-type: none"> Tourism Waitaki Limited Services provided by Council 186 196 Balance owed to Council at year end 6 - Services provided to Council 600 623 Balance owed by Council at year end - 191 		
<ul style="list-style-type: none"> Whitestone Contracting Limited and Group Services provided by Council 124 89 Balance owed to Council at year end 15 44 Services provided to Council 4,665 5,503 Balance owed by Council 572 713 Dividends and Subvention payments made to Council 672 504 		
<ul style="list-style-type: none"> Ōmārama Airfield Limited Services provided by Council 24 24 Balance owed to Council at year end - - 		
<ul style="list-style-type: none"> North Otago Irrigation Company Limited (significant borrower) Interest charged by Council on funds advanced (Note 4) 567 558 Outstanding balance of Council loan funding (Note 13) 17,000 17,000 <i>The company is developing and operating a significant irrigation system in the district</i> 		
<ul style="list-style-type: none"> Observatory Village Lifecare Ltd & associated entities (significant borrower) Services provided by Council 105 7 Balance owed to Council at year end 50 7 Interest charged by Council on funds advanced (Note 4) 386 288 Grant to Observatory Village Lifecare Trust 93 - Outstanding balance of Council loan funding (Note 13) 11,657 11,086 <i>The company is developing and operating a retirement village complex in Ōamaru</i> 		

No provision is required and no expense has been recognised in relation to impairment of loans or other receivables due from related parties (2018: \$nil).

Notes to the Financial Statements

Note 28: Waitaki District Council: Funding Impact Statement for 30 June 2019 (whole of Council)

	Council Only			
	2019	2019	2018	2018
		Annual Plan		Annual Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General Rates, uniform annual general charge, rates penalties	7,040	7,018	6,963	6,969
Targeted Rates	24,317	24,214	23,163	23,107
Rates Revenue	31,357	31,232	30,126	30,076
Subsidies and grants for operating purposes	4,325	4,182	4,958	3,155
Fees and charges	6,325	6,125	5,912	5,570
Interest and dividends from investments	1,735	1,799	1,724	1,474
Local Authorities' fuel tax, fines, infringement fees and other receipts	1,580	1,206	1,702	1,128
Total operating funding	45,322	44,544	44,422	41,403
Application of operating funding				
Payments to staff and suppliers	38,644	35,524	36,024	33,342
Finance Costs	1	2	-	-
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	38,645	35,526	36,024	33,342
Surplus / (Deficit) of operating funding	6,677	9,018	8,398	8,061
Sources of capital funding				
Subsidies and grants for capital expenditure	4,647	4,873	3,503	6,296
Development and financial contributions	2,045	690	2,675	693
Increase / (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	(82)	258	955	265
Total sources of capital funding	6,610	5,821	7,133	7,254
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	6,321	3,218	8,913	11,809
- to replace existing assets	10,929	9,012	10,436	10,187
Total capital expenditure	17,250	12,230	19,349	21,996
Increase / (decrease) in Reserves	(3,963)	2,609	(3,818)	(6,681)
Increase / (decrease) in Investments	-	-	-	-
Total application of capital funding	13,287	14,839	15,531	15,315
Surplus/deficit of capital funding	(6,677)	(9,018)	(8,398)	(8,061)
Funding balance	-	-	-	-

Notes to the Financial Statements

	2019 Actual \$000	2019 Annual Plan \$000	2018 Actual \$000	2018 Annual Plan \$000
Note 29: Reconciliation of Funding Impact Statements by Group of Activity				
Operating Revenue				
Roads and Footpaths	4,662	4,665	5,435	3,611
Sewerage (Treatment & Disposal)	801	712	680	673
Stormwater Drainage	-	-	6	-
Water Supply	695	835	806	717
Waste Management & Minimisation	304	260	245	158
Arts, Culture & Community	546	657	660	612
Parks & Recreation	1,201	1,126	1,430	1,047
Democracy and Accountability	2	1	2	34
Economic Development and Property	3,819	3,108	3,227	2,747
Heritage, Environment and Regulation	2,594	1,905	1,727	1,681
Support Services (Net Allocated)	18,954	18,950	17,487	17,990
Operational Revenue per Activity FIS	33,578	32,219	31,705	29,270
Total Sources of Capital Funding				
Roads and Footpaths	4,037	4,028	3,619	4,226
Sewerage (Treatment & Disposal)	251	96	208	100
Stormwater Drainage	5	-	-	-
Water Supply	775	219	800	218
Waste Management & Minimisation	-	-	-	-
Arts, Culture & Community	-	-	23	2,000
Parks & Recreation	102	20	96	20
Democracy and Accountability	-	-	-	-
Economic Development and Property	996	1,208	1,994	489
Heritage, Environment and Regulation	423	175	320	175
Support Services (Net Allocated)	21	75	73	26
Capital Revenue per Activity FIS	6,610	5,821	7,133	7,254
Less Internal Charges and Overheads Recovered	(17,161)	(18,906)	(17,409)	(17,943)
Add total Rates	31,357	31,232	30,126	30,076
Revenue per Total Activities FIS	54,384	50,366	51,555	48,657
Remove increase/decrease in debt	-	-	-	-
Proceeds from sale of assets	(1,319)	(258)	(1,643)	(265)
Adjust Rate remissions offset against revenue	(253)	(240)	(241)	(242)
Adjust internal revenue	-	-	-	1
Revenue per Statement of Comprehensive Revenue and Expenditure	52,812	49,868	49,671	48,151

Notes to the Financial Statements

	2019 Actual \$000	2019 Annual Plan \$000	2018 Actual \$000	2018 Annual Plan \$000
Note 29: Reconciliation of Funding Impact Statements by Group of Activity (continued)				
Total Applications of Operating Funding				
Roads and Footpaths	8,607	7,335	8,569	7,072
Sewerage (Treatment & Disposal)	1,853	1,808	1,922	1,529
Stormwater Drainage	245	408	224	224
Water Supply	5,455	4,515	4,779	4,212
Waste Management & Minimisation	1,074	968	1,588	1,041
Arts, Culture & Community	4,664	4,337	4,293	4,097
Parks & Recreation	4,749	4,608	4,757	4,586
Democracy and Accountability	3,591	3,816	3,591	3,993
Economic Development and Property	3,977	3,817	2,622	2,882
Heritage, Environment and Regulation	5,570	5,258	3,991	4,338
Support Services (Net Allocated)	18,473	17,561	16,679	17,267
Total Operational expenditure per FIS	58,258	54,431	53,015	51,241
Less Internal Charges and Overheads Applied	(17,313)	(18,226)	(16,991)	(17,899)
Less internal charges included in capital	(763)	(681)	(419)	(503)
Adjust internal charges	-	-	(2)	1
Adjust Rate remissions offset against revenue	(253)	(240)	(241)	(240)
Add Depreciation and Amortisation	14,185	13,714	13,396	12,119
Expenditure per Statement of Comprehensive Revenue and Expenditure	54,114	48,998	48,758	44,719
Depreciation and Amortisation				
Roads & Footpaths	6,737	6,674	6,654	5,309
Sewerage (Treatment & Disposal)	1,183	1,031	1,022	1,013
Stormwater Drainage	272	222	223	222
Water Supply	1,980	1,819	1,656	1,649
Waste Management & Minimisation	45	56	57	54
Arts, Culture & Community	160	169	167	169
Parks & Recreation	883	981	951	1,014
Democracy, Accountability & Planning	-	-	-	-
Commercial & Development Activities	1,485	1,443	1,339	1,359
Regulation & Safety	34	26	36	32
Support Services (Net Allocated)	1,406	1,292	1,292	1,298
Total Depreciation and Amortisation charges	14,185	13,714	13,396	12,119

Notes to the Financial Statements

Note 30: Explanation of Major Variances against Budget and the prior period

Variances in revenue and expenditure to the prior year, and to budget, are generally detailed in the financial commentary in each activity area.

The following provides further information concerning significant or unusual variances:

Council only	2019 Actual \$000	2019 Annual Plan \$000	2018 Actual \$000
Revenue			
Rates	32,116	31,835	30,779
<i>Refer to Note 1 for further analysis</i> Rates are levied in accordance with Finance Policies and the 2018-28 Long Term Plan. Variances from budget may arise from subdivision activities and other changes in the rating database between the adoption of the Plan and the striking of the annual rates. Rates revenue includes Penalties on overdue Rates and can also be affected by changes in volumes of water consumed			
User Charges	4,950	4,348	5,116
Significant variances:			
• Property rentals	1,878	1,764	1,752
• Forestry activities	-	-	218
• Water, sewer and stormwater connection charges	425	322	518
• Insurance claim proceeds	193	-	130
Government Grants	9,191	8,496	8,160
<i>Refer to Note 2 for further analysis</i> The Ministry of Justice funded elements of the redevelopment of the Ōamaru Courthouse, and Council received unbudgeted funding from the Ministry of Business, Innovation and Employment for construction of public toilets and for repairs to the Alps2Ocean Cycletrail following flood damage.			
Other Grants and Donations	504	636	422
<i>Refer to Note 3 for further analysis</i> Grants were received from Trust Aoraki and the Meridian Community Fund via the Friends of the Alps2Ocean Cycletrail for on-going construction of the Trail, but several other projects did not proceed as planned			
Other Non-trading Gains / (Losses)	(1,539)	-	(724)
<i>Refer to Note 5 for further analysis</i> Forestry assets increased \$16k due to improved log prices (2018: increase \$52k) but no logging was undertaken (2018: gains of \$60k). Losses on disposal of Fixed Assets were (\$2,247k) (2018: (\$1,751k)), while gains on disposal were \$692k (2018: \$915k)			
Expenditure			
Personnel Costs	12,325	12,489	10,822
<i>Refer to Note 6 for further analysis</i> Staff numbers increased as part of a strategy to reduce reliance on external service providers.			
Depreciation and amortisation	14,185	13,714	13,396
<i>Refer to Notes 10 and 11 for further analysis</i> Increased charges arose from the three-yearly revaluation of Water, Sewer and Stormwater infrastructure completed in July 2018, which produced a higher value than budgeted			

Notes to the Financial Statements

Note 30: Explanation of Major Variances against Budget and the prior period (continued)

Council only	2019 Actual \$000	2019 Annual Plan \$000	2018 Actual \$000
Other expenses	26,064	22,793	24,540
<i>Refer to Note 7 for statutory disclosures</i>			
Other significant variances:			
• Contractors, maintenance and other works	14,853	13,890	14,958
• Consultants	1,724	1,320	1,436
• Electricity	1,810	1,629	1,728
• Dredging	180	480	-

Balance Sheet items			
Property, Plant & Equipment	793,768	819,145	770,691
<i>Refer to Note 10 for further analysis</i>			
The triennial revaluation of Water infrastructure was expected to increase the value of the assets by \$6.621m, but actually resulted in an increase of \$22.690m. The LTP budget included the value of Land Under Roads, but when completing the Annual Report for 2018, this asset value was reduced by \$38m			
Cash and Cash Equivalents	365	2,234	2,216
Other Financial Assets – Term Deposits	600	5,500	4,250
<i>Refer to Notes 13 and 14 for further analysis</i>			
Funds on hand were below budget due to significant progress on capital projects, urgent repairs required to the Forrester Gallery and further lending to support the Observatory Village development			
Loans to other entities – non-current asset	29,252	26,920	28,606
Loans to other entities – current asset	40	1,366	96
<i>Refer to Note 13 for further analysis</i>			
Unexpected demand for residential units at the Observatory Village retirement complex, and the resulting decision to bring forward development of Stage 3, Council agreed to a revised principal repayment structure, deferring the payment budgeted for the 2019-20 financial year.			
Receivables	6,408	3,666	6,613
<i>Refer to Note 15 for further analysis</i>			
Amounts owed by NZ Transport Agency at year end, resolution of an outstanding insurance claim related to adverse weather events in July 2017, and finalisation of funding claims for the Alps2Ocean Cycletrail have resulted in Receivables exceeding budget at year end			
Provisions – non-current	364	358	719
Provisions – current	292	15	309
<i>Refer to Note 19 for further analysis</i>			
Projected costs for landfill capping and future monitoring of the site are reassessed annually. The change in the provision in 2019 reflects revised expectations of the amount of fill needed, and the methodology to be used in completing capping works at the closed Ōamaru landfill site			

Statement of Cash Flows			
Net Cash from Operating Activities	11,429	14,100	13,034
Net Cash from Investing Activities	(13,280)	(14,016)	(15,301)
<i>Refer to the Statement of Cash Flows for further analysis</i>			
Completion of major capital works, essential maintenance at the Forrester Gallery, and additional lending to support the Observatory Village development, has adversely affected Council's available cash position at year end			

Notes to the Financial Statements

Note 31: Events subsequent to Balance Date

- Subsequent to year end, Council completed a review of its banking arrangements and established a Customised Average Rate Loan facility with a limit of \$5,000,000 to replace an existing “stand-by” facility of the same amount, increased its stand-by Disaster facilities from \$10,000,000 to \$15,000,000, and reduced the overdraft facility from \$750,000 to \$250,000.
- In August 2019, Council received a special dividend of \$100,469 related to its investment in Civic Financial Services Ltd. Also in August, the Ministry of Business, Innovation and Employment approved funding of \$635,000 towards on-going development of the Alps2Ocean Cycletrail, and \$170,000 to encourage responsible camping and maintain tourist facilities.
- In late September 2019, the Office of the Auditor General determined that the Observatory Village Charitable Trust and associated entities are subject to the control of Waitaki District Health Services Ltd and must be consolidated into that company’s group and, as a result, impact Council’s Group for financial reporting purposes. Because control is only inferred and does not practically exist, and as the required consolidation would conceal key elements of the Trust’s relationships with both Council and Waitaki District Health Services Ltd, the Auditor General’s determination has not been accepted and is disputed by all entities involved. As a consequence, the required consolidation has not been undertaken, and so is not included in Council’s group financial statements.

Had the required consolidation been completed, it is estimated that the following changes would have been required in the Group financial reports:

Element		Monetary impact \$000
Statement of Comprehensive Revenue and Expense		
Rates Revenue	Reduced	(46)
User Charges	Increased	4,895
Regulatory Charges	Reduced	(105)
Other Grants & Donations	Increased	13
Finance Revenue	Reduced	(360)
Expenses	All categories - increased	1,016
Operating Surplus	Increased	3,343
Revaluation gain	Increased	3,442
Statement of Financial Position		
<u>Asset categories:</u>		
Property, Plant and Equipment	Increased	32,159
Loans to other entities	Reduced	(14,463)
Cash and Cash Equivalents	Increased	368
Receivables	Increased	280
<u>Liability categories:</u>		
Trade and Other Payables	Increased	1,582
Occupation Right Agreements	New category of Liability	11,575
Finance Lease Liabilities	New category of Liability	32
Equity	Increased	5,155

- In early October 2019, the Office of the Auditor General determined that the Waitaki Whitestone Geopark Trust was subject to the control of Waitaki District Council and, accordingly, must be consolidated into Council's Group for financial reporting purposes. Because control has only been inferred and does not practically exist, and because the required consolidation would serve to conceal key elements of the Trust's relationships with Council, the Auditor General's determination has not been accepted and is currently being disputed. As a consequence, the required consolidation has not been undertaken, and so is not included in Council's group financial statements.

Had the required consolidation been completed, it is estimated that the following changes would have been required in the Group financial reports:

Element		Monetary impact \$000
Statement of Comprehensive Revenue and Expense		
Government Grants	Increased	92
Expenses	Increased	92
Statement of Financial Position		
<u>Asset categories:</u>		
Cash and Cash Equivalents	Increased	31
Receivables	Increased	69
<u>Liability categories</u>		
Trade and Other Payables	Increased	100

There were no other events arising since balance date relating to Council activities that require either adjustment in these financial statements, or disclosure in this Annual Report.

Opportunities for Māori to Contribute to the Decision Making Process

Existing Arrangements

Waitaki District Council acknowledges Māori as people with whom there is a special relationship. Council is committed to giving effect to the principles and intent of the Treaty of Waitangi, and to engaging in genuine and appropriate consultation with Māori.

Council has in place a Memorandum of Understanding with Te Rūnanga o Moeraki to guide the ongoing relationship between Council and the Rūnanga. Council also has a Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust Board.

Council continues to focus on its wider role including:

- Encouraging Māori contribution to decision-making processes of all Council activities, not simply decisions under the Resource Management Act
- Reference to Māori rather than to Tangata Whenua, thus including Mana Whenua and Taura Here
- Reference not only to enabling contribution to decision-making but also to fostering Māori capacity to contribute

Principal Advisors

Auditors

Audit New Zealand - for and on behalf of the
Controller & Auditor General

Bankers

Bank of New Zealand
Ōamaru

ANZ Banking Group
Ōamaru

ASB Bank
Auckland

Westpac Bank
Dunedin

Insurance Brokers

Aon NZ Limited

Dunedin

Solicitors

Anderson Lloyd
Dunedin

Dean and Associates
Ōamaru

Hope and Associates
Ōamaru

Simpson Grierson
Wellington

Glossary of Terms

These definitions are intended to define terms used in the Annual Report. For legal definitions see the Local Government Act 2002

Annual Plan

A plan describing activities Council will do, the reasons for doing them, the performance measures used and how much revenue and expenditure it needs to undertake each activity

Activities

All the things that the Council does

Building Act

Building Act 2004

Community Boards

Local elected bodies set up under the Local Government Act 2002. Boards are consulted by Council and present community concerns to Council. Waitaki District Council has two Community Boards: Ahuriri and Waihemo

The Outcomes We Want for Our District

As part of the 2018-28 Long Term Plan, Council agreed a number of outcomes we want for our district to promote social, environmental, economic and cultural wellbeing. Further details can be found on page 12 of the 2018-28 Long Term Plan and on Council's website www.waitaki.govt.nz

CV

Capital Value

Development Contributions (DC)

A development contribution / financial contribution is a charge levied on sub-dividers and developers to help pay for new, upgraded, or extended water supply, sewer or roading infrastructure that must be provided to service the new subdivisions or developments. DCs are in addition to the requirement that the owners reticulate all of the new sections or buildings at their cost

Dog Control Act

Dog Control Act 1996 and Dog Control Amendment Act 2003

Efficiency

A test of whether a system or funding tool uses a reasonable amount of resources to allocate costs

Food Act

Food Act 2014

General Rates

Rates levied for the general purpose of the local authority. Council may make and levy a general rate on every rateable property. This may be:

- A uniform rate in the dollar of property value on all properties; or
- A differential rate in the dollar of property value on all properties;
and
- A uniform annual general charge per separately rateable property

Health Act

Health Act 1956

Indicator

Flag or signal. Summary data that represents an issue of concern or measures progress toward achieving an objective or outcome

Infrastructure

Roads, bridges, water supplies, drainage systems, buildings, landfills and transfer stations

Intergenerational Equity

The concept that the cost of a service should be fairly spread over the life of the assets, so that all people who benefit contribute a fair share

Land Transport Management Act

Land Transport Management Act 1998

Land Value

Market value of the land at time of valuation

Local Government Act 2002 (LGA)

The law that defines the powers and responsibilities of territorial local authorities like Waitaki District Council

LTP

Long Term Plan 2018-28 (renamed in 2012 from the Long Term Council Community Plan)

NZ GAAP and NZ IFRS

A set of accounting standards that Council is required to observe in its public reports

Glossary of Terms

NZTA

New Zealand Transport Agency

Operating Expenditure

Expenditure for the normal services of the Council

Outcome

A desired state of affairs

Rates

Funds collected by the Council from levies on property. These are based on capital value or land value of the property but the term is often used to include Service targeted Rates

Reserves Act

Reserves Act 1977

RMA

Resource Management Act 1991 and any amendments

Service targeted Rates (TR)

Rates levied for undertaking a specified function or for providing any specified service for the benefit of all or part of the district. Service targeted Rates must be applied only to the purpose for which they are levied, and may be in the form of:

- A uniform rate in the dollar of property value on all properties
- A differential rate in the dollar of property value on all properties
- A Service targeted Rate per separately rateable property (TR)

Sale and Supply of Alcohol Act 2012

(Replaces Sale of Liquor Act 1989)

Wastewater

Wastewater is a combination of liquid wastes which may include chemicals, house wastes, laundry wastes, toilet wastes, animal and vegetable matter in suspension or solution and other wastes discharged from residential, business and industrial establishments