



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Annual Report

**for the year ended
30 June 2020**

Table of Contents

Introduction from the Mayor and Chief Executive	4
Our Strategic Framework	9
Our Planning Cycle	10
Community Outcomes.....	11
Council Only - Financial Summary.....	18
Council Only - Financial Disclosures	19
Statement of Compliance and Responsibility	25
Groups of Activities	26
Council	27
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Democracy and Accountability.....	30
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Support Services.....	31
Economic Development and Property	32
Economic Development	32
Economic Development and Property	33
Property Management & Investment	33
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Economic Development and Property	37
Heritage, Environment and Regulation	38
Heritage and Planning	38
Heritage, Environment and Regulation	39
Regulatory and Environmental	39
Heritage, Environment and Regulation	40
Community Development and Engagement.....	40
Heritage, Environment and Regulation	41
Community Development and Engagement.....	41
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Heritage, Environment and Regulation.....	49
Infrastructure and Services	50
Roads and footpaths	51
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Roads and Footpaths.....	57
Water, Stormwater, Wastewater & Waste Management & Minimisation.....	58
Water Supply	58
Water, Stormwater, Wastewater & Waste Management & Minimisation.....	61
Stormwater.....	62
Water, Stormwater, Wastewater & Waste Management & Minimisation.....	63
Wastewater	63
Water, Stormwater, Wastewater & Waste Management & Minimisation.....	66
Waste Management and Minimisation.....	66
Water Supply.....	67
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Water Supply	71
Stormwater.....	73

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Stormwater	74
Wastewater	75
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Wastewater	78
Waste Management and Minimisation	79
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Waste Management and Minimisation	80
Parks and Recreation	81
Waitaki District Council: Funding Impact Statement for 30 June 2020 for Parks and Recreation	88
Arts, Culture and Community	89
Waitaki District Libraries	89
Arts, Culture and Community	91
Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki	92
Oamaru Opera House	93
Waitaki District Council: Funding Impact Statement for 30 June 2019 for Arts, Culture and Community	98
Council Controlled Organisations	99
Tourism Waitaki Limited	100
Waitaki District Health Services Limited	101
Whitestone Contracting Limited	102
Omaru Airfield Limited	103
Financial Statements	104
Statement of Comprehensive Revenue and Expenditure	105
Statement of Changes in Equity	106
Statement of Financial Position	107
Statement of Cash Flows	109
Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities	110
Statement of Accounting Policies	111
Notes to the Financial Statements	115
Opportunities for Māori to Contribute to the Decision Making Process	176
Principal Advisors	177
Glossary of Terms	178

Introduction from the Mayor and Chief Executive

The 2019/20 Annual Report presents Council's progress and performance against the second year of the 2018-28 Long Term Plan from 1 July 2019 to 30 June 2020. This Annual Report is an opportunity to reflect on the year and report to the community on the progress Council has made towards achieving what 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.

The COVID-19 pandemic has swept the world and caused huge disruption to everyday life everywhere. Across New Zealand this has been true as well, though Waitaki has so far fared better than many districts. However, we are very aware that this is still a challenging time for a number of our residents and we have taken this into account in our operations.

While some of the highlights for the year are outlined below there is much more that has been delivered across all areas of Council.

New Council

Following the election in 2019 Waitaki gained 4 new Councillors who brought greater diversity to the governance table. This includes some younger Councillors and our first Pasifika Councillor, but most importantly, it added new skills to our team.

Since that time there has been a significant effort put into the induction by staff, which was aimed at the new Councillors but in which all Councillors took part. The governance team has also focussed on improving its performance as a team. This has included a full governance review, a review of the Council's vision and strategic goals, and a focus on reviewing policies which help guide staff.

Reputational Result

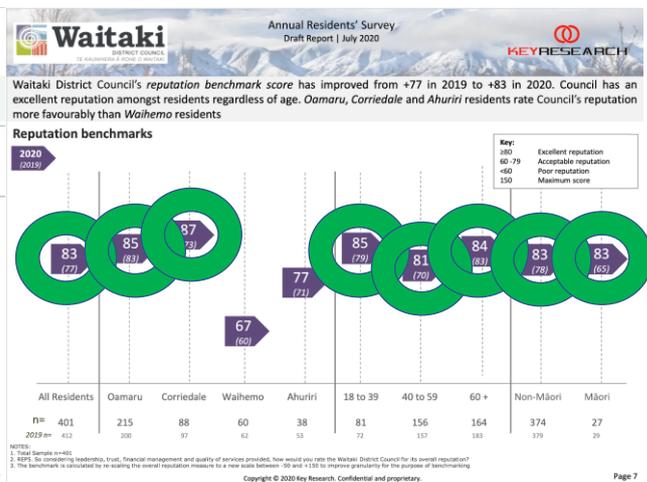
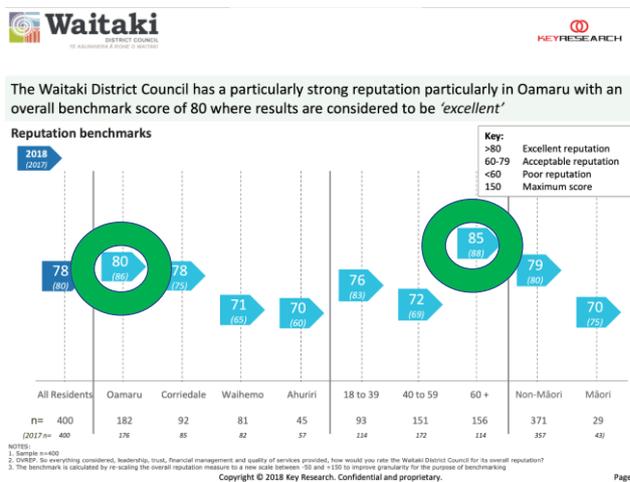
Despite the chilling effect of COVID-19 lockdown on sentiment, Council was pleased to see a significant improvement in its overall reputation amongst the 10 segments of the Waitaki population monitored each year. Key Research analyses Council's reputation benchmarks in 10 segments of the community (including all residents, Ōamaru, Corriedale, Waihemo, Ahuriri, those aged 18 - 39, those aged 40 – 59, those aged 60+, non-Māori, and Māori).

In 2018, 'excellent' reputation scores were achieved for (a) Ōamaru and (b) those aged 60+.

In 2020, 'excellent' reputation scores increased considerably and were achieved for each of the categories (a) all residents, (b) Ōamaru, (c) Corriedale, (d) those aged 18 – 39, (e) those aged 40 to 59, (f) those aged 60+, (g) non-Māori, and (h) Māori. Our focus on performance and delivery of services will continue as the organisation plays its part in making Waitaki the best place to live, work and play.

2018

2020



'EXCELLENT' REPUTATION SCORES

Financial Result

We've ended the year with a deficit of \$3.12 million. This has arisen due to a number of factors, including the impact of the COVID-19 pandemic which has seen numerous Council activities interrupted and projects deferred, and also to the requirement to write off assets abandoned and decommissioned following recent water infrastructural upgrades. This year has also seen Council advance funds to both the Kurow-Duntroon Irrigation Company and to Waitaki District Health Services Ltd, and arrange external borrowings for the first time in five years.

Council's financial position remains sound despite this operating 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 3.5% rates increase for the year ending 30 June 2021. In recognition of the fact that this is still a challenging time for a number of our residents we worked towards an average zero percent change instead.

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.

Water

During 2019/20 a new portfolio structure was developed for the 3 Waters team to help optimise the delivery of our 3 Waters activities to address current and emerging risks, challenges and opportunities. The structure also aligns Council's strategic objectives and the Government's 3 Waters reform programme priorities.

The five portfolios – Policy and Service Levels, Planning and Systems, Design and Construction, Operations and Maintenance, and Compliance and Regulation - address key aspects of the asset management cycle for 3 Waters and provide a sound basis for effective collaboration and building capability within the team. They are also used in this report as the basis for outlining what we did during the year.

The new structure helped significantly during the COVID-19 lockdown period in March and April, when the team was able to mobilise quickly to implement responses which maintained service continuity for businesses and the community.

Roads

During 2019/20 we have continued with a programme of maintaining the road network assets, improving the road surface conditions, drainage improvements to mitigate water damage, and improving sealed road width, which has reduced maintenance costs. Procurement of works is through public tender processes where multi-year performance contracts are one method of recognising best value services. Road safety programmes have been targeted to address problem intersections, and to include walking and cycling safety.

Repairs to bridges have included strengthening to respond to developing high productivity motor vehicle routes in forestry and dairy production areas.

Parks and Recreation

The contribution that 'open space' makes to community physical and mental health and wellbeing became very evident during lockdown. These spaces were one of the few things communities were able to utilise and the importance of having these in close proximity to residential properties was apparent.

During the year, we retendered our parks maintenance contract with our incumbent contractor successfully submitting a winning bid with a number of changes being made to improve their service delivery to the community.

Culture Waitaki - Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki Libraries

The Library is continuing to support the SkinnyJump initiative that provides cheap internet to eligible people. During COVID-19 we were able to deploy dozens of heavily subsidised modems to jobseekers, rural families, Māori and Pasifika, low socio-economic families, people with disabilities, migrants, refugees, and seniors. We had feedback after lockdown from people working in these communities that these modems "turned out to be lifesavers."

Forrester Gallery

The Forrester Gallery, which had been closed to the public since December 2018, reopened on 13 June 2020. The relaunch of the Forrester Gallery has been successful with an informal qualitative survey revealing 99% positivity with the experience. The Gallery will complete its stage one upgrade later in 2020 with the installation of new collection storage furniture supported by external grants from the JD Stout Trust and Otago Community Trust.

Oamaru Opera House

As part of the Waitaki Arts Festival the Opera House had the Red Leap Theatre Company in residence for the week leading up to the world premiere of *Owls Do Cry* in October 2019. Derived from the book by Ōamaru author Janet Frame – *Owls Do Cry* went on to have a sell-out season in Auckland.

Economic Development

Council played a central role in responding to the COVID-19 pandemic. We made sure that the District had a central place to go to for information, modelled the impacts on the District, ran focus groups with industry sectors to see how we could help, and developed the operating procedures for Council's Support & Stimulus Fund. This work has strengthened our connections with central Government, local businesses, iwi and a wide range of community groups. The Communications Team acted as Public Information Managers for Civil Defence, liaising with Regional and National Civil Defence Emergency Management, and packaging and communicating key public health and safety messages across Waitaki in a variety of mediums to ensure the widest possible reach.

Community Housing

A number of units were renovated following the departure of tenants to improve our assets and ensure compliance with the healthy homes legislation. In addition to Council staff communicating with tenants we also have Age Concern contracted to undertake two visits per year; considered 'welfare checks'. These visits have helped to identify focus areas to work with Age Concern and welfare groups to assist our vulnerable elderly to live not only an easier, and comfortable, but safer life in the Waitaki District.

Oamaru Harbour

Major deferred maintenance was carried out on a range of harbour infrastructure including dredging the harbour to ensure safe use. 25,000m³ of material was removed and the harbour now has a channel depth of 4.5m at low tide.

Holmes Wharf piles were replaced as necessary and upgraded, with work on redecking started. This work will continue into the coming year and will ensure Holmes Wharf is safe for use and will meet community needs in the future.

Heritage, Environment and Regulation

Regulatory and Environmental

The refurbished dog pound in Ōamaru became operational from November 2019 providing a much warmer and noise reducing environment for the dogs and neighbouring residents. The section has been landscaped and space provided for two team members to operate from there. There are 6 dog bays and separate exercise areas to allow for dog and staff safety.

Building Services

This year has been a period of consolidation for Building Services. During the first half of the year the focus of attention was on embedding and optimising the newly introduced e-services. The transition from paper to fully digital for receiving building consent applications, consent processing and inspecting has been well received by both Industry and staff. March 2020 saw the team in lockdown for COVID-19 and our digital platform proved invaluable in being able to maintain consent processing seamlessly from home.

Over the year the team are pleased to have had the opportunity to support two flagship projects, Mitre 10 Mega and the Tyne Street motel. Both these will add significant value to our community.

Heritage and Planning

There was a high level of growth in the Waitaki District over the first half of the 2019/20 year which was challenging to manage.

There have been some large developments consented including; Kurow-Duntroon Irrigation Company pipeline, Macraes Mine notified and non-notified consents, substantial subdivision applications, and consenting and compliance issues within and around the Ōamaru town centre.

Community development and engagement

The work of Safer Waitaki and our Non-Governmental Organisations was vital during the COVID-19 lockdown. The network was well utilised and had a very positive impact, with the collaboration of systems and organisations resulting in some amazing outcomes. Some examples of the positive outcomes include; being able to work closely with the Pasifika Community to ensure people's needs were met, and coordination with the Emergency Operations Centre and local providers to enable and support a local response across a range of issues.

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.

We are proud of the way our team adapted to respond to COVID-19 and we are confident that we can meet future challenges and continue to support our community going forward.



A handwritten signature in black ink, appearing to be 'Fergus Power'.

Fergus Power
Chief Executive

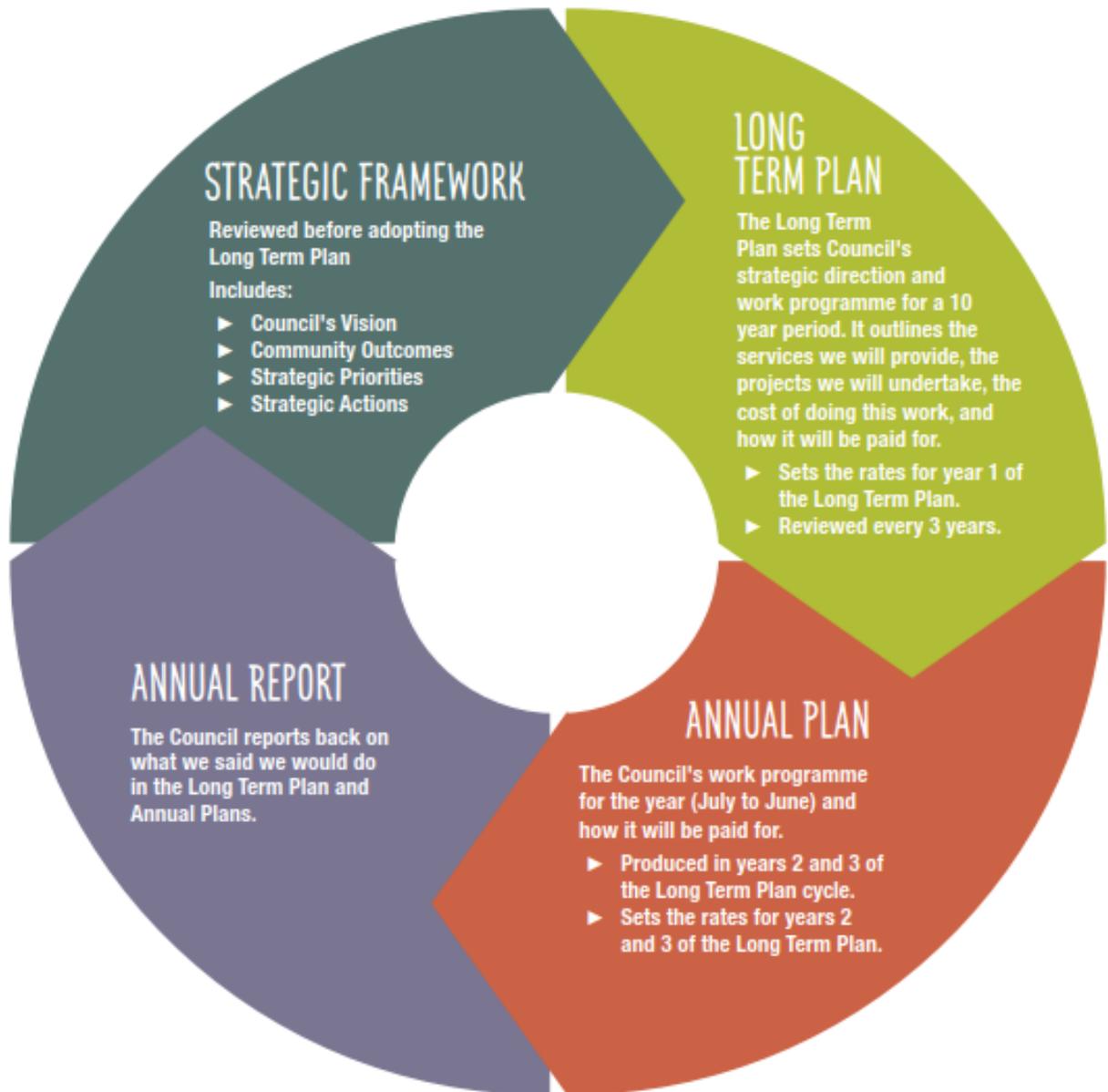
A handwritten signature in black ink, appearing to be 'Gary Kircher'.

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 2020

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, Rudie Tomlinson, 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 15 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 105 to 162 and pages 164 to 175:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020; and
 - 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; and
- the funding impact statement on page 163, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement of service performance on pages 27 to 103:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - 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 30 to 31, 37, 49, 57, 71, 74, 78, 80, 88 and 98, 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 30 to 31, 37, 49, 57, 71, 74, 78, 80, 88 and 98, 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 19 to 24, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s Long-term plan and annual plans.

Emphasis of matter – impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council and Group as set out in note 35 to the financial statements. We draw specific attention to the following matter due to the significant level of uncertainty caused by Covid-19:

- ***Investment Property***

Note 11 on page 138 describes that in respect of estimating the fair values of the Group’s investment property the valuer has highlighted that the valuation is reported on the basis of “material valuation uncertainty”.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council 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 Statement of Service Performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council and Group.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council 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 4 to 12, 18, 25 and 176 to 179, but does not include the audited information and the disclosure requirements.

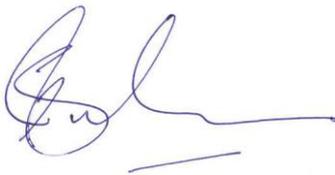
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

We are independent of the District Council and 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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in blue ink, appearing to read 'Rudie Tomlinson', with a horizontal line underneath.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

Council Only - Financial Summary

Financial Statistics

Council Only	Actual 2020	Annual Plan 2020	Actual 2019
Proportion of Rates to Total Income (%)	63.6%	60.8%	61.1%
Proportion of Rates to Total Expenditure (%)	60.2%	62.8%	59.3%
Total rating assessments (at the previous 1st of July)	13,812	13,810	13,659
Average Rates per rateable property	\$2,331.84	\$2,328.40	\$2,351.27
Average Expenditure per rateable property	\$3,876.31	\$3,706.28	\$3,961.78
Net Debt - External (percentage of Total Assets)	0.8%	0.0%	0.0%
Net Debt - Internal (percentage of Total Assets)	2.80%	3.61%	2.69%
Net Debt - External (per rateable property)	\$535.77	\$0.00	\$0.00
Net Debt - Internal (per rateable property)	\$1,885.68	\$2,218.41	\$1,650.71
Current ratio	0.69	1.70	1.08
<i>Ratio of Current Assets to Current Liabilities</i>			
Liquid ratio	0.68	1.93	1.15
<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	2020 \$000	2019 \$000	2018 \$000	2017 \$000	2016 \$000
Rates revenue	32,833	32,116	30,779	30,303	30,375
Net Operating Surplus/(Deficit)	(3,124)	(1,597)	913	1,531	1,320
Cashflows					
Operating Activities	14,076	11,429	13,034	15,316	15,486
Investing Activities	(21,282)	(13,280)	(15,301)	(13,296)	(19,841)
Financing Activities	7,400	-	-	-	-
Net Increase/(Decrease) in cash held	194	(1,851)	(2,267)	2,020	(4,355)
Net Public Debt - External	7,400	-	-	-	-
Net Public Debt - internal	26,045	22,547	24,326	22,673	23,943
Total Assets	929,715	839,526	819,934	769,436	757,918

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 2019
Total Rateable Properties	13,812
Total Land Value of the District	\$4,243,051,450
Total Capital Value of the District	\$8,391,551,600

Council Only - Financial Disclosures

Annual Report Disclosure Statement for the year ended 30 June 2020

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

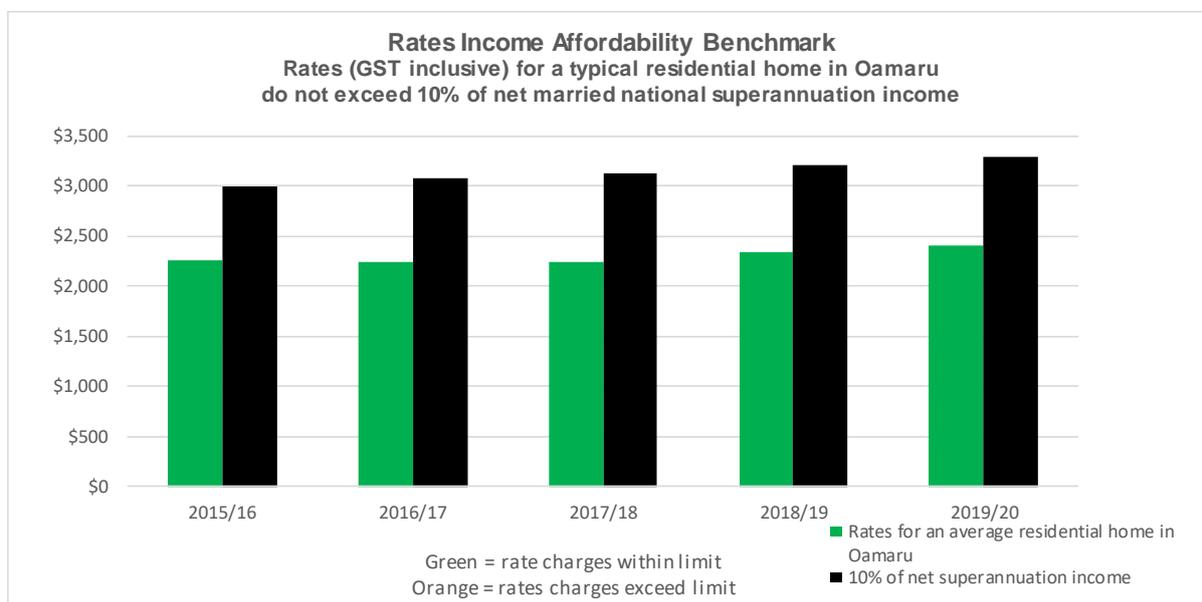
Council meets the Rates Affordability benchmarks when:

- 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.



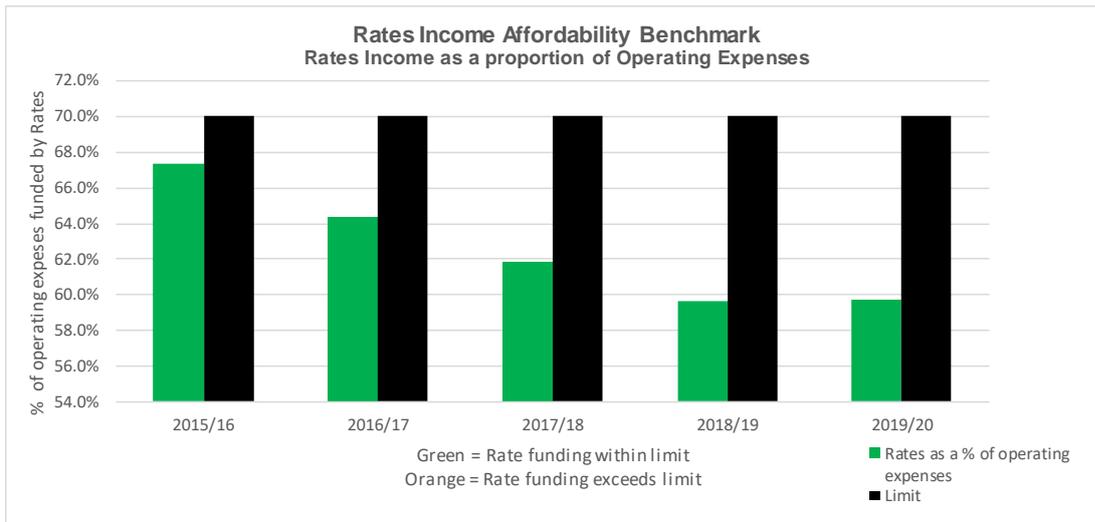
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Rates Affordability Benchmark (continued)

Rates Revenue Affordability

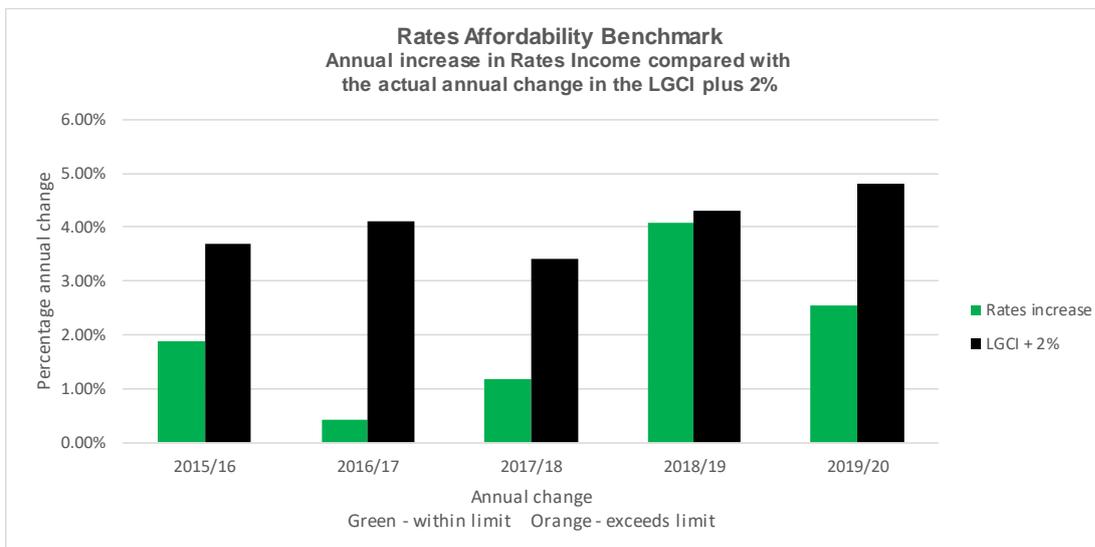
This graph compares Council's rates revenue with a quantified limit on rates contained in the financial strategy appearing in Council's 2018-28 Long Term Plan. The quantified limit on total rates is that revenue raised from rates should fund no more than 70% of total operating expenditure.



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.

Debt Affordability

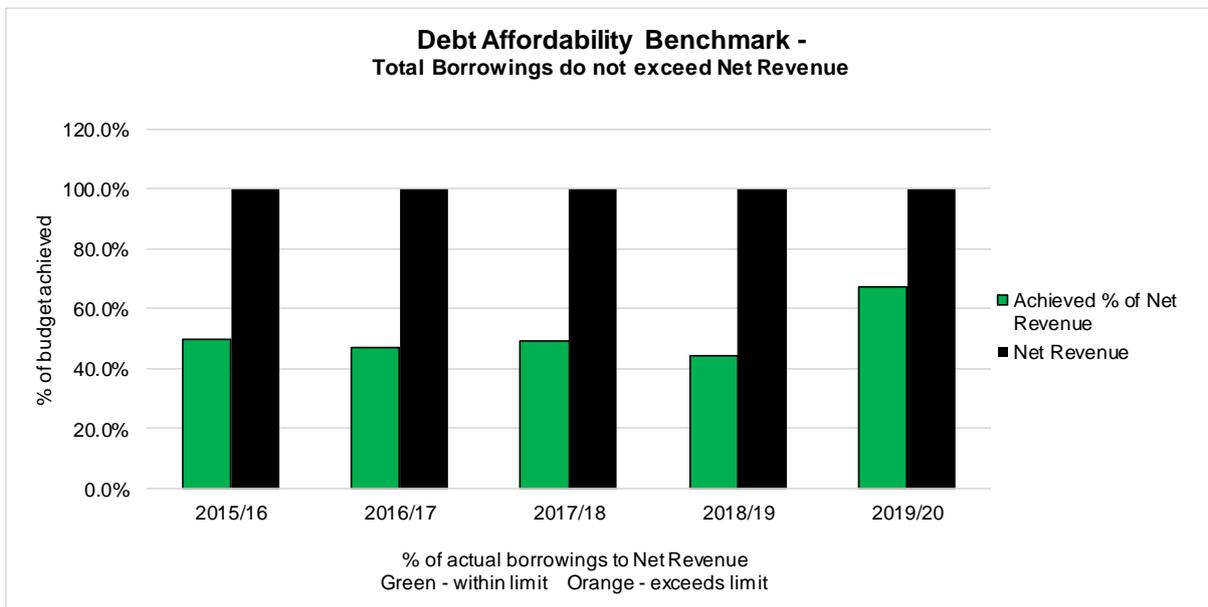
Actual borrowing is compared with the quantified limit on borrowing contained in the Financial Strategy appearing in Council’s 2018-28 Long Term Plan

Council has over many years developed a strategy of funding capital works internally, through the use of depreciation reserves, development contributions and internal loans. These Internal loans do not appear in Council’s Statement of Financial Position, but are detailed in Note 22.

The Financial Strategy in the 2018-28 Long Term Plan set a quantified limit on internal debt, such that internal debt should not exceed total revenue (net of Development and Financial Contributions and Vested Assets). During the 2020 financial year, Council started using external funding sources, a development that was not contemplated when completing the 2018-28 LTP.

Regardless, it is appropriate to apply the same quantified limit to total borrowings, including both internal and external. No limit existed 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, the benchmark is achieved when total borrowings are less than revenue as defined above.



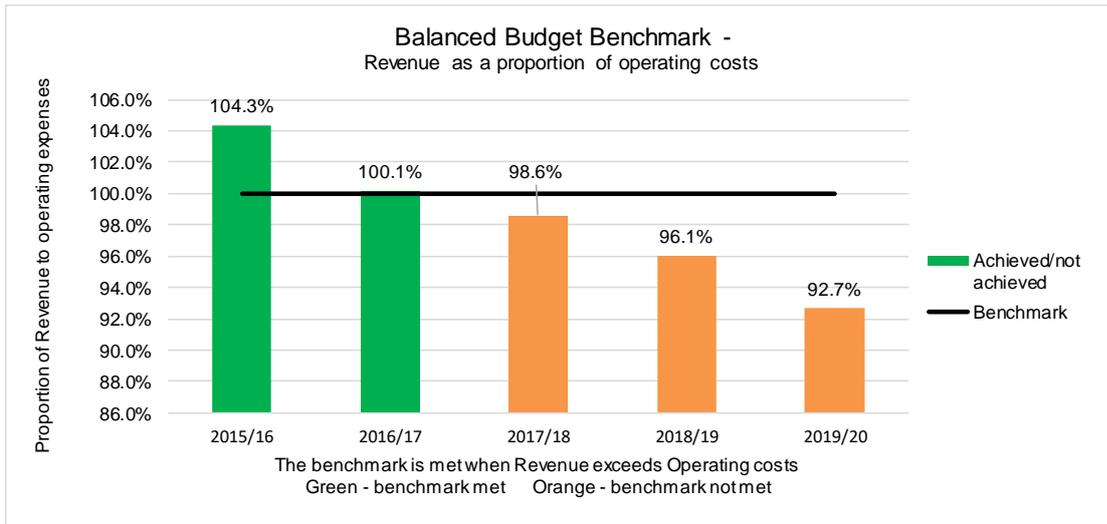
Council Only - Financial Disclosures

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.

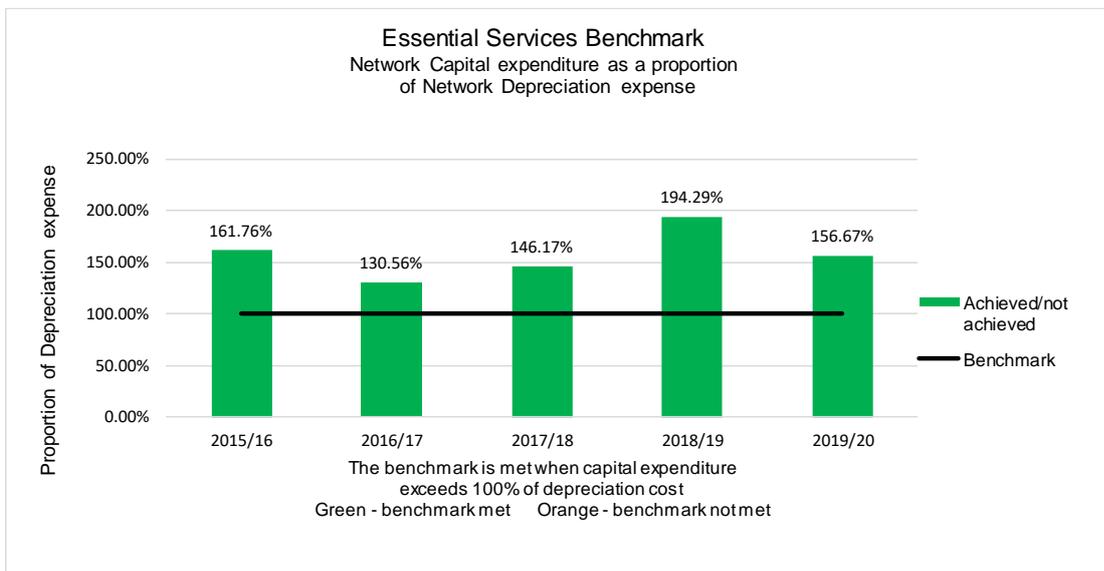
DCs are not available to fund operating expenditure, but to fund future growth and expansion of the capacity of Council’s infrastructure, while vested assets and asset revaluations do not involve the receipt of cash, or entitlement to receive cash, as do other forms of operating revenue.



Operating costs in 2020 include continued unplanned maintenance at the Forrester Gallery, as well as unforeseeable impacts on operations arising from the COVID-19 pandemic, 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.



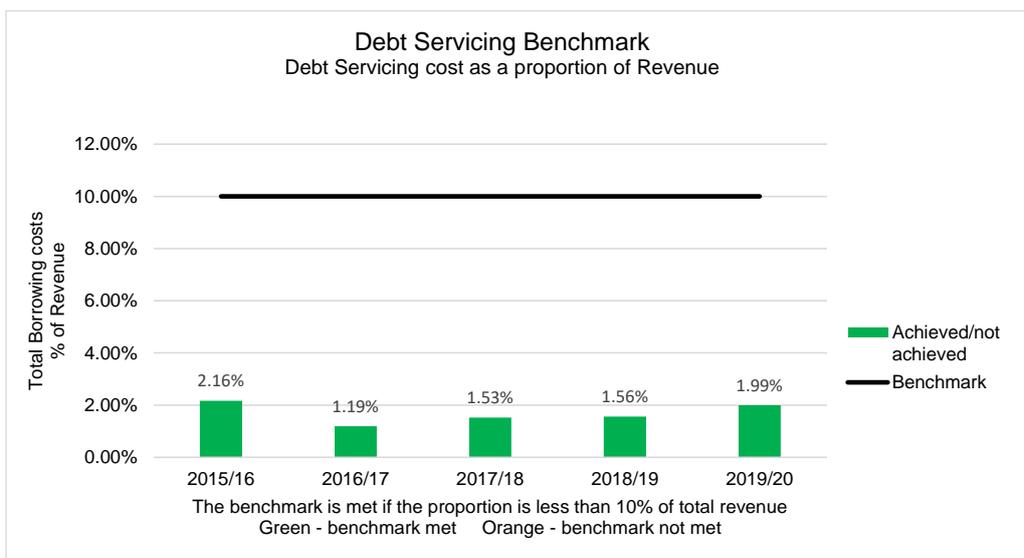
Council Only - Financial Disclosures

Annual Report Disclosure Statement (continued)

Debt Servicing Benchmark

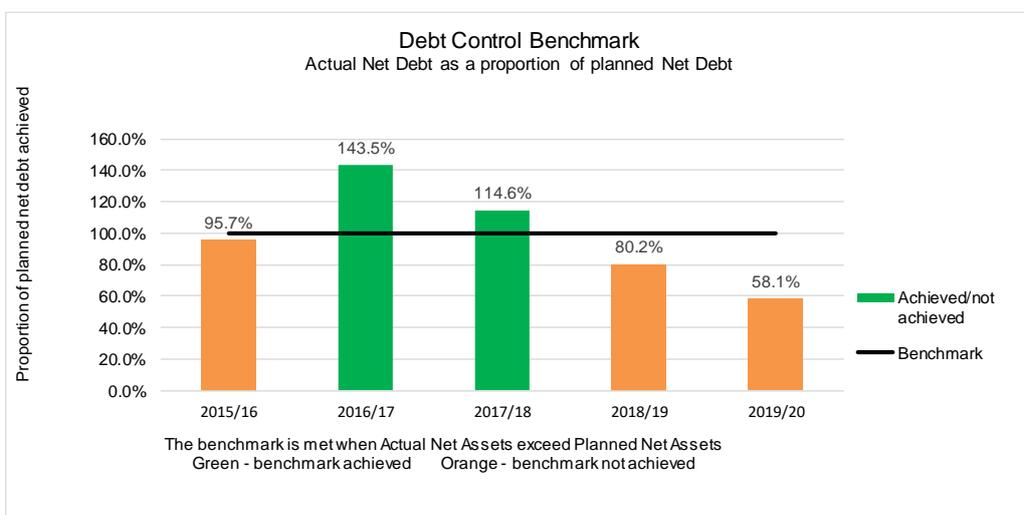
As the population of the District is expected to grow more slowly than the projected growth rate of the national population, this benchmark is met if borrowing costs equal, or are less than, 10% of Operating Revenue (less development and financial contributions, vested assets and the effect of revaluations).

This graph measures the total cost of servicing borrowings, both internal and external. The cost of servicing internal debt is a notional cost which is not reported elsewhere in this annual report, although it is a real cost for those service areas to which it relates. Servicing external debt is a real cost to Council, and is reported in the Statement of Comprehensive Revenue and Expenses.



Debt Control Benchmark

This benchmark reports Council's performance in relation to Net Debt, (Financial Liabilities less Financial Assets (excluding Trade and Other Receivables)). Despite external borrowings, Council remains in a Net Asset position (Financial Assets exceed Financial Liabilities), so the measure reports performance on that basis. The benchmark is met when actual Net Assets equal or exceed planned Net Assets. The effect of borrowings can be seen particularly in the current financial year.



The 2020 year saw unbudgeted borrowing due both to capital expenditure and unplanned reductions in revenue and increased expenditure arising from external factors, including the COVID-19 pandemic.

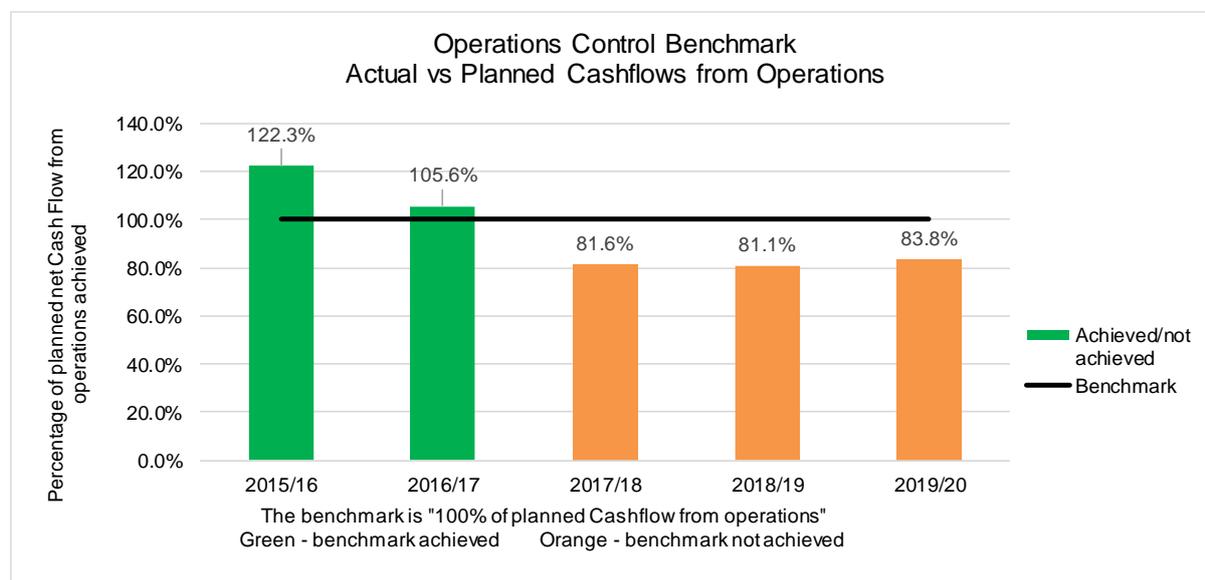
Council Only - Financial Disclosures

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 in recent years have included the deferral of the Cultural Facilities redevelopment project which has resulted in lower levels of external grants and donations, increased maintenance costs arising from adverse weather events and from works undertaken at the Forrester Gallery in both 2019 and 2020. The current year has also been significantly affected by the COVID-19 pandemic, which has seen capital projects delayed or deferred and several Council services, including libraries, the Aquatic Centre, the Oamaru Opera House and the Forrester Gallery and North Otago Museum, closed for several months during the level 3 and 4 lockdown. The Roothing programme of Works was severely affected, resulting in reduced levels of New Zealand Transport Agency subsidy, and rate penalties were not applied on instalments 3 and 4 of the 2020 Rates.

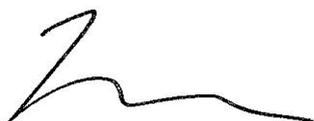
Statement of Compliance and Responsibility

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 2020 fairly reflect the financial position and operations of the Waitaki District Council and Group.



Fergus Power
Chief Executive

15 December 2020



Gary Kircher
Mayor of Waitaki

15 December 2020

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 community 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 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 2019/20

Setting direction and policy:

- 2018/19 Annual Report was adopted 30 October 2019
- 2020/21 Annual Plan was adopted 30 June 2020
- The Pre-Election report was adopted 30 July 2019
- The Roading Procurement Strategy was adopted on 18 March 2020
- Safer Waitaki Community Safety Strategy 2019-24 was updated in August 2019
- The Local Approved Products Policy on Psychoactive Substances was adopted on 12 May 2020
- The Otago Local Authorities Triennial agreement 2020-2022 was signed in July 2020
- The Canterbury Local Authorities Triennial agreement 2020-2022 was signed in February 2020
- The Liability Management and Investment Policy was updated on 21 July 2020

Community Boards

Ahuriri Community Board

- Provided funding of \$7,540 (GST exclusive) to the Otematata Residents' Association to put towards some new tracks in the Otematata Wetlands as well as gravelling and rolling the 5.7km of Wetlands network. This was funded from the Board's Discretionary Fund.

Waihemo Community Board

- Provided funding of \$2,000 (GST exclusive) to the Otago Field Days Charitable Trust to assist with the holding of the Otago Field Days on Friday 4 and Saturday 5 October 2019. This was funded from the Board's Discretionary Fund.
- Supported Project Palmerston with funding of \$478 (GST exclusive) to cover costs related to the hanging basket project around the commercial area of Palmerston for the 2019-2020 season. 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.	72% Achieved <i>(2018/19 - Not achieved 64%)</i>
<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>	38% Not achieved <i>(2018/19 – Achieved 55%)</i>
<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>	54% Achieved <i>(2018/19 - Not achieved 39%)</i>

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>	51% Not achieved <i>(2018/19 - Not achieved 47%)</i>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Democracy and Accountability

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	2,126	2,177	2,498	2020 saw the triennial elections held for Council and Community Boards (including one by-election). Council administers elections for the Oamaru Licensing Trust, and the Southern DHB and Environment Canterbury for relevant residents within its district. The LTP did not project revenue received from the SDHB, for which elections had not been held for many years since the appointment of a Commissioner
Targeted Rates	1,664	1,706	1,945	
Rates Revenue	3,790	3,883	4,443	
Subsidies and Grants for Operating Purposes	1	1	-	
Fees and Charges	-	-	-	
Internal Charges and Overheads Recovered	-	-	-	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	41	83	
Operating Revenue	1	42	83	
Total Sources of Operating Funding	3,791	3,925	4,526	
Applications of Operating Funding				
Payments to Staff and Suppliers	918	1,041	1,228	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	2,898	2,973	3,167	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	3,816	4,014	4,395	
Surplus / (Deficit) of Operating Funding	(25)	(89)	131	
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	-	-	-	
Increase / (Decrease) in Reserve	(25)	(89)	131	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	(25)	(89)	131	
Surplus / (Deficit) of Capital Funding	25	89	(131)	
Funding Balance	-	-	-	

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Support Services

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	Increased numbers of staff in support roles has resulted in increased levels of overheads charged and recovered between departments and business units
Targeted Rates	-	-	-	
Rates Revenue	-	-	-	
Subsidies and Grants for Operating Purposes	19	19	25	
Fees and Charges	-	-	1	
Internal Charges and Overheads Recovered	18,904	19,383	23,267	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	27	27	36	
Operating Revenue	18,950	19,429	23,329	
Total Sources of Operating Funding	18,950	19,429	23,329	
Applications of Operating Funding				
Payments to Staff and Suppliers	11,724	12,228	12,972	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	5,837	6,055	8,620	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	17,561	18,283	21,592	
Surplus / (Deficit) of Operating Funding	1,389	1,146	1,737	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	-	-	-	
Development and Financial Contributions	-	-	-	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	75	77	40	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	75	77	40	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	348	236	1,136	
to replace Existing Assets	789	566	761	
Increase / (Decrease) in Reserves	327	421	(120)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	1,464	1,223	1,777	
Surplus / (Deficit) of Capital Funding	(1,389)	(1,146)	(1,737)	
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 2019/20

We continued to help the Waitaki Whitestone Geopark Trust advance the District's application to become a UNESCO Global Geopark, which has resulted in a new positioning statement focused on community-led preservation projects and a closer relationship with local iwi.

We have assisted local companies to submit funding applications to the Provincial Growth Fund, resulting in \$411,000 being granted to local engineering firms.

Council played a central role in responding to the COVID-19 pandemic. We made sure that the District had a central place to go to for information, modelled the impacts on the District, ran focus groups with industry sectors to see how we could help, and developed the operating procedures for Council's Support & Stimulus Fund. This work has strengthened our connections with central Government, local businesses, iwi and a wide range of community groups. The Communications Team acted as public information Managers for Civil Defence, liaising with Regional and National Civil Defence and Emergency Management, and packaging and communicating key public health and safety messages across Waitaki in a variety of mediums to ensure the widest possible reach.

Our Communications Team has promoted and assisted with community events, including the Friendly Bay Family Fun Day, New Year's Eve on the Harbour, and the Waitaki Arts Festival. We took Wanda the consultation caravan to multiple community events and helped to get the public engaged with the District Plan Review and the Ōmārama and Otematata Masterplans. We ran a successful engagement campaign which helped with an increase in voter turn-out compared to the last elections in Waitaki – bucking the national trend.

Along with the Information Support Team we have been setting up systems to livestream Council meetings to make Council more accessible to the public.

Economic Development and Property

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 2019/20

Community Housing

A number of units were renovated following the departure of tenants to improve our assets and ensure compliance with the healthy homes legislation. Routine inspections ensured normal maintenance was carried out and provided the opportunity to build our relationships with the tenants. The results and comments of the survey sent to all community housing tenants show that such relationships are strong and appreciated.

In addition to Council staff communicating with tenants we also have Age Concern contracted to undertake two visits per year; considered 'welfare checks'. These visits have helped to identify focus areas to work with Age Concern and welfare groups to assist our vulnerable elderly to live not only an easier, and comfortable, but safer life in the Waitaki District.

Oamaru Airport

Council officers have made the Oamaru Airport a strong focus in the last six months, trying to create structure around the way the airport should function. Management Plans for maintenance and Health and Safety have been developed to ensure all users are on the same page and that we are consistent with legislation and best practice. The New Zealand Airline Academy has taken over the newly built hangar and the relocatable classroom and are now successfully operating in both of these spaces. Further development is underway with a new hangar in the rotary precinct and a new fuel facility is operational, offering diesel and 95 grade petrol.

Operational Buildings

A large focus of the past year was refurbishment of the main Council office foyer, Museum, Forrester Gallery and the Aquatic Centre. This work has modernised these buildings, made them a more attractive space, resolved some issues such as mould, and ensures they will continue to serve their purpose for the community over coming years.

Oamaru Harbour

Major deferred maintenance was carried out on a range of harbour infrastructure including dredging the harbour to ensure safe use. 25,000m³ of material was removed and the harbour now has a channel depth of 4.5m at low tide. Holmes Wharf piles were replaced as necessary and upgraded with work on redecking started.

This work will continue into the coming year and will ensure Holmes Wharf is safe for use and will meet community needs in the future.

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>Not Achieved – however Provincial Growth funding of \$457k +GST was facilitated for the following businesses: Apex Engineering \$147k +GST, Te Pari \$210k+GST, Acucut \$100k + GST</p> <p><i>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)</i></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

Property Management & Investment

How we performed

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;</p> <p>b) Commercial tenants.</p>	<p>a) 90% of community housing tenants satisfied with their tenancy;</p> <p>b) 90% of commercial tenants are satisfied with their tenancy.</p>	<p>a) 94% Achieved</p> <p><i>(2018/19 - Achieved 94% of community housing tenants satisfied with their tenancy)</i></p> <p>b) 71% Not achieved</p> <p><i>(2018/19 - Not achieved 74%)</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</p> <p>b) Commercial tenants.</p>	<p>a) 90% of community housing units occupied;</p> <p>b) 90% of commercial tenancies occupied.</p>	<p>a) 99% Achieved</p> <p><i>(2018/19 - Achieved 95% of community housing units occupied)</i></p> <p>b) 100% Achieved</p> <p><i>(2018/19 - Achieved 100% of commercial tenancies occupied)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Economic Development and Property

	2018/28 LTP		2019/20 Actual \$000	
	2018/19	2019/20		
	LTP \$000	LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	411	383	645	Dividends from CCOs and investments have offset reduced returns from interest. The LTP did not project a time when Council would require external borrowings
Targeted Rates	1,103	1,050	711	
Rates Revenue	1,514	1,433	1,356	
Subsidies and Grants for Operating Purposes	-	-	144	
Fees and Charges	1,593	1,679	2,117	
Interest and dividends from investments	1,799	1,910	1,980	
Internal Charges and Overheads Recovered	(691)	(671)	(186)	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	407	407	120	
Operating Revenue	3,108	3,325	4,175	
Total Sources of Operating Funding	4,622	4,758	5,531	
Applications of Operating Funding				
Payments to Staff and Suppliers	3,656	3,041	3,787	
Finance Costs	-	-	148	
Internal Charges and Overheads Applied	161	120	434	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	3,817	3,161	4,369	
Surplus / (Deficit) of Operating Funding	805	1,597	1,162	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	1,025	330	333	
Development and Financial Contributions	-	-	-	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	183	194	205	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	1,208	524	538	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	353	463	1,033	
to replace Existing Assets	111	-	741	
Increase / (Decrease) in Reserve	1,549	1,658	(74)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	2,013	2,121	1,700	
Surplus / (Deficit) of Capital Funding	(805)	(1,597)	(1,162)	
Funding Balance	-	-	-	

Heritage, Environment and Regulation

This activity group covers planning, regulatory, environmental, 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 2019/20

There was a high level of growth in the Waitaki District over the first half of the 2019/20 year which was challenging to manage. Resource consent volumes continued at a high level. 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. Since COVID-19, consent volumes have fallen back and additional staff have been recruited.

There have been some large developments consented including; Kurow-Duntroon Irrigation Company, Macraes Mine notified and non-notified consents, substantial subdivision applications, and consenting and compliance issues within and around the Ōamaru Town Centre.

The District Plan Review is heading towards release of the Draft Document. Numerous workshops have been held. 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. Two masterplans for Ōmārama and Otematata have been completed. The team have been instrumental in bringing other Council units together on District issues and opportunities.

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 2019/20

Regulatory and Environmental

The refurbished dog pound in Ōamaru became operational from November 2019 providing a much warmer space for the dogs and resulting in a reduction in noise for nearby residents. The section has been landscaped and space provided for two team members to operate from there. There are 6 dog bays and separate exercise areas to allow for dog and staff safety.

100% of food premises verifications were completed on time prior to the COVID-19 lockdown.

100% of high-risk alcohol licensed premises were inspected for the first two quarters of the year, prior to COVID-19.

The Regulatory team managed a large number of non-compliance issues including the highly public Kurow-Dunroon Irrigation Company irrigation pipeline. In addition to this several breaches of the RMA have been identified and court proceedings commenced.

The team worked with local businesses to raise awareness of how to deal with red-billed gulls nesting in the central Ōamaru area, including a public meeting information session.

Building Services

This year has been a period of consolidation for Building Services. During the first half of the year the focus of attention was on embedding and optimising the newly introduced e-services. The transition from paper to fully digital for receiving building consent applications, consent processing and inspecting has been well received by both Industry and staff. March 2020 saw the team in lockdown for COVID-19 and our digital platform proved invaluable in being able to maintain consent processing seamlessly from home. The building team have maintained service levels throughout the year and are able to report another excellent performance, processing 98% of the total 571 building consents within the statutory time of 20 working days and delivering an average of 10 days.

Over the year the team are pleased to have had the opportunity to support two flagship projects, Mitre 10 Mega and the Tyne Street motel. Both these will add significant value to our community.

During the year two new Building Control Officers were welcomed into the team and four officers continued to undertake further education to meet our regulatory requirements. A full establishment and structured education ensure delivery of our service from a professional technically qualified team.

The Building team wish to thank the representatives of the Waitaki Building Forum for the support and honest feedback they continue to provide through the formal meetings and ad hoc engagement. This forum is really starting to add value through improved communication and increased understanding of everyone's role in building within our community.

Heritage, Environment and Regulation

Community Development and Engagement

What we do

Community development and engagement activities are co-ordinated 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 2019/20

Maintained and developed the Safer Waitaki Management Group and seven working groups across key priority areas. These groups are:

- Waitaki Mental Health and Addictions locality network
- Positive Ageing group
- Industry Link group
- Family Harm Provider Network
- Family Whanau network
- Housing Taskforce
- Alcohol and Drug Committee (Methamphetamine Community Response group)
- Maintained and updated Community Directories:
 - Waitaki Mental Health and Addictions Directory
 - Waitaki Health and Disability / Social Services Directory

With Key stakeholders, we reviewed and updated the Community Safety Strategy 2013 – 2018; it is now known as the Safer Waitaki Community Safety Strategy 2019 – 2024.

STRATEGIC OUTCOMES

REDUCE HARM RELATED TO ALCOHOL, DRUGS AND VIOLENCE

Sustainable Development Goals 3, 4, 5, 11, 16

INCREASED SOCIAL CONNECTIONS WITH, AND SUPPORT OF VULNERABLE GROUPS

Sustainable Development Goals 1, 3, 4, 10, 11

RESILIENCE AND SAFETY ARE AN INTEGRAL PART OF HOW WE LIVE, WORK AND PLAY.

Sustainable Development Goals 3, 4, 10, 16

INCREASE PATHWAYS AND OPPORTUNITIES TO SUPPORT PEOPLE/FAMILY /WHANAU TO FLOURISH IN OUR COMMUNITY.

Sustainable Development Goals 3, 4, 5, 8, 10, 16

PROMOTE HEALTHY, RESPECTFUL RELATIONSHIPS

Sustainable Development Goals 3, 4, 5, 8, 10, 16

- Created a Community Development Plan 2019 – 2020
- Grown and developed Safer Waitaki Membership across all groups
- Secured external funding to enable:
 - Coordinated and facilitated Family Harm Conference July 2019 with delegates from across New Zealand
 - Co-ordinated and delivered White Ribbon activities
 - Working with Pasifika Communities, coordinated and co-designed a two-day Famili Fiefia Family Harm Event

Heritage, Environment and Regulation

Community Development and Engagement

What we have been doing in 2019/20 – continued

- Disseminated a wide variety of information to community groups and organisations
- Coordinated and facilitated Clued Up Supers Expo
- Working with community organisations coordinated and delivered Mental Health Awareness Week activities
- Delivered SKIP Contract (strategies for kids, information for parents)
- Developed and administered the Waitaki Housing Survey
- Delivered Safer Waitaki presentations in Cromwell, Queenstown, and South Canterbury
- Developed and distributed Life Without a Car, Waitaki booklet
- Participated in and contributed to regional forums in mental health and addictions and Fire and Emergency NZ
- Secured external funding to work on Age Friendly development
- Supported and participated in response and recovery to COVID-19

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 regulatory services in a professional and efficient manner
We enable opportunities for new and existing businesses	Economic well-being	By ensuring consents and licences 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.	Unverified data suggests 96%. Final data awaiting Ministry for the Environment validation. Achieved <i>(2018/19 - Not achieved 93%)</i>
We keep our District affordable	Customer level of satisfaction with the resource consent process.	80% and maintain.	1 response – Not achieved <i>(2018/19 - No responses received in 2018/19)</i>
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.	Council has not undertaken proactive compliance monitoring during the 2019/20 year. This is not untypical of Councils, however, a new position has just been filled since the 2019/20 year finished. - Not achieved <i>(2018/19 - Not achieved Council has not undertaken proactive compliance monitoring during the 2018/19 year)</i>
Waitaki's distinctive environment is valued and protected	Level of protection of heritage items and features in the Waitaki District Plan.	Maintain or increase.	The District Plan is being reviewed at this time and no additional items have been added during the year - Achieved <i>(2018/19 - Achieved The District Plan is being reviewed at this time and no additional items have been added during the year.)</i>
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.	The District Plan is being reviewed at this time and notification has not commenced - Achieved <i>(2018/19 - Achieved The District Plan is being reviewed at this time and notification has not commenced.)</i>

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>Compliance with legislative requirements for the processing of Council and private plan changes.</p>	<p>Greater than 95% of plan changes are processed within statutory timeframes.</p>	<p>Nothing received during the 2019/20 year - Achieved</p> <p><i>(2018/19 - Achieved Nothing received during the 2018/19 year.)</i></p>
<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 / QEII / SNA / another covenant).</p>	<p>Maintain or increase.</p>	<p>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 2020 – A wetland near Hampden (Kākaho Stream) - Caldwell Wetland (~10.6 ha) and a south facing hill adjacent to this site - Wightman Forest (~3.2 ha). Neither of these sites had council involvement in protection but have been supported in the past through the biodiversity condition fund. We have no data on DoC covenants on private land, however it's understood that a large purchase of land in the Ohau area is to be set aside for conservation purposes. SNA sites (~250 throughout the District) are expected to be considered in the coming financial year as part of the District Plan Review. - Achieved</p> <p><i>(2018/19 – Achieved)</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>98% processed within 20 working days. 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 10 days. Not achieved.</p> <p><i>(2018/19 - Not achieved 97.3% processed within 20 working days)</i></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>Maintained, next audit is May 2021 – Achieved</p> <p><i>(2018/19 - Achieved Maintained following audit end of June 2019)</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>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>7% of buildings were audited in the last 12 months, this was largely a balancing process from the previous year and some impact of restricted access during COVID-19 Alert level 4 and 3. – Not Achieved</p> <p><i>(2018/19 - Achieved 52% of buildings have been audited in the last 12 months)</i></p> <p>88% of High-risk buildings were audited more than once in the last 5 years. In early 2019 a change of frequency of auditing buildings was voted on by Councillors to audit high risk buildings once every 3 years (previously it was once every two years). Not achieved</p> <p><i>(2018/19 Not achieved 93% of High-risk buildings have been audited more than once in the last 5 years.)</i></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%	94.5% complete – Not achieved. Due to COVID-19 restrictions not all verifications are complete <i>(2018/19 - Achieved 100% achieved as at 21 January 2019)</i>
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%	70% complete – Not achieved. Remainder unable to be completed due to COVID-19. In the new financial year inspections will begin with those not completed in previous year. <i>(2018/19 - Achieved 100%)</i>
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	35% - Achieved. Of the 3,149 dog owners in the District, 1,104 of those have selected dog owner status <i>(2018/19 - Achieved 36% Of the 3,043 dog owners in the District, 1,100 of them have the selected dog owner status.</i>
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.	70% - Not achieved <i>(2018/19 - Not achieved 61%)</i>

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.	88% - Achieved <i>(2018/19 - Achieved 85%)</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.	100% satisfied – Achieved <i>(2018/19 - Achieved 100%)</i>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Heritage, Environment and Regulation

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	2,677	2,750	2,328	External funding has been received for several Community Development initiatives, for Freedom Camping Ambassadors and for continuing work to progress the District Plan. Levels of Internal Charges and Overheads, both recovered and applied, have been impacted by recent restructuring which was not anticipated in the LTP
Targeted Rates	23	24	12	
Rates Revenue	2,700	2,774	2,340	
Subsidies and Grants for Operating Purposes	-	-	274	
Fees and Charges	1,781	1,815	1,765	
Internal Charges and Overheads Recovered	-	-	62	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	124	127	83	
Operating Revenue	1,905	1,942	2,184	
Total Sources of Operating Funding	4,605	4,716	4,524	
Applications of Operating Funding				
Payments to Staff and Suppliers	2,431	2,486	3,362	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	2,827	2,934	3,358	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	5,258	5,420	6,720	
Surplus / (Deficit) of Operating Funding	(653)	(704)	(2,196)	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	-	-	-	
Development and Financial Contributions	175	175	293	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	-	-	-	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	175	175	293	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	-	-	25	
to replace Existing Assets	-	-	-	
Increase / (Decrease) in Reserve	(478)	(529)	(1,928)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	(478)	(529)	(1,903)	
Surplus / (Deficit) of Capital Funding	653	704	2,196	
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 New Zealand 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 such as water, wastewater, 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 2019/20

- 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
- 92km of road resealing
- 2.5km of road reconstruction
- 6.5km of footpath resurfacing
- Agreement with Department of Conservation (DoC) for shared maintenance of DoC roads
- 139km of unsealed road renewal metalling
- 12km of sealed road widening
- Severn Street retaining wall renewal contract awarded
- 3 Year Resealing Contract awarded
- Bridge Safety Barriers Contract awarded

Roads and footpaths

The table below shows expenditure from the Maintenance and Operations Report to NZTA for 2019/20.

Work category No.	Works completed	Actual expenditure (\$) 2019/20
111	Routine pavement repairs (\$)	1,323,427
	Pre-reseal repairs (\$)	69,289
112	Grading unsealed roads (\$)	297,322
	Other unsealed pavement maintenance (\$)	212,056
113	Street cleaning (\$)	62,146
	Drainage maintenance (\$)	444,304
114	Bridge maintenance (\$)	210,330
	Retaining wall maintenance (\$)	15,146
121	Vegetation control (\$)	293,062
	Winter maintenance activities (\$)	5,230
	Litter, debris and graffiti control (\$)	0
	Other environmental maintenance (\$)	32,763
122	Traffic services power supply (\$)	106,476
	Carriageway lighting maintenance	48,870
	Road markings (\$)	121,087
	Signs and other traffic services (\$)	101,360
123	Event and incident management	0
124	Cycleway operations and maintenance (\$)	11,432
151	Network management (incl inspections) (\$)	1,613,532
341	Minor Improvements	2,169,508

Roads and Footpaths

Renewals

Work category No.	Works completed	Actual expenditure (\$) 2019/20
211	Unsealed road rehabilitation (\$)	692,399
212	Chip seals resurfacing (\$)	1,625,631
	Thin asphaltic surfacing	82,939
	Other pavement resurfacing	0
213	Culvert renewals (\$)	318,778
	Kerb and channel renewals (\$)	162,462
	Other drainage renewals (\$)	5,228
	Rural sealed road pavement rehabilitation (\$)	1,116,371
215	Other structure component replacements (\$)	56,820
222	Traffic signs renewals (\$)	88,915
	Traffic monitoring and lighting renewals (\$)	44,698

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

Roads and Footpaths

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	0 Fatalities (a decrease of 3 from the prior year) - Achieved 10 Serious injuries (an increase of 3 from the prior year) - Not achieved* ((2018/19 – Not Achieved 3 fatalities, 7 serious injuries)
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%	46% - Not achieved (2018/19 - Not achieved 41%) <i>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.</i>
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%	33%- Not achieved (2018/19 - Not achieved 28%) <i>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.</i>

* More crashes may get uploaded into the CAS database for 2019/2020 year at a later date by police. The crashes will be reviewed to assess if any trend can be established which Council can positively influence going forward. The figures for 2018/19 have been amended since the 2018/19 Annual Report was published.

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 the smoothness rating* (excluding state highways).</p> <ul style="list-style-type: none"> - Combined - Rural - Urban 	<p>Greater than 90% of sealed roads*</p>	<p>Combined 87% - Not achieved Urban 76%- Not achieved Rural 97% - Achieved</p> <p>(2018/19 – Combined - Not achieved 90% Urban Not achieved 78% Rural Achieved 97%)</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>Combined 7.9% -Achieved Urban 0.7%- Not achieved Rural 7.2% - Achieved</p> <p>(2018/19 – Combined Achieved 5.5% Urban Not achieved 0.9% Rural Not achieved 4.6%)</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 Roading Asset Management Plan.</p>	<p>96%</p>	<p>Survey not complete and deferred due to COVID-19. Survey due to commence at end of September on 100% of network – Not achieved</p> <p>(2018/19 - Not achieved 93%)</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>87% - Not achieved</p> <p>(2018/19 – Not achieved 90%)</p>

* (Note this has been changed so that it refers to the DIA measure of travel exposure)

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Roads and Footpaths

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	56	57	55	Levels of service were consistent with those in the 2018-28 LTP, although Council's programme of works was impacted by the Covid-19 pandemic and the resulting lockdown imposed by Government, which adversely affected both revenue from the roading subsidy and capital spending when compared with the 2019-20 Annual Plan
Targeted Rates	7,259	7,326	7,293	
Rates Revenue	7,315	7,383	7,348	
Subsidies and Grants for Operating Purposes	3,945	3,709	3,602	
Fees and Charges	264	270	191	
Internal Charges and Overheads Recovered	25	30	16	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	431	433	454	
Operating Revenue	4,665	4,442	4,263	
Total Operating Funding	11,980	11,825	11,611	
Applications of Operating Funding				
Payments to Staff and Suppliers	5,736	5,786	5,769	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	1,599	1,609	1,407	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	7,335	7,395	7,176	
Surplus / (Deficit) of Operating Funding	4,645	4,430	4,435	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	3,828	4,137	3,512	
Development and Financial Contributions	200	200	230	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	-	-	-	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	4,028	4,337	3,742	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	1,630	1,803	2,022	
to replace Existing Assets	5,647	6,197	4,702	
Increase / (Decrease) in Reserves	1,396	767	1,453	
Increase / (Decrease) of investments	-	-	-	
Total Applications of Capital Funding	8,673	8,767	8,177	
Surplus / (Deficit) of Capital Funding	(4,645)	(4,430)	(4,435)	
Funding Balance	-	-	-	

Water, Stormwater, Wastewater & Waste Management & Minimisation

This group of activities includes:

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

During 2019/20, a new portfolio structure was developed for the 3 Waters team to help optimise the delivery of our 3 Waters activities to address current and emerging risks, challenges and opportunities. The structure also aligns Council's strategic objectives and the Government's 3 Waters reform programme priorities.

The five portfolios – Policy and Service Levels, Planning and Systems, Design and Construction, Operations and Maintenance, and Compliance and Regulation - address key aspects of the asset management cycle for 3 Waters and provide a sound basis for effective collaboration and building capability within the team. They are also used in this report as the basis for outlining what we did during the year.

The new structure proved to be highly effective during the COVID-19 lockdown period, during which the team was able to quickly mobilise to implement effective responses that ensured business and service continuity for the community. And despite the disruption caused by COVID-19, the team and our contractors were able to return to 'business as usual' relatively quickly and with minimal disruption.

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.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Water Supply

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

Water Supply

What we have been doing in 2019/20

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

Policy and service levels

- Further developing our risk management framework and business continuity processes to ensure asset and service delivery resilience
- Keeping up to speed with changes nationally
- Further progressing the Ōamaru Water Supply Capacity Study (Design Basis): This is the first part of a comprehensive multi-stage study considering 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.

Planning and systems

- Identifying problem mains for inclusion in the water main replacement contract
- Employing a geographical information systems analyst who has been focused on ensuring good quality data for all water assets, particularly new and replaced assets, is collected and input into our asset management information system

Operations and maintenance

- Installing additional treatment membranes at the Oamaru Water Treatment Plant to improve supply resilience until the construction of an additional treated water storage reservoir is completed in March 2021. This was assisted through community efforts to conserve water when installation was completed.
- Analysing our drinking water supply source water to determine best pre-treatment options. This helps optimise the efficiency and effectiveness of the water treatment processes.
- Completing general resilience works for water supply treatment – including ultraviolet replacements, instrumentation replacements and purchasing spare pumps
- Commencing a chlorination reduction programme, involving a new dosing regimen which reduces the required dosage at the start of the treatment process to provide more stable chlorine levels across the network - from treatment to the end consumer
- Completing reactive renewals on small diameter supply pipes
- Working alongside and mentoring our Water Treatment Plant operators. There is a shortage of qualified and experienced operators in New Zealand, so it is critical we support and invest in the operators we have to ensure they can do their jobs effectively
- Developing a new water safety plan (WSP) for the Ōamaru Water Supply using the Ministry of Health's new guidelines, and working with Corriedale Water Management Limited to develop a WSP for the Tokarahi Water Supply

Water, Stormwater, Wastewater & Waste Management & Minimisation

Water Supply

What we have been doing in 2019/20 continued

Design and construction

- Tendering and letting a four-year contract to complete water main renewals and upgrades around the South Hill and North End of Ōamaru to SouthRoads. This work commenced in September 2019 and will significantly improve supply resilience and capacity.
- Tendering and letting a contract to build an additional treated water supply reservoir for the Ōamaru Water Supply. This is being built adjacent to the existing reservoir at the Ōamaru Water Treatment Plant and will be completed in March 2021. This new reservoir will play a major role in ensuring we have enough treated water storage to assist with supply continuity during adverse events, such as droughts or floods, and will help cater for future growth.
- Identifying and planning for post-COVID-19 'shovel ready' projects to attract Government funding
- Continuing to plan for upgrades to remaining supplies to meet the New Zealand Drinking Water Standards. This included significant engagement with representatives of the Lake Ohau Alpine Village community to explore suitable options for sourcing and treating water to the required standards.

Compliance and regulation

- Completing the Annual Drinking Water Compliance Survey to prove compliance with the New Zealand Drinking Water Standards
- Collaborating with other neighbouring South Island councils regarding implications for our District and region from the Government's new drinking water regulator and 3 Waters reform programme

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 2019/20

Compliance and regulation

- Receiving a stormwater discharge consent from Environment Canterbury for Waitaki Valley townships. This was considered under the new Canterbury Land and Water Regional Plan, which includes stricter environmental requirements.

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 2019/20

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

Policy and service levels

- Progressing the Ōamaru Wastewater Capacity Study (Design Basis): This is 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.
- The ten-year review of Council's Trade Waste Bylaw commenced but was put on hold while other priority activities are completed. Once work recommences, 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.

Planning and systems

- Employing a geographic information system analyst who has been focused on ensuring good quality data for all wastewater assets, particularly new and replaced assets, is collected and input into our asset management information system.

Water, Stormwater, Wastewater & Waste Management & Minimisation

Wastewater

What we have been doing in 2019/20 continued

Operations and maintenance

- Working alongside and mentoring our Wastewater Treatment Plant operators. As for water supply, there is a shortage of qualified and experienced wastewater treatment plant operators in New Zealand, so it is critical we support and invest in the operators we have to ensure they can do their jobs effectively.
- Installing new aerators at the Oamaru Wastewater Treatment Plant to improve the plant's performance.
- Tendering and letting a contract for de-sludging Council's wastewater treatment oxidation ponds around the District. This will return ponds to their intended design capacity and improve resilience. This work will commence in August 2020.

Design and construction

- Completing the Moeraki wastewater disposal upgrade. This has ensured disposal of treated wastewater now meets Otago Regional Council consent requirements and is improving environmental and cultural outcomes for the community as the wastewater is no longer discharging to waterways.
- Completing the Ōmārama wastewater disposal upgrade. This has ensured disposal of treated wastewater meets Environment Canterbury resource consent requirements and like Moeraki, is also achieving better environmental and cultural outcomes for the community by no longer discharging to a waterway.

Compliance and regulation

- Submitting a consent application for the existing Duntroon effluent disposal system to Environment Canterbury for consideration

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

Waste Management and Minimisation

What we have been doing in 2019/20

Council continued to oversee and implement solid waste services throughout Waitaki in accordance with its Waste Management and Minimisation Plan 2018-24.

Policy and service levels

- Responding to the impact of COVID-19 on solid waste and recycling services. Notably, the Waitaki Resource Recovery Park was unable to operate during Levels 3 and 4.
- Scoping and developing a community waste survey. This survey was included as an action in Council's Waste Management and Minimisation Plan 2018-24 and its purpose is to better understand what services residents and businesses are using and how much it is costing.
- Providing a grant of \$363,000 for the Waitaki Resource Recovery Trust to support them to run the Chelmer Street recovery park and investing in their site redevelopment. We also provided a \$21,400 grant to Palmerston-based Waihemo Wastebusters.
- Adding 5 more schools to the Council-funded Enviroschools programme
- Funding two Kate Meads waste minimisation workshops (held online due to the COVID-19 lockdown)
- Helping the Waitaki Resource Recovery Park communicate changes during COVID-19 lockdown and changes to recyclables accepted due to global market challenges
- Creating and posting videos online on available rubbish and recycling services available in Waitaki

Planning and systems

- Deciding to transfer management of Council's solid waste activities to the Parks and Recreation team due to challenges and changes within the 3 Waters sector (including the Government's reform programme reform). This will enable 3 Waters staff to focus on embedding the new portfolio structure and forward works programme.

Operations and maintenance

- Ensuring kerbside rubbish and recycling collection around the District was delivered by the private market in accordance with Council's Waste Management and Minimisation Plan 2018-24. Waste Management Limited continued to own and operate the Oamaru Transfer Station.
- Continuing to operate the Palmerston Landfill, rural recovery parks (transfer stations) in Hampden, Kurow, Otematata and Ōmārama, and recycling drop-off depots at Herbert, Enfield and Papakaio even during the various COVID-19 alert levels.

Compliance and regulation

- Monitoring and assessing the effectiveness of the new cap on the Ōamaru closed landfill
- Continuing to monitor subsidence and investigate 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.
- Continued inspections of the Palmerston Landfill and 15 closed landfills around the District (including Ōamaru), as required to meet consent conditions

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)	<p>Compliant: Ōamaru (including Hampden-Moeraki and Herbert-Waianakarua), Waihemo, Kurow, Lake Ohau, Awamoko, Ōmārama, Otematata, Lower Waitaki, Tokarahi, Kauru Hill and Windsor.</p> <p>No compliance required (classified Rural agricultural water supplies): Stoneburn, Bushey Creek.</p> <p>No compliance required (Council has elected to comply with Section 10): Duntroon.</p>	<p>a) Bacterial Compliant/achieved: Ōamaru, Waihemo, Kurow, Ōmārama, Otematata, Lower Waitaki, Tokarahi, Kauru Hill</p> <p>Non-compliant/not achieved: Lake Ohau, Awamoko, Windsor</p> <p>(2018/19 a) Bacterial Compliant/Achieved: Kauru Hill, Kurow, Lower Waitaki, Ōamaru, Ōmārama, Otematata, Tokarahi, Waihemo, Windsor</p> <p>Non-compliant/Not achieved: Awamoko, Lake Ohau)</p> <p>b) Protozoa Compliant/achieved: Ōamaru, Waihemo, Kurow, Lower Waitaki</p> <p>Non-compliant/not achieved: Lake Ohau, Awamoko, Ōmārama, Otematata, Tokarahi, Kauru Hill, Windsor</p> <p>(2018/19 ((b) Protozoa Compliant/Achieved: Kurow, Ōamaru, Waihemo, Lower Waitaki</p> <p>Non-compliant/Not achieved: Awamoko, Kauru Hill, Ōmārama, Otematata, Tokarahi, Windsor, Lake Ohau)</p>
<p>We keep our District affordable</p> <p>We enable opportunities for new and existing business</p> <p>We provide and enable services and facilities so people want to stay and move here</p>	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	<p>Ōamaru - 26% Palmerston - 49% Otematata - 50% Ōmārama - 69% Kurow - 45% - Not achieved</p> <p>(2018/19 - Not achieved Ōamaru - 31% Palmerston - 43% Otematata - 47% Ōmārama - 46% Kurow - 64%)</p>

Ōmārama, Lake Ohau, Awamoko, Tokarahi, Windsor and Kauru Hill are yet to be upgraded to meet Drinking Water Standards. There is no requirement to report on Ohau however Council has elected to include in the Annual Report.

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.	0.9 hours – Achieved (2018/19 - Achieved 0.9 hours (there were 501 urgent call outs in total))
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.	2.8 hours – Achieved (2018/19 – Achieved 3.2 hours (there were 501 urgent call outs in total))
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.	0.4 working days (3.5 working hours) – Achieved (2018/19 - Achieved 0.7 working days (6.3 working hours). There were 1807 non-urgent call outs in total. **)
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.	0.6 working days (5.5 working hours) – Achieved (2018/19 - Achieved 1.0 working day (9.4 working hours). There were 1807 non-urgent call outs in total.)

* 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.	15 (192 complaints in total)*- Achieved (2018/19 - Not achieved 27.3 complaints/1,000. There were 335 complaints in total. *)
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.	466 litres per day average– Achieved. (2018/19 - Not achieved 503 litres per day average)

* 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 2020 for Water Supply

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	1	1	1	
Targeted Rates	5,507	6,126	6,393	Capital spending increased this year as several projects deferred from previous periods were undertaken, and construction started on the second reservoir for the Oamaru system - work originally scheduled for 2023. Charges for Water by Meter have been reclassified as Targeted Rates, increasing reported revenue from that source, and reducing revenue from Fees and Charges. Connection fees are now treated as capital funding, further reducing revenue from Fees and Charges
Rates Revenue	5,508	6,127	6,394	
Subsidies and Grants for Operating Purposes			-	
Fees and Charges	542	557	1	
Internal Charges and Overheads Recovered	276	250	107	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	17	17	27	
Operating Revenue	835	824	135	
Total Sources of Operating Funding	6,343	6,951	6,529	
Applications of Operating Funding				
Payments to Staff and Suppliers	3,085	3,165	3,822	
Finance Costs			-	
Internal Charges and Overheads Applied	1,430	1,403	1,656	
Other Operating Funding Applications			-	
Total Applications of Operating Funding	4,515	4,568	5,478	
Surplus / (Deficit) of Operating Funding	1,828	2,383	1,051	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	-	-	84	
Development and Financial Contributions	219	222	364	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	-	-	-	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	219	222	448	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	90	-	1,703	
to replace Existing Assets	1,503	1,962	2,575	
Increase / (Decrease) in Reserve	454	643	(2,779)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	2,047	2,605	1,499	
Surplus / (Deficit) of Capital Funding	(1,828)	(2,383)	(1,051)	
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	Nil – Achieved <i>(2018/19 – 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	Nil (There were no flooding events) – Achieved <i>(2018/19 – 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>Nil for all – Achieved</p> <p><i>(2018/19 – Achieved)</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>There were no flooding events – Achieved</p> <p><i>(2018/19 - Achieved 0. Council was not advised of the flooding to the property until 11 days after the flood event occurred).</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>7.4 (60 complaints in total)– Achieved</p> <p><i>(2018/19 - Not achieved 9.5)</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Stormwater

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	Levels of service were not consistent with those in the 2018-28 LTP, which projected significant expenditure on maintenance. The need for this level of work was reassessed as part of the 2019/20 Annual Plan
Targeted Rates	426	426	491	
Rates Revenue	426	426	491	
Subsidies and Grants for Operating Purposes	-	-	-	
Fees and Charges	-	-	-	
Internal Charges and Overheads Recovered	-	-	-	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	
Operating Revenue	-	-	-	
Total Sources of Operating Funding	426	426	491	
Applications of Operating Funding				
Payments to Staff and Suppliers	250	258	24	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	158	156	153	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	408	414	177	
Surplus / (Deficit) of Operating Funding	18	12	314	
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	-	-	36	
Increase / (Decrease) in Reserve	18	12	278	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	18	12	314	
Surplus / (Deficit) of Capital Funding	(18)	(12)	(314)	
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

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>The number of dry weather overflows from the sewerage system, expressed per 1,000 sewerage connections to the system.</p>	<p>Less than 4 sewerage overflows per 1,000 connections (<20 total).*</p>	<p>1.3 (10 total) – Achieved</p> <p><i>(2018/19 - Achieved 1. There were 8* overflows in total.)</i></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>	<p>Nil for all</p>	<p>Nil for all – Achieved</p> <p><i>(2018/19 - Achieved Nil for all)</i></p>

*In Waitaki, we have 7408 residential properties connected to our wastewater network. In 2019/20, we had 10 dry weather overflows. To calculate the 'overflows from the sewerage system, expressed per 1,000 sewerage connections to the system', we have divided 7408 by 1000 (7.408), and then divided 10 (the number of overflows) by 7.408 (number per 1000 connections) to arrive at the result of 1.3 dry weather overflows per 1000 connections.

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; b) 24 hours resolution time for sewerage overflows.</p>	<p>a) 0.8 hour attendance time for sewerage overflows – Achieved</p> <p><i>(2018/19 Achieved 0.4 hour attendance time for sewerage overflows)</i></p> <p>b) 8.5 hours resolution time for sewerage overflows – Achieved</p> <p><i>(Not achieved 36.3 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; b) sewerage system faults; c) sewerage system blockages; and 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>5.5 (43 complaints in total)– Achieved</p> <p><i>(2018/19 - Achieved 7.2 (There were 56 complaints in total))</i></p>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Wastewater

	2018/28 LTP		2019/20 Actual \$000
	2018/19	2019/20	
	LTP \$000	LTP \$000	
Sources of Operating Funding			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	1,749	2,030	1,923
Rates Revenue	1,749	2,030	1,923
Subsidies and Grants for Operating Purposes	-	-	-
Fees and Charges	309	317	208
Internal Charges and Overheads Recovered	391	391	308
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	12	12	3
Operating Revenue	712	720	519
Total Sources of Operating Funding	2,461	2,750	2,442
Applications of Operating Funding			
Payments to Staff and Suppliers	1,258	1,470	1,572
Finance Costs	-	-	-
Internal Charges and Overheads Applied	550	588	645
Other Operating Funding Applications	-	-	-
Total Applications of Operating Funding	1,808	2,058	2,217
Surplus / (Deficit) of Operating Funding	653	692	225
Sources of Capital funding			
Subsidies and Grants for Capital Expenditure	-	-	16
Development and Financial Contributions	96	96	141
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Total Sources of Capital Funding	96	96	157
Applications of Capital funding			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	473	487	2,546
to replace Existing Assets	562	917	1,073
Increase / (Decrease) in Reserve	(286)	(616)	(3,237)
Increase / (Decrease) of investments	-	-	-
Total Applications for Capital Funding	749	788	382
Surplus / (Deficit) of Capital Funding	(653)	(692)	(225)
Funding Balance	-	-	-

Levels of service were generally consistent with those in the 2018-28 LTP. Several capital projects deferred in previous years were able to proceed in 2020. Connection fees, previously treated as operational income, are now regarded as a source of capital funding

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.	97% - Achieved (2018/19 - Achieved 97%)
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.	479kg per capita – Not achieved (2018/19 - 468 kg per capita)
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.	(New measure – no baseline established)	38% - NA (no target has been set) (2018/19 - 41%)

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Waste Management and Minimisation

	2018/28 LTP		2019/20 Actual \$000	
	2018/19	2019/20		
	LTP \$000	LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	750	761	816	Capping of the closed Oamaru landfill has continued, and work has commenced on planning for the relocation of the former Hampden landfill. A significant user of the Palmerston landfill now uses other disposal methods, leading to reduced utilisation of the facility and reduced revenue from Fees and Charges
Targeted Rates	-	-	-	
Rates Revenue	750	761	816	
Subsidies and Grants for Operating Purposes	92	94	79	
Fees and Charges	168	171	113	
Internal Charges and Overheads Recovered	-	-	-	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	
Operating Revenue	260	265	192	
Total Sources of Operating Funding	1,010	1,026	1,008	
Applications of Operating Funding				
Payments to Staff and Suppliers	826	841	922	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	142	126	176	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	968	967	1,098	
Surplus / (Deficit) of Operating Funding	42	59	(90)	
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	-	-	28	
Increase / (Decrease) in Reserve	42	59	(118)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	42	59	(90)	
Surplus / (Deficit) of Capital Funding	(42)	(59)	90	
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 2019/20

General

COVID-19 resulted in a hiatus to our maintenance programmes and projects during level 4. Fortunately, recreation maintenance was on track prior to lockdown and we lost little ground during lockdown, and that which was lost was quickly dealt with by our contractor. The contribution that 'open space' makes to community physical and mental health and wellbeing became very evident during lockdown. These spaces were one of the few things communities were able to utilise and the importance of having these in close proximity to residential properties was apparent.

During the year, we retendered our parks maintenance contract with our incumbent contractor successfully submitting a winning bid with a number of changes being made to improve their service delivery to the community.

Parks

Officers supported a number of community projects including;

- Development of a skatepark in Kurow
- Public tennis courts and toilet in Ōmārama
- Restoration of Mavis Shore Reserve in Kurow by the Irrigation company following installation of the new pipeline

We have initiated a series of improvements to walking tracks with the stair replaced in Millers Bay, Moeraki, and re-gravelling of tracks in Fenwick Park and Cape Wanbrow, Ōamaru. We have also reviewed the current network of tracks on Cape Wanbrow and Ōamaru in order to make signage and intersection improvements in the coming year. A new carpark was installed for the community developed BMX Track.

Sports

COVID-19 lockdown caused an early end to the cricket season and delayed the start of the rugby and football season. Restrictions under Level 2 required sports to put additional safety measures in place for training but New Zealand went into level 1 in time for the start of the competition so play could take place as in normal years. The lockdown has caused a flow on with no Heartland competition for this year and winter sports scheduled to finish later than usual. This will require scheduling with summer sports to try to meet all community requirements.

Toilets

With funding support from MBIE, we are in the process of replacing the toilets at Campbells Bay and Moeraki, with favourable comments received from the community. This work was delayed by the lockdown and we were required to close many toilets with the exception of some for use by essential services during the lockdown. The new Palmerston Caravan Dump station opened with favourable comments from users.

Cemeteries

COVID-19 had a significant impact on how burials were able to take place during lockdown. This was hard on families and resulted in some memorial services being delayed until gatherings were able to be held in larger numbers. Safety requirements during the various levels added additional complexity to how we were able to provide our service.

Palmerston Cemetery – at the North Entrance the gate was refurbished and installed.

At the Oamaru cemetery, research into natural burials was conducted with the intention of establishing an area for this in the coming year.

Parks and Recreation

What we have been doing in 2019/20 continued

Alps to Ocean

The section of the trail from Aviemore to Kurow was completed and opened with the exception of two bridges which should be installed in coming months. The opening of this section was well attended.

Planning continued for the section of the trail between Sailors Cutting and Benmore Dam. Construction on this section is scheduled to begin late winter. Additional funding was secured to enhance trail safety through signage and safety barriers at various locations along the trail. Weather events in November and December caused damage to the upper part of the trail and funding has been sought from MBIE for repair works. Work on a Visitor Experience Development Plan and a new Business Case to seek funding for remaining off-road sections began.

Camps

A generally successful camp season was had up to the COVID-19 lockdown. Throughout the lockdown we continued with security patrols and ensured weather events did not cause damage to peoples assets. Following lockdown, we extended the season for a few weeks to allow campers to recover their equipment. An upgrade of the sewer connections at Sailors Cutting connected toilets 2 and 3 to the new holding tanks. Flood protection work on the Otematata River was delayed during lockdown but is now back on track.

Street Beautification

Runbrake Street in Palmerston was replanted with edging plants replaced on traffic islands and the toilet gardens replanted. Herbert, Hampden and Maheno streetscape plans were progressed with some planting completed; further planting is planned in Spring.

Playgrounds

We consulted with the community over a redeveloped waterplay feature to replace the paddling pools in the Oamaru Public Gardens. We are currently refining these plans to generate a list of materials required. This is planned as a community project so we will be seeking sponsorship and support from businesses. Consultation with the residents of Waireka Place was carried out and contractors are currently being sought to install playground equipment in this reserve.

Aquatics

The lockdown had a significant impact on the aquatic business at the end of the busiest time of year for all activity. In order to minimise impacts on the community as far as possible we brought forward our maintenance closedown to begin during Level 3. Unfortunately, this combination has resulted in the facility being closed for three months of the year. We are confident the community will notice and appreciate the work that has been completed during this time.

Prior to closedown, numbers were down slightly against the previous year. This is due to a reduction in casual swims attributed to significantly more cases of 'Code Browns' which resulted in the pool being closed for approximately 100 hours more than previous years and had a direct impact on customers confidence in attending casual and programme activities. Swim School revenue was hit hard by credits and refunds due to this. Additionally, Swim Squads experienced a decrease in numbers attending. This decrease is attributed to the 'moving through' of the make up of the senior squad. Squads tend to work in a 4/5 year cycle (like any junior sport) and had reached the point where the senior (16/17 year olds) members are starting to focus on other things in life and moving on. Attendance in this senior squad dropped by 50% which contributed to the overall decrease in facility numbers. A review of how we deliver squads is currently underway with the Swim Club. We had good attendance in aqua jogging and the newly introduced fitness squad.

Parks and Recreation

What we have been doing in 2019/20 continued

In August 2019 Waitaki Aquatic Centre hosted the South Island Secondary school canoe polo champs and again the users were very happy with their experience and outcome; they have booked again for 2020. The 'bombing tower' was launched in 2019 which made use of the defunct 3 metre diving board which has sat idle for a number of years – this activity has been a success and featured in a number of newspaper articles.

Ongoing work with utilising and maximising pool space continues and we look forward to trying some different configuration when we re-open which will mean more use for a wider range of customers at peak times.

Off peak pricing and fee charging continues to attract positive feedback and we will continue this initiative through 2020.

Parks and Recreation

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>-34% - Not achieved (the facility closed for 3 months due to COVID-19 outbreak and bringing forward refurbishment programme. Was 7% down prior to lockdown across the board except for Aerobics (up 12%), and private lessons (up 21%)).</p> <p><i>(2018/19 - Not achieved -4% Lower frequency of attendance from squad swimmers and fewer casual swims.)</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>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>81% - Achieved</p> <p><i>(2018/19 - Not achieved 77%)</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>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>87%- Achieved</p> <p><i>(2018/19 - Achieved 84%)</i></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>	<p>Residents who have used the District's campgrounds and are satisfied or highly satisfied with the quality of the greenspace provided.</p>	<p>70% of users are satisfied or very satisfied.</p>	<p>77% - Achieved</p> <p>(2018/19 - Achieved 71%. Customers enjoy the basic, natural, laid back style and believe are generally well priced.)</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 sports fields and facilities.</p>	<p>80% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities.</p>	<p>82% - Achieved</p> <p>(2018/19 - Achieved 80%)</p>
<p>We understand the diverse needs of our community</p> <p>Waitaki's distinctive environment is valued and protected</p>	<p>Residents who have visited a cemetery in Waitaki who are satisfied or very satisfied with the maintenance of the greenspace.</p>	<p>80% satisfaction with the District's cemeteries.</p>	<p>80% - Achieved</p> <p>(2018/19 - Achieved 82%)</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>Residents who have recently used public toilets in the District who are satisfied or very satisfied with the facility(s).</p>	<p>70% of residents are satisfied with public toilets</p>	<p>77% - Achieved</p> <p>(2018/19 - Achieved 74%)</p>

Waitaki District Council: Funding Impact Statement for 30 June 2020 for Parks and Recreation

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	618	639	664	Several new public toilet facilities were constructed with the support of significant funding from the Tourism Infrastructure Fund, and grants and donations were also received for the construction of tennis courts at the Otemamata Hall
Targeted Rates	3,041	3,131	3,297	
Rates Revenue	3,659	3,770	3,961	
Subsidies and Grants for Operating Purposes	34	35	30	
Fees and Charges	1,056	1,077	682	
Internal Charges and Overheads Recovered	-	-	-	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	36	36	26	
Operating Revenue	1,126	1,148	738	
Total Sources of Operating Funding	4,785	4,918	4,699	
Applications of Operating Funding				
Payments to Staff and Suppliers	3,577	3,633	3,935	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	1,031	1,076	918	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	4,608	4,709	4,853	
Surplus / (Deficit) of Operating Funding	177	209	(154)	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	20	20	479	
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	20	20	479	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	319	221	515	
to replace Existing Assets	208	411	513	
Increase / (Decrease) in Reserve	(330)	(403)	(703)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	197	229	325	
Surplus / (Deficit) of Capital Funding	(177)	(209)	154	
Funding Balance	-	-	-	

Arts, Culture and Community

This activity group covers the Waitaki District Libraries, Forrester Gallery, Waitaki District Archive Te Whare Taoka ō Waitaki, and the Oamaru 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 2019/20

- During this period, we have embarked on relevant training programmes to upskill staff and volunteers to deal with the challenges of lifelong learning/engagement expectations of the public. We have also carried out a significant re-alignment of positions as a result of internal movement, which has allowed us to increase our capacity to develop our electronic capability. Coupled with the expansion of our electronic offerings, the Library was in a very good position to cope with the challenges of the lockdown, being able to offer an array of resources on-line.
- The Community Space is one of the success stories of the reconfiguration and has been set up for community activities and lifelong learning as well as being used for meetings, interviews, events, eGovernment sessions, Justice of the Peace sessions, quiet study or reading, business support, puzzle and scrabble clubs, genealogy group and a Youthline online counselling outpost, to name a few.
- Major focus areas this year have been branch equity development; seniors' outreach; bi-cultural acknowledgement; multi-cultural outreach and staff development in digital literacy.
- Branch Libraries: Regular visits to train, renew, support and expand services as well as a regular branch newsletter have been set in place
- We have worked collaboratively with government and community agencies, in particular Youthline, Literacy Aotearoa, ARA, Business Hive, Mental Health Group, North Otago Art Society, Grainstore Gallery, CAB, Safer Waitaki Positive Aging Group, Work and Income, the Retail Initiative, U3A, 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.
- The Library is also continuing to support the SkinnyJump initiative that provides cheap internet to eligible people. During the COVID-19 lockdown we were able to deploy dozens of heavily subsidised modems to jobseekers, rural families, Māori and Pasifika, low socio-economic families, people with disabilities, migrants, refugees, and seniors. We had feedback after lockdown from people working in these communities that these modems "turned out to be lifesavers."
- We have held a number of successful displays, events, talks, presentations and demonstrations in the library by authors and musicians. We have also hosted book launches, community talks, and multi-cultural events.
- We continue to foster a positive relationship with the shared Customer Service/Library at the Waihemo Service Centre in Palmerston and shifted the service levels to be more library focused, with ongoing events and programmes and expanding children's programmes

Arts, Culture and Community

Waitaki District Libraries

What we have been doing in 2019/20 continued

- The ever-popular range of Youth and Children's programmes to the community have continued to be offered, including but not limited to:
 - School holiday programmes
 - Wriggle & Rhyme; an active movement programme for 0-24-month olds
 - Toddler Time: which we have also expanded into Palmerston
 - Continued developing the Kids' Book Club and the Young Adults' Book club
 - Staff visits to educational providers as well as encouragement for these providers to visit the libraries
- Palmerston and Kurow team members are supporting outsourcing the processing of new library materials
- Subscribed to PressReader and other electronic subscriptions, e.g. Story Box Library and Ancestry, which allowed a reduction in newspaper and magazine subscriptions
- Expanded the use of Facebook 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 Museum and Archive Te Whare Toaka o Waitaki, and the Oamaru Opera House
- Continued to use and develop the Open Source Koha Library Management System which was upgraded and enhanced during the year
- Supported Waimate District with advice and shared in staff training

Arts, Culture and Community

Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki

What we do

The Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki 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 2019/20

The Forrester Gallery has been closed to the public since December 2018. Gallery based staff were temporarily rehoused in 4 different locations and during this reporting year moved from the Tees Street offices to the Museum temporary gallery space until reopening on 13 June 2020. The re-launch of the Forrester Gallery has been successful with an informal qualitative survey revealing 99% positivity with the experience. The Gallery will complete its stage one upgrade later in 2020 with the installation of new collection storage furniture supported by external grants from the JD Stout Trust and Otago Community Trust.

Due to the upgrade of its building and main exhibition display spaces off Thames Street, and the need to house staff, the Museum has only been able to deliver a small temporary gallery space onsite during this period.

All three facilities were closed from late March as a result of the COVID-19 pandemic, which caused the delay of building and fabrication projects on both sites. Despite these difficult circumstances, staff were able to offer a range of exhibitions and programmes onsite including various collaborative projects. Highlights included the Steampunk Exhibition held at Steampunk HQ, the Peace Flags along Thames Street, holiday programmes delivered from the St Paul's church hall and working again with the Oamaru Opera House to support the Waitaki Arts Festival.

The team also presented an impressive array of digital projects and programmes. Highlights included offering the annual Burns Memorial School Art Exhibition in a digital online format; launching the collections online project whereby the collections of the Gallery, Museum and Archive can be accessed online. Staff continue to add accessible content to the online offering and recent important additions include the William George Graves' lantern slides of early exploration in Western Otago and Museum collections related to the new display content.

The need for technical ability and resourcing to provide digital content and collection support was highlighted during the COVID-19 lockdown. During this time, with assistance from the Council I.T. department, staff were able to continue working on collections cataloguing and data improvement and deliver a range of public offerings. Highlights included the launch of transkribus - an online programme enabling volunteers to continue working with archival material; and the presentation of over 20 blogs across the facilities.

Arts, Culture and Community

Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki

What we have been doing in 2019/20 continued

Other key outputs during this year include the support of the building projects at both the Gallery and Museum. In particular all staff have provided substantial input into the design and development of the new museum displays working with iwi, designers, editors and exhibition fabricators to develop and create the interpretive and interactive content for the newly named Waitaki Museum & Archive Te Whare taoka o Waitaki - to be launched later in 2020.

Work on the long term plan approved Cultural Facilities Development Project (CFDP) has also continued behind the scenes this year. In February after over a year of review and deliberation, the Council approved the continuation of this project with additional capital works on both sites. Following delivery of a refurbished main display space as part of stage one, the Waitaki Museum & Archive being stage two which will include refurbishment of the remainder of the building and provide access to two new exhibition spaces on level one. This project will be substantially supported by a grant from the Lottery Significant Projects Fund. The Stage Two extension of the Forrester Gallery has been approved subject to obtaining additional external funding.

To reflect Council's renewed commitment to continue with separate facilities on separate sites and also progress on redevelopments across the facilities, staff launched new branding for the facilities.

Staff engagement and relationship building across the sector and related sectors has continued this year. Two staff sit on national bodies: ARANZ (Archives and Records Association of NZ) and NDF (National Digital Forum). This, and organisational membership of Museums Aotearoa, has ensured a good knowledge and representation at forums discussing support packages following COVID-19. Volunteers have had a tough year with the closure of the Gallery and then a lengthy break as no volunteers were allowed back until the nation reached Level One. Despite this setback all facilities continue to have excellent volunteer support and many gallery volunteers have returned after a break of 18 months.

Arts, Culture and Community

Oamaru Opera House

What we do

The Oamaru 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 Oamaru 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 2019/20

- An estimated 24,451 people came through the doors of the Oamaru Opera House – for shows, meetings, events, toilet stops, tourists and café use – as a result of the pandemic restrictions the Opera House closed for three months and this resulted in a 41% drop in numbers.
- The residents survey showed
 - 97% satisfaction rate
 - 78% of people visited to watch a show
- We held 23 ticketed events – 7 international shows were booked in however as a result of the pandemic 4 International shows were cancelled
- We hosted 77 community events with 7,233 people attending
- We hosted 141 commercial events, this includes training sessions, workshops and award ceremonies
- We held 7 school events throughout the year with full houses for the majority of these
- The Opera House provides facilities for the pre-school programme Wriggle & Rhyme, run by the library staff
- Support groups for Waitaki Newcomers and Migrants are provided facilities for their meetings free of charge
- During the lockdown three staff were working their full hours working on two digital platforms that are in development, 2 staff were deployed to assist with community work
- While waiting for the restrictions to lift after lockdown Oamaru Opera House staff were deployed to work in other council units i.e. roading and property
- As part of the Waitaki Arts Festival the Opera House had the Red Leap Theatre Company in residence for the week leading up to the world premiere of *Owls Do Cry* in October 2019, derived from the book by Ōamaru author Janet Frame – this production went on to have a sell-out season in Auckland and was programmed for the Auckland Arts Festival and international touring.

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,
- Waitaki Archive & Museum Te Whare Taoka ō Waitaki,
- Oamaru 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.	88% - Achieved <i>(2018/19 - Achieved 89%)</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.	14 attendees per event – Not achieved <i>(2018/19 - Not achieved 19 attendees per event)</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.	4,144 enquiries – Not achieved <i>(2018/19 - Not achieved 4,983 enquiries)</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.	11,858 - Electronic visits to the website 99,916 - Physical visits – Not achieved <i>(2018/19 - Not achieved 9,954 Electronic visits to the website 117,319 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%	64% of the resident population are library members – Achieved <i>(2018/19 - Achieved 65% of the resident population are library members)</i>

Arts, Culture and Community

How we performed: Forrester Gallery, Waitaki Archive & Museum Te Whare Taoka ō Waitaki

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.	426 Visitors between 13-30 June – Not achieved (the Gallery was closed until 13 June 2020) <i>(2018/19 – Not Achieved 5,570 for 5 months to 7/12/2019 - when gallery closed due to mould infestation)</i>
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.	78% - Not achieved (note the Gallery was closed for most of the year) <i>(2018/19 - Achieved 95%)</i>
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.	100% - Achieved <i>(2018/19 - Achieved 100%)</i>

Arts, Culture and Community

How we performed: Oamaru 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.	97% - Achieved <i>(2018/19 - Achieved 96%)</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.	77 Meetings (down 27%) – Not achieved (note this was due to the disruption as a result of COVID-19) <i>(2018/19 - Not achieved 106 meetings)</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.	3,181 (down 69%) – Not achieved (there was a disruption to ticket sales with overall cancellation of 8 shows - 4 of these international shows and postponement of 6 shows into the next year) <i>(2018/19 - Achieved 10,287 (up 6%))</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.	141 (down 21%) – Not achieved (note this decrease was due to pandemic disruption to the business) <i>(2018/19 - Not achieved)</i>

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

	2018/28 LTP		2019/20 Actual \$000	
	2018/19 LTP \$000	2019/20 LTP \$000		
Sources of Operating Funding				
General Rates, Uniform Annual General Charge, Rates Penalties	380	388	301	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). The Covid-19 lockdown period affected all facilities to varying degrees
Targeted Rates	3,442	3,547	3,460	
Rates Revenue	3,822	3,935	3,761	
Subsidies and Grants for Operating Purposes	110	112	157	
Fees and Charges	394	402	140	
Internal Charges and Overheads Recovered	-	-	-	
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	153	156	127	
Operating Revenue	657	670	424	
Total Sources of Operating Funding	4,479	4,605	4,185	
Applications of Operating Funding				
Payments to Staff and Suppliers	2,743	2,718	2,530	
Finance Costs	-	-	-	
Internal Charges and Overheads Applied	1,594	1,665	1,831	
Other Operating Funding Applications	-	-	-	
Total Applications of Operating Funding	4,337	4,383	4,361	
Surplus / (Deficit) of Operating Funding	142	222	(176)	
Sources of Capital funding				
Subsidies and Grants for Capital Expenditure	-	-	10	
Development and Financial Contributions	-	-	-	
Increase / (Decrease) in Debt	-	-	-	
Gross Proceeds from Sale of Assets	-	-	3	
Lump Sum Contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total Sources of Capital Funding	-	-	13	
Applications of Capital funding				
Capital Expenditure				
to meet Additional Demand	-	-	-	
to improve Levels of Service	5	5	28	
to replace Existing Assets	192	147	277	
Increase / (Decrease) in Reserve	(55)	70	(468)	
Increase / (Decrease) of investments	-	-	-	
Total Applications for Capital Funding	142	222	(163)	
Surplus / (Deficit) of Capital Funding	(142)	(222)	176	
Funding Balance	-	-	-	

Council Controlled Organisations

Council holds shares in several Council Controlled Organisations (CCOs) or Council Controlled Trading Organisations (CCTOs). Council reconsiders its reason for ownership annually by reviewing each entity's Statement of Intent. The entities 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 Omarama 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. The Observatory Village Charitable Trust Group is developing and operating an extensive retirement village for the long-term benefit of residents in the District.
- 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.

Note that this Annual Report is the first to include the activities of two new entities, the Observatory Village Charitable Trust Group (which is included in the Waitaki District Health Services Ltd group), and the Waitaki Whitestone Geopark Trust and associated entities.

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 achieved: visitors to the Penguin Colony reduced by 20% on 2019 due to a softer domestic market and the COVID-19 pandemic
Expansion of current trade ready products	Develop new trade ready products.	Promoted Alps2Ocean cycletrail, and Oamaru Blue Penguin Colony, supported the Waitaki Whitestone Geopark. Supported events and handled inquiries from tourism operators.
Travel infrastructure network expanded	Expand travel infrastructure network.	Worked with Council to upgrade websites and related tourist aids
International Marketing Alliance (IMA) agreements in place across the South Island.	International Marketing Alliance agreements in place.	Involved in the Kia Ora South programme
Industry affiliations expanded.	Expand wider industry affiliations.	Raising awareness of local tourism products, developing and fostering existing and new trade contacts
Increased inbound operators (IBO) visitors	Increase number of Inward Bound Organised visitors.	Not achieved: numbers fell 33.5% (2019: 11% increase) due to a softer international trade and the COVID-19 pandemic
Growth in TRENZ attendees from the district.	Increase number of TRENZ attendees.	Not measured/reported

In common with other businesses operating in the tourism industry, Tourism Waitaki was badly impacted by the COVID-19 pandemic, the level 4 lockdown and the closure of the nation's borders to overseas visitors. A number of staff were made redundant, the i-sites were closed and activities at Whitestone City were wound up. The company was eligible for the Government's wages subsidy and, since balance date, has been successful in gaining further substantial Government financial support for the Penguin Colony and other tourism activities.

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 (2019: not achieved)

The Group comprises Waitaki District Health Services Limited, Waitaki District Health Services Trust and Observatory Village Charitable Trust Group. Inclusion of the Observatory Village Charitable Trust Group has necessitated considerable changes to comparative figures for the 2019 financial year - details of which appear in Note 34.

The Company received a modified audit opinion for the year ended 30 June 2020 on 30 November 2020. A full copy of the Company's Annual Report is available at the Company's offices.

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	Not achieved: Generated a return of 7.51% (2019: 14.09%) due largely not being able to operate during the COVID-19 lockdown
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 73.76% (2019: 72.64%)

Whitestone Contracting was impacted by the COVID-19 pandemic, as it was unable to undertake normal activities while the country was at level 4 lockdown. Activities resumed when the lockdown level 3 was declared. The company made four positions redundant, and received the Government's wages subsidy.

The Company received an unqualified audit report for the year ended 30 June 2020 on 18 September 2020. A full copy of the Company's Annual Report is available at the Company's offices.

Omarama Airfield Limited

The purpose of Omarama 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 operation of the company is to advance and promote tourism and provide economic benefits and opportunity within the District. The company 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	Operate and provide planned services within budgeted income Achieve a break-even or better result after prudent provision for asset depreciation and replacement, and future trading requirements	Not achieved: Income was close to budgeted levels, but the revaluation of Airfield assets resulted in Depreciation charges \$27,000 over budget
Enhance economic benefits to Ōmārama and Ahuriri communities from the operation and development of the airfield, measured by increased patronage of facilities and event participation	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 hosting regional and national championship events. Employs, during the season, at least 18 local residents, despite the closure of a significant user of the facilities

The company revalued land and buildings comprising the airfield as at 1 July 2019 to align with accounting policies employed by Council and other members of the consolidated group in relation to property holdings. At 30 June 2020 the company commissioned a fair value assessment of those assets which indicated that no significant movement in the values attributed to the assets had occurred over 2019-20 financial year.

The Company received an unqualified audit report for the year ended 30 June 2020 on 22 September 2020. A full copy of the Company's Annual Report is available at the Company's offices.

Council has changed the way in which it recognises its interest in the company – refer Note 14 for details and Note 34 for a summary of changes made to comparative figures.

Financial Statements

Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2020

	Notes	Council Only			Consolidated	
		2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 * Actual \$000
Revenue						
Rates Revenue	1	32,833	32,931	32,116	32,719	32,032
User Charges		2,230	5,057	3,072	5,895	6,787
Property Rental		2,058	-	1,878	1,890	1,908
Regulatory Charges		1,746	2,195	1,744	1,746	1,744
Contract Revenue		-	-	-	16,576	20,922
Southern District Health Board		-	-	-	11,252	10,594
Residents' Fees and Contributions		-	-	-	6,138	4,404
Development and RMA Contributions		1,028	885	1,570	1,028	1,570
Government Grants and Subsidies	2	8,114	9,560	9,191	9,141	9,251
Other Grants and Donations	3	425	357	504	522	534
Finance Revenue	4	976	1,065	1,064	598	774
Petrol Tax		200	215	214	200	214
Infringements and Fines		45	89	48	45	48
Dividends received		1,004	500	672	100	-
Assets vested in Council		120	-	459	120	459
Total Revenue	32	50,779	52,854	52,532	87,970	91,241
- Continuing Operations		50,779	52,854	52,532	87,521	90,842
- Discontinued Operations	35	-	-	-	449	399
Expenses						
Personnel costs	5	12,062	13,382	11,056	35,003	33,379
Depreciation and amortisation	10,12,32	15,177	14,258	14,185	17,805	16,862
Finance Costs	4	148	10	1	258	42
Other expenses	6	26,153	23,543	27,333	39,665	41,584
Non-trading Losses / (Gains)	7	1,359	-	1,539	(260)	(282)
Total Expenses	32	54,899	51,183	54,114	92,471	91,585
- Continuing Operations		54,899	51,183	54,114	91,663	90,843
- Discontinued Operations	35	-	-	-	808	742
Share of joint venture's surplus / (deficit)	14	996	-	(15)	996	(15)
Surplus / (Deficit) before Tax		(3,124)	1,671	(1,597)	(3,505)	(359)
- Continuing Operations		(3,124)	1,671	(1,597)	(3,146)	(16)
- Discontinued Operations	35	-	-	-	(359)	(343)
Income Tax Expense / (Refund)	8	-	-	-	12	467
Surplus / (Deficit) after tax		(3,124)	1,671	(1,597)	(3,517)	(826)
- Continuing Operations		(3,124)	1,671	(1,597)	(3,263)	(579)
- Discontinued Operations	35	-	-	-	(254)	(247)
Other Comprehensive Revenue and Expense						
Gain/(Loss) on revaluation of Infrastructural Assets	9,10	45,785	-	22,690	45,785	22,690
Gain/(Loss) on revaluation of Property, Plant and Equipment	9,10	38,711	5,354	-	40,146	1,750
Total Other Comprehensive Revenue and Expense		84,496	5,354	22,690	85,931	24,440
Total Comprehensive Revenue and Expense		\$81,372	\$7,025	\$21,093	\$82,414	\$23,614

Discontinued Operations are the Whitestone City and I-site/Visitor Centre activities which have been wound down and closed by Tourism Waitaki Ltd due to the COVID-19 pandemic – refer to Note 35 for further detail.

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

The accompanying Notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2020

	Council Only			Consolidated	
	2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 * Actual \$000
Public Equity at 1 July	831,179	834,150	810,086	858,982	835,368
Total Comprehensive Revenue and Expense	81,372	7,025	21,093	82,414	23,614
Public Equity at 30 June	<u>\$912,551</u>	<u>\$841,175</u>	<u>\$831,179</u>	<u>\$941,396</u>	<u>\$858,982</u>

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

The accompanying Notes form part of these financial statements

Statement of Financial Position

As at 30 June 2020

	Notes	Council Only			Consolidated	
		2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 * Actual \$000
Public Equity						
Ratepayers' Equity	9	310,208	310,208	310,208	310,208	310,208
Revaluation Reserve	9	564,372	488,494	480,934	577,752	492,879
Operating Reserve	9	22,615	26,598	24,725	38,080	40,583
Other Reserves	9	15,356	15,875	15,312	15,356	15,312
Total Public Equity		\$912,551	\$841,175	\$831,179	\$941,396	\$858,982
Non-Current Assets						
Property, Plant and Equipment	10	881,049	798,459	793,768	916,867	828,497
Investment Property	11	-	-	-	26,165	21,724
Intangible Assets	12	785	572	908	1,015	1,179
Forestry	13	286	345	269	286	269
Assets held for Sale	17	1,150	1,150	1,150	1,150	1,150
Other Financial Assets						
- Investments in Subsidiaries	14	4,703	4,912	4,703	-	-
- Investment in Joint Venture	14	1,675	-	679	1,675	679
- Investments in other entities	14	145	145	145	145	145
- Loans to other entities	14	28,534	30,564	29,252	17,585	17,595
		918,327	836,147	830,874	964,888	871,238
Current Assets						
Cash and Cash Equivalents	15	560	967	365	3,553	1,457
Receivables	16	5,153	6,325	6,408	8,621	11,511
Prepayments		642	480	443	825	565
Inventory	18	140	10	14	1,061	967
Work in Progress	19	-	-	-	566	101
Other Financial Assets						
- Term deposits	14	-	4,250	600	1,016	1,854
- Loans to other entities	14	4,507	1,430	40	3,099	40
Assets held for Sale	17	386	-	787	386	787
		11,388	13,462	8,657	19,127	17,282
Total Assets		929,715	849,609	839,531	984,015	888,520

Note – continued on following page

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

The accompanying Notes form part of these financial statements

Statement of Financial Position (continued)

As at 30 June 2020

	Notes	Council Only			Consolidated	
		2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 * Actual \$000
Non-Current Liabilities						
Provisions	20	413	493	364	413	364
Employee Entitlement Liabilities	21	-	-	-	49	146
Borrowings	22	-	-	-	1,077	1,137
Finance Leases	23	-	-	-	304	345
Deferred Tax Liability	8	-	-	-	460	390
		413	493	364	2,303	2,382
Current Liabilities						
Trade and Other Payables	24	7,565	6,725	6,447	11,315	9,887
Employee Entitlement Liabilities	21	1,632	1,200	1,249	5,065	4,252
Provisions	20	154	16	292	161	315
Short Term Borrowings	22	7,400	-	-	7,460	58
Finance Leases	23	-	-	-	100	57
Occupational Right Agreements	25	-	-	-	15,947	12,200
Provision for Taxation		-	-	-	268	387
		16,751	7,941	7,988	40,316	27,156
Total Liabilities		17,164	8,434	8,352	42,619	29,538
Net Assets		\$912,551	\$841,175	\$831,179	\$941,396	\$858,982

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

The accompanying Notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2020

	Notes	Council Only			Consolidated	
		2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 * Actual \$000
Cash Flows from Operating Activities						
Receipts from Rates Revenue		33,101	32,155	32,123	33,071	32,047
Interest received		899	1,065	1,064	940	805
Dividends received		1,004	500	672	100	-
Receipts from Other Revenues		17,027	19,793	18,804	61,722	64,526
Payments to Suppliers & Employees		(38,320)	(36,665)	(40,708)	(75,256)	(78,249)
Interest paid		(148)	(10)	(1)	(645)	(18)
Income tax Refund received / (Paid)		-	-	-	(224)	(382)
Net GST		513	(35)	(525)	666	(550)
Net Cash from Operating Activities		14,076	16,803	11,429	20,374	18,179
Continuing Operations		14,076	16,803	11,429	20,733	18,488
Discontinued Operations	35	-	-	-	(359)	(309)
Cash Flows from Investing Activities						
Proceeds from sale of Property, Plant & Equipment		1,021	498	532	1,339	843
Proceeds from sale of Investments		3,033	13,362	5,452	3,773	9,587
Purchase of Property, Plant & Equipment		(19,230)	(15,321)	(16,872)	(24,693)	(29,208)
Acquisition of Investments		(6,105)	(16,650)	(2,392)	(6,605)	(3,646)
Net Cash from Investing Activities		(21,281)	(18,111)	(13,280)	(26,186)	(22,424)
Cash Flows from Financing Activities						
Proceeds from Borrowing		15,525	-	-	16,291	1,434
Repayment of Borrowing		(8,125)	-	-	(8,383)	(215)
Net Cash from Financing Activities		7,400	-	-	7,908	1,219
Net Increase / (Decrease) in Cash		195	(1,308)	(1,851)	2,096	(3,026)
Cash Resources at 1 July		365	2,275	2,216	1,457	4,483
Total Cash Resources at 30 June	15	560	967	365	3,553	1,457

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

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 2020

	Council Only			Consolidated	
	2020 Actual \$000	2020 Budget \$000	2019 Actual \$000	2020 Actual \$000	2019 Actual \$000
Net Operating Surplus / (Deficit)	(3,124)	1,671	(1,582)	(3,517)	(826)
Add/(Less) non-cash items					
Depreciation & Amortisation	15,177	14,258	14,185	17,805	16,862
Interest compounded	(77)	-	-	(77)	-
Increase/(Decrease) in Provision for Doubtful Debts	(146)	-	27	(108)	22
Increase/(Decrease) in Provision for Closed Landfills	(89)	5	(372)	(89)	(372)
Net Loss / (Profit) on sale of Assets	1,377	-	1,540	1,230	1,376
Loss / (Gain) on Forestry revaluation	(18)	(97)	(16)	(18)	(16)
Vested Assets	(120)	-	(459)	(120)	(459)
Share of Associate's surplus / (Deficit)	(996)	-	15	(996)	15
Surrender of Carbon Units	1	2	2	1	2
Amortisation of Occupational Right Agreements	-	-	-	(1,124)	(565)
Revaluation of Investment Properties	-	-	-	(1,756)	(1,642)
Interest on leases included in lease repayments	-	-	-	74	66
Provision for impairment	-	-	-	283	-
Increase / (Decrease) in Deferred Tax position	-	-	-	(95)	(125)
	15,109	14,168	14,922	15,010	15,164
Add/(Less) in other Working Capital items					
Decrease / (Increase) in Trade & Other Receivables	1,402	832	178	3,058	(184)
Decrease / (Increase) in Prepayments	(199)	(55)	(98)	(259)	(90)
Decrease / (Increase) in Inventories	(126)	-	(4)	(94)	(50)
Decrease / (Increase) in Work in Progress	-	-	-	(465)	192
Increase / (Decrease) in Trade & Other Payables	631	122	(2,110)	1,683	(1,960)
Increase / (Decrease) in Occupational Right Agreements	-	-	-	4,505	5,615
Increase / (Decrease) in Employee Entitlements	383	65	123	618	107
Increase / (Decrease) in Provision for Taxation	-	-	-	(165)	211
	2,091	964	(1,911)	8,881	3,841
Net Cash Flow from Operating Activities	14,076	16,803	11,429	20,374	18,179

* Certain prior period revenue and expenditure items have been reclassified between functional categories for consistency with the current period, and comparative figures for 2019 have been restated to incorporate the Observatory Village Charitable Trust Group and Waitaki Whitestone Geopark operations in the consolidated group, and for other adjustments made in the financial statements of group members. Refer to Note 34 for full details

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). Observatory Village Charitable Trust is now included within the Waitaki District Health Services Ltd group, and the Waitaki Whitestone Geopark Trust is now a member of Council's consolidated group.

The investment in Omarama Airfield Limited (50% owned) is treated as a joint arrangement.

All entities 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 2020 and were authorised for issue by Council on 8 December 2020.

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).. 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 2021: amended PBE IPSAS 21 and PBE IPSAS 26 (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: new PBE IPSAS 41 "Financial Instruments", which will replace parts of PBE IPSAS 29 and all of the 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.

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 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 (which has three non-trading, fully owned subsidiaries: Whitestone Quarries and Landfill Limited, Dunstan Sprayers Ltd and Dunstan Contracting Ltd)
- Tourism Waitaki Limited
- Waitaki District Health Services Limited (whose group includes the activities of the Observatory Village Charitable Trust Group)
- Waitaki Whitestone Geopark Trust (Council was instrumental in establishing the Trust, and provides financial support as part of its economic development activity)

These entities are Council Controlled Organisations as defined by Part 5 of the LGA, with Whitestone Contracting Limited being a Council Controlled Trading Organisation. With the exception of the Waitaki Whitestone Geopark Trust, which has no issued shares, Council holds 100% of the shares in these entities.

Joint Arrangement

A joint arrangement is a binding agreement whereby two or more parties commit 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 adjusts the value of its investment to reflect its share of the entity's net assets (equity).

- Omarama Airfield Limited

This company is a joint venture with the Omarama Soaring Centre Inc and has a balance date of 30 June. Council holds 50% of the shares.

Council's investment in its subsidiaries is carried at cost in the parent financial statements, and all subsidiaries and the joint venture have balance dates of 30 June.

Statement of Accounting Policies

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 2019-20 Annual 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 estimates and assumptions applied in determining the fair value of infrastructural assets, including donated and vested assets.
- Investment Property – refer to Note 12 for information about methodologies employed in determining the fair value of investment property held as part of the retirement village
- Forestry Holdings – refer to Note 13 for information about the estimates and assumptions used to determine the fair value of Council's forestry plantations.
- Provisions – refer to Note 20 for assumptions made in order to derive a fair value for Council's, and the Group's, future obligations in relation to closed landfills and quarries
- Liabilities under Occupational right Agreements – refer to Note 25 for information on methods used to determine the fair value of liabilities to retirement village residents.

Changes in Accounting Policies

Council now values and reports its interest in the joint venture, Omarama Airfield Ltd, based on equity accounting rules as required by PBE IPSAS 38. Refer to Note 14, and to Note 34 for details of the changes made to comparative figures for the 2019 financial year.

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 4 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
 - The gross revenue from other commercial operations undertaken in the normal course of business is recognised when earned
- **Rental Income**
 - Rental income is recognised as revenue over the course of individual lease terms
- **Contract Revenue**
 - Contract revenue is recognised when earned
- **Southern District Health Board**
 - Revenue earned under the contract with the Southern District Health Board is recognised when eligibility has been established
- **Resident's Fees and Contributions**
 - Serviced apartment, villa, hospital and rest home fees are recognised in the period in which the service is rendered
 - Revenue from Village contributions is recognised on a straight-line basis over the expected period of occupancy
- **Petrol Tax**
 - Petrol Tax is recognised when earned
- **Development and financial contributions**
 - Development and financial contributions are recognised at the later 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
- **Vested or Donated physical Assets**
 - 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.

Notes 1 to 4 provide analysis in relation to specific types of Revenue, and include detail of relevant accounting policies.

Notes to the Financial Statements

	Council Only			Consolidated	
	2020	2020	2019	2020	2019
		Budget			
	\$000	\$000	\$000	\$000	\$000

Note 1: Operating Revenue - Rates

Rates revenue - Policies

- General rates, 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 full amount due
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued based on actual meter readings.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Analysis of revenue from Rates:

General Rates	2,302	2,302	2,079	2,188	1,995
District Services Rates	2,065	2,034	2,162	2,065	2,162
Uniform Annual General Charge	4,725	4,729	4,829	4,725	4,829
Ward Rates	6,755	6,752	6,505	6,755	6,505
Separate Rates	10,454	10,423	10,275	10,454	10,275
Targeted Rates for water supply	5,907	5,915	5,505	5,907	5,505
User charges for water supply by meter	485	641	536	485	536
Rates Penalties charged	392	375	478	392	478
Less Rates Remitted	(252)	(240)	(253)	(252)	(253)
Total Rates Revenue	\$32,833	\$32,931	\$32,116	\$32,719	\$32,032

Note 2: Operating Revenue – Government Grants and Subsidies

Government grants and subsidies - Policy

- 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.
- The New Zealand Transport Agency provides funding for road maintenance and capital projects which is recognised as revenue when conditions pertaining to eligibility have been met
- The Ministry of Business, Innovation and Employment (MBIE) administers the NZ Cycletrails Fund, which provides funding for the Alps2Ocean Cycletrail and similar projects. Revenue is recognised as work is completed towards meeting contractual milestones. MBIE administers the Tourism Infrastructure and Provincial Growth Funds which support tourism and other economic growth initiatives
- Government provided wages subsidies to eligible entities as a response to the COVID-19 pandemic
- In 2019, Ministry of Justice funded elements of the refurbishment of the Oamaru Courthouse

Analysis of revenue from Government Grants:

New Zealand Transport Agency subsidies	7,015	7,940	7,640	7,015	7,640
Ministry of Business, Innovation & Employment	762	1,375	737	822	797
Ministry for the Environment	79	97	85	79	85
Oranga Tamariki - Ministry for Children	68	68	34	68	34
Ministry of Social Development	102	-	-	102	-
Land Information NZ	50	-	-	50	-
Ministry of Justice	-	-	645	-	645
Covid-19 Wages Subsidy	-	-	-	965	-
Other Government grants and subsidies	38	80	50	40	50
Total Government Grants	\$8,114	\$9,560	\$9,191	\$9,141	\$9,251

Notes to the Financial Statements

	Council Only			Consolidated	
	2020	2020	2019	2020	2019
		Budget			
	\$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	5	12	110	5	110
Oamaru Events Ltd	25	25	25	25	25
Dunedin City Council	-	40	40	-	40
McKenzie District Council	-	-	-	30	30

General purposes and other projects

North Otago Rugby	33	30	33	33	33
Residents Association of Omarama	215	-	-	215	-
Otago Community Trust	30	-	23	30	23
Waitaki Valley Community Society	-	-	52	-	52
Oceana Gold NZ Ltd	-	-	10	-	10
McMillan Trust	-	-	10	-	10
Other grants and donations	117	250	201	184	201

Total Grants and Donations	\$425	\$357	\$504	\$522	\$534
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The Residents' Association of Omarama provided funding for the construction of the Omarama Sports Complex. These funds were sourced by the Association from external funding agencies.

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 Income

Bank deposits	5	95	93	33	189
North Otago Irrigation Co Ltd	467	475	567	467	567
Observatory Village Group	396	366	386	-	-
Kurow-Duntroon Irrigation Co Ltd	77	109	-	77	-
Waitaki District Health Services Ltd	10	-	-	-	-
NZ Airline Academy	5	5	1	5	1
Other community loans	15	15	15	15	15
Sundry interest	1	-	2	1	2
Total Finance income	976	1,065	1,064	598	774

Analysis of Finance Expense

Bank overdraft	3	10	1	62	28
Bank borrowings	145	-	-	196	14
Total Finance expense	148	10	1	258	42
Net Finance revenue/(expense)	\$828	\$1,055	\$1,063	\$340	\$732

Notes to the Financial Statements

	Council Only			Consolidated	
	2020	2020	2019	2020	2019
		Budget			
	\$000	\$000	\$000	\$000	\$000

Note 5: 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	12,862	12,975	11,422	35,090	33,149
Severance payments	7	-	34	55	34
Defined contribution plan employer contributions	363	366	327	899	802
Fringe Benefit Taxes	39	41	38	169	159
	13,271	13,382	11,821	36,213	34,144
Less recoveries from capital works	(1,209)	-	(765)	(1,209)	(765)
Total personnel costs	\$12,062	\$13,382	\$11,056	\$35,004	\$33,379

Remuneration of the Chief Executive Officer

	Council only	
	2020	2019
	\$	\$
Fergus Power	274,270	266,913
Total remuneration	\$274,270	\$266,913

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	
	2020	2019
	\$000	\$000
Senior management team, including Chief Executive	1,212	1,176
<i>Full-time equivalent members (number)</i>	6	6
Councillors	424	393
<i>Full-time equivalent members (number)</i>	11	11
Total remuneration	\$1,636	\$1,569
<i>Total Full-time equivalent members</i>	17	17

Notes to the Financial Statements

Note 5: Personnel Costs (continued)

Employee Staffing Levels and Remuneration

At 30 June 2020, Council had 132 full-time employees (2019: 117), and casual and part-time employees equating to 35 full-time equivalent (FTE) staff (2019: 35 FTE). These figures include approximately 9 FTE positions on a fixed-term basis (2019: 10 FTE). These figures are disclosed based on 37.5 hours per week being full time employment.

128 employees received annual remuneration of less than \$60,000 (2019: 137), and 100 staff (2019: 86) 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	
	2020 Number	2019 Number
\$160,000 – \$279,999	6	5
\$120,000 – \$159,999	7	6
\$100,000 – \$119,999	14	13
\$80,000 – \$99,999	34	24
\$60,000 – \$79,999	39	38
Total staff	100	86

Severance Payments (Clause 33)

Council made one severance payment of \$6,637 during the financial year (2019: 2 payments, \$43,750).

Notes to the Financial Statements

Note 5: Personnel Costs (continued)

Elected Members' Remuneration

	Council only	
	2020	2019
	\$	\$
<u>Waitaki District Council</u>		
<u>Mayor:</u>		
Gary Kircher	109,447	101,551
<u>Elected Members:</u>		
Jeremy Holding	30,118	27,550
Jim Hopkins	30,118	27,550
William Kingan	34,380	30,544
Guy Percival	30,118	27,550
Melanie Tavendale (Deputy Mayor)	40,206	34,735
Colin Wollstein	34,380	30,544
Hana Halalele (from 12 October 2019)	21,343	-
Ross McRobie (from 12 October 2019)	21,343	-
Kelli Milmine (from 12 October 2019)	21,343	-
Peter Newton (from 12 October 2019)	21,343	-
Craig Dawson (to 12 October 2019)	8,775	27,550
Peter Garvan (resigned 9 August 2019)	3,332	27,550
Hugh Perkins (to 12 October 2019)	9,729	30,544
Janice Wheeler (to 12 October 2019)	8,457	26,908
Total Remuneration – Mayor and Elected Members	\$424,432	\$392,576
<u>Ahuriri Community Board</u>		
<u>Chair:</u>		
Vicky Munro (Chair from 12 October 2019)	8,103	-
Graham Sullivan (to 12 October 2019)	3,537	11,632
<u>Elected Members:</u>		
Brent Cowles	5,820	5,817
Peter Ellis (from 10 February 2020 – by-election)	2,239	-
Ross Menzies (from 12 October 2019)	4,052	-
Dr June Slee (from 12 October 2019, resigned 15 May 2020)	3,380	-
Antony Chapman (to 12 October 2019)	1,768	5,817
Vicky Munro (to 12 October 2019, then Chair, see above)	1,768	5,817
Calum Reid (to 12 October 2019)	1,768	5,817
Total Remuneration – Ahuriri Community Board	\$32,435	\$34,900
<u>Waihemo Community Board</u>		
<u>Chair:</u>		
Heather McGregor (Chair from 12 October 2019)	8,452	-
Kathleen Dennison (to 12 October 2019)	3,672	11,842
<u>Elected Members:</u>		
Ken Brown (to 12 October 2019)	1,836	5,923
Heather McGregor (to 12 October 2019, then Chair, see above)	1,836	5,923
Katrina Dodd (from 12 October 2019)	4,208	-
Casey Linklater (from 12 October 2019)	4,208	-
Paul Roy	6,044	5,923
Carol Watson	6,044	5,923
Total Remuneration – Waihemo Community Board	\$36,300	\$35,534
Total Elected Member Remuneration	\$493,167	\$463,010

Notes to the Financial Statements

	2020	Council Only 2020 Budget	2019	Consolidated 2020	2019
	\$000	\$000	\$000	\$000	\$000

Note 6: Other Expenses

Operating costs - Policy

- **Community Grants and Donations**

- 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 New Zealand

Audit Current Year Annual Report	157	132	133	258	198
Audit Prior Year Annual Report	11	-	7	11	7

Audit Fees - Other audit providers

Audit Current Year Annual Report	-	-	-	78	29
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Community grants and donations	878	786	1,006	940	987
Consultants	2,041	1,889	1,724	4,656	3,767
Contractors	14,090	13,667	16,383	16,079	19,766
Directors' Fees	-	-	-	402	447
Elected Members' Remuneration	493	510	463	493	463
Electricity supply	1,814	1,780	1,810	2,016	2,006
Impairment of Receivables (Note 15)	327	150	45	364	41
Insurance premiums	702	604	568	1,127	961
Legal Fees	260	211	248	323	292
Operating lease expense	106	121	108	431	392
Provision for closed landfill	(90)	18	(372)	(90)	(372)
Other Expenditure	5,364	3,675	5,210	12,577	12,600
Total Other Operating Expenses	\$26,153	\$23,543	\$27,333	\$39,665	\$41,584

Notes to the Financial Statements

	Council Only			Consolidated	
	2020	2020	2019	2020	2019
		Budget			
	\$000	\$000	\$000	\$000	\$000

Note 7: Non-trading Losses / (Gains)

Non-trading Losses / (Gains) - Policy

- Gains or losses realised on the disposal of Property, Plant and Equipment, including depreciation recovered on disposal, are recognised as non-trading gains or losses upon completion of the sale transaction
- Any change in value arising from the annual revaluation of Council's forestry holdings is recognised upon completion of the revaluation process
- Council's investment in the joint venture, Omarama Airfield Ltd, is equity accounted, with Council's 50% share of the company's surplus or deficit changing the value of the investment and recorded as a non-trading loss or gain
- The annual revaluation of investment property held by Observatory Village Charitable Trust is recognised as a non-trading gain or loss upon completion of the valuation process
- Impairment of investments or other assets arising from abnormal or other non-operational reduction or loss of service potential is recognised as a non-trading loss when this loss of service potential becomes apparent

Analysis of Non-trading Losses / (Gains):

Loss / (Gain) on Property Plant & Equipment	1,404	-	1,784	1,389	1,782
Depreciation recovered on disposal	(27)	-	(229)	(159)	(406)
Loss / (Gain) on revaluation of Forestry Assets	(18)	-	(16)	(18)	(16)
Loss / (Gain) on revaluation of Investment Properties	-	-	-	(1,756)	(1,642)
Impairment of Tourism Waitaki Ltd assets	-	-	-	284	-
Total Non-trading Losses / (Gains)	\$1,359	\$ -	\$1,539	(\$260)	(\$282)

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<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, plus any adjustments 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.

Relationship between tax expense and accounting profit

Net surplus / (deficit) before taxation	(3,124)	(1,582)	(3,433)	(359)
Prima facie taxation at 28%	(875)	(443)	(981)	(98)
Plus/(Less) Taxation Effect of Differences				
- Revenue not liable for taxation	875	443	1,094	640
- Tax effect of other differences	-	-	(101)	(75)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$12</u>	<u>\$467</u>

This is represented by:

Current taxation	-	-	73	618
Prior year adjustment	-	-	-	(11)
Deferred taxation provision	-	-	(61)	(140)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$12</u>	<u>\$467</u>

Deferred taxation liability/(benefit)

Opening balance	-	-	390	522
Deferred taxation position current year	-	-	70	(132)
Total Deferred Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$460</u>	<u>\$390</u>
<i>Deferred taxation comprises:</i>				
Short term temporary differences	-	-	460	390
	<u>\$ -</u>	<u>\$ -</u>	<u>\$460</u>	<u>\$390</u>

Whitestone Contracting Ltd has imputation credits of \$2,345,968 (2019: \$2,451,734) 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	
	2020	2019	2020	2019
	<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 LGA 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 LGA 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

Ratepayers Equity represents uncommitted accumulated operating surpluses. Operating surpluses that represent funds that are not committed to specific projects or purposes are transferred irregularly this fund from Operating Reserves.

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	
	2020	2019	2020	2019
	<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	480,934	460,450	492,879	470,645
Roading Increase	45,785	-	45,785	-
Roading Transfers (to operating reserve)	-	-	-	-
Water & Waste Increase	-	22,690	-	22,690
Water & Waste Transfers (to operating reserve)	(798)	(1,611)	(798)	(1,611)
Property Increase (Decrease)	38,711	-	40,146	1,750
Property Transfers (to operating reserve)	(260)	(595)	(260)	(620)
Balance at 30 June	<u>\$564,372</u>	<u>\$480,934</u>	<u>\$577,752</u>	<u>\$492,879</u>

Represented by

Infrastructural Assets	471,184	426,197	471,184	426,197
Council Property	93,063	54,612	93,063	54,612
Council Other (Museum)	125	125	125	125
Waitaki District Health Services Ltd	-	-	9,845	9,138
Whitestone Contracting Ltd	-	-	3,535	2,807
Balance at 30 June	<u>\$564,372</u>	<u>\$480,934</u>	<u>\$577,752</u>	<u>\$492,879</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	24,725	24,985	40,583	40,087
Net surplus/(deficit) after tax	(3,124)	(1,597)	(3,517)	(826)
Transfer from Revaluation Reserves	1,058	2,206	1,058	2,206
Transfer from Other Reserves	2,374	2,524	2,374	2,524
Transfer to Other Reserves	(2,418)	(3,408)	(2,418)	(3,408)
Balance at 30 June	<u>\$22,615</u>	<u>\$24,725</u>	<u>\$38,080</u>	<u>\$40,583</u>

Operating Reserves are un-appropriated surpluses of group entities and are paper transactions and not fully represented by cash funds.

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 9: Public Equity (Continued)

Other Reserves

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	15,312	14,426	15,312	14,426
Deposits and Interest	2,443	3,378	2,443	3,378
To Operating Reserves to meet disbursements	(2,399)	(2,492)	(2,399)	(2,492)
Balance at 30 June	<u>\$15,356</u>	<u>\$15,312</u>	<u>\$15,356</u>	<u>\$15,312</u>

Represented by

Special Funds	13,038	13,262	13,038	13,262
Trust Funds	2,302	2,049	2,302	2,049
Loan Funds	1	1	1	1
SPARC and Creative Communities funds	15	-	15	-
Balance at 30 June	<u>\$15,356</u>	<u>\$15,312</u>	<u>\$15,356</u>	<u>\$15,312</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.

• SPARC and Creative Community Trust Funds

Funds are 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 distribute all funds provided and may carry any undistributed balance forward for future periods.

Balance at 1 July	-	2	-	2
Deposits and Interest	38	30	38	30
To Operating Reserves to meet disbursements	(23)	(32)	(23)	(32)
Balance at 30 June	<u>\$15</u>	<u>\$-</u>	<u>\$15</u>	<u>\$-</u>

Represented by

SPARC Commission Funds	-	-	-	-
Creative Communities Funds	15	-	15	-
Balance at 30 June	<u>\$15</u>	<u>\$-</u>	<u>\$15</u>	<u>\$-</u>
Total Other Reserves	<u>\$15,356</u>	<u>\$15,312</u>	<u>\$15,356</u>	<u>\$15,312</u>

Notes to the Financial Statements

Note 9: Public Equity (Continued)

Other Reserves (Continued)

Type of Reserve	Purpose of Reserve		1 July 2018 \$000	Reserves \$000	Reserves \$000	30 June 2019 \$000	Reserves \$000	Reserves \$000	30 Jun 2020 \$000
Special Reserves									
<u>Development Funds</u>									
Roading	Future expansion and upgrading infrastructure for growth		477	297	(263)	511	246	(273)	484
Water			1,315	654	(1,119)	850	390	(345)	895
Sewer			2,407	332	(44)	2,695	211	(748)	2,158
Total Development Funds		A	4,199	1,283	(1,426)	4,056	847	(1,366)	3,537
<u>Other Council-created Funds</u>									
Disaster & Insurance Excess Funds	Contingency for rapid response	B	3,953	150	(273)	3,830	90	(139)	3,781
Land Endowment Fund	Operational funding	C	855	224	(359)	720	164	(25)	859
Community Housing Fund	Community housing projects & upgrades	D	512	132	143	787	19	-	806
Forestry Planting Fund	Net proceeds from forestry activities	E	1,363	68	(32)	1,399	43	-	1,442
Other Council-created funds	Established for other specific purposes		1,484	1,151	(164)	2,471	865	(723)	2,613
Total Special Reserves			12,366	3,008	(2,111)	13,263	2,028	(2,253)	13,038
Trust Funds									
Waitaki Heritage Fund	Support for heritage projects		485	44	(258)	271	29	(35)	265
RMA Reserve	Future recreational developments	F	951	418	(132)	1,237	331	(81)	1,487
Oamaru Public Gardens	Grants, donations, bequests and other gifts for specific purposes		150	5	-	155	5	-	160
North Otago Museum			146	8	-	154	5	(1)	158
Other community purposes			327	2	(98)	231	7	(6)	232
Total Trust Funds			2,059	477	(488)	2,048	377	(123)	2,302
Reserved Funds									
SPARC and Creative NZ Funds	Funds for community organisation grants		2	30	(32)	-	38	(23)	15
Loan Funds	Repayments of heritage loans		1	-	-	1	-	-	1
Total Reserved Funds			3	30	(32)	1	38	(23)	16
Total Restricted Reserves			\$ 14,428	\$ 3,515	(\$ 2,631)	\$ 15,312	\$ 2,443	(\$ 2,399)	\$ 15,356

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

Note B - Council-created funds may only be accessed by Council resolution. Disaster & Insurance Excess funds are for use in an emergency

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

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

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

Note F - 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), Buildings and Improvements (operational and restricted), library books, land (except land under roads), bridges, water supply, sewerage schemes, drainage schemes and solid waste facilities 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, Roads and Bridges, Water, Waste and Drainage assets, Property, Parks and the Oamaru airport, 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:

Buildings	15 – 100 years	1% - 6.67%
Improvements	4 – 100 years	1% - 25%
Infrastructure Assets		
Rooding		
Formation, sub-base course	Not depreciated	N/A
Pavement structure	20 – 70 years	1.43% - 5%
Surfacing	2 – 30 years	3.33% - 50%
Drainage, Footpaths	10 – 100 years	1% - 10%
Bridges, retaining structures	25 – 100 years	1% - 4%
Streetlights, railings and markers	4 – 35 years	2.85% - 25%
Signage and parking meters	5 – 15 years	6.67% - 20%
Water Schemes		
Headworks	5 – 140 years	0.71% - 20%
Reservoirs	10 – 80 years	1.25% - 10%
Pumping stations	15 – 100 years	1% - 6.67%
Reticulation	15 – 150 years	0.67% - 6.67%
Sewerage Schemes		
Reticulation	15 – 150 years	0.67% - 6.67%
Pumping stations	15 – 100 years	1% - 6.67%
Treatment works	2 – 100 years	1% - 50%
Stormwater - reticulation	45 – 150 years	0.67% - 2.22%
Transfer stations, landfill development	3 – 60 years	1.67% - 33.33%
Harbour – wharves and breakwater	8 – 100 years	1% - 12.5%
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%
Motor vehicles	3 – 10 years	10% - 33.33%
Other Plant	2 – 40 years	2.5% - 50%
Office equipment	2 – 20 years	5% - 50%
Office furniture & fittings	2 – 30 years	3.33% - 50%
Cultural and heritage assets – library books	5 – 7 years	14.29% - 20%

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 every balance date, and when events or changes in circumstances indicate that carrying values 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 assessments 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, including Parks, the Aquatic Centre and the Oamaru Airport, were valued at 1 July 2019 by Luke van den Broek SPINZ, ANZIV, MRICS of Aon Valuation Services. The results of this valuation have been included in this Annual Report. Aon have completed a fair value assessment at 30 June 2020 and determined that, in their opinion, no significant variations have occurred.

Roading Network

The roading network was valued as at 30 June 2020 by Tui Craven, Asset Data Manager, and reviewed by Aaron Hartland, Team Leader – Asset and Information Management, both of WSP New Zealand Ltd (formerly Opus International Consultants Ltd). Bridges and retaining structures were valued separately at the same date by David Charters of DCL Consulting Ltd. The results of both valuations have been included in this Annual Report.

Three Waters Assets

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 (now WSP New Zealand Ltd). 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.

Valuation Methodology, and uncertainty

The valuation methodology used in the valuation of Property, Plant and Equipment is based on fair value of the asset. Where the fair value of an asset can be determined by reference to price in an active market for the same or a similar asset, the fair value can be determined using this information. Where fair value cannot be reliably determined using market-based evidence (apart from land which uses market value) optimised depreciated replacement cost is considered the most appropriate basis for determining fair value.

Many assets within the Land and Buildings category, and Council's infrastructural assets, are considered to be specialised – in these cases, land is valued at market value while buildings and other items use optimised depreciated replacement cost.

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

Property, Plant and Equipment – Policy (continued)

Because of the pandemic, valuations in particular of land and buildings are inherently uncertain. In terms of property markets, it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. Illiquidity on the property markets means there will be a time delay in establishing transactional evidence to demonstrate actual pricing and what any adjustment from pre-pandemic values is likely to be.

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)

2020 Council Only	Cost/ Valuation 01-Jul-19	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-20	Accum Depn & Impairment Charges 01-Jul-19	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-20	Book Value 30-Jun-19	Book Value 30-Jun-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	46,852	17		(457)	15,620	62,032							46,852	62,032
Buildings and Improvements	47,781	1,779		(91)	15,095	64,564	8,273	3,297	44	(7,996)		3,618	39,508	60,946
Infrastructural Assets														
- Roading	519,455	7,006			28,900	555,361	12,338	6,149	268	(18,317)		438	507,117	554,923
- Bridges	23,475	21			(3,325)	20,171	1,260	634		(1,894)			22,215	20,171
- Water Supply Schemes:														
Treatment Plants and Facilities	20,646	714		(137)		21,223	846	866	(14)			1,698	19,800	19,525
Other Assets (ie Reticulation)	57,304	2,062	59	(717)		58,708	1,066	1,229	(60)			2,235	56,238	56,473
- Sewerage Schemes:														
Treatment Plants and Facilities	8,804	3,397		(83)		12,118	359	360	(35)			684	8,445	11,434
Other Assets (ie Reticulation)	39,165	610	57	(128)		39,704	804	811	(25)			1,590	38,361	38,114
- Drainage Schemes	18,063	36		(39)		18,060	270	273	(1)			542	17,793	17,518
- Solid Waste Facilities	1,300					1,300	1,150	23				1,173	150	127
- Oamaru Harbour	32,509	27		(27)		32,509	6,093	339	(27)			6,405	26,416	26,104
- Alps to Ocean	4,883	300				5,183	709	183				892	4,174	4,291
Total Infrastructural Assets	725,604	14,173	116	(1,131)	25,575	764,337	24,895	10,867	106	(20,211)		15,657	700,709	748,680
Operational Assets														
- Plant, Equipment and Vehicles	2,406	(218)		(228)		1,960	1,364	192	(484)			1,072	1,042	888
- Office Equipment and Fittings	4,422	453		(58)		4,817	3,392	441	(54)			3,779	1,030	1,038
Total Operational Assets	6,828	235		(286)		6,777	4,756	633	(538)			4,851	2,072	1,926
Collections	2,049	103	4	(102)		2,054	542	102	(94)			550	1,507	1,504
Capital Works in Progress	3,120	4,849		(2,008)		5,961							3,120	5,961
	832,234	21,156	120	(4,075)	56,290	905,725	38,466	14,899	(482)	(28,207)		24,676	793,768	881,049

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 \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-19 \$000	Accum Depn & Impairment Charges 01-Jul-18 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-19 \$000	Book Value 30-Jun-18 \$000	Book Value 30-Jun-19 \$000
Land	47,178	80	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				1,280	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 (re 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 (re Reticulation)	34,464	109	125	(88)	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	725,804	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	(96)			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 (Consolidated)

2020 Consolidated	Cost/ Valuation 01-Jul-19	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-20	Accum Depn & Impairment Charges 01-Jul-19	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-20	Book Value 30-Jun-19	Book Value 30-Jun-20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	52,676	17		(457)	15,956	68,192							52,676	68,192
Buildings and Improvements	65,963	1,908		(91)	15,294	83,074	8,780	3,926	44	(9,060)		3,690	57,183	79,384
Infrastructural Assets														
- Roading	519,455	7,006			28,900	555,361	12,338	6,149	268	(18,317)		438	507,117	554,923
- Bridges	23,475	21			(3,325)	20,171	1,260	634		(1,894)			22,215	20,171
- Water Supply Schemes														
Treatment Plants and Facilities	20,646	714		(137)		21,223	846	866	(14)			1,698	19,800	19,525
Other Assets (ie Reticulation)	57,304	2,062	59	(717)		58,708	1,066	1,229	(60)			2,235	56,238	56,473
- Sewerage Schemes														
Treatment Plants and Facilities	8,804	3,397		(83)		12,118	359	360	(35)			684	8,445	11,434
Other Assets (ie Reticulation)	39,165	610	57	(128)		39,704	804	811	(25)			1,590	38,361	38,114
- Drainage Schemes	18,063	36		(39)		18,060	270	273	(1)			542	17,793	17,518
- Solid Waste	1,300					1,300	1,150	23				1,173	150	127
- Oamaru Harbour	32,509	27		(27)		32,509	6,093	339	(27)			6,405	26,416	26,104
- Alps to Ocean	4,883	300				5,183	709	183				892	4,174	4,291
Total Infrastructural Assets	725,604	14,173	116	(1,131)	25,575	764,337	24,895	10,867	106	(20,211)		15,657	700,709	748,680
Operational Assets														
- Plant, Equipment and Vehicles	29,397	1,716		(1,265)		29,848	18,483	1,952	(1,352)		284	19,367	10,914	10,481
- Office Equipment and Fittings	6,786	710		(83)		7,413	4,398	639	(78)			4,959	2,388	2,454
Total Operational Assets	36,183	2,426		(1,348)		37,261	22,881	2,591	(1,430)		284	24,326	13,302	12,935
Collections	2,049	103	4	(102)		2,054	542	102	(94)			550	1,507	1,504
Capital Works in Progress	3,120	5,060		(2,008)		6,172							3,120	6,172
	885,595	23,687	120	(5,137)	56,825	961,090	57,098	17,486	(1,374)	(29,271)	284	44,223	828,497	916,867

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	51,737	1,325	30	(416)		52,676							51,737	52,676
Buildings and Improvements	61,366	3,562	291	(698)	1,442	65,963	6,066	3,209	(187)	(308)		8,780	55,300	57,183
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	28,129	3,544		(2,276)		29,397	18,739	1,881	(2,137)			18,483	9,390	10,914
- Office Equipment and Fittings	6,167	1,124		(505)		6,786	4,352	537	(491)			4,398	1,815	2,388
Total Operational Assets	34,296	4,668		(2,781)		36,183	23,091	2,418	(2,628)			22,881	11,205	13,302
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
	851,871	30,473	459	(13,105)	15,897	885,595	52,273	16,354	(2,986)	(8,543)		57,098	799,598	828,497

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:

	2020	2019
	<u>\$000</u>	<u>\$000</u>
Infrastructural Assets – roading and bridges	279	209
Infrastructural Assets – water supply schemes	2,848	1,396
Infrastructural Assets – sewerage schemes	154	568
Infrastructural Assets – drainage schemes	64	65
Property and other assets	2,616	882
Total	<u>\$5,961</u>	<u>\$3,120</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 \$15,860,403 (2019: \$8,423,984).

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 Stormwater Assets

Total carrying value \$143,062,110. Individual assets valued in excess of \$1,000,000 are insured – value of these assets for insurance purposes is \$41,128,623 (2019: \$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 is \$243,392,000, based on the latest 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 \$62,032,400 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 \$60,945,996, and a value of \$148,672,543 (2019: \$115,823,851) 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 \$575,093,922. 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 \$756,258,272 based on the valuation at 1 July 2020.

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

Total carrying value of \$30,522,901. Not specifically insured. Replacement or reinstatement would be funded from operational budgets or depreciation reserves (2019: \$30,741,604).

Notes to the Financial Statements

Note 10: Property, Plant and Equipment (continued)

- Art Works, Museum Collections, Library Books

Total carrying value \$1,504,001 Valued at \$4,000,550 for insurance purposes (2019: \$4,000,550), being \$3,000,550 for Council's own art works (2019: \$3,000,550), and \$1,000,000 for art works on loan to Council (2019: \$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 \$887,768, and a value for insurance purposes of \$848,108 (2019: \$843,214). All are insured for replacement value.

Other items with a carrying value of \$1,038,919 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	\$881,049,277
Total value of cover for insurance purposes	<u>\$194,649,824</u>
Total value of uninsured assets	\$686,399,453

Significant uninsured assets include:

Roading Network (NZTA subsidies, Council reserves)	\$575,093,922
Water, Waste water and stormwater assets (LAPP assistance)	\$101,933,487
Land holdings (uninsurable, potential Earthquake Commission funding)	\$62,032,400
Solid Waste, Harbour, Cycle Trail	\$30,508,097

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 2020, the Disaster Fund stood at \$3,577,998 (2019: \$3,769,338), and the Insurance Excess Fund remained at \$203,094 (2019: \$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.
- Reliability of asset valuations
As previously stated, the Covid-19 pandemic has introduced a level of uncertainty, particularly in terms of property markets. As a consequence, there is a degree of uncertainty around the values of assets held by Council and the group, particularly those related to non-specialised land and buildings

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 11: Investment Property

Investment property – policy

Investment property includes land and buildings related to the retirement village operation which are held to earn rental income and for capital appreciation. Investment property is initially recorded at cost and subsequently measured annually at fair value as determined by an independent registered valuer. Gains or losses arising from changes in the fair values are included in the Statement of Comprehensive Revenue and Expense in the year in which they arise. Where an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Revenue and Expense is the difference between the net sales price and the carrying value of the property. Investment properties are not depreciated.

Development in progress is cost incurred for buildings that had not yet been completed and professional fees for developments that have not yet commenced at balance date. This is transferred to Investment Property on completion of each relevant stage.

Investment Property

Balance at 1 July	-	-	21,675	14,278
Additions and transfers	-	-	2,734	5,755
Revaluation Gain / (Loss)	-	-	1,756	1,642
Balance at 30 June	<u>\$-</u>	<u>\$-</u>	<u>\$26,165</u>	<u>\$21,675</u>

Development in Progress

Balance at 1 July	-	-	49	-
Development costs incurred	-	-	3,124	7,195
Transferred to Investment Property	-	-	(3,124)	(5,359)
Transferred to Property, Plant & Equipment	-	-	(49)	(1,787)
Balance at 30 June	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$49</u>
Total at 30 June	<u>\$-</u>	<u>\$-</u>	<u>\$26,165</u>	<u>\$21,724</u>

Investment property was revalued by Colliers International Valuation (Chch) Limited at 30 June 2020. The valuation was prepared in accordance with PBE IPSAS 16 Investment Properties. Colliers is appropriately qualified and experienced in valuing retirement village properties in New Zealand.

Fair values were determined using a two step approach. The determination of the value of the care facility is complex and is based on income capitalisation of the market rent adopting a 7.75% yield (2019: 7.5%).

Care suites, Apartments and Villas are valued using the discounted cash flow approach. The major assumptions used in the discounted cash flow analysis are the discount rate of 15.25% (2019 15%), growth rates in unit values which range from -1% for year 1, 0% for year 2 and positive growth from year 3 onwards over the term of the cash flow, with compounded growth rate of 2.27% per annum. For independent villas, a market value compounded growth rate of 2.68% has been adopted. This growth rate reflects negative growth rate of -2% for year 1, 0% for year 2 and then positive growth rates from year 3 onwards. A deduction for expenses such as refurbishment costs, marketing and capital expenditure has also been adopted.

Notes to the Financial Statements

Note 11: Investment Property – continued

Occupation Right Agreement contracts were also reviewed and the valuation adjusted for residents' share, if any, of capital gains when determining the market value to the proprietor. Other assumptions used by the valuer include the average age at entry of residents and average occupancy periods of units. The period of the discounted cash flow is 25 years.

The above inputs calculate the proprietor's interest in the Observatory Village Charitable Trust which is then adjusted to take into account the residents' Occupation Right Agreement liability as recorded in the Statement of financial Position to determine the overall land and improvement value.

There is approximately 48,635 square metres of excess land remaining as undeveloped and as shown in the report, this has been valued at \$13.25 per square metre.

The outbreak of the Coronavirus (Covid-19) was declared a Global Pandemic by the World Health Organisation on 11 March 2020. Market activity is being impacted in almost every sector and there is a major reduction in liquidity across all investment markets. In terms of the property markets it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. The illiquidity in the property markets means there will be a time delay in establishing transactional evidence to demonstrate actual pricing and what the adjustment from pre-pandemic values is likely to be.

At valuation date, the valuers consider it appropriate to attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation is reported on the basis of "material valuation uncertainty". Consequently less certainty, and a higher level of caution, should be attached to the valuation than would normally be the case

Notes to the Financial Statements

Note 12: 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, and 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 Oamaru and Palmerston landfill facilities. These obligations are satisfied by surrendering credits based on volumes of waste accepted at the facilities (Oamaru facility is now closed). Remaining units are held firstly to meet ongoing obligations related to the Palmerston landfill facility, and secondly to meet 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, and is subsequently assessed for impairment, and its value adjusted accordingly, annually, 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

	2020				2019			
	Software	Carbon Credits	Other	Total	Software	Carbon Credits	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

Note 12: Intangible Assets (continued)

Council only

Balance at 1 July

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)
Opening Book Value	887	14	7	908	618	16	13	647

Movements for the year

Additions	155	-	-	155	517	-	-	517
Disposals - cost	-	-	-	-	(10)	(2)	-	(12)
Amortisation charge	(271)	-	(7)	(278)	(248)	-	(6)	(254)
Disposals - accum amortisation	-	-	-	-	10	-	-	10
Net movement for the year	(116)	-	(7)	(123)	269	(2)	(6)	261

Balance at 30 June

Cost	2,992	14	165	3,171	2,837	14	165	3,016
Accumulated Amortisation	(2,221)	-	(165)	(2,386)	(1,950)	-	(158)	(2,108)
Closing Book Value	\$771	\$14	\$ -	\$785	\$887	\$14	\$7	\$908

Consolidated

Balance at 1 July

Cost	3,220	14	988	4,222	2,705	16	988	3,709
Accumulated Amortisation	(2,162)	-	(881)	(3,043)	(1,898)	-	(647)	(2,545)
Opening Book Value	1,058	14	107	1,179	807	16	341	1,164

Movements for the year

Additions	155	-	-	155	525	-	-	517
Disposals - cost	(23)	-	(200)	(223)	(10)	(2)	-	(12)
Amortisation charge	(296)	-	(23)	(319)	(274)	-	(234)	(491)
Disposals - accum amortisation	23	-	200	223	10	-	-	10
Net movement for the year	(141)	-	(23)	(164)	251	(2)	(234)	24

Balance at 30 June

Cost	3,352	14	788	4,154	3,220	14	988	4,222
Accumulated Amortisation	(2,435)	-	(704)	(3,139)	(2,162)	-	(881)	(3,043)
Closing Book Value	\$917	\$14	\$84	\$1,015	\$1,058	\$14	\$107	\$1,179

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	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 13: 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	269	253	269	253
Gains / (Losses) arising from changes in fair value less estimated point of sale costs	17	16	17	16
Balance at 30 June	<u>\$286</u>	<u>\$269</u>	<u>\$286</u>	<u>\$269</u>

Council has several forest stands covering a net stocked area of 113.8ha (2019: 113.8ha), planted mainly in *pinus radiata* in the Waitaki District. These are at varying stages of maturity, ranging from 20 – 30 years. Council's forestry holdings are primarily for aesthetic and land protection purposes.

The annual valuation, dated 30 June 2020, 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% (2019: 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 (2019: \$268,815) for the forestry plantations, up to \$250,000 (2019: \$250,000) for fire-fighting costs and up to \$111,800 (2019: \$111,800) for replanting and other re-establishment costs.

Emissions Trading Scheme

The forestry stands 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 12).

Notes to the Financial Statements

Note 14: 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, which 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. Any impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

Notes to the Financial Statements

	Council		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 14: Other Financial Assets (continued)

Investments in Subsidiaries

Investments in subsidiaries are held at cost in Council's parent entity financial statements. Council holds 100% ownership of these entities which, with the Waitaki Whitestone Geopark Trust in which Council has a beneficial interest, form Council's consolidated group.

Whitestone Contracting Ltd	4,600	4,600	-	-
Tourism Waitaki Ltd	97	97	-	-
Waitaki District Health Services Ltd	-	-	-	-
Total Investments in Subsidiaries	\$4,697	\$4,697	-	-

Investment in Joint Venture

Omarama Airfield Ltd is a 50%-owned jointly-controlled enterprise. Council uses equity accounting to value its investment in the business, adjusting the value by 50% of the company's operating result each year.

Opening balance	679	694	679	694
Share of reported surplus / (deficit)	996	(15)	996	(15)
Closing balance	\$1,675	\$679	\$1,675	\$679

Operating results and financial position for Omarama Airfield Ltd are summarised below:

<i>Operating Revenue</i>	156	154	156	154
<i>Operating Expenditure</i>	(173)	(185)	(173)	(185)
<i>Provision for Taxation</i>	(3)	-	(3)	-
<i>Revaluation of Properties</i>	2,012	-	2,012	-
Annual Surplus / (Deficit)	\$1,992	(\$31)	\$1,992	(\$31)
Council's share of Surplus / (Deficit)	\$996	(\$15)	\$996	(\$15)
<i>Total Assets</i>	\$3,381	\$1,387	\$3,381	\$1,387
<i>Total Liabilities</i>	(\$32)	(\$30)	(\$32)	(\$30)

Shares in Other Entities

Council holds shares in these unlisted companies, and values the investment at cost as there is no market, or any likely market, for the shares, and there have been no recent share sales on which to base a fair value:

Civic Financial Services Limited (balance date 31 December)

Shares held (000)	120	120	120	120
Percentage of Issued Shares	1.07%	1.07%	1.07%	1.07%
Book Value	\$114	\$114	\$114	\$114

Lower Waitaki Irrigation Co Limited (balance date 31 December)

Shares held (000)	3	3	3	3
Percentage of Issued Shares	11.50%	11.50%	11.50%	11.50%
Book Value	\$31	\$31	\$31	\$31

Total Shares in unlisted companies	\$145	\$145	\$145	\$145
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Notes to the Financial Statements

	Council		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 14: Other Financial Assets (continued)

Loans to other Entities

Council has advanced funds to external entities to promote community well-being or economic development within the Waitaki District.

North Otago Irrigation Co Ltd	17,000	17,000	17,000	17,000
Observatory Village Charitable Trust Group	11,657	11,657	-	-
Kurow-Duntroon Irrigation Co Ltd	3,076	-	3,076	-
Oamaru Whitestone Civic Trust	533	564	533	564
New Zealand Airline Academy Ltd	60	60	60	60
Waitaki District Health Services Ltd	700	-	-	-
Corriedale Water Management Ltd	15	10	15	10
Oamaru Steam & Rail Society	-	1	-	1
Loans to other entities	\$33,041	\$29,292	\$20,684	\$17,635
Categorised as Non-current	28,534	29,252	17,585	17,595
Categorised as Current	4,507	40	3,099	40
Total	\$33,041	\$29,292	\$20,684	\$17,635

Maturity Profile of Lending

Maturity Profile of Lending				
Due within one year	4,507	40	3,099	40
Due between one and two years	3,047	17,817	1,339	17,109
Due between two and five years	9,741	5,671	4,017	147
Due beyond five years	15,746	5,909	12,229	339
Total	\$33,041	\$29,292	\$20,684	\$17,635

The effective interest rate on secured loans at year end was 3.03% (2019: 3.31%).

Notes to the Financial Statements

	Council		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 14: Other Financial Assets (continued)

Significant Secured Loans:

North Otago Irrigation Co Ltd (NOIC)	17,000	17,000	17,000	17,000
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Secured by a General Security Agreement over the Company's assets including Water Supply Contracts and Memoranda of Encumbrances between NOIC and the irrigators.

Observatory Village Charitable Trust Group	11,657	11,657	-	-
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Secured by a General Security Agreement over the assets of the company. The company now forms part of the Waitaki District Health Services Ltd consolidated group, so is a member of Council's own consolidated group. Principal repayments will commence in the 2020-21 financial year.

Term Deposits

Council and members of its consolidated group may hold surplus funds on deposit with trading banks. Deposits with maturity dates less than or equal to 3 months from the date of the deposit are included as part of Cash and Cash Equivalents, and are detailed in Note 15.

Current

Term Deposits maturing between 3 & 12 months	-	600	1,016	1,854
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Note 15: 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	106	1,564	969
Deposits with initial terms of 3 months or less	455	260	1,989	488
Total Cash Equivalents	<u>\$560</u>	<u>\$366</u>	<u>\$3,553</u>	<u>\$1,457</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 16: 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.

Receivables comprise

Receivables from non-exchange transactions

<i>Outstanding debt related to rates, external grants, infringements and fees and charges for services that are partly subsidised from rates</i>	3,591	4,877	5,041	6,065
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Receivables from exchange transactions

<i>Outstanding debt related to commercial sales, and fees and charges that are not subsidised from rates</i>	1,562	1,531	3,580	5,446
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Total Receivables	\$5,153	\$6,408	\$8,621	\$11,511
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Analysis of Receivables, and other information

Rates	1,248	1,594	1,248	1,594
Sundry Debtors	2,189	2,473	5,825	7,646
Accrued Revenue	1,824	2,580	1,827	2,596
Infringements	55	58	55	58
Inter-company	67	79	-	-
Total Receivables	5,383	6,784	8,955	11,894
Less Provision for Impairment	(230)	(376)	(334)	(383)
Total Receivables	\$5,153	\$6,408	\$8,621	\$11,511

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	1,532	1,800	4,821	5,640
Overdue 0 – 30 days	88	246	231	1,501
Overdue 30 – 60 days	27	134	123	191
Overdue more than 61 days	542	293	650	314
Total Receivables	\$2,189	\$2,473	\$5,825	\$7,646

Notes to the Financial Statements

	Council Only		Consolidated	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000

Note 16: Trade and Other Receivables (continued)

Analysis of Provision for impairment

Individual provision	4	43	108	50
Collective provision	226	333	226	333
Total Provision	\$230	\$376	\$334	\$383

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	376	349	383	364
Increase / (Decrease) in Provision	182	37	282	29
Less Receivables written off	(328)	(10)	(331)	(10)
Total Provision	\$230	\$376	\$334	\$383

Note 17: 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 – two residential and one industrial sections	330	-	330	-
Land in the Harbour area, rural fire stations	-	787	-	787
Motor vehicles	56	-	56	-
Total Assets held for Sale	\$1,536	\$1,937	\$1,536	\$1,937

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 a sale and purchase agreement, with settlement deferred until June 2023 (at the latest). Interest is charged on the outstanding balance.				
Current asset	386	787	386	787
Properties in Greta Street and Thames Street, and Henderson's Pit, are subject to agreements for sale and purchase which have settled subsequent to year end. Land in the Harbour area was sold in August 2019. Five motor vehicles were replaced in July				
Total Assets held for Sale	\$1,536	\$1,937	\$1,536	\$1,937

Notes to the Financial Statements

	Council Only		Consolidated	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000

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. This is the first year in which Council has measured, valued and reported quarry materials on hand.

Analysis of Inventories

Retail Inventories	23	14	92	92
Metal and Soil Stocks	117	-	642	407
Other Supplies	-	-	371	468
Total Inventory	140	14	1,091	967
Less: Provision for obsolescence	-	-	(30)	-
Total Inventory, classified as Current	\$140	\$14	\$1,061	\$967

Note 19: 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	-	-	2,441	5,244
Profit recognised to date	-	-	580	879
Gross construction work in progress	-	-	3,021	6,123
Less progress billings	-	-	(2,656)	(6,218)
Net construction work in progress	-	-	365	(95)
Other contracts	-	-	201	196
Total Work in Progress	-	-	\$566	\$101

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 20: 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	656	1,028	679	1,045
Provision utilised	(30)	(239)	(46)	(239)
Additions to / Reduction in Provision	(59)	(133)	(59)	(127)
Total Provisions	<u>\$567</u>	<u>\$656</u>	<u>\$574</u>	<u>\$679</u>

Analysed:

Non-Current	413	364	413	364
Current	154	292	161	315
Total Provisions	<u>\$567</u>	<u>\$656</u>	<u>\$574</u>	<u>\$679</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% (2019: 5%), amount to \$856,950 (2019: \$916,350).

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	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 21: 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	579	437	1,791	1,477
Annual Leave	1,053	812	3,198	2,765
Long Service Leave	-	-	75	70
Sick Leave	-	-	38	56
Continuing Medical Education	-	-	12	30
	<u>\$1,632</u>	<u>\$1,249</u>	<u>\$5,114</u>	<u>\$4,398</u>
Analysed:				
Non-Current	-	-	49	146
Current	1,632	1,249	5,065	4,252
	<u>\$1,632</u>	<u>\$1,249</u>	<u>\$5,114</u>	<u>\$4,398</u>

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 22: Borrowings

Borrowings - 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

Non-Current Borrowing

Secured Loans	-	-	1,077	1,137
Total	<u>\$-</u>	<u>\$-</u>	<u>\$1,077</u>	<u>\$1,137</u>

Current Borrowing

Secured Loans	7,400	-	7,460	58
Total	<u>7,400</u>	<u>-</u>	<u>\$7,460</u>	<u>\$58</u>

Total Borrowings

	<u>\$7,400</u>	<u>\$-</u>	<u>\$8,537</u>	<u>\$1,195</u>
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Repayment Terms

The following is a maturity analysis of total debt:

Payable no later than one year	7,400	-	7,460	58
Payable between one and five years	-	-	240	240
Later than five years	-	-	837	897
	<u>\$7,400</u>	<u>\$-</u>	<u>\$8,537</u>	<u>\$1,195</u>

Security

Secured Loans reported by Council are secured over current and future rates revenues, while members of Council's consolidated group provide security by way of debentures over assets, first mortgages over property and security interests over plant and equipment.

Secured Loans are subject to customised loan rates based on floating rates plus a margin. Interest is re-set by the lender quarterly.

Notes to the Financial Statements

	Interest Expense \$000	Opening Balance \$000	Increased Borrowing \$000	Principal Repaid \$000	Closing Balance \$000
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Note 22: 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 was able to repay all external borrowings in previous years.

Internal loans are deemed part of ratepayer debt as it was always assumed, at a future date when cash is needed for the purpose for which it has been raised, external loans might be required. This position was reached in the 2020 financial year. Internal loans are eliminated on consolidation of Council's activities.

Internal loan balances outstanding at 30 June 2020 were \$26,04k (2019: \$22,547k), as below:

Movements for the year ended 30 June 2020

	Interest Expense \$000	Opening Balance \$000	Increased Borrowing \$000	Principal Repaid \$000	Closing Balance \$000
Roads and Footpaths	16	457	-	(60)	397
Waste Water	49	437	1,808	(30)	2,215
Water Supply	370	10,473	1,307	(1,224)	10,556
Waste Management and minimisation	6	184	46	(74)	156
Arts, Heritage and Culture	3	91	5	(8)	88
Parks and Recreation	21	569	29	(32)	566
Community amenities	16	454	202	(64)	592
Oamaru Harbour and Historic Precinct	84	1,891	1,244	(299)	2,836
Commercial and Development Activities	277	7,991	1,171	(523)	8,639
Support Services	(841)	-	-	-	-
	-	\$22,547	\$5,812	(\$2,314)	\$26,045

Movements for the year ended 30 June 2019

	Interest Expense \$000	Balance 1 Jul 2018 \$000	Increased Borrowing \$000	Principal Repaid \$000	Balance 30 Jun 2019 \$000
Roads and Footpaths	17	546	-	(89)	457
Waste Water	12	359	151	(73)	437
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

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 23: Leases

Finance Leases

Finance lease liabilities are secured by the relevant asset, in this specific instance being an item of medical equipment, which is included in Property, Plant and Equipment, and depreciated. Finance leases span a number of years, are recognised as a liability, and are analysed as follows:

Current portion	-	-	100	57
Non-current portion	-	-	304	345
Total	\$-	\$-	\$404	\$402

Operating leases as a lessor

Council holds properties for cultural, social and economic development purposes and, where possible, leases those properties to individuals, businesses and community organisations. The rental income arising is used to offset costs that might otherwise have been met from rates or, in the case of properties designated as Endowment properties, is credited to the appropriate Endowment Reserve.

Council's property holdings are included in Property, Plant and Equipment, and depreciated accordingly (refer note 10). On occasion, however, Council may determine that there is benefit in disposing of certain properties. Properties which are being actively marketed at year end, or whose disposal is anticipated within twelve months of balance date, are removed from Property, Plant and Equipment, and reported as Assets Available for Sale (refer note 17).

Council's policy is to hold its property portfolio for the benefit of current and future ratepayers and the District as a whole. Total rental income earned in the 2020 financial year amounted to \$2,058k (2019: \$1,878k). This revenue includes rental from community and other residential properties – leases for such properties are generally not fixed term and are cancellable by either party on receipt of suitable notice as stipulated in the lease agreement.

Commercial leases are for terms ranging from 12 months to in excess of thirty years. Longer term leases are generally subject to a base term followed by a series of rights of renewal, and regular rent reviews.

Council has the following future revenue profile arising from non-cancellable, generally commercial, property leases (the Group consolidated position excludes revenue related to property leased to members of Council's consolidated group). Note this analysis does not include residential leases, for the reasons outlined above.

Revenue due within 1 year	1,099	1,128	1,012	1,041
Revenue due between 1 and 2 years	613	1,057	524	970
Revenue due between 2 and 5 years	1,057	1,331	746	1,041
Revenue due beyond 5 years	2,042	2,318	1,436	1,571
Total	\$4,811	\$5,534	\$3,718	\$4,623

The 2018-19 Annual Report omitted this note. Prior year figures are included in the above table to reflect the position at 30 June 2019

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000

Note 24: Trade and Other Payables

Trade and other payables – Policy

Trade and other payables are recorded at face value, are non-interest bearing and are normally settled on 30-day terms.

Analysis of Trade and other payables

Sundry Creditors	4,592	4,250	8,205	7,448
Accruals	655	417	1,135	941
Owing to Subsidiaries	508	572	-	-
Revenue Charged or Received in Advance	1,672	1,072	1,837	1,362
Deposits	138	136	138	136
Total Trade and other payables	\$7,565	\$6,447	\$11,315	\$9,887

Note 25: Occupational Right Agreements and Obligations to Residents

Residents make interest-free advances to the retirement village under Occupancy Right Agreements (ORA) in exchange for the right to occupy retirement village units. Under the ORA, an encumbrance is recorded over the land title by the statutory supervisor to secure the retirement village's obligations to the licence holders which ranks ahead of any bank or other securities, and is managed and overseen by Covenant Trustee Services Ltd as the first ranking charge holder in terms of the Retirement Villages Act 2003. The ORA is the contribution percentage (24% of the licence value) amortised over the estimated occupancy period estimated occupancy periods are four years for apartments and care units, and eight years for villas.

The amortised value of the ORA is refundable on vacating the unit or apartment, or on termination of the licence (subject to a new agreement being issued), and is classified as a Current Liability as the precise timing of terminating events is not predictable and the retirement village does not have a right to defer settlement, which must occur when there has been a terminating event and subsequent resale of the licence.

The retirement village also holds revenue received in advance in relation to ORAs, which is brought to account over the same estimated occupancy periods as detailed above.

Analysis of Occupation Right Agreements and other obligations to residents

Occupation Right Agreements	-	-	14,956	11,575
Revenue Charged or Received in Advance	-	-	991	625
Total	\$-	\$-	\$15,947	\$12,200

Notes to the Financial Statements

	Council Only		Consolidated	
	2020	2019	2020	2019
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 26: Commitments

Council and members of its consolidated group have outstanding commitments at year end related to the purchase or construction of capital assets, long term contracts for the delivery of services and products and non-cancellable operating leases of property and other items.

The position set out in the tables below for the consolidated group includes commitments reported by other group members, but excludes:

- Council's commitments related to services to be provided to it by group members, and
- Commitments by group members to Council, particularly related to operating leases

At year end, the following commitments are reported:

Capital Commitments

Water infrastructure	6,621	500	6,621	500
Roading infrastructure	934	1,329	882	1,329
Property, Plant & Equipment	377	398	1,320	3,662
Total Capital Commitments	\$7,932	\$2,227	\$8,823	\$5,491

Operating Leases

Council and the group have non-cancellable operating lease commitments related to items of operating plant and equipment as detailed below:

Not later than one year	126	43	160	168
Later than one year and not later than five years	17	7	17	80
Later than five years	-	-	-	-
Total Operating Lease commitments	\$143	\$50	\$177	\$248

Notes to the Financial Statements

Note 27: Contingencies

Council and Group

- 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 (2019: 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 20 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 holds carbon credits related to its forestry asset. *See Notes 12 and 13 for further information.*
- A Group member is subject to potential litigation in respect of three complaints made to the Health and Disability Commissioner. The company's insurer has been informed and solicitors instructed in relation to the matter. The company's insurance excess in relation to each complaint is \$20,000, or a total of \$60,000, which effectively represents the maximum potential loss to the company and group.
- A Group member has established performance bonds amounting to \$1,241,577 (2019: \$1,245,292) to guarantee performance obligations under particular contracts. These bonds are released when performance criteria are met.
- Council has resolved to utilise up to \$2 million from the Disaster fund to support businesses and members of the community affected by the ongoing impacts of the pandemic. The actual amount that will ultimately be needed to provide that support cannot be determined.
- 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	
2020	2019	2020	2019
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

Note 28: 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 Charitable Trust Group 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 14)	33,041	29,292	20,684	17,635
Term deposits (Note 14)	-	600	1,016	1,854
Cash at bank (Note 15)	560	365	3,553	1,457
Accounts Receivable (Note 16)	5,153	6,408	8,621	11,511
Total Financial Instruments	<u>\$38,754</u>	<u>\$36,665</u>	<u>\$33,874</u>	<u>\$32,457</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	560	965	4,649	3,271
Cash with other entities with no default history	33,041	29,292	20,684	17,635
Total Cash Equivalents, Term Deposits and Loan	<u>\$33,601</u>	<u>\$30,257</u>	<u>\$25,333</u>	<u>\$20,906</u>

Notes to the Financial Statements

Note 28: 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, while 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 endeavours to maintain both a service target level of investments that mature within specified timeframes and borrowing facilities that may be drawn upon to achieve desired outcomes.

Council and other Group members have total bank overdraft facilities of \$1,250,000 (2019: \$1,750,000). Council has uncommitted facilities of \$7,600,000 (2019: \$15,000,000), and other Group members hold a further \$3,296,140 (2019: \$2,700,000) for the purposes of meeting borrowing needs, and had utilised \$1,137,510 (2019: \$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 \$325,000 (2019: \$331,000).

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 28: Financial Instruments (continued)

Council only - 2020

Other Financial Assets

- Investments in Subsidiaries	4,703	-	-	-	-	-
- Investment in Joint Venture	1,675	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	33,041	39,178	5,455	3,915	11,654	18,154
Cash and Cash Equivalents	560	560	560	-	-	-
Trade and Other Receivables	5,153	5,153	5,153	-	-	-
Term Deposits	-	-	-	-	-	-
Total Financial Assets	45,277	44,891	11,168	3,915	11,654	18,154
Trade and Other Payables	7,565	7,565	7,565	-	-	-
Employee Entitlements	1,632	1,632	1,632	-	-	-
Short-term Borrowings	7,400	7,600	7,600	-	-	-
Total Financial Liabilities	16,597	16,797	16,797	-	-	-
Net Liquidity	\$ 28,680	\$ 28,094	(\$ 5,629)	\$ 3,915	\$ 11,654	\$ 18,154

Council only - 2019

Other Financial Assets

- Investments in Subsidiaries	4,703	-	-	-	-	-
- Investment in Joint Venture	679	-	-	-	-	-
- 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	-	-	-
Short-term Borrowings	-	-	-	-	-	-
Total Financial Liabilities	7,696	7,696	7,696	-	-	-
Net Liquidity	\$ 34,026	\$ 32,329	\$ 595	\$ 18,274	\$ 6,622	\$ 6,838

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 28: Financial Instruments (continued)

Group - 2020

Other Financial Assets						
- Investment in Joint Venture	1,675	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	20,684	26,821	4,047	2,207	5,930	14,637
Cash and Cash Equivalents	3,553	3,571	3,571	-	-	-
Trade and Other Receivables	8,621	8,621	8,621	-	-	-
Term Deposits	1,016	1,046	1,046	-	-	-
Total Financial Assets	35,694	40,059	17,285	2,207	5,930	14,637
Trade and Other Payables						
Trade and Other Payables	11,315	11,315	11,315	-	-	-
Employee Entitlements	5,100	5,100	5,051	-	49	-
Borrowings	8,537	8,824	7,663	61	1,100	-
Finance Leases	404	420	100	100	100	120
Total Financial Liabilities	25,356	25,659	24,129	161	1,249	120
Net Liquidity	\$ 10,338	\$ 14,400	(\$ 6,844)	\$ 2,046	\$ 4,681	\$ 14,517

Group - 2019

Other Financial Assets						
- Investment in Joint Venture	679	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	17,635	21,288	526	17,206	177	3,379
Cash and Cash Equivalents	1,457	1,477	1,477	-	-	-
Trade and Other Receivables	11,511	11,511	11,511	-	-	-
Term Deposits	1,854	1,854	1,854	-	-	-
Total Financial Assets	33,281	36,130	15,368	17,206	177	3,379
Trade and Other Payables						
Trade and Other Payables	9,887	9,887	9,887	-	-	-
Employee Entitlements	4,398	4,398	4,252	-	146	-
Borrowings	1,203	1,471	62	62	1,347	-
Finance Leases	402	422	57	100	100	165
Total Financial Liabilities	15,890	16,178	14,258	162	1,593	165
Net Liquidity	\$ 17,391	\$ 19,952	\$ 1,110	\$ 17,044	(\$ 1,416)	\$ 3,214

Notes to the Financial Statements

Note 29: 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 amounts are stated in whole dollars.

- Mayor Gary Kircher is a Trustee of the Observatory Village Charitable Trust Group which is developing a retirement village in Ōamaru (refer to Note 30: *Related Party transactions* for further details). Mayor Kircher is also a Trustee of the Phoenix Mill Restoration Trust, which restored the historic Phoenix Water Wheel, and which received no financial support from Council this year (2019: \$13,908).
- Councillor Ross McRobie, newly elected in October 2019, was appointed a Trustee of the Waitaki Whitestone Geopark Trust on 20 March 2020, replacing Mayor Gary Kircher, who had resigned as a Trustee on 5 August 2019. The Trust leads the development of the proposed Geopark in the Waitaki District - refer to Note 30: *Related Party transactions* for further details. Councillor McRobie is Chair of the Otago Community Trust, which provided grant funding of \$8,000 to support the Waitaki Arts Festival and \$25,000 towards Council's Covid-19 response, and paid a further \$1,319 for use of Council facilities in the period since the election.
- Councillor Colin Wollstein is a Director of North Otago Motor Group Ltd which provided vehicle maintenance services to Council amounting to \$8,823 (2019: \$8,083. Council owed \$Nil (2019: \$58) at year end.
- Councillor Jeremy Holding is a Trustee of the Waitaki Community Recreation Trust which operates the Waitaki Community Recreation Centre, and received operating grants from Council amounting to \$81,180 (2019: \$79,520). Councillor Holding is married to Cristy Holding who provided design and creative services to Council amounting to \$2,957 (2019: \$2,301).
- Councillor Hana Halalele, newly elected in October 2019, is a Trustee of the Waitaki Safer Community Trust which provided services to Council amounting to \$2,065 in the period since the election.
- Councillor Peter Newton, newly elected in October 2019, is employed as Manager of Waihemo Wastebusters Resource Recovery Inc. which, during the period since the election, provided services to Council amounting to \$16,683.
- Carol Watson is a member of the Waihemo Community Board, and an owner of No.12 The Shed Ltd which undertook contracting work for Council amounting to \$6,885 (2019: \$2,605)
- Peter Ellis is a member of the Ahuriri Community Board, and a Committee Member of the Waitaki Valley Community Society Inc. The Society operates the Kurow Museum, and provided i-site and other promotional services to Council amounting to \$27,277 (2019: \$28,125).

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.

In the same way, Councillors and staff, including key management personnel, may conduct business with other businesses within Council's consolidated group.

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 30: Related Party Transactions

Council is the ultimate parent of the Group, controlling, directly or indirectly, five (2019: five) individual trading entities. Through shared directorships and other relationships, there are other related entities, but none over which Council can exert control.

Transactions between Council and group members are completed on normal contractual terms, with payments made in accordance with those contracts, or in the month following supply. Comparative figures have been changed to reflect the changed composition of the group – refer to Note 33 for details.

<u>Entity and details of transaction</u>	Council only	
	2020 \$000	2019 \$000
• Waitaki District Health Services Limited		
Services provided by Council	80	78
Interest charged by Council on funds advanced (Note 4)	10	-
Balance owed to Council at year end	22	8
Outstanding balance of Council loan funding (Note 14)	700	-
Observatory Village Charitable Trust Group (part of Waitaki District Health Services group)		
Services provided by Council	82	105
Interest charged by Council on funds advanced (Note 4)	396	386
Balance owed to Council at year end	8	50
Grant to Observatory Village Charitable Trust Group	-	93
Outstanding balance of Council loan funding (Note 14) <i>Developing & operating a retirement village</i>	11,657	11,657
• Tourism Waitaki Limited		
Services provided by Council	211	186
Balance owed to Council at year end	-	6
Services provided to Council	457	600
• Whitestone Contracting Limited and Group		
Services provided by Council	178	124
Balance owed to Council at year end	37	15
Services provided to Council	4,328	4,665
Balance owed by Council	508	572
Dividends paid to Council	904	672
Tax refund paid to Council	80	-
• Omarama Airfield Limited (joint venture – 50% owned)		
Services provided by Council	22	24
Services provided to Council	2	-
• Waitaki Whitestone Geopark Ltd		
Grants provided by Council <i>Developing a UNESCO Geopark within the Waitaki District</i>	81	5

No provision is required and no expense has been recognised in relation to impairment of loans or other receivables due from related parties (2019: \$nil).

Notes to the Financial Statements

Note 31: Waitaki District Council: Funding Impact Statement for 30 June 2020 (whole of Council)

	Council Only			
	2019	2019	2020	2020
	Annual Plan \$000	2019 \$000	Annual Plan \$000	2020 \$000
Sources of <u>operating</u> funding				
General Rates, uniform annual general charge, rates penalties	7,018	7,040	7,170	7,308
Targeted Rates	24,214	24,317	24,985	25,525
Rates Revenue	31,232	31,357	32,155	32,833
Subsidies and grants for operating purposes	4,182	4,325	4,427	4,311
Fees and charges	6,125	6,325	7,200	5,218
Interest and dividends from investments	1,799	1,735	1,565	1,980
Local Authorities' fuel tax, fines, infringement fees and other receipts	1,206	1,580	1,356	959
Total operating funding	44,544	45,322	46,703	45,301
Application of <u>operating</u> funding				
Payments to staff and suppliers	35,524	38,644	37,147	38,714
Finance Costs	2	1	10	148
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	35,526	38,645	37,157	38,862
Surplus / (Deficit) of operating funding	9,018	6,677	9,546	6,439
Sources of <u>capital</u> funding				
Subsidies and grants for capital expenditure	4,873	4,647	5,505	4,434
Development and financial contributions	690	2,045	885	1,028
Increase / (decrease) in debt	-	-	-	7,400
Gross proceeds from sale of assets	258	(82)	98	248
Total sources of capital funding	5,821	6,610	6,488	13,110
Application of <u>capital</u> funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	3,218	6,321	5,253	9,008
- to replace existing assets	9,012	10,929	10,067	10,706
Total capital expenditure	12,230	17,250	15,320	19,714
Increase / (decrease) in Reserves	2,609	(3,963)	714	(165)
Increase / (decrease) in Investments	-	-	-	-
Total application of capital funding	14,839	13,287	16,034	19,549
Surplus/deficit of capital funding	(9,018)	(6,677)	(9,546)	(6,439)
Funding balance	-	-	-	-

Notes to the Financial Statements

	2019 Annual Plan \$000	2019 Actual \$000	2020 Annual Plan \$000	2020 Actual \$000
Note 32: Reconciliation of Funding Impact Statements by Group of Activity				
Operating Revenue				
Roads and Footpaths	4,665	4,662	4,369	4,263
Wastewater	712	801	703	519
Stormwater	-	-	-	-
Water Supply	835	695	955	135
Waste Management and Minimisation	260	304	274	192
Arts, Culture and Community	657	546	627	424
Parks and Recreation	1,126	1,201	892	738
Democracy and Accountability	1	2	52	83
Economic Development and Property	3,108	3,539	4,102	4,175
Heritage, Environment and Regulation	1,905	2,594	2,832	2,184
Support Services	18,950	18,954	20,742	23,329
Operational Revenue per Activity FIS	32,219	33,298	35,548	36,042
Total Sources of Capital Funding				
Roads and Footpaths	4,028	4,037	4,291	3,742
Wastewater	96	251	126	157
Stormwater	-	5	-	-
Water Supply	219	775	286	448
Waste Management and Minimisation	-	-	-	-
Arts, Culture and Community	-	-	3	13
Parks and Recreation	20	102	195	479
Democracy and Accountability	-	-	-	-
Economic Development and Property	1,208	996	1,347	538
Heritage, Environment and Regulation	175	423	200	293
Support Services	75	21	40	40
Capital Revenue per Activity FIS	5,821	6,610	6,488	5,710
Less Internal Charges and Overheads Recovered	(18,906)	(17,161)	(21,001)	(23,574)
Add total Rates	31,232	31,357	32,155	32,833
Revenue per Total Activities FIS	50,366	54,104	53,190	51,011
Proceeds from sale of assets	(258)	(1,319)	(96)	(232)
Adjust rate remissions offset against revenue	(240)	(253)	(240)	-
Revenue per Statement of Comprehensive Revenue and Expenditure	49,868	52,532	52,854	50,779

Notes to the Financial Statements

	2019 Annual Plan \$000	2019 Actual \$000	2020 Annual Plan \$000	2020 Actual \$000
Note 32: Reconciliation of Funding Impact Statements by Group of Activity (continued)				
Total Applications of Operating Funding				
Roads and Footpaths	7,335	8,607	7,061	7,176
Wastewater	1,808	1,853	2,098	2,217
Stormwater	408	245	424	177
Water Supply	4,515	5,455	4,583	5,478
Waste Management and Minimisation	968	1,074	1,016	1,098
Arts, Culture and Community	4,337	4,664	4,183	4,361
Parks and Recreation	4,608	4,749	4,979	4,853
Democracy and Accountability	3,816	3,591	4,493	4,395
Economic Development and Property	3,817	3,977	3,647	4,369
Heritage, Environment and Regulation	5,258	5,570	6,117	6,720
Support Services	17,561	18,473	19,556	21,592
Total Operational expenditure per FIS	54,431	58,258	58,157	62,436
Less Internal Charges and Overheads Applied	(18,226)	(17,313)	(19,914)	(22,365)
Less internal charges included in capital	(681)	(763)	(1,078)	(1,708)
Adjust Rate remissions offset against revenue	(240)	(253)	(240)	-
Adjust non-trading losses / (gains)	-	-	-	1,359
Add Depreciation and Amortisation	13,714	14,185	14,258	15,177
Expenditure per Statement of Comprehensive Revenue and Expenditure	48,998	54,114	51,183	54,899
Depreciation and Amortisation				
Roads and Footpaths	6,674	6,737	6,717	6,794
Wastewater	1,031	1,183	1,194	1,183
Stormwater	222	272	272	272
Water Supply	1,819	1,980	1,980	2,097
Waste Management and Minimisation	56	45	45	60
Arts, Culture and Community	169	160	165	171
Parks and Recreation	981	883	939	915
Democracy and Accountability	-	-	-	-
Economic Development and Property	1,443	1,485	1,515	1,918
Heritage, Environment and Regulation	26	34	71	59
Support Services	1,293	1,406	1,360	1,708
Total Depreciation and Amortisation charges	13,714	14,185	14,258	15,177

Notes to the Financial Statements

Note 33: Explanation of Major Variances against Budget and the prior period

Variances in revenue and expenditure to the prior year, or to budget, are detailed in the financial commentary in each activity area. The following provides further information concerning significant or unusual variances:

Council only	2020 Actual \$000	2020 Annual Plan \$000	2019 Actual \$000
Revenue			
Rates (<i>Note 1</i>)	32,833	32,931	32,116
Rates are levied in accordance with Finance Policies and the 2019-20 Annual Plan. Variances from budget may arise from development activities and other changes in the rating database between the adoption of the Plan and the striking of the annual rates. Rates includes penalties on overdue Rates and can also be affected by changes in volumes of water consumed. Rate penalties were not applied to instalments 3 and 4 of the rates due to COVID-19, resulting in reduced revenue			
User Charges	2,230	5,057	3,072
Significant variances:			
• Refuse disposal charges (<i>lost major user</i>)	113	177	217
• Aquatic Centre (<i>COVID-19, maintenance closedown</i>)	398	554	561
• Oamaru Opera House (<i>COVID-19 impact</i>)	194	327	367
Property Rental (<i>budgeted as part of User charges</i>)	2,058	-	1,878
Significant variances:			
• Commercial Property	1,199	1,456	1,103
• Residential & Community Property	677	732	632
COVID-19 restrictions meant deferring planned increases			
The 2019/20 Annual Plan did not budget separately for Property Rental income			
Government Grants (<i>Note 2</i>)	8,114	9,560	9,191
Annual Plan included a project with expected funding of \$700k from the Provincial Growth Fund which did not proceed. COVID-19 lockdown impacted the Roothing programme, resulting in reduced NZTA funding of \$1,024k. Funding of \$500k from NZ Lotteries Grants Board treated as Income in advance.			
Other Grants and Donations (<i>Note 3</i>)	425	357	504
<i>Refer to Note 3 for further analysis</i>			
Residents' Association of Ōmārama provided funding of \$217k for development of a sports centre in the town. Planning for a coastal cycleway linking Oamaru with Dunedin did not proceed further in 2020.			
Expenditure			
Personnel Costs (<i>Note 5</i>)	12,062	13,382	11,056
Annual Plan included Elected Members' Remuneration as part of Personnel Costs and did not allow for recoveries on capital projects			
Depreciation and amortisation (<i>Notes 10 & 12</i>)	15,177	14,258	14,185
Increased charges arose from the three-yearly revaluation of Council's properties, parks and reserves and the Oamaru airport in July 2019, which produced a higher depreciable cost than was budgeted			
Other expenses (<i>Note 6 for statutory disclosures</i>)	26,153	23,543	27,333
Other significant variances:			
• Contractors, maintenance and other works	14,090	13,667	14,853
• Consultants	2,041	1,889	1,724
• Dredging	331	90	180

Notes to the Financial Statements

Note 33: Explanation of Major Variances against Budget and the prior period (continued)

Council only	2020 Actual \$000	2020 Annual Plan \$000	2019 Actual \$000
Other Non-trading Losses / (Gains) (Note 7)	1,359	-	1,539
Forestry assets increased \$18k due to improved log prices (2019: increase \$16k). Losses on disposal of Fixed Assets were \$1,404k (2019: \$1,784k), while gains on disposal were \$27k (2019: \$229k).			

Balance Sheet items			
Property, Plant & Equipment (Note 10)	881,049	798,459	793,768
The budget factored an increase of \$5.384m due to the triennial revaluation of Property, Parks and the Airport. This revaluation, however, increased asset values by \$38.711m. The result also includes the \$45.785m increase in values arising from the triennial revaluation of Roothing and Bridges, which would normally have been reflected in the 2021 annual report.			
Cash and Cash Equivalents (Note 15)	560	967	365
Other Financial Assets – Term Deposits (Note 14)	-	4,250	600
Funds were below budget due to progress on capital projects, refurbishment of the Forrester Gallery and North Otago Museum and loans to Kurow-Duntroon Irrigation company and Waitaki District Health Services Ltd			
Loans to other entities – non-current asset (Note 14)	28,534	30,564	29,252
Loans to other entities – current asset (Note 14)	4,507	1,430	40
Loan agreements with North Otago Irrigation and the Observatory Village were revised to provide certainty around the timing of future principal repayments			
Receivables (Note 16)	5,153	6,325	6,408
Reduced amounts owed by NZ Transport Agency, completion of a rating sales programme and writing off uncollectable rate balances resulted in Receivables reported below budget at year end			
Provisions – non-current (Note 20)	413	493	364
Provisions – current (Note 20)	154	16	292
Likely landfill capping and monitoring costs are reassessed annually. 2020 reflects revised cost of works required and methodology to be used in completing works at the closed Ōamaru landfill site			
Short Term Borrowings (Note 22)	7,400	-	-
Necessary capital and operational projects, including several significant projects brought forward from later years, and the effects of the Covid-19 pandemic, meant Council was required to access external funding sources. This requirement was not factored into the 2019-20 Annual Plan			

Statement of Cash Flows			
Net Cash from Operating Activities	14,076	16,803	11,429
Net Cash from Investing Activities	(21,282)	(18,111)	(13,280)
Net Cash from Financing Activities	7,400	-	-
<i>Refer to the Statement of Cash Flows for further analysis</i>			

Notes to the Financial Statements

Note 34: Reclassification of Amounts

Council and the group have changed the presentation of certain items in the financial reports to better reflect the financial position at year end or financial activities undertaken during the period, to comply with revised financial reporting standards, or to correct amounts previously reported. Reasons for the changes are outlined below, and the resulting amendments to 2019 comparative figures are detailed in tables on the following pages.

1. Change of Accounting methodology – Omarama Airfield Ltd

Due to the adoption of PBE IPSAS 36 and 37, Council is required to report its interest in the joint venture, Omarama Airfield Ltd, using the equity accounting method which differs from the previous proportionate consolidation method. The equity method introduces a new category of Asset, Investment in Associate and Joint Ventures, which is initially measured at cost and subsequently increased or decreased by Council's share of the company's operating surplus or deficit. Council has reversed the previous proportionate consolidation which recognised the Council's 50% share of the company's operations from the consolidated group on a line by line basis. There is no change to the Group net position as recognition of Council's share of the company's surplus achieves the same net result.

2. Financial result for 2019 financial year – Tourism Waitaki Ltd

The results of Tourism Waitaki Ltd were not completed at the time the 2019 Annual Report was adopted. A number of minor changes were made to correct the draft figures used, and these are noted in the tables below.

3. Audited result for 2019 financial year – Waitaki District Health Services Ltd

Upon re-assessment of the Waitaki District Health Services groups' interest in the Observatory Village Charitable Trust group, it was identified that the Observatory Village Charitable Trust group should have been consolidated into the Waitaki District Health Services group since those entities were established, and therefore also consolidated into the Council's group financial statements. Financial statements of the Observatory Village Charitable Trust Group had yet to be consolidated into Waitaki District Health Services Ltd, when those draft figures were consolidated into the Council's group 2019 financial statements. As a result the Council was required to restate the opening and closing 2019 group financial statements to consolidate the restated Waitaki District Health Services Group 2019 financial information.

4. Financial result for 2019 financial year – Waitaki Whitestone Geopark Trust

Council established this entity to promote and develop the proposed UNESCO Geopark within the Waitaki District. Its financial reports for 2019, its inaugural year of operations, were not available for consolidation into Council's group for the 2019 Annual Report. The Council's 2019 group financial information has been updated to correct this omission.

5. Changes to analyses of Revenue, Expense and Liability items

Reclassification changes have been made to prior year comparatives to provide better or more detailed disclosure:

- Separate Property Rental and Contract Revenue from User Charges
- Offset Overheads recovered from capital projects against Personnel Costs rather than Other Expenses
- Report Elected Members Remuneration and associated costs as Other Expenses rather than Personnel Costs
- Report Accrued suppliers' invoices as part of Accruals rather than Sundry Creditors.

Notes to the Financial Statements

Note 34: Reclassification of Amounts (continued)

Restate opening position, 1 July 2018

2018 opening position	Change:	1	2	3	4	5	2018 Revised \$000
	2018 Opening \$000	Omarama Airfield Ltd \$000	Tourism Waitaki Ltd \$000	Waitaki District Health Services \$000	Waitaki Whitestone Geopark Trust \$000	Other reanalysed items \$000	
Statement of Financial Position							
Council only							
Investments in Subsidiaries	4,912	(209)					4,703
Investment in Joint Venture	-	694					694
Receivables - Sundry Debtors	1,811			(7)			1,804
Receivables - intercompany	40			7			47
Receivables	6,613						6,613
Total Assets	839,061	485	-	-	-	-	839,546
Operating Reserves	24,255	485	-	-	-	-	24,740
Group only							
Property, Plant and Equipment	793,590	(802)		6,810			799,598
Investment Property	-			14,278			14,278
Intangible Assets	992	172					1,164
Investments in Joint Ventures	-	694					694
Investments in other entities	31,125			(13,605)			17,520
Cash and Cash Equivalents	3,761	(78)		800			4,483
Receivables	10,521	(2)		162			10,681
Term Deposits	6,885			1,500			8,385
Total Assets	850,125	(16)	-	9,945	-	-	860,054
Trade and Other Payables	10,349	(6)		898			11,241
Employee Entitlements	3,998			52			4,050
Occupation Right Agreements	-			7,150			7,150
Borrowings - non-current	8	(8)					-
Borrowings - current	1	(1)		336			336
Finance Leases - non-current	-			36			36
Finance Leases - current	-			20			20
Provision for Taxation	169	(1)					168
Total Liabilities	16,208	(16)	-	8,492	-	-	24,684
Revaluation Reserves	470,645			(841)			469,804
Operating Reserves	38,636			2,294			40,930
Total Equity	833,917	-	-	1,453	-	-	835,370

Items highlighted do not change the overall category total, but reanalyse details featuring in the relevant Note to the Financial Statements

Notes to the Financial Statements

Note 34: Reclassification of Amounts (continued)

Restate Statement of Comprehensive Revenue and Expense, year ended 30 June 2019

2019 Restated	1	2	3	4	5	2019 Restated	
	2019 Original \$000	Omarama Airfield Ltd \$000	Tourism Waitaki Ltd \$000	Waitaki District Health Services \$000	Waitaki Whitestone Geopark Trust \$000		Other reanalysed items \$000
Statement of Comprehensive Revenue and Expense							
Council only							
User Charges	4,950					(1,878)	3,072
Property Rental	-					1,878	1,878
Total Revenue	52,532	-	-	-	-	-	52,532
Personnel Costs	12,325					(1,269)	11,056
Other Expenses	26,064					1,269	27,333
Total Expenses	54,114	-	-	-	-	-	54,114
Share of joint venture's surplus / (deficit)	-	(15)					(15)
Surplus / (Deficit) before Tax	(1,582)	(15)	-	-	-	-	(1,597)
Group only							
Rates	32,070	12		(50)			32,032
User Charges	29,778	(77)	(4)	(80)		(22,830)	6,787
Property Rental	-					1,908	1,908
Contract Revenue	-					20,922	20,922
Southern DHB Operating funding	-			10,594			10,594
Residents' Fees and Contributions	-			4,404			4,404
Government Grants	19,785			(10,594)	60		9,251
Finance Revenue	1,134			(360)			774
Total Revenue	87,336	(65)	(4)	3,914	60	-	91,241
Personnel costs	31,333	(13)	(7)	2,614	5	(553)	33,379
Depreciation and Amortisation	16,568	(12)	(5)	311			16,862
Finance Costs	15			27			42
<i>Audit fees - other providers</i>	25	(3)		7			29
<i>Directors Fees</i>	407			40			447
<i>Community Grants and Donations</i>	1,080			(93)			987
<i>Insurance Premiums</i>	917	(3)		47			961
<i>Other Expenses</i>	37,558	(49)	14	640	28	553	38,744
Other Expenses	40,403	(55)	14	641	28	553	41,584
Other non-trading Losses	614			(896)			(282)
Total Expenses	88,933	(80)	2	2,697	33	-	91,585
Share of joint venture's surplus / (deficit)	-	(15)					(15)
Surplus / (Deficit) before Tax	(1,597)	-	(6)	1,217	27	-	(359)
Income Tax Expense / (Refund)	468		(1)				467
Surplus / (Deficit) after Tax	(2,065)	-	(5)	1,217	27	-	(826)
Gain / (Loss) on revaluation of Properties	-			1,750			1,750
Total Other Comprehensive Revenue and Expense	22,690	-	-	1,750	-	-	24,440
Total Comprehensive Revenue and Expense	20,625	-	(5)	2,967	27	-	23,614

Items highlighted do not change the overall category total, but reanalyse details featuring in the relevant Note to the Financial Statements

Notes to the Financial Statements

Note 34: Reclassification of Amounts (continued)

Restate Statement of Financial Position at 30 June 2019

2019 Restated	1	2	3	4	5	2019 Restated
	2019 Original \$000	Omarama Airfield Ltd \$000	Tourism Waitaki Ltd \$000	Waitaki District Health Services \$000	Waitaki Whitestone Geopark Trust \$000	
Statement of Financial Position						
Council only						
Receivables - Sundry Debtors	982			(50)		932
Receivables - intercompany	29			50		79
Receivables	6,408					6,408
Investments in Subsidiaries	4,912	(209)				4,703
Investment in Joint Venture	-	679				679
Total Assets	839,061	470	-	-	-	839,531
Sundry Creditors	4,576				(326)	4,250
Accruals	91				326	417
Trade and Other Payables	6,447					6,447
Total Liabilities	8,352	-	-	-	-	8,352
Operating Reserves	24,255	470				24,725
Total Reserves	830,709	470	-	-	-	831,179
Group only						
Property, Plant and Equipment	818,806	(627)	(6)	10,324		828,497
Investment Property	-			21,724		21,724
Intangible Assets	1,016			163		1,179
Investment in Joint Venture	-	679				679
Investments in other entities	32,118			(14,523)		17,595
Cash and Cash Equivalents	1,117	(60)		369	31	1,457
Receivables - Sundry Debtors	982			(50)		932
Receivables	11,390	(3)	(7)	131		11,511
Prepayments	569	(4)				565
Term Deposits	1,854					1,854
Total Assets	870,329	(15)	(13)	18,188	31	888,520
Sundry Creditors	6,630	(7)	46	775	4	(326)
Accruals	899			42		326
Trade and Other Payables	9,027	(7)	46	817	4	9,887
Employee Entitlements - non-current	60			86		146
Employee Entitlements - current	4,042		(55)	265		4,252
Occupation Right Agreements	-			12,200		12,200
Borrowings - non-current	1,144	(7)				1,137
Borrowings - current	59	(1)				58
Finance Leases - non-current	-			345		345
Finance Leases - current	-			57		57
Deferred Tax Liability	397		(7)			390
Provision for Taxation	379		8			387
Total Liabilities	15,787	(15)	(8)	13,770	4	29,538
Revaluation Reserves	491,129			1,750		492,879
Operating Reserves	37,893		(5)	2,668	27	40,583
Total Equity	854,542	-	(5)	4,418	27	858,982

Items highlighted do not change the overall category total, but reanalyse details featuring in the relevant Note to the Financial Statements

Notes to the Financial Statements

Note 34: Reclassification of Amounts (continued)

Restate Statement of Cash Flows for the year ended 30 June 2019

	1	2	3	4	5	
			Waitaki District Health Services	Waitaki Whitestone Geopark Trust	Other reanalysed items	2019 Restated
2019 Restated	2019 Original \$000	Omarama Airfield Ltd \$000	Tourism Waitaki Ltd \$000	\$000	\$000	\$000
Statement of Cash Flows						
Group only						
Cash Flows from Operating Activities						
Receipts from Rates Revenue	32,085	12	(50)			32,047
Interest received	1,150	(1)	(344)			805
Receipts from Other Revenues	54,557	(77)	9,972	74		64,526
Payments to Suppliers and Employees	(74,972)	72	(3,306)	(43)		(78,249)
Interest paid	(15)		(3)			(18)
Income tax refund received / (paid)	(383)	1				(382)
Net GST	(560)	2	8			(550)
Net Cash from Operating Activities	11,862	9	-	6,277	31	-
Cash Flows from Investing Activities						
Proceeds from sale of Property Plant & Equipment	843					843
Proceeds from sale of Investments	8,086		1,501			9,587
Purchase of Property Plant & Equipment	(20,903)	8	(8,313)			(29,208)
Acquisition of Investments	(3,646)					(3,646)
Net Cash from Investing Activities	(15,620)	8	-	(6,812)	-	(22,424)
Cash Flows from Financing Activities						
Proceeds from Borrowing	1,200		234			1,434
Repayment of Borrowing	(86)	1	(130)			(215)
Total Liabilities	1,114	1	-	104	-	-
Net Increase / (Decrease) in Cash	(2,644)	18	-	(431)	31	(3,026)
Cash Resources at 1 July	3,761	(78)		800		4,483
Total Cash Resources at 30 June	1,117	(60)	-	369	31	-

Notes to the Financial Statements

Note 35: Discontinued Operations and Effects of the COVID-19 Pandemic

In March 2020, the World Health Organisation declared the novel coronavirus, COVID-19, to be a pandemic. The COVID-19 pandemic has substantially reduced economic activity on a global scale, and the lockdown imposed by the New Zealand Government at levels 3 and 4 from 25 March through to 15 May 2020 caused significant financial and other issues for Council, its communities and members of its consolidated group.

Council –

Effects on individual activities are generally covered in activity reports. Overall, revenues reduced by an estimated \$1,546k due to the pandemic, the resulting lockdown and other long-term effects arising. Facilities such as the Aquatic Centre, libraries, and Oamaru Opera House were closed for up to eight weeks, the roading programme of works was delayed leading to the effective deferral of New Zealand Transport Agency subsidy, and Council subsequently resolved to provide free parking in the Oamaru CBD to support business recovery.

Council was able to withstand the economic impact with no staff losses and despite not being eligible for the Government wages subsidy because of dividends from Whitestone Contracting and Civic Finance, because of its strong rating base and because of ready access to bank funding support.

In consideration of the projected long-term effects of the pandemic on communities and businesses in the Waitaki District, Council set rates for 2021 at an effective 0% increase over the 2020 budget, and set aside \$2,000k from the Disaster Fund to provide support for those affected, or likely to be affected, by the economic downturn. Because of its solid funding base and contracted revenue sources, Council does not expect long-term or permanent financial damage from the effects of the pandemic, although future Annual and Long Term Plans will have to factor in the replenishment of the Disaster Fund.

Effects on Group Members:

Tourism Waitaki Ltd –

The company is heavily reliant on tourist traffic, and the closure of the borders to overseas visitors and the lockdown declared on 25 March 2020 had a significant impact on operations. The Whitestone City attraction was wound up and related assets were fully impaired at a cost of 284k (Note 7), and all i-site and visitor centre operations were closed, resulting in the disestablishment of four full-time and several part-time roles, and changed conditions for a number of other positions.

Due to the demonstrable reduction in operating revenue, the company was able to claim \$200k from the Government's wages subsidy and, subsequent to balance date, received funding from the Strategic Tourism Assets Protection Programme for the Oamaru Blue Penguin Colony, and further funding for other specific tourism-related activities. Tourism Waitaki has re-focused its efforts on promoting the District to local travellers, and realigned its cost structure to better match reduced revenues until the borders reopen.

Results of trading for the operations discontinued at the end of the 2019-20 financial year:

Discontinued Operations	2020 \$000	2019 \$000
Revenue	449	399
Operating costs	808	742
Surplus / (Deficit) before tax	(359)	(343)
Income tax	(105)	(96)
Surplus / (Deficit) after tax	(253)	(247)

Notes to the Financial Statements

Note 35: Discontinued Operations and Effects of the COVID-19 Pandemic (continued)

Effects on Group Members (continued)

Whitestone Contracting Ltd –

The company could not operate as normal under level 4 lockdown restrictions due to the pandemic, but normal operations recommenced under level 3. The company received \$810k in direct financial assistance from the Government's wages subsidy. Four positions were made redundant at a cost of \$48k due to the pandemic, but the Directors anticipate no lasting financial repercussions as the company has maintenance and civil engineering contracts which are either on-going or about to commence, and can draw on banking facilities as needed to meet short term funding shortfalls.

Waitaki District Health Services Ltd Group –

The company and group, including Observatory Village Charitable Trust Group, experienced no adverse affects on its operations arising from the COVID-19 pandemic, and its Directors anticipate none eventuating in the future, provided no changes occur in its contractual relationship with the Southern District Health Board, its main funding source.

Waitaki Whitestone Geopark Trust –

The Trust and its associated company were set up to facilitate the development of a UNESCO Global Geopark. As the country's borders remain closed to overseas visitors, the Directors are evaluating the future direction of the operation. Council remains committed to supporting the Trust because the concept of a Geopark, even one that may not carry the UNESCO brand, is still regarded as a long-term benefit for the District as a whole.

Effects on Joint Venture

Omarama Airfield Ltd –

The joint venture was not significantly impacted by the pandemic, which saw reduced visitor numbers during and since the lockdown. It is expected that local gliding enthusiasts will be attracted to the facility, and to Omarama, to compensate for reduced overseas visitors.

Notes to the Financial Statements

Note 36: Events subsequent to Balance Date

Subsequent to balance date Council became a member of the Local Government Funding Agency (LGFA). Membership of the LGFA enables Council to access funding for the purpose of advancing capital and other projects at cheaper rates, which will be a major benefit for ratepayers. As a precondition to joining the LGFA, Council has cancelled stand-by lending facilities with the ANZ Bank and arranged the release of associated securities held by the bank. On 4 November 2020, Council drew down loan funding of \$15,000,000 and repaid in full all other bank loan facilities.

Council has signed agreements with the 3 Waters Reform Programme administered by the Department of Internal Affairs and Crown Infrastructure to provide funding of \$7,400,000, enabling several key capital projects in the Waters and Sewer activities to proceed, Council has committed to the lease of additional office space in Oamaru to enable the relocation and expansion of its Three Waters business unit. In November 2020, Council received the first payment under the programme

Funding of \$111,050 was confirmed from the Provincial Development Unit, administered by the Ministry of Business, Innovation and Employment, towards refurbishing and upgrading the Palmerston Sports Hall facility.

Tourism Waitaki Ltd obtained funding of \$500,000 from the Strategic Tourism Asset Protection Programme to support the Oamaru Blue Penguin Colony and a further \$400,000 for other tourist-related activities in the Waitaki District.

Wildfires in the Mackenzie Basin caused significant damage in and around Lake Ohau Village on 4 October 2020. Many residential properties were either destroyed or damaged in the event, but the impact on Council infrastructure in the area has yet to be determined. Council has received \$100,000 from central Government, a further \$100,000 from Meridian Energy and still more funding from private citizens and businesses to support the establishment of a Mayoral Relief Fund to assist residents and others affected by the disaster.

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

Financial Advisers

Bancorp
Christchurch

Insurance Brokers

Aon NZ Limited
Dunedin

Solicitors

Anderson Lloyd
Dunedin

Dean and Associates
Ōamaru

Hope and Associates
Ōamaru

Simpson Grierson
Wellington

Taxation Advisers

Deloitte
Dunedin

Glossary of Terms

These definitions are intended to clarify 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