



# Waitaki

DISTRICT COUNCIL  
*TE KAUNIHERA Ā ROHE O WAITAKI*

## Annual Report

**for the year ended  
30 June 2017**

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# Acting Chief Executive's Report

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The 2016/17 Annual Report presents Council's progress and performance against the second year of the 2015-25 Long Term Plan from 1 July 2016 to 30 June 2017.

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*. Below are just some of the highlights. There is much more that has been delivered right across all areas of Council.

## Positive Financial Result

We've ended the year in a strong financial position with a surplus of \$1.531m. This is the fifth consecutive year we've reported a healthy surplus and better than budgeted financial position. We will continue to review our costs, particularly from an operational perspective, ensuring ratepayers get the best value for money. We also received an excellent dividend of \$0.79m from Council owned Whitestone Contracting Ltd.

Our financial position is indicative of our prudence and has also resulted in a lower rates increase for the 2017/18 year than we originally predicted. When developing the 2015-25 Long Term Plan we expected a 2.1% rates increase. Instead, we were able to reduce that to 1.2% – something we are very pleased with. We have been able to introduce some new projects for the coming year that will help grow our district.

## Observatory Hill Retirement Village and North Otago Irrigation Company (NOIC)

Economic development continues to be a major focus for Council. Providing financial support to the Observatory Hill Retirement Village and Stage 2 of the North Otago Irrigation Company's \$65 million expansion which were both under construction over the past year, is a major driver for economic growth. It underpins our economic sustainability, reinvests our ratepayers' funds in our own district and returns better interest income for Council.

The retirement village opened to residents in August 2017. Council provided additional financial support to progress further care beds where demand had outstripped supply, largely due to the recent closure of Rendell on Reed.

NOIC worked on completing Stage 2 and will be ready to operate for the 2017/18 irrigation season.

## Roads, Alps2Ocean and Tourism

The Rural Resilience project has been completed and has seen considerable investment in our rural roading network as a consequence of heavier demand placed on roads, primarily due to the dairy and forestry sectors. Our roading network was severely tested during the late July rainfall event. While we had a number of roads closed and under caution, roads were opened quicker than in past events with far less damage to the roading network.

Council has worked with NZTA on improvements along the Moeraki straight where the Boulders and Village intersect. Following community consultation, new signage has been proposed which will enhance the recent erection of the RIAWS (Rural Intersection Activated Warning Signs) on SH1 at the entrance to the Boulders intersection. A further stage, which includes some physical works, is under investigation. This project was in addition to another run by NZTA identifying resilience issues along SH1 between Christchurch and Dunedin. Again Council has been heavily engaged in this work and also with issues including North End of Oamaru, cycle lanes and flooding as part of the review.

The Alps2Ocean Cycle Trail goes from strength to strength. Central Government funding was secured to take more of the trail off road. A big thank you to landowners for their enthusiasm and co-operation to make this happen. Council received over \$300k from the Otago Community Trust to assist with moving two sections of the trail between Duntroon and Oamaru off the state highway.

# ***Acting Chief Executive's Report***

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Council has re-invested in the Oamaru Blue Penguin Colony, a major tourist attraction. The funding allowed re-development and additions to the colony to enable it to expand operations and cater for the growing number of visitors. An underpass to help penguins find their nests without undue interference from the public has also been built. Many thanks to the local businesses and organisations who have provided materials and labour free-of-charge.

Tourism within Oamaru and in particular the Historic Precinct and waterfront, has been under close scrutiny with a number of improvements. For example, the construction of a raised pedestrian crossing on Tyne Street. Discussions are ongoing concerning the vehicle access status to Harbour Street.

Central Government released its Mid-Sized Facilities fund in 2017 and Council was allocated \$223k for toilet improvement projects in both Duntroon and Dunback. The new Tourism Infrastructure Fund (TIF) is now available and further applications will be made to the fund in 2017/18.

## **HamNak Water Supply Upgrade**

The development of the project to build a pipeline to connect the Hampden and Herbert water supplies was a key focus of Council in 2016/17. The 30km pipeline will run through 40 different private properties once it is completed and will cost over \$5m. The tender was awarded to Whitestone Contracting Ltd and construction will be completed in 2018.

## **Closure of Oamaru Landfill and Transition to New Transfer Station**

Oamaru landfill closed its gates on 21 April 2017 and the new Waste Management Transfer Station opened to predominately provide residual waste services for Waitaki. Council held four half price days and one free day at the landfill which were well received by the community.

## **Emergency Management Civil Defence**

Otago's new Civil Defence organisation that commenced on 1 November 2016 has become a new shared service managed and run from Otago Regional Council (ORC) HQ under the leadership of Civil Defence Regional Manager, Chris Hawker. This has meant that Council's staffing resource have transitioned to be employed by ORC.

The new structure was tested in earnest by the July 2017 flooding event, which caused approximately \$1.5m worth of damage across Council's assets and activities. The new structure worked reasonably well and there have been a number of learnings from this event to ensure systems run even better next time.

## **Library Refresh**

Oamaru Library's area was reinvigorated with a new layout and change to the Installed Radio Frequency Identification (RFID) book checkout system. The refreshed library was re-opened on Monday 27 March 2017 and has been well received by library users.

## **Property Debt**

Council has made a significant reduction over the last 12 months to its property debt. The debt has been reduced by \$3m over the last 12 months, largely due to property sales. The debt was over \$10m three years ago and stood at \$5.7m as at 30 June 2017. It is expected that progress will continue to be made on reducing this debt further over the coming year.

## **Responding to Changes in Legislation**

The Food Act 2014 came into force with 'transition 1' requiring registration by June 2017. The new Building (Pools) Amendment Act 2016 was introduced in January 2017. Our legislative responsibilities are clear and we continue to balance resourcing with the extra demands placed on us, whilst working with our customers to help ease the transition.

## **Service Delivery Review – Section 17A of the Local Government Act**

All councils were required to complete reviews of how they delivered services by 8 August 2017 with the bulk of work completed in the 2016/17 year. Councils in Otago decided to collaborate and completed the reviews as one body of work. A summary of the review is included in this Annual Report.

# ***Acting Chief Executive's Report***

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## **District Plan Review**

The review of the District Plan continues and is making good progress. It is likely that the plan will be ready for public notification in the later part of 2018.

## **Health and Safety**

Council continued to invest in health and safety assisted by a collaboration with Waitaki Health Services. The SafeHold health and safety system was rolled out to all staff which ensures improved reporting, investigations, compliance and more accurate statistical analysis and trending. Council is also encouraging its contractors to sign-up to the pre-qualification system called SiteWise.

## **Thanks to the Team**

All the results above have been possible through the efforts of a large number of people, both elected members and staff. It has been the input from this team that has delivered the results that can be seen so clearly right across our community. I would also like to thank Mr Michael Ross who was Council's Chief Executive during 2016/17 and who retired at the end of June 2017. Council welcomes our new Chief Executive Mr Fergus Power who was appointed during the year and starts with Council on 18 September 2017.

It is great to be part of a team that is helping grow Waitaki - the best place to live, work and play.



Neil Jorgensen  
**Acting Chief Executive**

## Council Only - Financial Summary

### Financial Statistics

Council Only	Actual 2017	Annual Plan 2017	Actual 2016
Proportion of Rates to Total Income (%)	63.3%	63.3%	65.4%
Proportion of Rates to Total Expenditure (%)	65.4%	67.0%	67.4%
Total rating assessments (at the previous 1st of July)	13,773	13,775	14,118
Average Rates per rateable property	\$2,161.66	\$2,157.69	\$2,100.12
Average Expenditure per rateable property	\$3,305.52	\$3,219.73	\$3,116.40
Net Public Debt - External (percentage of Total Assets)	N/A	N/A	N/A
Net Public Debt - Internal (percentage of Total Assets)	2.95%	3.54%	3.16%
Net Public Debt - External (per rateable property)	N/A	N/A	N/A
Net Public Debt - Internal (per rateable property)	\$1,646.23	\$2,018.08	\$1,695.94
Current ratio	2.84	1.96	3.68
<i>Ratio of Current Assets to Current Liabilities</i>			
Liquid ratio	3.37	2.24	4.36
<i>Ratio of Liquid Assets (cash &amp; cash equivalents, trade &amp; other receivables and other financial assets) to Liquid Liabilities (Trade &amp; other payables, borrowings)</i>			

### Five Year Financial Summary

Council Only	2017 \$000	2016 \$000	2015 \$000	2014 \$000	2013 \$000
Rates revenue	30,303	30,375	30,026	29,151	28,200
Net Operating Surplus/(Deficit)	1,531	1,320	2,992	3,794	1,960
Cashflows					
Operating Activities	15,316	15,486	15,757	13,536	12,423
Investing Activities	(13,296)	(19,841)	(10,560)	(16,997)	(11,530)
Financing Activities	-	-	(3)	(2)	(3)
Net Increase/(Decrease) in cash held	(2,020)	2,360	5,194	(3,463)	890
Net Public Debt - External	-	-	-	3	5
Net Public Debt - internal	22,673	23,943	25,075	26,738	24,989
Total Assets	769,436	757,606	750,411	748,338	738,258

### 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 2016
Total Rateable Properties	13,773
Total Land Value of the District	\$3,796,956,450
Total Capital Value of the District	\$7,203,247,450

# Council Only - Financial Disclosures

## Annual Report Disclosure Statement for the year ended 30 June 2017

### 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

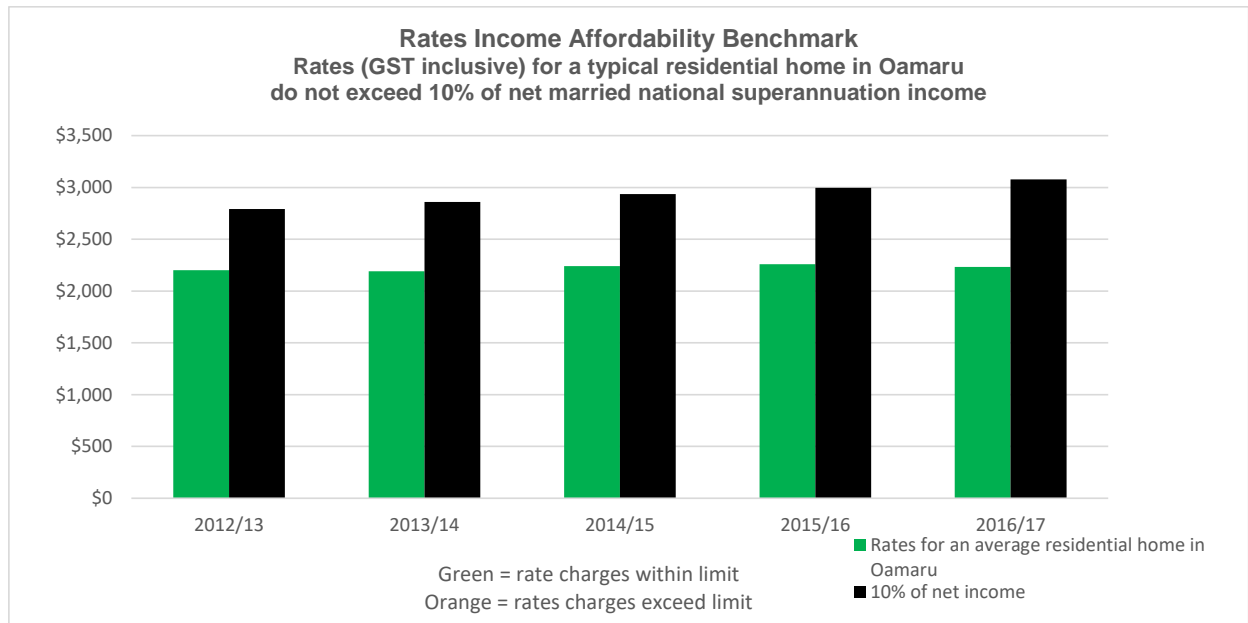
Council meets the Rates Affordability benchmarks when:

- 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 2015-25 Long Term Plan.

This quantified limit on total rates states that the average annual rate levied on an average residential property in Oamaru will not exceed 10% of married national superannuation, net of tax. This limit was set when adopting the 2015-25 Long Term Plan.





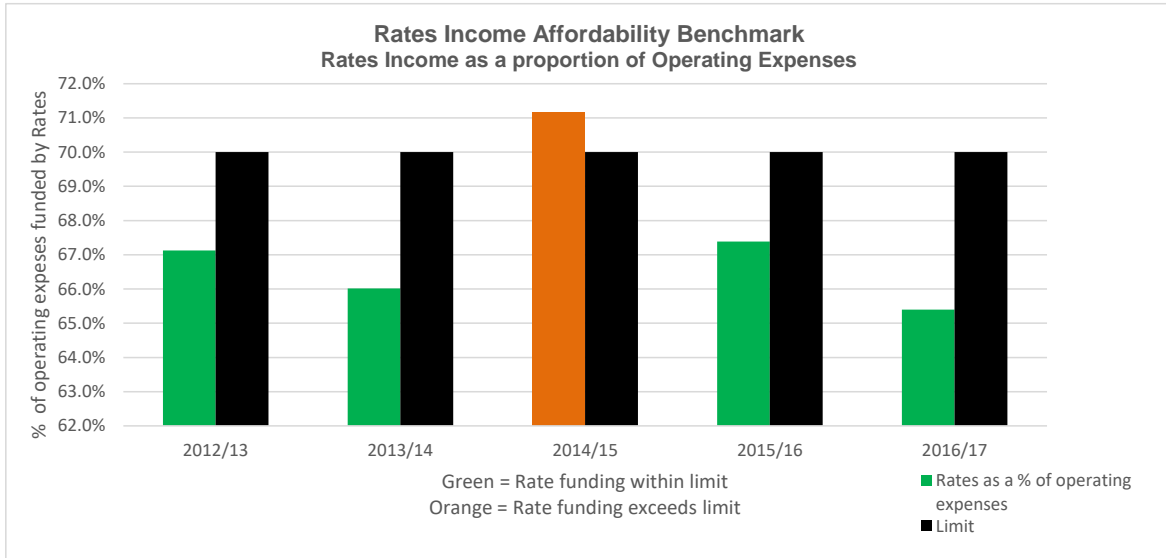
# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Rates Affordability Benchmark (continued)

#### Rates Revenue Affordability

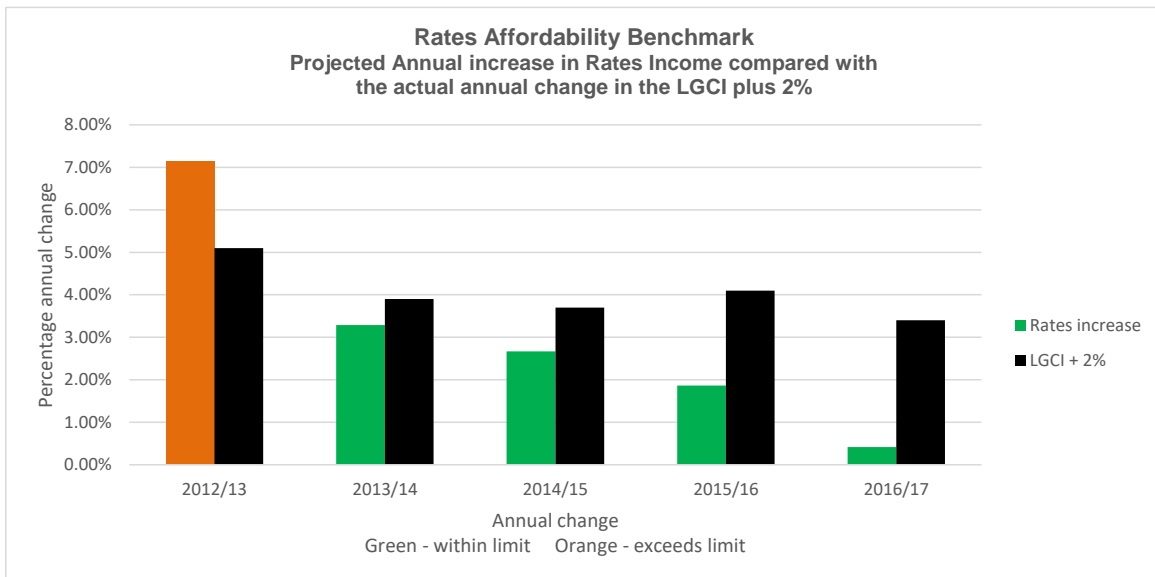
This graph compares Council's rates revenue with a quantified limit on rates contained in the financial strategy appearing in Council's 2015-25 Long Term Plan. The quantified limit on total rates is that revenue raised from Rates should be used to fund no more than 70% of total operating expenditure.



#### 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 2015-25 Long Term Plan.

The quantified limit on total rates increases states 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 2015-25 Long Term Plan.



# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Debt Affordability Benchmark

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

### External Debt Affordability

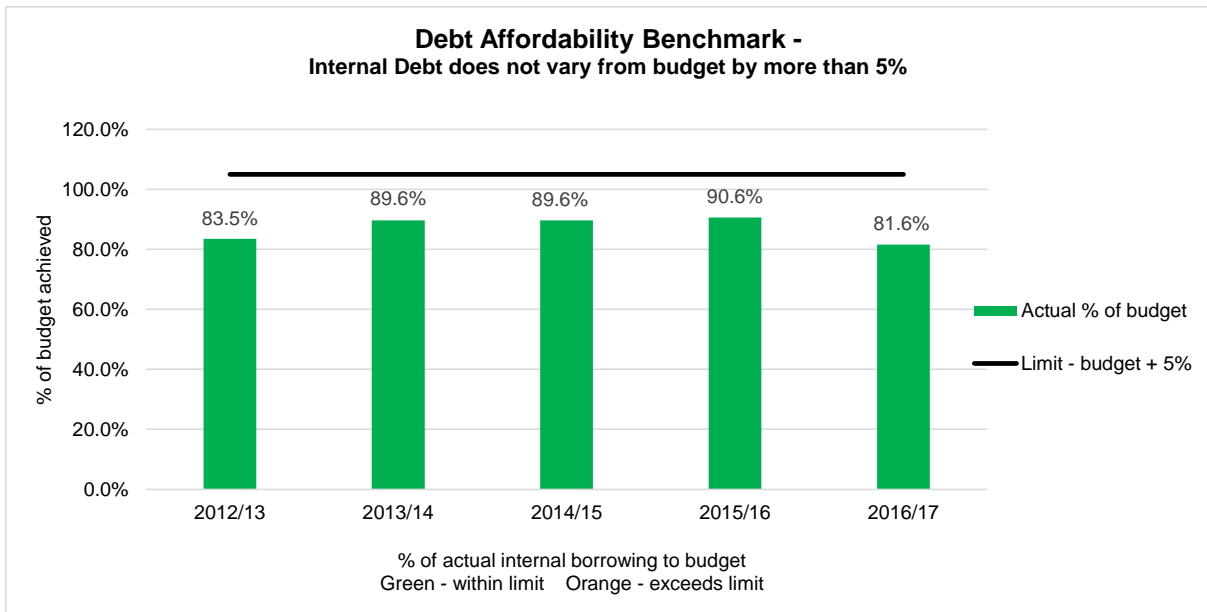
Actual external borrowing is compared with the quantified limit on external borrowing contained in the financial strategy appearing in Council's 2015-25 Long Term Plan. Prior to fully repaying remaining debt balances at 30 June 2015, external debt was an insignificant burden on Council, and Council does not consider the provision of a graph to represent its current position is warranted..

### Internal Debt Affordability

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

In the financial strategy appearing in 2015-25 Long Term Plan, Council set a quantified limit on the level of internal debt, such that internal debt should not vary from budget by more than 5%. This quantified limit was not set prior to adoption of the 2015-25 Long Term Plan but, in order to provide a meaningful comparison, the results for earlier periods have been included.

For the purposes of this disclosure, that benchmark is achieved when internal debt is less than budget, or does not exceed budget by more than 5%.



The total balance of internal loans outstanding is below the lower limit of the quantified range set by Council in all five financial years reported. This is a satisfactory result, arising from several factors:

- deferral of upgrades to meet legislated drinking water standards for some rural water schemes;
- faster reduction in loan principal amounts as a result of property sales; and
- Council's decision to apply rates to limit the rate of increase in, and ultimately reduce and clear, compounding interest loans.

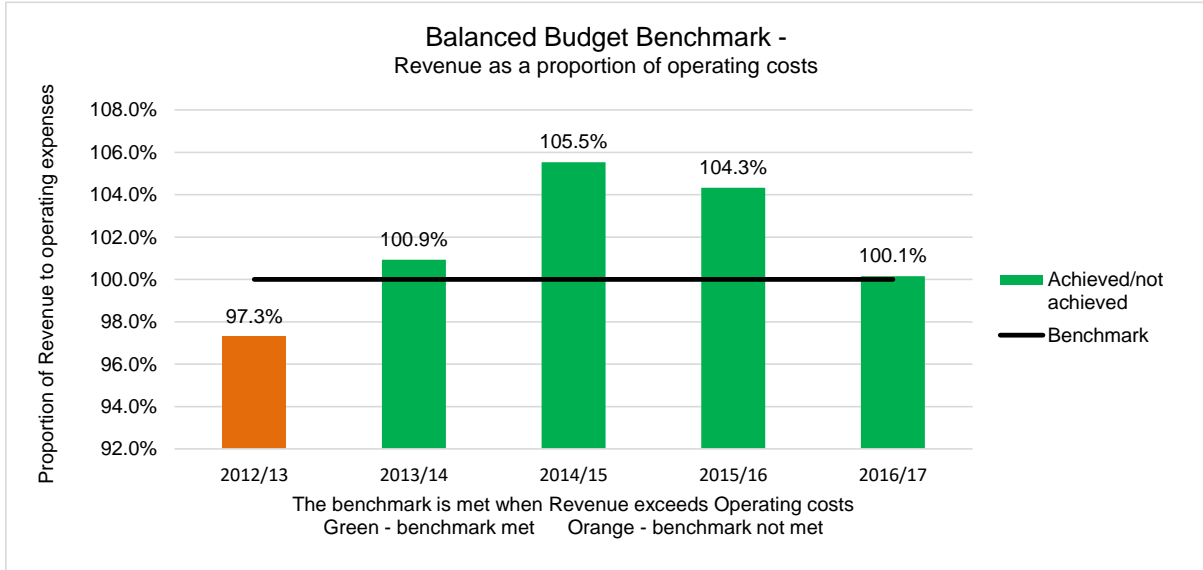
# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Balanced Budget Benchmark

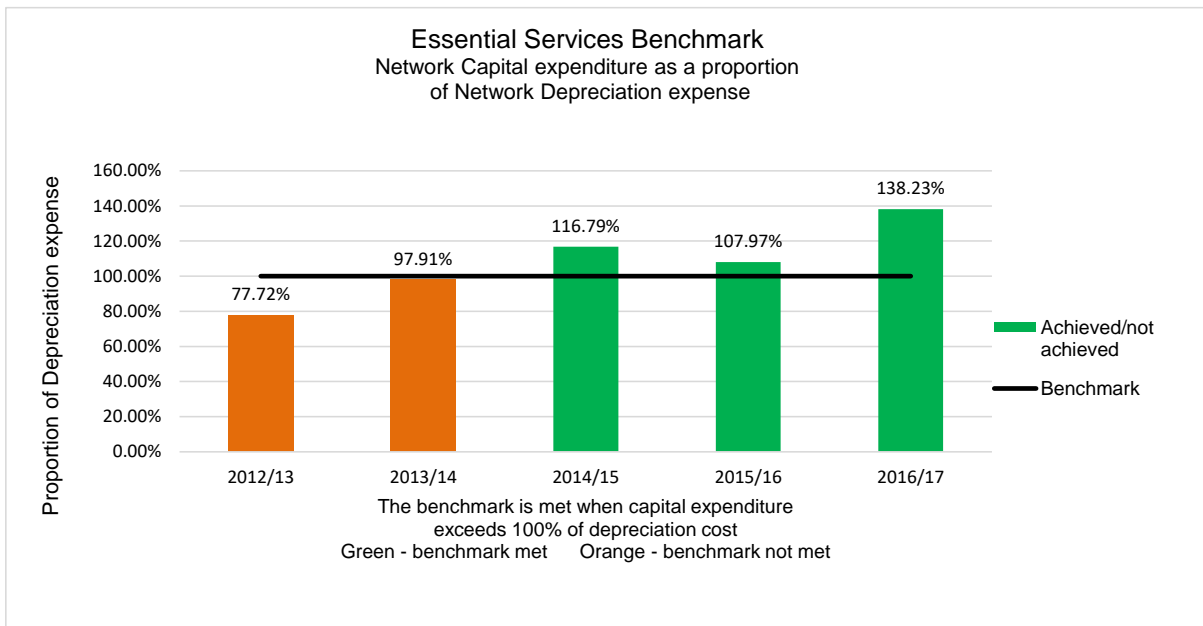
This benchmark is achieved when Council's operating revenues, excluding development and financial contributions, vested assets and the effects of revaluations, exceed total operating expenses.

Development and Financial contributions are not available to fund operating expenditure, but are intended to fund future growth and expansion in 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 other forms of operating revenue would.



### 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.



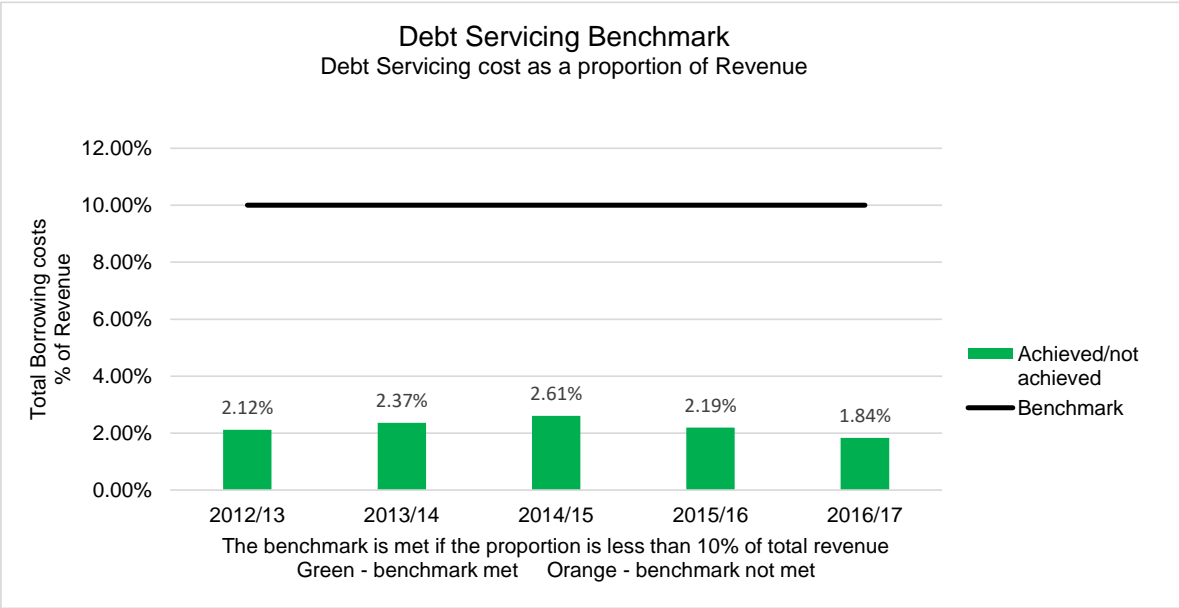
# Council Only - Financial Disclosures

## Annual Report Disclosure Statement (continued)

### Debt Servicing Benchmark

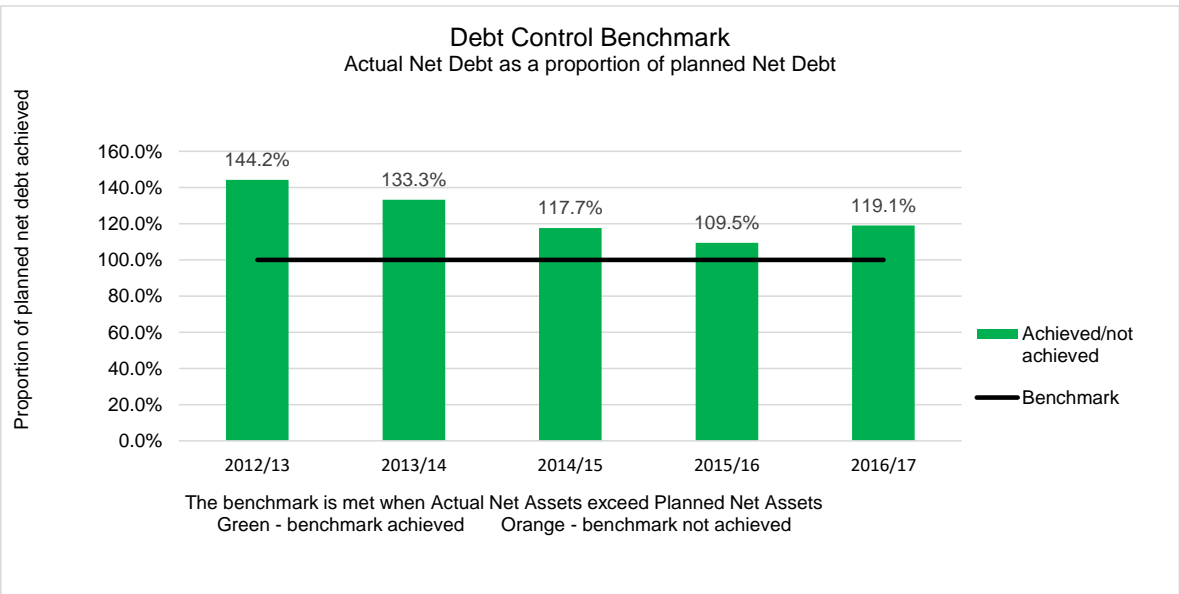
As the population of the District is expected to grow more slowly than the national population growth rate, Council meets this benchmark if borrowing costs equal, or are less than, 10% of Operating Revenue (less development and financial contributions, vested assets and the effect of revaluations).

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



### Debt Control Benchmark

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



# Council Only - Financial Disclosures

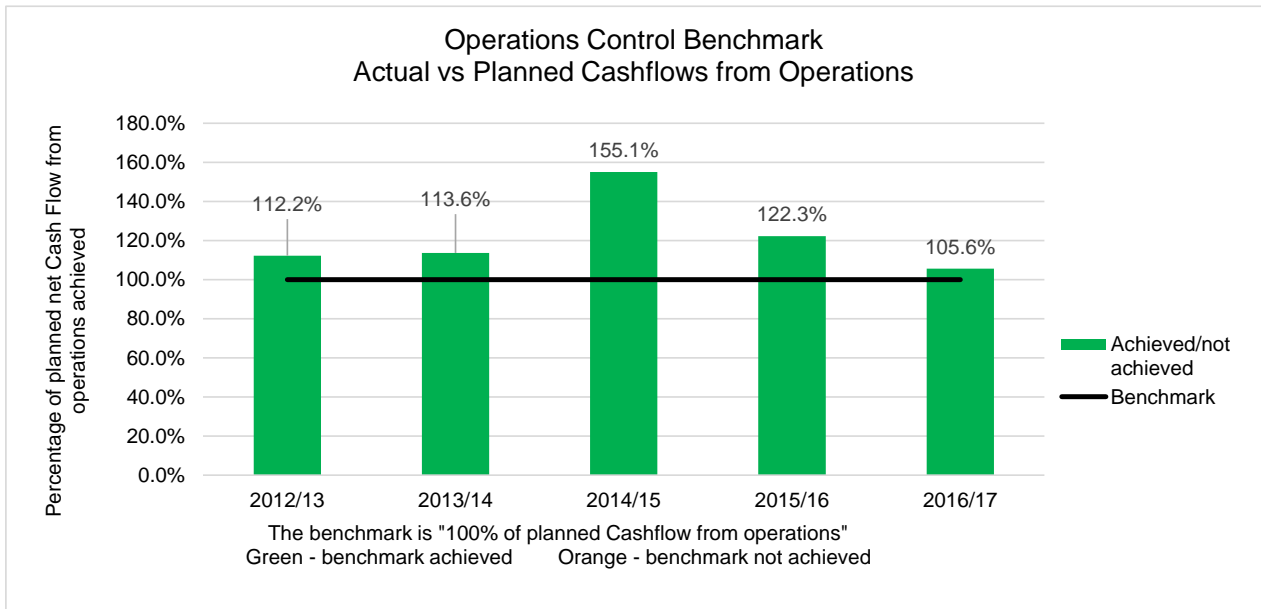
## Annual Report Disclosure Statement (continued)

### 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, 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 its Net Cash Flow from Operations equals or exceeds its planned Net Cash Flow from Operations.



## ***Outcomes, Policies, Plans and Statements***

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# Community Outcomes

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The following Community outcomes were agreed by Council on 24 June 2015 as part of the 2015-25 Long Term Plan.

## ***We keep our district affordable***

We try to keep our district as affordable as possible. We want every dollar from rates to provide the best possible services and best value for money and we are constantly working to improve how we can deliver them in an affordable way. We face a number of challenges in keeping our services affordable. For instance, we continuously have to balance diverse (and sometimes competing) community needs and wants. Our district is a large geographical area with a small population so maintaining our assets, particularly roads, has to be met by a small group of ratepayers. We also have to respond to changes by Central Government, many of which affect our rates and levels of service.

## ***We enable opportunities for new and existing businesses***

We have experienced good business growth over the last few years. For instance the North Otago Irrigation Company has added around 270 jobs to the district and about \$48m to the local economy each year. We have also been involved in business development such as the North End Business Park in Oamaru and in tourism activities such as Alps2Ocean. This means more jobs and more business for our district.

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

Growing our district and creating a place where people want to live means providing the right services at the right time and at the right cost. Council provides many things including roads, footpaths, drinking water, libraries and swimming pools. Getting the mix of services right, whether it's clean water, cultural attractions or sports fields, is important so everyone has the opportunity to play an active role in the community.

## ***We understand the diverse needs of our community***

The needs of our community are many and diverse. We want to make sure we understand these so we can deliver our services more effectively. We need to think about the best ways to provide services and infrastructure for the future. How do we plan for changes in demographics (e.g. our ageing population) and a more ethnically diverse community? How should we balance community needs now and into the future?

## ***Waitaki's distinctive environment is valued and protected***

Our environment, both natural and built, has some special features that we believe are worth protecting. We need to assess our buildings for earthquake risk. We also need to balance growth and development with the needs of the environment. It's important we get the mix right.

## ***We maintain the safest community we can***

We live in a safe community but we want to reduce crime and the fear of crime through projects such as CCTV and Community Patrols. We also need to ensure health standards are high for businesses such as restaurants and bars, manage dog control problems and have a suitable emergency management centre.

## ***Audit Report and Statement of Compliance***



***Audit Report***

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***Audit Report***

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***Audit Report***

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# ***Statement of Compliance and Responsibility***

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## **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 2017 fairly reflect the financial position and operations of the Waitaki District Council and Group.

Neil Jorgensen  
**Acting Chief Executive**

25 October 2017

Gary Kircher  
**Mayor of Waitaki**

25 October 2017

# The Year in Review

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## Roading

- Successfully completed the 2016/17 programme of the National Land Transport Plan for the Waitaki District.
- A new contract for roading maintenance commenced on 1 July 2017 and was awarded to SouthRoads.
- Council completed the Rural Resilience Project in 2016/17 which was severely tested at the end of July with a 1:100 year rainfall event. While we had a number of roads closed and under caution, roads were opened a lot more quickly than in past events with far less damage to the road network.
- The Roding Unit has had a full complement of staff helping achieve a successful year. One vacancy at the end of the year will be filled in August.
- A technical audit by NZTA was carried out and completed on the roading network in August 2016 with a very successful outcome.
- Successfully secured funding approval with NZTA for a major LED street lighting upgrade of the network which commenced in 2016/17 including a collaboration with NZTA for State Highways. Council is leading the way for the lower South Island in terms of collaboration for the supply of 12,500 LED lighting units and assisting neighbouring councils. We expect the whole of Waitaki district to be upgraded to LED by December 2018.
- A full programme of renewals completed, including resurfacing of roads, road renewals and footpath resurfacing with small amounts of funding for unsealed metalling and bridges to be carried over.
- Full programme of minor improvements completed, including safety and rural resilience measures.
- Successful construction of Beach Road project north of Kakanui as a result of the slip from one single lane with traffic control to two lanes.
- Road maintenance included edge break, drain channel clearance, low shoulder filling and stabilised road repairs.
- Council has used sections of recycled timber and decks from the old SH82 timber bridge in Kurow for use in the renewal of Galbraith Bridge.
- Roding network was dry other than one small rain event in 2016 which also highlighted the effectiveness of the Rural Resilience Project and allowed the maintenance contractor to focus on and improve road maintenance.
- Installed pedestrian drop crossings for improved access in conjunction with the kerb and channel renewal programme.
- Full programme of seal widening completed on various roads.
- Safety improvements made to intersections in Oamaru.
- Moeraki community and Council engaged with ongoing maintenance on the upgraded but deteriorating section of Haven Street to retain direct access to the village.
- Road Safety programmes successfully completed for the year.
- Roding responded to 94% of CRMs within timeframes, 4% above the benchmark, of which 89% were successfully resolved.
- Business case successfully completed for a submission to the 2018-21 Regional Land Transport Plan at the end of August 2017 which included a period of consultation with stakeholders and the public to give direction and feedback on the size of the programme.
- Roding met with a number of stakeholder groups to better understand their needs within the roading network, e.g. Automobile Association, New Zealand Transport Agency and Forestry.

## Water Services and Waste

- Protected the public health of Waitaki communities by continuing to:
  - source, treat, store and distribute drinking water to over 20,000 residents across 17 water supplies
  - collect, treat and dispose of wastewater from over 14,000 residents across eight networks
  - collect and dispose of stormwater across seven community areas.

# The Year in Review

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## Water Services and Waste Continued

- Reached a significant milestone in closing the Oamaru Landfill on 21 April 2017 and worked closely with Council's waste partners, Waste Management Ltd and the Waitaki Resource Recovery Trust, to ensure Oamaru and the surrounding communities have continued access to effective solid waste services going forward.
- Transitioned the operation and maintenance of the district's water and wastewater facilities to SouthRoads following an assessment of key risks versus the existing service delivery and management models.
- Made considerable progress in the H2OurHealth project with completion of the design of the 30km pipeline and associated pump stations, obtaining landowner approval from over 50 parties, procuring and awarding of the construction contract to Whitestone Contracting Ltd.
- Continued to work towards compliance with the Health Act and New Zealand Drinking Water Standards for various water supplies.
- Designed and completed a number of water and wastewater asset renewals, the majority of which support the H2OurHealth project and key business development.

## Recreation

- Carried out extensive maintenance to the Aquatic Centre. Work undertaken during this break included replacing skylights, extensive retiling in all pools, plant motor and filter overhauls, flooring re-surfacing, carpet cleaning, replacement of expansion joints in all pools, replacement of pumps and motors, replacing parts of the heating circuit, updating and replacing parts of the Building Management System and an internal re-paint.
- Provided coaching services to the Oamaru Swim Club who punched well above their weight this year winning the award for the top performing swim club in the Mako Zone (South Island) at the New Zealand Junior Swim Meet. Note: this is on a win basis and not on swim club size, so was a significant achievement. In recognition of this, Narcis Gherca picked up coach of the year at the North Otago Sports Awards for the second year in a row.
- Removed the film set at Falstone. This was completed prior to the camping season with the cost met by a bond established for this contingency.
- Constructed a new cycling area at the Harbour with support from a number of local businesses and the Otago Community Trust. This has received fantastic reviews and Timaru and Stratford have requested our plans.
- Installed new irrigation at the Friendly Bay playground to maintain this area as green in drought periods. Ironically this summer was a wet one. We thank the Lions Club for their support.
- A study of sporting needs and an indoor recreation facility feasibility study was completed by Sport Otago. This will drive debate in the Long Term Plan on a new recreation facility.
- A new area was developed as part of the Oamaru Cemetery with road access, plantings, mown grass and new ash and burial beams.

## Community Development and Safety

- CCTV surveillance system operational at eight sites.
- Participated in the Network Leadership Group for Raise Hope Mental Health and Addictions meetings attended by representatives from across Otago/Southland. The Safer Waitaki Mental Health and Addictions Network which has a membership of 30 organisations, is the local group for this project.
- SKIP (Strategies for Kids Information for Parents) project launched in February 2017.
- Student led You Tube 30 Second Family Violence Awareness video clip targeting young people, was completed in December 2016.
- A grant of \$15,000 was successfully obtained from Ministry of Youth Development, Local Government Youth Fund, to support the activities and development of Youth Council.
- Youth led Youth Forum was held on 14 June with 40 attendees aged between 15 and 24 who shared their visions for the district.
- Safer Waitaki Older Person's Forum was established with a membership of 24.
- Family Violence Industry Training was successfully delivered to Council and Alliance Pukeuri teams during November (25 attendees). This was delivered by Stephanie Edmond, Senior Advisor - It's Not OK Campaign.

# The Year in Review

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## Community Development and Safety Continued

- Vic Tamati visited Waitaki Boys' and St Kevin's College on 22 March 2017 relating to Anti-Violence messaging.
- Strangulation in the Family Violence Context workshops were held on 18 May 2017. These were attended by a total of 57 people from a range of agencies across the region.
- Self Defence for Women: Waitaki Multicultural Council, in partnership with Safer Waitaki Family Violence Network, co-ordinated a very successful day on 25 February 2017. Seventeen women of all ages and ethnicities attended.
- White Ribbon Ride successfully delivered on 24 November 2016. All four local high schools participated. There were a total of 50 riders (local and national) along with volunteers and local businesses who sponsored the event and all contributed to making this event a success.

## Forrester Gallery and North Otago Museum and Archive

- Progressed the Cultural Facility Development project through auditing of collections, development of peer and expert supported significance statements for the collections, gaining of community statements of support and the creation of early concept themes and stories to successfully gain funding of 60% of the current projected budget for the project.
- Delivered programmes across a combined Gallery/Museum/Archive physically and online achieving 25 exhibitions, six exhibition openings and 15 events and talks.
- Completed a review into the whole of Archive operations and celebrated 30 years since its opening.
- Grew our volunteer support across the Gallery/Museum/Archive.
- Supported community projects and events including Whitestone City and Heritage Week.
- Delivered 40 education programmes on and off-site and a regular holiday programme.
- Progressed an important research project with University of Otago into the Willetts' Collection at the Museum working with the Department of Archaeology and Anthropology, Te Rūnanga O Moeraki, Waitaha Taiwhenua ō Waitaki Trust Board and Willetts' family members.

## Waitaki District Libraries

- Reconfiguration of the Oamaru Public Library: We reconfigured the layout of the library to create better utilisation of the 40-year old footprint. The children's area can now be converted to an after-hours event space; created a bookable community space that is being used for meetings, reading, studying, teaching and events. In the layout we have separated the potential conflicting user groups, namely youth, tourists and conventional library users. We have had phenomenal positive feedback from the public.
- Installed Radio Frequency Identification (RFID) automation to allow staff more time to engage with customers and ensure Digital Literacy competencies to deal with demands from the public.
- We have restructured the staff to allow us to meet the challenges facing the modern Library, within budget. We now have capacity to support branches, address Digital Literacy challenges, Youth Outreach, Community Outreach (including Pasifika and Māori), collaboration with community organisations (e.g. Ara Polytechnic, Literacy North Otago, Mental Health Group, Work and Income, Pasifika organisations and the Rūnanga ō Moeraki).

## Community Amenities, Oamaru Harbour and Historic Precinct

- Council replaced the public toilet block that was part of the Hampden Hall, with a new facility adjacent to the main road.
- Roberts Park toilet was upgraded from the old concrete block toilet to a new three bay unisex toilet (including all abilities access).
- With the support of the Motor Caravan Association, a new dump station was installed in Omarama.
- Insulation was installed at Council owned residential housing.
- Eight community housing units were renovated, two were partially renovated and two were started but not yet completed at the end of the financial year.
- Oamaru Harbour re-survey and perfection of title has been completed. This enables the next stage of development in the Harbour.

# *The Year in Review*

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## **Community Amenities, Oamaru Harbour and Historic Precinct Continued**

- There has been a significant reduction in property debt through property sales. The debt has been reduced by almost \$3m and the debt now sits at \$5.7m.
- Oamaru Court House came into Council ownership and planning is underway to seismically strengthen and prepare the building for the return of court services to the building.
- Planning is underway to repeal historic legislation from 1875 which prevented the RSA from being leased.

## **Democracy and Accountability**

- Elected Members Induction programmes ran from October 2016 to February 2017 following Local Body elections.
- Risk Management Policy adopted by Council on 3 August 2016.
- Waitaki's District Responsible Freedom Camping Bylaw adopted by Council on 14 September 2016.
- 2016/17 Annual Report adopted by Council on 26 October 2016.
- Planning underway for the 2018-28 Long Term Plan.
- Section 17a Review, Phase II: participation approved by Council covering Regional Service Reviews of Solid Waste, Regulatory Services and Waterways and Harbours.
- 2017/18 Annual Plan adopted by Council on 21 June 2017.
- Council adopted the Draft General Bylaw to go out for consultation on 21 June 2017.
- District Plan review progressing.

## **Environment, Regulation and Safety**

### **Regulatory Services**

- Implemented new structure to support Building Services.
- Maintained Building Consent Authority accreditation with no corrective actions.
- Continued reduction of animal control complaints by 11%.
- Implemented Freedom Camping Bylaw and transition 1 of the Food Act 2014.
- 100% of alcohol licensing premises inspections completed.

### **Planning**

- Ongoing work on the District Plan review.



***Groups of Activities***

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## Roads and Footpaths

### What we did

- We maintained 1,811km of roads, or 3,280 lane kilometres this year; 5km of cycleways and 179 bridges.
- Footpath renewals: 5.7km.
- Unsealed roads metalling: 150km, or 35,000m<sup>3</sup> applied.
- Sealed roads resurfacing: 112km, or 685,000 m<sup>2</sup>.
- Culvert renewals of 751m in length.
- Kerb and channel renewals of 379m.
- Drainage renewals of 21.4km.
- Rehabilitated sealed roads by 6.1km, or 22,400m<sup>2</sup>.
- The table below shows expenditure from the Maintenance and Operations Report to NZTA for 2016/17.

Work category No.	Works completed	Actual expenditure (\$) 2016/17
111	Routine pavement repairs (\$)	710,694.00
	Pre-reseal repairs (\$)	335,472.00
112	Grading unsealed roads (\$)	260,000.00
	Other unsealed pavement maintenance (\$)	123,969.00
113	Street cleaning (\$)	32,701.00
	Drainage maintenance (\$)	451,775.00
114	Bridge maintenance (\$)	203,528.00
	Retaining wall maintenance (\$)	17,259.00
121	Vegetation control (\$)	111,255.00
	Winter maintenance activities (\$)	16,268.00
	Litter, debris and graffiti control (\$)	180,669.00
	Other environmental maintenance (\$)	60,978.00
122	Traffic services power supply (\$)	157,000.00
	Carriageway lighting maintenance (\$)	92,931.00
	Road markings (\$)	128,937.00
	Signs and other traffic services (\$)	82,935.00
124	Cycleway operations and maintenance (\$)	7,073.00
151	Network management (incl inspections) (\$)	1,062,000.00
	Road user information (\$)	268,908.00
	Updating asset inventory systems (\$)	48,950.00

## Roads and Footpaths

### Renewals

Work category No.	Works completed	Actual expenditure (\$) 2016/17
211	Periodic re-metalling (\$)	496,524.00
	Unsealed road rehabilitation (\$)	104,000.00
212	Chip seals resurfacing (\$)	1,538,024.00
	Other pavement resurfacing (\$)	64,225.00
213	Culvert renewals (\$)	324,070.00
	Kerb and channel renewals (\$)	65,882.00
	Other drainage renewals (\$)	540,044.00
214	Urban sealed road pavement rehabilitation (\$)	71,595.00
	Rural sealed road pavement rehabilitation (\$)	842,606.00
215	Other structure component replacements (\$)	626,321.00
222	Traffic signs renewals (\$)	80,457.00
	Traffic monitoring and lighting renewals (\$)	55,764.00

### Road Safety

#### Alcohol

- Continuation of Christmas period promotion of courtesy vehicles in the district. Encouraging people to 'plan their journey'.

#### Younger Drivers

- The 'Drive 2 Survive' expo for Year 12 students is a well-oiled machine having been refined over several years in Oamaru and Dunedin. Improvements were made to the 2017 event with enhanced lighting, greater interactivity and more speakers sharing real experiences of road trauma.

#### Older Drivers

- Three courses were offered; a theory refresher course, introduction to mobility scooters and a practical driver assessment. These courses are consistently well-attended and appreciated by older residents.
- Newspaper advertising undertaken promoting responsible mobility scooter use in town.

#### Fatigue

- Volunteer group 'Waitaki Road Safe' set up Fatigue Stops at the beginning of public holiday weekends. 100-200 vehicles were stopped and given resource bags with water, lollies, road safety literature and other giveaways for families. BBQ food and hot drinks were available. Volunteers discussed the journey with motorists raising awareness of the dangers of driving while fatigued.
- New advertising 'skins' were designed for the state highway billboard frames. These are an extension of a campaign in Dunedin. Micro cloths with the same message were also distributed to further extend the images.

#### Safe Speeds

- Newspaper and radio advertising took place throughout the year and covered various relevant topics which aligned with the NZTA advertising calendar and priority seasonal risks addressed by Police.
- 'Travellers Tips' brochures were re-designed to include Quick Response (QR) codes which link to New Zealand driving websites and translate into several languages. Signs for visiting drivers were designed based on the brochures and have been placed around the district at locations where visiting drivers are likely to stop.
- Heavy Vehicle workshop held in conjunction with Police and NZTA.
- 2,000 ice scrapers were delivered to petrol stations, Police, AA and i-Site, for distribution at the beginning of winter.

# Roads and Footpaths

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	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	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	By providing transport networks and services that are safe
We keep our district affordable	By ensuring roading activities are managed efficiently and effectively

## How we performed – Roads and Footpaths

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
The change from the previous financial year in the number of fatalities and serious injury crashes on local road network (not state highways), expressed as a number	2017: Reduction in number of crashes by one 2016: Increase in number of crashes by three [Data from Crash Analysis System (CAS)]	Reduce the number of serious injuries and fatalities when compared to the previous year
Percentage of residents who are satisfied or very satisfied with the sealed roading network	Not Achieved: Residents' Survey 2016/17 – 47% of residents satisfied with the sealed roading network (2015/16 - 46%) <i>This is the second year that satisfaction with the sealed and unsealed roading network has been asked about separately in the Residents' Survey</i>	Increase in percentage of residents who are satisfied or very satisfied with the sealed roading network: <ul style="list-style-type: none"> <li>• 2015/16 – 50%</li> <li>• 2016/17 – 60%</li> <li>• 2017/18 – 70%</li> </ul>
Percentage of residents who are satisfied or very satisfied with the unsealed roading network	Not Achieved: Residents' Survey 2016/17 – 27% of residents satisfied with the unsealed roading network (2015/16 - 24%) <i>This is the second year that satisfaction with the sealed and unsealed roading network has been asked about separately in the Residents' Survey</i>	Increase in percentage of residents who are satisfied or very satisfied with the unsealed roading network: <ul style="list-style-type: none"> <li>• 2015/16 – 50%</li> <li>• 2016/17 – 60%</li> <li>• 2017/18 – 70%</li> </ul>

## Roads and Footpaths

### How we performed – Roads and Footpaths

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
The average quality of ride on sealed roads, measured by smoothness (smooth travel exposure)	Achieved: 2016/17 - 90% (2015/16 - 90%) <i>Note these refer to DIA STE (Smooth Travel Exposure) targets which are the relevant targets specified by NZTA<sup>1</sup></i>	Target to be set once One Network Road Classification (ONRC) benchmark established, in the interim 2015-18 maintained at 96 or less
The percentage of the sealed local road network that is resealed	Achieved: 55.5km - 7.1% local roads resealed in 2016/17 (2015/16: 53km - 7% local roads resealed)	Reseal 7% each year of sealed network
The percentage of footpaths within the district that fall within the specified level of service	Achieved: 97.8% meet specified level of service (2015/16: 80% met specified level of service)	Footpath condition (percentage compliant with standards) = 96%
The percentage of public enquiries responded to within agreed timeframes	Achieved: 94% of public enquiries responded to within agreed timeframes (2015/16 - 95%)	90% of public enquiries responded to within agreed timeframes

<sup>1</sup> Data is collected every two years. 2017 data is from the data measured in 2016. (Note: smaller councils with a large roading network are unlikely to have significant changes).

## Funding Impact Statement – Roads and Footpaths

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
196	196	General Rates, Uniform Annual General Charge, Rates Penalties	129	244	Levels of service are consistent with those anticipated in the Annual Plan. The level of NZ Transport Agency subsidy reduced by 1%, from 58% to 57%, from 1 July 2016 - this was factored into the Annual Plan. The budget assumed Parking facilities would be transferred to Rooding, but this did not occur
6,383	6,380	Targeted Rates	6,465	6,433	
6,579	6,576	<b>Rates Revenue</b>	6,594	6,677	
2,822	3,491	Subsidies and Grants for Operating Purposes	1,021	2,830	
249	222	Fees and Charges	242	239	
-	-	Interest and Dividends from Investments	-	-	
24	44	Internal Charges and Overheads Recovered	20	25	
269	494	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	310	494	
3,364	4,251	<b>Operating Revenue</b>	1,593	3,588	
9,943	10,827	<b>Total Sources of Operating Funding</b>	8,187	10,265	
		<b>Applications of Operating Funding</b>			
4,490	6,255	Payments to Staff and Suppliers	4,656	5,194	
-	-	Finance Costs	-	-	
1,500	1,614	Internal Charges and Overheads Applied	1,473	1,606	
-	-	Other Operating Funding Applications	-	-	
5,990	7,869	<b>Total Applications of Operating Funding</b>	6,129	6,800	
3,953	2,958	<b>Surplus / (Deficit) of Operating Funding</b>	2,058	3,465	
		<b>Sources of Capital funding</b>			
3,225	2,853	Subsidies and Grants for Capital Expenditure	5,027	3,831	
144	139	Development and Financial Contributions	232	100	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
3,369	2,992	<b>Total Sources of Capital Funding</b>	5,259	3,931	
		<b>Applications of Capital funding</b>			
-	-	Capital Expenditure	-	-	
-	-	Meet Additional Demand	-	-	
1,144	453	Improve Levels of Service	1,373	1,561	
4,901	5,094	Replace Existing Assets	5,073	5,655	
1,277	403	Increase / (Decrease) in Reserve	871	180	
-	-	Increase / (Decrease) in Investments	-	-	
7,322	5,950	<b>Total Applications for Capital Funding</b>	7,317	7,396	
(3,953)	(2,958)	<b>Surplus / (Deficit) of Capital Funding</b>	(2,058)	(3,465)	
-	-	<b>Funding Balance</b>	-	-	

# Water Services and Waste

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The Water Services and Waste group of activities include:

- Waste Management and Minimisation
- Stormwater Drainage
- Water Supplies
- Sewerage Treatment and Disposal

## What we did

### Waste Management and Minimisation

- Signed a Memorandum of Understanding with Waste Management Ltd and the Waitaki Resource Recovery Trust on 24 August 2016, confirming each party's responsibilities within the waste partnership arrangement post closure of the Oamaru Landfill.
- Engaged extensively with Oamaru Landfill account holders and the community regarding solid waste service delivery post closure of the Oamaru Landfill.
- Held one "free" and four "half price" community disposal days at the Oamaru Landfill in March and April 2017 in preparation for the Oamaru Landfill closure.
- Closed the Oamaru Landfill on 21 April 2017 following commissioning of the Waste Management Transfer Station in Industrial Place.
- Commenced cap survey investigations and structural assessments at the Oamaru Landfill in preparation for final capping.
- Assisted the Waitaki Resource Recovery Trust in designing their proposed site redevelopment.
- Resolved to provide \$285,000 to the Waitaki Resource Recovery Trust for their site redevelopment.
- Commenced a review of the Waitaki Waste Management and Minimisation Plan as per the requirements of the Waste Minimisation Act 2008.
- Commenced consultation with the Ohau community regarding options for the future delivery of solid waste services to the village.
- Provided the following waste grants:
  - \$270,000 to the Waitaki Resource Recovery Trust (consists of \$220,000 cash, \$40,000 value lease and \$10,000 ground maintenance)
  - \$20,000 to Waihemo Waste Busters

### Stormwater Drainage

- Commenced updating the Waitaki Stormwater Activity Management Plan.
- On-going proactive and reactive inspections of critical stormwater assets such as inlets and outlets.

### Water Supplies

- Commenced updating the Waitaki Water Activity Management Plan.
- Transitioned the operation and maintenance of all water facilities to SouthRoads Ltd on 24 February 2017.
- Designed, obtained approval from over 50 landowners, and procured the construction of the 30km pipeline to supply the Herbert-Waianakarua and Hampden-Moeraki water supplies from the Oamaru water supply, necessary to meet the Drinking Water Standards.
- Obtained short term water take resource consents from Otago Regional Council for the Herbert-Waianakarua and Hampden-Moeraki water supplies to allow operation of the current intakes to continue until completion of the pipeline.
- Commissioned a new UV disinfection system at the Otematata Water Treatment Plant followed by flushing of the reticulation network allowing the permanent "boil water" notice to be lifted.
- Transferred ownership of the Dunrobin Water Supply to Dunrobin Water Management Incorporated in accordance with Local Government Act process.
- Completed an Options and Risk assessment of the management of the Awamoko, Tokarahi, Kauru Hill and Windsor water supplies by Corriedale Water Management Ltd and resolved to conditionally extend the Memorandum of Understanding a further five years.
- Drilled and tested a third production bore for the Omarama water supply and commenced design of a new treatment plant, necessary to meet the Drinking Water Standards.

## ***Water Services and Waste***

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### **Water Supplies Continued**

- Designed, procured and constructed 3.5km of new trunk water main through the South Hill zone of Oamaru, necessary to supply water to the Herbert-Waianakarua and Hampden-Moeraki water supplies in the future and to improve the level of service to existing Oamaru water supply consumers.
- Installed Stage 2 of the GE membrane filtration system at the Oamaru Water Treatment Plant providing improved capacity over summer months.
- Commenced a capacity assessment of the Tower zone of the Oamaru water supply and determined asset upgrades necessary to support key developments such as the Observatory Hill Retirement Village and Old Hospital Hill subdivision.
- Commenced an assessment of residual chlorine levels in the Oamaru water supply zones to determine where levels may need to be boosted in the future.
- Designed, procured and constructed a number of water supply pipeline renewals such as the Stoke Street water main upgrade, Kakanui Beach Road slip water pipe renewal and Dunback Road water pipeline renewals.

### **Sewerage Treatment and Disposal**

- Commenced updating the Waitaki Wastewater Asset Management Plan.
- Engaged SouthRoads Ltd to operate and maintain all wastewater facilities from 1 July 2017 following a Request for Proposal process.
- Completed concept design of future infiltration trenches on Omarama Airfield land for disposal of wastewater from the Omarama Wastewater Treatment Plant and commenced lease negotiations with the Omarama Airfield Board.
- Completed design of the new Moeraki Wastewater Treatment Plant disposal field at Katiki Straight and engaged with Te Runanga o Moeraki to establish appropriate conditions to be included in the discharge resource consent issued by Otago Regional Council.
- Re-commissioned the sludge digester at the Otematata Wastewater Treatment Plant to improve plant and disposal field performance.
- Designed, procured and constructed a number of wastewater pipeline renewals such as the Kakanui Beach Road slip sewer rising main renewal and Chelmer Street sewer main renewal.
- Continued an assessment of options for remediation of wastewater overflows from the sewer reticulation and pump stations networks during storm events.
- Continued an assessment of options for the ownership and management of sewer laterals to determine if the existing private ownership model is appropriate.



# Waste Management and Minimisation

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	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	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We maintain the safest community we can	By providing access to reliable and efficient waste disposal systems and facilities
Waitaki's distinctive environment is valued and protected	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	By encouraging the provision of different waste disposal options by the private sector

## How we performed - Waste Management and Minimisation

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage of residents who are within 25km of a transfer station, landfill or recycling drop-off station	Achieved: 97% of residents are within 25km of a transfer station, landfill or recycling drop-off station. (97% in 2015/16) <i>(The Oamaru Landfill was closed in April 2017 however residual waste services continue to be provided at a privately owned transfer station in Oamaru)</i>	90% of residents are within 25km of a transfer station, landfill or recycling drop-off station
The amount of material being removed from the waste stream	Not Achieved: The following material quantities were removed from the waste stream: Greenwaste – 186 tonnes (1,731 in 2015/16) Recyclables – 2,144 tonnes (1,430 in 2015/16) Glass – 436 tonnes (469 tonnes in 2015/16) <i>(All diversion activities are carried out by the Waitaki Resource Recovery Trust. An additional 1,900 tonnes of greenwaste was received at the Oamaru Landfill in 2016/17 however this was landfilled)</i>	Remove from the waste stream at least: <ul style="list-style-type: none"> <li>• Greenwaste – 2,000 tonnes</li> <li>• Recyclables – 2,500 tonnes</li> <li>• Glass – 450 tonnes</li> </ul>

## Funding Impact Statement – Waste Management and Minimisation

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
983	982	General Rates, Uniform Annual General Charge, Rates Penalties	1,049	1,051	Levels of service were not consistent with those anticipated in the Annual Plan, which had anticipated the closure of the Oamaru landfill in August 2016. The facility finally closed in April 2017, resulting in considerably more revenue and associated operating costs being reported.
-	-	Targeted Rates	-	-	
983	982	<b>Rates Revenue</b>	1,049	1,051	
82	60	Subsidies and Grants for Operating Purposes	84	75	
1,362	746	Fees and Charges	1,280	356	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
26	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	55	-	
1,470	806	<b>Operating Revenue</b>	1,419	431	
2,453	1,788	<b>Total Sources of Operating Funding</b>	2,468	1,482	
		<b>Applications of Operating Funding</b>			
1,742	1,350	Payments to Staff and Suppliers	1,856	1,062	
-	-	Finance Costs	-	-	
198	286	Internal Charges and Overheads Applied	232	276	
-	-	Other Operating Funding Applications	-	-	
1,940	1,636	<b>Total Applications of Operating Funding</b>	2,088	1,338	
513	152	<b>Surplus / (Deficit) of Operating Funding</b>	380	144	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	<b>Total Sources of Capital Funding</b>	-	-	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
-	-	Improve Levels of Service	-	-	
3	-	Replace Existing Assets	-	-	
510	152	Increase / (Decrease) in Reserve	380	144	
-	-	Increase / (Decrease) in Investments	-	-	
513	152	<b>Total Applications for Capital Funding</b>	380	144	
(513)	(152)	<b>Surplus / (Deficit) of Capital Funding</b>	(380)	(144)	
-	-	<b>Funding Balance</b>	-	-	

# Stormwater Drainage

## Community outcomes

Community outcomes	How the activity contributes to the outcome
We maintain the safest community we can	By managing flooding events in urban areas
We enable opportunities for new and existing businesses	By managing flooding events in urban areas
Waitaki's distinctive environment is valued and protected	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure
We keep our district affordable	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	By maintaining the quality and continuity of stormwater services

## How we performed – Stormwater Drainage

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
a) The number of flooding events that occur in our systems	Nil flooding events from the stormwater system. (Nil in 2015/16)	a) There is no target for 2016/17. A target of "Nil" will apply from 2017/18
b) For each event, the number of habitable floors affected (expressed per 1,000 properties connected to our stormwater systems)	Nil flooding events from the stormwater system. (Nil in 2015/16)	b) There is no target for 2016/17. A target of "Nil" will apply from 2017/18
The median response time to attend a flooding event, measured from the time that we receive notification to the time that service personnel reach the site	Achieved: Nil flooding events from the stormwater system. (Nil in 2015/16)	4 hours
The total number of complaints received by us about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system	Achieved: 0.5 complaints received per 1,000 connections. (0.1 in 2015/16) <i>(Stormwater system considered to be from the Council owned main to point of discharge)</i>	Less than one complaint per 1,000 connections

## Funding Impact Statement – Stormwater

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Levels of service are consistent with those anticipated in the Annual Plan.
434	433	Targeted Rates	428	428	
434	433	<b>Rates Revenue</b>	428	428	
-	-	Subsidies and Grants for Operating Purposes	-	-	
-	-	Fees and Charges	-	-	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
-	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	
-	-	<b>Operating Revenue</b>	-	-	
434	433	<b>Total Sources of Operating Funding</b>	428	428	
		<b>Applications of Operating Funding</b>			
57	66	Payments to Staff and Suppliers	40	59	
-	-	Finance Costs	-	-	
107	124	Internal Charges and Overheads Applied	106	126	
-	-	Other Operating Funding Applications	-	-	
164	190	<b>Total Applications of Operating Funding</b>	146	185	
270	243	<b>Surplus / (Deficit) of Operating Funding</b>	282	243	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	<b>Total Sources of Capital Funding</b>	-	-	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
-	-	Improve Levels of Service	-	-	
57	-	Replace Existing Assets	-	-	
213	243	Increase / (Decrease) in Reserve	282	243	
-	-	Increase / (Decrease) in Investments	-	-	
270	243	<b>Total Applications for Capital Funding</b>	282	243	
(270)	(243)	<b>Surplus / (Deficit) of Capital Funding</b>	(282)	(243)	
-	-	<b>Funding Balance</b>	-	-	

## Water Supply

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### Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	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	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	By protecting the communities from drinking water related health issues by providing quality potable water to agreed areas
We keep our district affordable	By measuring demand and use to actively manage water Through timely response to service requests and failure

# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
The extent to which our water supplies comply with: a) Part 4 of the drinking water standards (bacteria compliance criteria)	<p>Compliant*: Oamaru, Waihemo, Lower Waitaki, Tokarahi, Awamoko, Kurow, Omarama, Kauru Hill <i>(A minor non-compliance was recorded for the Kakanui zone of Oamaru due to a gap in monitoring.)</i></p> <p>Non-Compliant*: Herbert-Waianakarua, Hampden-Moeraki, Otematata, Lake Ohau, Windsor <i>(Herbert-Waianakarua and Hampden-Moeraki, whilst not complying with Part 4 of the Standards, achieved the LTP target.)</i></p>	Compliance as specified in “Safety of Drinking Water” table (page 42) below
The extent to which our water supplies comply with: b) Part 5 of the drinking water standards (protozoa compliance criteria)	<p>Compliant*: Oamaru, Waihemo, Lower Waitaki, , Kurow</p> <p>Non-Compliant*: Herbert-Waianakarua, Tokarahi, Hampden-Moeraki, Awamoko, Omarama, Kauru Hill, Otematata, Windsor, Lake Ohau <i>(Herbert-Waianakarua and Hampden-Moeraki, whilst not complying with Part 5 of the Standards, achieved the LTP target.)</i></p>	

\*Herbert-Waianakarua, Hampden-Moeraki, Omarama, Lake Ohau, Awamoko, Tokarahi, Windsor and Kauru Hill are yet to be upgraded to meet the Drinking Water Standards.

Dunroon is not required to comply with Part 4 and Part 5 of the Drinking Water Standards as Council has elected to comply with Section 10.

Stoneburn and Bushey Creek (previously Otekaieke) are classified Rural Agricultural water supplies for which no Standards exist to date.

These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor.

# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
The percentage of real water loss from our networked reticulation system	<p>Oamaru – 29% Palmerston – 32% Kurov – 54% Omarama – 45% Otematata – 8%</p> <p>(2015/16 Oamaru - 24% Palmerston – 31% Kurov – 44% Omarama – 87% Otematata – 28%) (Water loss has been calculated for on-demand water supplies only, in accordance with the Department of Internal Affairs Non-Financial Performance Measure Guidelines, Minimum Night Flow Analysis.</p> <p>Restricted water supplies have been excluded due to the nature of their constant trickle feed operation removing the ability to determine minimum night time flows.</p> <p>Large water supply consumers have not been excluded from the water loss calculations and therefore actual water loss values are lower than indicated)</p>	Targets are to be identified in the 2018-28 Long Term Plan

# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Median time for attendance of urgent call outs: from the time that we receive notification to the time that service personnel reach the site	Achieved*: Median attendance time for urgent call outs was 0.9 hours (0.5 hours in 2015/16)	One hour median attendance time for urgent call outs
Median time for resolution of urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	Not Achieved*: Median resolution time for urgent call outs was 7.7 hours (5.8 hours in 2015/16) <i>Contract target time for resolution is 24 hours</i>	Six hours median time for resolution of urgent call outs
Median time for attendance of non-urgent call outs: from the time that we receive notification to the time that service personnel reach the site	Achieved*: Median attendance time for non-urgent call outs was 5.4 hours (3.5 hours in 2015/16)	Eight hours median attendance time for non-urgent call outs
Median time for resolution of non-urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	Achieved*: Median resolution time for non-urgent call outs of 23.9 hours (13.3 hours in 2015/16)	48 hours median resolution time for non-urgent call outs

\*Operations and maintenance of Council's 3 Waters reticulation networks transitioned from Whitestone Contracting Ltd to SouthRoads on 1 July 2016.

SouthRoads are attempting to operate with as fewer staff as possible and are subsequently taking full advantage of the contract target attendance and resolution timeframes. As such there is an increase in the reported median attendance and resolution times compared to previous years.

Additionally, when setting the contract target timeframes for Ahuriri and Waihemo, consideration was given to the fact that these outlying areas would most likely be serviced from Oamaru going forward as opposed to having a depot in each location. Given this, the previous urgent attendance time of one hour was extended to two hours for Ahuriri and Waihemo, providing the contractor with sufficient time to organise and dispatch resources to these areas.



# Water Supply

## How we performed – Water Supply

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Total number of complaints about water quality and quantity	Not Achieved: 20.7* complaints received per 1,000 connections (24 complaints in 2015/16) <i>(In 2015/16, 30% of complaints were identified on inspection as “no fault found” due to the cause being a private fault or a lack of understanding by the consumer of the level of service they should receive. The same percentage has been determined for sewer complaints in 2016/17 and therefore is expected to apply to water also)</i>	Less than six complaints per 1,000 connections
The average consumption of drinking water per day per resident within Waitaki district	Achieved: Average consumption per resident of 430 litres per day (313 litres per day in 2015/16) <i>(Consumption has been calculated for on-demand (urban) water supplies only as restricted supplies (rural) are for stock consumption also and the percentage split cannot be confirmed)</i>	Less than 500 litres per day average consumption of drinking water per resident within Waitaki district

\*A number of these related to frost damaged filters on restricted water supplies, which are recorded as no water or tank empty.

## Water Supply - Safety of drinking water

Water Supply	Population (UR) 2013 mesh blocks	Bacterial Compliance			Protozoal Compliance (%)		
		Current performance	Target		Current performance	Target	
			2015-17	2018-25		2015-17	2018-25
Oamaru	14,390	New measure	Yes	Yes		Yes	Yes
Waihemo	1,357	New measure	Yes	Yes		Yes*	Yes*
Lower Waitaki	778	New measure	Yes	Yes		Yes	Yes
Herbert/Waianakarua	670	New measure	No	Yes		No	Yes
Tokarahi	636	New measure	Yes**	Yes**		Yes**	Yes**
Hampden/Moeraki	501	New measure	No	Yes		No	Yes
Awamoko	399	New measure	Yes**	Yes**		Yes**	Yes**
Kurow	330	New measure	Yes	Yes		Yes	Yes
Omarama	270	New measure	Yes	Yes		No	16/17 Yes*
Kauru Hill	197	New measure	Yes**	Yes**		Yes**	Yes**
Otematata	195	New measure	No	16/17 Yes***		No	16/17 Yes***
Windsor	190	New measure	Yes**	Yes**		Yes**	Yes**
Otekaieke	140	New measure	No****	Yes		No	18/19 Yes
Stoneburn	86	New measure	Yes	Yes		No	18/19 Yes
Duntroon	81	New measure	Yes	Yes		Yes	Yes
Dunrobin	75	New measure	No ****	Yes		No	18/19 Yes
Lake Ohau	36	New measure	No ****	16/17 Yes		No	16/17 Yes
Awahokomo	21	New measure	NA	NA		NA	NA

\* It is anticipated that every few years weather events will cause instances where compliance is not able to be achieved due to high levels of turbidity. However, this risk has been identified and contingency plans, including increased chlorination and sampling, are in place and managed through the Water Safety Plan.

\*\* Supply is managed by the Corriedale Water Supply Committee which has undertaken to meet the Drinking Water Standards and Health (Drinking Water) Act.

\*\*\* Supply does not have chlorine to provide an additional barrier during events such as those that occur during \* above and therefore it is possible for bacterial failures to occur but a contingency plan is in place for additional sampling and issuing of boil water notices to ensure public health during these events

\*\*\*\* Supply has a permanent boil water notice.

## Funding Impact Statement – Water Supply

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
1	1	General Rates, Uniform Annual General Charge, Rates Penalties	1	1	Levels of service are consistent with those anticipated in the Annual Plan. The reduction in rates is due to the decision made by Council to utilise accumulated reserves to benefit ratepayers, as with Sewer rates. Several significant capital projects, including the HamNak pipeline, were deferred until 2017/18
5,610	5,596	Targeted Rates	5,236	5,236	
5,611	5,597	<b>Rates Revenue</b>	5,237	5,237	
-	-	Subsidies and Grants for Operating Purposes	-	-	
585	440	Fees and Charges	513	481	
-	-	Interest and Dividends from Investments	-	-	
364	375	Internal Charges and Overheads Recovered	293	351	
17	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	14	-	
966	815	<b>Operating Revenue</b>	820	832	
6,577	6,412	<b>Total Sources of Operating Funding</b>	6,057	6,069	
		<b>Applications of Operating Funding</b>			
3,140	2,902	Payments to Staff and Suppliers	3,148	2,917	
-	-	Finance Costs	-	-	
1,406	1,638	Internal Charges and Overheads Applied	1,413	1,301	
-	-	Other Operating Funding Applications	-	-	
4,546	4,540	<b>Total Applications of Operating Funding</b>	4,561	4,218	
2,031	1,872	<b>Surplus / (Deficit) of Operating Funding</b>	1,496	1,851	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
242	275	Development and Financial Contributions	238	295	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
242	275	<b>Total Sources of Capital Funding</b>	238	295	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
705	-	Improve Levels of Service	1,429	5,600	
1,592	2,475	Replace Existing Assets	2,104	1,280	
(24)	(328)	Increase / (Decrease) in Reserve	(1,799)	(4,734)	
-	-	Increase / (Decrease) in Investments	-	-	
2,273	2,147	<b>Total Applications for Capital Funding</b>	1,734	2,146	
(2,031)	(1,872)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,496)	(1,851)	
-	-	<b>Funding Balance</b>	-	-	

# Sewerage Treatment and Disposal

## Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing community reticulated systems in agreed areas
We provide and enable services and facilities so people want to stay and move here	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	By maintaining the quality and continuity of wastewater services and protecting the community from wastewater related health issues
We keep our district affordable	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	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure

## How we performed – Sewerage Treatment and Disposal

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
The number of dry weather overflows from our sewerage system, expressed per 1,000 sewerage connections to the system	Not Achieved: 3.6 sewerage overflows per 1,000 connections (3 overflows per 1,000 connections in 2015/16) <i>(40% of overflows occurred in Moeraki where significant land movement is occurring damaging Councils sewer infrastructure)</i>	Less than 1.4 sewerage overflows per 1,000 connections (<20 total)
Compliance with resource consents for discharge from our sewerage system measured by the number of: a) Abatement notices b) Infringement notices c) Enforcement orders d) Convictions	a) Achieved: Nil abatement notices received (Nil in 2015/16) b) Achieved: Nil infringement notices received (Nil in 2015/16) c) Achieved: Nil enforcement orders received (Nil in 2015/16) d) Achieved: Nil convictions received (Nil in 2015/16)	a) Nil b) Nil c) Nil d) Nil

# Sewerage Treatment and Disposal

## How we performed – Sewerage Treatment and Disposal

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
<p>Where we attend to sewerage overflows resulting from a blockage or other fault in our sewerage system, the following median response times measured:</p> <p>a) Attendance time: from the time that we receive notification to the time that service personnel reach the site</p> <p>b) Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault</p>	<p>a) Achieved*: Median attendance time for sewerage overflows of 0.7 hours (0.46 hours in 2015/16)</p> <p>b) Achieved*: Median resolution time for sewerage overflows of 3.6 hours (2.19 hours in 2015/16)</p>	<p>a) 0.75 hours attendance time for sewerage overflows</p> <p>b) 6 hours resolution time for sewerage overflows</p>
<p>The total number of complaints received by us about any of the following:</p> <p>a) Sewage odour</p> <p>b) Sewerage system faults</p> <p>c) Sewerage system blockages, and</p> <p>d) Our response to issues with our sewerage system expressed per 1,000 properties connected to the system</p>	<p>Achieved: 10.5 complaints received per 1,000 connections (8 complaints per 1,000 connections in 2015/16) (<i>Approximately 30% of complaints were identified on inspection as “no fault found” due to the cause being typically a private fault</i>)</p>	<p>Less than 12 complaints per 1,000 connections</p>

\*Operations and maintenance of Council’s 3 Waters reticulation networks transitioned from Whitestone Contracting Ltd to SouthRoads on 1 July 2016.

SouthRoads are attempting to operate with as fewer staff as possible and are subsequently taking full advantage of the contract target attendance and resolution timeframes. As such there is an increase in the reported median attendance and resolution times compared to previous years.

Additionally, when setting the contract target timeframes for Ahuriri and Waihemo, consideration was given to the fact that these outlying areas would most likely be serviced from Oamaru going forward as opposed to having a depot in each location. Given this, the previous urgent attendance time of one hour was extended to two hours for Ahuriri and Waihemo, providing the contractor with sufficient time to organise and dispatch resources to these areas.

## Funding Impact Statement – Sewerage Treatment and Disposal

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Levels of service are consistent with those anticipated in the Annual Plan. The reduction in rates from 2016 is due to the decision made by Council to utilise accumulated reserves to benefit ratepayers,
1,745	1,742	Targeted Rates	1,611	1,607	
1,745	1,742	<b>Rates Revenue</b>	1,611	1,607	
-	-	Subsidies and Grants for Operating Purposes	-	-	
318	270	Fees and Charges	308	270	
-	-	Interest and Dividends from Investments	-	-	
399	439	Internal Charges and Overheads Recovered	352	389	
6	20	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	10	-	
723	729	<b>Operating Revenue</b>	670	659	
2,468	2,471	<b>Total Sources of Operating Funding</b>	2,281	2,266	
		<b>Applications of Operating Funding</b>			
1,716	1,366	Payments to Staff and Suppliers	1,220	946	
-	-	Finance Costs	-	-	
533	533	Internal Charges and Overheads Applied	500	558	
-	-	Other Operating Funding Applications	-	-	
2,249	1,899	<b>Total Applications of Operating Funding</b>	1,720	1,504	
219	572	<b>Surplus / (Deficit) of Operating Funding</b>	561	762	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
83	116	Development and Financial Contributions	100	110	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
83	116	<b>Total Sources of Capital Funding</b>	100	110	
		<b>Applications of Capital funding</b>			
-	-	Capital Expenditure	-	-	
14	100	Meet Additional Demand	29	580	
66	300	Improve Levels of Service	119	200	
222	288	Replace Existing Assets	513	92	
-	-	Increase / (Decrease) in Reserve	-	-	
-	-	Increase / (Decrease) in Investments	-	-	
302	688	<b>Total Applications for Capital Funding</b>	661	872	
(219)	(572)	<b>Surplus / (Deficit) of Capital Funding</b>	(561)	(762)	
-	-	<b>Funding Balance</b>	-	-	

# Arts, Heritage and Community

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## Arts, Heritage and Community Group of Activities is comprised of:

- Waitaki District Libraries
- Forrester Gallery and North Otago Museum and Archive
- Oamaru Opera House
- Community Safety Development and Grants

## What we did

### Waitaki District Libraries

- Collaborated with Forrester Gallery, Archive, North Otago Museum and Oamaru Opera House to improve efficiency and encourage staff development and morale. This collaboration included sharing staff and providing them with a broader range of experience.
- Continued to offer school holiday programmes and developed combined education programmes with the Forrester Gallery and the North Otago Museum.
- Staff visited schools and encouraged visits to the Library.
- We have developed branch liaison and development and have recruited additional volunteers and have computerised the Omarama Community Library. We have scheduled more regular visits and support to volunteers.
- Continued to offer *Wriggle & Rhyme*; an active movement programme for 0-24 month olds.
- Continued to offer *Toddler Time*. Attendance at weekly sessions has been consistent, due to *Wriggle & Rhyme* families bringing their toddlers along. We have also expanded the *Toddler Time* programme to Palmerston, with Fiona Kerr, Youth Librarian visiting preschools and inviting them to the Library.
- Continued developing the Kid's Book Club.
- Encouraged the use of eBook reading as an option and offered eReader demonstrations to the public (an 18% increase in eBook issues).
- Fostered a positive relationship with the shared Customer Service/Library at Palmerston and shifted the service levels to be more library focused, with on-going events and programmes.
- Palmerston staff are supporting outsourcing processing of new library materials.
- Continued developing the Library's webpage, resulting in a new mobile-device-friendly front page.
- Expanded the use of Facebook, Pinterest and Twitter as marketing tools, with excellent results in event attendance.
- Held a number of successful displays, events, talks, presentations and demonstrations in the library by authors and musicians. Celebrated NZ Book Month, Music Month; hosted book launches, community talks, multi-cultural events, etc.
- Further developed the Culture Waitaki website, working with staff of the Forrester Gallery, Archive, Oamaru Opera House and North Otago Museum.
- Reduced newspaper and magazine subscriptions to expand our electronic database subscriptions, e.g. World Book and Ancestry.
- Continued to use and develop the Open Source Koha Library Management System which was upgraded and enhanced during the year. Supported Waimate District Council with their development and upgrade of the Koha system and shared in staff training. We joined a Koha consortium, resulting in savings and efficiencies.
- Completed the reconfiguration of Oamaru Public Library as part of the introduction of Radio Frequency Identification (RFID) technology. This is in line with the international practice of more customer-driven library services, but working within a 40-year-old building footprint.
- Worked collaboratively with government and community agencies as well as Literacy North Otago to address the challenges of access to technology and upskilling some ratepayers to engage with e-Government sites.
- In conjunction with the 2020 Trust, Stepping Up modules we have also developed our own Digital Literacy modules to train staff and the public. The Library is also supporting a SparkJump initiative that provides cheap internet to families with school aged children. As part of the reconfiguration we have developed a bookable community space that is being used for training, meetings, events, quiet study or reading, thus addressing needs that have been communicated to us over the last few years.



## ***Arts, Heritage and Community***

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### **Forrester Gallery, North Otago Museum and Archive**

- Successfully progressed the Cultural Facility Development Project specifically through the auditing of collections, the development of peer and expert supported significance statements for collections, the gaining of community statements of support and the creation of early concept themes and stories to successfully gain funding for 60% of the current projected budget for the project.
- Grew our volunteer base across the Museum/Gallery/Archive.
- Delivered 25 exhibitions at the Gallery, ten of which drew from permanent collections across the Gallery/Museum/Archive and five of which featured local artists.
- Delivered six exhibition openings and 15 events or talks.
- Continued to develop the online presence for the Gallery/Museum/Archive through Facebook and the collaborative Culture Waitaki website, adding an education tab and delivering 21 website blogs, reaching 1,966 likes on the Museum Facebook page and 796 likes on the Gallery Facebook page.
- Delivered 40 education programmes on and off-site for the Gallery/Museum/Archive including several collaborative film projects presented on the Gallery Facebook pages, and three special programmes: Art & Anatomy (in support of Heritage Week), Te Kaihinaki (a collaborative programme with Te Rūnanga O Moeraki about the Moeraki boulders) and Nigel Brown: Icon (in support of a major exhibition at the Gallery).
- Delivered a regular drop in holiday programme based at the Gallery.
- Continued to grow our collections through significant acquisitions, the highlights being:
  - Parker bequest of eight works including two works on paper by Colin McCahon
  - Thomas Forrester theodolite and dumpy level from the late Harry Steenson
  - Complete set of the Waitangi Station Diaries from 1880-1970 from the Sutton family
  - Cemetery records from Waihemo, Herbert, Hampden, Palmerston and Macraes
- Carried out a review into the Archive operations and made changes to Archive operations to improve transparency and efficiency.
- Progressed an important research project with University of Otago into the Willetts' collection at the Museum working with the Department of Archaeology and Anthropology, Te Rūnanga O Moeraki, Waitaha Taiwhenua o Waitaki Trust Board and Willetts' family members.
- Worked collaboratively with community by supporting and delivering talks to local groups, supporting the development of the Tourism Waitaki Whitestone City visitor experience, and supporting Heritage Week.
- Provided advice and support to North Otago Early Settlers Association for their project of digitising and reframing settlers' portraits for Whitestone City and accepted the originals into the collection.
- Continued to improve collection knowledge and efficiency through auditing, research and upgrades and improvements to the Vernon Collection database system.
- Worked across our community to provide support to smaller museums such as Kurow Museum and convened the South Canterbury and North Otago Museum hubs.
- Represented the Gallery/Museum/Archive at national conferences and Hui, including the delivery of presentations at the Museum Aotearoa conference in May 2017.

### **Oamaru Opera House**

- Two audience development programmes in place: 'Test Drive the Arts' offered to community groups and local businesses and 'Arts Ambassadors' from the local high schools.
- Continued collaboration with Forrester Gallery, North Otago Museum and Waitaki District Libraries to deliver a combined Heritage Week Programme.
- Presented a schools programme in the lead up to the Victorian Heritage Celebrations based on Lanes Emulsion which attracted 566 school attendees over the two week period.



## ***Arts, Heritage and Community***

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### **Oamaru Opera House Continued**

- Two major conferences were hosted.
- Free-of-charge meeting space provided for not-for-profit organisations. This was utilised throughout the year, providing space for 98 meetings.
- A diverse performing arts programme was delivered which included 11 international tours.
- Collaborated with the Library for presentation of the preschool event Wriggle & Rhyme.
- Oamaru Opera House increased audience numbers at community and commercial events.
- Engaged with local schools hosting 10 school shows.
- Provided ticketing services for local and national events, in particular rugby games held at Forsyth Barr Stadium.
- Delivered 38 shows in the Whitestone Contracting Auditorium and Inkbox Theatre.
- Secured sponsorship funding from Whitestone Contracting Ltd and Whitestone Cheese Ltd.
- Continued excellence in café and catering services for meetings and events.
- Increased audience numbers attending major events.

### **Community Safety, Development and Grants**

- Safer Waitaki Governance Group met formally three times during the year in October, February and May.
- Safer Waitaki Management Group met monthly.
- Safer Waitaki Working groups, Family Whanau, Mental Health and Addictions, Alcohol and Drug, Family Violence and Industry Link met monthly/six weekly.
- Older Person's Forum to ascertain interest held on 27 March. Monthly meetings commenced in May.
- Collaborated with Waitaki Road Safe to deliver successful Cycle Skills Day. Thirty-seven children and their families attended.
- Safer Waitaki Alcohol and Drug group successfully generated external funding of \$10,000 for Game On Project.
- Along with Police, led the successful delivery of a co-ordinated White Ribbon event. The event involved four high schools, classic cars, and 50 motorcycle riders and was supported by local businesses in Oamaru and Hampden.
- Co-ordinated Family Violence training with It's Not OK on Thursday 16 March followed by a business breakfast.
- Successfully delivered a Road Safety contract with Dunedin City Council. This was for the delivery of a three day road safety event aimed at year 11 students: 'Safer Journeys Expo'. 1,573 registrations were received from schools across Otago.
- Co-ordinated Strategic Planning Session for Non-Government Organisations (NGO's).
- Worked collaboratively with multicultural communities in the Waitaki district.

## Arts, Heritage and Community

### Community outcomes

Community outcome	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here
We maintain the safest community we can	By playing an active role in the Safer Waitaki Coalition

### How we performed:

- Forrester Gallery, North Otago Museum and Archive
- Waitaki District Libraries
- Oamaru Opera House
- Community Safety, Development and Grants

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
<b>Forrester Gallery, North Otago Museum and Archive</b>		
Number of visitors to the Gallery	Not Achieved: 2016/17 – 12,286 visitors 2015/16 – 15,639 visitors	Maintain visitor numbers to the Gallery in advance of the Cultural Facility Development project
Percentage of the community satisfied or very satisfied with the level of information about the redevelopment of the Gallery and Museum	Not Achieved: Residents' Survey: 31% satisfied with the level of information about the redevelopment of the Gallery and Museum (2015/16: 28% satisfied)	80% are satisfied or very satisfied with the level of information about the redevelopment of the Gallery and Museum
Percentage of the district's schools who are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement	Achieved: 89% of schools satisfied or very satisfied with the level of engagement by the Gallery/Museum (2015/16: 90% satisfied)	80% of the district's schools are satisfied or very satisfied with the Gallery's and Museum's educational activities and/or engagement
Percentage of Archive users satisfied with the Archive services	Not Achieved: 57% of Archive users satisfied (new Residents' Survey measure unreliable due to the very low sample size. In-house customer point of contact survey result provides a reliable indication of customer satisfaction showing 96% of Archive users are satisfied) (76% in 2015/16 Residents' Survey)	90% of Archive users are satisfied with the Archive services

## Arts, Heritage and Community

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
<b>Waitaki District Libraries</b>		
Percentage of residents who are satisfied or very satisfied with library services	Achieved: Residents' Survey 95% of residents satisfied with library services (2015/16: 91% residents satisfied with library services)	92% of residents are satisfied or very satisfied with library services
Average number of attendees per event held at the libraries	Not Achieved: 24 attendees per event at the libraries (2015/16: 31 attendees per event at the libraries)	Maintain or grow average number of people attending each event
Percentage increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries	Achieved: 7,082 enquiries handled by librarians (2015/16: 8,131 enquiries handled by librarians; an increase of 11% from 2014/15 (7,296))	5% increase on previous year
Number of library visitors: <ul style="list-style-type: none"> <li>Electronic visits to the library website</li> <li>Physical visits</li> </ul>	Not achieved 2016/17: 9,456 website OPAC (On-line Catalogue total users) (2015/16: 76,915 page visits, ie electronic visits to library websites and digital resources (Culture Waitaki, Catalogue, e-Resources))  Not Achieved: 2016/17: 140,822 visits (2015/16: 155,610) <i>We have been separating Palmerston Service Centre visits from library visits.</i> <i>There is a national downward trend for visits to libraries</i>	<ul style="list-style-type: none"> <li>Benchmark to be set year 1 (9,623)</li> <li>Maintain numbers</li> </ul>

## Arts, Heritage and Community

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
<b>Oamaru Opera House</b>		
Percentage of residents who are satisfied or very satisfied with the opera house	Achieved: Residents' Survey 95% of residents satisfied with the Opera House (2015/16: 94% residents satisfied with the Opera House)	90% of residents are satisfied or very satisfied with the Opera House
Number of community meetings and events held at the Opera House	Achieved: 130 community meetings and events held (2015/16: 88 community meetings and events held) 98 Free of Charge events held (up from 54 in 2015/16)	Maintain numbers of community meetings and events held
Percentage increase in tickets sold for performances	Not Achieved: Ticket sales down 1% to 9,528 (2015/16: ticket sales up 5.4% to 9,670)	5% increase in the number of tickets sold for performances on the previous year
Percentage growth in use of the Opera House for commercial meetings, events, functions and conferences	Not Achieved: Events down 1% to 130 events in 2016/17 (2015/16: events down 2.4% to 161)	5% increase in contracted hires on the previous year
<b>Community Safety, Development and Grants</b>		
Percentage of residents who are satisfied or very satisfied that Waitaki is a safe place to live	Not Achieved: Residents' Survey 90% of residents satisfied that the Waitaki district is generally a safe place to be (2015/16: 91% residents satisfied)	95% of residents are satisfied or very satisfied that the Waitaki district is a safe place to live

## Funding Impact Statement – Arts, Heritage and Community

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
280	280	General Rates, Uniform Annual General Charge, Rates Penalties	316	316	Levels of service are consistent with those anticipated in the Annual Plan.
3,180	3,169	Targeted Rates	3,170	3,170	
3,460	3,449	<b>Rates Revenue</b>	3,486	3,486	
84	109	Subsidies and Grants for Operating Purposes	98	111	
340	377	Fees and Charges	669	395	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
139	166	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	153	157	
563	652	<b>Operating Revenue</b>	920	663	
4,023	4,101	<b>Total Sources of Operating Funding</b>	4,406	4,149	
		<b>Applications of Operating Funding</b>			
2,481	2,616	Payments to Staff and Suppliers	2,542	2,643	
-	-	Finance Costs	-	-	
1,255	1,317	Internal Charges and Overheads Applied	1,357	1,347	
-	-	Other Operating Funding Applications	-	-	
3,736	3,933	<b>Total Applications of Operating Funding</b>	3,899	3,990	
287	168	<b>Surplus / (Deficit) of Operating Funding</b>	507	159	
		<b>Sources of Capital funding</b>			
4	-	Subsidies and Grants for Capital Expenditure	15	788	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
10	-	Gross Proceeds from Sale of Assets	3	-	
14	-	<b>Total Sources of Capital Funding</b>	18	788	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
312	755	Improve Levels of Service	266	445	
130	136	Replace Existing Assets	120	136	
(141)	(723)	Increase / (Decrease) in Reserve	139	366	
-	-	Increase / (Decrease) in Investments	-	-	
301	168	<b>Total Applications for Capital Funding</b>	525	947	
(287)	(168)	<b>Surplus / (Deficit) of Capital Funding</b>	(507)	(159)	
-	-	<b>Funding Balance</b>	-	-	

# ***Parks and Recreation***

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## **What we did**

### **Aquatic Centre**

- Offered a range of services at the Aquatic Centre including a comprehensive swim programme (new-borns through to competitive swimming), water safety skills, water aerobics and attractions in the form of rope swim, small slide and inflatables, fitness and holiday programmes.
- Kept our prices slightly lower than similar facilities in New Zealand and we continue to provide a variety of price options from single entry to ten swim and three month passes.
- Provided discounted entry for Community Services Card holders, Gold Card holders and Green Prescription referrals.
- Closed down for four weeks in September to enable the main pool to be drained for maintenance. This is the first time since opening in 2000 that the main pool has been completely emptied. Work carried out during this break included replacing 128 skylights, extensive retiling in all pools, plant motor and filter overhauls, flooring re-surfacing, carpet cleaning, replacement of expansion joints in all pools, replacement of pumps and motors, replacement of parts of the heating circuit, updating and replacement of parts of the Building Management System (BMS) and an internal re-paint.
- Due to the close down our numbers for the year decreased by approximately 8,080 visits. However with the closedown taken into account our numbers were up by around 1,000 visits compared to a similar period the previous year. Notable changes in use were an increase in squad participation, swim school and a continued drop of the 'Family' attendance numbers. This is due to the popularity of the 'Under 8's' free with a paying adult initiative.
- Replacement of the spa boiler which will hopefully resolve the various breakdowns and faults that have plagued the spa pool system. We thank Plumbing World, Hi Flo plumbing and Plunket Electrical for their sponsoring of this.
- Provided coaching services to the Oamaru Swim Club who punched well above their weight this year winning the award for the top performing swim club in the Mako Zone (South Island) at the New Zealand Junior Swim Meet. Note: this is on a win basis and not on swim club size, so was a significant achievement. In recognition of this Narcis Gherca picked up coach of the year at the North Otago Sports Awards for the second year in a row.
- Provided a venue for two Otago swim meets, various community fun days (such as the Lions Special Needs Pool Party), multiple School Swim sports and the South Island Secondary Schools Canoe Polo Championships. The Canoe Polo Championships are estimated to have brought 3,500 people to Oamaru for the weekend. We also supported the Friendly Bay Fun Day by putting an inflatable into Friendly Bay as part of the festivities.
- Provided grants in return for community access to school pools in Kurow and Palmerston.

### **Lakes Camping**

- Provided and maintained six traditional 'kiwi style' campgrounds at the Waitaki Lakes, along with boat ramps. Despite poor weather, numbers were higher than previous years with a 1.4% increase in revenue.
- Removed the film set at Falstone. This was completed prior to the camping season with the cost met by a bond established for this contingency.
- Work was undertaken to remove willows, other trees and debris to open up the tail of the Otematata River to minimise impact of high river flows on adjacent land. Unfortunately a 1:50 year rainfall event occurred in the upper catchment of the river in January and the river rose from a flow of around 6 cumecs at 6pm to over 500 cumecs at midnight. This caused damage to a number of caravans and tents in the camp and resulted in closure of the camp for the rest of the season. The boat ramp and river protection (for moderate flood events) has been re-instated at a cost of \$100,000. Council will be making a decision regarding future camping in this location prior to the next camping season.
- Trees were removed in Parsons Rock Camp that threatened transmission lines. The vegetation loss is to be offset with 1,000 plants to be planted of species and locations that will not threaten the lines in the future. If Council had not allowed the trees to be removed, Council and ratepayers would have been required to meet the cost of trimming these trees and have had to accept any liability associated with damage caused by these trees to the lines or to campers.

# ***Parks and Recreation***

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## **Forestry**

- Harvested forestry blocks at Milligans (Palmerston), Sailors Cutting (Macraes) and Hampden provided good profit for Council.
- Most of the slash in Little Kuri Stream alongside Chelmsford Street, Hampden was removed and officers will work with the local community to get this area planted in suitable native species.

## **Parks**

- We provided 27.1Ha of accessible recreation land per 1,000 residents compared to national median of 20.1Ha.
- Parks and their assets are generally in good condition, however some assets are older and in need of a repaint. Where playground assets were structurally sound we carried out preventative maintenance, painting and replacing timber to prolong their life rather than replacing them with newer designs and styles which would come at a cost and not provide any additional value to the community.
- Officers supported the community groups with the following projects:
  - Forest and Bird with supplies for propagation of plants, weed control, water supply and organisation of planting days for Cape Wanbrow and Fenwick Park.
  - School groups with supplying plants and organising educational planting day.
  - Other community plantings in Palmerston, Ohau, Glen Eden, Shag Point, Dunback, and Oamaru Public Gardens were supported with supplies of plants and other resources.
  - Refurbishment of the Infant's Memorial Garden in the Oamaru New Cemetery.
  - Planning of a memorial feature for the general ground in Oamaru Old Cemetery. This has been delayed while the community research and update the details of those affected by the re-use of the old ground.
  - Design of a shade sail for the Oamaru Public Gardens paddling pool that was constructed through the generosity of Te Pari Products and Streetscapes Building Services.
- Constructed a new cycling area at the Harbour with support from a number of local businesses and the Otago Community Trust. This has received fantastic reviews and Timaru and Stratford have requested our plans.
- Placed new protection work near the river mouth at Kakanui to protect the esplanade, road, playground and sewer infrastructure. This was completed with support from the Kakanui Ratepayers and Improvements Society.
- Installed new irrigation at the Friendly Bay playground to maintain this area as green in drought periods. Ironically this summer was a wet one. We thank the Lions Club for their support and efforts to complete this project.
- Installed new play pieces:
  - Climbing net at Orana Park
  - Junior swing in Kakanui
  - Slide in Palmerston
  - Seesaw in Otematata
  - Climbing net at Oamaru Harbour
- The penguin that previously guarded the entrance to the Penguin Colony was relocated to enable extensions to happen. It now surveys the harbour from the walkway near the waterfront road.
- The leaning/slumping Oamaru stone walls in the RSA Garden of Memories (Oamaru) were reconstructed and replanted. Over time the plants installed will establish and contribute to this special location.
- Following a storm event, large trees that threatened the Moeraki Millennium Walkway were removed. Areas of the walkway continue to slip and track work is continually required to respond to this. The slip is deep seated and unlikely to be able to be stabilised.
- Moeraki Lookout - the rough remnants of fence and gates were replaced with tidy post and rail on the first cattle-stop approach.
- Six memorial seats were installed in Oamaru at King George Park, Cape Wanbrow and the Learn to Ride area. These were funded by the community and provide an opportunity for people to remember loved ones. These are assets that benefits the community.
- The main walking loop track on Cape Wanbrow was shingled.



## ***Parks and Recreation***

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### **Parks Continued**

- Fenwick dog park car parking area upgraded with installation of 7m x 22m shingled car parking area.
- Replaced the stairs at Palmerston A&P Show grounds.
- Worked with communities to design streetscapes for Dunback, Hampden, Maheno, Herbert and Duntroon.

### **Sports**

- A study of sporting needs and an indoor recreation feasibility was completed by Sport Otago. This will drive debate in the 2018-28 Long Term Plan on a new recreation facility.
- Carried out a turf renovation programme as recommended by New Zealand Sports Turf Institute including vibramoling, coring/pulverising as well as under-sowing at Centennial #1, 2 and 3 fields. Centennial fields were also scarified with the Peruzzo scarifier to remove old clippings and thatch build up. Old boundary lines with a history of herbicide spraying were top-dressed to fill minor hollows that resulted as these had become deep enough to be a trip hazard and dangerous during the cricket season for unpredictable ball bounce. Solid tying of the croquet fields was also undertaken.
- Mill Domain specifications completed and works tendered out. McLeod Contracting won the tender and undertook works as required in March but were unable to complete this due at the time due to high rainfall.
- Awamoa Pavilion deck examined by structural engineer and modified to ensure its structural integrity and assurance that it is safe to use.

### **Cemeteries**

- We provided and maintained 11 open cemeteries for burials and maintained two additional closed cemeteries for the community.
- New signs were installed in the Palmerston Cemetery to assist visitors to orientate themselves.
- A new area was developed as part of the Oamaru Cemetery with road access, plantings, mown grass and new ash and burial beams.
- Previously harvested area of Palmerston Cemetery has been planted in conjunction with members of the community and a new car-parking area installed.

### **Community outcomes**

Recreation supports Council's vision of *Growing Waitaki – the best place to live, work and **play***. We are a major contributor to the district's quality of life, making Waitaki attractive to existing and prospective residents and businesses.

- Provision of cemeteries contributes to open space in the district and helps to commemorate our history and loved ones.
- Provision of public toilets helps to maintain a clean hygienic community that is attractive to residents and visitors.
- Provision of green space and recreation opportunities:
  - reduces stress and violence
  - improves ability to concentrate
  - enhances health and encourages rapid healing
  - improves environmental conditions and moderates climate change
  - reduces crime
  - increases workplace productivity and reduces fatigue
  - provides economic stimulation and increases property values
  - teaches life and survival skills and fosters child development.



## Parks and Recreation

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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	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	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	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	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	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	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	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

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage increase in visitors to the Waitaki Aquatic Centre	Not Achieved: 5.5% decrease in visitors due to closing for four weeks maintenance (2015/16: 2% increase to 2,979 visits)	1% increase in number of visits per annum (+1,373 per annum)
Percentage of customers who are satisfied or very satisfied with the Waitaki Aquatic Centre	Not Achieved: Residents' Survey: 87% of customers satisfied with the Waitaki Aquatic Centre (2015/16: 90% customers satisfied)	90% of customers satisfied or very satisfied with the Waitaki Aquatic Centre
Percentage of residents who are satisfied or very satisfied with Waitaki's parks and reserves	Not Achieved: Residents' Survey: 85% of residents satisfied with Waitaki's parks and reserves (2015/16: 91% residents satisfied)	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves
Percentage of residents who have used the district's camping grounds and are satisfied or very satisfied with the quality of the camping grounds	Not Achieved: Residents' Survey: 66% of users satisfied with the quality experience of the district's camping grounds (2015/16: 76% users satisfied)	90% of users are satisfied or very satisfied with the quality experience of the district's camping grounds
Percentage of residents who are satisfied or very satisfied with Waitaki's sports fields and facilities	Not Achieved: Residents' Survey: 84% of residents satisfied with Waitaki's sports fields and facilities (2015/16: 84% residents satisfied)	90% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities
Percentage of the residents who are satisfied or very satisfied with the district's cemeteries	Not Achieved: Residents' Survey: 83% satisfaction with the district's cemeteries (2015/16: 87% satisfaction)	95% satisfaction with the district's cemeteries

## Funding Impact Statement – Parks and Recreation

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
566	565	General Rates, Uniform Annual General Charge, Rates Penalties	677	678	Levels of service are consistent with those anticipated in the Annual Plan. A new Parks contract was implemented during the year, resulting in an overall cost reduction
3,227	3,221	Targeted Rates	3,390	3,389	
3,793	3,786	<b>Rates Revenue</b>	4,067	4,067	
36	4	Subsidies and Grants for Operating Purposes	43	4	
1,015	955	Fees and Charges	986	920	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
1,229	1,253	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	456	20	
2,280	2,212	<b>Operating Revenue</b>	1,485	944	
6,073	5,998	<b>Total Sources of Operating Funding</b>	5,552	5,011	
		<b>Applications of Operating Funding</b>			
4,651	4,291	Payments to Staff and Suppliers	3,993	3,688	
-	-	Finance Costs	-	-	
700	884	Internal Charges and Overheads Applied	530	880	
-	-	Other Operating Funding Applications	-	-	
5,351	5,175	<b>Total Applications of Operating Funding</b>	4,523	4,568	
722	823	<b>Surplus / (Deficit) of Operating Funding</b>	1,029	443	
		<b>Sources of Capital funding</b>			
7	-	Subsidies and Grants for Capital Expenditure	77	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
680	-	Gross Proceeds from Sale of Assets	320	-	
687	-	<b>Total Sources of Capital Funding</b>	397	-	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
280	356	Improve Levels of Service	278	342	
158	461	Replace Existing Assets	91	243	
971	6	Increase / (Decrease) in Reserve	1,057	(142)	
-	-	Increase / (Decrease) in Investments	-	-	
1,409	823	<b>Total Applications for Capital Funding</b>	1,426	443	
(722)	(823)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,029)	(443)	
-	-	<b>Funding Balance</b>	-	-	

## ***Commercial and Development Activities***

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This Group of Activities includes:

- Economic Development, Grants and Services
- Commercial Holdings
- Community Property
- Property Holdings
- Public Toilets

### **What we did**

- Eight Community Housing units were renovated, two were partially renovated and two were started but not completed at the end of the financial year.
- Community Housing units are fully tenanted with a waiting list in place.
- Oamaru Harbour re-survey and perfection of title has been completed. This enables the next stage of development in the Harbour.
- There has been a significant reduction in property debt through property sales. The debt has been reduced by almost \$3m and now sits at \$5.7m.
- Oamaru Court House came into Council ownership and planning is underway to seismically strengthen and prepare the building for the return of court services to the building.
- Planning is underway to repeal historic legislation from 1875 which prevented the RSA from being leased.
- Prepared land for sale.
- Penguin Colony development was completed.
- Renovations undertaken to various commercial and operational buildings eg insulation, heating, carpet, etc.
- Carried out seismic and asbestos assessments on Council-owned buildings.

### **Public Toilets**

- We replaced the public toilet block that was part of the Hampden Hall with a new facility adjacent to the main road and refurbished the Roberts Park toilet by changing the dated his/hers layout to a modern three cubicle unisex layout fronting on to the state highway.
- In the second round of Ministry of Business and Innovation funding in April 2017, we made successful applications for government support for a new toilet block, waste water treatment system and car-park for Duntroon; and a new toilet block, shower block and waste water treatment system for Dunback.
- We prepared a draft Toilet Strategy and plan which will feed into the next round of government funding and Council's Long Term Plan for consultation with the community.
- With the support of the Motor Caravan Association a new dump station was installed at Omarama.

## Commercial and Development Activities

### Community outcomes

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By contributing to the economy of the district
We keep our district affordable	Effectively managing the property portfolio means that returns are maximised and rates input is minimised
We provide and enable services and facilities so people want to stay and move here	By providing properties that meet the needs of the community, meaning that people are more likely to want to stay and they will encourage others to move here

### How we performed - Commercial and Development Activities

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey: a) Community housing tenants b) Commercial tenants	Achieved: a) 96% of community housing tenants satisfied with their tenancy (2015/16: 88% of community housing tenants satisfied with their tenancy) b) 98% of commercial tenants satisfied with their tenancy (2015/16: 80% of commercial tenants satisfied with their tenancy)	a) 80% of community housing tenants satisfied with their tenancy  b) 75% of commercial tenants are satisfied with their tenancy
Individual tenancies are occupied as a percentage of available units/tenancies: a) Community housing units b) Commercial tenancies	Achieved: a) 93% of community housing units occupied (2015/16: 93% of community housing units occupied) b) 100% of commercial tenancies occupied (2015/16: 82% of commercial tenancies occupied)	a) 80% of community housing units occupied  b) 80% of commercial tenancies occupied
Percentage of residents who are satisfied or very satisfied with public toilets	Not Achieved: Residents' Survey 74% of residents satisfied with public toilets (2015/16: 69% residents satisfied)	80% of residents are satisfied with public toilets
North Otago Irrigation Company (NOIC) annual report on financial, environmental, service, economic and social benefits	Achieved: Six monthly report to 31 December 2016 was received on 6 March 2017  Achieved: Annual Report for year ended 30 June 2016 was received on 10 October 2016	Six monthly report submitted by 30 April in Years 1 to 3  Audited Annual Report submitted by 30 November in Years 1 to 3
Annual return on investment in NOIC	Achieved: Annual rate of return on the NOIC investment for 2016/17 was 3.58% (4.57% in 2015/16)	Annual return equals market one year swap rate plus 1.25% in Years 1 to 3

## Funding Impact Statement - Commercial and Development Activities

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
714	710	General Rates, Uniform Annual General Charge, Rates Penalties	613	617	Interest rates have reduced well below levels anticipated in the Annual Plan, but deferred capital projects and proceeds of property sales resulted in Council having more funds available for investment. Unbudgeted subvention payments from subsidiaries resulted in healthy returns from investments.
505	498	Targeted Rates	549	540	
1,219	1,208	<b>Rates Revenue</b>	1,162	1,157	
31	-	Subsidies and Grants for Operating Purposes	5	-	
1,421	1,373	Fees and Charges	1,523	1,325	
1,827	1,394	Interest and Dividends from Investments	1,974	1,257	
(786)	(858)	Internal Charges and Overheads Recovered	(665)	(765)	
646	523	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	426	523	
3,139	2,432	<b>Operating Revenue</b>	3,263	2,340	
4,358	3,640	<b>Total Sources of Operating Funding</b>	4,425	3,497	
		<b>Applications of Operating Funding</b>			
3,104	3,308	Payments to Staff and Suppliers	3,375	3,287	
-	-	Finance Costs	-	-	
(41)	(292)	Internal Charges and Overheads Applied	55	53	
-	-	Other Operating Funding Applications	-	-	
3,063	3,016	<b>Total Applications of Operating Funding</b>	3,430	3,340	
1,295	624	<b>Surplus / (Deficit) of Operating Funding</b>	995	157	
		<b>Sources of Capital funding</b>			
797	-	Subsidies and Grants for Capital Expenditure	684	1,300	
165	-	Development and Financial Contributions	811	-	
-	(1)	Increase / (Decrease) in Debt	-	-	
(1,817)	47	Gross Proceeds from Sale of Assets	413	50	
(855)	46	<b>Total Sources of Capital Funding</b>	1,908	1,350	
		<b>Applications of Capital funding</b>			
-	-	Capital Expenditure	-	-	
-	-	Meet Additional Demand	-	-	
1,310	195	Improve Levels of Service	1,662	1,675	
115	800	Replace Existing Assets	471	-	
(985)	(325)	Increase / (Decrease) in Reserve	770	(168)	
-	-	Increase / (Decrease) in Investments	-	-	
440	670	<b>Total Applications for Capital Funding</b>	2,903	1,507	
(1,295)	(624)	<b>Surplus / (Deficit) of Capital Funding</b>	(995)	(157)	
-	-	<b>Funding Balance</b>	-	-	

# ***Environment, Regulation and Safety***

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The Environment, Regulation and Safety Group of Activities is composed of the following:

- Building Control
- Environmental Health and Safety
- Animal Control
- Emergency Management
- District Planning

## **What we did**

### **Regulatory Services**

- Maintained Building Consent Authority accreditation with no corrective actions
- Implemented new structure to support Building Services
- Worked with industry forum to improve building services
- 11% reduction in animal control complaints
- Implemented Freedom Camping bylaw and transition 1 of the Food Act 2014
- 100% of on and off licensed premises inspections completed

### **Planning**

- District Plan review work is ongoing.

### **Waitaki Civil Defence Emergency Management**

- Restructure of Civil Defence Emergency Management (effective 1 November 2016). Now Emergency Management Otago with one Emergency Management Officer (EMO) for Waitaki with support of whole of Emergency Management Otago team and EMO based in Oamaru. Council Civil Defence page now links with Emergency Management Otago's web page.
- In August EMO assisted Clutha who reciprocated with delivering a Civil Defence message. An earthquake experience in the "shakey trailer" at the "Clued up Kids" sessions for year six students was held at Balclutha and Oamaru respectively. "Clued Up Kids" is an interactive programme delivered by community groups.
- Undertook an annual review of all Standard Operating Procedures for Council's Emergency Operations Centre.
- Re-engaged with our Civil Defence Community Response Groups (CRG's) and community groups. This strengthened our relationships and as a result Otematata now have a functioning CRG group with some of the existing CRG's rebuilding their numbers.
- Waitaki Bridge have taken possession and fixed in place the tsunami siren which had been sitting in the Rural Fire Station building at Whitestone Contracting. The fishing village at Waitaki do not have a fire siren and between them and the motor camp (Waitaki Waterways) the siren is an added tool to use to warn their respective communities of any pending tsunami threat.
- Evacuation zone maps project led by ex-Clutha Chief Executive Charles Hakkart with input from each Coastal T/A will be up to draft stage as of June 2017. These maps are to be made public via Council's website with media support/releases prior to this occurring. Signage will fit in with this.
- Group Lifelines Committee restructured and reconvened with active work on a group fuel plan and an air operations plan.
- MoU's with St Kevin's College as an alternative EOC for all local Emergency Services.
- Trained volunteers and community volunteers in Co-ordinated Incident Management Systems (CIMS 2).
- In April two community volunteers attended Psychological First Aid training in Alexandra.
- Workshops held around respective T/A's for new Group Plan. Instead of five year plan this is to run parallel with current T/A's 10 year long term plan. Work in progress with end date of approximately April 2018.
- Emergency Management Adult and Community Education (EMACE) to deliver CIMS 4 training to both EOC Council staff and community volunteers. A total of twenty trained to this level along with partner agencies and two of our neighbouring Waimate Council EOC staff.
- Police vetting of Civil Defence personnel who are likely to either be working in or supervising a Civil Defence Centre is underway.

## Environment, Regulation and Safety

### Community outcomes

Community outcome	How the activity contributes to the outcome
We keep our district affordable	By managing the activity efficiently and effectively
We provide services and facilities so people want to stay and move here	By providing building control services in a professional and efficient manner
We enable opportunities for new and existing businesses	By ensuring building consents are processed accurately, efficiently and within statutory timeframes
We enable opportunities for new and existing businesses	By ensuring sufficient land is zoned for business, commercial and rural activities
We maintain the safest community we can	<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>
Waitaki's distinctive environment is valued and protected	<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>

### How we performed – Environment, Regulation and Safety

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage of resource consents processed are within the statutory timeframes	Achieved: 100% of resource consents (166) processed within statutory timeframes. (2015/16: 99.22% of resource consents processed within statutory timeframes)	100% of resource consents are processed within the statutory timeframes
Percentage of approved resource consents implemented	Unable to be measured: Consent holders have a five year timeframe in which to implement the approved consent. (2015/16: Unable to be measured)	<p>100% of implemented subdivision consents and notified land use consents</p> <p>50% of implemented non-notified land use consents</p>



## Environment, Regulation and Safety

### How we performed – Environment, Regulation and Safety

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage of building consents processed within 20 working days	Not Achieved: 88.1% building consents approved within 20 working days Average timeframe 11 days 7.5% increase in consents Commercial activity was 20% of total applications (2015/16: 91.37% building consents approved within 20 working days)	100% of building consents processed within 20 working days
Percentage of public buildings with specified systems audited annually against building compliance standards	Achieved: 69 premises audited; 20.5% of total register (2015/16: 87 premises audited; 27% of total register)	20% of premises audited
High risk buildings (such as hotels) checked more than once every five years	Achieved (2015/16: Achieved)	High risk buildings (such as hotels) checked more than once every five years
Percentage of Category 1 food premises and Category 2 and 3 premises inspected annually	Achieved: Category 1 - 106% of category 1 food premises inspected (note: percentage of premises inspected exceeded 100% due to 12 registered premises changing ownership) (2015/16: 92% of category 1 food premises inspected) Achieved: Category 2 and 3 72% of category 2 food premises inspected (2015/16: 85% of category 2 food premises inspected) 69% of category 3 food premises inspected (2015/16: 120% of category 3 food premises inspected)	Annual inspection of 100% of Category 1 food premises  Annual inspection of 50% of Category 2 and 3 premises
Percentage of high risk licenced premises inspected every six months	Achieved: 100% of high risk licenced premises inspected every six months (2015/16: 100% of high risk licenced premises inspected every six months)	100% of high risk licenced premises inspected every six months
Number of reported dog attacks	Achieved: 26 dog attacks reported (2015/16: 35 dog attacks reported)	The number of reported dog attacks is less than 54
Menacing and dangerous dog incidents responded to within two hours of notification	Not Achieved: 96% of urgent dog complaints responded to within two hours (new measure) (2015/16: 98% of urgent dog complaints responded to within two hours) <i>Note: this includes the following types of incidents: rushing dogs, dog attacks, wandering dogs and found dogs</i>	100% of menacing and dangerous dog incidents responded to within two hours of notification

## ***Environment, Regulation and Safety***

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### **How we performed – Environment, Regulation and Safety Continued**

<b>Performance Measures</b>	<b>Achievements 2016/17</b>	<b>Targets LTP 2016/17 – 2024/25</b>
Percentage of urgent stock control incidents responded to within two hours of notification	Achieved: No urgent stock incidents reported (2015/16: 99% of urgent stock complaints responded to within two hours)	100% of urgent stock control incidents responded to within two hours of notification

### **How we performed – Environment, Regulation and Safety**

<b>Performance Measures</b>	<b>Achievements 2016/17</b>	<b>Targets LTP 2016/17 – 2024/25</b>
Number of fully trained and competent Emergency Operations Centre (EOC) staff	Not Achieved: Review of focus – emphasis on training Function managers to be both au fait and comfortable in their role which in turn could mean they manage support staff (2015/16: Not Achieved)	35 fully trained and competent EOC staff
Percentage of residents who are satisfied or very satisfied with emergency services	Not Achieved: Residents' Survey: 63% satisfaction with the district's emergency services (2015/16: 62% satisfaction)	75% of residents are satisfied or very satisfied with emergency services

## Funding Impact Statement – Environment, Regulation and Safety

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
1,918	1,917	General Rates, Uniform Annual General Charge, Rates Penalties	2,141	2,028	Levels of service are not consistent with those anticipated in the Annual Plan. Council has been required to undertake more responsibility for building, liquor licensing and food hygiene regulations, leading to increased costs and increased revenue from user charges. Council is no longer responsible for rural fire and civil defence activities, leading to reduced costs in these areas. The budget assumed Parking activities would be transferred to Roading
504	504	Targeted Rates	490	487	
2,422	2,421	<b>Rates Revenue</b>	2,631	2,515	
-	-	Subsidies and Grants for Operating Purposes	4	-	
1,289	1,409	Fees and Charges	1,526	1,404	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
54	32	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	88	45	
1,343	1,441	<b>Operating Revenue</b>	1,618	1,449	
3,765	3,862	<b>Total Sources of Operating Funding</b>	4,249	3,964	
		<b>Applications of Operating Funding</b>			
933	1,267	Payments to Staff and Suppliers	1,200	1,237	
-	-	Finance Costs	-	-	
2,578	2,686	Internal Charges and Overheads Applied	3,099	2,973	
-	-	Other Operating Funding Applications	-	-	
3,511	3,953	<b>Total Applications of Operating Funding</b>	4,299	4,210	
254	(91)	<b>Surplus / (Deficit) of Operating Funding</b>	(50)	(246)	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
76	110	Development and Financial Contributions	168	90	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
76	110	<b>Total Sources of Capital Funding</b>	168	90	
		<b>Applications of Capital funding</b>			
-	-	Capital Expenditure			
-	-	Meet Additional Demand	-	-	
-	-	Improve Levels of Service	11	500	
-	-	Replace Existing Assets	-	-	
330	19	Increase / (Decrease) in Reserve	107	(656)	
-	-	Increase / (Decrease) in Investments	-	-	
330	19	<b>Total Applications for Capital Funding</b>	118	(156)	
(254)	91	<b>Surplus / (Deficit) of Capital Funding</b>	50	246	
-	-	<b>Funding Balance</b>	-	-	

# Democracy and Accountability

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The Democracy and Accountability group of activities includes:

- Waitaki District Council
- Ahuriri and Waihemo Community Boards
- Community Planning
- Community Accountability

Council and Community Boards are governance bodies forming a vital link between communities and Council staff who manage assets and activities. Council and Community Boards are 'democracy in action'. Elections every three years give citizens the opportunity to express their opinion on how well Councillors and Community Boards have performed. Residents' surveys and other measures shown below supplement the election decisions made by citizens of the district.

Under Section 78 the Local Government Act 2002 a local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

## Council and Community Boards – What we did

### Council

- Elected Members Induction October 2016 to February 2017
- Risk Management Policy adopted on 3 August 2016
- Waitaki's District Responsible Freedom Camping Bylaw adopted on 14 September 2016
- 2016/17 Annual Report adopted on 26 October 2016
- Planning underway for the 2018-28 Long Term Plan
- Section 17a Review, Phase II: participation approved by Council covering Regional Service Reviews of Solid Waste, Regulatory Services and Waterways and Harbours
- 2017/18 Annual Plan adopted on 21 June 2017
- Adopted the Draft General Bylaw on 21 June 2017. General Bylaw is due for completion in 2018
- District Plan review progressing.

### Ahuriri Community Board

- On 12 December 2016 the Board resolved that negotiations are entered into with Tourism Waitaki relating to funding for Visitor Information Services starting on 1 July 2017
- Approved a \$15,000 repair for the Otematata tennis courts fence
- Approved repairs to Omarama pump track (up to \$3,000)
- Approved installation of Sefton Lane table (\$3,000)
- Approved installation of Kurow car park bollards and chain (\$2,000)
- Agreed an annual rental be paid to Omarama Airfield Ltd for the leasing of land for community water disposal in Omarama
- Approved a budget of \$17,000 from the Kurow Amenity Rate for the extended Kurow Township upgrade
- Approved payment of \$2,172.35 for maintenance work at Omarama Community Centre
- Approved payment of \$2,189.60 to fund exit LED lights for Omarama Hall.

### Waihemo Community Board

- Approved a funding request of \$500 to Puketapu Scout Group
- Approved an application for seed funding of \$2,000 to Palmerston-Waihemo A&P Association to assist with advertising costs for Palmerston-Waihemo field days held from 12-13 October 2016 and \$3,000 for a top soil project for the Show grounds
- Involved in the establishment of a new public toilet in Hampden including painting and planting design
- CEO Michael Ross presented Mrs Dennison and Mr Brown with a Local Government Award for 14 years' service to Local Government
- Arranged to light up the Zealandia monument in the Palmerston Town Centre
- Secured on-going funding towards Palmerston Museum and East Otago Swimming Pool
- East Otago Health Medical Centre's new building grant of \$150,000. With \$110,000 from Waihemo reserve and \$40,000 from the Whitestone dividend.

## Democracy and Accountability

### Community outcomes

Community outcome	How the activity contributes to the outcome
We keep our district affordable	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	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	By providing opportunities to participate in democratic local decision making through representation on Community Boards, Council and by consultation

### How we performed – Democracy and Accountability

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage of plans, policies and bylaws adopted and reviewed within statutory timeframes	<p>Achieved: 100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes</p> <p>Note these included:</p> <ul style="list-style-type: none"> <li>2016/17 Annual Report adopted 26 October 2016</li> <li>2017/18 Annual Plan adopted 21 June 2017</li> <li>Waitaki District Responsible Freedom Camping Bylaw 2016 adopted 14 September 2016</li> <li>Draft General Bylaw adopted 21 June 2017 and due for completion in 2018</li> <li>District Plan Review progressing</li> </ul> <p>(2015/16: 100% of plans, policies and bylaws identified in the Strategic Work Programme adopted)</p>	100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes
Percentage of residents satisfied or very satisfied with the performance of the Mayor and Councillors	<p>Not Achieved: Residents' Survey: 57% of residents satisfied with the performance of Mayor and Councillors (65% in 2015/16)</p>	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors
Percentage of residents satisfied or very satisfied with the performance of the Ahuriri Community Board	<p>Not Achieved: Residents' Survey: 49% of residents satisfied with the performance of the Ahuriri Community Board (45% in 2015/16)</p>	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory
Percentage of residents satisfied or very satisfied with the performance of the Waihemo Community Board	<p>Not Achieved: Residents' Survey: 46% of residents satisfied with the performance of the Waihemo Community Board (45% in 2015/16)</p>	85% of residents rate the performance of the Waihemo Community Board as satisfactory or very satisfactory

# Democracy and Accountability

Performance Measures	Achievements 2016/17	Targets LTP 2016/17 – 2024/25
Percentage of residents satisfied or very satisfied with consultation and engagement	Not Achieved: Residents' Survey: 43% of residents satisfied with consultation and engagement (2015/16: 42% satisfaction)	60% of residents satisfied or very satisfied with consultation and engagement

## Funding Impact Statement – Democracy and Accountability

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
1,896	1,899	General Rates, Uniform Annual General Charge, Rates Penalties	1,971	1,968	Levels of service are consistent with those anticipated in the Annual Plan.
1,508	1,508	Targeted Rates	1,538	1,529	
3,404	3,407	<b>Rates Revenue</b>	3,509	3,497	
36	31	Subsidies and Grants for Operating Purposes	28	31	
-	-	Fees and Charges	-	-	
-	-	Interest and Dividends from Investments	-	-	
-	-	Internal Charges and Overheads Recovered	-	-	
8	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	39	56	
44	31	<b>Operating Revenue</b>	67	87	
3,448	3,438	<b>Total Sources of Operating Funding</b>	3,576	3,584	
		<b>Applications of Operating Funding</b>			
784	791	Payments to Staff and Suppliers	1,107	1,156	
-	-	Finance Costs	-	-	
2,400	2,619	Internal Charges and Overheads Applied	2,344	2,642	
-	-	Other Operating Funding Applications	-	-	
3,184	3,410	<b>Total Applications of Operating Funding</b>	3,451	3,798	
264	28	<b>Surplus / (Deficit) of Operating Funding</b>	125	(214)	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
-	-	Gross Proceeds from Sale of Assets	-	-	
-	-	<b>Total Sources of Capital Funding</b>	-	-	
		<b>Applications of Capital funding</b>			
		Capital Expenditure			
-	-	Meet Additional Demand	-	-	
-	-	Improve Levels of Service	-	-	
-	-	Replace Existing Assets	-	-	
264	28	Increase / (Decrease) in Reserve	125	(214)	
-	-	Increase / (Decrease) in Investments	-	-	
264	28	<b>Total Applications for Capital Funding</b>	125	(214)	
(264)	(28)	<b>Surplus / (Deficit) of Capital Funding</b>	(125)	214	
-	-	<b>Funding Balance</b>	-	-	

## Support Services (Net Allocated)

2015/16 Actual \$000	2015/16 Budget \$000		2016/17 Actual \$000	2016/17 Budget \$000	Commentary on Major Changes
		<b>Sources of Operating Funding</b>			
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	Levels of service are consistent with those anticipated in the Annual Plan. Replacement and upgrading of computer networks continues to be a priority for the organisation.
-	-	Targeted Rates	-	-	
-	-	<b>Rates Revenue</b>	-	-	
1	-	Subsidies and Grants for Operating Purposes	19	-	
14	6	Fees and Charges	2	6	
-	-	Interest and Dividends from Investments	-	-	
15,202	16,137	Internal Charges and Overheads Recovered	15,774	16,713	
113	17	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	28	17	
15,330	16,160	<b>Operating Revenue</b>	15,823	16,736	
15,330	16,160	<b>Total Sources of Operating Funding</b>	15,823	16,736	
		<b>Applications of Operating Funding</b>			
10,280	10,894	Payments to Staff and Suppliers	11,197	11,222	
-	-	Finance Costs	-	-	
4,567	4,730	Internal Charges and Overheads Applied	4,663	4,950	
-	-	Other Operating Funding Applications	-	-	
14,847	15,624	<b>Total Applications of Operating Funding</b>	15,860	16,172	
483	536	<b>Surplus / (Deficit) of Operating Funding</b>	(37)	564	
		<b>Sources of Capital funding</b>			
-	-	Subsidies and Grants for Capital Expenditure	-	-	
-	-	Development and Financial Contributions	-	-	
-	-	Increase / (Decrease) in Debt	-	-	
79	74	Gross Proceeds from Sale of Assets	70	85	
79	74	<b>Total Sources of Capital Funding</b>	70	85	
		<b>Applications of Capital funding</b>			
-	-	Capital Expenditure	-	-	
-	-	Meet Additional Demand	-	-	
182	285	Improve Levels of Service	92	235	
572	331	Replace Existing Assets	372	485	
(192)	(6)	Increase / (Decrease) in Reserve	(431)	(71)	
-	-	Increase / (Decrease) in Investments	-	-	
562	610	<b>Total Applications for Capital Funding</b>	33	649	
(483)	(536)	<b>Surplus / (Deficit) of Capital Funding</b>	37	(564)	
-	-	<b>Funding Balance</b>	-	-	



## ***Council Controlled Organisations (CCOs)***

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

- Council promotes and supports economic development and tourism through Tourism Waitaki Ltd and, through its 50% ownership of 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.
- Whitestone Contracting Ltd provides contracting services to Council and to other customers throughout and beyond the Waitaki district, retaining employment, revenue and economic benefits within the district.

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

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

## ***Omarama Airfield Limited***

The company was established in 1993 as a joint venture between Council and the Omarama Soaring Centre Inc. to develop and operate the Omarama Airfield. Each shareholder holds 50% of the issued shares, but as Council appoints a majority of the Directors, the company, under the provisions of the Local Government Act 2002, is deemed to be a Council Controlled Organisation (CCO).

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

### **Community outcomes**

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

<b>Performance Measures</b>	<b>Achievements 2016/17</b>	<b>Targets LTP 2015/16 – 2024/25 Year 2</b>
Maintain, operate and provide planned services within budgeted income	Achieved – Revenue was under budget by 3.5%, but expenses were 10.7% under budget  The surplus was better than budget by \$5,050	Operate and provide planned services within budgeted income  Achieve a break-even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements
Enhance the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in events	An estimated 1,500 visitors annually, using local amenities. Local contractors undertake maintenance, and at least 20 people work at the airfield during the season	Maintain or improve economic benefits (against 2011/12 benchmarks)

The Company received an unqualified audit report for the year ended 30 June 2017 on 26 September 2017. A full copy of the Company's Annual Report is available at the Company's offices.

## Tourism Waitaki Limited

Tourism Waitaki Limited (formerly Waitaki Development Board Limited) was established in December 1996, and is 100% owned by Council. Under the provisions of the Local Government Act 2002, is deemed to be a Council Controlled Organisation (CCO).

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

### Community outcomes

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

Performance Measures	Achievements 2016/17	Targets LTP 2015/16 – 2024/25 Year 2
Growth in visitors from core domestic markets	Guest nights reduced by 4% overall on 2016, although international visitor numbers rose 17%. Signage strategy was developed and will be included the new District Tourism Strategy	Achieve annual growth in visitors from core domestic markets Signage strategy developed and implemented
Expansion of current trade ready products	Developed the Whitestone City concept, upgraded OBPC facilities, continued to refine the Alps2Ocean experience	Develop new trade ready products
Travel infrastructure network expanded	Investigated new I-Site locations in the Waitaki Valley	Expand travel infrastructure network
International Marketing Alliance (IMA) agreements in place across the South Island	IMA agreements in place covering the South Island	International Marketing Alliance agreements in place
Industry affiliations expanded	Continuing to develop new and foster existing trade contacts, and working with Christchurch International Airport "South" brand	Expand wider industry affiliations
Increased inbound operators (IBO) visitors	Growth of 4% in trade-related OBPC ticket sales	Increase number of Inward Bound Organised visitors
Growth in TRENZ attendees from the district	Regular contacts continue covering all related district tourism products	Increase number of TRENZ attendees

The Company received an unqualified audit report for the year ended 30 June 2017 on 26 September 2017. A full copy of the Company's Annual Report is available at the Company's offices.

## ***Waitaki District Health Services Limited***

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Waitaki District Health Services Limited was established in 1997 for the charitable purpose of providing health services to the community, and is 100% owned by Council. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Organisation.

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 Oamaru Hospital.

### **Community outcomes**

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

<b>Performance Measures</b>	<b>Achievements 2016/17</b>	<b>Targets LTP 2015/16 – 2024/25 Year 2</b>
Fulfilment of all professional and technical standards	Achieved – confirmed by regular independent audits	Meet all professional and technical standards
Forums provided for effective collaboration with stakeholders	Achieved – held the planned number of forum meetings	Provide adequate forums for effective collaboration with stakeholders
Percentage compliance with all performance targets and service standards required by the Ministry of Health contractual arrangements with the company	Achieved all performance targets and standards required under contracts with both the Ministry of Health and the Southern District Health Board	100% compliance with performance targets and service standards required under the Ministry of Health contractual arrangements with the company
Percentage of planned services provided within budget	Achieved – all planned services were delivered, although the company did not achieve its planned financial surplus	Operate and provide 100% of planned services within budgeted income including services contract with District Health Board

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

The Company and Group received an unqualified audit report for the year ended 30 June 2017 on 29 September 2017. A full copy of the Company's Annual Report is available at the Company's offices.

# Whitestone Contracting Limited

Whitestone Contracting Limited (formerly Whitestone Limited) was established in 1991 and is 100% owned by Council. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Trading Organisation.

Council's objectives for continued ownership and control, and the Company's objectives, were reviewed during the 2016 financial year and the Company's Statement of Intent was updated accordingly.

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

## 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	Achievements 2016/17	Targets LTP 2015/16 – 2024/25 Year 2
Before income tax return on opening shareholders' funds	Achieved a return of 8.18% (2016: 10.21%) before donations, sponsorships and subvention payments	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 7% return on investment
The number of clients spending over \$10,000 annually	The number of clients spending over \$10,000 increased by 1.7% (2016: reduced by 2.5%)	Continue to diversify the portfolio of work and clients
Maintenance of the relevant quality standards	Maintained both ISO 9001 and ISO 14001 accreditation	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
Percentage increase of revenue from sources other than Waitaki District Council over the previous year	84% (2016: 76%) of revenue was generated by customers other than Waitaki District Council	Increase the percentage of revenue from sources other than Waitaki District Council
In Quarter four of each year agree KPI targets for the next year	KPI targets have been agreed for the 2017/18 financial year	In Quarter four of each year agree KPI targets for the next year
The increase in market share in North Otago and other areas of operation	Revenue has reduced by \$2 million (2016: increased by \$1.79 million)	Maintain and grow market share in North Otago and other areas of operation
Ratio of shareholder funds to total assets	Achieved 78.23% (2016: 77.15%)	Maintain the ratio of shareholder funds to total assets within the range 60% - 80%

The Company received an unqualified audit report for the year ended 30 June 2017 on 28 August 2017. A full copy of the Company's Annual Report is available at the Company's offices.

# ***Financial Statements***

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# Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2017

		Consolidated		Council Only		
		2017	2016	2017	2017	2016
		Actual	Actual	Actual	Budget	Actual
		\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Revenue	1	30,266	30,340	30,303	30,385	30,375
User Charges		28,327	27,387	5,909	4,059	6,410
Regulatory Charges		1,508	1,289	1,508	1,354	1,289
Development and RMA Contributions		738	545	738	595	545
Government Grants and Subsidies	2	16,148	17,095	6,339	8,009	6,574
Other Grants and Donations	3	958	796	900	1,105	677
Finance Revenue	4	1,318	1,577	1,184	1,137	1,264
Petrol Tax		193	192	193	190	192
Infringements and Fines		86	38	86	54	38
Dividend and Subvention Payments		-	-	790	120	562
Assets vested in Council	5	726	158	726	-	63
Other gains and Losses	5	(2,208)	(4,249)	(1,618)	-	(2,672)
<b>Total Revenue</b>	<b>32</b>	<b>78,060</b>	<b>75,168</b>	<b>47,058</b>	<b>47,008</b>	<b>45,317</b>
<b>Expenses</b>						
Personnel costs	6	29,282	28,513	10,652	10,665	9,914
Depreciation and amortisation	10,11	13,928	13,554	11,887	11,380	11,463
Finance Costs	4	12	1	1	-	-
Other expenses	7	34,381	32,863	22,987	22,307	22,620
<b>Total Expenses</b>	<b>32</b>	<b>77,603</b>	<b>74,931</b>	<b>45,527</b>	<b>44,352</b>	<b>43,997</b>
<b>Surplus / (Deficit) before Tax</b>		<b>457</b>	<b>237</b>	<b>1,531</b>	<b>2,656</b>	<b>1,320</b>
Income Tax Expense / (Refund)	8	101	297	-	-	-
<b>Surplus / (Deficit) after tax</b>		<b>356</b>	<b>(60)</b>	<b>1,531</b>	<b>2,656</b>	<b>1,320</b>
<b>Other Comprehensive Revenue and Expense</b>						
Gain/(Loss) on revaluation of Infrastructural Assets	10	-	5,824	-	-	5,824
Gain/(Loss) on revaluation of Properties	10	10,084	-	9,741	5,250	-
Other Comprehensive Revenue		-	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>10,084</b>	<b>5,824</b>	<b>9,741</b>	<b>5,250</b>	<b>5,824</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>\$10,440</b>	<b>\$5,764</b>	<b>\$11,272</b>	<b>\$7,906</b>	<b>\$7,144</b>

The accompanying Notes form part of these financial statements

# Statement of Changes in Equity

For the year ended 30 June 2017

	Consolidated		Council Only		
	2017 Actual \$000	2016 Actual \$000	2017 Actual \$000	2017 Budget \$000	2016 Actual \$000
<b>Public Equity at 1 July</b>	775,876	770,112	750,897	757,781	743,753
Total Comprehensive Revenue and Expense	10,440	5,764	11,272	7,906	7,144
<b>Public Equity at 30 June</b>	<u>\$ 786,316</u>	<u>\$ 775,876</u>	<u>\$ 762,169</u>	<u>\$ 765,687</u>	<u>\$ 750,897</u>

The accompanying Notes form part of these financial statements



# Statement of Financial Position

As at 30 June 2017

		Consolidated		Council Only		
		2017	2016	2017	2017	2016
		Actual	Actual	Actual	Budget	Actual
	Notes	\$000	\$000	\$000	\$000	\$000
<b>Public Equity</b>						
Ratepayers' Equity	9	310,208	310,208	310,208	310,208	310,208
Revaluation Reserve	9	425,073	416,724	415,187	414,526	407,181
Operating Reserve	9	36,193	34,707	21,932	26,378	19,271
Other Reserves	9	14,842	14,237	14,842	14,575	14,237
<b>Total Public Equity</b>		<b>\$786,316</b>	<b>\$775,876</b>	<b>\$762,169</b>	<b>\$765,687</b>	<b>\$750,897</b>
<b>Non-Current Assets</b>						
Property Plant and Equipment	10	741,528	730,502	719,240	726,558	709,232
Intangible Assets	11	1,100	1,358	681	839	895
Forestry	12	226	253	226	72	253
Assets held for Sale	16	1,150	2,519	1,150	1,735	2,519
Other Financial Assets						
- Investments in CCO's	13	-	-	4,912	4,912	4,912
- Investments in other entities	13	145	145	145	145	145
- Loans to other entities	13	27,435	19,526	25,060	25,650	17,663
		771,584	754,303	751,414	759,911	735,619
<b>Current Assets</b>						
Cash and Cash Equivalents	14	5,540	7,202	4,483	1,775	2,463
Receivables	15	7,475	7,668	3,470	4,125	3,947
Prepayments		387	491	233	340	356
Inventory	18	1,082	950	26	15	29
Work in Progress	17	155	90	-	-	-
Other Financial Assets						
- Term deposits	13	12,876	17,310	9,425	6,500	14,750
- Loans to other entities	13	16	1	16	1	1
Assets held for Sale	16	369	441	369	-	441
		27,900	34,153	18,022	12,756	21,987
<b>Total Assets</b>		<b>799,484</b>	<b>788,456</b>	<b>769,436</b>	<b>772,667</b>	<b>757,606</b>
<b>Non-Current Liabilities</b>						
Provisions	19	788	387	788	285	387
Employee Entitlement Liabilities	20	102	94	-	-	-
Borrowings	21	10	11	-	-	-
Deferred Tax Liability	8	623	545	-	-	-
		1,523	1,037	788	285	387
<b>Current Liabilities</b>						
Trade and Other Payables	22	7,525	6,902	5,272	5,545	4,958
Short Term Borrowings	21	1	1	-	-	-
Employee Entitlement Liabilities	20	4,040	4,109	1,074	975	1,015
Provisions	19	144	368	133	175	349
Provision for Taxation		(65)	163	-	-	-
		11,645	11,543	6,479	6,695	6,322
<b>Total Liabilities</b>		<b>13,168</b>	<b>12,580</b>	<b>7,267</b>	<b>6,980</b>	<b>6,709</b>
<b>Net Assets</b>		<b>\$786,316</b>	<b>\$775,876</b>	<b>\$762,169</b>	<b>\$765,687</b>	<b>\$750,897</b>

The accompanying Notes form part of these financial statements

# Statement of Cash Flows

For the year ended 30 June 2017

	Notes	Consolidated		Council Only	
		2017	2016	2017	2016
		\$000	\$000	\$000	\$000
				2017 Budget	
				\$000	\$000
<b>Cash flows from Operating Activities</b>					
Receipts from Rates Revenue		30,826	30,121	30,862	30,156
Interest received		1,223	1,619	1,097	1,264
Dividends/Subvention payments received		-	-	790	562
Receipts from Other Revenues		47,408	48,948	15,502	16,160
Payments to Suppliers & Employees		(63,071)	(61,757)	(33,116)	(32,619)
Interest Paid		(12)	(1)	(1)	-
Income Tax Refund Received / (Paid)		(283)	16	-	-
Net GST		182	(37)	182	(37)
<b>Net Cash from Operating Activities</b>		<b>16,273</b>	<b>18,909</b>	<b>15,316</b>	<b>15,486</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of P.P. & E		2,762	1,982	2,510	1,725
Proceeds from Sale of Investments		14,751	27,367	14,751	22,300
Purchase of P.P. & E		(16,346)	(14,328)	(13,806)	(12,112)
Acquisition of Investments		(19,101)	(35,895)	(16,751)	(31,754)
<b>Net Cash from Investing Activities</b>		<b>(17,934)</b>	<b>(20,874)</b>	<b>(13,296)</b>	<b>(19,841)</b>
<b>Cash Flows from Financing Activities</b>					
Proceeds from Borrowing		-	12	-	-
Repayment of Borrowing		(1)	(1)	-	-
<b>Net Cash from Financing Activities</b>		<b>(1)</b>	<b>11</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>		<b>(1,662)</b>	<b>(1,954)</b>	<b>2,020</b>	<b>(4,355)</b>
<b>Total Cash Resources at 1 July</b>		<b>7,202</b>	<b>9,156</b>	<b>2,463</b>	<b>6,818</b>
<b>Total Cash Resources at 30 June</b>	14	<b>\$5,540</b>	<b>\$7,202</b>	<b>\$4,483</b>	<b>\$2,463</b>

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 2017

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Net Operating Surplus after Taxation	356	(60)	1,531	1,320
<u>Add/(Less) non-cash items</u>				
Depreciation/Amortisation	13,928	13,586	11,887	11,463
Interest compounded	(87)	-	(87)	-
Increase/(Decrease) in Doubtful Debts Provision	(532)	55	(414)	11
Increase/(Decrease) in Landfill Closure & Other Provisions	185	116	185	116
Net Loss/(Profit) on sale of Assets	1,556	3,064	1,911	3,206
Gain on Forestry Harvesting	(208)	(432)	(208)	(432)
Loss/(Gain) on Forestry revaluation	(85)	(102)	(85)	(102)
Provision for Impairment	947	2,278	-	-
Vested Assets	(726)	(158)	(726)	(63)
Surrender of Carbon Credits	38	18	38	18
Increase/(decrease) in Deferred Tax position	78	(75)	-	-
	15,094	18,350	12,501	14,217
<u>Add/(Less) movements in Other Working Capital items</u>				
Decrease/(Increase) in Trade & Other Receivables	764	(109)	891	(344)
Decrease/(Increase) in Prepayments	100	(45)	123	(39)
Decrease/(Increase) in Inventories	(133)	25	3	36
Decrease/(Increase) in Work in Progress	(65)	31	-	-
Increase/(Decrease) in Trade & Other Payables	478	97	208	226
Increase/(Decrease) in Employee Entitlements	(61)	331	59	70
Increase/(Decrease) in Provision for Taxation	(260)	289	-	-
	823	619	1,284	(51)
<b>Net Cash Inflow from Operating Activities</b>	<b>\$ 16,273</b>	<b>\$ 18,909</b>	<b>\$ 15,316</b>	<b>\$ 15,486</b>

The accompanying Notes form part of these financial statements

# Statement of Accounting Policies

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## REPORTING ENTITY

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

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

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

The financial statements of the Waitaki District Council are for the year ended 30 June 2017 and were authorised for issue by Council on 25 October 2017.

## BASIS OF PREPARATION

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

## Statement of Compliance

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

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

## Presentation currency and rounding

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

## Standards issued and not yet effective and not early adopted

In May 2016, the External Reporting Board (XRB) issued the *PBE Conceptual Framework*, superseding the *Public Benefit Entities' Framework* issued in September 2014. The new framework became effective for reporting periods commencing on or after 1 January 2017, and has not materially affected Council's financial statements.

In January 2017, the XRB issued the 2016 Omnibus Amendments to PBE Standards, incorporating a range of minor changes and modifications to the Standards. These amendments are effective for reporting periods commencing on or after 1 January 2017, and have not materially affected Council's financial statements.

In April 2017, the XRB issued *Impairment of Revalued Assets*, an amendment to PBE IPSAS 26 *Impairment of Cash-Generating Assets*. This amendment scopes revalued property, plant and equipment into the impairment accounting standards – previously only property, plant and equipment measured at cost were covered by these standards – and becomes effective for accounting periods commencing on or after 1 January 2019. Council has chosen not to early adopt the revised standard, and does not anticipate that its adoption will have a material impact on its financial statements.

# Statement of Accounting Policies

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Other more general accounting policies and practices are detailed below:

### **Basis of Consolidation**

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

### *Subsidiaries*

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

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

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

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

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

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

### *Joint Ventures*

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

- Omarama Airfield Limited

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

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

# Statement of Accounting Policies

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## Foreign Currency Transactions

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

## Goods and Services Tax

These accounts have been prepared on a GST exclusive basis and any net GST due or owing at balance date is included in Trade and Other Payables or Trade and Other Receivables as appropriate. Trade and Other Receivables and Trade and Other Payables are stated inclusive of GST. Any GST that is not recoverable as an input tax is recognised as part of the related asset or expense.

## Budget Figures

The budget figures are those approved by Council in its 2016/17 Annual Plan. The budget figures 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

The 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 cannot be attributed in an economically feasible manner to a specific significant activity, and are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, floor area occupied, etc.

## Critical Accounting Estimates and Assumptions

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

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

### *Infrastructural Assets*

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

### *Forestry Holdings*

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

## Changes in Accounting Policies

There have been no changes in accounting policies.

# Statement of Accounting Policies

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## General Revenue Recognition - Policy

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

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

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

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

# Notes to the Financial Statements

	Consolidated			Council Only	
	2017	2016	2017	2017 Budget	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 1: Operating Revenue - Rates

### Rates revenue - Policy

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

### Analysis of revenue from Rates:

General Rates	1,800	1,863	1,837	1,834	1,898
District Services Rates	1,505	1,301	1,505	1,495	1,301
Uniform Annual General Charge	5,059	4,656	5,059	5,068	4,656
Ward Rates	6,578	6,436	6,578	6,574	6,436
Separate Rates	9,559	9,748	9,559	9,514	9,748
Targeted Rates for water supply	5,236	5,610	5,236	5,236	5,610
User charges for water supply by meter	416	495	416	481	495
Rates Penalties charged	385	552	385	425	552
Less Rates Remitted	(272)	(321)	(272)	(242)	(321)
<b>Total Rates Revenue</b>	<b>\$30,266</b>	<b>\$30,340</b>	<b>\$30,303</b>	<b>\$30,385</b>	<b>\$30,375</b>

## Note 2: Operating Revenue – Government Grants and Subsidies

### Government grants and subsidies - Policy

- New Zealand Transport Agency provides funding assistance towards the costs of roading maintenance and capital expenditure. These subsidies are recognised as revenue upon entitlement when conditions pertaining to eligible expenditure have been met
- New Zealand Cycletrails has approved funding for the construction of the Alps2Ocean Cycletrail. This revenue is recognised as work is completed towards meeting funding milestones set as part of that contractual arrangement.
- In general, revenue from other Government Grants and Subsidies 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, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied

### Analysis of revenue from Government Grants:

New Zealand Transport Agency subsidies	6,047	7,000	6,047	6,673	6,296
Ministry of Business, Innovation & Employment	138	129	138	1,200	129
Ministry for the Environment	84	82	84	75	82
Ministry for Youth Development	18	-	18	-	-
Southern DHB operational contract funding	9,809	9,793	-	-	-
Other Government grants and subsidies	52	91	52	61	67
<b>Total Government Grants</b>	<b>\$16,148</b>	<b>\$17,095</b>	<b>\$6,339</b>	<b>\$8,009</b>	<b>\$6,574</b>

The Ministry of Business, Innovation and Employment administers the New Zealand Cycletrails Fund, which supports the construction and maintenance of the country's cycletrail network.

In 2016, the New Zealand Transport Agency provided funding of \$250,000 for the Alps2Ocean Cycletrail.



# Notes to the Financial Statements

	Consolidated			Council Only	
	2017	2016	2017	2017 Budget	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## 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, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied.

### Analysis of revenue from Other Grants and Donations:

#### *Alps2Ocean Cycletrail construction*

Friends of the Alps2Ocean Cycletrail	437	382	437	125	382
Otago Community Trust	100	2	100	-	2
McKenzie District Council	50	100	-	-	-
Challenge Farm Trusts Partnership	-	19	-	-	19

#### *Cultural Facility upgrade*

Local residents, businesses and organisations	15	1	15	788	1
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#### *General purposes and other projects*

North Otago Rugby	32	32	32	21	32
Bequest - Est B Jamieson	12	-	12	-	-
Bequest - Est E Fleetwood	11	-	11	-	-
Sundry other revenue	301	260	293	171	241

<b>Total Grants and Donations</b>	<b>\$958</b>	<b>\$796</b>	<b>\$900</b>	<b>\$1,105</b>	<b>\$677</b>
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Funds from the Friends of the Alps2Ocean include grants secured from NZ Lotteries, Trust Aoraki and the Lion Foundation and, in 2016, from The Otago Community Trust and Trust Aoraki

## Note 4: Finance Revenue and Finance Expense

### Finance Revenue & Expense - Policy

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

### Analysis of Finance revenue and Finance expense

#### Finance Income

Bank deposits	607	834	473	412	521
North Otago Irrigation Co Ltd	609	727	609	592	727
Observatory Village Lifecare Ltd	87	-	87	121	-
Other community loans	15	16	15	12	16
<b>Total Finance income</b>	<b>1,318</b>	<b>1,577</b>	<b>1,184</b>	<b>1,137</b>	<b>1,264</b>

#### Finance costs

Interest on bank overdraft	12	-	1	-	-
Interest on other external borrowings	-	11	-	-	-
<b>Total Finance costs</b>	<b>12</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net Finance revenue/(cost)</b>	<b>\$1,306</b>	<b>\$1,566</b>	<b>\$1,183</b>	<b>\$1,137</b>	<b>\$1,264</b>

# Notes to the Financial Statements

	Consolidated			Council Only	
	2017	2016	2017	2017 Budget	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

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

### Non-trading Gains / (Losses) - Policy

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

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

#### Assets vested in Council

Land & Improvements	281	21	281	-	21
Buildings Assets	230	95	230	-	-
Roading & Bridges	-	14	-	-	14
Sewer Assets	200	-	200	-	-
Plant Assets	8	-	8	-	-
Other Assets	7	28	7	-	28
<b>Total Assets Vested in Council</b>	<u>\$726</u>	<u>\$158</u>	<u>\$726</u>	<u>\$ -</u>	<u>\$63</u>

#### Other Gains and Losses

Gain/(loss) on Property Plant & Equipment	(1,561)	(3,672)	(1,931)	-	(3,665)
Depreciation recovered on disposal	724	1,167	20	-	459
Gain on forestry harvesting	112	432	208	-	432
Gain/(loss) on revaluation of Forestry Assets	85	102	85	-	102
Fair value adjustment of non-current financial asset	(947)	(2,278)	-	-	-
<b>Total Other Gains / Losses</b>	<u>(\$1,587)</u>	<u>(\$4,249)</u>	<u>(\$1,618)</u>	<u>\$ -</u>	<u>(\$2,672)</u>

# Notes to the Financial Statements

	Consolidated			Council Only	
	2017	2016	2017	2017 Budget	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 6: Personnel Costs

### Personnel costs - Policy

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

### Analysis of Personnel Costs:

Salaries and wages	28,324	27,554	10,364	10,398	9,588
Redundancy and severance payments	98	90	-	-	36
Defined contribution plan employer contributions	658	776	249	229	248
Fringe Benefit Taxes	202	93	39	38	42
<b>Total personnel costs</b>	<b>\$29,282</b>	<b>\$28,513</b>	<b>\$10,652</b>	<b>\$10,665</b>	<b>\$9,914</b>

### Remuneration of the Chief Executive Officer

Total remuneration of the Chief Executive Officer, Michael Ross, for the year ended 30 June 2017 was \$299,222 (2016: \$256,275). The current year's remuneration includes all employment related costs, including accrued leave, owed to Mr Ross on his retirement from Council with effect from 30 June 2017 and, as part of his retirement package Mr Ross was able to purchase his Council vehicle at book value and assume ownership of his Council-provided laptop and other minor equipment. Council ceased employer contributions for the Chief Executive's superannuation and Kiwisaver during the year.

Michael Ross is a Director of North Otago Irrigation Company Limited (Council appointee) receiving Director's Fees of \$12,000 (2016: \$12,000).

### Key Management Personnel

Employees considered key personnel for Council are the Mayor and Councillors, the Chief Executive, the Chief Financial Officer and the three Group Managers.

Total remuneration of key management personnel is as follows:

	Council only	
	2017	2016
	<u>\$000</u>	<u>\$000</u>
Senior management team, including Chief Executive	1,107	925
<i>Full-time equivalent members (number)</i>	5	5
Councillors	361	345
<i>Full-time equivalent members (number)</i>	11	11
<b>Total remuneration</b>	<b>\$1,468</b>	<b>\$1,270</b>
<b><i>Total Full-time equivalent members</i></b>	<b>16</b>	<b>16</b>

# Notes to the Financial Statements

## Note 6: Personnel Costs (continued)

### Mayor's and Elected Members' Remuneration

	Council only	
	2017	2016
	\$	\$
<b><u>Waitaki District Council</u></b>		
<b><u>Mayor:</u></b>		
Gary Kircher	92,668	90,323
<b><u>Elected Members:</u></b>		
Peter Garvan	25,337	24,106
Jim Hopkins	25,682	24,156
William Kingan	28,102	27,260
Guy Percival	25,337	24,106
Hugh Perkins	29,124	30,804
Melanie Tavendale	30,027	24,156
Colin Wollstein	28,102	27,177
Craig Dawson (from 8 October 2016)	16,756	-
Jeremy Holding (from 8 October 2016)	16,756	-
Janice Wheeler (from 8 October 2016)	16,756	-
Kathy Dennison (to 8 October 2016)	9,795	27,260
Sally Hope (to 8 October 2016)	7,959	22,214
June Slee (to 8 October 2016)	8,581	24,106
<b>Total Remuneration – Mayor and Elected Members</b>	<b>\$360,982</b>	<b>\$345,668</b>

### **Ahuriri Community Board**

<b><u>Chair:</u></b>		
Graham Sullivan	11,092	11,000
<b><u>Elected Members:</u></b>		
Michael Blackstock (to 8 October 2016)	1,904	5,500
Antony Chapman (from 8 October 2016)	3,730	-
Brent Cowles	5,633	5,500
Vicky Munro	5,633	5,500
Calum Reid	5,633	5,500
<b>Total Remuneration – Ahuriri Community Board</b>	<b>\$33,625</b>	<b>\$33,000</b>

### **Waihemo Community Board**

<b><u>Chair:</u></b>		
Geoffrey Foote (to 8 October 2016)	3,876	11,200
Kathleen Dennison (from 8 October 2016)	7,440	-
<b><u>Elected Members:</u></b>		
Ken Brown	5,735	5,600
Jane Carlyon (to 8 October 2016)	1,938	5,600
Heather McGregor	5,735	5,600
Paul Roy	5,735	5,600
Carol Watson (from 8 October 2016)	3,797	-
<b>Total Remuneration – Waihemo Community Board</b>	<b>\$34,256</b>	<b>\$33,600</b>

# Notes to the Financial Statements

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## Note 6: Personnel Costs (continued)

### Employee Staffing Levels and Remuneration

At 30 June 2017, Council had 96 full-time employees (2016: 99), and casual and part-time employees amounting to 39 full-time equivalent (FTE) staff (2016: 29 FTE).

128 employees received annual remuneration of less than \$60,000 (2016: 132), and 62 staff (2016: 63) 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>	<b>Employees</b>	
	<b>2017 Number</b>	<b>2016 Number</b>
\$180,000 – \$299,999	3	2
\$120,000 - \$179,999	6	6
\$100,000 – \$119,999	10	10
\$80,000 – \$99,999	13	14
\$60,000 – \$79,999	30	31
<b>Total staff</b>	<b>62</b>	<b>63</b>

The Group, comprising Council and four CCOs, has a total of 41 employees receiving annual remuneration in excess of \$100,000 (2016: 33).

### Severance Payments (Clause 33)

Council made no severance payments during the financial year (2016: one, \$36,100).

Other members of Council's group made severance payments totaling \$98,418 (2016: \$53,582).

# Notes to the Financial Statements

	Consolidated			Council Only	
	2017	2016	2017	2017 Budget	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 7: Operating Expenses – Other operating costs

### Operating costs - Policy

- **Grant Expenditure**

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

- **Leases**

- *Operating Leases*

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

### Analysis of Other Operating Costs

*Audit Fees - Audit NewZealand*

Audit Current Year Annual Report	172	164	117	127	112
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*Audit Fees - Other audit providers*

Audit Current Year Annual Report	23	23	-	-	-
Other Services provided	8	12	-	-	-

Community grants and donations	1,281	1,100	1,212	1,415	1,034
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Directors' Fees	352	327	-	-	-
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Impairment of Receivables (Note 15)	448	32	342	150	24
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Insurance premiums	608	646	318	362	340
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Operating lease expense	481	448	105	111	109
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Provision for closed landfill	186	120	186	(12)	120
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Other Expenditure	30,822	29,991	20,707	20,154	20,881
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<b>Total Other Operating Expenses</b>	<b>\$34,381</b>	<b>\$32,863</b>	<b>\$22,987</b>	<b>\$22,307</b>	<b>\$22,620</b>
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# Notes to the Financial Statements

Consolidated		Council only	
2017	2016	2017	2016
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 8: Taxation

### Taxation - Policy

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

- Current tax
  - Income tax payable based on the taxable profit for the current year, plus any adjustments to income tax related to prior years.
- Deferred tax
  - Income tax payable or recoverable in future periods related to temporary differences and unused tax losses. 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.
  - Deferred tax liabilities are generally recognised for all taxable temporary differences, but deferred tax assets are recognised only to the extent that taxable profits are likely to be available against which the 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 profit nor taxable profit.
  - Deferred tax is calculated at tax rates that are expected to apply when the liability is settled or the asset is realised.

### Analysis of Taxation expense and Tax Provision

#### Relationship between tax expense and accounting profit

Net surplus / (deficit) before taxation	457	237	1,531	1,320
Prima facie taxation at 28%	128	66	429	370
Plus/(Less) Taxation Effect of Differences				
- revenue not liable for taxation	(27)	231	(429)	(370)
Income Tax Expense	<u>\$ 101</u>	<u>\$ 297</u>	<u>-</u>	<u>-</u>
<i>This is represented by:</i>				
Current taxation	231	435	-	-
Prior year adjustment	(208)	(63)	-	-
Deferred taxation provision	78	(75)	-	-
Income Tax Expense	<u>\$ 101</u>	<u>\$ 297</u>	<u>-</u>	<u>-</u>
Deferred taxation liability/(benefit)				
Opening balance	545	620	-	-
Deferred taxation position current year	78	(75)	-	-
Total Deferred Tax	<u>\$ 623</u>	<u>\$ 545</u>	<u>-</u>	<u>-</u>
<i>Deferred taxation comprises:</i>				
Short term temporary differences	623	545	-	-
	<u>\$ 623</u>	<u>\$ 545</u>	<u>-</u>	<u>-</u>

Council has not recognised a deferred tax asset related to unused tax losses of \$58,553 which can be offset against future taxable revenue (2016: \$320,776).

Whitestone Contracting Ltd has imputation credits of \$2,101,176 (2016: \$1,876,581) and Tourism Waitaki Ltd \$34,779 (2016: \$17,927) which can be used to impute dividend payments made to Council, neither of which are recorded in the financial statements.

# Notes to the Financial Statements

	Consolidated		Council only	
	2017	2016	2017	2016
	<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 a number of components to 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 the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

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

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

### Ratepayers Equity

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



# Notes to the Financial Statements

	Consolidated		Council only	
	2017	2016	2017	2016
	<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	416,724	412,994	407,181	403,451
Roading Decrease	-	-	-	-
Roading Disposals (to operating reserve)	-	(287)	-	(287)
Water & Waste Increase	-	5,824	-	5,824
Water & Waste Disposals (to operating reserve)	(813)	(738)	(813)	(738)
Property Increase (Decrease)	10,084	-	9,741	-
Property Disposals (to operating reserve)	(922)	(1,069)	(922)	(1,069)
Balance at 30 June	<u>\$425,073</u>	<u>\$416,724</u>	<u>\$415,187</u>	<u>\$407,181</u>
<b>Represented by</b>				
Infrastructural Assets	359,525	360,338	359,525	360,338
Council Property	55,537	46,718	55,537	46,718
Council Other (Museum)	125	125	125	125
Waitaki District Health Services Ltd	7,079	7,079	-	-
Whitestone Contracting Ltd	2,807	2,464	-	-
Balance at 30 June	<u>\$425,073</u>	<u>\$416,724</u>	<u>\$415,187</u>	<u>\$407,181</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	34,707	34,076	19,271	17,260
Net surplus/(deficit) after tax	356	(60)	1,531	1,320
Transfer from Revaluation Reserves	1,735	2,094	1,735	2,094
Transfer from Other Reserves	1,975	1,181	1,975	1,181
Transfer to Other Reserves	(2,580)	(2,584)	(2,580)	(2,584)
Balance at 30 June	<u>\$36,193</u>	<u>\$34,707</u>	<u>\$21,932</u>	<u>\$19,271</u>

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

# Notes to the Financial Statements

	Consolidated		Council only	
	2017	2016	2017	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 9: Public Equity (Continued)

### Other Reserves

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

#### • Restricted Reserves

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

Balance at 1 July	14,237	12,833	14,237	12,833
Deposits and Interest	2,307	2,554	2,550	2,554
To Operating Reserves to meet disbursements	(1,706)	(1,150)	(1,949)	(1,150)
Balance at 30 June	\$14,838	\$14,237	\$14,838	\$14,237
<b>Represented by</b>				
Special Funds	13,050	12,560	13,050	12,560
Trust Funds	1,787	1,676	1,787	1,676
Loan Funds	1	1	1	1
Balance at 30 June	\$14,838	\$14,237	\$14,838	\$14,237

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

#### • Trust Funds

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

Balance at 1 July	-	1	-	1
Deposits and Interest	30	30	30	30
To Operating Reserves to meet disbursements	(26)	(31)	(26)	(31)
Balance at 30 June	\$4	\$-	\$4	\$-
<b>Represented by</b>				
SPARC Commission Funds	-	-	-	-
Creative Communities Funds	4	-	4	-
Balance at 30 June	\$4	\$-	\$4	\$-
<b>Total Other Reserves</b>	\$14,842	\$14,237	\$14,842	\$14,237

# Notes to the Financial Statements

## Note 9: Public Equity (Continued)

### Other Reserves (Continued)

Type of Reserve	Purpose of Reserve		Balance at 1 July 2015 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2016 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2017 \$000
<b>Special Reserves</b>									
<u>Development Funds</u>									
Roading	Future expansion and upgrading infrastructure for grow th		605	167	(229)	543	252	(245)	550
Water			1,552	306	(94)	1,764	297	(728)	1,333
Sewer			1,979	166	-	2,145	176	-	2,321
Total Development Funds		A	4,136	639	(323)	4,452	725	(973)	4,204
<u>Other Council-created Funds</u>									
Disaster & Insurance Excess Funds	Contingency for rapid response	B							
		C	3,532	222	(35)	3,719	202	(66)	3,855
Land Endowment Fund	Operational funding	D	1,458	280	(179)	1,559	298	(236)	1,621
Community Housing Fund	Community housing projects & upgrades	E	722	30	-	752	26	(170)	608
Forestry Planting Fund	Net proceeds from forestry activities	F	357	765	52	1,174	249	-	1,423
Other Council-created funds	Established for other specific purposes		832	461	(389)	904	563	(128)	1,339
<b>Total Special Reserves</b>			<b>11,037</b>	<b>2,397</b>	<b>(874)</b>	<b>12,560</b>	<b>2,063</b>	<b>(1,573)</b>	<b>13,050</b>
<b>Trust Funds</b>									
Waitaki Heritage Fund	Support for heritage projects	G	254	11	(6)	259	251	(136)	374
RMA Reserve	Future recreational developments		821	110	(214)	717	193	(220)	690
Oamaru Public Gardens	Grants, donations, bequests and other gifts for specific purposes		183	7	-	190	7	-	197
North Otago Museum			162	11	(40)	133	8	(9)	132
Other community purposes			375	18	(16)	377	28	(11)	394
<b>Total Trust Funds</b>			<b>1,795</b>	<b>157</b>	<b>(276)</b>	<b>1,676</b>	<b>487</b>	<b>(376)</b>	<b>1,787</b>
<b>Reserved Funds</b>									
SPARC and Creative NZ Funds	Funds for community organisation grants		1	30	(31)	-	30	(26)	4
Loan Funds	Repayments of heritage loans		1	-	-	1	-	-	1
<b>Total Reserved Funds</b>			<b>2</b>	<b>30</b>	<b>(31)</b>	<b>1</b>	<b>30</b>	<b>(26)</b>	<b>5</b>
<b>Total Restricted Reserves</b>			<b>\$ 12,834</b>	<b>\$ 2,584</b>	<b>(\$ 1,181)</b>	<b>\$ 14,237</b>	<b>\$ 2,580</b>	<b>(\$ 1,975)</b>	<b>\$ 14,842</b>

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

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

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

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

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

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

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

# Notes to the Financial Statements

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

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

### **Accounting for Revaluations**

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

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

### **Additions**

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

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

### **Work in Progress**

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

### **Subsequent Costs**

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

# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (continued)

### Property, Plant and Equipment – Policy (continued)

#### Disposals

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

#### Depreciation

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

#### Infrastructure Assets

##### Roading

Formation, base course	Not depreciated	N/A
Pavement structure	30 – 70 years	1.43% - 3.33%
Surfacing	4 – 17 years	6.67% - 25%
Drainage, Footpaths	10 – 100 years	1% - 10%
Bridges, retaining structures	50 – 100 years	1% - 2%
Street lights, railings	4 – 35 years	2.85% - 25%

##### Water Schemes

Headworks	10 – 100 years	1% - 10%
Reservoirs	10 – 150 years	0.67% - 10%
Pumps	10 – 20 years	5% - 10%
Reticulation	40 – 150 years	0.67% - 2.5%

##### Sewerage Schemes

Reticulation	50 – 120 years	0.83% - 2%
Pumps	10 – 20 years	5% - 10%
Treatment works	10 – 100 years	1% - 10%

##### Stormwater - reticulation

Transfer stations, landfill development	80 – 150 years	0.67% - 1.25%
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##### Alps2Ocean Cycle Trail

Track formation, base course	Not depreciated	N/A
Track surface	10 years	10%
Bridges, retaining structures	50 – 60 years	1.67% - 2%
Facilities – signage	12 years	8.33%
Facilities – livestock proofing	35 years	2.85%

Buildings	15 – 100 years	1% - 6.67%
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Harbour – wharves and breakwater	40 – 100 years	1% - 2.5%
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Motor vehicles	3 – 10 years	10% - 33.33%
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Cultural and heritage assets – library books	7 years	14.28%
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Office equipment	2 – 5 years	20% - 50%
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Office furniture & fittings	2 – 10 years	10% - 50%
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# Notes to the Financial Statements

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## Note 10: Property, Plant and Equipment (continued)

### Property, Plant and Equipment – Policy (continued)

#### Depreciation

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

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

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

#### Fair Values

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

#### Revaluations

Certain classes of assets, as detailed below, are revalued on a three-yearly cycle.

#### *Land and Buildings*

Property holdings, with the exception of Parks and the Oamaru Airport, were valued at 1 July 2016 by Andrew Parkyn, B.Com (VPM), PG Dip Com, SPINZ, ANZIV, of QV Asset & Advisory. Parks infrastructural assets were valued at 1 July 2016 by George Jason Smith BE (NSW) MIPENZ, CPEng, of AECOM NZ Ltd, while the valuation of the Oamaru Airport and associated assets was completed by Miles Wyatt, NZCE, Dip (BUS), CMEngNZ (Eng. Technologist), REA, REAcap, also of AECOM NZ Ltd.

#### *Infrastructural Assets*

The roading network, including bridges, retaining structures and land under roads, was valued as at 1 July 2014 by Mel England, BE Civil (Hons), of Opus International Consultants Ltd.

The valuation of water, waste and drainage assets as at 1 July 2015 was prepared by Council's engineers, and peer reviewed by John Vessey, BE (Civil) FIPENZ of Opus International Consultants Limited.

#### Harbour Assets

Deemed cost of harbour wharves and other structures, and of the Oamaru 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)

2017 Council Only	Cost/ Valuation 01-Jul-16 \$000	Current Year Assets Constructed by WDC \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-17 \$000	Accum Depn & Impairment Charges 01-Jul-16 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-17 \$000	Book Value 30-Jun-16 \$000	Book Value 30-Jun-17 \$000
Land	44,499	162	281	(583)	3,220	47,579							44,499	47,579
Buildings and Improvements	43,463	1,227	230	(371)	214	44,763	7,018	2,584	(22)	(6,307)		3,273	36,445	41,490
Infrastructural Assets														
- Roading	468,088	5,911				473,999	9,202	4,554				13,756	458,886	460,243
- Bridges	22,054	610				22,664	1,183	592				1,775	20,871	20,889
- Water Supply Schemes:														
Treatment Plants and Facilities	14,474	1,346		(353)		15,467	775	786	(198)			1,363	13,699	14,104
Other Assets (ie Reticulation)	41,658	531		(414)		41,775	855	863	(24)			1,694	40,803	40,081
- Sewerage Schemes:														
Treatment Plants and Facilities	8,102					8,102	312	314				626	7,790	7,476
Other Assets (ie Reticulation)	33,301	68	200	(72)		33,497	683	683	(2)			1,364	32,618	32,133
- Drainage Schemes	15,078	64				15,142	223	222				445	14,855	14,697
- Solid Waste Facilities	1,300					1,300	1,033	59				1,092	267	208
- Oamaru Harbour	32,509					32,509	5,076	341				5,417	27,433	27,092
- Alps to Ocean	3,443	764				4,207	246	140				386	3,197	3,821
Total Infrastructural Assets	640,007	9,294	200	(839)		648,662	19,588	8,554	(224)			27,918	620,419	620,744
Operational Assets														
- Plant, Equipment and Vehicles	2,246	138	8	(204)		2,188	1,181	178	(151)			1,208	1,065	980
- Office Equipment and Fittings	3,507	416		(40)		3,883	2,800	274	(40)			3,034	707	849
Total Operational Assets	5,753	554	8	(244)		6,071	3,981	452	(191)			4,242	1,772	1,829
Collections	2,127	101	6	(189)		2,045	647	86	(175)			558	1,480	1,487
Capital Works in Progress	4,617	4,482		(2,988)		6,111							4,617	6,111
	740,466	15,820	725	(5,214)	3,434	755,231	31,234	11,676	(612)	(6,307)		35,991	709,232	719,240

# Notes to the Financial Statements

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

2016 Council Only	Cost/ Valuation 01-Jul-15 \$000	Current Year Assets Constructed by WDC \$000	Current Year Assets Transferred to WDC \$000	Current Year Disposals \$000	Revaluation \$000	Cost/ Valuation 30-Jun-16 \$000	Accum Depn & Impairment Charges 01-Jul-15 \$000	Current Year Depreciation \$000	Current Year Disposals \$000	Revaluation \$000	Current Year Impairment Charges \$000	Accum Depn & Impairment Charges 30-Jun-16 \$000	Book Value 30-Jun-15 \$000	Book Value 30-Jun-16 \$000
Land	46,428	3	21	(1,953)		44,499							46,428	44,499
Buildings and Improvements	43,638	501		(676)		43,463	4,940	2,241	(163)			7,018	38,698	36,445
Infrastructural Assets														
- Roadings	462,403	6,140	14	(469)		468,088	4,713	4,489				9,202	457,690	458,886
- Bridges	22,017	37				22,054	592	591				1,183	21,425	20,871
- Water Supply Schemes:														
Treatment Plants and Facilities	17,203	143		(299)	(2,573)	14,474	2,409	789	(27)	(2,396)		775	14,794	13,699
Other Assets (ie Reticulation)	41,226	759		(539)	212	41,658	2,257	871	(45)	(2,228)		855	38,969	40,803
- Sewerage Schemes:														
Treatment Plants and Facilities	8,585	19		(10)	(492)	8,102	860	315	(2)	(861)		312	7,725	7,790
Other Assets (ie Reticulation)	32,972	34		(18)	313	33,301	1,853	684	(2)	(1,852)		683	31,119	32,618
- Drainage Schemes	14,703			(37)	412	15,078	616	224	(1)	(616)		223	14,087	14,855
- Solid Waste Facilities	1,288	12				1,300	970	63				1,033	318	267
- Oamaru Harbour	32,496	13				32,509	4,736	340				5,076	27,760	27,433
- Alps to Ocean	2,443	1,000				3,443	137	109				246	2,306	3,197
Total Infrastructural Assets	635,336	8,157	14	(1,372)	(2,128)	640,007	19,143	8,475	(77)	(7,953)		19,588	616,193	620,419
Operational Assets														
- Plant, Equipment and Vehicles	2,203	246	22	(225)		2,246	1,129	199	(147)			1,181	1,074	1,065
- Office Equipment and Fittings	3,203	320		(16)		3,507	2,581	235	(16)			2,800	622	707
Total Operational Assets	5,406	566	22	(241)		5,753	3,710	434	(163)			3,981	1,696	1,772
Collections	2,246	108	5	(232)		2,127	777	90	(220)			647	1,469	1,480
Capital Works in Progress	2,914	3,009		(1,306)		4,617							2,914	4,617
	735,968	12,344	62	(5,780)	(2,128)	740,466	28,570	11,240	(623)	(7,953)		31,234	707,398	709,232



# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (Consolidated)

2017 Consolidated	Cost/ Valuation 01-Jul-16	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-17	Accum Depn & Impairment Charges 01-Jul-16	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-17	Book Value 30-Jun-16	Book Value 30-Jun-17
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	49,217	3	21	(1,938)		47,303							49,217	47,303
Buildings and Improvements	55,276	687	95	(778)		55,280	5,121	2,665	(264)			7,522	50,155	47,758
Infrastructural Assets														
- Roading	462,403	6,140	14	(469)		468,088	4,713	4,489				9,202	457,690	458,886
- Bridges	22,017	37				22,054	592	591				1,183	21,425	20,871
- Water Supply Schemes														
Treatment Plants and Facilities	17,203	143		(299)	(2,573)	14,474	2,409	789	(27)	(2,396)		775	14,794	13,699
Other Assets (ie Reticulation)	41,226	759		(539)	212	41,658	2,257	871	(45)	(2,228)		855	38,969	40,803
- Sewerage Schemes														
Treatment Plants and Facilities	8,585	19		(10)	(492)	8,102	860	315	(2)	(861)		312	7,725	7,790
Other Assets (ie Reticulation)	32,972	34		(18)	313	33,301	1,853	684	(2)	(1,852)		683	31,119	32,618
- Drainage Schemes	14,703			(37)	412	15,078	616	224	(1)	(616)		223	14,087	14,855
- Solid Waste	1,288	12				1,300	970	63				1,033	318	267
- Oamaru Harbour	32,496	13				32,509	4,736	340				5,076	27,760	27,433
- Alps to Ocean	2,443	1,000				3,443	137	109				246	2,306	3,197
Total Infrastructural Assets	635,336	8,157	14	(1,372)	(2,128)	640,007	19,143	8,475	(77)	(7,953)		19,588	616,193	620,419
Operational Assets														
- Plant, Equipment and Vehicles	24,691	2,045	22	(1,095)		25,663	17,168	1,592	(891)		32	17,901	7,523	7,762
- Office Equipment and Fittings	4,721	470		(82)		5,109	3,730	347	(80)			3,997	991	1,112
Total Operational Assets	29,412	2,515	22	(1,177)		30,772	20,898	1,939	(971)		32	21,898	8,514	8,874
Collections	2,246	108	5	(232)		2,127	777	90	(220)			647	1,469	1,480
Capital Works in Progress	2,914	3,060		(1,306)		4,668							2,914	4,668
	774,401	14,530	157	(6,803)	(2,128)	780,157	45,939	13,169	(1,532)	(7,953)	32	49,655	728,462	730,502

# Notes to the Financial Statements

## Note 10: Property, Plant and Equipment (Consolidated)

2016 Consolidated	Cost/ Valuation 01-Jul-15	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals	Revaluation	Cost/ Valuation 30-Jun-16	Accum Depn & Impairment Charges 01-Jul-15	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-16	Book Value 30-Jun-15	Book Value 30-Jun-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	49,217	3	21	(1,938)		47,303							49,217	47,303
Buildings and Improvements	55,276	687	95	(778)		55,280	5,121	2,665	(264)			7,522	50,155	47,758
Infrastructural Assets														
- Roading	462,403	6,140	14	(469)		468,088	4,713	4,489				9,202	457,690	458,886
- Bridges	22,017	37				22,054	592	591				1,183	21,425	20,871
- Water Supply Schemes														
Treatment Plants and Facilities	17,203	143		(299)	(2,573)	14,474	2,409	789	(27)	(2,396)		775	14,794	13,699
Other Assets (ie Reticulation)	41,226	759		(539)	212	41,658	2,257	871	(45)	(2,228)		855	38,969	40,803
- Sewerage Schemes														
Treatment Plants and Facilities	8,585	19		(10)	(492)	8,102	860	315	(2)	(861)		312	7,725	7,790
Other Assets (ie Reticulation)	32,972	34		(18)	313	33,301	1,853	684	(2)	(1,852)		683	31,119	32,618
- Drainage Schemes	14,703			(37)	412	15,078	616	224	(1)	(616)		223	14,087	14,855
- Solid Waste	1,288	12				1,300	970	63				1,033	318	267
- Oamaru Harbour	32,496	13				32,509	4,736	340				5,076	27,760	27,433
- Alps to Ocean	2,443	1,000				3,443	137	109				246	2,306	3,197
Total Infrastructural Assets	635,336	8,157	14	(1,372)	(2,128)	640,007	19,143	8,475	(77)	(7,953)		19,588	616,193	620,419
Operational Assets														
- Plant, Equipment and Vehicles	24,691	2,045	22	(1,095)		25,663	17,168	1,592	(891)		32	17,901	7,523	7,762
- Office Equipment and Fittings	4,721	470		(82)		5,109	3,730	347	(80)			3,997	991	1,112
Total Operational Assets	29,412	2,515	22	(1,177)		30,772	20,898	1,939	(971)		32	21,898	8,514	8,874
Collections	2,246	108	5	(232)		2,127	777	90	(220)			647	1,469	1,480
Capital Works in Progress	2,914	3,060		(1,306)		4,668							2,914	4,668
	774,401	14,530	157	(6,803)	(2,128)	780,157	45,939	13,169	(1,532)	(7,953)	32	49,655	728,462	730,502

# 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:

	2017	2016
	<u>\$000</u>	<u>\$000</u>
Infrastructural Assets – roading and bridges	92	176
Infrastructural Assets – water supply schemes	4,095	2,230
Infrastructural Assets – sewerage schemes	805	709
Infrastructural Assets – drainage schemes	64	128
Property and other assets	1,055	1,374
Total	<u>\$6,111</u>	<u>\$4,617</u>

### Restricted Assets

The asset categories Land, and Buildings and Improvements, include properties that are restricted. These restrictions affect Council's right to use, or dispose of, the asset, and may derive either from legislation (such as the Reserves Act 1977) or from the terms of particular endowments or bequests which determine the purpose for which the assets may be used. These assets have a carrying value of \$8,806,482 (2016: \$6,081,118).

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

The Canterbury earthquakes highlighted the importance of risk management and of insurance and risk financing in the protection of public assets. Council can provide key services in the future only if its infrastructure assets, in particular, remain available for use, and must consider carefully ways of managing risk effectively and making the best use of insurance and other mitigation tools.

#### - Water, Waste Water and Storm Water Assets

Total carrying value \$108,491,286. Individual assets valued in excess of \$1,000,000 are insured – value of these assets for insurance purposes is \$34,429,640 (2016: \$34,429,640). Council mitigates the risk related to the remaining assets through its membership of the Local Authority Protection Programme (LAPP), use of depreciation reserves and the Disaster Fund (refer below).

Estimated cost of full replacement of the assets totals \$201,680,000, based on the most recent valuation at 1 July 2015, and subsequent additions at cost or valuation, and can be analysed as follows:

Water Supply schemes – treatment plants and facilities	\$31,340,000
Water Supply schemes – other assets (ie reticulation)	\$69,457,000
Waste Water (Sewerage) schemes – treatment plants and facilities	\$21,219,000
Waste Water (Sewerage) schemes – other assets (ie reticulation)	\$53,340,000
Storm Water (Drainage) schemes	\$26,324,000

#### - Land and Buildings

Land has a carrying value of \$47,579,535 and cannot be insured. Restoration might be funded by the Earthquake Commission if the loss resulted from an earthquake or landslide.

Buildings have a carrying value of \$41,489,654, and a value of \$99,684,369 (2016: \$61,174,366) 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).

#### - Roothing Assets, including bridges and footpaths

Total carrying value \$481,131,919. Not specifically insured, but significant loss or damage would be subsidised by the New Zealand Transport Agency, which has subsidised costs from storm events in previous years. 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 \$627,526,000 based on the valuation at 1 July 2014.

#### - Solid Waste facilities, Oamaru Harbour and the Alps2Ocean Cycle Trail

Total carrying value of \$31,121,709. Not specifically insured. Replacement or reinstatement would be funded from operational budgets or depreciation reserves.

## Notes to the Financial Statements

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### Note 10: Property, Plant and Equipment (continued)

#### - Art Works, Museum Collections, Library Books

Total carrying value \$1,486,513. Valued at \$3,918,550 for insurance purposes (2016: \$3,772,500), being \$2,918,550 for Council's own art works (2016: \$2,722,500), and \$1,000,000 for art works on loan to Council (2016: \$1,050,000). 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 \$979,707, and a value for insurance purposes of \$1,010,275 (2016: \$1,112,515). All are insured for replacement value.

Other items with a carrying value of \$847,842 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	\$719,239,609
Total value of cover for insurance purposes	<u>\$139,042,834</u>
Total value of uninsured assets	\$580,196,775

Significant uninsured assets include:

Roading Network (NZTA subsidies, Council reserves)	\$481,131,919
Water, Waste water and stormwater assets (LAPP assistance)	\$74,061,646
Land holdings (uninsurable, potential Earthquake Commission funding)	\$47,579,535
Solid Waste, Harbour, Cycle Trail	\$31,121,709

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 a significant and damaging event and to provide a reserve to meet uninsured losses that may arise. At 30 June 2016, the Disaster Fund stood at \$3,697,570 (2016: \$3,582,771), and the Insurance Excess Fund totalled \$156,869 (2016: \$135,538). Council maintains committed cash facilities with its bankers to provide additional and immediate funding to meet any shortfall.

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

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

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

# Notes to the Financial Statements

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## Note 11: Intangible Assets

### Intangible Assets – policy

Intangible assets are identifiable non-monetary assets without physical substance. The main categories of intangible assets are:

#### *Software*

Computer software licenses are capitalised based on costs incurred to acquire and bring into use. Costs, including employee costs and related overheads, associated with the development of 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. Carbon credits 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 used to satisfy carbon emission obligations.

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

#### *Other Intangible Assets, include:*

##### *- Goodwill*

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

##### *- Resource consents*

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

##### *- Other*

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

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

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

# Notes to the Financial Statements

	2017				2016			
	Software	Carbon Credits	Other	Total	Software	Carbon Credits	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000

## Note 11: Intangible Assets (continued)

### Council only

Balance at 1 July

Cost	2,114	63	165	2,342	1,969	81	165	2,215
Accumulated Amortisation	(1,307)	-	(140)	(1,447)	(1,090)	-	(133)	(1,223)
Opening Book Value	807	63	25	895	879	81	32	992

Movements for the year

Additions	36	-	-	36	145	-	-	145
Disposals - cost	-	(39)	-	(39)	-	(18)	-	(18)
Amortisation charge	(205)	-	(6)	(211)	(217)	-	(7)	(224)
Disposals - accum amortisation	-	-	-	-	-	-	-	-
Net movement for the year	(169)	(39)	(6)	(214)	(72)	(18)	(7)	(97)

Balance at 30 June

Cost	2,150	24	165	2,339	2,114	63	165	2,342
Accumulated Amortisation	(1,512)	-	(146)	(1,658)	(1,307)	-	(140)	(1,447)
Closing Book Value	<b>\$638</b>	<b>\$24</b>	<b>\$19</b>	<b>\$681</b>	<b>\$807</b>	<b>\$63</b>	<b>\$25</b>	<b>\$895</b>

### Consolidated

Balance at 1 July

Cost	2,245	63	988	3,296	2,069	81	988	3,138
Accumulated Amortisation	(1,349)	-	(589)	(1,938)	(1,107)	-	(448)	(1,555)
Opening Book Value	896	63	399	1,358	962	81	540	1,583

Movements for the year

Additions	44	-	-	44	176	-	-	176
Disposals - cost	-	(39)	-	(39)	-	(18)	-	(18)
Amortisation charge	(235)	-	(28)	(263)	(242)	-	(141)	(383)
Disposals - accum amortisation	-	-	-	-	-	-	-	-
Net movement for the year	(191)	(39)	(28)	(258)	(66)	(18)	(141)	(225)

Balance at 30 June

Cost	2,289	24	988	3,301	2,245	63	988	3,296
Accumulated Amortisation	(1,584)	-	(617)	(2,201)	(1,349)	-	(589)	(1,938)
Closing Book Value	<b>\$705</b>	<b>\$24</b>	<b>\$371</b>	<b>\$1,100</b>	<b>\$896</b>	<b>\$63</b>	<b>\$399</b>	<b>\$1,358</b>

## 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

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 12: Forestry Assets

#### Forestry Assets – Policy

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

#### Analysis of Forestry Assets

Balance at 1 July	253	402	253	402
Forestry area (7.5ha) divested to DOC	-	(4)	-	(4)
Impact arising from harvesting activities	(112)	(247)	(112)	(247)
Gains / (Losses) arising from changes in fair value less estimated point of sale costs	85	102	85	102
Balance at 30 June	\$226	\$253	\$226	\$253

Council has forest stands covering a net stocked area of 102.7ha (2016: 88.28ha), planted mainly in *pinus radiata* in the Waitaki district. These are at varying stages of maturity, mainly from 20 – 30 years. Council's forestry holdings are primarily for aesthetic and land protection purposes.

The annual valuation, dated 30 June 2017, 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% (2016: 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 2016/17 financial year Council had arranged insurance which provides maximum cover of \$180,424 (2016: \$223,861) for the forestry plantations, up to \$250,000 (2016: \$250,000) for fire-fighting costs and up to \$111,800 (2016: \$111,800) for replanting and other re-establishment costs. The reduced level of insurance cover reflects the decreased value of the forest asset after logging activities undertaken during the year.

#### Emissions Trading Scheme

The forestry plantations are professionally managed and Council adheres strictly to a replanting plan developed by its advisers to ensure that there is no liability related to the Emissions Trading Scheme. Council holds 8,340 carbon credits specifically related to its forestry asset (refer note 11).

# Notes to the Financial Statements

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## Note 13: Other Financial Assets

### Other Financial Assets – Policy

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

#### Term deposits, community and other loans (Loans and Receivables)

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

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

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

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

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

#### Listed and unlisted shares (available for sale)

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

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

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

#### Shares in subsidiaries

Council consolidates in the group financial statements all entities where Council has the capacity to control financing and operating policies so as to obtain benefits from the activities of the subsidiaries. This right exists through the exercise of majority voting power on the governing body or where such policies have been irreversibly determined by Council, or where the determination of such policies is unable to materially affect the level of potential ownership benefits arising from the activities of the subsidiary.

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



## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
<b>Note 13: Other Financial Assets (continued)</b>				
<b>Analysis of Other Financial Assets</b>				
<b>Non-Current</b>				
<b>Available for sale</b>				
Shares in other companies (see below)	145	145	145	145
<b>Investments Carried at Cost</b>				
Shares in Subsidiaries	-	-	4,912	4,912
<b>Loans and Receivables</b>				
Mortgages and Secured Loans	27,435	19,526	25,060	17,663
Total Non-Current Other Financial Assets	\$27,580	\$19,671	\$30,117	\$22,720
<b>Current</b>				
Term Deposits maturing between 3 & 12 months	12,876	17,310	9,425	14,750
Mortgages and Secured Loans	16	1	16	1
Total Current Other Financial Assets	\$12,892	\$17,311	\$9,441	\$14,751
<b>Maturity Profile</b>				
Within one year	12,892	17,311	9,441	14,751
One to two years	301	1	301	1
Two to five years	17,047	662	17,047	662
Five years and over	10,232	19,008	7,857	17,145
Total Other Financial Assets	\$40,472	\$36,982	\$34,646	\$32,559

The effective interest rate on mortgages and secured loans at year end was 3.42% (2016: 4.56%).

### Loans and Receivables

Mortgages and Secured Loans include:

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

Observatory Village Lifecare Ltd	7,222	-	7,222	-
Observatory Village Charitable Trust	5,600	4,141	-	-
Less: Provision for Impairment	(3,225)	(2,278)	-	-

Council's advance is secured by a General Security Agreement over the company's assets, with interest based on the 1 year bill rate, plus a margin. Council's lending is capped at a maximum of \$8,250,000. The Group's advance to the Trust is secured over its interests in Observatory Village Lifecare Ltd and Observatory Village Care Ltd, and includes an interest-free element on which repayments are expected to commence in the 2028 financial year. The loan has been recorded at fair value based discounted cash flows using a discount rate of 6.09% (2016: 5.77%). This has resulted in an additional fair value adjustment of \$947,000 which is shown in Note 5.

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 13: Other Financial Assets (continued)

#### Shares in Other Companies Carried at Cost

Council holds shares in the following unlisted companies:

##### Civic Financial Services Limited (balance date 31 December)

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

##### Lower Waitaki Irrigation Co Limited (balance date 31 December)

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

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

### Note 14: Cash and Cash Equivalents

#### Cash and cash equivalents – Policy

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

#### Analysis of Cash and cash equivalents

Cash at bank and in hand	602	1,296	63	178
Deposits with initial terms of 3 months or less	4,938	5,906	4,420	2,285
Total Cash Equivalents	\$5,540	\$7,202	\$4,483	\$2,463

### Note 15: Trade and Other Receivables

#### Trade and other receivables – Policy

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

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

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

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 15: Trade and Other Receivables (continued)

#### Receivables comprise

Receivables from non-exchange transactions				
<i>Rates, grants, infringements and fees and charges for services that are partly subsidised from rates</i>	3,993	4,008	2,981	2,957
Receivables from exchange transactions				
<i>Outstanding debt for commercial sales and fees and charges that are not subsidised from rates</i>	3,482	3,660	489	990
<b>Total Receivables</b>	<b>\$7,475</b>	<b>\$7,668</b>	<b>\$3,470</b>	<b>\$3,947</b>

#### Analysis of Receivables, and other information

Rates	1,331	2,308	1,331	2,308
Government Funding	2,255	2,615	1,278	1,621
Inter-company	-	-	19	53
Infringements	55	37	55	37
Sundry Debtors	4,201	3,607	1,146	701
Total Receivables	7,842	8,567	3,829	4,720
Less Provision for Impairment	(367)	(899)	(359)	(773)
Total Receivables	\$7,475	\$7,668	\$3,470	\$3,947

The only significant concentration of credit risk outside the group is with the New Zealand Transport Agency for Council, with the Southern District Health Board also significant for the group. Given the nature of these organisations, the risk is considered very low.

#### Aging profile of Receivables

Not yet overdue	6,285	6,870	3,041	3,744
Overdue 0 – 30 days	523	383	269	136
Overdue 30 – 60 days	267	218	74	16
Overdue more than 61 days	767	1,096	445	824
Total Receivables	\$7,842	\$8,567	\$3,829	\$4,720

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 15: Trade and Other Receivables (continued)

#### Analysis of Provision for impairment

Individual provision	45	160	37	34
Collective provision	322	739	322	739
Total Provision	\$367	\$899	\$359	\$773

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	899	839	773	762
Increase / (Decrease) in Provision	(11)	77	3	24
Less Receivables written off	(521)	(17)	(417)	(13)
Total Provision	\$367	\$899	\$359	\$773

### Note 16: Assets Held for Sale

#### Assets held for sale – Policy

Non-current assets held for sale are recognised as a current asset 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 – Omarama, 13 (2016: 14) residential sites	-	1,000	-	1,000
Land and buildings – Boundary Creek site	369	369	369	369
Land – Oamaru, former hospital site	-	289	-	289
Land – Waitaki District, 3 sites	-	152	-	152
Total Assets held for Sale	\$1,519	\$2,960	\$1,519	\$2,960

The Boundary Creek site was sold in July 2017. The North End Industrial Park sites are subject to an agreement for sale and purchase, with deferred settlement. Interest is charged on the outstanding balance. Settlement is required by June 2023, but the precise timing cannot be determined.

#### Classification of Assets held for Sale

Non-current asset	1,150	1,150	1,150	1,150
Current asset	369	441	369	441
Total Assets held for Sale	1,519	\$2,960	1,519	\$2,960

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 17: Construction contracts

#### Construction contracts – Policy

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

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

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

#### Analysis of Construction work in progress

Contract costs	5,291	5,851	-	-
Profit recognised to date	949	1,258	-	-
Gross construction work in progress	6,240	7,109	-	-
Less progress billings	(6,137)	(7,109)	-	-
Net construction work in progress	103	-	-	-
Other contracts	52	90	-	-
Total Work in Progress	\$155	\$90	-	-

### Note 18: Inventories

#### Inventories – Policy

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

#### Analysis of Inventories

Retail Inventories	93	109	11	11
Metal and Soil Stocks	515	335	-	-
Logged Timber	15	18	15	18
Other Supplies	504	518	-	-
Less Provision for Obsolescence	(45)	(30)	-	-
Total inventory classified as Current	\$1,082	\$950	\$26	\$29

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 19: Provisions

#### Provisions – Policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, 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	755	635	736	616
Provision utilised	(102)	(257)	(94)	(257)
Additions to Provision	279	377	279	377
	<u>\$932</u>	<u>\$755</u>	<u>\$921</u>	<u>\$736</u>

#### Analysed:

Non-Current	788	387	788	387
Current	144	368	133	349
	<u>\$932</u>	<u>\$755</u>	<u>\$921</u>	<u>\$736</u>

#### Estimating Landfill aftercare costs – Critical accounting estimates and assumptions

Council has operated landfills in Oamaru 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 Oamaru 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 in 10 to 30 years' time (between 2027 and 2047). The extremely long-term nature of this liability means there are inherent uncertainties in the estimation of the costs that will be incurred. These 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 landfills, as determined by current and expected future volumes, and the anticipated costs of cleaning up, capping and monitoring the sites. Gross costs, before being discounted to present value using a discount rate of 5.0% (2016: 5%), amount to \$1,285,570 (2016: \$1,067,209).

#### Site Restoration

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

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

### Note 20: Employee Entitlements

#### Employee Entitlements – Policy

##### *Short-term benefits*

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

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

##### *Long-term benefits*

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of estimated future cash flows, applying an appropriate discount rate and inflation factor. The discount rate is based on the weighted average of Government interest rates for stock 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 Pay	1,193	1,252	400	389
Annual Leave	2,628	2,662	674	626
Long Service Leave	114	101	-	-
Sick Leave	35	38	-	-
Continuing Medical Entitlements	172	150	-	-
	<u>\$4,142</u>	<u>\$4,203</u>	<u>\$1,074</u>	<u>\$1,015</u>
Analysed:				
Non-Current	102	94	-	-
Current	4,040	4,109	1,074	1,015
	<u>\$4,142</u>	<u>\$4,203</u>	<u>\$1,074</u>	<u>\$1,015</u>

#### Estimating long service leave obligations – Critical accounting estimates and assumptions

The present value of long service leave obligations depend on a number of factors. Key assumptions used in calculating this liability are the rate of salary inflation and the discount rate to be used. Any changes in these assumptions impact the carrying amount of the liability. Likely future payments have been discounted using a discount rate of 5% (2016: 5%) and a salary inflation rate of 3% (2016: 3%).

# Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

## Note 21: Borrowings and other financial liabilities

### Borrowings and other financial liabilities - Policy

#### *Borrowings on commercial terms*

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

#### *Finance Leases*

These transfer to the lessee substantially all risks and rewards of ownership of an asset, and are initially recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments

Finance costs are charged to surplus or deficit over the lease period, while the amount recognised as an asset is depreciated over the shorter of the lease term and the useful life of the asset

### Analysis of Borrowings and other financial liabilities

#### Non-Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	10	11	-	-
Total	\$10	\$11	\$-	\$-

#### Current Borrowing

Public Debt – secured	-	-	-	-
Other secured loans	1	1	-	-
Total	\$1	\$1	\$-	\$-
Total Borrowings	\$11	\$12	\$-	\$-

### Repayment Terms

The following is a maturity analysis of total debt:

Payable no later than one year	1	1	-	-
Later than one, not later than five years	10	11	-	-
	\$11	\$12	\$-	\$-

### Financing Costs

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

### Security

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



## Notes to the Financial Statements

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

#### Internal Loans (Council Only)

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

Internal loan balances outstanding at 30 June 2017 were \$22,673,484 (2016: \$23,943,328), as below:

#### Movements for the year ended 30 June 2017

Roads and Footpaths	18	534	-	(67)	467
Waste Water	16	313	18	(65)	266
Stormwater Damage	0	11	-	(6)	5
Water Supply	329	9,416	188	(657)	8,947
Waste Management and minimisation	18	554	-	(121)	433
Arts, Heritage and Culture	1	7	106	(1)	112
Parks and Recreation	28	709	217	(119)	807
Community amenities	4	107	5	(28)	84
Oamaru Harbour and Historic Precinct	53	1,528	428	(104)	1,852
Commercial and Development Activities	374	10,764	1,258	(2,322)	9,700
Environmental Regulation and Safety	-	-	-	-	-
Support Services	(841)				
	-	23,943	2,220	(3,490)	22,673

#### Movements for the year ended 30 June 2016

Roads and Footpaths	27	720	37	(223)	534
Waste Water	17	459	51	(197)	313
Stormwater Damage	3	108	-	(97)	11
Water Supply	395	9,754	380	(718)	9,416
Waste Management and minimisation	26	671	-	(117)	554
Arts, Heritage and Culture	-	8	-	(1)	7
Parks and Recreation	25	630	190	(111)	709
Community Amenities	2	43	69	(5)	107
Oamaru Harbour and Historic Precinct	68	1,694	9	(175)	1,528
Commercial and Development Activities	443	10,935	877	(1,048)	10,764
Environmental Regulation and Safety	-	53	-	(53)	-
Support Services	(1,006)				
	-	25,075	1,613	(2,745)	23,943

## Notes to the Financial Statements

	Consolidated		Council Only	
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000

### Note 22: Trade and Other Payables

#### Trade and other payables – Policy

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

#### Analysis of Trade and other payables

Sundry Creditors	5,871	5,352	3,439	3,244
Accruals	383	197	89	99
Owing to Subsidiaries	-	-	604	613
Revenue Charged or Received in Advance	1,125	1,262	994	911
Deposits	146	91	146	91
<b>Total Trade and other payables</b>	<b>\$7,525</b>	<b>\$6,902</b>	<b>\$5,272</b>	<b>\$4,958</b>

### Note 23: Commitments

#### Capital Commitments

Water infrastructure	541	452	5,323	452
Roading infrastructure	1,736	-	1,736	375
Property & Plant	470	865	-	416
<b>Total Capital Commitments</b>	<b>\$2,747</b>	<b>\$1,317</b>	<b>\$7,059</b>	<b>\$1,243</b>

#### Contractual Commitments

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

Not later than one year	9,989	13,578	10,567	14,828
Later than one year and not later than two	7,863	1,871	7,843	2,451
Later than two years	10,087	4,528	10,067	4,489
<b>Total Contractual commitments</b>	<b>\$27,939</b>	<b>\$19,977</b>	<b>\$28,477</b>	<b>\$21,768</b>

Contractual commitments expected to be paid within twelve months after balance date include the balance of \$1.028 million to reach the revised approved lending cap of \$8.25 million for Observatory Village Lifecare Ltd (2016: loan funding of up to \$8 million).

#### Operating Leases

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

Not later than one year	206	229	106	104
Later than one year and not later than five years	162	392	96	193
Later than five years	-	1	-	-
<b>Total Operating Lease commitments</b>	<b>\$368</b>	<b>\$622</b>	<b>\$202</b>	<b>\$297</b>

# Notes to the Financial Statements

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## Note 24: Contingencies

### Council and Group

- The Building Act 2004 imposes certain obligations and liabilities on local authorities related to the issuing of building consents and the inspection of work done. In association with other local authorities, Council belongs to the Civic Liability Pool (CLP) established to provide insurance for claims under the Building Act 2004. Further calls may be made by the CLP on Council, and a liability will be recognised when there is certainty over the amounts involved.
- Council is a member of 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 those future contributions when there is more certainty over their amount and timing. Council is not aware of any such liability due at, or occurring since, balance date. *Refer to Note 10 – Insurance section.*
- Council is not aware of any actual or potential personal grievance claims (2016: 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. Future changes to environmental conditions or land use may affect this position. Council has established the Provision for Closed Landfills to reflect the estimated future cost of its obligation – *see Note 19 for further information.*
- Council owns 234.95 (2016: 234.95) hectares of forest, all being 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 amount of which is unknown, but its effect is expected to be minimal as Council has no current intention to de-forest this land. Council has been allocated and continues to hold carbon credits related to its forestry asset. *See Notes 11 and 12 for further information.*
- As a significant property owner, Council faces a number of issues:
  - Depending on the scale and timing of any structural strengthening or other mitigation work that may be 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 in the aftermath of the Christchurch earthquakes on rates, Council self-insures a range of assets, and assumes larger excesses in some cases. This strategy carries increased risk of financial loss to Council, the 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

	Consolidated		Council Only	
	2017	2016	2017	2016
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 25: Financial Instruments

Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and the group have policies intended 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, the Observatory Village Charitable Trust and major registered banks with which Council may from time to time have dealings.

#### *Cash flow interest rate risk*

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

#### *Currency risk*

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

### • Credit Risk

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

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

Community and other loans (Note 13)	27,451	19,527	25,076	17,664
Term deposits (Note 13)	12,876	17,310	9,425	14,750
Cash at bank (Note 14)	5,540	7,202	4,483	2,463
Accounts Receivable (Note 15)	7,475	7,980	3,470	4,259
Total Operating Lease commitments	\$53,342	\$52,019	\$42,454	\$39,136

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	18,416	24,512	13,908	17,213
Cash with other entities with no default history	27,451	19,527	25,076	17,664
Total Cash and Cash Equivalents	\$45,877	\$44,039	\$38,984	\$34,877

## Notes to the Financial Statements

Consolidated		Council Only	
2017	2016	2017	2016
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

### Note 25: Financial Instruments (continued)

- Credit Risk (continued)**

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

Council has a significant geographic concentration of credit risk in the Waitaki District of New Zealand, but there are no other significant concentrations of credit risk. Council's largest receivable balance is the New Zealand Transport Agency, which owed 18.53% (2016: 16.89%) of debtors due to Council at balance date. The Southern District Health Board is the major debtor of Waitaki District Health Services Ltd.

- Liquidity Risk**

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

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

The Group has total bank overdraft and Letter of Credit facilities of \$2,100,000 (2016: \$2,100,000) and committed draw-down facilities of \$15,200,000 (2016: \$15,200,000). Council has uncommitted facilities of \$10,000,000 (2016: \$10,000,000) for the purposes of meeting borrowing needs.

Neither Council nor any other group member was using overdraft facilities (2016: (\$nil)) 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 surplus by approximately \$342,000 (2016 \$285,000).

### Contractual Maturity Analysis

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

## Notes to the Financial Statements

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

#### Council only - 2017

Other Financial Assets						
- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	25,076	28,292	592	1,845	22,033	3,822
Cash and Cash Equivalents	4,483	4,503	4,503	-	-	-
Trade and Other Receivables	3,470	3,470	3,470	-	-	-
Term Deposits	9,425	9,689	9,689	-	-	-
<b>Total Financial Assets</b>	<b>47,511</b>	<b>45,954</b>	<b>18,254</b>	<b>1,845</b>	<b>22,033</b>	<b>3,822</b>
Trade and Other Payables	5,272	5,272	5,272	-	-	-
Employee Entitlements	1,040	1,040	1,040	-	-	-
<b>Total Financial Liabilities</b>	<b>6,312</b>	<b>6,312</b>	<b>6,312</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Liquidity</b>	<b>\$ 41,199</b>	<b>\$ 39,642</b>	<b>\$ 11,942</b>	<b>\$ 1,845</b>	<b>\$ 22,033</b>	<b>\$ 3,822</b>

#### Council only - 2016

Other Financial Assets						
- Investments in CCOs	4,912	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	17,664	17,664	1	1	662	17,000
Cash and Cash Equivalents	2,463	2,503	2,503	-	-	-
Trade and Other Receivables	4,259	4,259	4,259	-	-	-
Term Deposits	14,750	15,193	15,193	-	-	-
<b>Total Financial Assets</b>	<b>44,193</b>	<b>39,619</b>	<b>21,956</b>	<b>1</b>	<b>662</b>	<b>17,000</b>
Trade and Other Payables	5,270	5,270	5,270	-	-	-
Employee Entitlements	1,015	1,015	1,015	-	-	-
<b>Total Financial Liabilities</b>	<b>6,285</b>	<b>6,285</b>	<b>6,285</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Liquidity</b>	<b>\$ 37,908</b>	<b>\$ 33,334</b>	<b>\$ 15,671</b>	<b>\$ 1</b>	<b>\$ 662</b>	<b>\$ 17,000</b>

## Notes to the Financial Statements

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

#### Group - 2017

##### Other Financial Assets

- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	27,451	33,892	592	1,845	22,033	9,422
Cash and Cash Equivalents	5,540	5,700	5,700	-	-	-
Trade and Other Receivables	7,475	7,475	7,475	-	-	-
Term Deposits	12,876	13,262	13,262	-	-	-

<b>Total Financial Assets</b>	<b>53,487</b>	<b>60,329</b>	<b>27,029</b>	<b>1,845</b>	<b>22,033</b>	<b>9,422</b>
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Borrowings	11	11	1	2	6	2
Trade and Other Payables	7,525	7,525	7,525	-	-	-
Employee Entitlements	4,102	4,102	4,040	-	102	-

<b>Total Financial Liabilities</b>	<b>11,638</b>	<b>11,638</b>	<b>11,566</b>	<b>2</b>	<b>108</b>	<b>2</b>
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<b>Net Liquidity</b>	<b>\$ 41,849</b>	<b>\$ 48,691</b>	<b>\$ 15,463</b>	<b>\$ 1,843</b>	<b>\$ 21,925</b>	<b>\$ 9,420</b>
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#### Group - 2016

##### Other Financial Assets

- Investments in CCOs	-	-	-	-	-	-
- Investments in other entities	145	-	-	-	-	-
- Loans to other entities	19,527	21,805	1	1	662	21,141
Cash and Cash Equivalents	7,202	7,363	7,363	-	-	-
Trade and Other Receivables	7,980	7,980	7,980	-	-	-
Term Deposits	17,310	17,829	17,829	-	-	-

<b>Total Financial Assets</b>	<b>52,164</b>	<b>54,977</b>	<b>33,173</b>	<b>1</b>	<b>662</b>	<b>21,141</b>
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Borrowings	12	12	1	2	2	7
Trade and Other Payables	7,214	7,214	7,214	-	-	-
Employee Entitlements	4,203	4,203	4,109	-	94	-

<b>Total Financial Liabilities</b>	<b>11,429</b>	<b>11,429</b>	<b>11,324</b>	<b>2</b>	<b>96</b>	<b>7</b>
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<b>Net Liquidity</b>	<b>\$ 40,735</b>	<b>\$ 43,548</b>	<b>\$ 21,849</b>	<b>(\$ 1)</b>	<b>\$ 566</b>	<b>\$ 21,134</b>
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# Notes to the Financial Statements

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## Note 26: Members' Interests Transactions

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

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

- Mayor Gary Kircher is a Trustee of the Oamaru Whitestone Civic Trust, which leases several properties from Council. During the year ended 30 June 2017, Council provided rental and other services to the value of \$53,090 (2016: \$44,325), and at year end, \$17,813 was owed to Council (2016: \$21,188). The Trust has received loan advances from Council, with \$555,000 owing at year end (2016: \$365,000) and grants of \$15,196 (2016: \$15,143).
- Mayor Kircher is a Trustee of the Observatory Village Charitable Trust which, through members of its consolidated group, is developing a retirement village in Oamaru. During the current financial year, Council provided planning and other services to members of the Trust's group amounting to \$30,821 (2016: \$65,804), and at year end, \$28,272 (2016: \$16,432) was owed to Council. Council has also provided loan funding of \$7,222,460 (2016: \$Nil) including interest compounded of \$86,941 (2016: \$Nil). Council has committed to lend members of the Trust's consolidated group up to \$8 million to assist with completion of the first stage of the project, and up to a further \$250,000 for a proposed second stage – refer to Note 23.
- Cr Colin Wollstein is a Director of North Otago Motor Group Ltd which, during the current year provided vehicle maintenance services to Council amounting to \$7,122 (2016: \$10,104). At 30 June 2017, Council owed \$2,262 (2016: \$938).
- Cr Melanie Tavendale is a Trustee of the Waitaki Community Recreation Trust which operates the Waitaki Community Recreation Centre. During the current year, the Trust received operating grants from Council amounting to \$74,460 (2016: \$73,000).
- Kathy Dennison, former Councillor and current Chair of the Waihemo Community Board, owns Palmerston Dental Surgery Ltd which rented premises from Council to the value of \$3,992 (2016: \$4,102). At year end \$958 was owed (2016: \$1,236). Mrs Dennison's family is connected with Jeffrey Dennison Builders Ltd which undertook maintenance work on residential units and other property to the value of \$44,218 (2016: \$79,475).
- Calum Reid, a member of the Ahuriri Community Board, is a Director and/or shareholder of several companies with which Council conducts business:
  - Callect Electrical Ltd – purchases by Council \$526 (2016: \$Nil) – Council owed \$Nil at year end (2016: \$Nil).
  - Waitaki Test & Tag Ltd - purchases by Council \$2,224 (2016: \$3,035) - Council owed \$Nil at year end (2016: \$Nil).

Mr Reid is a member of the Waitaki Valley Community Society which operates the Kurow Museum and received funding of \$25,895 either directly from Council or by way of the Ahuriri Community Board (2016: \$22,897) to support the museum and provide i-Site services in the Waitaki Valley.

## Transactions with elected members, key management personnel and staff

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

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

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



## Notes to the Financial Statements

### Note 29: Related Party Transactions

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

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

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

<u>Entity and details of transaction</u>	<b>Council only</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
• <b>Waitaki District Health Services Limited</b> (refer page 75)		
Services provided by Council	68	52
Balance owed to Council at year end	4	4
• <b>Tourism Waitaki Limited</b> (refer page 74)		
Services provided by Council	157	140
Balance owed to Council at year end	13	-
Services provided to Council	709	708
Balance owed by Council at year end	-	80
Subvention payments made to Council	-	16
• <b>Whitestone Contracting Limited and Group</b> (refer page 76)		
Services provided by Council	51	89
Balance owed to Council at year end	1	45
Services provided to Council	3,605	5,851
Balance owed by Council	604	533
Dividends and Subvention payments made to Council	790	546
• <b>Omarama Airfield Limited</b> (refer page 73)		
Services provided by Council	23	23
Balance owed to Council at year end	-	-
• <b>North Otago Irrigation Company Limited</b> (significant borrower)		
Interest charged by Council on funds advanced (Note 4)	609	727
Outstanding balance of Council loan funding (Note 13)	17,000	17,000
<i>The company is developing and maintaining a significant irrigation system in the district</i>		
• <b>Observatory Village Lifecare Ltd</b> (significant borrower)		
Land purchased from Council	-	615
Services provided by Council	31	67
Balance owed to Council at year end	28	17
Interest charged by Council on funds advanced (Note 4)	87	-
Outstanding balance of Council loan funding (Note 13)	7,222	-
Council has committed loan funding to a maximum limit of	8,250	8,000
<i>The company is developing and will operate a retirement village complex in Oamaru</i>		

No provision is required, nor has any expense been recognised, for impairment of loans or other receivables due from related parties (2016: \$nil).

## Notes to the Financial Statements

	Council Only			
	2017	2017	2016	2016
	\$000	Annual Plan \$000	\$000	Annual Plan \$000
<b>Note 30: Funding Impact Statement (whole of Council)</b>				
<b>Sources of operating funding</b>				
General Rates, uniform annual general charge, rates penalties	6,897	6,903	6,554	6,550
Targeted Rates	22,877	22,819	23,096	23,051
<b>Rates Revenue</b>	<b>29,774</b>	<b>29,722</b>	<b>29,650</b>	<b>29,601</b>
Subsidies and grants for operating purposes	1,302	3,051	3,092	3,695
Fees and charges	7,049	5,396	6,593	5,798
Interest and dividends from investments	1,974	1,257	1,827	1,394
Local Authorities' fuel tax, fines, infringement fees and other receipts	1,581	1,312	2,507	2,505
<b>Total operating funding</b>	<b>41,680</b>	<b>40,738</b>	<b>43,669</b>	<b>42,993</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	34,333	33,410	33,378	35,106
Finance Costs	1	-	-	-
Other operating funding applications	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>34,334</b>	<b>33,410</b>	<b>33,378</b>	<b>35,106</b>
<b>Surplus / (Deficit) of operating funding</b>	<b>7,346</b>	<b>7,328</b>	<b>10,291</b>	<b>7,887</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,803	5,919	4,033	2,853
Development and financial contributions	1,549	595	710	640
Increase / (decrease) in debt	-	-	-	(1)
Gross proceeds from sale of assets	806	135	(1,048)	121
<b>Total sources of capital funding</b>	<b>8,158</b>	<b>6,649</b>	<b>3,695</b>	<b>3,613</b>
<b>Application of capital funding</b>				
Capital expenditure	-	-	-	-
- to meet additional demand	-	-	-	-
- to improve the level of service	5,140	10,938	3,947	2,144
- to replace existing assets	8,350	7,999	7,594	9,599
<b>Total capital expenditure</b>	<b>13,490</b>	<b>18,937</b>	<b>11,541</b>	<b>11,743</b>
Increase / (decrease) in Reserves	2,014	(4,960)	2,445	(243)
Increase / (decrease) in Investments	-	-	-	-
<b>Total application of capital funding</b>	<b>15,504</b>	<b>13,977</b>	<b>13,986</b>	<b>11,500</b>
<b>Surplus/deficit of capital funding</b>	<b>(7,346)</b>	<b>(7,328)</b>	<b>(10,291)</b>	<b>(7,887)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

	2017 Actual \$000	2017 Annual Plan \$000	2016 Actual \$000	2016 Annual Plan \$000
<b>Note 31: Reconciliation of Funding Impact Statements by Group of Activity</b>				
<b>Operating Revenue</b>				
Roads & Footpaths	1,593	3,588	3,364	4,251
Sewerage (Treatment & Disposal)	670	659	723	729
Stormwater Drainage	-	-	-	-
Water Supply	820	832	966	815
Waste Management & Minimisation	1,419	431	1,470	806
Arts, Heritage & Community	920	663	563	652
Parks & Recreation	1,485	944	2,280	2,212
Democracy and Accountability	67	87	44	31
Commercial & Development Activities	3,263	2,340	3,139	2,432
Environment, Regulation & Safety	1,618	1,449	1,343	1,441
Support Services (Net Allocated)	15,823	16,736	15,330	16,160
<b>Operational Revenue per Activity FIS</b>	<b>27,678</b>	<b>27,729</b>	<b>29,222</b>	<b>29,529</b>
<b>Total Sources of Capital Funding</b>				
Roads & Footpaths	5,259	3,931	3,369	2,992
Sewerage (Treatment & Disposal)	100	110	83	116
Stormwater Drainage	-	-	-	-
Water Supply	238	295	242	275
Waste Management & Minimisation	-	-	-	-
Arts, Heritage & Community	18	788	14	-
Parks & Recreation	397	-	687	-
Democracy and Accountability	-	-	-	-
Commercial & Development Activities	1,908	1,350	(855)	46
Environment, Regulation & Safety	168	90	76	110
Support Services (Net Allocated)	70	85	79	74
<b>Capital Revenue per Activity FIS</b>	<b>8,158</b>	<b>6,649</b>	<b>3,695</b>	<b>3,613</b>
Add total Rates	29,774	29,722	29,650	29,601
Less Internal recoveries included	(15,774)	(16,713)	(15,203)	(16,137)
<b>Revenue per Total Activities FIS</b>	<b>49,836</b>	<b>47,387</b>	<b>47,364</b>	<b>46,606</b>
Remove increase/decrease in debt	-	-	-	1
Proceeds from sale of assets	(806)	(134)	1,048	(121)
Adjust Sales contra account	(1,703)	-	(2,774)	-
Adjust Rate remissions offset against revenue	(272)	(242)	(321)	(312)
Adjust internal revenue	3	(3)	-	1
<b>Revenue per Statement of Comprehensive Revenue and Expenditure</b>	<b>47,058</b>	<b>47,008</b>	<b>45,317</b>	<b>46,175</b>

# Notes to the Financial Statements

	2017 Actual \$000	2017 Annual Plan \$000	2016 Actual \$000	2016 Annual Plan \$000
<b>Note 31: Reconciliation of Funding Impact Statements by Group of Activity (continued)</b>				
<b>Total Applications of Operating Funding</b>				
Roads & Footpaths	6,129	6,800	5,990	7,869
Sewerage (Treatment & Disposal)	1,720	1,504	2,249	1,899
Stormwater Drainage	146	185	164	190
Water Supply	4,561	4,218	4,546	4,540
Waste Management & Minimisation	2,088	1,338	1,940	1,636
Arts, Heritage & Community	3,899	3,990	3,736	3,933
Parks & Recreation	4,523	4,568	5,351	5,175
Democracy and Accountability	3,451	3,798	3,184	3,410
Commercial & Development Activities	3,430	3,340	3,063	3,016
Environment, Regulation & Safety	4,299	4,210	3,511	3,953
Support Services (Net Allocated)	15,860	16,172	14,847	15,624
<b>Total Operational expenditure per FIS</b>	50,106	50,123	48,581	51,245
Less internal recoveries	(15,772)	(16,712)	(15,203)	(16,139)
<b>Expenditure per Total Activities FIS</b>	34,334	33,411	33,378	35,106
Less internal charges included in capital	(422)	(198)	(523)	(398)
Adjust internal charges	-	1	-	-
Adjust Rate remissions offset against revenue	(272)	(242)	(321)	(312)
Add Depreciation and Amortisation (See Note 7)	11,887	11,380	11,463	11,343
<b>Expenditure per Statement of Comprehensive Revenue and Expenditure</b>	45,527	44,352	43,997	45,739
<b>Depreciation and Amortisation</b>				
Roads & Footpaths	5,193	5,095	5,129	5,078
Sewerage (Treatment & Disposal)	1,012	998	1,012	969
Stormwater Drainage	222	223	224	208
Water Supply	1,649	1,645	1,670	1,731
Waste Management & Minimisation	79	52	79	57
Arts, Heritage & Community	173	180	186	190
Parks & Recreation	848	905	872	870
Democracy, Accountability & Planning	-	-	-	-
Commercial & Development Activities	1,415	1,146	1,138	1,093
Regulation & Safety	37	23	30	24
Support Services (Net Allocated)	1,259	1,114	1,123	1,123
<b>Total Depreciation and Amortisation charges</b>	11,887	11,380	11,463	11,343

## Notes to the Financial Statements

### Note 32: Explanation of Major Variances against Budget and the prior period

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

The following provides further information concerning significant or unusual variances:

Council only	2017 Actual \$000	2017 Annual Plan \$000	2016 Actual \$000
<b>Revenue</b>			
Rates	30,303	30,385	30,375
<i>Refer to Note 1 for further analysis</i> Rates are levied in accordance with Finance Policies, and with the 2015/25 Long Term Plan (LTP). Variances from budget arise from subdivision activities and other changes in the rating database occurring between the adoption of the LTP and the time the annual rates were struck. Rates revenue includes Penalties applied to overdue Rates and charges for water supplied by meter, and are net of remissions granted. Writing off some outstanding, uncollectable, penalties levied on rates and changing volumes of water consumed have contributed to the variances reported			
User Charges	5,909	4,059	6,410
Significant variances:			
• Landfill charges – Oamaru facility was to close August 2016, but remained open until April 2017	1,330	356	1,361
• Property rentals	1,704	1,445	1,573
• Forestry activities	755	-	1,215
• Water, sewer and stormwater connection charges	354	260	350
Government Grants	6,339	8,009	6,574
<i>Refer to Note 2 for further analysis</i> Budgeted \$1,200k towards construction of the Alps2Ocean Cycle Trail, only \$138k was required			
Other Grants and Donations	900	1,105	677
<i>Refer to Note 3 for further analysis</i> Budgeted \$788k towards Cultural Facilities development, only \$15k received. Budgeted \$125k for on-going construction of the Alps2Ocean Cycle Trail, received \$537k			
Other Gains and Losses	(1,618)	-	(2,672)
<i>Refer to Note 5 for further analysis</i> Forestry assets increased \$85k due to improved log prices (2016: increase of \$102k) and gains from harvesting totalled \$208k (2016: \$432k). Losses on disposal of Fixed Assets were (\$1,931) (2016: (\$3,665k)), due to reassessment of capital work in progress, and losses incurred in the sale of properties in the Cirrus Place subdivision. Gains on disposal were \$20k (2016: \$459k)			
<b>Expenditure</b>			
Personnel Costs	10,652	10,665	9,914
<i>Refer to Note 6 for further analysis</i> Council budgets for full staffing, and had fewer vacancies than in the previous financial year. One position was dis-established during the year			
Depreciation and amortisation	11,887	11,380	11,463
<i>Refer to Notes 10 and 11 for further analysis</i> Increased depreciation charges arise from the three-yearly revaluation of Property and Parks completed in July 2016 and the vesting of the Oamaru Courthouse and North Otago RSA buildings			

## Notes to the Financial Statements

### Note 32: Explanation of Major Variances against Budget and the prior period (continued)

Council only	2017 Actual \$000	2017 Annual Plan \$000	2016 Actual \$000
Other expenses	22,987	22,307	22,620
<i>Refer to Note 7 for statutory disclosures</i>			
Other significant variances:			
• Contractors, maintenance and other works	13,683	12,760	14,423
• Consultants	1,010	994	800
• Electricity	1,627	1,675	1,656

Balance Sheet items			
Property, Plant & Equipment	719,240	726,558	709,232
<i>Refer to Note 10 for further analysis</i>			
The budget assumed a devaluation of (\$212k) arising from the triennial valuation of Waters infrastructure. The actual result was an increase in value \$5.824m			
Cash and Cash Equivalents	4,483	1,775	2,463
Other Financial Assets – Term Deposits	9,425	6,500	14,750
<i>Refer to Notes 13 and 14 for further analysis</i>			
Council held more funds than was budgeted at year end due to the deferral of several capital projects, property sales and a slower-than-expected drawdown of loan funding by the Observatory Village Charitable Trust			
Loans to other entities – non-current asset	25,060	25,650	17,663
Loans to other entities – current asset	16	1	1
<i>Refer to Note 13 for further analysis</i>			
The <u>non-current asset</u> is less than was budgeted, as the loan facility committed for the Observatory Village Charitable Trust was not fully utilised. The <u>current asset</u> reflects an undertaking by the Oamaru Whitestone Civic Trust to make annual repayments of \$15k on its loan.			
Receivables	3,470	4,125	3,947
<i>Refer to Note 15 for further analysis, and Note 34 for reclassification of 2016 comparative</i>			
Improved payments by customers, completion of a rating sales process and changes to the pattern of NZTA subsidy claims, have contributed to the year-end debtors' position			
Provisions – non-current	788	285	387
Provisions – current	133	175	349
<i>Refer to Note 19 for further analysis</i>			
Costs of completing landfill capping and future monitoring of the site were reassessed at year end, leading to an increased provision and adjustments to the projected timing of required payments			

Statement of Cash Flows			
Net Cash from Operating Activities	15,316	12,665	15,486
Net Cash from Investing Activities	(13,296)	(12,762)	(19,841)
<i>Refer to the Statement of Cash Flows for further analysis</i>			

## Notes to the Financial Statements

	2016 Original \$000	2016 Change \$000	2016 Re-stated \$000
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### Note 33: Reclassification of Amounts

Council and the group have made changes to the presentation of items in the financial reports to better reflect the financial position at year end or financial activities undertaken during the year, or to give effect to changes required by the Financial Prudence Regulations (2014).

These changes have resulted in amendments to 2016 comparative figures, the effect of which is set out in the table below.

Income charged to Debtors in advance of the service being provided, which was previously regarded as an element of Accounts Payable, is now recognised as a reduction in outstanding Accounts Receivable. Rates paid in advance at balance date will continue to be recognised as a liability. This change also affects disclosures made in Notes 15 and 22.

#### Statement of Financial Position

##### **Council only**

Accounts Receivable	4,259	(312)	3,947
Accounts Payable	5,270	(312)	4,958

##### **Group**

Accounts Receivable	7,980	(312)	7,668
Accounts Payable	7,214	(312)	6,902

### Note 34: Events Subsequent to Balance Date

At its meeting on 9 August, 2017, Council resolved to make available additional financial support in the amount of \$3.5 million for the second stage of the rest-home development being undertaken by the Observatory Village Charitable Trust.

Over the weekend of 21-23 July 2017, a state of civil emergency was declared in the Waitaki District as the direct result of an unprecedented flooding event occasioning significant damage and disruption to property and infrastructure, both Council-owned and in private ownership. Damage estimated at over \$1.3 million was caused to Council assets. Council believes its insurance cover and reserves, coupled with assistance from Central Government, will be sufficient to meet the costs of repairing and reinstating damaged property and infrastructure.

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

# Managing Our People

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## Staffing Reviews

Staffing reviews were carried out in two Council units during the past year:

- Information Services
- Library

As well as these two formal reviews, we were involved in the review of Civil Defence Emergency Management for the Otago Region.

All reviews were carried out in a consultative, robust manner resulting in the successful implementation of the revised structures to better meet the needs of the organisation and of our community.

## Employee Workplace Survey

As a result of the interim group structure change for our team, the Annual Workplace Survey was not carried out as initially planned in late 2016. However it is planned to be carried out in August 2017.

## Employee Headcount and Turnover

The employee headcount and full time equivalent calculations continue to be recorded. As Council is now participating in the PWC Local Government Performance Excellence Programme for the third year, we are currently reviewing how we report this information.

## 2016/17 Staff Statistics

This period resulted in a total average full time equivalent staff (including casual positions) of 135.0 FTE.

Staff turnover figures in 2016/17 demonstrate an increase in employee turnover compared to the 2015/16 figures, with total employee turnover up from 5.2% (2015/16) to 12.0% (2016/17). This new figure is in line with the 2014/15 staff turnover figures for Waitaki District Council and lower than the full PWC Local Government Performance Excellence Programme total population median of 13.4% for 2016/17.

Human Resources has reviewed the turnover data. The 13 full time employees comprising the majority of the 2016/17 turnover includes people leaving for the following reasons:

Staffing Review – Redundancy	1
Change of Career/Promotion	4
Family Reasons/Health/Relocation	4
Retirement	2
Other	2

## New Positions Approved

During this period the following new full time positions were approved:

- Health and Safety Advisor, Human Resources Unit
- Chief Information Officer, Information Services Unit
- Regulatory Services Administrator(s), Regulatory Services Unit

Additionally, a number of positions have been created using existing budget and staffing allocation, as a result of the reviews of Information Services and the Library.



## ***Managing Our People***

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### **Health and Safety**

All health and safety practices and procedures continue to be monitored and reviewed in line with the changing legislative and ACC Workplace Safety Management Practices Programme requirements.

2016 saw the implementation of the new Health and Safety at Work Act 2015. As a result of this significant change:

- Legislative update training has continued for all Council staff and Elected Members, including Community Boards
- Internal processes have been reviewed and have been updated as required
- Critical risks have been identified
- Annual Health and Safety Objectives continue to be met, and have been reviewed and drafted for 2017/18
- ACC Workplace Safety Management Practices Programme audit has taken place
- Safehold Trailblazer – a new electronic Health and Safety System has been purchased and implemented across Council
- A Health and Wellbeing programme is being investigated for the coming year.

### **ACC Workplace Safety Management Practices Programme**

An early external audit was carried out in December 2016, to measure Council's health and safety systems and practices against the Workplace Safety Management Practices audit standards. This audit resulted in the award of Tertiary accreditation under the ACC Workplace Safety Management Practices system.

# Governance Statement

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The Local Government Act 2002 requires Council to disclose the following information in its Governance Statement:

The purpose of the Waitaki District Council is to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

In fulfilling its purpose Waitaki District Council exercises powers and fulfils responsibilities conferred on it by numerous public acts of parliament (e.g. the Local Government Act 2002 and Resource Management Act 1991) and the following local statutes:

- Oamaru Town Management Ordinance, 1872
- Oamaru Town Hall, Gasworks Sites and Recreation Reserves Act 1875

## Electoral System

Every three years Council must review the electoral system.

The review of the electoral system is a choice between first-past-the-post (FPP) voting and single transferable vote (STV) voting. In September 2014, Council resolved to retain FPP voting for the 2016 elections. This decision was not challenged and was publicly notified in September 2014. The process for determining which electoral system Council will follow can be found in the Local Electoral Act 2001.

## Representation Arrangements

Every three to six years Council must review its representation and that of its Community Boards. The review of representation involves decisions about the number of councillors to be elected, how many wards (if any) are needed to reflect community interest, and – if wards are favoured – how many members should be elected from each ward. Council resolved on 28 August 2012 to retain the four wards as follows:

- Ahuriri 1 Councillor
- Corriedale 2 Councillors
- Oamaru 6 Councillors
- Waihemo 1 Councillor

Council has not exercised the option of establishing a Māori Ward.

The Waitaki district includes two Community Boards: Ahuriri (north-western ward) and Waihemo (southern ward). The role of the boards is to:

- Represent and act as an advocate for the interests of their community
- Consider and report on any matter referred to it by Council and any issues of interest or concern to the Community Board
- Make an annual submission to Council on expenditure in the community
- Maintain an overview of services provided by Council within the community
- Communicate with community organisations and special interest groups in the community
- Undertake any other responsibilities delegated by Council
- Each Community Board has a Chairperson and five other members. Five members are elected triennially by electors in the community and Council appoints Ward Councillors. The Community Board elects its own Chairperson at its first meeting after the triennial election.

Section 24 and Schedule 3 of the Local Government Act contains provisions for reorganisation proposals, including boundary changes.

# Governance Statement

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## Members' Roles and Conduct

The Mayor and the Councillors of the Waitaki District Council have the following roles:

- Setting the policy direction of Council
- Monitoring the performance of Council
- Representing the interests of the district. On election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgement in the best interests of the district
- Employing the Chief Executive: Under the Local Government Act the local authority employs the Chief Executive, who in turn employs all other staff on its behalf.

The Mayor is elected by the district as a whole and, as one of the elected members, shares the same responsibilities as other members of Council. In addition the Mayor has the following roles:

- Presiding member at Council meetings. The Mayor is responsible for ensuring the orderly conduct of business during meetings (as determined in Standing Orders)
- Advocating on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of Council
- Ceremonial head of Council
- Establishing committees of Council and appointing the Chairperson of each committee
- Providing leadership and feedback to other elected members on teamwork and chairing committees.

The Deputy Mayor is nominated by the Mayor and elected by members at the first meeting of Council. The Deputy Mayor exercises the same roles as other elected members. In addition, if the Mayor is absent or incapacitated, or if the Office of Mayor is vacant, then the Deputy Mayor must perform all of the responsibilities and duties, and may exercise the powers of the Mayor (as summarised above). The Deputy Mayor may be removed from office by resolution of Council.

The Mayor proposes the current committees of Council and nominates the Chairpersons of those committees. The proposed structure and chairpersons are established by Council resolution. The Chairperson is responsible for presiding over meetings of the committee, ensuring that the committee acts within the powers delegated by Council, and as set out in Council's Delegations Policy. A committee Chairperson may be removed from office by resolution of Council.

The Chief Executive is appointed by Council in accordance with section 42 and clauses 33 and 34 of Schedule 7 of the Local Government Act 2002. The Chief Executive implements and manages Council's policies and objectives within the budgetary constraints established by Council. Under section 42 of the Local Government Act 2002, the responsibilities of the Chief Executive are:

- Implementing the decisions of Council
- Providing advice to Council and Community Boards
- Ensuring all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised
- Managing the activities of Council effectively and efficiently
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of Council
- Providing leadership for the staff of Council
- Employing, on behalf of Council, the staff of Council in accordance with any remuneration and employment policy
- Negotiating the terms of employment of the staff of Council in accordance with any remuneration and employment policy.

Elected members have specific obligations as to their conduct outlined in the following legislation:

- Schedule 7 of the Local Government Act 2002, which includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current Code of Conduct and Standing Orders.

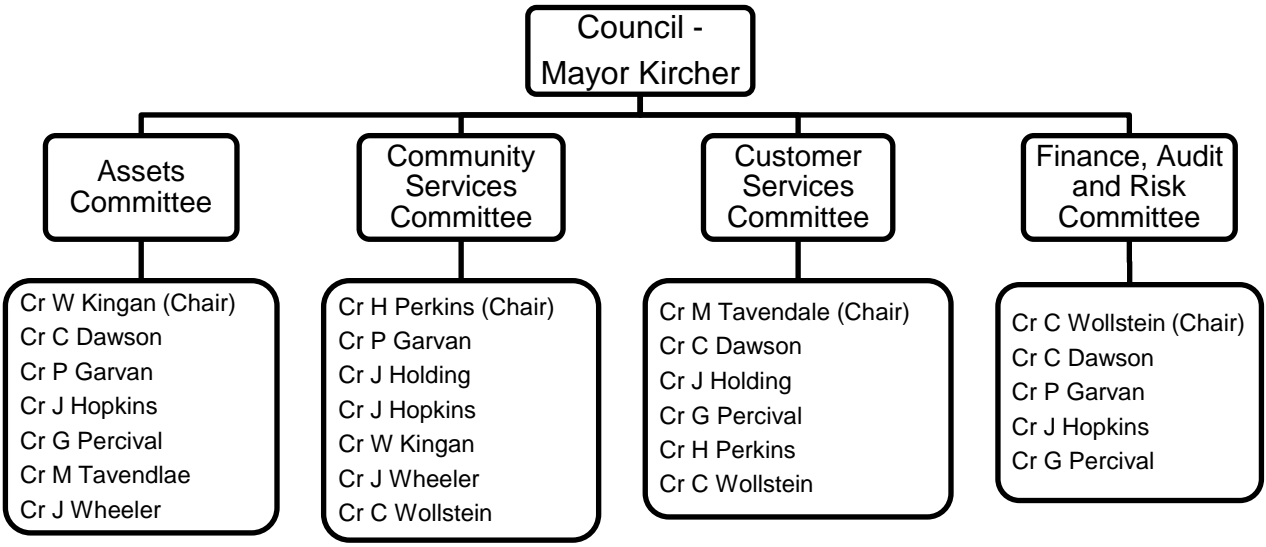
# Governance Statement

- Local Authorities (Members’ Interests) Act 1968 which regulates the conduct of elected members in situations where there is, or could be, a conflict of interest between their duties as an elected member and their financial interests (either directly or indirectly)
- Secret Commissions Act 1910, which prohibits elected members from accepting gifts or rewards which, could be seen to sway them to perform their duties in a particular way
- Crimes Act 1961 regarding the acceptance of gifts for acting in a certain way and the use of official information for private profit.

All elected members are required to adhere to a Code of Conduct. Adopting such a code is a requirement of the Local Government Act 2002. Once adopted, the Code may only be amended by a 75% or greater majority of Council. The Code sets out Council’s understanding and expectations of how the Mayor and Councillors will relate to one another, to staff, to the media and to the general public in the course of their duties. It also covers disclosure of information that is received by, or is in the possession of, elected members, and contains details of the sanctions that Council may impose if an individual breaches the code. Copies of the full Code of Conduct may be obtained from Council.

## Governance Structures

Council reviews its committee structures after each triennial election. At the last review Council agreed to continue with the following four standing committees:



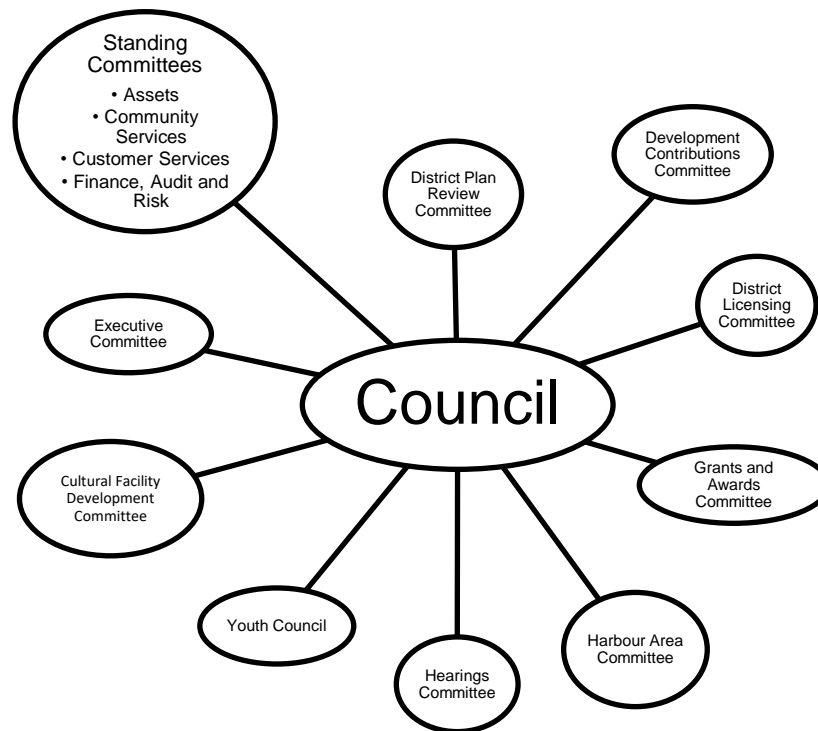
The Mayor is an ex-officio member on the four standing committees detailed above.

Committees meet between full Council meetings. Further details on these committees, including their terms of reference, delegated powers and meeting arrangements can be obtained from Council.

Council may, from time to time, establish ad hoc committees to consider a particular issue or issues.

Council has established a number of further committees (other than the main standing committees as above). These additional committees report directly to Council.

# Governance Statement



## Council Organisations and Council Controlled Organisations

Council appoints trustees and directors to a number of companies and trusts. Where the number of Council appointees are less than half of the total membership of the respective governing board, the organisation is deemed to be a Council Organisation (CO). If Council appoints 50% or more of trustees/directors, it is deemed to be a Council Controlled Organisation (CCO).

Council Organisations include Oamaru Whitestone Civic Trust, Waitaki Community Recreation Centre Trust and Waitaki District Community House Trust.

Council Controlled Organisations are Whitestone Contracting Ltd, Tourism Waitaki Ltd, Waitaki District Health Services Ltd and Omarama Airfield Ltd.

Council has adopted policies and processes for appointing people to COs and CCOs that are designed to recognise the skills and attributes provided by appointees and the need to be publicly accountable.

## Meeting Processes

The legal requirements for Council meetings are set down in the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

All Council and committee meetings must be open to the public unless there is reason to consider some items 'in committee'. Although meetings are open to the public, members of the public do not have speaking rights unless prior arrangements are made with Council. LGOIMA contains a list of the circumstances where councils may consider items with the public excluded. These circumstances generally relate to protection of personal privacy, professionally privileged or commercially sensitive information, and the maintenance of public health, safety and order. Council agendas are public documents, although parts may be withheld if the above circumstances apply.

The Mayor or committee chairperson is responsible for maintaining order at meetings and may, at his or her discretion, order the removal of any member of the public for disorderly conduct, or remove any member of Council who does not comply with Standing Orders.

## Governance Statement

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Minutes of meetings must be kept as evidence of the proceedings of the meeting. These must be made publicly available, subject to the provisions of the LGOIMA.

For an ordinary meeting of Council, at least 14 days' notice of the time and place of the meeting must be given. Extraordinary meetings generally can be called on three working days' notice.

During meetings the Mayor and Councillors must follow Standing Orders (a set of procedures for conducting meetings). Standing Orders were reviewed and reconfirmed by Council on 29 March 2017. Council may suspend Standing Orders by a vote of 75% of the members present. A copy of the Code of Conduct and Standing Orders can be obtained from Council.

### Consultation

The Local Government Act 2002 sets out consultation principles and a procedure that local authorities must follow when making certain decisions. The principles for consultation and use of a procedure called the **Special Consultative Procedure**, is found in sections 82 – 90 of the Local Government Act 2002.

Council can and does, consult outside of the Special Consultative Procedure. When adopting its Long Term Plan, Annual Plan or District Plan it may hold formal or informal meetings with community groups and other interested parties to seek views on the matters Council considers to be important and to identify issues of concern to the community.

Council acknowledges Māori as people with whom there is a special relationship, and 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 protocols for ensuring Tangata Whenua are consulted in regard to decisions made under the Resource Management Act 1991, Local Government Act 2002. In the last triennium Council received and adopted a Memorandum of Understanding with Te Runanga o Moeraki to guide the ongoing relationship between Council and the Runanga. Council also has a relationship with Waitahi 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 made 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.

Council reports back annually against the Memorandum of Understanding through its Annual Report.

### Management Structure

Local Government Act 2002 requires Council to employ a Chief Executive whose responsibilities are to employ other staff on behalf of Council in accordance with any remuneration and employment policy, implement Council decisions and provide advice to Council. Under the Local Government Act 2002 the Chief Executive is the only person who may lawfully give instructions to a staff member. Any complaint about individual staff members should therefore be directed to the Chief Executive, rather than the Mayor or Councillors.

Council management is organised into three main groups with the Chief Financial Officer reporting directly to the Chief Executive.

The Acting Chief Executive of Waitaki District Council is Mr Neil Jorgensen. Council's new Chief Executive, Mr Fergus Power, commences on 18 September 2017.

# Governance Statement

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## Equal Employment Opportunities

Council is committed to the principle of equal employment opportunities (EEO).

The key principles are:

- All employees (whether current or prospective) will have equal opportunity to gain benefits associated with employment on the ground of relevant merit
- People will not be discriminated against

Goals are:

- To create an EEO environment
- To implement EEO best practice in the workplace
- To provide a harassment free workplace
- To achieve, where possible, a labour force profile which matches the external labour market

## Key Approved Planning and Policy Documents

### Long Term Plan

Sets out the direction for the district over the next ten years. Council reviews the Long Term Plan every three years and it provides information on all Council activities, how these will be delivered, the cost and how they will be paid for.

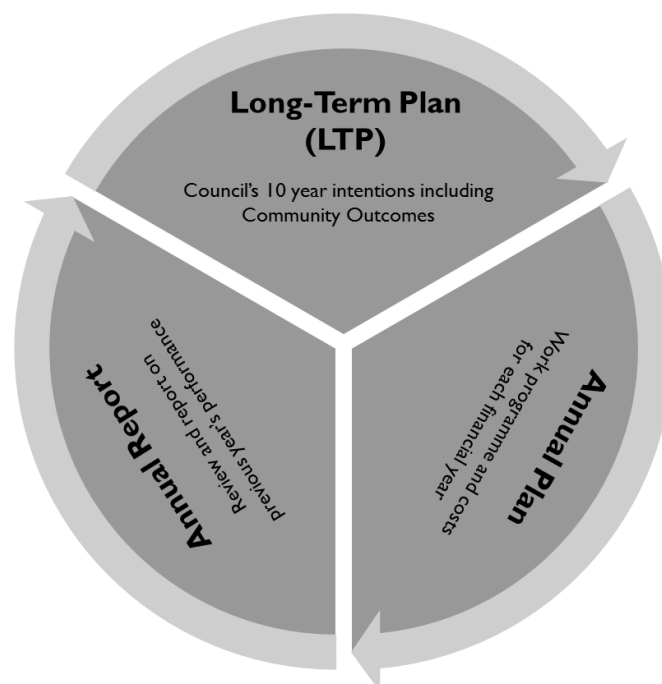
### Annual Plan

Provides information on activities, services and projects that Council proposes to undertake during the year. It shows the cost of those activities and how they will be paid for.

### Annual Report

Reports the actual performance of Council against what was planned in the Annual Plan and Long Term Plan. This includes reporting on the achieved work programme, performance measures and financial targets and accountability.

The Annual Report is for each financial year (e.g. 1 July 2016 to 30 June 2017), and must be completed and adopted by Council resolution within four months after the end of the financial year to which it relates. Section 98 of the Local Government Act 2002 requires that the full Annual Report and the Summary Annual Report be made publicly available within one month after their adoption by Council. The Annual Report is audited by Audit New Zealand.





# Governance Statement

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## Revenue and Financing Policy

This policy explains who will pay the costs of Council's activities and services.

## Funding Impact Statement

Funding Impact Statement contains information on the rating mechanisms used by Council for its activities.

## District Plan

District Plan is prepared by Council to assist it in carrying out its functions under the Resource Management Act 1991 and is the means by which the use, development and protection of the district's natural and physical resources will be managed into the future.

## Policy on Significance

Outlines the thresholds for which issues/decisions of Council are subject to consultation, including the Special Consultative Procedure.

Reviews and changes to key planning and policy documents may be subject to legislative requirements and the process for such reviews may involve following a Special Consultative Procedure.

## Public Access to Council and Elected Members

The main administrative office of Waitaki District Council is in Oamaru:

20 Thames Street  
Private Bag 50058  
Oamaru 9444  
Phone: (03) 433 0300  
Fax: (03) 433 0301  
Freephone: 0800 108 081  
Email: [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)

Council also has an office at the Waihemo Service Centre in Palmerston:

54 Tiverton Street  
PO Box 17  
Palmerston 9443  
Phone: (03) 465 1106  
Fax: (03) 465 1111  
Email: [waihemosc@waitaki.govt.nz](mailto:waihemosc@waitaki.govt.nz)

Elected members' contact information is included in this report.

## Official Information Requests

Under the Local Government Official Information and Meetings Act 1987 (LGOIMA) any person may request information from Council. Any request for information is a request made under LGOIMA. You do not have to say you are making a request under LGOIMA. Once a request is made, Council must supply the information unless reason exists for withholding it. The LGOIMA says that information may be withheld if release of the information would:

- Endanger the safety of any person
- Prejudice maintenance of the law
- Compromise the privacy of any person
- Reveal confidential or commercially sensitive information
- Cause offence to tikanga Māori or would disclose the location of waahi tapu
- Prejudice public health or safety
- Compromise legal professional privilege
- Disadvantage the local authority while carrying out negotiations or commercial activities
- Allow information to be used for improper gain or advantage



# Governance Statement

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Council must answer LGOIMA requests within 20 working days (although there are certain circumstances where this time-frame may be extended). Council may charge for official information requests under guidelines set down by the Ministry of Justice.

## Bylaws

Bylaws are rules created by a local authority specifically for the regulation of the area of responsibility and for the benefit of the community as a whole.

## Legislation

Waitaki District Council exercises powers and fulfils responsibilities as described and conferred by government legislation and subsequent amendments.

These include:

- Airport Authorities Act 1966
- Biosecurity Act 1993
- Building Act 2004
- Burial and Cremation Act 1964
- Bylaws Act 1910
- Civil Defence Emergency Management Act 2002
- Climate Change Response Act 2002
- Commerce Act 1986
- Companies Act 1993
- Conservation Act 1987
- Dog Control Act 1996
- Employment Relations Act 2000
- Fencing Act 1978
- Fencing and Swimming Pools Act 1987
- Financial Reporting Act 2013
- Food Act 1981
- Forest and Rural Fires Act 1977
- Gambling Act 2003
- Health Act 1956
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015
- Historic Places Act 1993
- Holidays Act 2003
- Human Rights Act 1993
- Income Tax Act 2007
- Injury Prevention, Rehabilitation and Compensation Act 2001
- Interpretation Act 1999
- Land Drainage Act 1908
- Land Transfer Act 1952
- Land Transport Act 1998
- Land Transport Management Act 2003
- Litter Act 1979
- Local Authorities (Members Interests) Act 1968
- Local Electoral Act 2001
- Local Government Act 2002 and 1974
- Local Government (Rating) Act 2002
- Local Government Official Information and Meetings Act 1987
- Marine and Coastal Area Act 2011
- New Zealand Library Association Act 1939
- New Zealand Public Health and Disability Act 2000
- Oaths and Declarations Act 1975
- Ombudsmen Act 1975
- Plumbers, Gasfitter and Drainlayers Act 2006
- Privacy Act 1993
- Property Law Act 2007
- Prostitution Reform Act 2003
- Protected Disclosures Act 2000
- Public Audit Act 2001
- Public Bodies Contracts Act 1959
- Public Bodies Leases Act 1969
- Public Records Act 2005
- Public Works Act 1981
- Rates Rebate Act 1973
- Rating Valuations Act 1998
- Remuneration Authority Act 1977
- Reserves Act 1977
- Reserves and Other Land Disposals Act 2015
- Residential Tenancies Act 1986
- Resource Management Act 1991
- Sale of and Supply of Alcohol Act 2012
- Securities Act 1978
- Smoke-free Environments Act 1990
- Treaty of Waitangi Act 1975
- Unit Titles Act 2010
- Waste Minimisation Act 2008

*(Note: This does not represent an exhaustive list)*

## ***Opportunities for Māori to Contribute to the Decision Making Process***

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### **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 protocols for ensuring the Tangata Whenua Act 1991, Local Government Act 2002, and in the last triennium received and adopted a Memorandum of Understanding with Te Runanga o Moeraki to guide the ongoing relationship between Council and the Runanga. 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

Council reports annually against the Memorandum of Understanding through its Annual Report.

***General Information***

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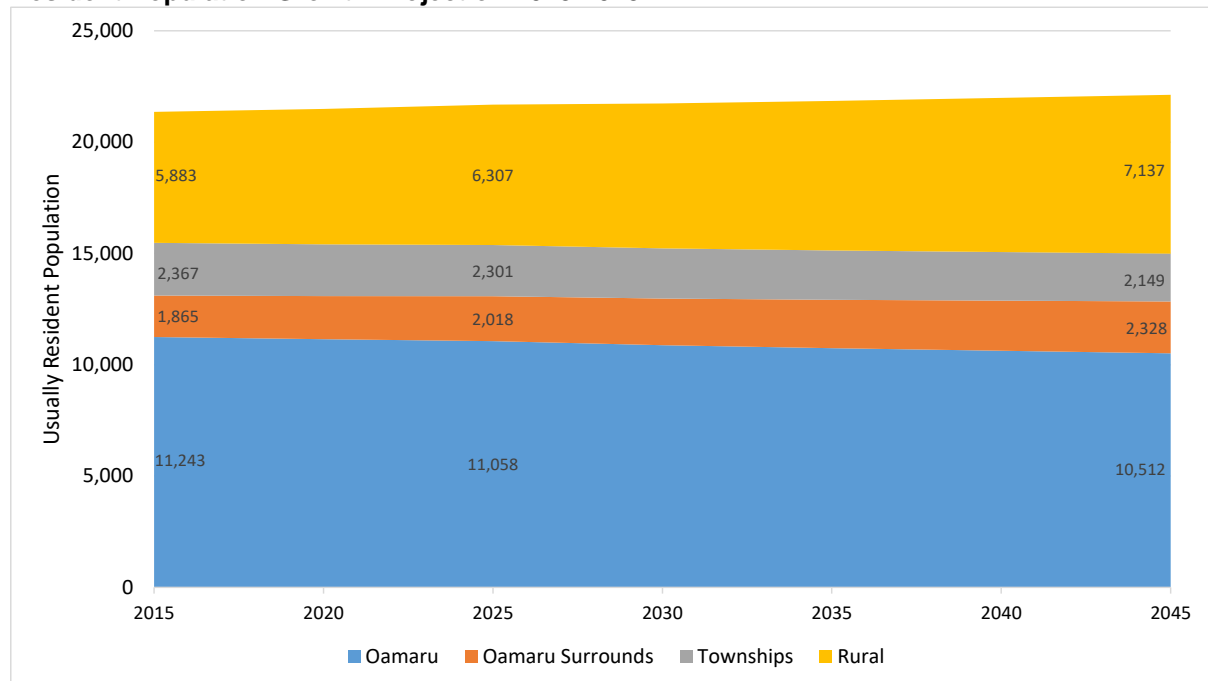
# Overview

Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km<sup>2</sup>. The northern-western portion of the district, 4,315km<sup>2</sup> lies in the Canterbury region with the remaining 4,675km<sup>2</sup> in Otago.

## People

The district population at the 2013 census was 20,829. The population in the rural area is projected to grow by over 40 people annually. Over three quarters of this population growth is projected to occur in the Maheno census area unit (around 30 people per year). The population in Aviemore, Nenthorn and Pukeuri is projected to increase slowly, with the Waihemo population projected to remain stable.

### Resident Population Growth Projection 2015-2045



Source: Rationale Report May 2014:  
Waitaki District Projections for Resident Population, Dwellings and Rating Units to 2045

## Age Structure

As outlined in Rationale's 2014 report, the district has a growing elderly population which has increased the average age in the district. In 2013 the proportion of people aged 65+ made up around 22% of the total population in the district. This is higher than the national average of 14%. This trend is projected to continue, with the proportion of people aged 65+ in the district increasing to over 35% by 2030. The number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect to the make-up of the workforce in the district.

## Economy

The following economic analysis is based on information produced by Business and Economic Research Limited (BERL) in a report 'Otago Economic Overview 2013'.

The economy in the Waitaki district generates 9,608 FTE jobs in 2,884 business units. The economy's GDP is fractionally over \$1.0 billion.

## Overview

As the table below shows, around 43% of employment and 49% of GDP in Waitaki is in the Primary and Manufacturing sectors.

### GDP, Employment and Business Units, Waitaki District 2014

Sectors (2013)	FTEs	%	GDP (2014\$m)	%	Business units	%
Primary	2,300	23.9%	181	20.2%	1,050	35.5%
Manufacturing	1,796	18.6%	256	28.6%	93	3.1%
Construction	876	9.1%	71	7.9%	246	8.3%
Wholesale and Distribution	592	6.1%	80	8.9%	130	4.4%
Retail Trade and Services	1,691	17.6%	97	10.8%	413	13.9%
Business Services	790	8.2%	106	11.8%	824	27.8%
Arts and Recreation Services	92	1.0%	6	0.7%	55	1.9%
Social Services	1,493	15.5%	100	11.2%	150	5.1%
Sub-total (excluding O.O.D.*)	9,631	100.0%	898	100.0%	2,961	100.0%
* Owner Occupied Dwellings			142			
Total	9,631		1,040		2,961	

Source: BERL Regional Database, 2014

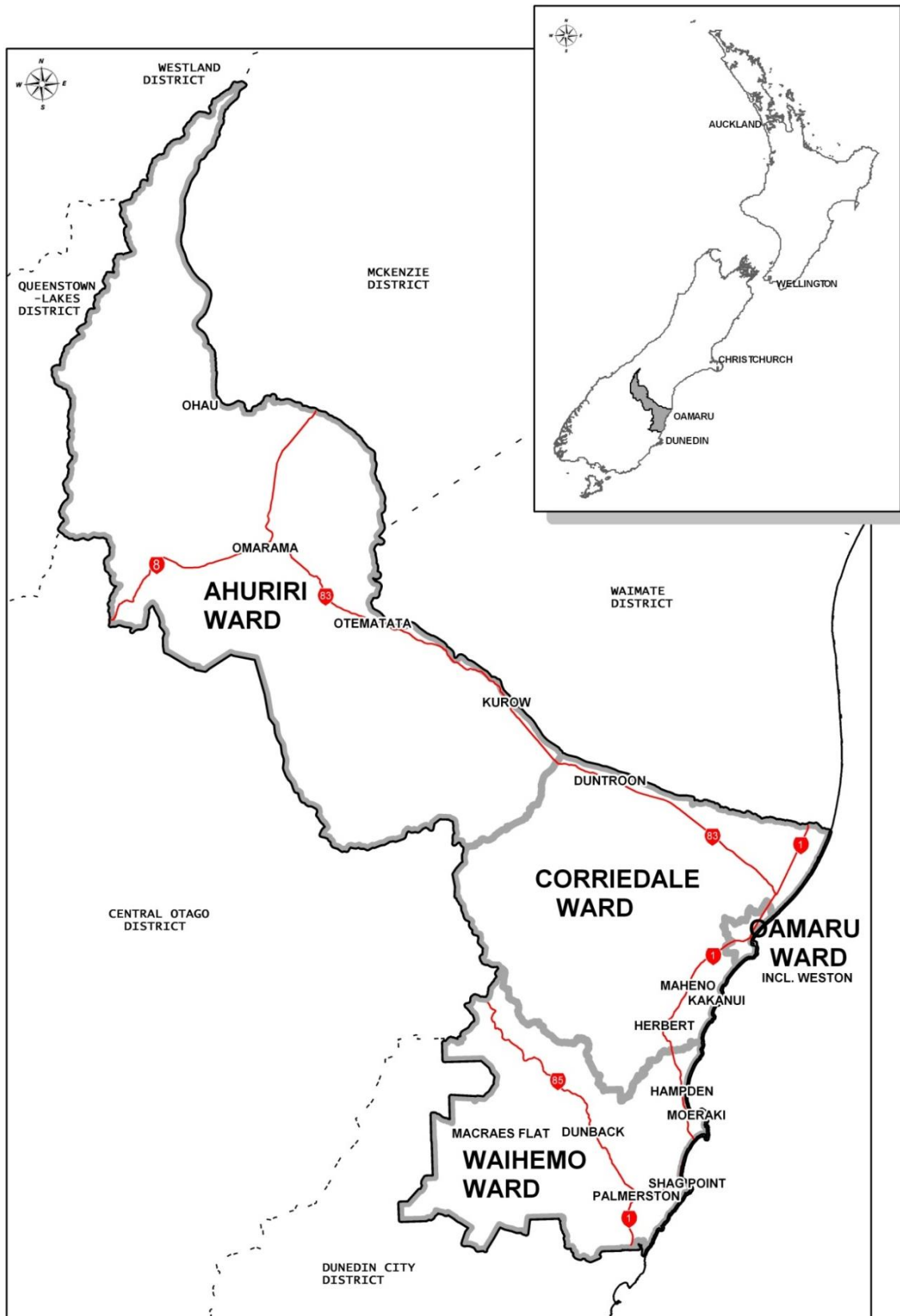
### Economic Profile

#### Ten Fastest Growing Industries by FTE Growth, Waitaki District 2004 to 2014

Rank by FTE growth	Industry	Employment (FTEs)		
		2004	2014	% per annum growth
1	Machinery and Equipment Wholesaling	20	102	17.6
2	Agriculture, Forestry and Fishing Support Services	121	267	8.2
3	Basic Material Wholesaling	75	162	8.0
4	Metal Ore Mining	223	467	7.7
5	Social Assistance Services	101	193	6.7
6	Public Administration	63	108	5.6
7	Construction Services	264	430	5.0
8	Repairs and Maintenance	79	128	4.9
9	Hospitals	103	154	4.2
10	Professional Scientific and Technical Services (exc Comp Sys Dsn and related)	185	278	4.2

Source: BERL; Statistics NZ

# Map of the Waitaki District



## ***Mayor and Councillors (at 30 June 2017)***

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### **Mayor Gary Kircher**

326 Homestead Road  
RD 1C  
Oamaru  
Ph. (03) 434 5057

### **Oamaru Ward**

#### **Cr Peter Garvan**

45 Severn Street  
Oamaru  
Ph. (03) 434 6943

#### **Cr Jim Hopkins**

16 Tamar Street  
Oamaru  
Ph. (03) 434 9410

#### **Cr Jeremy Holding**

40 Tyne Street  
Oamaru  
Ph (03) 434 2265

#### **Cr Hugh Perkins**

32 Hull Street  
Oamaru  
Ph. (03) 434 1160

#### **Cr Melanie Tavendale**

19 Burnett Street  
14 ORD  
Kakanui  
Ph. (03) 439 5243

#### **Cr Colin Wollstein**

43C Hull Street  
Oamaru  
Ph. (03) 434 7017

### **Corriedale Ward**

#### **Cr William Kingan**

71 Wellington Street  
2C RD  
Oamaru  
Ph. (03) 432 4247

#### **Cr Guy Percival**

55 Rutherfords Road  
Fuchsia Creek  
RD 15D  
Oamaru  
Ph. (03) 432 4225

### **Ahuriri Ward**

#### **Cr Craig Dawson**

3 Keene Place  
Omarama  
Ph. (03) 438 9755

### **Waihemo Ward**

#### **Cr Jan Wheeler**

3518 Hampden-  
Palmerston Road  
RD 2  
Palmerston  
Ph. (03) 439-4855

## ***Community Board Members (at 30 June 2017)***

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Community Boards are responsible for:

- Local decision making, assessing and responding to local needs
- Providing local input into Council's strategic and annual plans
- Communication with community organisations and special interest groups within the community
- Overview of local road works, water and wastewater, stormwater, drainage, parks, recreational facilities, community activities, and traffic management within the community

### **Ahuriri Community Board**

#### **Graham Sullivan (Chair)**

71 Willowbridge Road  
10 RD  
Waimate  
Ph. (03) 689 9870

#### **Tony Chapman**

1 Omarama Avenue  
Omarama  
Ph. (027) 242 8605

#### **Brent Cowles**

Otematata Lodge and Camping Ground  
9 East Road  
Otematata  
Ph. (03) 438 7826

#### **Vicky Munro**

2629 Kurow-Otematata Highway  
Otematata  
Ph. (03) 438 7855

#### **Calum Reid**

PO Box 1  
Kurow  
Ph. (03) 436-0064

#### **Cr Craig Dawson**

### **Waihemo Community Board**

#### **Kathy Dennison (Chair)**

563 Horse Range Road  
Palmerston  
Ph. (03) 465 1213

#### **Ken Brown**

75 District Road  
Palmerston  
Ph. (03) 465 1177

#### **Carol Watson**

12 Goodwood Road  
RD 1  
Palmerston  
Ph. (03) 465 1489

#### **Heather McGregor**

18 Runbrake Street  
Palmerston  
Ph. (03) 465 1255

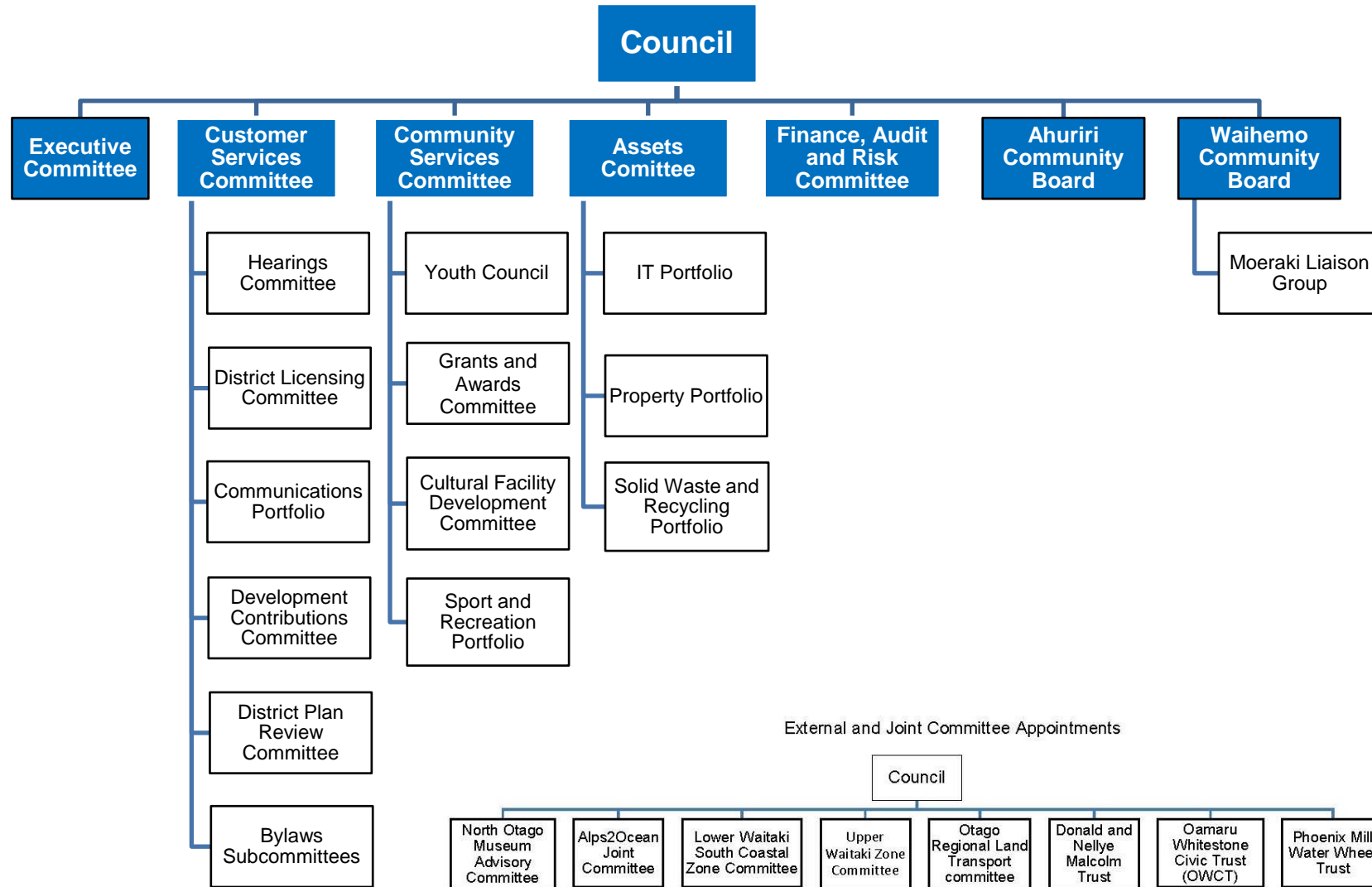
#### **Paul Roy**

173 Taieri Ridge Road  
RD 3  
Palmerston  
Ph. (03) 465 2144

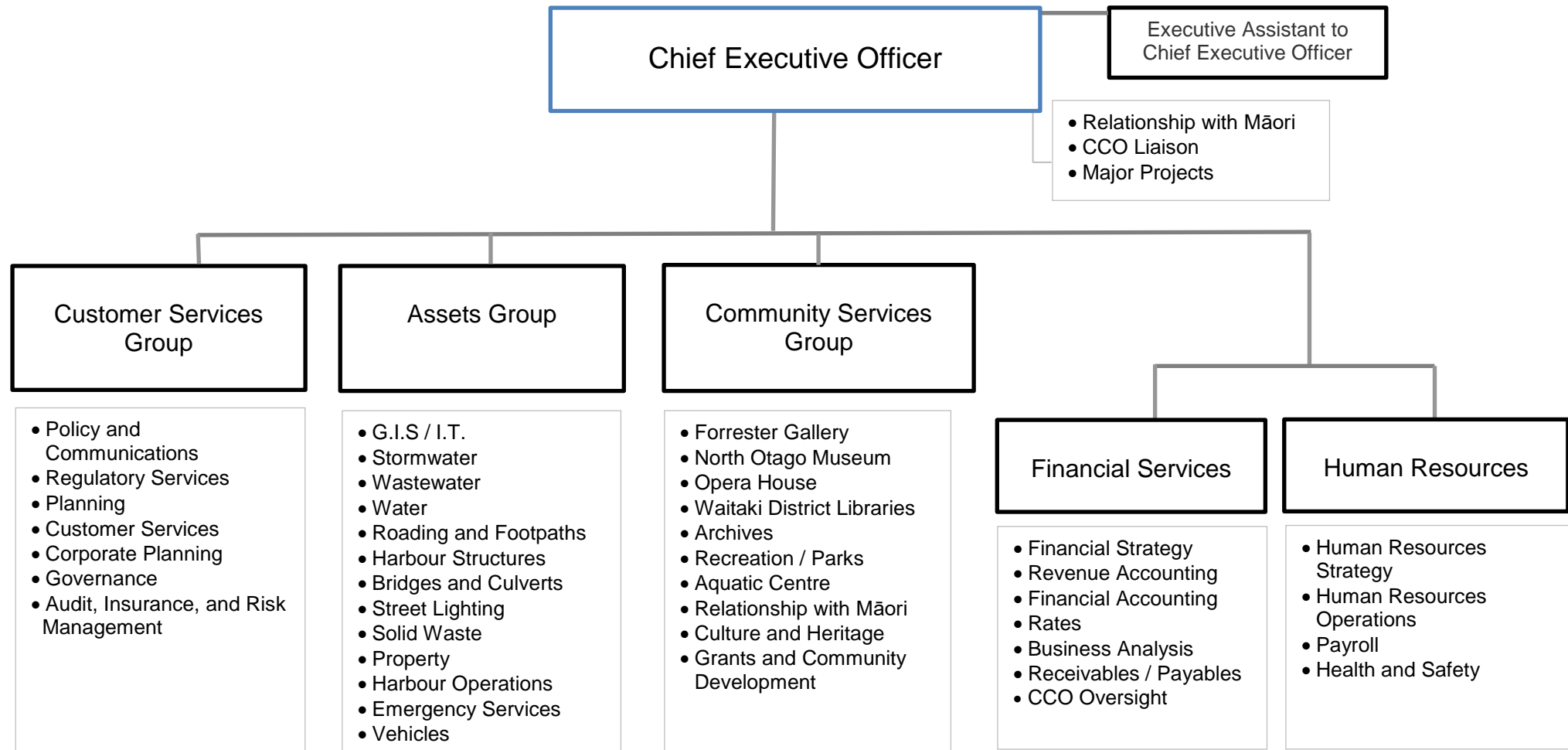
#### **Cr Jan Wheeler**



# Structure of Council, Community Boards, Committees and Sub-Committees



## Management Structure



## ***Principal Advisors***

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### **Auditors**

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

### **Financial and Tax Advisers**

Deloitte  
Dunedin

### **Bankers**

Bank of New Zealand  
Oamaru

ANZ Banking Group  
Oamaru

ASB Bank  
Auckland

Westpac Bank  
Dunedin

### **Insurance Brokers**

Aon NZ Limited  
Dunedin

### **Planners**

Davie Lovell-Smith & Partners  
Christchurch

Andrew Purvis Planning Consultant  
Christchurch

### **Valuers**

Quotable Value NZ  
Dunedin

### **Solicitors**

Anderson Lloyd  
Dunedin

Dean and Associates  
Oamaru

Hope and Associates  
Oamaru

Simpson Grierson  
Wellington

### **Professional Engineers**

BECA Consultants  
Christchurch & Dunedin

David Hamilton & Associates  
Dunedin

OCEL Consultants  
Christchurch

Opus Consultants  
Dunedin

Waugh Consultants  
Timaru

# Glossary of Terms

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

## Annual Plan

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

## Activities

All the things that the Council does

## BERL

Business and Economic Research Limited

## Building Act

Building Act 2004

## Capital Value

Market value of the land plus improvements at the time of valuation

## 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 2015-25 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 2015-25 Long Term Plan and on Council's website [www.waitaki.govt.nz](http://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 1981

## 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

## ***Glossary of Terms***

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### **LTP**

Long Term Plan 2015-25 (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

### **NZTA**

New Zealand Transport Agency

### **OBPC**

Oamaru Blue Penguin Colony

### **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 Targeted Rates

### **Reserves Act**

Reserves Act 1977

### **RMA**

Resource Management Act 1991 and RMA Amendment Act 1993

### **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. 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 Targeted Rate per separately rateable property (TR)

### **Sale and Supply of Alcohol Act 2013**

(Replaces Sale of Liquor Act 1989)

### **Transparency**

A test to determine whether people who pay for activities can see where their money is allocated

### **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

# Council Contact Information

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## FOR ALL GENERAL ENQUIRIES

Enquiries to Customer Contact Team for all general enquiries or for enquiries regarding the following departments:

### Regulatory Services:

- Health
- Building Services
- Subdivisions
- Plumbing
- Planning Enquiries
- Nuisance Concerns
- Animal Control
- Hazardous Substances
- Dangerous Goods

### Infrastructure Services:

- Roads and Footpaths
- Water Supply
- Wastewater and Stormwater
- Solid Waste and Recycling

### Parks and Recreation:

- Parks and Reserves
- Sportsfields
- Cemeteries
- Public Toilets

### WAITAKI DISTRICT COUNCIL

20 Thames Street, Oamaru  
 Phone: (03) 433 0300  
 Freephone **0800 108 081** (*within the district*)  
 Fax (03) 433 0301  
 Email [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)  
 Website [www.waitaki.govt.nz](http://www.waitaki.govt.nz)

### WAIHEMO SERVICE CENTRE

54 Tiverton Street, Palmerston  
 Phone (03) 465 1106  
 Fax (03) 465 1111

### AFTER HOURS

### EMERGENCY CONTACTS

### CIVIL DEFENCE

24-Hour Emergency Contact  
 Phone **(03) 434 6400**

### OTHER DEPARTMENTS

- Animal Control
  - Noise Control
  - Wastewater
  - Stormwater
  - Water Supply
  - Hazardous Substances
  - Dangerous Goods
- 24-Hour After Hours:  
 Phone **(03) 433 0300**

### OTHER CONTACTS:

#### FORRESTER GALLERY

Thames Street, Oamaru  
 Phone (03) 433 0853  
 Email [info@forrestergallery.com](mailto:info@forrestergallery.com)

#### NORTH OTAGO MUSEUM

Thames Street, Oamaru  
 Phone (03) 433 0852  
 Email [museum@waitaki.govt.nz](mailto:museum@waitaki.govt.nz)

#### OAMARU PUBLIC LIBRARY

Thames Street, Oamaru  
 Phone (03) 434 1650  
 Email [oamlibrary@waitaki.govt.nz](mailto:oamlibrary@waitaki.govt.nz)

#### AQUATIC CENTRE

Steward Street, Oamaru  
 Phone (03) 433 0410  
 Email [aquaticcentre@waitaki.govt.nz](mailto:aquaticcentre@waitaki.govt.nz)

#### OAMARU OPERA HOUSE

90 Thames Street, Oamaru  
 Phone (03) 433 0779  
 Email [oamaruoperahouse@waitaki.govt.nz](mailto:oamaruoperahouse@waitaki.govt.nz)

## Independent Auditor's Report

### To the readers of Waitaki District Council's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Waitaki District Council (the District Council) and its subsidiaries (the group). The Auditor-General has appointed me, Scott Tobin, 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 25 October 2017. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 79 to 135:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2017;
    - 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;
- the funding impact statement on page 130, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision on pages 25 to 72:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 30 to 72, 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 72, 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 its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 8 to 13, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

### **Basis for 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 or Long-term 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 provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council 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 7, 15, 21 to 24, and 136 to 145, 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 (Revised): 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.

Scott Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand