

# Annual Report

For the year ended 30 June 2022

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**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI

# TABLE OF CONTENTS

<b>INTRODUCTION FROM THE MAYOR AND CHIEF EXECUTIVE .....</b>	<b>6</b>
<b>OUR STRATEGIC FRAMEWORK .....</b>	<b>12</b>
<b>OUR PLANNING AND REPORTING CYCLE.....</b>	<b>13</b>
<b>WHAT WE DO .....</b>	<b>14</b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>15</b>
<b>COUNCIL ONLY – FINANCIAL SUMMARY .....</b>	<b>21</b>
Financial Statistics.....	21
Five Year Financial Summary.....	21
Waitaki District Rating Base.....	21
<b>COUNCIL ONLY – FINANCIAL DISCLOSURES .....</b>	<b>22</b>
Annual Report Disclosure Statement for the Year Ended 30 June 2022 .....	22
<b>STATEMENT OF COMPLIANCE AND RESPONSIBILITY .....</b>	<b>29</b>
<b>STATEMENTS OF GROUPS OF ACTIVITIES .....</b>	<b>30</b>
DISTRICT LEADERSHIP .....	31
Democracy and Accountability.....	32
Economic Development .....	35
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Democracy and Accountability .....	38
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Support Services.....	39
PROPERTY .....	40
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Economic Development and Property .....	44
HERITAGE, ENVIRONMENT AND REGULATION .....	45
Heritage and Planning.....	46
Regulatory, Environmental and Building .....	48
Community Development and Engagement .....	53
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Heritage, Environment and Regulation .....	56
INFRASTRUCTURE AND SERVICES .....	57
Roads and Footpaths.....	58
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Roads and Footpaths .....	63
Water, Stormwater and Wastewater .....	64
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Water Supply.....	74
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Stormwater .....	75
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Wastewater .....	76
Recreation Services.....	77
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Recreation Services .....	84

Waste Management and Minimisation .....	85
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Waste Management and Minimisation .....	88
<b>ARTS, CULTURE, AND COMMUNITY .....</b>	<b>89</b>
Waitaki District Libraries .....	90
Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki.....	94
Ōamaru Opera House .....	97
Waitaki District Council: Funding Impact Statement for 30 June 2022 for Arts, Culture and Community .....	99
<b>COUNCIL CONTROLLED ORGANISATIONS .....</b>	<b>100</b>
Tourism Waitaki Ltd.....	101
Waitaki District Health Services Ltd Group.....	104
Whitestone Contracting Ltd.....	108
Ōmārama Airfield Limited .....	110
<b>FINANCIAL STATEMENTS.....</b>	<b>111</b>
Statement of Comprehensive Revenue and Expenditure.....	112
Statement of Changes in Equity.....	113
Statement of Financial Position .....	114
Statement of Cash Flows .....	115
Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities .....	116
Statement of Accounting Policies .....	117
Reporting Entity.....	117
Basis of Preparation .....	117
Summary of Significant Accounting Policies.....	118
<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>121</b>
Note 1: Operating Revenue – Rates .....	122
Note 2: Operating Revenue – Government Grants and Subsidies.....	123
Note 3: Operating Revenue – Other Grants and Donations .....	124
Note 4: Finance Revenue and Finance Expense .....	125
Note 5: Personnel Costs.....	126
Note 6: Other Operating Costs .....	128
Note 7: Non-Trading Losses / (Gains).....	130
Note 8: Taxation .....	131
Note 9: Equity .....	133
Note 10: Property, Plant and Equipment.....	139
Note 11: Investment Property.....	152
Note 12: Intangible Assets .....	154
Note 13: Forestry Assets .....	156

Note 14: Financial Assets .....	157
Note 15: Cash and Cash Equivalents.....	162
Note 16: Trade and Other Receivables .....	163
Note 17: Non-Current Assets Held for Sale .....	166
Note 18: Inventories .....	166
Note 19: Construction Contracts .....	167
Note 20: Borrowings.....	168
Note 21: Provisions.....	171
Note 22: Employee Entitlements .....	172
Note 23: Leases .....	173
Note 24: Trade and Other Payables .....	174
Note 25: Occupational Right Agreements and Obligations to Residents.....	175
Note 26: Commitments.....	176
Note 27: Contingencies .....	177
Note 28: Financial Instruments .....	179
Note 29: Elected Members' Interests Transactions.....	184
Note 30: Related Party Transactions .....	186
Note 31: Waitaki District Council: Funding Impact Statement for 30 June 2022 (Whole of Council) .....	187
Note 32: Reconciliation of Funding Impact Statements by Group of Activity.....	188
Note 33: Review of Variances Against Budget and the Prior Period .....	190
Note 34: Effects of the COVID Pandemic .....	192
Note 35: Legislative Breach .....	194
Note 36: Events Subsequent to Balance Date .....	195
<b>OPPORTUNITIES FOR MĀORI TO CONTRIBUTE TO THE DECISION-MAKING PROCESS .....</b>	<b>196</b>
<b>PRINCIPAL ADVISORS .....</b>	<b>197</b>



## INTRODUCTION FROM THE MAYOR AND CHIEF EXECUTIVE

On behalf of the Waitaki District Council, we are pleased to present the Annual Report for the 2021-22 financial year. The 2021-22 Annual Report is an opportunity to report to the community on Council's progress and performance against the first year of the 2021-31 Long Term Plan, from 1 July 2021 to 30 June 2022.

We continue to feel the impact of COVID in our communities and in our everyday lives, through challenges surrounding the cost of living, availability of goods and services, and recruiting people to fill job vacancies in local businesses, as well as Council. International events are also impacting the Waitaki District, as they are across New Zealand.

Despite these challenges, we have continued working towards achieving Council's vision of making the Waitaki District the best place to be!

An important step towards achieving this vision is through the continued development of our relationship with our iwi. The iwi and Council share respect for what each other does, and are strengthening our working relationship to achieve the shared ambitions and goals of both parties.

Council faces considerable change in our business over the next few years due to the proposed Government reforms, particularly the Three Waters, Future for Local Government and Resource Management Act Reforms. To respond to these reforms and the changing needs of our district and our communities, we have started a Transformation Programme to ensure that we are a modern, effective, and efficient organisation, with the ability to serve our district as best as possible within a very changed landscape.

The local authority elections in October 2022 has created a very different Council table. Our newly Elected Members have had to gain Local Government knowledge quickly to understand the impact of the challenges and changes Council is facing both now and in the future.

### Financial Result

We finished the year with a lower than budgeted surplus due to a number of factors, including the continuing impact of the COVID pandemic which has seen several Council activities interrupted and projects deferred. During the year, Council received significant funding to support capital projects in the 3 Waters activities, and consequently increased staffing levels in that department to cope. However, as neither the Sports and Events Centre or the Cultural Facilities redevelopment projects proceeded as expected during the year, budgeted revenue related to these projects was not received. We expect that both these projects will progress in the 2023 and 2024 financial years.

Council received infrastructural assets worth \$1.594 million related to ongoing development in the district and wrote off \$1.711 million of assets decommissioned following the completion of major capital projects, principally those funded by the Tranche One funding for 3 Waters.

As a result, we have ended the year with an operating surplus of \$1.207 million, including the impacts described above, compared with a budgeted surplus of \$4.588 million. Operational results have been affected by numerous factors, both positive and negative, all of which have impacted the reported position.

When considering these factors, it must be understood that the budget against which Council's actual performance is measured in the Annual Report is that set in the Annual or Long Term Plan and does not allow for changes to those budgets approved subsequently by way of Council resolution, such as carry-forward budgets.

Council's financial position is sound despite failing to achieve the budgeted level of surplus. Key asset values are being maintained, and the level of external borrowings at year-end matches budget. We continue to review our costs, particularly from an operational perspective, always striving to ensure that ratepayers get the best value for money.

## **Infrastructure**

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

### *Water Services*

A major focus for 2021-22 was completing \$7.46 million of projects funded through the Government's Three Waters Reform Tranche One Funding. The projects funded through this were selected to improve water supply resilience, quality, and capacity across multiple supplies. Projects that received Tranche One Funding include water main renewals in Ōamaru, Palmerston, and Otematata.

In response to the Government's Three Waters Reform announcements in 2021, projects across the ten years of the 2021-31 Long Term Plan were reviewed to identify those which could be brought forward into the first three years of the Plan. Completing these already planned projects earlier than programmed will ensure our Three Waters assets are well-placed to serve the needs of our local communities in the longer term.

We have also been making improvements during 2021-22 to prepare for new compliance standards rules and better asset management planning and performance. This will also help us to prepare for transition to the new entity under the Three Waters Reforms.

### *Roads and Footpaths*

Our 2021 roading work programmes aligned with the Long Term Plan ensuring that we maintain service levels for our community. Some of the funds we invest in roads come from central government. Our delivery of work was challenged this year when Council's government road investment for 2021-24 was confirmed late by Waka Kotahi New Zealand Transport Agency. The contractor market was later flooded with COVID recovery projects which reduced resources available for local works. Coupled with this, inflationary changes to construction costs required a replanning of when and how work was undertaken.

Our road network maintenance contract reached the end of a 5-year term in June 2022. Procuring a new maintenance contractor concluded in June 2022 at the end of an 18-month project.

Our network maintenance activities have continued throughout the year. This work includes sealed road repairs, unsealed road grading and maintenance graveling, vegetation control, bridge and culvert maintenance, street sweeping and litter bin clearing, and emergency response management.

Despite the challenges mentioned above, we managed to deliver a number of improvement projects which included seal widening, sealed road resurfacing, safety improvements, and road safety programmes. Several bridges that were planned for renewal and upgrade have been impacted by the reduced government investment. As a result, renewal and upgrade plans have been revisited to use maintenance activities to extend lives and increase the weight load capacities.

### *Community Housing*

We have continued with our programme of upgrades across our community housing to ensure that we are compliant with the Healthy Homes legislation for Council's residential tenancies. We are on track to meet our compliance obligations with a requirement for all rental homes to be compliant by 1 July 2024.



### *Ōamaru Harbour*

We continued our investment in the Ōamaru Harbour which is an important asset for our town and district. The Holmes Wharf Observation Deck, located on the north side of Holmes Wharf mole, was completed in July 2021 and the remainder of the Holmes Wharf piles were cased in concrete to strengthen the sub-wharf structure. This work was also completed in July 2021. The contract for the final stage of re-decking Holmes Wharf was awarded, with work commencing on this renewal in April 2023.

### *Waste Management and Minimisation*

We have continued to provide financial support to the Waitaki Resource Recovery Trust (WRRT) to ensure their services continue to be available to the community.

Between July 2021 and June 2022, WRRT diverted a total 2,500 tonnes of waste. This was comprised of 1,500 tonnes of recycling (including chipped green waste) and 1,000 tonnes of items sold in the second-hand store. This equates to approximately 100kg of waste diverted per person in the district.

### *Recreation Services*

We worked with Safer Waitaki, the Police, and the local community to improve safety for all Waitaki Lakes Camping users over Labour weekend. A liquor ban was placed on the top paddock at Loch Laird for the holiday period as well as security guards and an increased police presence. This had a positive outcome as there were no reports of harm that have been traditionally associated with the use of this site as a party spot over Labour weekend.

An important community project we completed in September 2021 was the construction of the walking connection between District Road and Ronaldsay Street in Palmerston.

We also realigned the Moeraki Millennium Walkway from the lookout to the pā site to safely negotiate a slip that had closed the track for several years, which has now been reopened to the public. Another section in Millers Bay that had slumped was also realigned.

## **Culture Waitaki**

### *Waitaki District Libraries*

We continued to support our community through COVID, with the library staff helping over 400 people to obtain vaccine passes online and distributing 340 rapid antigen tests to Waitaki residents.

We have taken a leading role in supporting our community to learn te reo and mātauranga Māori. To encourage wider use of te reo across Waitaki, the Ōamaru and Hampden libraries continue to hold introductory te reo Māori sessions each month. Proudly, all library staff complete weekly te reo Māori classes and participate in daily waiata and karakia sessions.

A key highlight of the year for our community was the inaugural public Matariki celebration, which was coordinated by our Ōamaru Library team. The first event celebrating Matariki was presented by star lore expert, Victoria Campbell, at the Ōamaru Opera House, and at a subsequent dawn ceremony at Cape Wanbrow. The latter event was coordinated by our Library team in collaboration with Te Rūnanga o Moeraki.

We were fortunate to receive funding support from the New Zealand Libraries Partnership Programme Branch to enable better branch equity and district-wide library service provision.

We also saw 121 children from across the district benefit from *Surf into Summer*, Waitaki District Libraries' summer community library reading programme. One of the many positive outcomes of this programme is that primary schools in Ōmārama and Hampden are now regularly attending their local library.



### *Waitaki Museum & Archive Te Whare Taoka o Waitaki*

We have continued to focus on the building projects at both the Gallery and the Museum. Both projects will allow greater access to these facilities for our community.

One major focus was the development and initial implementation of the Revenue Generation Strategy to support the Stage Two extension of the Forrester Gallery.

Another major focus has been the completion of Stage Two of the Museum and Archive building work in June 2022. This work has created new public spaces, including a new archive viewing space, and has improved visitor accessibility through the installation of a lift. In addition to this we have finalised exhibition fit out details. We are excited about sharing the new spaces with the community in late 2022.

## **Economic Development**

A significant focus for this year was the development of an ambitious strategy for the development of the economy. Called 'Uplifting Waitaki: Hāpaitia te Waitaki Economic Development Strategy', this work was supported by Polis Consulting Group, and codesigned with Te Rūnanga o Moeraki and the local business community.

The draft strategy targets sustainable and inclusive growth, and outlines how the economy can grow by more than 8% above projected growth rates in the next 10 years if it is implemented. The strategy also aims to improve the community, environmental, and cultural wellbeing of the district.

The strategy was adopted as a draft by Council in June 2022 and will be finalised in the first quarter of 2022-23 after further stakeholder engagement. The strategy recommends the dissolution of Tourism Waitaki Ltd and the creation of an Economic Development Agency (EDA) who will also manage the reinvigoration of the visitor economy.

Our communications team have had a busy year keeping our community informed through daily news releases, social media updates, weekly newsletters, and website updates, as well as supporting several key community consultations.

## **Heritage, Environment and Regulation**

### *Building Services*

We had an extremely busy year in our building services team. Whilst still dealing with the challenges of COVID, the team issued 656 building consents over the last 12 months, and for the first year we processed 100% of building consents within 20 days. This is an achievement that we are extremely proud of and shows the team's commitment to providing an excellent level of service to the community despite challenges, to ensure the continuity of development across Waitaki.

### *Regulatory and Environmental*

We continue to ensure the safety and wellbeing of our communities by providing animal management services, issuing and monitoring of food and alcohol licencing, administering gambling policies (Class 4 Gambling Venues Policy and TAB Venues Policy), protecting the natural environment through compliance with the District Plan, resource consent monitoring, and review and monitoring of the Freedom Camping Bylaw.

Our Animal Management team is continuing to see increased compliance which has positive impacts across our community. The team are now more visible with new vehicle branding, and we have undertaken community-wide education sessions, which have been well-received.

Resource consent monitoring has resulted in higher levels of consent condition compliance, and we have supported our residents by providing education to consent applicants at the application stage.

### *Heritage and Planning*

A key milestone reached by the Planning team was the release of the Draft District Plan document in June 2022. It has been a significant task to reach this stage, which now goes to public consultation and consideration of feedback before progressing to a Proposed District Plan.

Another important delivery this year was the Ōamaru, Kakanui, and Weston Spatial Plan which identified potential areas for future development to provide for future growth.

Successful staff recruitment throughout the year resulted in a reduction in the use of external contractors used in previous years to assist us in meeting statutory timeframes.

### *Community Development*

Community wellbeing continued to be a key focus area during the year. Along with this, ensuring that we retained connections with the stakeholder groups we are engaged with was another important focus, as the connections we build across our community groups are essential for ongoing community development.

We assisted in coordinating and facilitating the COVID Community Response Welfare Group, which is made up of representatives from support networks across Waitaki. These representatives share community concerns, resources, and information to ensure that our whole community is supported during COVID, no matter where they are located.

Another area of focus was the development and adoption of the Waitaki Healthy Homes for All Housing Strategy. This strategy is a key element in identifying future housing solutions for Waitaki communities.

We have secured funding to support future awareness and education activities, delivered a series of workshops and events throughout the year targeting specific audiences, and we continue to work with the Stronger Waitaki network to ensure we have a connected and supported community.

These are just some of the highlights of what has been a busy year for all of Council, delivering services and investing in improvements across Waitaki.

We would like to thank our Councillors, staff, and contractors for their ongoing efforts towards delivering the vision and strategies Council has for our district.

We would also like to thank our residents, key partners, and stakeholders. The feedback and support we receive is vital for our continued improvement. As we go through our Transformation Programme, you will all play a key role in shaping our future.



A handwritten signature in dark ink, appearing to read 'A. Parmley'.

Alex Parmley  
**Chief Executive**



A handwritten signature in dark ink, appearing to read 'Gary Kircher'.

Gary Kircher  
**Mayor for Waitaki**

## OUR STRATEGIC FRAMEWORK



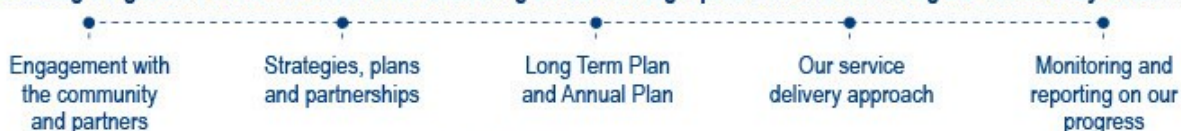
### COMMUNITY OUTCOMES



### STRATEGIC PRIORITIES



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



**Waitaki**  
DISTRICT COUNCIL  
TE KAUNIHĀRA A ROHĀ O WAITAKI



## OUR PLANNING AND REPORTING CYCLE

LTP

### LONG TERM PLAN

The Long Term Plan sets out our strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure the quality and our effectiveness. The issues we face and the context within which we work are continually evolving. For this reason, our Long Term Plan is produced every three years.

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### ANNUAL REPORT

At the end of each financial year we produce an Annual Report. This sets out how we performed for the year compared to what we said we would do. It lets you know what we delivered and analyses whether we met our budgets and performance targets.

AP

### ANNUAL PLAN

In each of the two years between Long Term Plans we produce an Annual Plan. The Annual Plan takes a fresh look at the budgets and work programme that we planned for the year, according to the Long Term Plan, and considers whether adjustments are needed.

## WHAT WE DO

Rates help us to provide, maintain, protect, and manage:



## **Independent Auditor's Report**

### **To the readers of Waitaki District Council's annual report for the year ended 30 June 2022**

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

We are also required to report on:

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

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

#### ***Our audit was completed late***

Our audit was completed on 9 May 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by Section 98(7) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

## **Opinion on the audited information**

### ***Qualified opinion on the financial statements***

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion* section of our report, the financial statements on pages 112 to 186 and 188 to 195:

- present fairly, in all material respects:
  - the District Council and Group's financial position as at 30 June 2022; and
  - the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.



## ***Unmodified opinion on the audited information, excluding the financial statements***

In our opinion:

- the funding impact statement on page 187, 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; and
- the statements of groups of activities on pages 31 to 99:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 38, 39, 44, 56, 63, 74, 75, 76, 84, 88, 99, 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 38, 39, 44, 56, 63, 74, 75, 76, 84, 88, 99, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 22 to 28, 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.

The basis for our opinion is explained below and we draw attention to uncertainty over the water services reform programme. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## **Basis for our opinion on the audited information**

### ***Our work was limited over the carrying value of the Council's revalued property, plant and equipment***

As stated in the statement of accounting policies on page 139 and 142, to the financial statements, the District Council measures certain classes of its property, plant and equipment assets at fair value. PBE IPSAS 17 *Property, Plant and Equipment* requires entities that measure assets at fair value to carry out revaluations with sufficient regularity to ensure that the revalued asset classes are not included in the financial statements at a value that is materially different to fair value.

We consider that based on an analysis of relevant indices and advice to the Council from independent expert valuers, there is evidence that there could be a collectively material change in the fair value of the water supply scheme, sewerage scheme, drainage scheme assets and roading assets. As the District Council have not carried out revaluations of these asset classes as at 30 June 2022, it is impracticable for us to determine the amount of any adjustment required.

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.

### **Emphasis of matter – Uncertainty over the water services reform programme**

Without further modifying our opinion, we draw attention to note 36 on page 195 which outlines developments in the Government's water services reform programme which will affect the District Council in future years.

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

## **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 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 groups of activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the 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 auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

## **Other information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 14, 21, and 197, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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,

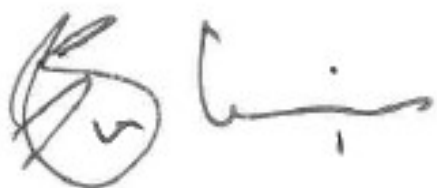
or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for our opinion section above, we were unable to obtain sufficient appropriate evidence over the carrying value of revalued property, plant and equipment and the asset revaluation movement for the current year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

## **Independence**

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

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's Debenture Trust Deed. This engagement is compatible with those independence requirements.

Other than this engagement, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

A handwritten signature in dark ink, appearing to read 'Rudie Tomlinson', with a stylized circular mark to the left.

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

## COUNCIL ONLY – FINANCIAL SUMMARY

### Financial Statistics

Council Only	Actual 2022	Annual Plan 2022	Actual 2021
Proportion of Rates to Total Income (%)	58.4%	56.2%	56.6%
Proportion of Rates to Total Expenditure (%)	59.6%	60.7%	53.3%
Total rating assessments (at the previous 1st of July)	13,865	13,901	13,852
Average Rates per rateable property	\$2,524.67	\$2,498.54	\$2,329.52
Average Expenditure per rateable property	\$4,237.22	\$4,119.14	\$4,369.12
Net Debt - External (percentage of Total Assets)	2.28%	2.59%	1.53%
Net Debt - Internal (percentage of Total Assets)	3.10%	3.17%	3.04%
Net Debt - External (per rateable property)	\$1,808.44	\$1,800.73	\$1,156.58
Net Debt - Internal (per rateable property)	\$2,451.93	\$2,203.88	\$2,298.44
Current ratio	0.68	1.64	0.70
<i>Ratio of Current Assets to Current Liabilities</i>			
Liquid ratio	0.68	1.80	0.69
<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	2022 \$000	2021 \$000	2020 \$000	2019 \$000	2018 \$000
Rates revenue	35,516	32,846	32,833	32,116	30,779
Net Operating Surplus/(Deficit)	1,207	(4,392)	(3,124)	(1,597)	913
Cashflows					
Operating Activities	16,976	13,809	14,076	11,429	13,034
Investing Activities	(26,096)	(20,789)	(21,282)	(13,280)	(15,301)
Financing Activities	9,000	8,600	7,400	-	-
Net Increase/(Decrease) in cash held	(120)	1,620	194	(1,851)	(2,267)
Net Public Debt - External	25,074	16,021	7,400	-	-
Net Public Debt - internal	33,996	31,838	26,045	22,547	24,326
Total Assets	1,097,827	1,048,174	929,715	839,526	819,934

### 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.

	<b>At 30 June 2021</b>
Total Rateable Properties	13,865
Total Land Value of the District	\$4,776,475,550
Total Capital Value of the District	\$9,714,183,500

## COUNCIL ONLY – FINANCIAL DISCLOSURES

### Annual Report Disclosure Statement for the Year Ended 30 June 2022

#### *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*

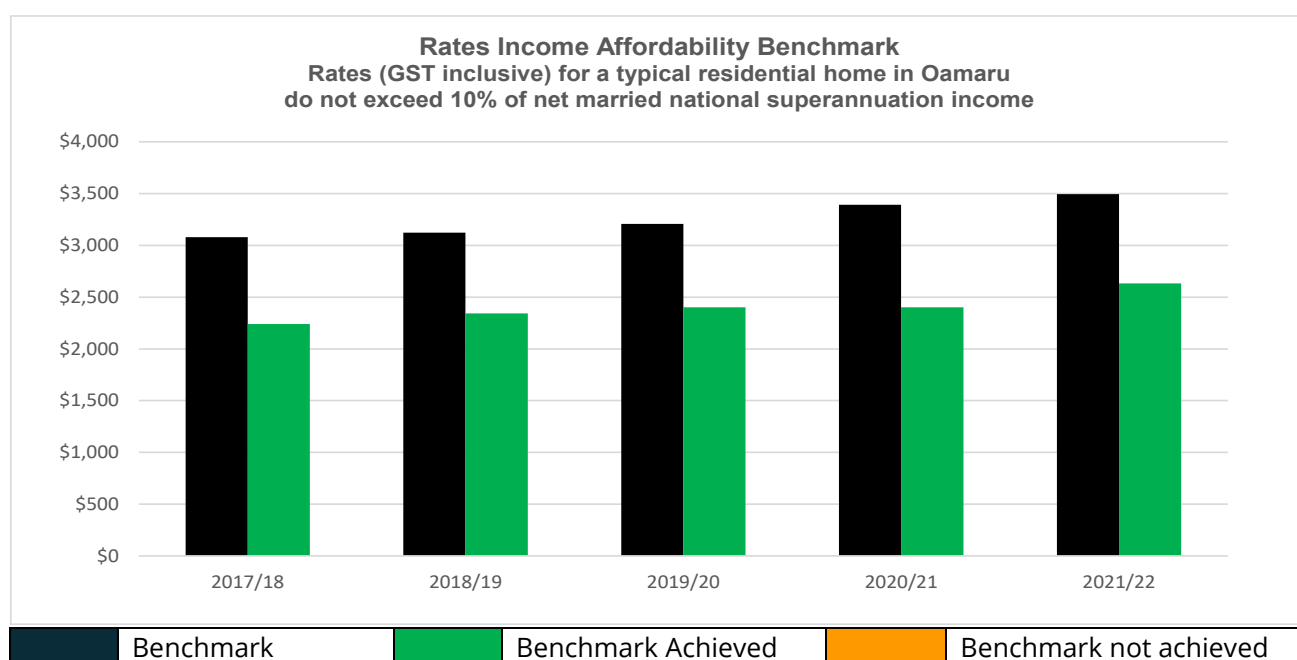
Council meets the three Rates Affordability benchmarks when:

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

#### *Rates Income Affordability*

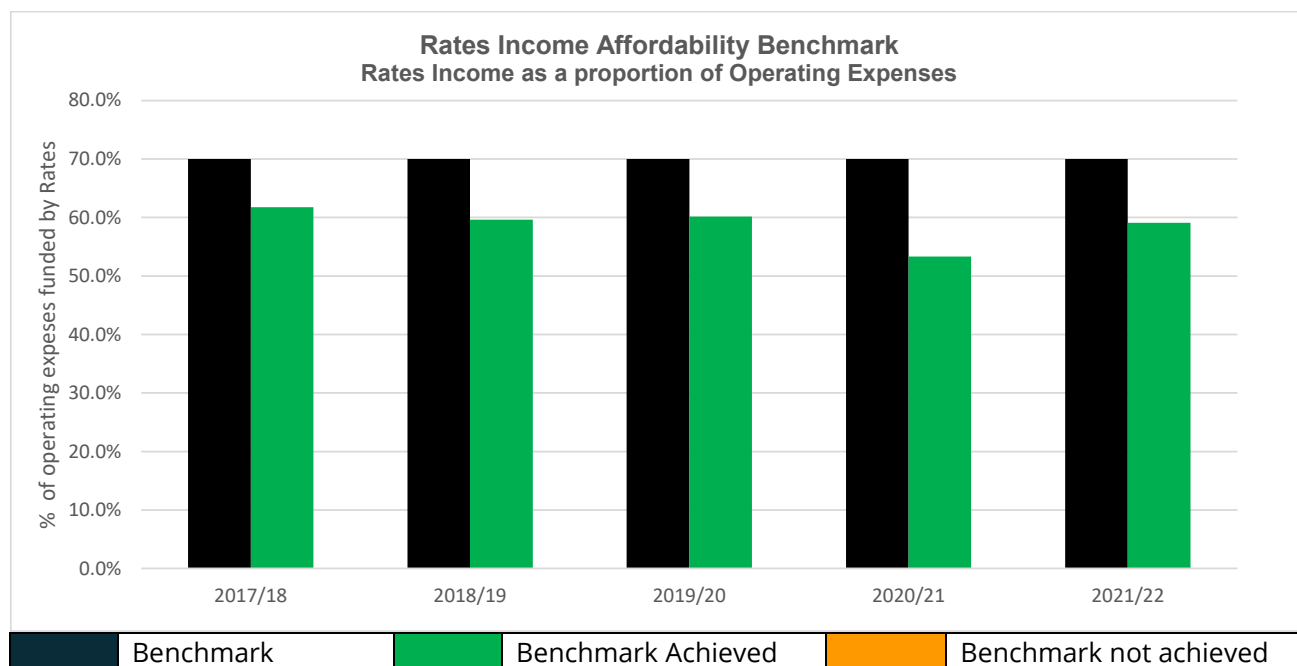
These graphs compare Council's actual rates revenue with quantified limits on rates contained in the Financial Strategy appearing in Council's 2021-31 Long Term Plan.

This quantified limit on total rates is that the average annual rate levied on a typical residential property in Ōamaru will not exceed 10% of married national superannuation, net of tax. This limit was set when adopting the 2021-31 Long Term Plan.





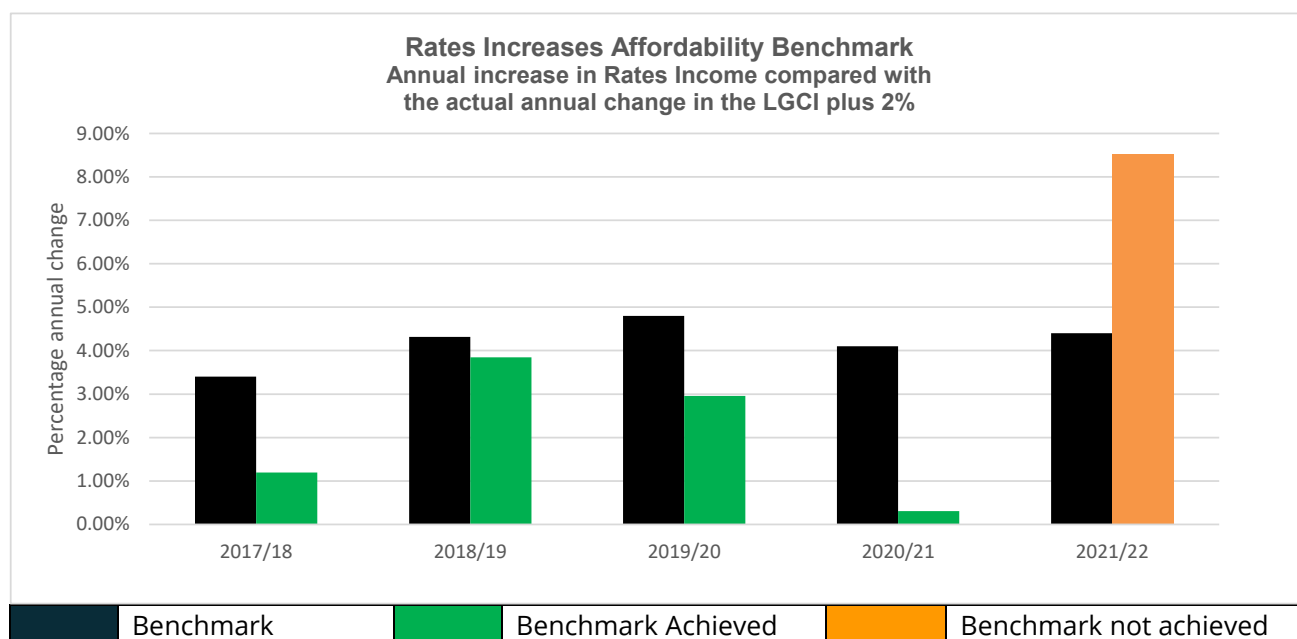
This graph compares Council's rates revenue with a quantified limit on rates contained in the financial strategy appearing in Council's 2021-31 Long Term Plan. The quantified limit on total rates is that revenue raised from rates should fund no more than 70% of total operating expenditure.



#### *Rates Increases 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 2021-31 Long Term Plan.

The quantified limit on total rates increases is that the increase in 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 2021-31 Long Term Plan.



Rates are set annually at the appropriate level to match anticipated future increases in service delivery costs. The alternative would be to reduce the level of service provided to the community, but that would always be a last-resort measure.

### Debt Affordability Benchmark

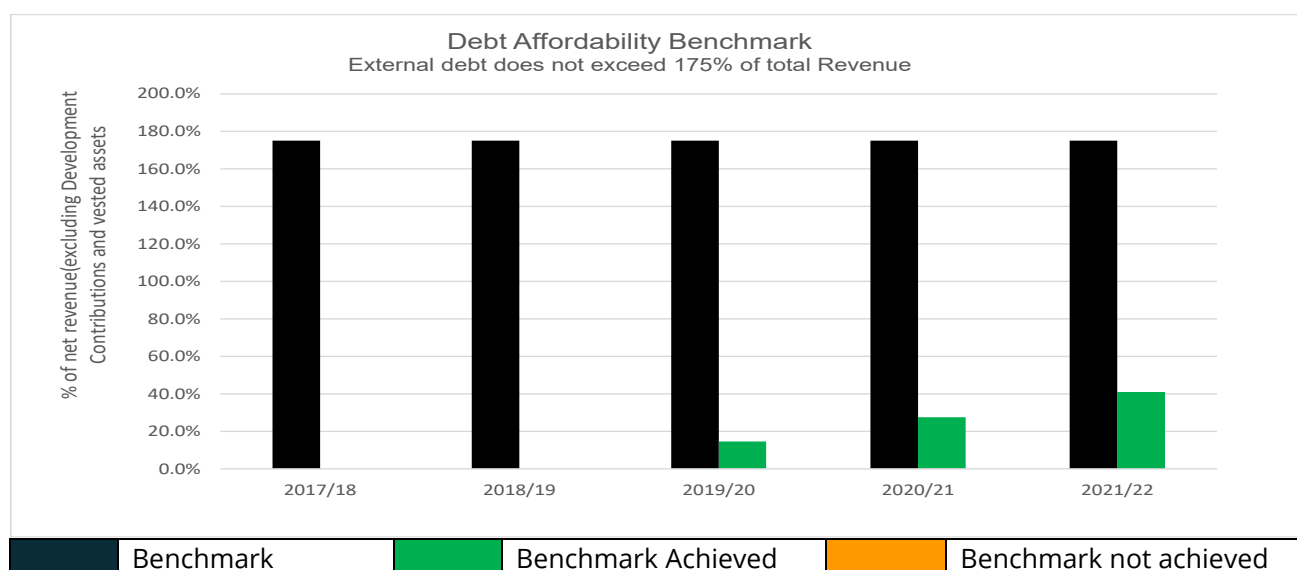
Council meets the Debt Affordability benchmarks when actual borrowings are within each quantified limit on borrowing.

### Debt Affordability

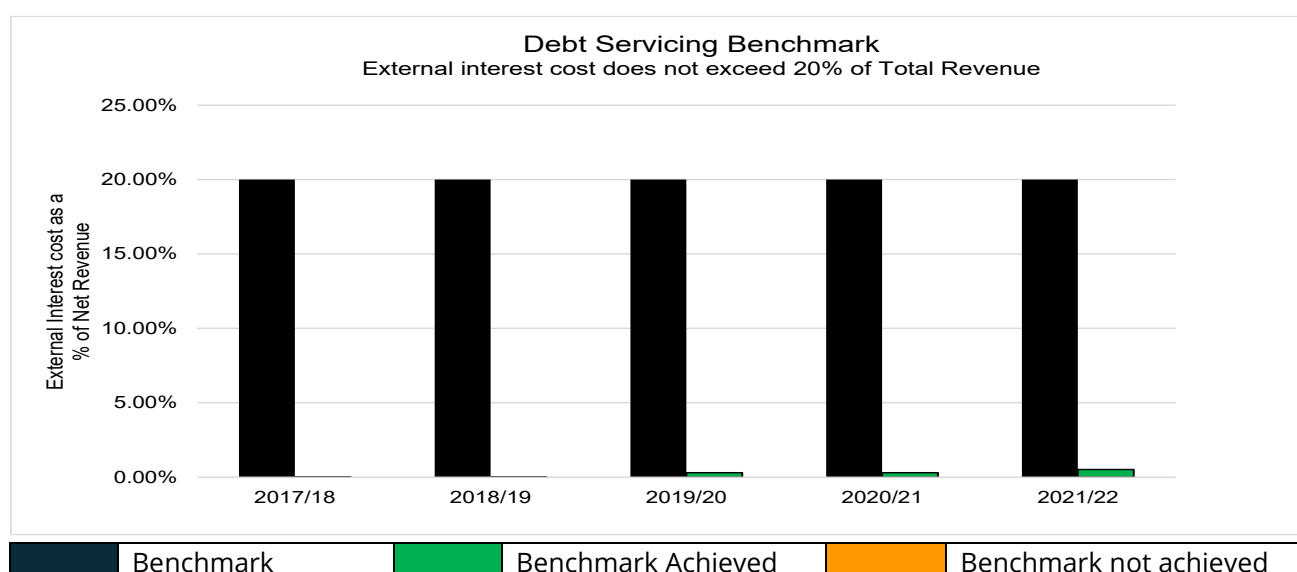
Actual external borrowing is compared with quantified limits on borrowing contained in the Financial Strategy appearing in Council's 2021-31 Long Term Plan.

The Financial Strategy in the 2021-31 Long Term Plan set quantified limits on external debt as follows:

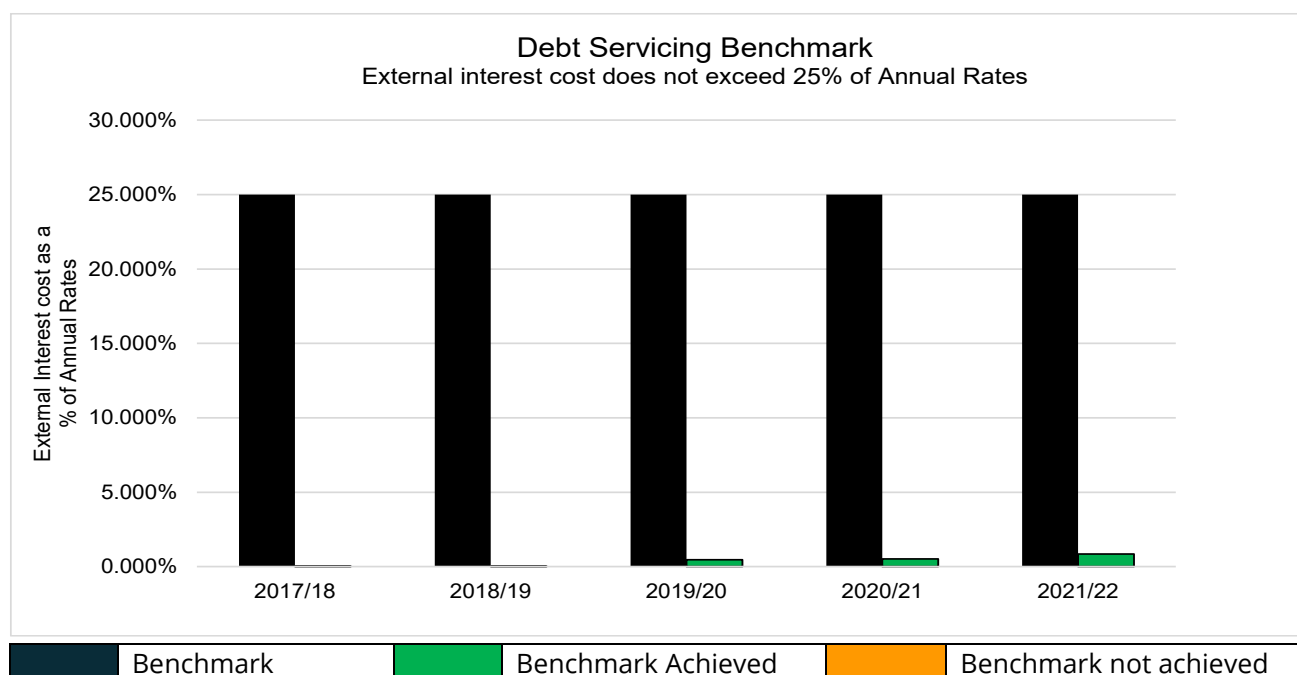
- External debt will not exceed 175% of total revenue (excluding Development and Financial Contributions (DCs), vested assets, gains on derivative financial instruments, and revaluation of property, plant, and equipment).



- Interest cost related to external debt will not exceed 20% of total revenue (excluding Development and Financial Contributions (DCs), vested assets, gains on derivative financial instruments, and revaluation of property, plant, and equipment).



- Interest cost related to external debt will not exceed 25% of annual rates - the benchmark is achieved when external interest cos is less than 25% of annual rates.



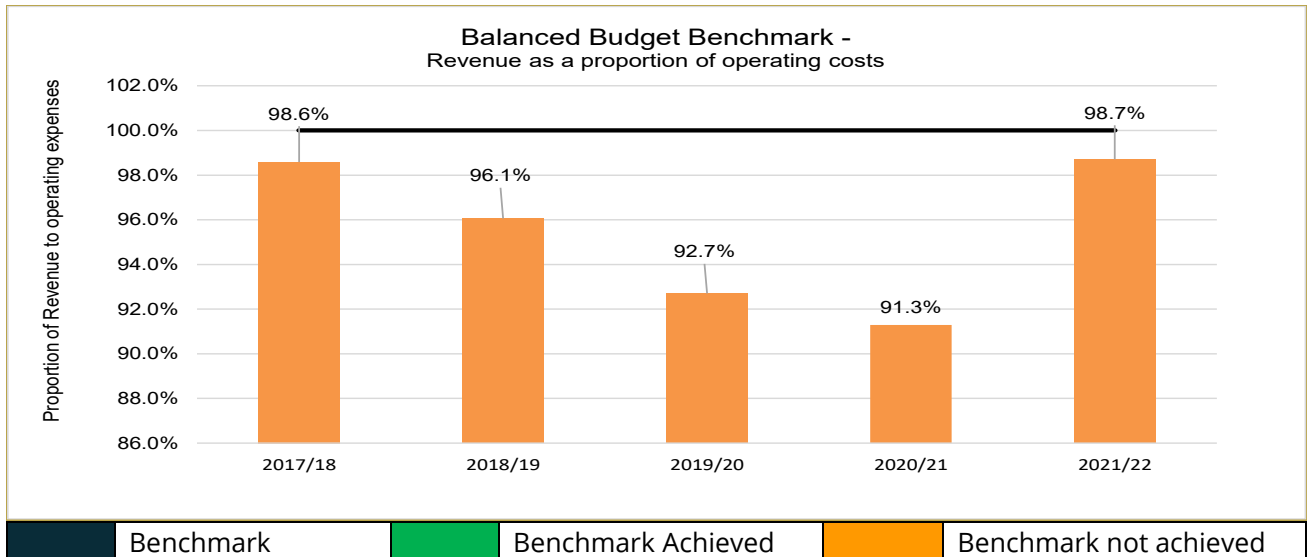
- External debt will not exceed \$4,000 per rateable property.



### Balanced Budget Benchmark

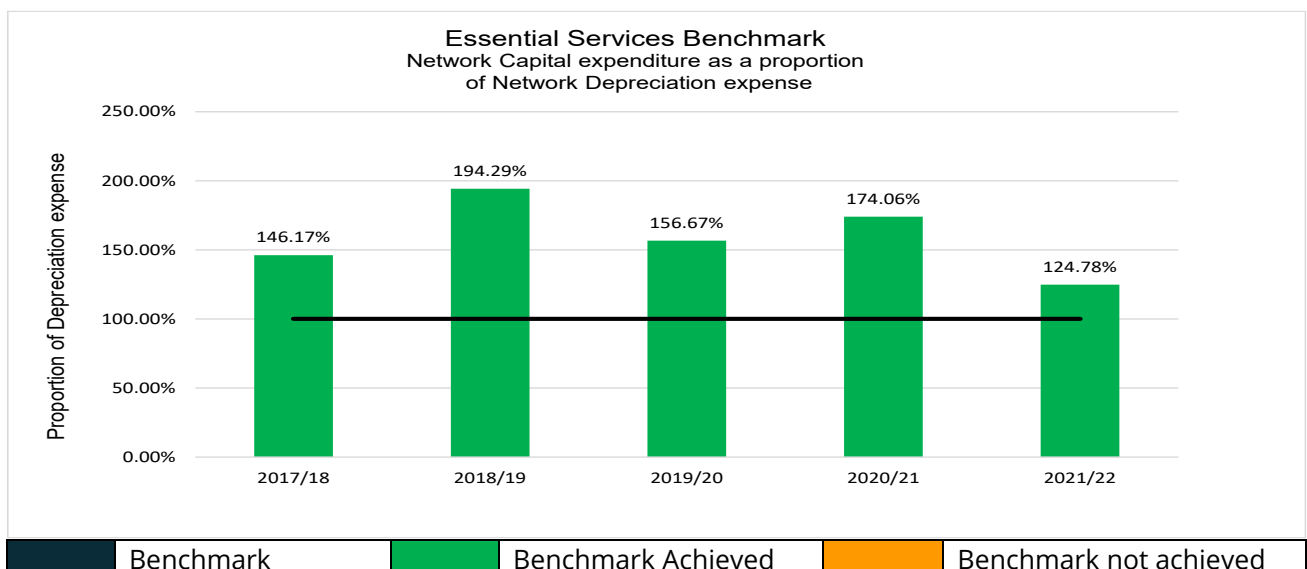
The following graph displays Council's total operating revenue (excluding Development and RMA Contributions (DCs), vested assets, gains on derivative financial instruments, and revaluation of property, plant, and equipment) as a proportion of total operating expenses (excluding losses on derivative financial instruments and revaluation of property, plant, and equipment).

Council meets the balanced budget benchmark if its net operating revenue equals or is greater than its operating expenses.



### Essential Services Benchmark

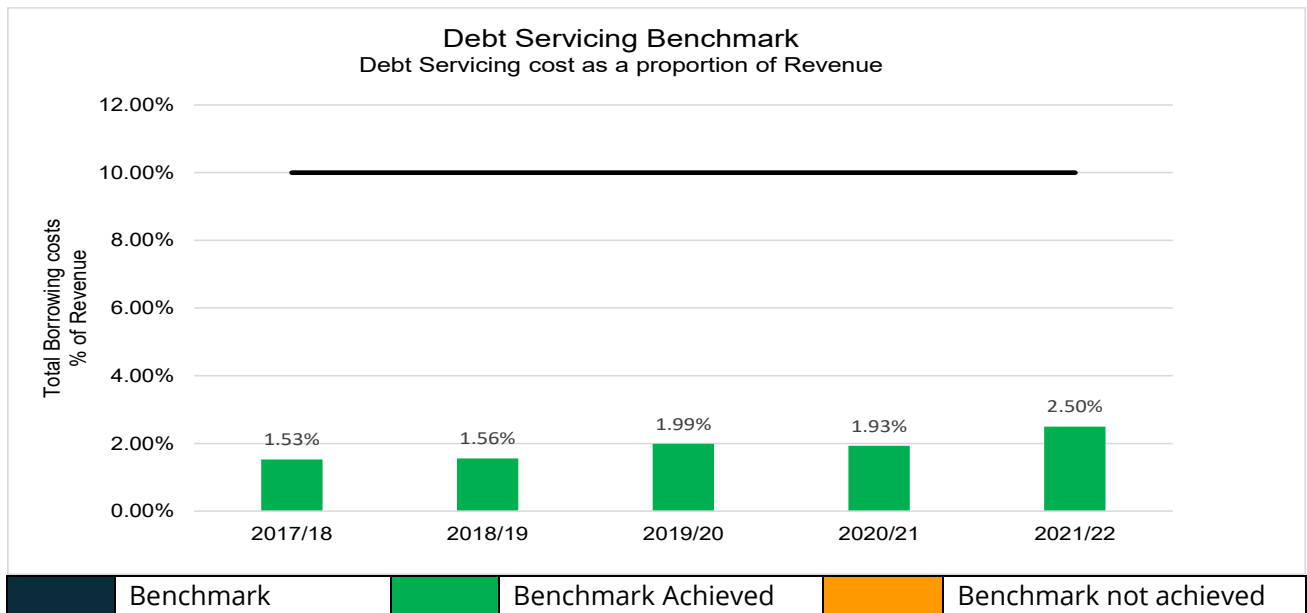
The graph below displays Council's capital expenditure on new or replacement network assets (being roading, water, waste water and stormwater infrastructural assets) as a proportion of depreciation charge on network services. Council meets the benchmark when capital expenditure equals or exceeds depreciation on those assets.



### Debt Servicing Benchmark

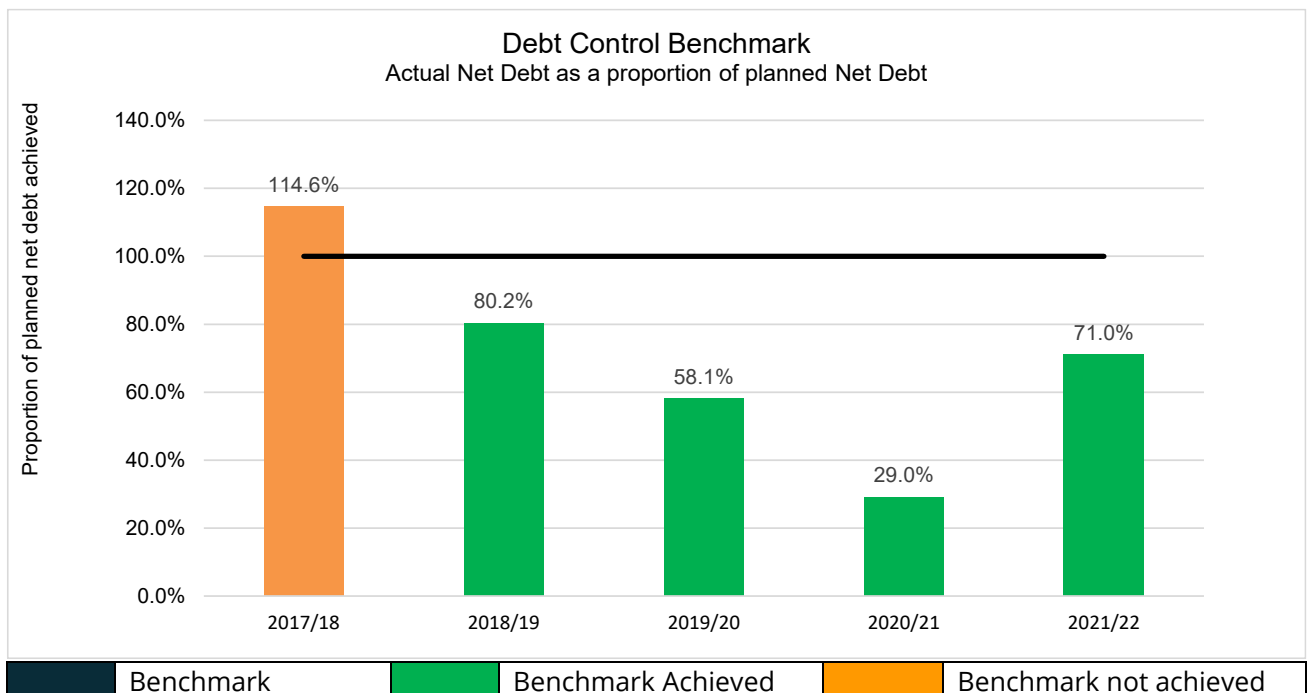
Because Statistics NZ projects the population of the Waitaki District will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if borrowing costs equal, or are less than, 10% of Operating Revenue (less development and financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

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



### Debt Control Benchmark

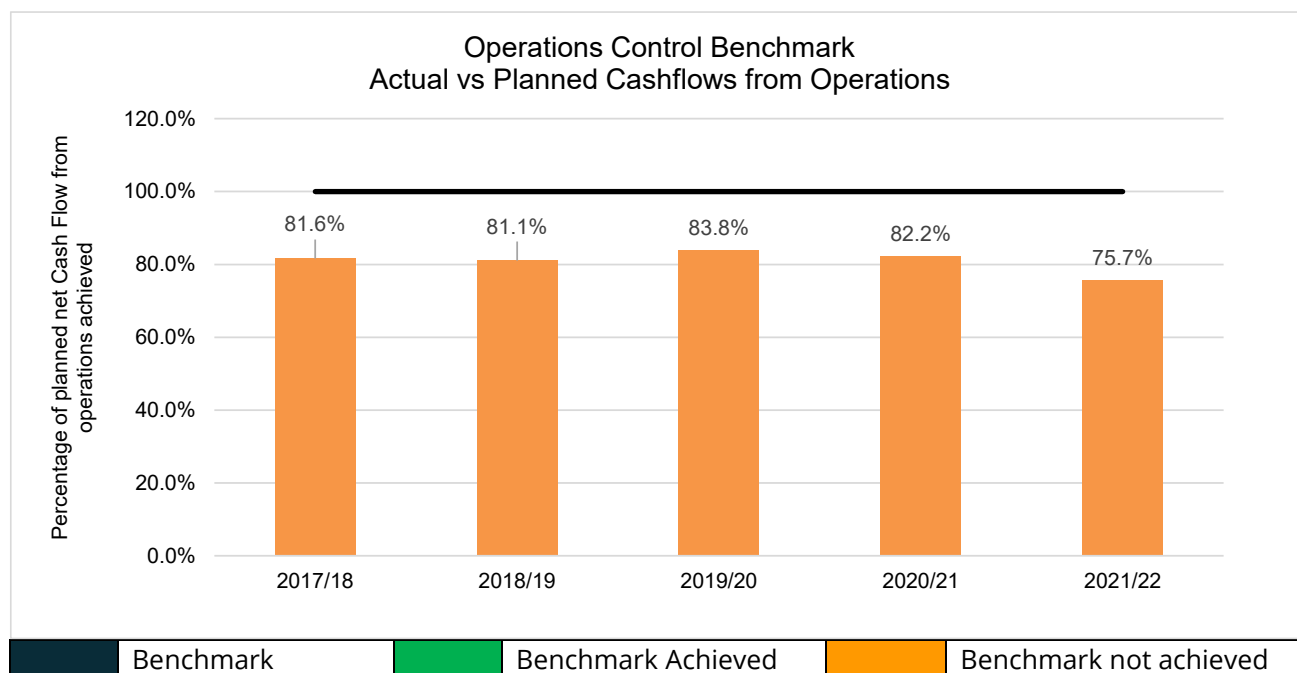
This benchmark reports Council's actual Net Debt as a proportion of planned Net Debt. Net Debt means Financial Liabilities less Financial Assets (excluding Trade and Other Receivables). The benchmark is met when actual Net Debt equals or is less than planned Net Debt.



### Operations Control Benchmark

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

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



Factors impacting Council's performance against this benchmark in recent years have included:

- receipt of external funding for a range of improvements to water and allied infrastructure in 2021
- deferral of the Cultural Facilities redevelopment project in 2021 and 2022
- failure to achieve budgeted level of progress on the Sports and Events Centre project
- increased maintenance costs due to adverse weather events and works undertaken in connection with the removal of black mould at the Forrester Gallery in both 2019 and 2020
- the impact of the COVID pandemic which affected Council's operations during 2020 and which has had ongoing impacts during both 2021 and the current financial year.

## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

### Compliance

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

### Responsibility

- Council and management accept responsibility for the preparation of the financial statements and for judgements exercised in preparing these.
- Council and management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- In the opinion of Council and management, the Annual Report and the financial statements contained therein for the year ended 30 June 2022 fairly reflect the financial position and operations of the Waitaki District Council and Group.



Alex Parmley  
**Chief Executive**

9 May 2023



Gary Kircher  
**Mayor of Waitaki**

9 May 2023



# STATEMENTS OF GROUPS OF ACTIVITIES



## DISTRICT LEADERSHIP

This activity group covers Democracy and Accountability, Customer Services, Support Services, Communications, and Economic Development.

This activity group contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Strong Communities:</b> <ul style="list-style-type: none"><li>• Promoting a greater voice for Waitaki</li><li>• Connected, inclusive communities</li></ul>	Social	<ul style="list-style-type: none"><li>• By providing opportunities to participate in democratic local decision making through representation on Community Boards, Council, and by consultation.</li><li>• By providing advice and encouraging initiatives to support existing and new economic activity and diversification across the district.</li></ul>
<b>Quality Services:</b> <ul style="list-style-type: none"><li>• Robust core infrastructure and services</li><li>• Community facilities and services we are proud of</li></ul>	Social	<ul style="list-style-type: none"><li>• By providing governance structures, planning, and reporting to provide cost effective, good quality infrastructure, public services and regulatory functions.</li></ul>
<b>Prosperous District:</b> <ul style="list-style-type: none"><li>• Attractive to new opportunities</li><li>• Support local businesses</li><li>• Foster a diverse and resilient economy</li></ul>	Economic	<ul style="list-style-type: none"><li>• By providing advice and encouraging initiatives to support existing economic activity and diversification across the district.</li></ul>

## Democracy and Accountability

### What We Do

Our Mayor and Councillors are elected to represent the Waitaki community to set the vision and outcomes, and to make decisions that serve the best interests of the community, both now and in the future. This includes reviewing and developing local policies, making regulatory decisions, and reviewing Council performance. In addition to Council, we have two Community Boards (Ahuriri and Waihemo), which provide representation and advocacy for their local communities.

Council is committed to meeting its obligations around fostering Māori contribution to the decision-making process. Waitaki District Council and Te Rūnanga o Moeraki have a signed Memorandum of Understanding (MoU) which sets out mechanisms and processes that will promote and facilitate effective consultation and liaison between the Council and the Rūnanga.

Waitaki District Council is also a signatory to the Te Rōpū Taiao Otago Governance Charter which formalises the relationship between the Papatipu Rūnanga and the local authorities of the Otago Region. The committee primarily deals with higher-level decision making concerning environmental resource management within local government.

In addition to Council, we have two Community Boards (Ahuriri and Waihemo), which provide representation and advocacy for their local communities.

Our Waitaki District Youth Council is a voice for young people in the Waitaki District. The Youth Council, which includes representatives from the four secondary schools across Waitaki, and one recent secondary school graduate, meets regularly to ensure that the voices of Waitaki's young people are heard and represented.

The key activities within the Democracy and Accountability group include:

- setting direction and policy (through the Annual and Long Term planning processes, as well as the review and development of other Council policies and bylaws)
- non-financial reporting
- making significant decisions
- testing and challenging advice to ensure that it is sound
- monitoring risk
- conducting elections every three years, by-elections as required, and representation reviews every six years

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

### Why We Do It

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

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

## What We Have Been Doing in 2021-22

### *Setting Direction and Policy*

- Waitaki District Responsible Freedom Camping Bylaw adopted on 7 December 2021
- Backflow Prevention Policy adopted on 8 December 2021
- Waitaki District Council Trade Waste Bylaw adopted on 8 December 2021
- Waitaki Water Supply Bylaw adopted on 8 December 2021
- 2020-21 Annual Report adopted 21 December 2021
- Class 4 Gambling Venues Policy adopted on 26 April 2022
- TAB Venues Policy adopted on 26 April 2022
- Annual Plan 2022-23 adopted on 28 June 2022
- Pre-Election Report published on 14 July 2022

### *Community Boards*

#### **Ahuriri Community Board**

- Provided funding of \$4,700 to the Ōmārama Residents Association for playground equipment. This was funded through the Board's Community Grants Fund (September 2021).

#### **Waihemo Community Board**

- Provided funding of \$4,000 to the Dunback Walkway for cutting the track and signage on the connection between Dunback and the Dunback Domain. This was funded through the Board's Discretionary Fund (December 2021).
- Provided funding of \$3,000 to the Moonar Street Walkway for gates and signage. This was funded through the Board's Improvement Fund (December 2021).
- Provided funding of \$3,700 to the Palmerston Squash Courts as a contribution to the cost of the completed upgrade. This was funded through the Board's Discretionary Fund (March 2022).
- Provided funding of \$4,000 to the Palmerston Mountain Bike Track under the umbrella of the North Otago Mountain Bike Club. This was funded through the Ward's Services Rate (March 2022).

## How We Performed – Democracy and Accountability

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Promoting a greater voice for Waitaki</li> </ul>	Residents satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.	70% of residents are satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.	52% – Not Achieved (2020-21 – Not Achieved 57%)
	Residents satisfied or very satisfied that the Ahuriri Community Board is making a positive difference.	Years 1-3: 60% of residents are satisfied or very satisfied that the Community Board is making a positive difference.  Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.	31% – Not Achieved (2020-21 – Not Achieved 45%)
	Residents satisfied or very satisfied that the Waihemo Community Board is making a positive difference.	Years 1-3: 60% of residents are satisfied or very satisfied that the Community Board is making a positive difference.  Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.	40% – Not Achieved (2020-21 – Not Achieved 42%)

### Note regarding variance to target:

The declining satisfaction and increase in variance to target is difficult to validate but may correspond to the challenged community wellbeing during this time due to living with imposed central Government COVID restrictions, increasing costs of living, and limited access to facilities and supplies. Wellbeing questions have been introduced to the Residents' Survey in 2022-23.

## How We Performed – Council

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Promoting a greater voice for Waitaki</li> </ul>	Residents satisfied or very satisfied with the information provided about Council's current actions and its plans.	Years 1-3: 60% of residents satisfied or very satisfied with Council's consultation with the community.  Years 4-10: 5% increase per year in satisfaction (to 80%).	44% – Not Achieved (2020-21 – Not Achieved 42%)  Note: Declining satisfaction and increase in variance to target is difficult to validate but may correspond to the challenged community wellbeing during this time due to living with imposed central Government COVID restrictions, increasing costs of living, and limited access to facilities and supplies. Wellbeing questions have been introduced to the Residents' Survey in 2022/23.
	Residents satisfied or very satisfied with communication from Council.	Years 1-3: 60% of residents satisfied or very satisfied with communication from Council.  Years 4-10: 5% increase per year in satisfaction (to 80%).	67% – Achieved <i>New Measure</i>

# Economic Development

## What We Do

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

## Why We Do It

Waitaki businesses need the right economic environment in order to flourish and to improve quality of life for all. Council aims to invest in the delivery of economic development and tourism services that provide excellent value for our ratepayers and measurable benefits for our community. Tourism Waitaki Ltd (a Council Controlled Organisation) provides Regional Tourism Organisation (RTO) services to stimulate the visitor economy. Council recognises that in a fast-changing world, collaboration with key stakeholders and partnerships can enhance delivery.

## What We Have Been Doing in 2021-22

A significant focus for this year was the development of an ambitious strategy for the development of the economy called 'Uplifting Waitaki: Hāpaitia te Waitaki Economic Development Strategy.' This was supported by Polis Consulting Group and codesigned with Te Rūnanga o Moeraki and the local business community.

The draft strategy targets sustainable and inclusive growth, outlining how the economy can grow by more than 8% above projected growth rates in the next 10 years if it is implemented. This would create between \$70 and \$146 million additional GDP and 1,350 additional jobs in the district. The strategy also aims to improve the community, environmental, and cultural wellbeing of the district.

The strategy was adopted as a draft by Council in June 2022 and will be finalised in the first quarter of 2022-23 after further stakeholder engagement. The strategy recommends the dissolution of Tourism Waitaki Ltd and the creation of an Economic Development Agency (EDA) that will also manage the reinvigoration of the visitor economy.

A successful application to the Tourism Infrastructure Funding ensured Council received a contribution of \$340,691 to upgrade the toilets at Awamoa Park, and a further \$168,665 to upgrade the carpark and toilets at Bushy Beach Scenic Reserve. This work will begin in 2022-23.

We continued to support the Waitaki Whitestone Geopark team and trust to advance the district's application to become New Zealand's first UNESCO Global Geopark. This included the design of a new logo which was codesigned with local iwi and is now increasing visibility for the Geopark on signage at key sites across the district. As a result of challenges to tourism during the pandemic, community engagement and school education programmes were prioritised during 2021-22.





The Economic Development (ED) team provided input and perspective into local and regional business and community organisations. Input was given to the Otago Regional Workforce Plan which aims to identify and support future skills and workforce needs. The ED team are also active members of the Stronger Waitaki Economic Development Group, Business South Advisory Group, Otago Regional Economic Development Group, and Film Otago Southland Advisory Group, which aids collaboration on local and regional initiatives.



Council's Support and Stimulus Fund, introduced during the pandemic, continued to support business and community groups to cope with the impacts of COVID and to increase our resilience.

Council partnered with 31 local businesses to co-fund the Ōamaru and Waitaki *Neat Places* campaign. The multimedia campaign showcasing Waitaki to locals and visitors was positively received and included brochures, video, and a social media campaign. A website, *Virtual Waitaki*, was also funded as an additional promotional and resource tool for the district and is being promoted by local businesses. The ED and Communications teams also supported the Ōamaru Opera House to integrate and expand the Waitaki 'Meet the Maker' programme into the biannual Waitaki Arts Festival. As part of this, 28 creative businesses were profiled which was a positive increase in participation, up from 12 businesses the year prior.

Our Communications team had a busy and productive year keeping our community informed through daily news releases and social media updates, weekly newsletters, and web design, whilst also supporting a number of key community consultations. There was ongoing communication around the pandemic including a local '90% By Summer' vaccination campaign. In addition, there were consultations and public engagement campaigns for Forrester Heights, the Waitaki Event Centre, District Plan Review and Annual Plan. Other localised campaigns included Waitaki Talks Water and the Vote 22 Election campaign.

Livestreaming of Council meetings and Council-led community events were also implemented during 2021-22 to encourage wider participation and awareness by the community.



## How We Performed – Economic Development

Community Outcome	Performance Measures	Service Target	Achievements
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> <li>• <b>Foster a diverse and resilient economy</b></li> </ul>	Level of central government business support funding accessed by the district.	<p>Year 1: WDC works with businesses, trusts and other organisations to secure \$150,000 of Central Government funding into Waitaki-based projects.</p> <p>Years 2-3: WDC works with businesses, trusts and other organisations to secure \$250,000 of Central Government funding into Waitaki-based projects.</p> <p>Years 4-10: WDC works with businesses, trusts and other organisations to secure \$300,000 of Central Government funding into Waitaki-based projects.</p>	<p>Achieved:</p> <p>Tourism Infrastructure Funding contribution of \$340,691 for upgrade to toilets at Awamoa and \$168,665 for upgrade to carpark and toilets at Bushy Beach Scenic Reserve</p> <p><i>(2020-21 – Not Achieved – Tourism Infrastructure Funding contribution of \$105k for improvements at Elephant Rocks)</i></p>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> <li>• <b>Foster a diverse and resilient economy</b></li> </ul>	Number of collaborative projects undertaken with local businesses, organisations, and iwi.	<p>Year 1: 2 or more projects.</p> <p>Years 2-3: 3 or more projects.</p> <p>Years 4-10: 4 or more projects.</p>	<p>Achieved (<i>New Measure</i>) iuy:</p> <p>New ambitious Waitaki Economic Development Strategy adopted as a draft at end of June 2021.</p> <p><i>Neat Places</i> multimedia awareness campaign to profile Waitaki; 31 business listings published in the <i>Neat Places</i> Ōamaru and Waitaki directory; funded 50-50 with Waitaki District Council.</p> <p>Support for Te Rūnanga o Moeraki Tourism Infrastructure Fund; contribution of \$113,000 for improvements to Takiroa and Maerewhenua Rock Art sites.</p> <p>Meet the Maker / Waitaki Arts Festival – ED and Comms support for expanded Meet the Maker event which profiled 28 businesses across the district in collaboration with the Ōamaru Opera House.</p> <p><i>Virtual Waitaki</i> website launched November 2021 as additional promotional and resource tool for the district (this was funded by the Support and Stimulus Fund).</p>

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Democracy and Accountability

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP	2021/22 LTP	2021/22 Actual
	\$000	\$000	\$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	2,230	2,145	2,095
Targeted Rates	1,748	1,920	1,929
<b>Rates Revenue</b>	3,978	4,065	4,024
Subsidies and Grants for Operating Purposes	20	230	84
Fees and Charges	-	7	3
Interest and Dividends from Investments	-	1,205	942
Internal Charges and Overheads Recovered	20,039	24,326	25,099
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	28	485	670
<b>Operating Revenue</b>	20,087	26,253	26,798
<b>Total Sources of Operating Funding</b>	24,065	30,318	30,822
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	13,224	17,860	15,185
Finance Costs	-	182	299
Internal Charges and Overheads Applied	9,378	11,475	11,516
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	22,602	29,517	27,000
<b>Surplus / (Deficit) of Operating Funding</b>	1,463	801	3,822
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	17	1,735	885
Development and Financial Contributions	-	-	-
Increase / (Decrease) in Debt	-	17,032	9,053
Gross Proceeds from Sale of Assets	78	62	55
<b>Total Sources of Capital Funding</b>	95	18,829	9,993
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	152	1,952	3,057
to replace Existing Assets	585	1,526	210
Increase / (Decrease) in Reserves	821	4,218	5,343
Increase / (Decrease) of investments	-	11,934	5,205
<b>Total Applications for Capital Funding</b>	1,558	19,630	13,815
<b>Surplus / (Deficit) of Capital Funding</b>	(1,463)	(801)	(3,822)
<b>Funding Balance</b>	-	-	-

This activity was combined with the Support Services activity as part of the 2021-31 Long Term Plan (LTP). As part of that change, the Treasury activity, including Interest and Dividend revenue and Finance Costs, was moved here from the Commercial and Development activity.

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Support Services

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP \$000	2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
<b>Rates Revenue</b>	-	-	-
Subsidies and Grants for Operating Purposes	19	-	-
Fees and Charges	-	-	-
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	20,039	-	-
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	28	-	-
<b>Operating Revenue</b>	20,086	-	-
<b>Total Sources of Operating Funding</b>	20,086	-	-
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	12,207	-	-
Finance Costs	-	-	-
Internal Charges and Overheads Applied	6,330	-	-
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	18,537	-	-
<b>Surplus / (Deficit) of Operating Funding</b>	1,548	-	-
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	17	-	-
Development and Financial Contributions	-	-	-
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	78	-	-
<b>Total Sources of Capital Funding</b>	95	-	-
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	152	-	-
to replace Existing Assets	585	-	-
Increase / (Decrease) in Reserves	906	-	-
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	1,643	-	-
<b>Surplus / (Deficit) of Capital Funding</b>	(1,548)	-	-
<b>Funding Balance</b>	-	-	-

As noted on the previous page, this activity was merged with the Democracy and Accountability activity as part of the 2021-31 LTP, and as a result is no longer reported separately.

## PROPERTY

This activity group covers Property Management and Investment.

This activity group contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• Enable safe and healthy communities</li> <li>• Connected, inclusive communities</li> </ul>	Social	<ul style="list-style-type: none"> <li>• By providing quality Community Housing to elderly and vulnerable people in our community.</li> </ul>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• Community facilities and services we are proud of</li> </ul>	Social	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• Attractive to new opportunities</li> <li>• Support local businesses</li> </ul>	Economic	<ul style="list-style-type: none"> <li>• By contributing to the economy of the district.</li> <li>• By effectively managing the property portfolio, meaning returns are maximised and rates input is minimised.</li> </ul>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• Protecting our diverse landscapes and water bodies</li> <li>• Meeting environmental and climate change challenges</li> </ul>	Environment	<ul style="list-style-type: none"> <li>• By enhancing development in keeping with the town's heritage, creating a unique experience that residents are proud of, attracting visitors to Waitaki.</li> <li>• By maintaining the breakwater to protect structures, property and activities in the Harbour.</li> <li>• By managing the Ōamaru Harbour channel entrance by dredging to a safe depth. This also creates opportunities for visiting boats.</li> <li>• By rock armouring the harbour area to protect property and activities in the Harbour.</li> <li>• By protecting wildlife and improving environmental outcomes, helping people to enjoy and understand both.</li> </ul>

## What We Do

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

Key activities within the Property unit include:

- managing and maintaining Council operational buildings (including Council administration and Civil Defence buildings)
- managing and maintaining community properties including Ōamaru Library, Waitaki Museum & Archive Te Whare Taoka o Waitaki, Ōamaru Opera House, Forrester Art Gallery, Community House, Otematata and Palmerston Community Centres
- providing fit for purpose, safe and affordable community housing (90 housing units primarily for residents over 60 with limited income, assets or an identifiable need)
- providing liaison and advice on the 33 community halls owned or supported by Council
- managing Ōamaru Harbour assets
- managing Ōamaru Airport operations
- maintaining, negotiating and renewing property assets, leases and overseeing property transactions
- managing commercial property portfolio (current holdings largely derived from endowments)
- managing endowment property (Crown Land granted by the Colonial Government to former local authorities which now make up the Waitaki District and are held in order to produce income)
- overseeing investment property providing a vehicle for Council's contribution to the economic development of the district
- managing surplus property holdings (property which is no longer required for Council activities or services)
- providing advice on land status and progressing land development and sales of Council owned land
- managing development on Council owned land
- managing Council's fleet of vehicles.

## Why We Do It

We do this to support the administration of Council, facilitate opportunities for new and existing businesses and economic development initiatives, manage Council's property investment, and to support the lifestyle, experience and wellbeing of the district's residents and visitors.

## What We Have Been Doing in 2021-22

### *Community Housing*

The programme of rolling renewals for vacant units continued this year. All vacant units were assessed and renovated where applicable within the 2022 financial year.

We have also continued with our programme of upgrades across our community housing to ensure that we are compliant with the Healthy Homes Legislation for Council's residential tenancies. We are on track to meet our compliance obligations with a requirement for all rental homes to be compliant by 1 July 2024.

## Ōamaru Airport

### Total movements for 2021-22

Year	Touch & Go's	Landings	Take Offs	Total
2021-22	3049	3586	3724	10359

Year	Aeroplane	Helicopters	Other*	TTL
2021-22	8651	1624	84	10359

\*O=Other including Balloons, Gliders, etc.

This financial year saw a number of new leases, lease renewals, and rent reviews for our airport tenancies.

New Key Performance Indicators (KPIs) were agreed between our new CEO and Elected Members during the year, which included the development of an Airport Strategy and a 5-year business plan. As a result, planned high value investment in our Airport Infrastructure was put on hold pending the outcome of the Airport Strategy which is to be finalised in the 2023 financial year.

## Operational Buildings

There have been a number of important upgrades to our heating systems. A new heating plant was installed in the Centennial Memorial building removing its reliance on the aging boiler located behind the Library. With the Opera House moving to an independent heating solution, the Library is now the only building reliant on the boiler for heat. This plant is reaching its end of life and decisions on decommissioning, replacement or reinvestment will need to be made in the near future.

In addition to development of an Airport Strategy, the Property team also began the development of a Property Strategy. This work is due by the end of the 2022 calendar year and, in conjunction with the planned Transformation Programme, will set the future direction for Council's property operations.

## Ōamaru Harbour

We continued investment in the Ōamaru Harbour, which is an important asset for our town and district.

The Holmes Wharf Observation Deck, located on the north side of the Holmes Wharf mole, was completed in July 2021. The remainder of the Holmes Wharf piles were cased in concrete to strengthen the sub-wharf structure. This work was also completed in July.

The contract for the final stage of re-decking Holmes Wharf was awarded, with physical work on the renewal beginning in April 2023.

We completed rock armouring, bulk concrete repairs, and tetrapod placement to the breakwater, which required thirty cubic metres of concrete to fill substantial cavities at the breakwater head. We also replenished depleted rock revetment or armouring, which protects against erosion, in the inner harbour in selected locations.

Some areas on the western side of the Harbour are known to provide habitat for two species of indigenous lizards: the Southern Grass Skink and McCanns Skink. A new skink habitat was developed for lizard salvage as a result of a Wildlife Act Authority issued by the Department of Conservation within the penguin breeding area south of the Ōamaru Creek.

We consulted on the future of Forrester Heights, with Council making the decision to sell under a 'best value' criterion. This criterion will take into account community views in favour of imposing conditions on the future development of Forrester Heights.

## Commercial

We have a new commercial tenant at 7 Thames Street, The Victoria Lounge and Eatery, which opened mid-2022. Asbestos was discovered under the floor coverings while the new tenant was undertaking fit out improvements prior to opening which required appropriate removal.

Heritage Radio, a longstanding tenant at 6 Itchen Street, vacated the premises during the year. This provided the opportunity to work with the new tenant, Inc Design Co, and refurbish the location. Inc Design Co has been operating in the building since November 2021.

## Fleet

As a result of continued pandemic supply challenges, the delivery timeframe of many common vehicle brands has been severely impacted. Suppliers are now quoting 6-12 months from date of ordering to delivery, which presents difficulties where new roles require a vehicle, or where vehicles are due for replacement.

## How We Performed – Property

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Connected, inclusive communities</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Community housing tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey.	90% of community housing tenants are satisfied with their tenancy.	89% – Not Achieved <i>(2020-21 – Achieved 94%)</i>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> </ul>	Commercial tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey.	90% of commercial tenants are satisfied with their tenancy.	89% – Not Achieved <i>(2020-21 – Not Achieved 86%)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Connected, inclusive communities</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Community housing units – individual tenancies are occupied as a percentage of available units/tenancies.	90% of community housing units are occupied.	97% – Achieved <i>(2020-21 – Achieved 100%)</i>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> </ul>	Commercial tenants – individual tenancies are occupied as a percentage of available units/tenancies.	90% of commercial tenancies are occupied.	100% – Achieved <i>(2020-21 – Achieved 99%)</i>

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Economic Development and Property

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP	2021/22 LTP	2021/22 Actual
	\$000	\$000	\$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	199	196	197
Targeted Rates	850	792	799
<b>Rates Revenue</b>	1,049	988	996
Subsidies and Grants for Operating Purposes	-	45	338
Fees and Charges	1,706	2,422	2,508
Interest and dividends from investments	1,935	-	-
Internal Charges and Overheads Recovered	(654)	11	205
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	408	30	126
<b>Operating Revenue</b>	3,396	2,507	3,177
<b>Total Sources of Operating Funding</b>	4,445	3,495	4,173
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	3,271	2,078	3,803
Finance Costs	-	-	-
Internal Charges and Overheads Applied	68	1,221	1,520
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	3,340	3,299	5,323
<b>Surplus / (Deficit) of Operating Funding</b>	1,105	196	(1,150)
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	350	-	203
Development and Financial Contributions	-	-	-
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	180	117	1,860
<b>Total Sources of Capital Funding</b>	529	117	2,063
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	2,964	1,768	288
to replace Existing Assets	-	25	621
Increase / (Decrease) in Reserves	(1,330)	(1,480)	4
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	1,634	313	913
<b>Surplus / (Deficit) of Capital Funding</b>	(1,105)	(196)	1,150
<b>Funding Balance</b>	-	-	-

The Treasury function was included in this activity in the 2018-28 LTP, but was moved in the 2021-31 LTP to the Democracy and Accountability activity.



## HERITAGE, ENVIRONMENT AND REGULATION

This activity group covers Heritage and Planning, Regulatory and Environmental, and Community Development and Engagement.

This activity group contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Social	<ul style="list-style-type: none"> <li>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 coordinating emergency responses in the district.</li> </ul>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> <li>Connected, inclusive communities</li> <li>Promoting a greater voice for Waitaki</li> <li>Celebration of our community identity</li> </ul>	Social	<ul style="list-style-type: none"> <li>By ensuring buildings are safe and do not pose a risk to the public.</li> <li>By ensuring that food for sale to the public is prepared in safe premises that meet food hygiene regulation.</li> <li>By ensuring the threat to the community from nuisance or dangerous dogs or wandering stock is minimised.</li> <li>By playing an active role in the Stronger Waitaki Coalition.</li> </ul>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Economic	<ul style="list-style-type: none"> <li>By managing the activity efficiently and effectively.</li> <li>By providing regulatory services in a professional and efficient manner.</li> <li>By ensuring consents and licences are processed accurately, efficiently and within statutory timeframes.</li> <li>By ensuring sufficient land is zoned for business, commercial and rural activities.</li> </ul>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies</li> </ul>	Environment	<ul style="list-style-type: none"> <li>By resolving commercial and domestic environmental impacts.</li> <li>By monitoring approved resource consents and conditions to minimise environmental impact and promote sustainable land management.</li> <li>By producing a new District Plan that will incorporate better provisions for the protection of the environment.</li> </ul>

## Heritage and Planning

### What We Do

Our Heritage and Planning group undertakes activities mainly initiated through land use and subdivision planning. Our Heritage and Planning group also provides policy advice on planning and development, conservation, design, heritage, and environmental issues that affect the Waitaki District.

Key activities within the Heritage and Planning group of activities include:

- processing resource consents for land use and subdivision approvals under the Resource Management Act 1991 (RMA91)
- reviewing, developing and providing ongoing administration and monitoring of the Waitaki District Plan including conducting a review of the District Plan every 10 years
- processing private plan change requests and notices of requirements for designations
- responding to planning enquiries and providing advice on planning matters
- providing input into the approval of liquor licenses, and Land Information Memorandums (LIMs)
- processing Project Information Memorandums (PIMs) under the Building Act 2004
- assessing all building consents to ensure they meet the provisions of the Waitaki District Plan
- promoting the sustainable management of natural and physical resources in the Waitaki District via the Waitaki District Plan
- protecting the district's biodiversity through implementing the Waitaki Indigenous Biodiversity Strategy
- promoting and protecting the historic heritage of our district
- undertaking State of the Environment monitoring and reporting every five years
- providing advocacy and input into regional planning processes
- engaging with businesses, non-government organisations, interest groups and forums on planning matters relating to the district
- participation in regional planning forums and the eight agency Te Mōkihi Programme
- responding to new and amended national legislation, policies and standards
- ensuring information about the resource consent application process, planning and monitoring, and the RMA91 are up to date and easily accessible via Council's website.

### Why We Do It

We provide Heritage and Planning services to ensure that development undertaken by individuals and businesses does not adversely affect the environment. The Council has a responsibility under the RMA91 via the provisions of the Waitaki District Plan to manage the effects of development on the natural and physical resources of the district and to protect the environment's life supporting capacity. The planning decisions that are made by Council influence the nature of our communities and how the district will develop in the future.

### What We Have Been Doing in 2021-22

Resource consent volumes were slightly down on last years', with 126 land use consents and 109 subdivision consents issued, against 142 and 95 respectively the previous year.

The team had a number of successful staff recruitments throughout the year including a new Planning Manager. The recruitments have resulted in a reduction in the use of external contractors that have been used in previous years to assist us in meeting statutory timeframes.

A key milestone reached by the Planning team was the release of the Draft District Plan document in June 2022. This has been a significant task to reach this stage, which now goes to public consultation and consideration of feedback before progressing to a Proposed District Plan.

Another important delivery this year was the Ōamaru, Kakanui, and Weston Spatial Plan, which identified potential areas for future growth over the next 30 years.

Our team continue to stay informed of the changing institutional landscape through the work of the Te Mōkihi Programme, RMA Reform, responding to the Proposed Otago Regional Policy Statement (PRPS,) and through the learnings of the High Court case surrounding the process the PRPS was following, as well as staying informed on the developing pieces of upcoming national direction including the Indigenous Biodiversity and Highly Productive Land National Policy Statements.

We were pleased to be able to support a number of applications for funding grants during the year under both the Biodiversity Fund and Heritage Fund.

## How We Performed – Heritage and Planning

Community Outcome	Performance Measures	Service Target	Achievements
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Compliance with legislative requirement timeframes for the processing of resource consents.	95% of resource consents are processed within statutory timeframes.	Unverified data suggests 97%; final data awaiting Ministry for the Environment validation – Achieved (2020-21 – Not Achieved)
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Customer level of satisfaction with the resource consent process.	80%	2 responses and 50% satisfied – Not Achieved (2020-21 – Achieved 82% satisfaction)
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Total number of individual resource consents monitored for compliance and were in noncompliance with at least one condition.	Increasing trends of compliance with resource consent conditions.  Note re Variance to target: Customers are invited to complete a survey regarding their experience with the resource consent process once the consent is issued. In 2021/22 only two responses were received which does not provide a good breadth of results to compare when one result is satisfied and the other not satisfied.	High levels of compliance with resource consent conditions are being maintained with a proactive first contact and educational approach to compliance – Achieved (2020-21 – Achieved)
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies</li> </ul>	Level of protection of heritage items and features in the Waitaki District Plan.	Maintain or increase.	The District Plan is being reviewed at this time and no additional items have been added during the year – Achieved (2020-21 – Achieved)
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies</li> </ul>	Review the operative Waitaki District Plan and replace with new District Plan in compliance with statutory process and timeframes.	2 years from date of notification of Proposed District Plan.	The District Plan is being reviewed at this time and notification has not commenced – Achieved (2020-21 – Achieved)
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Compliance with legislative requirements for the processing of Council and private plan changes.	Greater than 95% of plan changes are processed within statutory timeframes.	Nothing received during the 2021-22 year – Achieved (2020-21 – Achieved)
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies</li> </ul>	Increase in private land area under management for the protection of indigenous biodiversity values (QEII / SNA / another covenant).	Maintain or increase.	No change in protected status but more land identified as warranting SNA status – Achieved (2020-21 – Achieved)

## Regulatory, Environmental and Building

### What We Do

Our Regulatory, Environmental, and Building activity group covers a broad range of activities, including monitoring and enforcement functions across a wide cross section of statutes, focusing on the protection of community health, safety, and amenity. Another major function of the group is the processing and monitoring of building consents. Key activities within this group include:

#### *Building Services*

Issuing building consents; inspecting building consent progress against approved plans; issuing code compliance certificates; (building) warrant of fitness renewal and audits; undertaking noncompliance investigations; monitoring and inspection of swimming pool fence compliance; outstanding code of compliance reminders and checks; and earthquake prone building identification.

#### *Environmental Health*

Managing applications for new and existing food, alcohol, and other registered premises; monitoring water, sewer ponds, and landfills; managing environmental health enquiries; responding to noise complaints; and investigating complaints raised by our residents or other authorities.

#### *Enforcement*

Monitoring parking; investigating and resolving freedom camping and other Council bylaw complaints; investigating District Plan complaints and RMA91 and resource consent breaches.

#### *Animal Control*

Responding to animal related complaints and enquiries; management of the Dog Pound facility and dogs in care; providing owner education; providing animal welfare; and responding to wandering stock complaints.

#### *Regulatory Services*

Responding to new and amended legislation and reviewing relevant Council policy and bylaws.

#### *Emergency Management and Civil Defence*

Planning and response for an event, including ensuring that the Emergency Management Operation Centre team are trained to be event ready; maintaining effective systems and processes to help the community prepare; responding to and recovering from natural disasters.

### Why We Do It

We undertake these activities to meet statutory obligations and ensure best practice delivery with respect to regulatory and environmental services across the district. This includes ensuring that people, communities, and the environment are kept safe and that nuisances are mitigated under a number of statutes such as the Building Act 2004, Health Act 1956, Food Act 2014, and local bylaws.

We provide our building control services to ensure that a safe residential and commercial built environment exists for people to use that meets the provisions of the Building Act 2004.

Emergency management and civil defence is provided to ensure community preparedness for an event, responding to an event, and supporting the recovery of an event, as required by the Civil Defence Emergency Management Act 2002.

## What We Have Been Doing in 2021-22

### *Building Services*

We had an extremely busy year in our Building Services team. Whilst still dealing with the challenges of COVID, over the last year our Building Consent Authority (BCA) team issued 656 building consents with a total value of just under \$101.4 million. Although this is a 5% decrease on the previous year, this is still 9.3% above the rolling seven-year average (2014-21).

The processing performance of our BCA team continues to be a leader among councils, with an average processing time of just 8 days per consent, and for the first year we achieved 100% of building consents processed under the statutory 20 days. In addition to this, 2,790 inspections were undertaken across the district. We are extremely proud of these achievements which demonstrate the team's commitment to providing an excellent level of service to the community, despite challenges, to ensure the continuity of development across Waitaki.

In May, the Ministry of Innovation Business and Employment (MBIE) completed an annual Performance Monitoring Assessment of Council on three key areas of responsibility: residential pool barrier inspections and record keeping; Compliance Schedule preparation and maintenance; and building Warrant of Fitness auditing and record keeping. As a result of the audit findings, MBIE provided positive interim feedback classing Waitaki District Council as 'low' priority for further assessment. This determined that a full assessment was not required, and no corrective actions were identified. This performance and service delivery reflects the effort and skill of the Building team and their continuous development.

Two of our building consent officers completed their Diploma in Building Surveying during the year. Every building control officer in Waitaki District Council now has a tertiary qualification related to building control.

Competency assessments and technical auditing which were previously outsourced were brought in house through the appointment of an officer with the appropriate skills and expertise. We were also pleased to welcome back a staff member with building control experience to Waitaki District Council as our Building Compliance Officer.

The Building team would like to thank all industry stakeholders for their support over the last year, particularly the members of the Waitaki Building Forum. The forum provides a valuable engagement opportunity and helps the team to understand up to date industry pressure, the impact of any changes in Building Control, and identify areas for improvement.

### *Regulatory and Environmental*

Our team completed the review of the Waitaki Freedom Camping Bylaw, which saw extensive community engagement. The review of the bylaw saw changes made to Kakanui River Mouth and areas around Lake Ōhau Village where freedom camping is now prohibited.

We also reviewed the Class 4 Gambling Venues Policy and the TAB Venues Policy which provided an opportunity for further community engagement. The review of the Class 4 Gambling Venues Policy resulted in Council adopting a 'sinking lid' clause to gambling venues, meaning that once a Class 4 Gambling Venue closes, Council will not issue any other society a licence to replace that venue, and gaming machines cannot be transferred to a new pub or owner if a venue closes. No changes were made to the TAB Venues Policy.

Our new Animal Management team is continuing to see increased levels of compliance and high clearance rates for complaints, which is having positive impacts across our community. Our team have undertaken community wide education sessions, which have been well-received and are now more visible with new vehicle branding.

Our resource consent monitoring has resulted in higher levels of consent condition compliance, and we have been supporting our residents with education provided to consent applicants at the application stage.

We have commenced a joint prosecution with Otago Regional Council against two local companies for extensive indigenous vegetation clearance.

We introduced two hours free parking in the Ōamaru Central Business District (CBD) to encourage people to return to the CBD and support our local businesses in recovery from the pandemic. Our new Parking Officer has been active on our local streets providing quality enforcement and education to the public.

Our Environmental Health team have ensured high levels of Food Act compliance by our registered food premises through scheduled onsite visits, and through providing guidance on compliance requirements to new and existing food premises.

We continue to see very low levels of Sale and Supply of Alcohol Act issues, as our Alcohol Licencing Officer continues to work closely with the Police and the Public Health Officer. Two premises received enforcement action for selling to an underage person over the last year.

## How We Performed – Building Services

Community Outcome	Performance Measures	Service Target	Achievements
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> </ul>	Building consents processed within 20 working days.	100% of building consents processed within 20 working days.	100% of building consents processed within 20 working days – Achieved  <i>(2020-21 – Not Achieved 99% processed within 20 working days)</i>
		The average processing time for all building consents equal to 15 working days.	The average timeframe for processing building consents was 8 working days – Achieved  <i>(2020-21 – New Measure)</i>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> </ul>	Maintain Building Consent Authority Status.	Maintain	Maintained – Achieved Next audit is May 2023  <i>(2020-21 – Achieved Maintained)</i>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Attractive to new opportunities</b></li> <li>• <b>Support local businesses</b></li> </ul>	Public buildings with specified systems audited annually against building compliance standards.	All public buildings with specified systems are audited once every 5 years.	21% of all properties with compliance schedules were audited – Achieved  <i>(2020-21 – Achieved 24% of buildings were audited in the last 12 months*)</i>
	High risk buildings (such as hotels) checked more than once every five years.	All high-risk buildings audited once every 3 years.	99% of high-risk buildings were audited more than once in the last 5 years; one out of 93 high-risk buildings was not audited due to COVID (back packers was closed) – Not Achieved  <i>(2020-21 – Not Achieved 80% of high risk buildings were audited more than once in the last 5 years)</i>

*\*Note previously the target was: 20% of premises audited.*

## How We Performed – Regulatory and Environmental

Community Outcome	Performance Measures	Service Target	Achievements
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	To transition to the Food Act 2014 requirements with premises verified in accordance with the new Act.	100%	<p>130 of our 134 premises were verified during the financial year, achieving 97% – Not Achieved</p> <p><i>(2020-21 – Not Achieved 100% of premises have transitioned to 2014 Food Act. 75% of food premises have been verified before their expiry date)</i></p>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Licensed premises identified as having a high risk or identified as a high risk are inspected once every 6 months.	100%	<p>7 of the 8 High Risk premises have had all 4 inspections done 87.5% complete – Not Achieved</p> <p><i>(2020-21 – Not Achieved 66%)</i></p>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Number of dog owners in the district with a selected owner status.	Year 1: 31% Year 2: 33% Year 3: 35% Years 4-10: Maintain Year 3 levels	<p>25.79% – Not Achieved</p> <p><i>(2020-21 – Not Achieved 27%)</i></p> <p>Note re variance to target: Current high levels of non-compliance with the Dog Control Bylaw have resulted in a number of Selected Owner Statuses being revoked. Our team are working to educate owners to achieve and retain the Selected Owner Status.</p>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Residents satisfied or very satisfied with emergency services.	80% of residents are satisfied or very satisfied with emergency services.	<p>66% – Not Achieved</p> <p><i>(2020-21 – Not Achieved 73%)</i></p> <p>Note re variance to target: Declining satisfaction and increase in variance to target is difficult to validate but may correspond to the challenged community wellbeing during this time due to living with imposed central Government COVID restrictions, increasing costs of living, and limited access to facilities and supplies. Wellbeing questions have been introduced to the Residents' Survey in 2022-23.</p>



## Community Development and Engagement

### What We Do

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

Key activities within this group include:

- facilitating a safe community for residents and visitors
- coordinating the Stronger Waitaki Community Wellbeing Project
- managing, implementing and monitoring the Waitaki Community Wellbeing Strategy and the Waitaki Housing Strategy
- initiating, developing and maintaining key relationships across all stakeholder groups
- community liaison, facilitation and support of community projects and activities
- youth development
- identification and securement of external funding opportunities
- data collection and analysis
- acting as a conduit for information dissemination and connectivity
- partnering with community to coordinate events promoting wellbeing.

### Why We Do It

Our team undertakes these activities to provide an effective collective impact mechanism for the community to work together, maximising the opportunities for community support and development with collective resources and expertise. Through Stronger Waitaki, we have created an opportunity for the community to align and coordinate their efforts. Working in partnership in this way, we aim to build a vibrant culture, recognising and understanding diversity, maintaining a safe and welcoming environment for our residents and visitors to the Waitaki District, and contributing to economic development.

### What We Have Been Doing in 2021-22

In August 2021, Safer Waitaki was rebranded as Stronger Waitaki to better represent the breadth of activities being undertaken.

In December 2021, we farewelled our Chairperson Paul Olsen as he moved into a new role and welcomed Lichelle Guyan into the Chair.

Stronger Waitaki continues to grow in membership and engagement, and a key highlight of the year was the successful coordination and delivery of a significant two-day conference held in July called 'Ripple Effect 3 – Family Harm in the Context of Alcohol and Drugs,' which attracted 190 delegates. This conference and other training and development opportunities we offered to the community were welcomed by those organisations who participated.



Other highlights from the year include:

- Successfully delivered 'Family Harm – Theory to Practice' workshop for non-specialists on 1 June 2022; workshop fully subscribed with 30 participants.
- Successfully delivered 'Strangulation in the Context of Intimate Partner Violence' on 2 June 2022; workshop fully subscribed with 30 participants.
- Successfully designed and delivered the Youth Film Competition. This involved 70 students from all Waitaki high schools and culminated in a community screening and judging event on 27 May 2022; approximately 150 attendees.
- Successfully delivered the Mayor's Taskforce for Jobs Initiative, exceeding contract outcomes with 70 young people placed in sustainable employment.
- Adopted the Waitaki Healthy Homes for All Housing Strategy.
- Working with Neighbourhood Support Otago secured Neighbourhood Support initiative for Waitaki.
- Secured three years of funding for a Welcoming Communities Initiative.
- Secured three years of Family Violence Prevention Funding to support awareness and education activities.
- Stronger Waitaki featured as an exemplar in Te Huringa: Change and Transformation Mental Health Service and Addiction Service Monitoring Report 2022 – connected care.
- Coordinated and facilitated COVID Care in the Community Welfare group.
- Initiated codesign of a Tamariki, Rangatahi and Whanau Wellbeing Strategy for mental health.
- Coordinated and contributed to community engagement with Regional Skills Leadership Group Otago. Regional skills groups are independent advisory groups identifying and supporting better ways of meeting future regional skills and workforce needs across Aotearoa.
- Participated in regular Southern Mental Health and Addiction Cross Sector Group meetings.
- Provided support to Waitaki District Council Youth Council.
- Supported and participated in the 'Clued-Up Communities' event coordinated by Network Waitaki.
- Coordinated, participated and facilitated numerous stakeholder meetings and events.



## How We Performed – Community Development and Engagement

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Enable safe and healthy communities</b></li> </ul>	Residents are satisfied or very satisfied that Waitaki is a safe place to live.	80% of residents are satisfied or very satisfied that the Waitaki District is a safe place to live.	82% – Achieved <i>(2020-21 – Achieved 86%)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Connected, inclusive communities</b></li> <li>• <b>Promoting a greater voice for Waitaki</b></li> <li>• <b>Celebration of our community identity</b></li> </ul>	Level of satisfaction that partner organisations have with Stronger Waitaki initiatives.	80% of partner organisations are satisfied with Stronger Waitaki initiatives.	100% satisfied – Achieved <i>(2020-21 – Achieved 97.3% satisfied)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Connected, inclusive communities</b></li> <li>• <b>Promoting a greater voice for Waitaki</b></li> <li>• <b>Celebration of our community identity</b></li> </ul>	Level of engagement with migrant communities.	Target Years 1-2: 12 – ethnic communities meetings/forums attended by Community Development team.  20 – number of engagements (meetings or events) Stronger Waitaki has with ethnic/migrant communities.  Target Years 3-10: increase by 5% per annum.	34 forums/meetings/engagements – Achieved  <i>New Measure</i>

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Heritage, Environment and Regulation

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP \$000	2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	2,832	2,782	2,798
Targeted Rates	24	(51)	(52)
<b>Rates Revenue</b>	2,856	2,731	2,746
Subsidies and Grants for Operating Purposes	-	365	584
Fees and Charges	1,850	2,340	2,253
Interest and Dividends from Investments	-	60	55
Internal Charges and Overheads Recovered	-	60	55
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	130	512	198
<b>Operating Revenue</b>	1,980	3,277	3,090
<b>Total Sources of Operating Funding</b>	4,836	6,008	5,836
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	2,532	3,457	4,265
Finance Costs	-	-	-
Internal Charges and Overheads Applied	3,028	3,369	3,218
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	5,560	6,826	7,483
<b>Surplus / (Deficit) of Operating Funding</b>	(724)	(818)	(1,647)
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	-	-	-
Development and Financial Contributions	175	210	518
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
<b>Total Sources of Capital Funding</b>	175	210	518
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	-	-	12
to replace Existing Assets	-	-	-
Increase / (Decrease) in Reserves	(549)	(608)	(1,141)
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	(549)	(608)	(1,129)
<b>Surplus / (Deficit) of Capital Funding</b>	724	818	1,647
<b>Funding Balance</b>	-	-	-

Council's participation in the "Mayors' Taskforce for Jobs" programme was not budgeted. The project has involved considerable additional cost which has been funded entirely from external sources.

## INFRASTRUCTURE AND SERVICES

Infrastructure and Services covers the core assets of Roads and Footpaths, Water Supply, Stormwater, and Wastewater, Recreation Services, and Waste Management and Minimisation.

Infrastructure and Services contribute to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> <li>Community facilities and services we are proud of</li> </ul> <b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Social	<ul style="list-style-type: none"> <li>By providing roads and footpaths that are safe, effective, efficient, accessible, and fit for purpose for people and goods.</li> <li>By providing transport networks and services that are safe.</li> <li>By providing safe drinking water to agreed areas which meets the New Zealand Drinking Water Standards.</li> <li>By providing infrastructure which protects people and property from flooding events.</li> <li>By providing a timely response to service requests and system failures.</li> <li>By providing community reticulated systems in agreed areas.</li> <li>By providing parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's physical, mental and environmental wellbeing, enhancing quality of life, and making Waitaki attractive to existing and prospective residents and businesses.</li> <li>By providing opportunities at a cost that is affordable to users and managing the activity efficiently and effectively.</li> <li>By providing recreational spaces that meet the needs of the wider community and cultural and recreation/sport groups.</li> <li>By meeting industry standards and providing opportunities for people to feel safe while being active, and to connect the community through sport and recreation.</li> <li>By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities.</li> <li>By encouraging the provision of different waste disposal options by the private sector.</li> </ul>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Attractive to new opportunities</li> <li>Support local businesses</li> </ul>	Economic	<ul style="list-style-type: none"> <li>By managing the activity efficiently and effectively.</li> <li>By planning for and building 3 Waters infrastructure which has capacity for growth.</li> <li>By providing facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events and accommodation.</li> </ul>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>Protecting our diverse landscapes and water bodies</li> <li>Meeting environmental and climate change challenges</li> </ul>	Environmental	<ul style="list-style-type: none"> <li>By meeting obligations of 3 Waters consents</li> <li>By providing infrastructure that treats and disposes of wastewater and stormwater in an environmentally sensitive and sustainable way.</li> <li>By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure.</li> <li>By ensuring activities are consistent with environmental standards, guidelines, and best practice.</li> <li>By providing natural environment and green spaces that are attractive to the community and provide habitat for biodiversity.</li> <li>By providing opportunities for people to enjoy the district's distinctive environment.</li> <li>By investigating options to mitigate the effects of landfills on the environment.</li> <li>By encouraging reduction, reuse and recycling of waste.</li> </ul>

## Roads and Footpaths

### What We Do

Council maintains and develops a safe, effective, efficient, accessible, affordable, and fit for purpose roading network (including footpaths). The ease of movement of heavy goods and tourism activities are key to the district's economic activity, and these activities are reliant on our roading network. Our roads provide access and connectivity to properties, places, and people.

The Waitaki District covers 7,152 km<sup>2</sup> and is sparsely populated with approximately 21,000 residents. Across the district, 84% of our roads are rural, with a speed limit of more than 70km per hour; 94% of our roads are low volume, with traffic volumes of less than 500 vehicles per day; and our network is comprised of more unsealed roads than sealed roads, with 57% of roads being unsealed.

We own and maintain 1,800km of local roads; 168km of footpaths; 171 bridges; 10 major culverts; and 2,014 streetlights.

Over 85% of the roads within the Waitaki District are owned and operated by Council, with Waka Kotahi New Zealand Transport Agency operating the remaining 15% on state highways.

Active modes of transport, such as walking and cycling, were a relatively small mode of demand until COVID. They are now becoming increasingly important transport modes for our community wellbeing across all demographics. Additionally, awareness of the benefits of healthy lifestyle choices, cleaner transport choices for low environmental impact, and changing cultural community expectations are changing how we use the transport network.

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

Key roading activities include:

- road maintenance and renewals
- road safety
- footpath maintenance and renewals
- bridge maintenance and renewals
- road improvements
- township maintenance, including off street carparking, grass mowing and emptying of litter bins
- street lighting maintenance and renewals
- corridor management, including vegetation control, pest plant spraying, detritus removal and gritting of sealed roads in winter
- permitting and regulatory functions, including corridor access requests, and temporary traffic management for completing installations and works in the road corridor.

### Why We Do It

Our roads connect people and places and are lines of communication, which is essential for our daily connectivity and wellbeing. Our roads also link goods and freight from our farms and high-country stations to far-away markets. Without a reliable roading network, much of the economic activity within our district and country would not be possible. Our road corridors have essential community services, electricity, telecommunications and data, and 3 Waters infrastructure, both under and above the surface.



## What We Have Been Doing in 2021-22

Waka Kotahi approved Council's road investment for 2021-24 late in the first quarter. The late funding confirmation resulted in late planning for the summer construction season. The contracting industry was also significantly challenged by COVID which meant securing resources to get work completed has been exceptionally difficult for us.

This impacted the start of our improvement projects, yet we still delivered a number of these projects, and continued to deliver and complete road maintenance works. These works include 3.4km of sealed road widening, 77.7km of lane road resealing, 0.3km of road reconstruction, 2.1km of footpath resurfacing, 190km of unsealed road renewal metaling, safety improvements, road safety programmes, and transport planning.

A new priority area in investment works is the 'Road to Zero' safety projects. We have already completed a number of these road safety improvements around the Ōamaru township, with more works to be completed in the next financial year.

We were pleased to complete the first stage of the stormwater installation in Kakanui Township, which has been positive for the local community and provides a safer environment for car users and walkers alike. We strengthened the Maheno iron bridge, achieving High Productivity Motor Vehicle (HPMV) capability, which improves accessibility for heavier trucks. We also completed works to renew a culvert pipe under an embankment on Airedale Road, ahead of schedule and under budget.



Our team has 34 intersection improvements proposed for the next three years between 2021 and 2024, with construction commencing on most of these in the next financial year.

We maintained a focus on building resilience of the road network in times of heavy storms. Changing global weather patterns means we are seeing increased, heavier rains, and it is critical to ensure the resilience of our network to limit road damage and closures during a rain event.

Our Transport Planning team responded to new legislation to address speed limits around schools. We have been working alongside Waka Kotahi to achieve a rollout of new limits in the next financial year.

Our team also completed the first of two stages of the Roding Policy. Our Roding Business Case, Activity, and Asset Management Plan was recognised by the Roding Efficiency Group as being at the top of the fit for purpose range, which is a credit to the team involved.

We have been pleased to welcome two additional staff to the roading team to align with the roading commitments set out in the 2021-31 Long Term Plan.

The table below shows expenditure from the maintenance and operations report to Waka Kotahi New Zealand Transport Agency for 2021-22:

## Maintenance

Work Category No.	Works Completed	Actual Expenditure 2021-22 \$
111	Routine pavement repairs	743,177
	Pre-reseal repairs	479,273
	Other sealed pavement maintenance	93,335
112	Grading unsealed roads	342,180
	Other unsealed pavement maintenance	190,104
113	Street cleaning	67,863
	Drainage maintenance	371,000
114	Bridge maintenance	184,434
	Retaining wall maintenance	15,004
121	Vegetation control	220,699
	Winter maintenance activities	708
	Litter, debris and graffiti control	21,725
	Other environmental maintenance	160,179
122	Traffic services power supply	101,053
	Carriageway lighting maintenance	36,708
	Road markings	202,232
	Signs and other traffic services	127,901
123	Event and incident management	0
124	Cycleway operations and maintenance	14,990
151	Network management (includes inspections)	896,274
341	Minor Improvements	395,655

## Renewals

Work Category No.	Works Completed	Actual Expenditure 2021-22 \$
211	Unsealed road rehabilitation	633,828
212	Chip seals resurfacing	1,892,077
	Thin asphaltic surfacing	0
	Other pavement resurfacing	0
213	Culvert renewals	356,776
	Kerb and channel renewals	188,671
	Other drainage renewals	0
214	Rural sealed road pavement rehabilitation	0
	Urban sealed road pavement rehabilitation	417,440
215	Other structure component replacements	60,213
222	Traffic signs renewals	73,017
	Traffic monitoring and lighting renewals	47,367



## How We Performed – Roads and Footpaths

Community Outcome	Performance Measures	Service Target	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> </ul> <b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (excludes State Highways).	Reduce the number of serious injuries and fatalities when compared to the previous year.*  <i>* This is reporting on the DIA measure which refers to the number of crashes. We are reporting on the number of serious injuries and fatalities crashes when compared to the previous year.</i>  <i>Note on variance to target: There have been no trends identified in the increase in serious injuries. A mix of factors contributed to the 7 events that caused injury including alcohol, speed, age, poor handling.</i>	0 fatalities (reduction of 3 on 2020-21) – Achieved (2020-21 – Not Achieved)  Serious injuries 8 (increase of 4 over 2020-21) – Not Achieved** (2020-21 – Achieved)  <i>** Figures obtained from the CAS system in March 2023, covering the period 1/7/2021-30/6/2022. More crashes may be uploaded to the CAS database for the 2021-22 year by Waka Kotahi after the date this report was obtained. Data will be reviewed to assess if trends can be established by which Council can positively influence going forward. The figures for 2020-21 have been amended in CAS since the 2020-21 Annual Report was published.</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> </ul> <b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Support local businesses</li> </ul>	Residents satisfied or very satisfied with the condition of Waitaki's non-State Highway sealed roads.	Years 1-3: 60%  Years 4-10: 70%	43% – Not Achieved  (2020-21 – Not Achieved 44%)
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> </ul> <b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Support local businesses</li> </ul>	Residents satisfied or very satisfied with the condition of Waitaki's non-State Highway unsealed roads.	Years 1-3: 50%  Years 4-10: 60%	28% – Not Achieved  (2020-21 – Not Achieved 22%)
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> </ul> <b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Support local businesses</li> </ul>	The average quality of ride on a sealed local road network, measured by smooth travel exposure (excluding State Highways): <ul style="list-style-type: none"> <li>Combined</li> <li>Primary</li> <li>Secondary</li> </ul>	Greater than 90%.	Combined 93% – Achieved (2020-21 – Achieved 92%)  Primary Collectors 89% – Not Achieved (2020-21 – Not Achieved 82%)  Secondary Collectors 93% – Achieved (2020-21 – Achieved 98%)
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Robust core infrastructure and services</li> </ul> <b>Prosperous District:</b> <ul style="list-style-type: none"> <li>Support local businesses</li> </ul>	The percentage of the sealed local road network that is resurfaced: <ul style="list-style-type: none"> <li>Combined</li> <li>Rural</li> <li>Urban</li> </ul>	Greater than 5% of sealed roads are resurfaced each year.	Combined 5% – Not Achieved (2020-21 – Achieved 6.5%)  Urban – Not Achieved 2% (2020-21 – Not Achieved 1.5%)  Rural 3% – Not Achieved (2020-21 – Achieved 5.0%) <i>Note on variance to target: Road surface treatment is generally required every 10-15 years. The variation to the target is based on timing of treatment that may show more or less than the threshold depending on the year and planned activity.</i>

<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> </ul>	The percentage of footpaths within the district that fall within the specified level of service (fit for purpose) set within the Roading Asset Management Plan.	96%	98% of footpath renewals completed – Achieved (2020-21 – <i>Achieved 98%</i> )
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• <b>Support local businesses</b></li> </ul>			(Survey of total network to be completed every 5 years)
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> </ul>	The percentage of requests for service relating to roads and footpaths responded to within agreed timeframes.	At least 90% of public enquiries responded to within two working days.	84% – Not Achieved (2020-21 – <i>Not Achieved 89%</i> )

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Roads and Footpaths

	2018/28 LTP	2021/31 LTP	
	2020/21	2021/22	2021/22
	LTP	LTP	Actual
	\$000	\$000	\$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	59	46	46
Targeted Rates	8,117	7,062	7,117
<b>Rates Revenue</b>	8,176	7,108	7,163
Subsidies and Grants for Operating Purposes	3,789	2,981	3,178
Fees and Charges	275	-	285
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	29	7	10
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	440	622	194
<b>Operating Revenue</b>	4,533	3,610	3,667
<b>Total Operating Funding</b>	12,709	10,718	10,830
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	5,953	5,488	5,660
Finance Costs	-	-	-
Internal Charges and Overheads Applied	1,666	1,475	1,490
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	7,619	6,963	7,150
<b>Surplus / (Deficit) of Operating Funding</b>	5,090	3,755	3,680
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	8,024	3,699	2,772
Development and Financial Contributions	200	280	228
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
<b>Total Sources of Capital Funding</b>	8,224	3,979	3,000
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	2,484	901	409
to replace Existing Assets	12,576	5,714	5,713
Increase / (Decrease) in Reserves	(1,746)	1,119	558
Increase / (Decrease) of investments	-	-	-
<b>Total Applications of Capital Funding</b>	13,314	7,734	6,680
<b>Surplus / (Deficit) of Capital Funding</b>	(5,090)	(3,755)	(3,680)
<b>Funding Balance</b>	-	-	-

The full capital works programme for 2022 was not achieved, leading to reduced capital expenditure and related income. The programme will be completed during the 2023 financial year.

## Water, Stormwater and Wastewater

This group of activities includes:

- Water Supply
- Stormwater
- Wastewater

There are five Water Services portfolios: Policy and Service Levels; Planning and Systems; Design and Construction; Operations and Maintenance; and Compliance and Regulation. These address the key aspects of the asset management cycle for 3 Waters and are used as the basis for outlining what we did during the year.

### Water Supply

#### What We Do

We supply water to over 87% of the district's population through the operation of fifteen individual water supplies, consisting of five urban areas (including Ōamaru and Waihemo, with on-demand and restricted zones) and ten rural water supplies.

The urban supplies in most areas provide an 'on-demand' service to consumers and some areas have provision for firefighting from water supply mains. The rural supplies are intended to supply water for domestic use and some stock drinking water on a continuous but restricted supply basis.

The management of the urban and rural water supplies is currently via a mixture of Council and consumer-led entities. This activity is funded by service-targeted rates from properties that are connected to water supply systems.

We support this service by providing, operating, and maintaining water infrastructure in compliance with New Zealand legislation and standards, responding to call outs and service disruptions quickly and efficiently, and through planning for future development and needs.

#### Why We Do It

We have a legal obligation under the Health Act 1956 to improve, promote, and protect public health across the district. The Health (Drinking Water) Amendment Act 2007 places further obligation on Council to comply with the Drinking Water Standards for New Zealand. Under the Local Government Act 2002 (LGA02), the continued operation of water supplies is required unless approval has been obtained by Council to cease some or all of the activity.

As a result of the Havelock North water incident in 2016, the subsequent Government inquiry, and now the Three Waters Reform Programme, there is renewed focus on the very high standard of care and diligence required to supply drinking water to our community.

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

## What We Have Been Doing in 2021-22

### *Policy and Service Levels*

In response to the Government's Three Waters Reform announcements in 2021, projects across the ten years of the 2021-31 Long Term Plan (LTP) were reviewed to identify those which could be brought forward into the first three years of the plan. The new enhanced investment programme, adopted by Council in December 2021 up to 30 June 2024, was in the order of \$82.5 million (revised to \$72.8 million after 1 July 2022). Completing these projects earlier than planned will ensure our 3 Waters assets are well-placed to serve the needs of Waitaki's communities in the longer term, whilst also reducing asset maintenance and operational requirements for the new entity during the period required, for it to familiarise itself with the district's networks and asset management plans.

Several of the projects within the LTP programme, including the enhanced investment programme, were scoped and 'Issues and Options' reports were completed to help determine the preferred and most cost-effective way forward.

A Backflow Prevention Policy was adopted by Council in December 2021 and a draft Risk Management Plan and Inspection Plan was developed to support this. The purpose of this policy is to protect public health by reducing the risk of backflow into the water supply network. Backflow occurs when water flows backwards into the public water network. If this backflow water is contaminated, it can pose a serious health risk to supply consumers. The inspection and installation programme will be implemented over the coming twelve months.

The design basis for the Ōamaru Water and Wastewater Capacity Studies was completed and presented to Council. This included a range of service level scenarios that can be considered in future capacity studies to be undertaken on the Ōamaru water and wastewater systems over the next twelve months.

### *Planning and Systems*

We have been prioritising, scoping, and assigning owners to projects that were identified in the 2021-31 Long Term Plan to ensure work progresses on schedule.

We have closely monitored developments on the Government's Three Waters Reform Programme, and provided data, updates, and feedback to our Elected Members and external stakeholders as required. To ensure we remain well informed, we have had a member of our team on the National Transition Unit's Asset Management, Operations, and Stormwater Reference Group.

Our team have developed and have been using a new framework for asset data collection, condition assessment, and renewal programmes, which has been a valuable tool. Additionally, we continued developing a supporting asset management framework, as well as asset planning to support upcoming network renewal, CCTV inspections and cleaning of the network, and other key projects.

We also successfully recruited for several key positions throughout the year to assist in the delivery of the programme of work.

### *Design and Construction*

A major focus for 2021-22 was completing the \$7.46 million of projects funded through the Government's Three Waters Reform Tranche One Funding. These projects were selected to improve water supply resilience, quality, and capacity across multiple supplies. Projects that received Tranche One Funding that are completed, or near completion, include water main renewals in Ōamaru, Palmerston, and Otematata, the Otematata Campgrounds Water Supply Upgrade, and the Stoneburn Water Supply Intake switchboard replacement and SCADA Upgrade.

### *Operations and Maintenance*

Whilst continuing to ensure the supply facilities and network delivered water to customers across the district, we also undertook several improvement projects to improve supply resilience and continuity. These projects included the bulk renewal of water service lines; upgrades to the Kurow Wastewater Treatment Plant dispersal field, as well as the screening and installation of a flow meter; the installation of equipment to support a new membrane cleaning regime at the Ōamaru Water Treatment Plant, and a new Ozone Generator; the reinstatement of safe drinking water supply to customers following the fire at the Lower Waitaki Water Supply treatment shed; upgrades to pump stations, reservoirs and telemetry equipment on supplies across the district; and the installation of chlorine and pH reticulation analysers on supplies to meet the new Drinking Water Standards.



### *Compliance and Development*

We reviewed the draft Drinking Water Standards and Quality Assurance rules and prepared a submission on the draft for Taumata Arowai.

We procured a new compliance software package called Infrastructure Data to streamline compliance reporting to Taumata Arowai and Regional Councils, which is critical as requirements continue to increase. The new software holds all compliance data in the one repository and is easily transferable to a report template, replacing a very manual and time-consuming process.

## How We Performed – Water Supply

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Enable safe and healthy communities</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> </ul>	<p>The extent to which Council's water supply complies with:</p> <p>a) Part 4 of the drinking water standards (bacteria compliance criteria)</p> <p>b) Part 5 of the drinking water standards (protozoa compliance criteria)</p>	<p>Compliant: Ōamaru (including Hampden-Moeraki and Herbert-Waianakarua), Waihemo, Kurow, Lake Ōhau, Ōmārama, Otematata, Lower Waitaki, Tokarahi, Kauru Hill and Windsor</p> <p>No compliance required (classified Rural agricultural water supplies): Stoneburn, Bushey Creek</p> <p>No compliance required (Council has elected to comply with Section 10): Duntroon</p>	<p>a) Bacterial Compliant: Kurow, Awamoko, Ōmārama and Otematata – Achieved</p> <p>Non-compliant: Waihemo, Ōamaru, Lake Ōhau, Tokarahi, Lower Waitaki, Kauru Hill, Windsor – Not Achieved</p> <p><i>(2020-21 Compliant/achieved: Ōamaru, Waihemo, Kurow, Ōmārama, Otematata, Lower Waitaki, Tokarahi, Kauru Hill.</i></p> <p><i>Non-compliant/not achieved: Lake Ōhau, Windsor)</i></p> <p>b) Protozoa Compliant: Ōamaru – Achieved</p> <p>Non-compliant: Lake Ōhau, Awamoko, Kurow, Lower Waitaki, Ōmārama, Otematata, Tokarahi, Kauru Hill, Windsor, and Waihemo – Not Achieved</p> <p><i>(2020-21 Compliant/Achieved: Ōamaru, Waihemo, Kurow.</i></p> <p><i>Non-compliant/Not Achieved: Lake Ōhau, Lower Waitaki, Ōmārama, Otematata, Tokarahi, Kauru Hill, Windsor)*</i></p>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> </ul>	<p>The percentage of real water loss from our networked reticulation system. This is calculated in accordance with Water New Zealand's Water Loss Guidelines-Minimum Night Flow Analysis</p>	<p>Maintain or reduce</p>	<p>Ōamaru – 62% Palmerston – 36% Otematata – 45% Ōmārama – 74% Kurow – 41% – Not Achieved</p> <p><i>(2020-21 – Achieved Ōamaru – 26% Palmerston – 35% Otematata – 34% Ōmārama – 66% Kurow – 37%)</i></p> <p><i>Note re variance to target: This is due to a change in methodology applied, combined with ageing infrastructure across the board.</i></p>



<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulated system, the following median response times are measured:</p> <p>Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site</p>	<p>One-hour median attendance time for urgent call outs</p>	<p>1.1 hours – Not Achieved</p> <p><i>(2020-21 – Achieved 0.9 hours)</i></p>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	<p>Resolution of urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption</p>	<p>24 hours median time for resolution of urgent call outs</p>	<p>3.6 hours – Achieved</p> <p><i>(2020-21 – Achieved 3.3 hours)</i></p>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	<p>Attendance of non-urgent call outs: from the time that Council receives notification, to the time that service personnel reach the site</p>	<p>2 working day** median attendance time for non-urgent call outs</p>	<p>0.4 working days (4 working hours) – Achieved</p> <p><i>(2020-21 – Achieved 0.3 working days (3.1 working hours))</i></p>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	<p>Resolution of non-urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption</p>	<p>5 working day** median attendance time for non-urgent call outs</p>	<p>0.7 working days (6 working hours) – Achieved</p> <p><i>(2020-21 – Achieved 0.6 working days (5.4 working hours))</i></p>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li><b>Enable safe and healthy communities</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	<p>Total number of complaints received by Council about:</p> <ul style="list-style-type: none"> <li>(a) drinking water clarity</li> <li>(b) drinking water taste</li> <li>(c) drinking water odour</li> <li>(d) drinking water pressure or flow</li> <li>(e) continuity of supply</li> <li>(f) Council's response to any of these issues</li> </ul>	<p>Fewer than 25 complaints per 1,000 connections to Council's networked reticulation system</p>	<p>14 (183 complaints in total) – Achieved</p> <p><i>(2020-21 – Achieved 16 (209 complaints in total))</i></p> <p>All measures expressed per 1000 connections to Council's networked reticulation system***</p>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li><b>Protecting our diverse landscapes and water bodies</b></li> <li><b>Meeting environmental and climate change challenges</b></li> </ul>	<p>The average consumption of drinking water per day per resident within Waitaki District</p>	<p>Fewer than 500 litres per day average consumption of drinking water per resident within the Waitaki District</p>	<p>522 – Not Achieved</p> <p><i>(2020-21 – Achieved 493 Litres per day average)</i></p>

\*Ōmārama, Lake Ōhau, Tokarahi, Windsor and Kauru Hill are yet to be upgraded to meet the Drinking Water Standards. There is no requirement to report Lake Ōhau's compliance with Part 4 and 5 to the Ministry of Health as part of the Annual Survey however, Council has elected to include this in the Annual Report.

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

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

## Bacteriological Compliance Summary for Waitaki District Water Supplies

Council used an independent, external expert to assess the compliance of its drinking water supplies with the Drinking Water Standards NZ (DWSNZ). The table below reflects the findings of the expert assessment, including 'compliance recommended' where supplies did not technically meet the sampling requirements of the DWSNZ:

Supply Name	Hinekōrako Codes	Bacteriological Compliance Source/Treatment	Bacteriological Compliance Distribution	Supply Compliance (2021-2022)
<b>Awamoko (Corriedale)</b>	S00353 TP00540 AWA001AW	Complies	Complies	Complies
<b>Kauru Hill (Corriedale)</b>	S00333 TP00546 KAU001KA	Non-compliant: Quarter 4 <sup>++</sup>	Complies	Compliance recommended
<b>Kurow</b>	G00193 TP00254 KUR001KU	Complies	Complies	Complies
<b>Lower Waitaki</b>	G01989 TP00547 LOW004LO	Non-compliant: Quarter 1, 3, 4 <sup>++</sup>	Non-compliant: Quarter 3 <sup>++</sup>	Compliance recommended
<b>Ōamaru*</b>	S00162 TP00253 OAM001AR OAM001CE OAM001HA OAM001HE OAM001KA OAM001MO OAM001NE OAM001RR OAM001SH OAM001WE	Non-compliant	Non-compliant: Quarter 3 <sup>++</sup>  OAM001HE OAM001KA OAM001WE	Non-compliant
<b>Ōmarama</b>	G00194 TP00257 OMA001OM	Complies	Complies	Complies
<b>Otematata</b>	G02082 TP03176 OTE001OT	Complies	Complies	Complies
<b>Stoneburn</b>	S00337 TP00551 ST001ST	Non-compliant: Quarter 1, 3, 4 <sup>++</sup>	Non-compliant: Quarter 3, 4 <sup>+</sup>	Non-compliant
<b>Tokarahi (Corriedale)</b>	S00169 TP00260 TOK003TL	Non-compliant: Quarter 1, 3, 4 <sup>++</sup>	Non-compliant: Quarter 2 <sup>+++</sup> , 3 <sup>++</sup>	Non-compliant
<b>Waihemo*</b>	G01990 TP03054 WAI215DU WAI215GO WAI215PA	Complies	Non-compliant: Quarter 3 <sup>++</sup>  WAI215PA	Compliance recommended
<b>Windsor (Corriedale)</b>	S00339 TP00553 WIN004WI	Complies	Non-compliant: Quarter 1, 2 <sup>+++</sup>	Non-compliant

\*Insufficient samples collected against DWSNZ criteria.

\*\*Days between exceeds DWSNZ criteria.

\*\*\*Days of the week sampled against DWSNZ criteria.

\*\*\*\*E.coli transgression. Samples collected does not meet criteria A1.4 of DWSNZ.

\*Criteria 2A used to demonstrate compliance.

Note 1: DWA leniency – where (minor) technical non-compliances occurred, the audit team will note the occurrences and recommend compliance, however this is to be seen as a recommendation only.

## Stormwater

### What We Do

We operate stormwater systems at Kurow, Ōamaru, Ōmārama, Otematata, Lake Ōhau, Moeraki, Palmerston, and Weston. Our stormwater systems are designed to provide a safe and effective collection of excess water, and to protect property from damage. It is estimated that 63% of the district's population have access to a public reticulated stormwater system, with the remainder being served by individual soak pits and associated disposal systems. We support this service by providing, operating, and maintaining the stormwater infrastructure, responding to call outs and service disruptions quickly and efficiently, and by planning for future development and needs.

### Why We Do It

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

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

### What We Have Been Doing in 2021-22

We developed an inspection and cleaning programme for Ōamaru which will commence in the coming year. We also cleared the drainage channel spanning from Waitaki Boys' High School to Regina Lane, reducing the risk of flooding. Other areas of the channel were confirmed as the responsibility of Otago Regional Council.

## How We Performed – Stormwater

Community Outcome	Performance Measures	Service Target	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	The number of flooding events that occur in the Waitaki District.	NIL	NIL there were no flooding events – Achieved  <i>(2020-21 – Achieved – NIL)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater system).	NIL	NIL there were no flooding events – Achieved  <i>(2020-21 – Achieved – There were no flooding events)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li><b>Protecting our diverse landscapes and water bodies</b></li> </ul>	Compliance with Council's resource consent for discharge from its stormwater system measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; and (d) convictions in relation to breaches of those resource consents.	NIL	NIL for all – Achieved  <i>(2020-21 – Achieved – NIL for all)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	The median response time to attend a flooding event, measured from the time that Council receive notification to the time that service personnel reach the site.	2 hours	NA – There were no flooding events – Achieved  <i>(2020-21 – Achieved – There were no flooding events)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system.	Fewer than eight (8) complaints per 1,000 connections.	5 (49 in total) – Achieved  <i>(2020-21 – Not Achieved – 9 (73 in total))</i>

## Wastewater

### What We Do

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

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

### Why We Do It

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

### What We Have Been Doing in 2021-22

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

#### *Planning and Systems*

We developed a wastewater mains inspection and cleaning programme, which commenced following the procurement of services. We also developed a wastewater inflow and infiltration inspection programme to determine where stormwater is entering the wastewater network. Once this programme is underway, it will help eliminate inflow and infiltration, and increase the network's capacity.

#### *Policy and Service Levels*

We completed 'Issues and Options' reports for the treatment and disposal of wastewater in Hampden and Duntroon. These reports identified options that will be used for engagement with the Hampden and Duntroon communities, scheduled for late 2022.

#### *Operations and Maintenance*

While ensuring the wastewater facilities and network continued to treat and dispose wastewater, improvement projects were undertaken to improve supply resilience and continuity. These improvement projects included upgrades to the Kurow Wastewater Treatment Plant dispersal field, along with new screening, and the installation of a flow meter.

We made improvements to the Palmerston Wastewater dispersal field using Tranche One Funding. This involved upgrading and expanding the existing irrigation dispersal field at the Palmerston Wastewater Treatment Plant to ensure compliance with discharge consents. We also completed desludging at the Ōmārama, Ōamaru, Palmerston, and Moeraki Wastewater Treatment Plants. The removal of sludge restores capacity within the treatment ponds, greatly improving their ability to treat wastewater to the required standard and provides a buffer during periods of high flows.

We were pleased to welcome a new Compliance Officer to the team, who will have a particular focus on wastewater. They will be working closely with our trade waste customers going forward.

Community Outcome	Performance Measures	Service Target	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	The number of dry weather overflows from the sewerage system, expressed per 1,000 sewerage connections to the system.	Fewer than 4 sewerage overflows per 1,000 connections (<20 total)*	1.3 (10 total) – Achieved  <i>(2020-21 – Achieved – 1.4 (11 total))</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	Compliance with resource consents for discharge from the sewerage system measured by the number of:	NIL for all	3 Abatement Notices – Not Achieved  <i>(2020-21 – Achieved – NIL for all)</i> <i>Note re variance to target: ORC has increased compliance monitoring and issue of enforcement actions have increased as a result.</i>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li><b>Protecting our diverse landscapes and water bodies</b></li> </ul>	a) abatement notices; b) infringement notices; c) enforcement orders; and d) convictions received by Council in relation to those resource consents.		
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	Where Council attends sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times measured:	a) 1 hour attendance time for sewerage overflows;	a) 1.6 hours – Not Achieved  <i>(2020-21 – Achieved – 0.5 hours)</i>  <i>Note re variation to target: Variation to agreed contractor performance levels which may be a direct result of contractor staff shortages due to COVID.</i>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li><b>Protecting our diverse landscapes and water bodies</b></li> </ul>	a) attendance time: from the time that Council receives notification to the time that service personnel reach the site; b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	b) 24 hours resolution time for sewerage overflows.	b) 21.2 hours – Achieved  <i>(2020-21 – Achieved – 3.7 hours)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Robust core infrastructure and services</b></li> </ul>	The total number of complaints received by Council about any of the following:	Fewer than 12 complaints per 1,000 connections.	6 (44 total) – Achieved  <i>(2020-21 – Achieved – 5.5 (43 total))</i>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li><b>Protecting our diverse landscapes and water bodies</b></li> </ul>	a) sewage odour b) sewerage system faults c) sewerage system blockages; and d) Council's response to issues with the sewerage system expressed per 1,000 properties connected to the system.		

WAITAKI DISTRICT COUNCIL – ANNUAL REPORT – 30 JUNE 2022

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Water Supply

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP \$000	2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	1	1	1
Targeted Rates	6,351	7,826	8,440
<b>Rates Revenue</b>	6,352	7,827	8,441
Subsidies and Grants for Operating Purposes		-	-
Fees and Charges	570	705	25
Interest and Dividends from Investments		-	
Internal Charges and Overheads Recovered	244	50	(160)
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	18	-	6
<b>Operating Revenue</b>	832	755	(129)
<b>Total Sources of Operating Funding</b>	7,184	8,582	8,312
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	3,270	3,784	4,049
Finance Costs		-	-
Internal Charges and Overheads Applied	1,489	1,694	2,114
Other Operating Funding Applications		-	-
<b>Total Applications of Operating Funding</b>	4,759	5,478	6,163
<b>Surplus / (Deficit) of Operating Funding</b>	2,425	3,104	2,149
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	-	4,112	3,949
Development and Financial Contributions	222	401	935
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
<b>Total Sources of Capital Funding</b>	222	4,513	4,884
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	-	4,370	3,170
to replace Existing Assets	1,729	2,613	4,465
Increase / (Decrease) in Reserves	917	634	(602)
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	2,647	7,617	7,033
<b>Surplus / (Deficit) of Capital Funding</b>	(2,425)	(3,104)	(2,149)
<b>Funding Balance</b>	-	-	-

A number of significant capital projects were undertaken with funding from Central Government. Revenue from water meters is under budget due to Covid lockdowns in 2022 and their effect on industrial and commercial customers.



## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Stormwater

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP \$000	2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	440	511	540
<b>Rates Revenue</b>	440	511	540
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>	-	-	-
<b>Total Sources of Operating Funding</b>	440	511	540
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	265	50	136
Finance Costs	-	-	-
Internal Charges and Overheads Applied	169	169	202
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	434	219	338
<b>Surplus / (Deficit) of Operating Funding</b>	6	292	202
<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			
to meet Additional Demand	-	-	-
to improve Levels of Service	-	-	-
to replace Existing Assets	-	-	-
Increase / (Decrease) in Reserves	6	292	202
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	6	292	202
<b>Surplus / (Deficit) of Capital Funding</b>	(6)	(292)	(202)
<b>Funding Balance</b>	-	-	-

Some deferred maintenance projects were attended to during the 2022 financial year.

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Wastewater

	2018/28 LTP	2021/31 LTP	
	2020/21	2021/22	2021/22
	LTP	LTP	Actual
	\$000	\$000	\$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	2,149	2,932	2,957
<b>Rates Revenue</b>	2,149	2,932	2,957
Subsidies and Grants for Operating Purposes	-	-	-
Fees and Charges	325	316	320
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	381	278	244
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	13	-	-
<b>Operating Revenue</b>	719	594	564
<b>Total Sources of Operating Funding</b>	2,868	3,526	3,521
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	1,320	1,810	1,896
Finance Costs	-	-	-
Internal Charges and Overheads Applied	626	873	1,194
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	1,946	2,683	3,090
<b>Surplus / (Deficit) of Operating Funding</b>	922	843	431
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	-	15	1,120
Development and Financial Contributions	96	153	291
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
<b>Total Sources of Capital Funding</b>	96	168	1,411
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	-	365	562
to replace Existing Assets	640	1,700	1,805
Increase / (Decrease) in Reserves	377	(1,054)	(525)
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	1,017	1,011	1,842
<b>Surplus / (Deficit) of Capital Funding</b>	(922)	(843)	(431)
<b>Funding Balance</b>	-	-	-

A number of capital projects were undertaken with funding from Central Government.

## Recreation Services

### What We Do

We manage approximately 1,200 hectares of parks and reserves across the Waitaki District, including sports fields, public open spaces, neighbourhood parks, gardens, reserves, and a network of walking and cycling tracks. We provide the following recreation services and opportunities across the district:

#### *Playgrounds*

We provide 23 playgrounds, with 4 additional school playgrounds in Ōamaru available to the public outside of school hours in return for grounds maintenance. We also provide 4 skate parks and 3 bike parks.

#### *Cemeteries and Burial Services*

We operate 13 cemeteries (11 currently open), with a total land area of 38.44 hectares. Of this, 26.27 hectares are actively in use, with the remaining area grazed for future expansion. Most of the interment activity occurs at the Ōamaru Cemetery. The provision of cemeteries is managed as part of the recreation activity and meets Council's obligations under the Burial and Cremation Act 1964 to make provision for burials within the district.

#### *Camping Opportunities*

We provide 6 'kiwi experience' style campgrounds, and we lease 5 additional campgrounds to commercial entities.

#### *Public Toilets*

We provide 37 public toilet facilities and maintain 3 other toilet facilities located at parks, sports fields, campgrounds, and at roadside stopping points throughout the district with the aim of providing convenient, safe, and healthy toilet facilities and to prevent negative impacts on the environment. We also provide dump stations in Ōamaru, Palmerston, and Ōmārama townships, and at Falstone, Wildlife, Boat Harbour, and Parsons Rock campgrounds.

#### *Waitaki Aquatic Centre and Pools*

The Waitaki Aquatic Centre is located in Ōamaru and provides a safe environment for aquatic-based recreation and sport activities, and opportunities for learning to swim, swim squad, and water safety programmes. We also provide Council grants to assist with community access to school pools at Kurow and Palmerston.

#### *Maintaining Monuments and Heritage Items*

We manage heritage features and items located in recreation areas on behalf of the community.

#### *Town and Street Beautification / Streetscapes*

We provide street beautification in our townships to enhance the amenity values of urban areas. Street beautification includes planting and maintenance of trees and shrubs, development and maintenance of landscaped areas, and maintenance of hanging flower baskets.

#### *Forestry*

We manage approximately 114 hectares of commercial farming forestry (reserve or endowment land) from which income is generated.

## Why We Do It

Our parks, reserves, and recreational infrastructure are provided by local government to deliver a range of benefits. They make a significant contribution to the mental and physical health and wellbeing of our community and community social connection. Due to limited commercial opportunity and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore, provision by local government, as a public good, is required. The community expects parks, recreation facilities, public toilets, and interment facilities to be managed in such a way that costs are minimised, whilst providing the levels of service that the community desires. This is a balancing act.

We provide and manage affordable, safe, and attractive sports and recreational facilities, amenities, and services that are responsive to a variety of community needs. These assets and services help contribute to the quality of life for our district's visitors and residents.

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

## What We Have Been Doing in 2021-22

### *Parks and Reserves*

We have installed new wayfinding posts through Glen Eden / Glen Warren Reserves. We are continuing to roll this out through the remainder of the Ōamaru Walkway Network and are working on creating and installing 'You Are Here' signs throughout the network to assist with trail navigation.

We undertook maintenance on approximately 50% of the Memorial Oaks in Ōamaru over the past year, installed security cameras in the Friendly Bay Playground, and refurbished the entrance columns at Awamoa Park.

Our team provided advice and support to the Otematata community as they developed their Community Led Development Plans, and exercise equipment funded by the local community was installed in the Ōmārama Playground.

We installed 10km speed limit signs and judder bars on several intersections in the Ōamaru Public Gardens to slow down cyclists following several incidents that were reported with concern of potentially serious collision, and we completed detailed drawings for the waterplay feature at the Ōamaru Public Gardens, which will allow the work to be tendered for a Spring 2022 build.

We were grateful to receive a \$1,000 bequest towards the purchase of azaleas which will be used to improve the collection in the Dell area of the Ōamaru Public Gardens. We also removed additional sycamores down the true left of the Ōamaru Creek behind the Top10 Holiday Park.

We are extremely pleased that the Ōamaru Public Gardens have maintained their recognition as a 5-star 'Garden of National Significance' by the New Zealand Gardens Trust.

We planted new Memorial Oaks for Addison, Aitken, and Duddridge, to commemorate the sacrificed lives of these soldiers and have now removed the original oaks that were planted under the power lines, with the wood being offered to their families and friends.

A local Palmerston group working under the umbrella of Mountain Biking North Otago commenced development of a new mountain bike trail in the Brough Road Forestry Block, and an important Palmerston community project we completed was the construction of the walking connection between District Road and Ronaldsay Street in September 2021.



The Hampden Cemetery erosion was investigated by Tonkin and Taylor and mapping projections based on current erosion rates suggest that the erosion is unlikely to reach the edge of the burial ground within 30 years. Council will consider the ramifications of this for its next Long Term Plan.

Meetings were held with Otago Regional Council and the Moeraki community regarding rabbits to try to coordinate a combined approach to regaining compliance. We have received several proposals from contractors interested in undertaking the rabbit control and are liaising with adjacent landowners for an agreed collective approach.

We realigned the Moeraki Millennium Walkway from the lookout to the pā site to safely negotiate the slip that had closed the track for several years, which has now been reopened to the public. Another section in Millers Bay that had slumped has also been realigned.

A River Trail has been formed between Dunback swing bridge in the village and the Dunback Domain, providing an interesting off-road route adjacent to the Shag River.

We have received a copy of the Puketapu Trust's feasibility study recommending a new route. Negotiations have begun with a neighbour and the lessee of the grazed recreation reserve land regarding the land required for this proposed project.

### *Sports*

It has been great to see the return of weekly team sports on all of the sports fields, as well as the return of spectators after the limitations that were placed during the pandemic. It has been a quiet year on the sports field front with the fields in good condition and recovering well after the end of each season which is evidenced by the turf assessments we complete annually. We also completed an upgrade to the sound system in the Whitestone Centennial Park Grandstand.

We have been working closely with the Waitaki Event Centre Trust in their efforts to raise community funds for the Network Waitaki Events Centre. Conceptual work for the project is well under way with concepts discussed, resource consent obtained, and concepts for traffic management completed. An application for funding has been made to the Community Facilities Fund, and other applications for funding are in progress.

### *Toilets*

We have been working with the Duntroon community to agree on the best location for a new public toilet facility in their town. A new facility will be installed in 2022 with the chosen location being supported by improvements to the road corridor that will allow better parking near the toilets for safety. The project was supported by a successful application for funding from the Tourism Infrastructure Fund. Another successful application was made to the Tourism Infrastructure Fund to support the replacement of the toilet block at Awamoa Park, and for improved parking and a toilet facility at Bushy Beach.

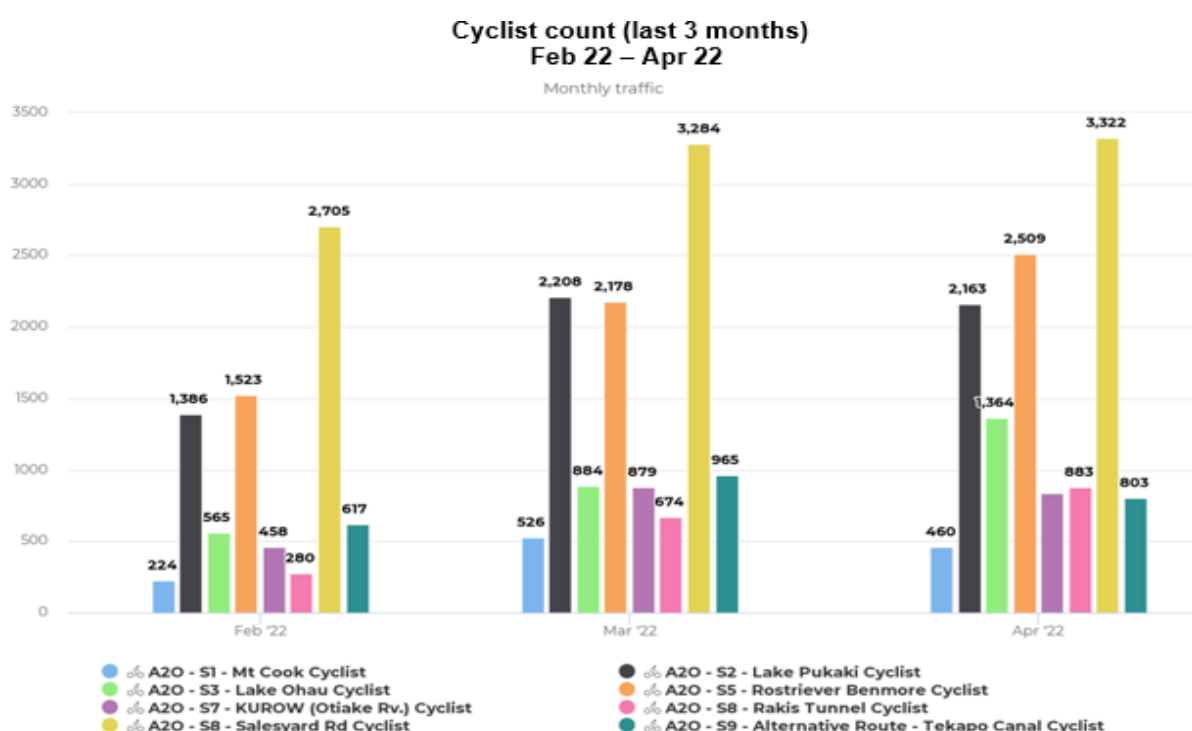
## Alps 2 Ocean Cycle Trail

We have completed the governance structure review. A full time Trail Manager started as part of our Recreation team in February 2022, the new Joint Committee met in March 2022, and the A2O Reference Group met for the first time in June 2022.

We have recommenced work on the business case to take the remaining sections offroad, which will support an application to MBIE to complete the vision of a completely offroad trail from Mt Cook to Ōamaru. Alongside this, work has commenced on a Visitor Experience Development Plan (VEDP), which seeks to give a road map for all aspects of development that flow from a complete trail. The business case and VEDP are key planning documents underpinned by the overall trail vision and strategy. From the VEDP flows the marketing plan, while the business case informs annual funding and trail development work plans.

The Department of Conservation (DOC) concession agreement has been reviewed and an application has been made to DOC to vary the concession activity description to include the addition of transport and aircraft activities, as well as more fit for purpose health and safety clauses. On receipt of this, the concession agreement will be able to be fully implemented, including the issue of sublicenses to official partners.

The trail is well-used and is being enjoyed for both single-day and multiday trips. Operators have had good seasons and domestic tourism has been strong despite the pandemic. Forward numbers for next season are also understood to be looking good.



Following the rain event in January 2021 which saw widespread flooding in the Otematata and Maerewhenua rivers, as well as damage to parts of the track adjacent to the Waitaki River and elsewhere along the trail, we were successful in securing \$308,482 of financial assistance from MBIE. This was used to undertake an audit of the damage and emergency repairs in February 2021 to keep the trail open to users.



Following a tender process, contractors repaired some 160 defects, ranging from washouts on the track to clearing large slips, with the bulk of the work being in the vicinity of Rakis Tunnel and between Duntroon and Ōamaru.



### *Camping*

We worked with Safer Waitaki, the Police, and the local community to improve safety for all Waitaki Lakes Camping users over Labour weekend. A liquor ban was placed on the top paddock at Loch Laird for the holiday period as well as security guards and an increased police presence. This had a positive outcome as there were no reports of harm that have been traditionally associated with the use of this site as a party spot over Labour weekend.

Due to changing water law requirements, our team have begun investigating whether water purification at Sailors Cutting and Falstone campsites is required. Our Water team are in the process of providing reticulated water to the Loch Laird, Wildlife, and Parsons Rock campsites, to be ready for the opening of the 2022-23 season.

### *Playgrounds*

We have purchased new playground equipment for Southern Reclamation Reserve on Tamar Street, Casa Nova Park on Fleet Street, as well as a new playhouse for the Ōmārama Domain. The installation of these will occur in the new financial year.

We are working on improving access into and around our playgrounds to ensure the safety and wellbeing of our playground users. One focus of improvement this year is building a new path through Casa Nova Reserve, and we are investigating the potential for a similar path in the Holmes Hill Reserve.

### *Aquatics*

COVID has presented multiple challenges for operating public swimming pools, including having to restrict user numbers and trying to meet varying customer expectations (with regards to the requirement or non-requirement of masks and vaccine passes on entry). The need to isolate, either with COVID or as a close contact, has had an impact on staff availability which has affected our opening hours and the range of services we are able to provide. We have worked hard to resolve this, but it is a continuing problem.

Another big impact of COVID on the usage of the Aquatic Centre is where customers are worried about their or their children's health and do not want to come to the pool, or after so much chopping and changing with restrictions over the last two years, customers have gotten out of the habit of using the pool and are choosing other recreational activities. We are looking at ways to encourage the return of customers to the pool.

Staffing, or the lack of it, in the last 12 months has put immense pressure on the rest of the team who have stepped up and gone beyond the call of duty, at times working extraordinary hours.



On a positive note, our new coach, Paulo, who joined the team at the end of 2021, has had a great influence on the programme delivery, growing squad numbers by 350 per cent and working on new initiatives to encourage people to be active with us. New initiatives that have started, or are starting, include programmes such as Migrant Swimming, Flippa Ball (junior waterpolo), swim clinics and workshops, and adult lessons.

Our Learn to Swim outreach programme saw us send instructors up the Ahuriri Valley to deliver the swim programme to school students in their school pools. This also enabled us to expand into the local preschools which has been very well-received.

Otago Swimming had booked a regional swim meet with us but due to COVID this got pulled and postponed to September 2022. This is a great opportunity for a major swim meet to be held away from the usual bigger places.

We were pleased to host the South Island Secondary School Canoe Polo Championships at the Aquatic Centre in August 2021. It was expected that 2021 would be the last year for this event to be held in Waitaki, but we were delighted to host the event again in August 2022.

## How We Performed – Recreation Services

Community Outcome	Performance Measures	Service Target	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Increase in visitors to the Waitaki Aquatic Centre.	1% increase in number of visits per annum.	Down 26% – Not Achieved Note the reasons for the slump are the COVID lockdown last year, then the ongoing restrictions on numbers combined with excluding public while schools were using the facility and the lack of people returning to exercise after the COVID restrictions. The Aquatic Centre has instituted a number of initiatives to try and increase attendance*  <i>(2020-21 – 27% – Achieved Note the Aquatic centre was shut during lockdown in 2020 which meant visits were down significantly from the previous year. The change between 2021-22 and 2018/19 (our last full year) is 15.7%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Customers satisfied or very satisfied with the Waitaki Aquatic Centre.	80% of customers satisfied or very satisfied with the Waitaki Aquatic Centre.	78% – Not Achieved <i>(2020-21 – Achieved 85%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents satisfied or very satisfied with Waitaki's parks and reserves.	80% of residents are satisfied or very satisfied with Waitaki's parks and reserves.	90% – Achieved <i>(2020-21 – Achieved 85%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents who have used the district's campgrounds and are satisfied or highly satisfied with the quality of the greenspace provided.	70% of users are satisfied or very satisfied.	77% – Achieved <i>(2020-21 – Not Achieved 63%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents satisfied or very satisfied with Waitaki's sports fields and facilities.	80% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities.	78% – Not Achieved <i>(2020-21 – Achieved 85%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents who have visited a cemetery in Waitaki who are satisfied or very satisfied with the maintenance of the greenspace.	80% satisfaction with the district's cemeteries.	81% – Achieved <i>(2020-21 – Achieved 86%)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents who have recently used public toilets in the district who are satisfied or very satisfied with the facility(s).	70% of residents are satisfied with public toilets.	79% – Achieved <i>(2020-21 – Achieved 77%)</i>

\*Such as: a permanent position in the Waitaki Link and Notice Board, featuring in school newsletters, regular posts on Facebook promoting its activities, new programme initiatives (clinics / workshops / Flippa Ball / more aquacise classes) to get people more active. As well as this: a new inflatable, holding (and promoting) entry fees during COVID years, working with groups (such as Plunket and youth town) in driving their customers to the Aquatic Centre and re-introducing more days for swim school.

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Recreation Services

	2018/28 LTP 2020/21 LTP \$000	2021/31 LTP 2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	658	1,364	1,378
Targeted Rates	3,169	2,657	2,683
<b>Rates Revenue</b>	<b>3,827</b>	<b>4,021</b>	<b>4,061</b>
Subsidies and Grants for Operating Purposes	36	88	45
Fees and Charges	1,099	854	576
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	-	-	-
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	37	41	24
<b>Operating Revenue</b>	<b>1,172</b>	<b>983</b>	<b>645</b>
<b>Total Sources of Operating Funding</b>	<b>4,999</b>	<b>5,004</b>	<b>4,706</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	3,877	4,040	4,253
Finance Costs	-	-	-
Internal Charges and Overheads Applied	1,042	1,232	902
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	<b>4,919</b>	<b>5,272</b>	<b>5,155</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>80</b>	<b>(268)</b>	<b>(449)</b>
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	21	2,534	165
Development and Financial Contributions	-	-	-
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	-
<b>Total Sources of Capital Funding</b>	<b>21</b>	<b>2,534</b>	<b>165</b>
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	205	2,590	358
to replace Existing Assets	298	1,124	106
Increase / (Decrease) in Reserves	(402)	(1,448)	(748)
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	<b>101</b>	<b>2,266</b>	<b>(284)</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(80)</b>	<b>268</b>	<b>449</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

External funding was received for the construction and refurbishment of public toilet facilities. Delays in finalising plans for the Sports and Events Centre meant that budgeted capital funding was not received and capital expenditure was deferred.

## Waste Management and Minimisation

### What We Do

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

We no longer provide curbside collection services, instead encouraging the private market to provide services and facilities where possible. We do, however, continue to provide the following services for the benefit of our community wellbeing:

- a network of four rural recovery parks (transfer stations), located at Otematata, Ōmārama, Kurow, and Hampden
- a landfill in Palmerston
- financial assistance to the Waitaki Resource Recovery Trust, for operation of the Resource Recovery Park, which provides recovery, recycling, and education services
- financial assistance to other community organisations, such as Waihemo Wastebusters, to provide recycling and waste minimisation services
- recycling drop-off facilities in Papakaio, Enfield, and Herbert
- educational material about reducing, reusing, and recycling waste
- enviroschools facilitation with 15 schools and early childhood centres
- management of 14 closed landfills throughout the district (including the closed Ōamaru landfill).

### Why We Do It

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

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

- New Zealand Waste Strategy
- Waste Minimisation Act 2008
- Local Government Act 2002
- Resource Management Act 1991
- Litter Act 1979
- Health Act 1956
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015

### What We Have Been Doing in 2021-22

#### *Solid Waste*

We developed a business case on future options for the Beach Road contaminated sites and the Hampden closed landfill. This was presented to Council in early 2022 for consideration, and recommended full remediation of these sites, with the contaminated land being taken to Palmerston Landfill. The business case also looked at future use of Palmerston Landfill and recommended that the site be improved to receive waste from Beach Road and Hampden.

We are working with the Otago Regional Council to explore the possibility of the Palmerston Landfill receiving our district's waste until closure of the landfill in 2027. A landfill closure plan will be developed once the outcome of the discussions with the Otago Regional Council is known.

Council operates Palmerston Landfill under an operations and maintenance contract with Whitestone Contracting, and operates 4 rural transfer stations and 3 recycling drop-offs under an operations and maintenance contract with WasteCo. We continue to successfully manage the 14 closed landfills across the district, with all sites meeting resource consent conditions.

A review of our Waste Management and Minimisation Plan is underway. The review has begun with an analysis of the waste that is being taken to the Waste Management Transfer Station in North Ōamaru, as part of a district-wide waste assessment process.

We continue to provide financial support to the Waitaki Resource Recovery Trust (WRRT) to ensure their services will continue to be available to the community. Between July 2021 and June 2022, WRRT diverted a total 2,500 tonnes of waste, this included: 1,500 tonnes of recycling (including chipped green waste) and 1,000 tonnes of items sold in the secondhand store. This equates to 100kg of waste diverted per person in the district.

We have reviewed and submitted to Central Government regarding several key consultations throughout the year, including the review of the Waste Minimisation Act, the New Zealand Waste Strategy, and Transforming Recycling.



### *Waste Minimisation*

We were pleased to appoint a full time Waste Minimisation Officer and EnviroSchools Facilitator in August 2021, recognising the importance of waste reduction for our environment and future wellbeing. A focus for this role is on providing education, awareness, and support for initiatives that will achieve further waste minimisation and diversion in our district.

We developed Waste Free Waitaki branding which will be used to roll out an ambassador programme. The inaugural Waitaki Waste Minimisation Fund will open in 2022, Waste Free Wednesday education tips have commenced, and further education and awareness campaigns are planned. A website refresh will support all of these initiatives to enable community access to waste minimisation resources.

The increased EnviroSchools facilitation hours supports a deeper fostering of sustainability practices across our schools and rangatahi.

## How We Performed – Waste Management and Minimisation

Community Outcome	Performance Measures	Service Target	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Waitaki residents reside within 25km of a refuse transfer station, rural recovery park or landfill or recycling drop-off station.	Greater than 90% of residents are within 25km of a transfer station, landfill, or recycling drop-off station.	Greater than 97% – Achieved <i>(2020-21 – Achieved 97%)</i>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> <li>• <b>Meeting environmental and climate change challenges</b></li> </ul>	Volume of waste generated per person in Waitaki and received at the Ōamaru Refuse Transfer Station and Palmerston Landfill over the lifetime of this plan.	Years 1-3: Decrease of 2.5% year-on-year.  Years 4-10: 5% decrease year-on-year (2020-21 set as baseline).	521kg per capita – Not Achieved  <i>(2020-21 – Not Achieved 493kg per capita)</i>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> <li>• <b>Meeting environmental and climate change challenges</b></li> </ul>	Volume of recycling and diversion per capita received by the Waitaki Resource Recovery Park.	Year 1: Baseline  Years 2-3: Increase of 5% year-on-year  Years 4-10: Decrease of 2.5% year-on-year	97kg per capita  <i>New Measure</i>

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Waste Management and Minimisation

	2018/28 LTP	2021/31 LTP	
	2020/21	2021/22	2021/22
	LTP	LTP	Actual
	\$000	\$000	\$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	714	985	995
Targeted Rates	-	-	-
<b>Rates Revenue</b>	714	985	995
Subsidies and Grants for Operating Purposes	96	87	146
Fees and Charges	175	115	107
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	-	-	-
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-
<b>Operating Revenue</b>	271	202	253
<b>Total Sources of Operating Funding</b>	984	1,187	1,248
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	858	1,265	923
Finance Costs	-	-	-
Internal Charges and Overheads Applied	128	237	403
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	987	1,502	1,326
<b>Surplus / (Deficit) of Operating Funding</b>	(3)	(315)	(78)
<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			
to meet Additional Demand	-	-	-
to improve Levels of Service	-	-	-
to replace Existing Assets	-	-	-
Increase / (Decrease) in Reserves	(3)	(315)	(78)
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	(3)	(315)	(78)
<b>Surplus / (Deficit) of Capital Funding</b>	3	315	78
<b>Funding Balance</b>	-	-	-

Planning for the relocation of the former Hampden landfill and Beach Road dump sites has proceeded but physical works did not start as expected during 2022.



## ARTS, CULTURE, AND COMMUNITY

This activity group covers the Waitaki District Libraries, Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki, and the Ōamaru Opera House.

Arts, Culture, and Community contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• Enable safe and healthy communities</li> <li>• Connected, inclusive communities</li> <li>• Promoting a greater voice for Waitaki</li> <li>• Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>• Community facilities and services we are proud of</li> </ul>	Cultural and Social	<ul style="list-style-type: none"> <li>• By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here</li> <li>• The library reflects the bicultural and multicultural diversity of the community through appointment practices, training, ongoing learning and development and provision of inclusive services to the community. The library collaborates with all service sector organisations in Waitaki</li> </ul>
<b>Prosperous District:</b> <ul style="list-style-type: none"> <li>• Attractive to new opportunities</li> <li>• Support local businesses</li> </ul>	Economic	<ul style="list-style-type: none"> <li>• By growing the use of the Opera House for commercial events, providing work for contractors, hospitality and accommodation providers</li> <li>• The library is the only space where all people, regardless of their background or ethnicity have access to information, technology, resources, support, educational opportunities and connection with others. Access to services and community. Connection facilitates economic wellbeing</li> <li>• To support business development, the library provides space, information and advice to local businesses</li> </ul>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• Protecting our diverse landscapes and water bodies</li> <li>• Meeting environmental and climate change challenges</li> </ul>	Environment	<ul style="list-style-type: none"> <li>• The library supplies resources, invites environmental specialists and arranges displays around environmental issues and milestones</li> </ul>

## Waitaki District Libraries

### What We Do

We provide collections, resources, programmes, and services to groups and individuals, promoting “literacy for all, for life” within the Waitaki District.

Key Waitaki District Library activities include:

- provision of a central library (Ōamaru), and 5 community libraries in regional centres
- fostering the love of reading, and encouraging lifelong learning, research, and innovation
- providing resources and support for digital literacy
- acting as a community hub for community engagement and wellbeing.

### Why We Do It

Our libraries are inclusive spaces where everyone is welcome. Everyone has equal access to books, information, technology, resources, support, and educational opportunities. This is driven by the vision set by Public Libraries of New Zealand – “literacy for all, for life” – enabling people to be connected to both knowledge and each other. To achieve this goal, our professional library team assist library users to get the most out of their library experience, as an integral part of community wellbeing and to achieve a better and more connected future for themselves and their whānau.

### What We Have Been Doing in 2021-22

COVID has continued to impact our business and community during the year. Despite the complex and ever-changing situation, our team have responded quickly in meeting the changing community needs. We assisted over 400 people in obtaining vaccine passes online and distributed 340 Rapid Antigen Tests to the community. In addition, we developed a ‘click and collect’ service and home delivery service for customers isolating at home or wanting to limit their exposure to COVID.

We have continued to see significant growth in electronic services, particularly e-audio books, which will require an adaption to our systems and online services. The introduction of the Patron app has enabled contactless borrowing for library users.

Digital literacy has remained a significant focus this year. Our team created an instructional self-help brochure to assist people with accessing online vaccine passes. This community support initiative was embraced by the wider New Zealand library community and was acknowledged by Public Libraries of New Zealand for anticipating and meeting community needs at a time of significant anxiety. As the community has become more familiar with managing life in online environments, online safety is becoming a greater concern, and our team have been providing assistance with scam prevention, as well as education against fraudulent behaviour. We have been supporting customers, individually and in groups, with various technology issues, and on a range of devices, throughout the year.

A key success this year has been the strengthening of the partnership model that the Waitaki District Libraries have built with community organisations and businesses. We worked with Network Waitaki to develop the Healthy Home Toolbox, designed and delivered for residents to complete their own healthy home assessments.



In association with Zonta, we proudly collected 561 bras for Project Uplift, a programme developed to collect recycled women's bras, swimwear, and undergarments for women in need in the South Pacific.

We have worked with a number of organisations throughout the year, including Hunting and Fishing, Altrusa, Women's Institute, Forest and Bird, Geopark, Waitaki Menz Shed, Combined Churches, Ōamaru Pacific Island Community Group Inc., Aged Concern, New Zealand Heart Foundation, Newcomers Network, Multicultural Council, Ōamaru Language School, Business Hive, Department of Internal Affairs, Department of Conservation, Public Libraries of New Zealand, as well as various schools, kindergartens, early childhood education centres, and Ōamaru rest homes. We appreciate the support we have received and look forward to further developing these partnerships.

We undertook a qualitative survey of 434 adult library patrons in January which provided data regarding how the Waitaki District Libraries make a difference to the lives of our customers. The feedback showed patrons see our libraries as places which facilitate wellbeing, are social connection points, safe and welcoming environments, information and community hubs, useful and practical facilities, and our library staff as making the libraries the great places that they are. Additionally, 88% of respondents value books, recognising that our libraries provide children with a doorway to their futures through reading.

Embracing Te Tiriti o Waitangi and illustrating the evolving partnership with mana whenua, our team have taken a leading role in embedding te reo and mātauranga Māori in our community. It has been a privilege to host public talks such as: Pūrakau nō Ngāi Tahu (or the Local legends from Ngāi Tahu) led by Justin Tipa, Kaiwhakahaere (Director) o te Rūnanga o Moeraki, as well as a kōrero on the Ngāi Tahu Titiri o Waitangi Settlement claim Te Kerēme, delivered by David Higgins, me te Upoko (Head) o Rūnanga o Moeraki, and Justin Tipa.



To encourage wider use of te reo across Waitaki, the Ōamaru and Hampden libraries continue to hold introductory te reo Māori sessions each month. Our Waitaki District Libraries team were grateful to spend a day as manuhiri (visitors) to the Moeraki marae as a day of learning. We proudly support all of our library team participating in weekly te reo Māori classes, and daily waiata and karakia sessions.

A key highlight of the year for our community was the inaugural public Matariki celebration, which was coordinated by our Ōamaru Library team. The first event to celebrate Matariki was presented by star lore expert Victoria Campbell at the Opera House, and at a subsequent dawn ceremony at Cape Wanbrow. The latter event was coordinated by our Library team in collaboration with Te Rūnanga o Moeraki.

Programmes for youth have gone from strength to strength this year with the launch of TAG, a Teen Advisory Group, which encourages young people to share ideas and design projects for library service provision. We also launched a new Instagram account focusing on supporting young adult library services. We were also proud to work with the Waitaki District Youth Council and Sport Waitaki on the Youth Week Challenge.

We have been pleased to be able to return programmes for children to the Ōamaru library, including 'Wriggle and Rhyme,' 'Toddler Time,' and 'Kid's Book Chat.' As part of the 'Welcome Back' Campaign (to Waitaki District Council facilities), we hosted 'Storytime with the Mayor' to a delighted audience of children.



We have been privileged to be able to work with our partners to relay stories of the unique ecology in Waitaki, with events held on the Red Billed Gulls, the Point Bush Sanctuary, and backyard pest trapping.

We coordinated the 'On Your Bike' campaign with prizes from local bike shops, Victor Nelson Cycles, and Vertical Ventures, promoting cycling as a healthy means of transport and living.

To celebrate the Queen's Platinum Jubilee, our libraries team planted a Southern Rata tree at the Ōamaru Public Gardens as part of the Queen's Green Canopy, a unique tree planting initiative which invites people to "plant a tree for the Jubilee."

We have a diverse range of organisations that utilise the dedicated Ōamaru library space, JP services, the Embroiders' Guild, the Genealogy Club, and Scrabble, Board Game and Puzzle Clubs.

Throughout the year, we have worked towards developing initiatives which contribute to a strong Waitaki community that is healthy and safe, connected and inclusive, celebrates community identity, and values the environment.

## How We Performed – Waitaki District Libraries

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Residents who have visited the library who are satisfied or very satisfied with library services.	85% of residents are satisfied or very satisfied with library services.	92% – Achieved <i>(2020-21 – Achieved – 87%)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Average number of attendees per event held at the libraries.	Maintain or grow average number of people attending each event.	12 (12.38) – Not Achieved <i>(2020-21 – Achieved – 17 attendees per event)</i>  <i>Comment re variance to target: COVID restrictions and risk of infection impacted numbers attending events.</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries.	Maintain or grow numbers.	3,818 – Not Achieved  <i>(2020-21 – Achieved 4,449 enquiries)</i>  <i>Comment re variance to target: COVID restrictions and risk of infection impacted visitor numbers to the library, reducing enquiry levels.</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Number of library visitors:  1) Electronic visits to the library website;  2) Physical visits.	Maintain or grow numbers.	1) Electronic Visits: 72,055 – Achieved  2) Physical visits: 84,257 – Not Achieved  <i>(2020-21 – Achieved Electronic visits = 19,417 Physical visits = 103,499)</i>  <i>Comment re variance to target: COVID restrictions and risk of infection impacted visitor numbers to the library, which resulted in a significant rise in electronic visits to the library website.</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	% of library members of resident population.	60%	65% of the resident population are library members – Achieved  <i>(2020-21 – Achieved – 64% of the resident population are library members)</i>



# Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki

## What We Do

The Forrester Gallery, Waitaki Museum and Archive | Te Whare Taoka o Waitaki preserve, promote, and provide access to the social, natural, and visual culture of our district. We look after, grow, and develop our collections as important repositories of knowledge about the culture and heritage of our community, which are preserved and made publicly accessible in perpetuity. We provide and enable activities, researching, and telling the stories of our collections and the art, culture, and natural heritage of our community.

We preserve and provide access to archived Council records in accordance with the Public Records Act 2005.

We provide and enable activities which explore our collections of art, culture, and natural heritage for our community, through the delivery of exhibitions, events, education, and outreach programmes.

We provide support for visiting and local researchers and historians. We also provide support for other museums and cultural facilities in our district as requested.

## Why We Do It

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

## What We Have Been Doing in 2021-22

Building work on stage two of the Museum and Archive project is complete and fit out work has now started. The building work that has been completed includes the installation of a lift, a concrete floor installed in the museum collection store, earthquake strengthening of the atheneum building and the refurbishment of the archive enquiry area. Once fit out is complete the upper floor of the building, which has largely been used as storage, will be open to the public with new exhibition and education spaces. Stage two of this project is substantially supported by grants from Otago Community Trust and from the Lottery Significant Projects Fund.



The Waitaki Museum & Archive Te Whare Taoka o Waitaki has had its first full year of operation since it reopened to the public in December 2020. Although our visitor numbers were lower than expected at 2,866, this lower number is attributable to both the ongoing disruptions from the COVID pandemic and the impact of the building renovation work.

It has been a highlight for all of the team seeing the return of school visits in June 2022, after a long absence due to COVID and the closure of the Museum.



Our Archive users have also been accessing more materials online which has resulted in fewer in person visits to the Archive. Work is planned to put more archive material online so users can access it directly.

Throughout this year there has been continued staff focus on the building projects at both the Gallery and Museum. A major area of focus for the Gallery has been the development and initial implementation of the Revenue Generation Strategy to support the Stage Two extension of the Forrester Gallery. At the Museum and Archive, during the building works, our focus areas included finalising exhibition fit out details, temporarily relocating collection items during the renovations, and researching future temporary exhibition topics. We are excited about sharing the new Museum and Archive spaces with the community in late 2022.

The Forrester Gallery has presented a full programme of exhibitors this year, however events and education activities have been limited due to COVID-related restrictions. Our Gallery team have completed a collection inventory this year as a first step to further the collection digitisation work.

Our exhibition highlights have included 'Lilburn, McCahon & Frame: Was There Something In The Water?' as part of the Waitaki Arts Festival, the Burns Memorial Art Exhibition of children's art, the Wonderlab exhibition 'AEIOU Te Pu Taka Māori – The Māori Alphabet,' 'This Land' which showcased collection works selected by members of our community, Dean Raybould's exhibition 'To Huia Knows Whe(a)re,' and 'Maritza Boutique Ōamaru – London.' Many of these exhibitions represent successful collaborations and partnerships across our community.

Of note was the success of working with the Waitaki Whitestone Geopark on the education programme for 'Earth: Caught in Stone,' which saw over 600 school students visit this exhibition.



## How We Performed – Forrester Gallery, Waitaki Museum & Archive Te Whare Taoka o Waitaki

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Number of visitors to the Gallery.	Maintain or grow visitor numbers to the Gallery year on year.	6,481 – Not Achieved  (Note numbers were lower due to the impact of COVID restrictions on events such as exhibition openings and artist's talks. COVID restrictions also impacted on running school programmes and school holiday activities)  <i>(2020-21 – Achieved – 8,710 visitors)</i>  Comment re variance to target: COVID restrictions and risk of infection impacted visitor numbers to the Gallery.
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Number of visitors to the Museum and Archive.	Maintain or grow visitor numbers to the Museum and Archive year on year (baseline set at year 1).	2,866 – Achieved  (Lower numbers due to impact of building renovation work and also due to COVID restrictions including impact on school visits)  <i>New Measure</i>
<b>Strong Communities :</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Schools in the Waitaki District who are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement.	80% of the district's schools are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement.	96% – Achieved  <i>(2020-21 – Achieved 89%)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Connected, inclusive communities</li> <li>Celebration of our community identity</li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Archive users satisfied with the Archive services.	80% of Archive users are satisfied with the Archive services.	100% – Achieved  <i>(2020-21 – Achieved 100%)</i>

## Ōamaru Opera House

### What We Do

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

The key activities of the Ōamaru Opera House include:

- providing a venue for performing arts and other cultural and community activities
- offering rentable space for private and community events, functions and conference activities
- providing a café for residents and visitors to enjoy the historic facility.

### Why We Do It

We proudly provide and maintain the Ōamaru Opera House as a high-quality venue for performing arts, functions, and conference activities. By doing so, we enhance the commercial, community, and cultural growth of the Waitaki District.

### What We Have Been Doing in 2021-22

Approximately 14,000 people came through the doors of the Ōamaru Opera House throughout the year for shows, meetings, events, to use the café or bathroom facilities, or as a tourist wanting simply to appreciate the building itself. This is a 51% decrease in visitor numbers from the previous year, which is a direct result of the COVID restrictions for public venues.

Despite the challenges of COVID, we successfully held 9 ticketed events, hosted 114 community events (attended by 5,541 people), and hosted 107 commercial events including training sessions, workshops, and award ceremonies. COVID restrictions meant that we could only successfully hold 1 school event in the last year. We also provided facilities for the 'Wriggle and Rhyme' preschool programme run by the Ōamaru Library team, and we are pleased to provide facilities to support community groups such as Waitaki Newcomers and Migrants.

The residents survey showed a 93% satisfaction rate by users of the Ōamaru Opera House. We were pleased to be able to present the 2021 Waitaki Arts Festival in October which was much needed for community wellbeing after the challenges of COVID. Holding events during the Arts Festival gave the community confidence that 'normal' was in sight.

## How We Performed – Ōamaru Opera House

Community Outcome	Performance Measures	Service Target	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li><b>Celebration of our community identity</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Residents who have visited the Opera House who are satisfied or very satisfied with the Opera House.	90% of residents are satisfied or very satisfied with the Opera House.	93% – Achieved <i>(2020-21 – Achieved – 94%)</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li><b>Connected, inclusive communities</b></li> </ul>	Number of community meetings and events held at the Opera House.	Maintain or grow the number of community meetings and events year on year.	114 Meetings – Achieved <i>(2020-21 – Achieved – 110 meetings and events (up from 77 in 2019-20))</i>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li><b>Celebration of our community identity</b></li> </ul> <b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul>	Number of tickets sold for performances.	Baseline set at Year 1 Increasing by 2.5% per annum.	593 – Not Achieved COVID Restrictions have left the theatre closed to shows, for the duration of the year we have only been able to host 9 shows, with the majority of these being held in the 100 seat theatre.  <i>(2020-21 – Not Achieved – 5,354 (down 47% on 2018-19))*</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li><b>Community facilities and services we are proud of</b></li> </ul> <b>Prosperous District:</b> <ul style="list-style-type: none"> <li><b>Attractive to new opportunities</b></li> <li><b>Support local businesses</b></li> </ul>	Growth in use of the Opera House for commercial meetings, events, functions, and conferences.	Average 2.5% increase in contracted hires over the previous year.	107 (down 21% on previous year) – Not Achieved  <i>(2020-21 – Not Achieved – 135 (down 25% on 2018-19))*</i>  Comment re variance to target: COVID restrictions to facility access and limited numbers, along with risk of infection impacted visitor numbers to the Opera House for meetings, events, functions and conferences,

*\*Note previously the target was: average 5% increase over the previous two year period.*

## Waitaki District Council: Funding Impact Statement for 30 June 2022 for Arts, Culture and Community

	2018/28 LTP	2021/31 LTP	
	2020/21 LTP \$000	2021/22 LTP \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	397	326	330
Targeted Rates	3,726	3,238	3,263
<b>Rates Revenue</b>	4,122	3,564	3,593
Subsidies and Grants for Operating Purposes	114	391	178
Fees and Charges	409	284	434
Interest and Dividends from Investments	-	-	-
Internal Charges and Overheads Recovered	-	-	-
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	160	67	117
<b>Operating Revenue</b>	683	742	729
<b>Total Sources of Operating Funding</b>	4,805	4,306	4,322
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	2,768	2,859	2,690
Finance Costs	-	-	-
Internal Charges and Overheads Applied	1,760	1,216	1,174
Other Operating Funding Applications	-	-	-
<b>Total Applications of Operating Funding</b>	4,528	4,075	3,864
<b>Surplus / (Deficit) of Operating Funding</b>	277	231	458
<b>Sources of Capital funding</b>			
Subsidies and Grants for Capital Expenditure	2,000	9	47
Development and Financial Contributions	-	-	-
Increase / (Decrease) in Debt	-	-	-
Gross Proceeds from Sale of Assets	-	-	2
<b>Total Sources of Capital Funding</b>	2,000	9	49
<b>Applications of Capital funding</b>			
Capital Expenditure			
to meet Additional Demand	-	-	-
to improve Levels of Service	2,255	32	51
to replace Existing Assets	150	165	219
Increase / (Decrease) in Reserves	(128)	43	237
Increase / (Decrease) of investments	-	-	-
<b>Total Applications for Capital Funding</b>	2,277	240	507
<b>Surplus / (Deficit) of Capital Funding</b>	(277)	(231)	(458)
<b>Funding Balance</b>	-	-	-

Covid restrictions and lockdowns resulted in reduced activity at the Ōamaru Opera House. The Waitaki District Library received funding from the Libraries Partnership Programme administered by the Department of Internal Affairs to support branch libraries and other initiatives. Little progress was made on the redevelopment of the Cultural Facilities, resulting in both capital expenditure and capital funding reported under budget.

# COUNCIL CONTROLLED ORGANISATIONS

Council currently has three wholly-owned Council Controlled Organisations (CCOs) operating within the Waitaki District, namely Tourism Waitaki Ltd, Waitaki District Health Services Ltd Group, and Whitestone Contracting Ltd.

CCOs give Council the opportunity to engage people with the right skills and experience to focus on operating a business or other undertaking on its behalf. CCOs must meet the expectations of their shareholders and the community. They operate in a political environment and are accountable to the community for their use of community assets or ratepayer funds. Council must carry out statutory functions well in order to provide the foundations for an effective relationship.

Council must:

- be clear about the purpose of its CCO's and other related entities
- appoint the right people to govern each entity
- meet the requirements for monitoring and accountability.
- Publish 6-monthly reports received from CCOs on its website within one month of receipt and retain the report on the website for no less than 7 years

Council Controlled Organisations must:

- Prepare and adopt an annual Statement of Intent
- submit regular 6-monthly reports on their financial and operational affairs within 2 months of the end of the first half of each financial year
- provide annual reports and audited financial statements within three months of the end of each financial year.

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

## Tourism Waitaki Ltd

Tourism Waitaki works to enable operators and our communities to deliver original and engaging experiences in the Waitaki District.

Council is associated with, and supports, the Waitaki Whitestone Geopark Trust, which is working towards the establishment of the geopark concept within the Waitaki District, and Tourism Waitaki works closely with the Trust in the development of tourism and other opportunities in the area.

The vision of Tourism Waitaki is that visitors are drawn to explore the people and place of Waitaki, as defined by its rich natural heritage, unique geology, biodiversity, and geo-gastronomy.

Council's primary objective for continued ownership and control of Tourism Waitaki is to advance tourism within the district by fostering a positive, diverse, and sustainable tourism sector.

### Tourism Waitaki contributes to the following Council community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Prosperous District:</b> <ul style="list-style-type: none"><li>• <b>Attractive to new opportunities</b></li><li>• <b>Support local businesses</b></li><li>• <b>Foster a diverse and resilient economy</b></li></ul>	Economic	<ul style="list-style-type: none"><li>• By creating a domestic campaign to draw visitors to the district.</li><li>• By being a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights.</li></ul>
<b>Strong Communities:</b> <ul style="list-style-type: none"><li>• <b>Connected, inclusive communities</b></li><li>• <b>Promoting a greater voice for Waitaki</b></li></ul>	Social and Cultural	<ul style="list-style-type: none"><li>• By welcoming diverse viewpoints, cultures, stories, and experiences, and incorporating these into the tourist offering in the Waitaki.</li></ul>

## How We Performed – Tourism Waitaki Ltd

### Focus – Strengthen Waitaki District and brand awareness

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>A prosperous District:</b> • Attractive to new opportunities • Support local businesses • Foster a diverse and resilient economy	Marketing and Promotion	Create a domestic campaign and marketing plan to draw visitors to the district.	Achieved – Campaigns were held November 2021 and May 2022. <i>(new measure)</i>
		Increase Visitor numbers to the Oamaru Blue Penguin Colony (OBPC) by 20% over pre-COVID numbers.	Not Achieved – Visitor numbers fell by 4,919 over the period. <i>(2021 – achieved growth of 375% over 2020)</i>
	Digital Media	Enhance Waitaki's digital media presence and exposure to visitors to boost awareness - run two digital campaigns to grow visits to digital platforms by 10%.	Partially Achieved – Two digital campaigns run with varied results. <i>(new measure)</i>
	Visitor Surveys	Carry out at least 100 Visitor Surveys 6 monthly at OBPC. Grow the rating of 'Meeting Expectations' to 'Surpassing Expectations' by 5%.	Achieved – 544 completed surveys, an increase of 6.19% in the 'Surpassing Expectations' grading. <i>(new measure)</i>

### Focus – Be a trusted leader in tourism

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>A prosperous District:</b> • Attractive to new opportunities • Support local businesses	Manage the business in a financially sustainable manner.	Business has a budget and enhancement plan and operates within budget.	Achieved – operating loss of \$110k compared to budgeted loss of \$257k. <i>(new measure)</i>
	Improve customer experiences at the OBPC.	Qualmark Assessment is maintained for OBPC as Silver or advances to Gold.	Achieved – retained Silver but gold was not achieved. <i>(2021 – silver maintained)</i>
<b>A prosperous District:</b> • Support local businesses	Be a resource for local operators and aspiring tourism businesses to obtain knowledge, data, and insights.	Hold operator workshops twice a year.	Partially Achieved – event in December 2021 but one in May 2022 was cancelled due to low attendees <i>(new measure)</i>

### Focus – Tourism elevates community pride

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>A prosperous District:</b> • Attractive to new opportunities • Support local businesses <b>A prosperous District:</b> • Attractive to new opportunities • Support local businesses • Foster a diverse and resilient economy	Create robust and trusted relationships with operators and communities.	Membership of Tourism Waitaki grows by 4% Target and continue this momentum	Achieved – increased membership by 10%. <i>(new measure)</i>
	Develop a Destination Management Strategy for the Waitaki District.	Complete a Destination Management Strategy to enable development of a Destination Management Plan during 2022-23.	Achieved – Strategy adopted in February 2022. <i>(new measure)</i>
	Develop a District Events Strategy.	Appoint an Advisory Panel to develop a Waitaki District Events Strategy.	Achieved – The Events Strategy was completed in September 2021. <i>(new measure)</i>



Because of the COVID pandemic, the Company permanently closed several of its services, which have subsequently been taken on by Council. In 2021, the Company obtained financial support from both the Strategic Tourism Asset Protection Plan and the Tourism Communities Fund, by way of grants and loan facilities. 2022 saw receipt of further grants and the drawing down of loan funding, as well as increased numbers of domestic tourists at the Ōamaru Blue Penguin Colony, which the Company still operates.

The Company received an unqualified audit report for the year ended 30 June 2022, on 28 November 2022.

## Waitaki District Health Services Ltd Group

The principal objective of Waitaki District Health Services Ltd Group is to operate a successful healthcare business by providing services to meet the healthcare needs of the Waitaki District community.

The Company was instrumental in the establishment, and has supported, the Observatory Village Charitable Trust Group, which has developed and operates a significant retirement village complex in Ōamaru, and includes that entity's operations as part of its consolidated group.

Waitaki District Health Services also works to ensure services are clinically excellent, financially sustainable, and delivered by staff working in safe working environments.

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.

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

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Quality Services:</b> <ul style="list-style-type: none"><li>• <b>Community facilities and services we are proud of</b></li></ul>	Social	<ul style="list-style-type: none"><li>• By maintaining and improving the range and quality of health care services in the district.</li></ul>
<b>Strong Communities:</b> <ul style="list-style-type: none"><li>• <b>Enable safe and healthy communities</b></li></ul>	Social	<ul style="list-style-type: none"><li>• By providing adequate standards of care and services to patients.</li><li>• By providing services within budgets.</li><li>• By employing qualified health professionals.</li></ul>

The Group comprises Waitaki District Health Services Ltd, Waitaki District Health Services Trust, and Observatory Village Charitable Trust Group (includes the Trust, Observatory Village Lifecare Ltd, and Observatory Village Care Ltd).

## How We Performed – Waitaki District Health Services Ltd

### Focus – Our local hospital provides a high standard of service

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul> <b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Fulfilment of all professional and technical standards.	100% employed regulated health professionals hold current Annual Practicing Certificates.	Achieved - all regulated health professionals hold current Annual Practicing Certificates (2021: <i>achieved</i> )
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Ensure adequate standards of care and services are maintained to the Company's patients.	Maintain a Quality Assurance Programme.	Achieved - the company maintains and monitors a quality assurance programme (2021: <i>achieved</i> )
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Percentage compliance with all performance targets and service standards required by the Ministry of Health contractual arrangements within the company.	100% compliance.	Achieved - the company is fully compliant with all aspects of its contractual arrangements with the (former) Southern District Health Board and now Te Whatu Ora Health New Zealand (2021 – <i>achieved</i> )

### Focus – Our local hospital works with stakeholders

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Communicate to staff and the wider community as and when necessary.	A minimum of two health forums annually.	Achieved - community health forums were held throughout the 2021-22 financial year. (2021 – <i>achieved</i> )
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul> <b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Maintain and improve the range and quality of health care services in the district.	Leverage Stronger Waitaki to improve the health & wellbeing of our community.	Achieved - collaborated with organisations having a professional or business interest in health care in the district to maintain and improve the range of health services available (2021 – <i>achieved</i> )

### Focus – Our local hospital is well managed

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul> <b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Percentage of planned services provided within budget.	Operate and provide 100% of planned services within budgeted income including services contract with the District Health Board and income from other contracted sources.	Not achieved - all planned services were provided, but the company reported an operating deficit much larger than was budgeted and did not achieve a breakeven result as required (2021 – <i>not achieved</i> )

### Waitaki District Health Services Trust

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>Community facilities and services we are proud of</li> </ul>	Fund purchase of property and equipment for health services in Oamaru	Provide financial assistance as required	Achieved – provided funding of \$4.6 million to the hospital (2021: <i>achieved</i> )
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>Enable safe and healthy communities</li> </ul>	Fund the provision of health services in the District	Provide financial assistance as required	Achieved – provided loans and donated funds as needed (2021: <i>achieved</i> )

## Observatory Village Charitable Trust Group:

### *Observatory Village Charitable Trust*

Performance Measures	Service Target	Achievements
Use the Trust Fund to further the charitable purposes of providing housing and care services for the aged and infirm.	Assist groups providing or promoting such services within the Waitaki District.	Achieved – continued development and expansion of the Observatory Village facilities. (2021: <i>achieved</i> )
Make grants/gifts towards the advancement of education related to the provision of health and disability services.	Identify and work with groups to achieve benefit for those groups and the wider community.	Not Achieved – No grants were provided during the year. (2021: <i>not achieved</i> )

### *Observatory Village Lifecare Ltd*

Performance Measures	Service Target	Achievements
Oversee and manage the successful development of the village complex.	Progress construction towards completion as per tender documents and contractual arrangements	Achieved – significant progress on Stage 2 of the development, 2 stage 2 villas completed and 9 more at varying degrees of completion. (2021: <i>achieved</i> )
Ensure the retirement village operates on budget	The retirement village meets operating budgets	Achieved – overall budget has been met despite slightly reduced income as fewer units were sold (2021: <i>achieved</i> )
Ensure adequate and appropriate funding is available to ensure the project is completed within agreed timeframes and budgets.	Cashflow and projections are continually monitored.	Achieved – Cashflow monitored prior to each stage of the development. Loan agreements reviewed and amended with principal repayments deferred for two years. (2021 – <i>loan repayments made per the then-current loan agreement</i> )
Report regularly to the Trust in terms of annual plan, performance targets and insurances	Arrange 4 meetings annually to obtain sign-off from Trustees	Achieved (2021: <i>achieved</i> )
Work with all parties with an interest in aged care in the Waitaki District to improve the range and quality of facilities	Maintain service standards and the quality of facilities provided	Achieved, refer Observatory Village Care Limited below (2021: <i>achieved</i> )
Support initiatives for housing and the care of the elderly	Consider design options, meet regularly with residents	Achieved – a new villa floorplan has been designed, double garaging options will be available. Bi-monthly meetings are held with residents (2021: <i>achieved</i> )
Promote and market the retirement village to secure high occupancy levels.	Achieve minimal resale periods.	Achieved – Average resale time 2.4 months (2021 – <i>2.3 months</i> )
	Maintain the village interest list.	Achieved – 11 new villas built in 2022 were pre-sold, and 10 to be built in 2023 will be sold before being built. Priority is given to those registered on the interest list. (2021: <i>13 villas resold</i> )

## Observatory Village Care Ltd

Performance Measures	Service Target	Achievements
Develop, monitor, and achieve a suite of KPIs.	A range of KPI measures has been developed.	All achieved except for the level of staff turnover which was still within industry standards of 29% per the NZ Aged Care Association. (2021: <i>same result</i> )
Delivery of care to rest home and hospital level residents maintained at the highest of industry standards.	Achieve/maintain certification with Nga Paerewa Health and Disability Standards.	Achieved a 4-year certification following audit review. Occupancy of the facility was 98.4% (industry average 85.2%). (2021: <i>achieved</i> )
Chattels and assets maintained to highest standards.	Undertake regular reviews and maintenance programmes.	Achieved - as the facility ages, maintenance needs have increased. All is completed in a timely manner using quality goods and services from reputable companies. (2021: <i>all required maintenance completed</i> )
Report regularly to the Trust in terms of annual plan, performance targets and insurances	Arrange 4 meetings annually to obtain sign-off from Trustees	Achieved - four quarterly meetings held, quarterly reports and an annual statement of intent have been provided and discussions held on budgets, insurance and the effects of Covid (2021: <i>achieved</i> )
Work with all parties with a professional business interest in aged care in the Waitaki District to maintain and improve services available	Regular communication with health professionals, the DHB and other care facilities	Achieved - regular communication has been had with all affected parties (2021: <i>achieved</i> )
Support initiatives for housing and the care of the elderly	Consider design options, meet regularly with residents	Achieved - Clinical Governance Group is working on residents' safety in reducing falls. The Critical Care Watch team has been established to collaborate with staff to provide outstanding levels of care. Support is provided to 7 staff undertaking NZ Health Workers Advanced Care and Support (Palliative Care) (Level 4) training (2021: <i>achieved</i> )
Promote and market the care facility to secure high occupancy levels.	Ensure the facility enjoys the highest reputation	Achieved - based on the numbers of interested people on the Interest register waiting to enter the facility (2021: <i>achieved</i> )

The Waitaki District Health Services Ltd group received an unqualified audit report for the year ended 30 June 2022, on 9 December 2022.

## Whitestone Contracting Ltd

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

Council's objectives for continued ownership and control include:

- stimulating 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 Ltd and the risk appetite of Council.

### Whitestone Contracting Ltd contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• Robust core infrastructure and services</li> <li>• Community facilities and services we are proud of</li> </ul>	Social	<ul style="list-style-type: none"> <li>• By operating the business efficiently and effectively providing a financial benefit to Council.</li> <li>• By maintaining a high standard of health and safety.</li> </ul>
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• Connected, inclusive communities</li> </ul>	Social	<ul style="list-style-type: none"> <li>• By supporting community initiatives.</li> </ul>
<b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• Protecting our diverse landscapes and water bodies</li> </ul>	Environmental	<ul style="list-style-type: none"> <li>• By complying with the Resource Management Act.</li> <li>• By maintaining the ISO 14001 standard.</li> </ul>

## How We Performed – Whitestone Contracting Ltd

Community Outcome	Performance Measures	Targets Year 1	Achievements
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Before income tax return on opening shareholders' funds.	Achieve a before income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 8%.	Improved, but Not Achieved – 3.88% <i>(2021: Not Achieved – 1.27%)</i>  (Both as a result of COVID pandemic)
<b>Strong Communities:</b> <ul style="list-style-type: none"> <li>• <b>Connected, inclusive communities</b></li> </ul>	Support community initiatives.	Over \$50,000 of sponsorship per annum.	Achieved  <i>(2021 – Achieved)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> </ul>	Maintenance of the relevant quality standards.	Maintain ISO 9001 registration and related quality assurance programmes.  Maintain ISO 14001 standard to ensure systems are in place to meet environmental legislative and regulatory requirements.	Achieved – Maintained registration for both quality standards.  <i>(2021 – Achieved – Maintained both)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul> <b>Valued Environment:</b> <ul style="list-style-type: none"> <li>• <b>Protecting our diverse landscapes and water bodies</b></li> </ul>	Compliance with Resource Management Act.	Full compliance with Resource Management Act (no breaches).	Achieved – Compliance achieved  <i>(2021 – Achieved)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Maintain a high standard of health and safety in relation to WCL's employees, customers, suppliers, subcontractors and the public.	Maintain ISO45001 safety management systems accreditation.  Maintain a total injury frequency rate of no greater than 2 per 200,000 hours worked or 10 per million hours worked.	Achieved – Maintained  <i>(2021 – Achieved)</i>  Not Achieved – Actual injury frequency rate was 5.94  <i>(2021 – Achieved – No injuries reported)</i>
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Rate of shareholder funds to total assets.	Rate of shareholder's funds to total assets > 40%.	Achieved  <i>(2021 – Achieved)</i>

COVID continued to impact the company during 2022, with up to 10% of its workforce absent due to illness or caring for family members at any one time, which restricted its financial performance although it returned an increased operating surplus over 2021.

The Company received an unqualified audit report for the year ended 30 June 2022, on 29 August 2022.



## Ōmārama Airfield Limited

The purpose of Ōmārama Airfield Limited is to provide airfield facilities to support flying and gliding opportunities in the Ōmārama area, including:

- public access to airfield facilities
- recreational flying activities
- commercial operations
- conducting competitions and sporting events.

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

### Ōmārama Airfield Limited contributes to the following community outcomes and wellbeings:

Community Outcome	Wellbeing	How does this activity affect the wellbeing of our community?
<b>Quality Services:</b> <ul style="list-style-type: none"> <li>• <b>Robust core infrastructure and services</b></li> <li>• <b>Community facilities and services we are proud of</b></li> </ul>	Social	<ul style="list-style-type: none"> <li>• By maintaining, operating, and providing planned services within budgeted income.</li> <li>• By enhancing the economic benefits of the Ōmārama and Ahuriri community arising from the operation and development of the airfield.</li> </ul>

### How We Performed – Ōmārama Airfield Limited

Performance Measures	Service Target	Achievements
Maintain, operate and provide planned services within budgeted income	Operate and provide planned services within budgeted income	Not achieved: income under budget and expenses exceeded budget ( <i>2021: not achieved due to high levels of maintenance cost</i> )
Maintain, operate and provide planned services within budgeted income	Achieve a break-even or better result after prudent provision for depreciation and asset replacement expenditure, and future trading requirements	Not achieved: Actual loss exceeded budgeted deficit by \$7,347 due to reduced income and loss on revaluation of infrastructure assets ( <i>2021: not achieved, high maintenance costs ahead of planned upgrades and the installation of new equipment</i> )
Measure the economic benefits to the Ōmārama and Ahuriri communities from the operation and development of the airfield	Maintain or improve economic benefits to the community	Supports tourism by attracting visitors to use the airfield facilities and hosting regional and national championship events. Employs local residents in various capacities, particularly during the gliding season ( <i>2021: achieved</i> )

Lingering effects of the COVID-19 pandemic continue, with activities restricted due to the loss of a large commercial gliding customer, and the national gliding championships being held in the North Island. A new commercial gliding business has been established and another reviewing options for setting up at the airfield.

The Company received an unqualified audit report for the year ended 30 June 2022 on 30 November 2022. A full copy of the Company's Annual Report is available at the Company's offices, and a summary of the company's financial statements appears as part of Note 14 – *Interest in Joint Venture*.

Council accounts for its 50% ownership of the business as a joint venture, and records changes in the value of its investment within its own operating results rather than consolidating the business within the group.

# FINANCIAL STATEMENTS



# Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2022

			Council Only		Consolidated	
	Notes	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000	2022 Actual \$000	2021 Actual \$000
<b>Revenue</b>						
Rates Revenue	1	35,516	35,585	32,846	35,352	32,704
User Charges		3,116	3,162	3,030	6,537	5,612
Property Rental		2,344	2,368	2,047	2,051	1,878
Regulatory Charges		2,128	2,030	2,224	2,128	2,224
Development and RMA Contributions		1,972	1,044	1,757	1,972	1,757
Government Grants and Subsidies	2	12,790	13,365	12,828	13,727	13,418
Other Grants and Donations	3	913	2,808	599	1,042	924
Finance Revenue	4	911	855	787	623	423
Petrol Tax		194	215	203	194	203
Infringements and Fines		53	67	51	53	51
Contracting Revenue		-	-	-	19,060	21,186
Southern District Health Board		-	-	-	11,357	11,362
Residents' Fees and Contributions		-	-	-	7,349	7,134
Dividends		32	350	631	-	-
Assets vested in Council		1,594	-	1,141	1,594	1,141
<b>Total Revenue</b>	32	61,563	61,849	58,144	103,039	100,017
<b>Expenses</b>						
Personnel costs	5	13,657	14,057	13,211	38,811	38,342
Depreciation and amortisation	10,12,32	17,318	16,413	15,953	19,995	18,685
Finance Costs	4	299	182	169	513	278
Other expenses	6	27,482	26,608	31,188	42,748	47,791
Non-trading Losses / (Gains)	7	1,726	-	1,984	690	(2,320)
<b>Total Expenses</b>	32	60,482	57,260	62,505	102,757	102,776
Share of joint venture's surplus / (deficit)	14	121	-	(31)	121	(31)
Interest on LGFA Borrower Notes	4	5	1	-	5	-
<b>Surplus / (Deficit) before Tax</b>		<b>1,207</b>	<b>4,590</b>	<b>(4,392)</b>	<b>408</b>	<b>(2,790)</b>
Income Tax Expense / (Refund)	8	-	-	-	38	(98)
<b>Surplus / (Deficit) after tax</b>		<b>1,207</b>	<b>4,590</b>	<b>(4,392)</b>	<b>370</b>	<b>(2,692)</b>
<b>Other Comprehensive Revenue and Expense</b>						
Gain/(Loss) on revaluation						
- of Infrastructural Assets	9,10	-	-	111,666	-	111,790
- of Property, Plant and Equipment	9,10	42,222	6,959	-	49,896	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>42,222</b>	<b>6,959</b>	<b>111,666</b>	<b>49,896</b>	<b>111,790</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>\$43,429</b>	<b>\$11,549</b>	<b>\$107,274</b>	<b>\$50,266</b>	<b>\$109,098</b>

The accompanying statement of Accounting Policies and Notes form part of these financial statements.

## Statement of Changes in Equity

For the year ended 30 June 2022

	2022 Actual \$000	Council Only 2022 Budget \$000	2021 Actual \$000	Consolidated 2022 Actual \$000	2021 Actual \$000
<b>Public Equity at 1 July</b>	1,019,825	919,738	912,551	1,050,494	941,396
Total Comprehensive Revenue and Expense	43,429	11,549	107,274	50,266	109,098
<b>Public Equity at 30 June</b>	<u>\$1,063,254</u>	<u>\$931,287</u>	<u>\$1,019,825</u>	<u>\$1,100,760</u>	<u>\$1,050,494</u>

The accompanying statement of Accounting Policies and Notes form part of these financial statements.

# Statement of Financial Position

As at 30 June 2022

		2022 Actual \$000	Council Only 2022 Budget \$000	2021 Actual \$000	Consolidated 2022 Actual \$000	Consolidated 2021 Actual \$000
	Notes					
<b>Public Equity</b>						
Ratepayers' Equity	9	310,208	310,208	310,208	310,208	310,208
Revaluation Reserve	9	714,415	590,433	674,235	736,214	688,271
Operating Reserve	9	20,888	14,342	19,177	36,595	35,810
Other Reserves	9	17,743	16,304	16,205	17,743	16,205
<b>Total Public Equity</b>		<b>\$1,063,254</b>	<b>\$931,287</b>	<b>\$1,019,825</b>	<b>\$1,100,760</b>	<b>\$1,050,494</b>
<b>Non-Current Assets</b>						
Property, Plant and Equipment	10	1,043,617	908,711	999,190	1,084,958	1,034,488
Investment Property	11	-	-	-	37,040	31,450
Intangible Assets	12	1,980	760	1,525	2,072	1,647
Forestry	13	338	340	357	338	357
Assets held for Sale	17	1,150	1,150	1,150	1,150	1,150
Financial Assets						
- Investments in Subsidiaries	14	4,703	4,703	4,703	-	-
- Investment in Joint Venture	14	1,765	1,675	1,644	1,765	1,644
- Investments in other entities	14	612	708	408	612	408
- Loans to other entities	14	33,053	25,030	27,154	17,454	17,913
		1,087,218	943,077	1,036,131	1,145,389	1,089,057
<b>Current Assets</b>						
Cash and Cash Equivalents	15	2,060	1,761	2,180	6,649	4,170
Receivables	16	4,974	5,348	5,803	8,928	10,442
Prepayments		1,008	700	735	1,289	1,020
Inventory	18	112	150	154	704	855
Work in Progress	19	-	-	-	401	216
Financial Assets						
- Term deposits	14	2,003	13,030	-	2,816	2,910
- Investments in other entities	14	51	-	50	51	50
- Loans to other entities	14	401	2,401	2,804	401	386
Assets held for Sale	17	-	-	317	465	317
		10,609	23,390	12,043	21,704	20,366
<b>Total Assets</b>		<b>1,097,827</b>	<b>966,467</b>	<b>1,048,174</b>	<b>1,167,093</b>	<b>1,109,423</b>
<b>Non-Current Liabilities</b>						
Borrowings	20	18,500	20,500	10,500	19,896	11,514
Provisions	21	281	370	365	281	365
Employee Entitlement Liabilities	22	103	-	93	172	309
Finance Leases	23	-	-	-	616	498
Deferred Tax Liability	8	-	-	-	537	349
		18,884	20,870	10,958	21,502	13,035
<b>Current Liabilities</b>						
Trade and Other Payables	24	7,446	8,025	10,166	13,388	15,855
Employee Entitlement Liabilities	22	1,661	1,733	1,448	4,905	4,358
Borrowings	20	6,574	4,532	5,521	6,640	6,172
Provisions	21	8	20	256	113	266
Finance Leases	23	-	-	-	153	87
Occupational Right Agreements	25	-	-	-	19,621	18,922
Provision for Taxation		-	-	-	11	234
		15,689	14,310	17,391	44,831	45,894
<b>Total Liabilities</b>		<b>34,573</b>	<b>35,180</b>	<b>28,349</b>	<b>66,333</b>	<b>58,929</b>
<b>Net Assets</b>		<b>\$1,063,254</b>	<b>\$931,287</b>	<b>\$1,019,825</b>	<b>\$1,100,760</b>	<b>\$1,050,494</b>

The accompanying statement of Accounting Policies and Notes form part of these financial statements.

# Statement of Cash Flows

For the year ended 30 June 2022

		Council Only		Consolidated			
		2022 Actual \$000	2022 Budget \$000	2021 Actual \$000	2022 Actual \$000	2021 Actual \$000	
	Notes						
<b>Cash Flows from Operating Activities</b>							
Receipts from Rates Revenue		35,429	35,541	32,895	35,265	32,866	
Interest received		899	855	744	611	783	
Dividends received		32	350	631	-	-	
Receipts from Other Revenues		22,665	26,120	23,552	67,432	71,724	
Payments to Suppliers & Employees		(41,890)	(40,036)	(43,807)	(84,088)	(86,852)	
Interest paid		(247)	(182)	(148)	(497)	(627)	
Income tax Refund received / (Paid)		-	-	-	-	(47)	
Net GST		88	(220)	(58)	110	74	
<b>Net Cash from Operating Activities</b>		16,976	22,428	13,809	18,833	17,921	
<b>Cash Flows from Investing Activities</b>							
Proceeds from sale of Property, Plant & Equipment		318	179	586	755	1,356	
Proceeds from sale of Investments		5,082	3,399	5,509	6,791	5,009	
Purchase of Property, Plant & Equipment		(20,846)	(24,845)	(24,071)	(26,385)	(27,915)	
Acquisition of Investments		(10,650)	(13,000)	(2,813)	(6,312)	(4,914)	
<b>Net Cash from Investing Activities</b>		(26,096)	(34,267)	(20,789)	(25,151)	(26,464)	
<b>Cash Flows from Financing Activities</b>							
Proceeds from Borrowing		14,250	14,500	33,400	14,698	33,629	
Repayment of Borrowing		(5,250)	(4,500)	(24,800)	(5,313)	(25,057)	
<b>Net Cash from Financing Activities</b>		9,000	10,000	8,600	9,385	8,572	
Net Increase / (Decrease) in Cash		(120)	(1,839)	1,620	3,067	29	
Cash and Cash Equivalents at 1 July		2,180	3,600	560	3,582	3,553	
<b>Total Cash and Cash Equivalents at 30 June</b>		<b>15</b>	<b>2,060</b>	<b>1,761</b>	<b>2,180</b>	<b>6,649</b>	<b>3,582</b>

The accompanying statement of Accounting Policies and Notes form part of these financial statements.

# Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities

For the year ended 30 June 2022

	2022 Actual \$000	Council Only 2022 Budget \$000	2021 Actual \$000	Consolidated 2022 Actual \$000	2021 Actual \$000
Net Operating Surplus / (Deficit)	1,207	4,590	(4,392)	370	(2,692)
<b>Add/(Less) non-cash items</b>					
Depreciation & Amortisation	17,318	16,413	15,953	20,050	18,751
Interest compounded	36	-	(22)	36	(22)
Increase/(Decrease) in Provision for Doubtful Debts	44	-	117	39	86
Increase/(Decrease) in Provision for Closed Landfills	(332)	(180)	54	(332)	54
Increase/(Decrease) in Expected Credit Losses on Investment	(119)	-	119	(119)	119
Net Loss / (Profit) on sale of Assets	1,707	-	2,055	1,364	1,726
Loss / (Gain) on Forestry revaluation	19	-	(71)	19	(71)
Vested Assets	(1,594)	-	(1,141)	(1,594)	(1,141)
Share of Associate's surplus / (Deficit)	(122)	-	31	(122)	31
Surrender of Carbon Units	-	-	-	-	-
Amortisation of Occupational Right Agreements	-	-	-	1,592	(1,683)
Revaluation of Investment Properties	-	-	-	(713)	(3,970)
Interest on leases included in lease repayments	-	-	-	39	72
Increase / (Decrease) in Deferred Tax position	-	-	-	22	(111)
	16,957	16,233	17,095	20,281	13,841
<b>Add/(Less) in other Working Capital items</b>					
Decrease / (Increase) in Trade & Other Receivables	785	1,017	(770)	1,967	(2,340)
Decrease / (Increase) in Prepayments	(273)	(37)	(93)	(298)	(195)
Decrease / (Increase) in Inventories	42	(3)	(14)	150	206
Decrease / (Increase) in Work in Progress	-	-	-	(185)	350
Increase / (Decrease) in Trade & Other Payables	(1,965)	325	2,074	(2,902)	4,524
Increase / (Decrease) in Employee Entitlements	223	303	(91)	368	(449)
Increase / (Decrease) in Occupational Right Agreements	-	-	-	(699)	4,710
Increase / (Decrease) in Provision for Taxation	-	-	-	(219)	(34)
	(1,188)	1,605	1,106	(1,818)	6,772
<b>Net Cash Flow from Operating Activities</b>	<b>16,976</b>	<b>22,428</b>	<b>13,809</b>	<b>18,833</b>	<b>17,921</b>

The accompanying statement of Accounting Policies and Notes form part of these financial statements.



# Statement of Accounting Policies

## Reporting Entity

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

The Group consists of the ultimate parent, Waitaki District Council, and its subsidiaries:

- Whitestone Contracting Ltd (100% owned) and Group
  - Whitestone Quarries and Landfill Ltd (non-trading)
  - Dunstan Sprayers Ltd (non-trading)
  - Dunstan Contracting Ltd (non-trading)
- Waitaki District Health Services Ltd (100% owned) and Group
  - Waitaki District Health Services Trust
  - Observatory Village Charitable Trust and Group
    - Observatory Village Lifecare Ltd
    - Observatory Village Care Ltd
- Tourism Waitaki Ltd (100% owned)
- Waitaki Whitestone Geopark Trust

Council's 50% investment in Ōmārama Airfield Limited is regarded as a joint venture and equity accounted into the Group financial statements.

All entities are incorporated and domiciled in New Zealand.

The primary objective of Council and the Group 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 (GAAP).

The financial statements of the Waitaki District Council and consolidated group are for the year ended 30 June 2022 and were authorised for issue by Council on 9 May 2023.

## 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) other than certain remuneration and severance payment disclosures in Notes 5 and 6, and Councillor interests disclosed at Note 29. The functional currency of Council and the Group is New Zealand Dollars.

## Summary of Significant Accounting Policies

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

### *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.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an entity begins from the date Council obtains control of the entity and ceases when control of the entity is lost.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and can affect the nature or amount of those benefits through its power over the entity. Council considers all relevant facts and circumstances in assessing whether it has power over another entity such as: the ability to appoint or remove a majority of the entity's governance and management; binding arrangements the Council enters into: group voting rights; and pre-determination mechanisms. Council reassesses whether it controls an entity if facts and circumstances change.

Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

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

### *Joint Venture*

A joint venture is a binding agreement whereby two or more parties commit to undertaking an activity that is subject to joint control (being the agreed sharing of control over the activity). Council adjusts the value of its investment to reflect its share of the entity's net assets (equity).

### **Ōmārama Airfield Limited**

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

### *Goods and Services Tax (GST)*

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

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

Commitments and contingencies are stated exclusive of GST.

### *Budget Figures*

Budget figures are those approved by Council in the 2021-22 Annual Plan (Year 1 of the 2021-31 Long Term Plan), which were prepared in accordance with NZ GAAP, using accounting policies consistent with those used by Council for the preparation of these financial statements.

### *Groups of Activities*

Groups of Activities, as provided in the Long Term Plan, report the net cost of services for each significant activity of Council, and are represented by the costs of providing the service less revenue that can be allocated to these activities. Net cost of service for each significant activity is 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 specific activities and are allocated as overheads using appropriate drivers - actual usage, staffing, floor area occupied, etc.

### *Critical Accounting Estimates and Assumptions*

In preparing these financial statements, estimates and assumptions have been made concerning the future. These 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. 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:

- Fair value of land, buildings and infrastructural assets – Note 10 for estimates and assumptions used to determine fair value of these assets, including donated and vested assets.
- Fair value of investment property – see Note 11 for methodologies used in determining the fair value of investment property held as part of the retirement village operations.
- Fair value of forestry holdings – see Note 13 for information about estimates and assumptions used to determine the fair value of Council's forestry plantations.
- Fair value of landfill and quarry aftercare provisions – see Note 21 for assumptions made to derive a fair value for Council's, and the Group's, future obligations in relation to closed landfills and quarries.
- Fair value of liabilities under Occupational Right Agreements – see Note 25 for methods used to determine the fair value of liabilities owing to retirement village residents.
- Classification of property, and of unoccupied land – see Note 10 for Council's approach to the classification of unoccupied land and property which is not regarded as investment property.

### *Critical Judgements in Applying Accounting Policies*

- Fair value of Long Service entitlement – see note 22 for methods used and judgements employed to determine fair values for this provision.
- Recognition of care revenue relies on management's estimate of the period of occupancy for villas, apartments and care suites.

### *Changes in Accounting Policies*

Other than the changes resulting from the adoption of the amendment to *PBE IPSAS 2 Cash flow Statement* there have been no other changes in accounting policies. The amendment to *PBE IPSAS 2* requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the period ended 30 June 2022, and has resulted in an additional disclosure appearing in Note 20 - Borrowings.

### *Standards Issued and not yet Effective at Reporting Date*

Standards and amendments, issued but not yet effective, that have not been early adopted, and which are relevant to Council and the Group are:

### **PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of *PBE IPSAS 1 Presentation of Financial Statements* and is effective for the year ending 30 June 2023, with earlier adoption permitted.

The Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

#### *General Revenue Recognition – Policy*

Revenue is measured at fair value.

Specific accounting policies for significant revenue items not otherwise outlined in Notes 1 to 4 that follow are detailed below:

- **User and Regulatory Charges, Sales of Goods, and Revenue from Commercial Activities**

Fees and charges, and proceeds from sales of goods, are recognised when invoiced or when an item is sold, or a service is provided to a customer. Gross revenue from other commercial operations undertaken in the normal course of business is recognised when earned.

- **Rental Income**

Rental income is recognised as revenue over the course of individual lease terms.

- **Contract Revenue**

Contract revenue is recognised when earned.

- **Residents' Fees and Contributions**

Revenue from fees is recognised when services are rendered and revenue from Village contributions is recognised on a straight-line basis over the expected period of occupancy. This requires management to estimate the period of occupancy for the villas, apartments and care suites.

- **Petrol Tax**

Petrol Tax is recognised when earned.

- **Development and RMA Contributions**

Revenue is 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**

Revenue is recognised when an infringement notice is issued. The degree to which income is recognised accounts for the likelihood that the fee or fine will be collected.

- **Dividends**

Dividends from subsidiaries are recognised when the right to receive payment is established.

- **Vested or Donated Physical Assets**

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

Notes 1 to 4 provide analysis in relation to specific types of Revenue and include detail of accounting policies particular to those items.

# NOTES TO THE FINANCIAL STATEMENTS



	Council Only 2022			Consolidated	
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 1: Operating Revenue – Rates

### Rates Revenue – Policies

Income from General rates, targeted rates (excluding water-by-meter), and uniform annual general charges is recognised at the start of the financial year to which the rates resolution relates at the full amount due.

Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage at year-end is accrued based on actual meter readings and invoicing in the following month.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

### Analysis of revenue from Rates:

General Rates	7,900	7,845	6,447	7,736	6,305
<i>Targeted rates attributable to activities</i>					
Roading	7,117	7,062	7,224	7,117	7,224
Metered Water Supply	572	688	558	572	558
Other Water Rates	7,868	7,826	6,661	7,868	6,661
Sewerage	2,957	2,932	2,103	2,957	2,103
Stormwater	540	511	491	540	491
Arts, Culture and Community	3,263	3,238	3,598	3,263	3,598
Parks and Recreation	2,683	2,656	2,840	2,683	2,840
Democracy and Accountability	1,929	1,921	1,951	1,929	1,951
Economic Development	799	792	953	799	953
Heritage, Environment and Regulation	(52)	(51)	-	(52)	-
Rates Penalties charged	425	420	277	425	277
Less Rates remitted	(485)	(255)	(257)	(485)	(257)
<b>Total Rates Revenue</b>	<b>\$35,516</b>	<b>\$35,585</b>	<b>\$32,846</b>	<b>\$35,352</b>	<b>\$32,704</b>

Ratepayers may make payments towards their future rates liability in advance of those rates being due for payment. Rates paid in advance are included as part of Revenue Charged or Received in Advance – refer note 24 Trade and Other Payables.

### LGFA Guarantee and Indemnity Deed

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income for the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is below:

	Council only	
	2022	2021
	\$000	\$000
Rates	35,516	32,846
<b>Total annual rates income</b>	<b>\$35,516</b>	<b>\$32,846</b>



Council Only			Consolidated	
2022				
2022	Budget	2021	2022	2021
\$000	\$000	\$000	\$000	\$000

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

### Government Grants and Subsidies – Policy

Revenue from Government agencies is generally recognised when eligibility is established unless there is an obligation in substance to return the funds if conditions of the grant cannot be fulfilled. Such grants are initially recorded as revenue charged or received in advance and subsequently recognised as revenue when all conditions are satisfied.

- Waka Kotahi New Zealand Transport Agency provides funding for road maintenance and capital projects which is recognised as revenue when conditions pertaining to eligibility have been met.
- Ministry of Business, Innovation, and Employment (MBIE) administers the NZ Cycletrails Fund, and the Tourism Infrastructure and Provincial Growth Funds, supporting tourism and other economic initiatives.
- Department of Internal Affairs (DIA) funded 3 Waters projects as part of the Water Sustainability Programme. Revenue is reported as work on specific projects is completed.
- DIA provided funding for the Libraries Partners Programme which ended on 30 June 2022.
- NZ Lotteries Grants Board provided funding for the Cultural Facilities development project.
- The Department of the Prime Minister provided funding for a Mayoral Relief fund to support residents affected by the Lake Ōhau Village fire event in October 2020.
- Government provided wages subsidies to eligible entities in 2020 as a response to the COVID pandemic, and in 2022 provided the COVID absence subsidy, which Council was able to access.
- A group member was provided a Strategic Tourism Asset Protection grant.

### Analysis of Revenue from Government Grants:

Waka Kotahi NZ Transport Agency Rooding Subsidy	5,977	6,680	8,220	5,977	8,220
Department of Internal Affairs - Three Waters Reform	4,817	4,230	2,544	4,817	2,544
NZ Lotteries Grants Board - Cultural Facilities project	885	915	179	885	179
Ministry of Business, Innovation & Employment	470	45	1,306	840	1,306
Department of Internal Affairs - Libraries Partnership	288	200	179	288	179
Ministry of Social Development	106	315	125	106	125
Ministry for the Environment	145	87	81	145	81
Covid-19 Wages and other subsidies	24	-	-	202	46
Prime Minister's Department - Lake Ōhau Village fire event	-	-	100	-	100
Oranga Tamariki - Ministry for Children	-	-	34	-	34
Grants for the Sports and Events Centre	-	750	-	-	-
Strategic Tourism Asset Protection Grants	-	-	-	356	544
Other Government grants and subsidies	78	143	60	111	60
<b>Total Government Grants</b>	<b>\$12,790</b>	<b>\$13,365</b>	<b>\$12,828</b>	<b>\$13,727</b>	<b>\$13,418</b>



	Council Only			Consolidated	
	2022				
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 3: Operating Revenue – Other Grants and Donations

### Other Grants and Donations – Policy

Revenue is recognised when eligibility has been established unless there is an obligation in substance to return the funds if conditions of the grant cannot be fulfilled. Such grants are initially recorded as revenue charged or received in advance and subsequently recognised as revenue when all conditions are satisfied.

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

Mayors' Taskforce for Jobs	462	-	73	462	73
Otago Community Trust	177	-	5	194	5
North Otago Rugby	38	34	33	38	33
Lion Foundation	30	-	28	30	28
Cultural Facilities development - Friends of the Forrester	25	-	65	25	65
Cultural Facilities development - general donations	-	821	16	-	16
Sports and Events Centre	-	1,684	-	-	-
Ōhau fire event - Meridian Energy and community support	-	-	130	-	130
Bequest - Est Mitchell	-	-	63	-	63
Network Waitaki	-	-	20	-	20
Residents' Association of Ōmarama	-	-	25	-	25
Grants received for Ultrasound Equipment	-	-	-	-	199
Alps2Ocean Cycletrail - McKenzie District Council	-	-	-	-	20
Other grants and donations	181	269	141	293	247
<b>Total Grants and Donations</b>	<b>\$913</b>	<b>\$2,808</b>	<b>\$599</b>	<b>\$1,042</b>	<b>\$924</b>

	Council Only			Consolidated	
	2022				
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 4: Finance Revenue and Finance Expense

### Finance Revenue and Expense – Policy

#### Revenue

Interest revenue is recognised when earned. Interest revenue accrued at year end is added to the principal of the relevant loan for reporting purposes.

#### Expense

Borrowing costs are recognised as an expense in the year in which they are incurred. Borrowing costs unpaid at year end are added to the principal of the relevant loan for reporting purposes.

#### Analysis of Finance Income

Bank deposits	27	25	8	55	46
North Otago Irrigation Co Ltd	472	465	300	472	300
Observatory Village Charitable Trust Group	302	278	384	-	-
Kurow-Duntroon Irrigation Co Ltd	74	73	70	74	70
Advances to other entities	32	14	23	18	5
Sundry interest	4	-	2	4	1
<b>Total Finance income</b>	<b>911</b>	<b>855</b>	<b>787</b>	<b>623</b>	<b>422</b>

#### Analysis of Finance Expense

LGFA borrowings	297	180	79	297	79
Bank borrowings	2	-	90	40	140
Bank overdraft	-	2	-	-	47
Other external borrowings	-	-	-	176	12
<b>Total Finance expense</b>	<b>299</b>	<b>182</b>	<b>169</b>	<b>513</b>	<b>278</b>
<b>Net Finance revenue/(expense)</b>	<b>\$612</b>	<b>\$673</b>	<b>\$618</b>	<b>\$110</b>	<b>\$144</b>

	Council Only			Consolidated	
	2022				
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 5: Personnel Costs

### Personnel Costs – Policy

Salaries and wages are recognised as an expense as employees provide services.

### Superannuation Schemes

#### Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes, including both Kiwisaver contributions and those made to the Lump Sum National Scheme managed by the Board of Trustees of the National Provident Fund, are recognised as an expense in the surplus or deficit as incurred.

#### Analysis of Personnel Costs:

Salaries and wages	14,903	15,332	14,226	39,193	38,537
Severance payments	12	-	30	62	77
Defined contribution plan employer contributions	411	453	402	1,098	1,033
Fringe Benefit Taxes	52	43	44	179	186
	15,378	15,828	14,702	40,532	39,833
Less recoveries from capital works	(1,721)	(1,771)	(1,491)	(1,721)	(1,491)
<b>Total personnel costs</b>	<b>\$13,657</b>	<b>\$14,057</b>	<b>\$13,211</b>	<b>\$38,811</b>	<b>\$38,342</b>

### Key Management Personnel

The Mayor and Councillors, the Chief Executive and the 4 (2021: 5) Group Managers are key management personnel. Other group members include Directors, Trustees, and senior staff in this category.

Total remuneration of key management personnel is as follows:

	Council only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Senior management team, including CEO	1,102	1,156	3,660	3,618
Councillors / Directors / Trustees	445	432	957	854
<b>Total remuneration</b>	<b>\$1,547</b>	<b>\$1,588</b>	<b>\$4,617</b>	<b>\$4,472</b>

	Number	Number	Number	Number
Senior management team, including CEO (number)	5	6	22	21
Councillors / Directors / Trustees (number)	11	11	38	34
<b>Total Full-time equivalent members</b>	<b>16</b>	<b>17</b>	<b>60</b>	<b>55</b>

### Remuneration of the Chief Executive Officer

	Council only	
	2022	2021
	\$	\$
Alex Parmley (from 19 July 2021)	293,366	-
Fergus Power (until 4 June 2021)	-	281,604
Paul Hope (acting from 4 June 2021 – 19 July 2021)	18,271	16,093
<b>Total remuneration</b>	<b>\$311,637</b>	<b>\$297,697</b>

## Employee Staffing Levels and Remuneration

At 30 June 2022, Council had 161 full-time employees (2021: 140), and casual and part-time employees equating to 34.19 full-time equivalent (FTE) staff (2021: 37.38 FTE). These figures include approximately 16.53 FTE positions on a fixed-term basis (2021: 14.45 FTE). These figures are disclosed based on 37.5 hours per week being full time employment.

119 employees received annual remuneration of less than \$60,000 (2021: 129) and 133 staff (2021: 113) 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:

<b>Council Employees Remuneration band</b>	<b>2022 Number</b>
\$180,000 – \$319,999	4
\$140,000 – \$179,999	5
\$120,000 – \$139,999	9
\$100,000 – \$119,999	18
\$80,000 – \$99,999	47
\$60,000 – \$79,999	50
< \$60,000	119
<b>Total staff</b>	<b>252</b>

<b>Council Employees Remuneration band</b>	<b>2021 Number</b>
\$160,000 – \$239,999	4
\$120,000 – \$159,999	9
\$100,000 – \$119,999	16
\$80,000 – \$99,999	38
\$60,000 – \$79,999	46
< \$60,000	129
<b>Total staff</b>	<b>242</b>

## Severance Payments (Clause 33)

Council made one severance payment (\$12,220) during the financial year (2021: 2 payments, \$18,000 and \$12,000).

	Council Only			Consolidated	
	2022				
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 6: Other Operating Costs

### Operating Costs – Policy

#### *Community Grants and Donations*

- Non-discretionary grants are awarded when grant applications meet specified criteria and are recognised as expenditure when such applications are approved, and payment is made.
- Discretionary grants are those which Council is not obliged to award and are recognised as expenditure when approved by Council and payment is made.
- 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 are leases that do not transfer substantially all the risks and rewards of ownership of an asset. These are charged on a straight-line basis over the term of the lease.

### Analysis of Other Operating Costs:

<i>Audit Fees - Audit New Zealand</i>					
Audit Current Year Annual Report	179	190	171	288	255
Audit Prior Year Annual Report	34	-	38	68	126
Audit Debenture Trust Deed	7	-	-	7	-
Audit 2021-31 Long Term Plan	-	-	139	-	139
<i>Audit Fees - Other audit providers</i>					
Audit Current Year Annual Report	-	-	-	68	71
Community grants and donations	994	955	1,234	1,032	1,302
Consultants	2,156	1,345	2,231	3,291	3,454
Contractors	14,727	14,820	17,493	17,097	19,807
Directors' and Trustees' Fees	-	-	-	513	483
Elected Members' Remuneration	509	566	501	509	501
Electricity supply	1,904	1,824	2,037	2,331	2,413
Expected Credit Losses on Investments	(119)	-	119	(119)	119
Impairment of Receivables	54	150	90	56	71
Insurance premiums	779	793	749	1,240	1,183
Legal Fees	271	223	235	476	311
Operating lease expense	228	255	208	485	544
Provision for closed landfill	(333)	(1)	55	(333)	55
Valuation Expenses	337	232	259	355	262
Other Expenditure	5,755	5,256	5,629	15,384	16,695
<b>Total Other Operating Expenses</b>	<b>\$27,482</b>	<b>\$26,608</b>	<b>\$31,188</b>	<b>\$42,748</b>	<b>\$47,791</b>

## Elected Members' Remuneration

	Council only	
	2022	2021
	\$	\$
<b>Waitaki District Council</b>		
<b>Mayor:</b>		
Gary Kircher	110,331	110,925
<b>Elected Members:</b>		
Hana Halalele	33,266	31,000
Jeremy Holding	33,266	31,000
James Hopkins	33,266	31,000
William Kingan	38,302	36,000
Guy Percival	33,266	31,000
Melanie Tavendale (Deputy Mayor)	45,129	42,776
James Thomson (from 19 April 2021)	33,266	5,776
Kelli Williams	33,266	31,000
Colin Wollstein	38,302	36,000
Ross McRobie (deceased 29 November 2021)	13,428	31,000
Peter Newton (resigned 9 December 2020)	-	14,070
<b>Total Remuneration – Mayor and Elected Members</b>	<b>\$445,088</b>	<b>\$431,547</b>
<b>Ahuriri Community Board</b>		
<b>Chair:</b>		
Vicky Munro	11,812	11,639
<b>Elected Members:</b>		
Brent Cowles	5,906	5,820
Stephen Dalley (from 2 September 2020)	5,906	4,768
Ross Menzies	5,906	5,820
Calum Reid (from 28 March 2022)	1,476	-
Peter Ellis (leave of absence approved 3 May – 3 November 2021, resigned 20 October 2021)	-	4,925
<b>Total Remuneration – Ahuriri Community Board</b>	<b>\$31,006</b>	<b>\$32,972</b>
<b>Waihemo Community Board</b>		
<b>Chair:</b>		
Heather McGregor	12,266	12,087
<b>Elected Members:</b>		
Katrina Dodd	6,133	6,044
Paul Roy	6,133	6,044
Carol Watson	6,133	6,044
Casey Linklater (leave of absence approved 1 October 2021 – 1 April 2022, resigned 3 June 2022)	2,712	6,044
<b>Total Remuneration – Waihemo Community Board</b>	<b>\$33,377</b>	<b>\$36,263</b>
<b>Total Elected Member Remuneration</b>	<b>\$509,471</b>	<b>\$500,782</b>

	Council Only			Consolidated	
	2022				
	2022	Budget	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000

## Note 7: Non-Trading Losses / (Gains)

### Non-Trading Losses / (Gains) – Policy

- Gains or losses realised on the disposal of Property, Plant and Equipment, including depreciation recovered, are recognised as non-trading gains or losses upon completion of the sale transaction.
- Any change in value arising from the annual revaluation of Council's forestry holdings is recognised upon completion of the revaluation process.
- The annual valuation of investment property held by Observatory Village Charitable Trust Group is recognised as a non-trading gain or loss upon completion of the valuation process.
- Impairment of investments or other assets arising from abnormal or other non-operational reduction or loss of service potential is recognised as a non-trading loss when this loss of service potential becomes apparent.

### Analysis of Non-Trading Losses / (Gains):

Loss / (Gain) on Property Plant & Equipment	1,711	-	2,154	1,669	2,049
Depreciation recovered on disposal	(4)	-	(99)	(285)	(328)
Loss / (Gain) on revaluation of Forestry Assets	19	-	(71)	19	(71)
Loss / (Gain) on revaluation of Investment Properties	-	-	-	(713)	(3,970)
<b>Total Non-trading Losses / (Gains)</b>	<b>\$1,726</b>	<b>\$ -</b>	<b>\$1,984</b>	<b>\$690</b>	<b>(\$2,320)</b>



Council Only		Consolidated	
2022	2021	2022	2021
<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 is Income tax based on the taxable profit, plus any adjustments related to prior years.

#### Relationship between tax expense and accounting profit

Net surplus / (deficit) before taxation	1,207	(4,392)	408	(2,790)
Prima facie taxation at 28%	338	(1,230)	114	(781)
Plus/(Less) Taxation Effect of Differences				
- Revenue not liable for taxation	(338)	1,230	(76)	723
- Tax effect of other differences	-	-	-	(40)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$38</u>	<u>(\$98)</u>
<i>This is represented by:</i>				
Current taxation	-	-	(150)	(11)
Prior year adjustment	-	-	-	24
Deferred taxation provision	-	-	188	(111)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$38</u>	<u>(\$98)</u>

As Council has formed a consolidated tax group with its subsidiaries, any tax losses in Council are automatically offset against taxable profits reported by other group members. Council usually receives payment from those subsidiaries for the tax effect of losses transferred.

### Deferred Tax

Deferred tax is Income tax payable or recoverable in future periods that arises from temporary differences and unused tax losses in the current or earlier periods.

Deferred tax is calculated at tax rates that are expected to apply when the liability is settled or the asset is realised.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profit.

A Deferred Tax liability is generally recognised for all taxable temporary differences, but a Deferred Tax asset is recognised only to the extent that taxable profits are likely to be available against which deductible temporary differences or tax losses can be utilised.

Deferred Tax is not recognised if a temporary difference arises from initial recognition of goodwill or an asset and liability in a transaction that is not a business combination, and which, at the time of the transaction, affects neither accounting or taxable profit.

	Council Only		Consolidated	
	2022	2021	2022	2021
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
<b>Deferred taxation liability/(benefit)</b>				
Opening balance				
- Property Plant and Equipment	-	-	393	445
- Employee entitlements	-	-	(228)	(224)
- Provisions	-	-	184	239
Balance at 1 July	-	-	349	460
Movements during the year				
- Property Plant and Equipment	-	-	247	(52)
- Employee entitlements	-	-	17	(4)
- Provisions	-	-	(76)	(55)
Total change	-	-	188	(111)
Closing balance				
- Property Plant and Equipment	-	-	640	393
- Employee entitlements	-	-	(211)	(228)
- Provisions	-	-	108	184
Total Deferred Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$537</u>	<u>\$349</u>
<i>Deferred taxation comprises:</i>				
Short term temporary differences	-	-	537	349
	<u>\$ -</u>	<u>\$ -</u>	<u>\$537</u>	<u>\$349</u>

## Note 9: Equity

### Equity – Policy

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

The components of equity are:

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

### Capital Management

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

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

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

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

	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

### Ratepayers Equity

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

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

### 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 and the group, 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.

<b>Balance at 1 July</b>	674,235	564,372	688,271	577,752
Water, Wastewater and Stormwater revaluation	-	111,666	-	111,790
Roading revaluation	-	-	-	-
Property revaluation	42,222	-	49,896	-
Transfers to Operating Reserve	(2,042)	(1,803)	(1,953)	(1,271)
Balance at 30 June	<u>\$714,415</u>	<u>\$674,235</u>	<u>\$736,214</u>	<u>\$688,271</u>

### Represented by

Infrastructural Assets	579,769	581,726	579,769	582,660
Land	70,123	50,790	70,123	50,790
Buildings and Improvements	64,398	41,594	64,398	41,594
Council Other (Museum)	125	125	125	125
Waitaki District Health Services Ltd	-	-	15,637	9,845
Whitestone Contracting Ltd	-	-	6,162	3,257
Balance at 30 June	<u>\$714,415</u>	<u>\$674,235</u>	<u>\$736,214</u>	<u>\$688,271</u>

	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

## 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.

<b>Balance at 1 July</b>	19,177	22,615	35,810	38,080
Net surplus/(deficit) after tax	1,207	(4,392)	370	(2,692)
Transfer from Revaluation Reserves	2,042	1,803	1,953	1,271
Transfer from Other Reserves	1,413	2,780	1,413	2,780
Transfer to Other Reserves	(2,951)	(3,629)	(2,951)	(3,629)
<b>Balance at 30 June</b>	<b>\$20,888</b>	<b>\$19,177</b>	<b>\$36,595</b>	<b>\$35,810</b>

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

## Other Reserves

Reserves and Trust Funds created or received by Council are held under terms that may restrict their use. All such funds are available only for the purpose specified. These reserves are, in many cases, 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

Special Funds	13,718	13,038	13,718	13,038
Trust Funds	2,482	2,302	2,482	2,302
Loan Funds	1	1	1	1
SPARC and Creative Communities funds	4	15	4	15
<b>Total Balance at 1 July</b>	<b>\$16,205</b>	<b>\$15,356</b>	<b>16,205</b>	<b>\$15,356</b>

### Movements in Other Reserves

Transfers from Operating Reserves	2,951	3,629	2,951	3,629
Transfers to Operating Reserves	(1,413)	(2,780)	(1,413)	(2,780)
<b>Net movement</b>	<b>1,538</b>	<b>849</b>	<b>1,538</b>	<b>849</b>

### Balance at 30 June

Special Funds	14,687	13,718	14,687	13,718
Trust Funds	3,041	2,482	3,041	2,482
Loan Funds	1	1	1	1
SPARC and Creative Communities funds	14	4	14	4
<b>Balance at 30 June</b>	<b>\$17,743</b>	<b>\$16,205</b>	<b>\$17,743</b>	<b>\$16,205</b>

### *Special Funds*

Reserves established to hold funds provided by external parties for specific purposes.

### *Trust Funds*

Reserves established by Council for specific purposes.

### *Loan Funds*

Repayments of Heritage loans, currently unallocated.

### *SPARC and Creative Communities funds*

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

Specifics of the purposes of significant types of Other Reserves are below:

- A. Development Contributions fund infrastructure projects that provide expanded service capacity to meet needs resulting from, or in anticipation of, growth.
- B. Council-created reserves may only be accessed by Council resolution. Disaster and Insurance Reserves are for use in an emergency.
- C. Endowment funds provide extra operational funding for specific Council activities.
- D. Funds from sale of community housing units are held for other housing initiatives.
- E. Proceeds from Forestry activities fund future re-planting and cultivation requirements.
- F. Financial Contributions received from developers under the Resource Management Act provide or upgrade parks and green spaces to service new subdivisions.

Additional analysis of the movements in Other Reserves are provided in tables appearing on the following pages.

## Other Reserves – Movements for the year ended 30 June 2022

Type of Reserve		Balance at 1 July 2021 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2022 \$000
<b>Special Reserves</b>					
<u>Development Funds</u>					
Roading		391	238	(177)	452
Water		959	961	(631)	1,289
Sewer		2,559	359	(28)	2,890
Total Development Funds	A	3,909	1,558	(836)	4,631
<u>Other Council-created Funds</u>					
Disaster & Insurance Excess Funds	B	2,930	120	(121)	2,929
Land Endowment Fund	C	1,095	27	(101)	1,021
Community Housing Fund	D	813	16	(30)	799
Forestry Planting Fund	E	1,474	38	-	1,512
Other Council-created funds		3,497	483	(186)	3,794
<b>Total Special Reserves</b>		<b>13,718</b>	<b>2,242</b>	<b>(1,274)</b>	<b>14,686</b>
<b>Trust Funds</b>					
Waitaki Heritage Fund		163	76	(91)	148
RMA Reserve	F	1,643	564	(16)	2,191
Oamaru Public Gardens		166	4	(11)	159
North Otago Museum		86	4	-	90
Other community purposes		424	39	(9)	454
<b>Total Trust Funds</b>		<b>2,482</b>	<b>687</b>	<b>(127)</b>	<b>3,042</b>
<b>Reserved Funds</b>					
SPARC and Creative NZ Funds		4	46	(36)	14
Loan Funds		1	-	-	1
<b>Total Reserve Funds</b>		<b>5</b>	<b>46</b>	<b>(36)</b>	<b>15</b>
<b>Total Restricted Reserves</b>		<b>\$ 16,205</b>	<b>\$ 2,975</b>	<b>(\$ 1,437)</b>	<b>\$ 17,743</b>



## Other Reserves – Movements for the year ended 30 June 2021

Type of Reserve	Note	Balance at 1 July 2020 \$000	Transfers to Reserves \$000	Transfers from Reserves \$000	Balance at 30 June 2021 \$000
<b>Special Reserves</b>					
<u>Development Funds</u>					
Roading		484	241	(334)	391
Water		895	793	(729)	959
Sewer		2,158	401	-	2,559
Total Development Funds	A	3,537	1,435	(1,063)	3,909
<u>Other Council-created Funds</u>					
Disaster & Insurance Excess Funds	B	3,781	120	(971)	2,930
Land Endowment Fund	C	859	275	(39)	1,095
Community Housing Fund	D	806	16	(9)	813
Forestry Planting Fund	E	1,442	35	(3)	1,474
Other Council-created funds		2,613	1,024	(140)	3,497
<b>Total Special Reserves</b>		<b>13,038</b>	<b>2,905</b>	<b>(2,225)</b>	<b>13,718</b>
<b>Trust Funds</b>					
Waitaki Heritage Fund		265	3	(105)	163
RMA Reserve	F	1,487	445	(289)	1,643
Oamaru Public Gardens		160	6	-	166
North Otago Museum		158	25	(97)	86
Other community purposes		232	200	(8)	424
<b>Total Trust Funds</b>		<b>2,302</b>	<b>679</b>	<b>(499)</b>	<b>2,482</b>
<b>Reserved Funds</b>					
SPARC and Creative NZ Funds		15	45	(56)	4
Loan Funds		1	-	-	1
<b>Total Reserved Funds</b>		<b>16</b>	<b>45</b>	<b>(56)</b>	<b>5</b>
<b>Total Restricted Reserves</b>		<b>\$ 15,356</b>	<b>\$ 3,629</b>	<b>(\$ 2,780)</b>	<b>\$ 16,205</b>

## 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 and the group for the benefit of, or service to, the community and which cannot be disposed of because of legal or other restrictions.

#### *Infrastructure Assets*

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

Land (both operational and restricted), Buildings and Improvements (operational and restricted), library books, land (except land under roads), bridges, water supply, sewerage schemes, drainage schemes and solid waste facilities are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Accounting for Revaluations

Operational and restricted Land and buildings (except for land under roads), library books, roads and bridges, water, waste and drainage assets, property, parks, and the Ōamaru Airport, are revalued with sufficient regularity to ensure that their carrying value does not differ materially from their fair value, and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis. The results of revaluations of property, plant and equipment are credited or debited to other comprehensive revenue and expense and 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 instead recognised directly 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 Group, and the cost of the item can be measured reliably.

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

### Work in Progress

Capital projects that are incomplete at balance date are regarded as Work in Progress and included in Property, Plant and Equipment. Such assets are not depreciated until they are complete and commissioned. Work in Progress is recognised at cost less any impairment. 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 after 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 Group, and the cost of the item can be measured reliably.

### 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, 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 or, for certain members of the group, on a diminishing value basis. Useful lives and related depreciation rates of major classes of assets have been estimated as follows:

## Straight-line depreciation

Asset category / type	Useful live	Depreciation
Buildings	11 – 100 years	1% - 9%
Improvements	4 – 100 years	1% - 25%
Infrastructure Assets		
Roading		
Formation, sub-base course	Not depreciated	N/A
Pavement structure	20 – 70 years	1.43% - 5%
Surfacing	2 – 30 years	3.33% - 50%
Drainage, Footpaths	10 – 100 years	1% - 10%
Bridges, retaining structures	25 – 100 years	1% - 4%
Streetlights, railings and markers	4 – 35 years	2.85% - 25%
Signage and parking meters	5 – 15 years	6.67% - 20%
Water Schemes		
Headworks	5 – 140 years	0.71% - 20%
Reservoirs	10 – 80 years	1.25% - 10%
Pumping stations	15 – 100 years	1% - 6.67%
Reticulation	15 – 150 years	0.67% - 6.67%
Sewerage Schemes		
Reticulation	15 – 150 years	0.67% - 6.67%
Pumping stations	15 – 100 years	1% - 6.67%
Treatment works	2 – 100 years	1% - 50%
Stormwater - reticulation	45 – 150 years	0.67% - 2.22%
Transfer stations, landfill development	3 – 60 years	1.67% - 33.33%
Harbour – wharves and breakwater	8 – 100 years	1% - 12.5%
Alps2Ocean Cycle Trail		
Track formation, sub-base course	Not depreciated	N/A
Track surface	10 years	10%
Bridges, retaining structures	50 – 60 years	1.67% - 2%
Facilities – signage	12 years	8.33%
Facilities – livestock proofing	35 years	2.85%
Motor vehicles	3 – 10 years	10% - 33.33%
Other Plant	1.5 – 40 years	2.5% - 67%
Office equipment	2 – 20 years	5% - 50%
Office furniture & fittings	1.5 – 30 years	3.33% - 67%
Cultural and heritage assets – library books	5 – 7 years	14.29% - 20%

## Diminishing value depreciation

Asset category / type	Depreciation
Buildings	2% - 100%
Plant and Equipment	2% - 80.4%
Office Equipment	8% - 80.4%
Furniture and Fittings	3% - 80.4%
Computer hardware	30% - 67%
Motor Vehicles	20% - 30%

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

Property, Plant and Equipment with a finite useful life is reviewed for impairment every balance date, and when events or changes in circumstances indicate that carrying values may not be recoverable.

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

## Fair Values

Council and the Group believe that carrying values for fixed assets accurately reflect fair value overall.

Property and infrastructural assets are revalued regularly in line with Council and Group policy.

## Revaluations

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

### *Land and Buildings*

Property holdings, including Parks, the Aquatic Centre, and the Ōamaru Airport, were valued at 30 June 2022 by Jonathon Dix of Aon Valuation Services and the values established were recognised by Council at that date.

Property held by other group members was revalued in line with Council at 30 June 2022 by professional external valuers as follows:

- Land and Buildings related to the Observatory Village Group were valued by CVAS (CHC) Limited (trading as Colliers).
- Land and Buildings related to Waitaki District Health Services Limited were valued by Quotable Value.
- Land and Buildings related to Whitestone Contracting Ltd were valued by Telfer Young.

### *Roading Network*

Council's roading network was valued at 30 June 2020 by Tui Craven, Asset Data Manager, and reviewed by Aaron Hartland, Team Leader Asset and Information Management, both of WSP New Zealand Ltd.

Bridges and retaining structures were valued separately at the same date by David Charters of DCL Consulting Ltd.

### *Three Waters Assets*

The valuation of water, waste, and drainage assets as at 30 June 2021 was prepared by Council's external engineers, and peer reviewed by Rachel Wells and Kerry Mayes of WSP New Zealand Ltd.

## Valuation Methodology, and Uncertainty

The valuation methodology used in the valuation of Property, Plant, and Equipment is based on fair value of the asset. Where this can be determined by reference to price in an active market for the same or a similar asset, the fair value can be determined using this information.

Where fair value cannot be reliably determined using market-based evidence (apart from land which uses market value) optimised depreciated replacement cost is considered the most appropriate basis for determining fair value. Infrastructure assets, and many assets within the Land and Buildings category, are considered to be specialised – in these cases, land is valued at market value while buildings and other items use optimised depreciated replacement cost.

## Land under Roads

Land under roads was initially recognised by Council at fair value. On transition to New Zealand equivalents of International Financial Reporting Standards on 1 July 2006, Council elected to use the fair value of land under roads at 30 June 2005 as deemed cost. Land under roads is not revalued.

## Harbour Assets

Deemed cost of harbour wharves and other structures, and of the Ōamaru Harbour breakwater, was established by Royds Garden Ltd, 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 Library Manager 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 artefacts held in the Waitaki Museum & Archive Te Whare Taoka o Waitaki, the Forrester Gallery art collection and Library resources. They are recorded at valuation, based on net current value, with subsequent additions at cost.

## Assets disposed of, and held for sale at year end

Council and the group may dispose of assets at any time during the financial year. Gains or losses recorded on disposal are reflected in the Statement of Comprehensive Revenue and Expense as part of Non-trading Losses or Gains and are summarised in Note 5 to these financial statements.

Non-current assets held for sale at year end are recognised as a current asset when the sale is highly probable, there is commitment to a plan to sell, and that sale is expected to occur within one year and are detailed in Note 17. Those assets are valued at the lower of the carrying value and fair value less disposal costs, and any impairment losses for write-downs are recognised in surplus or deficit, as are any increases in fair value (less costs to sell), up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated while they are classified as held for sale.

## Property, Plant, and Equipment (Council Only)

2022 Council Only	Cost/ Valuation 01-Jul-21	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals and Transfers	Revaluation	Cost/ Valuation 30-Jun-22	Accum Depn & Impairment Charges 01-Jul-21	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-22	Book Value 30-Jun-21	Book Value 30-Jun-22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	61,736	16			19,333	81,085							61,736	81,085
Buildings and Improvements	65,970	290	26	(52)	13,237	79,471	6,809	3,253	(7)	(9,652)		403	59,161	79,068
Infrastructural Assets														
- Roading	563,140	4,510	494			568,144	7,174	6,844				14,018	555,966	554,126
- Bridges	22,161	(10)				22,151	619	631				1,250	21,542	20,901
- Water Supply Schemes:														
Treatment Plants and Facilities	25,117	5,890		(146)		30,861		972	(113)			859	25,117	30,002
Other Assets (ie Reticulation)	78,949	3,999	364	(1,323)		81,989		1,723	(38)			1,685	78,949	80,304
- Sewerage Schemes:														
Treatment Plants and Facilities	76,959	401		(2)		77,358		529	(1)			528	76,959	76,830
Other Assets (ie Reticulation)	52,383	270	305	(46)		52,912		1,157	(10)			1,147	52,383	51,765
- Drainage Schemes	20,720		404	(164)		20,960		328	(2)			326	20,720	20,634
- Solid Waste Facilities	1,306	(12)				1,294	1,196	22	(9)			1,209	110	85
- Oamaru Harbour	32,830	739				33,569	6,748	359				7,107	26,082	26,462
- Alps to Ocean	6,697	113				6,810	1,105	239				1,344	5,592	5,466
Total Infrastructural Assets	880,262	15,900	1,567	(1,681)		896,048	16,842	12,804	(173)			29,473	863,420	866,575
Operational Assets														
- Plant, Equipment and Vehicles	2,358	450		(12)		2,796	1,158	191	(12)			1,337	1,200	1,459
- Office Equipment and Fittings	5,865	635		(19)		6,481	4,216	546	(16)			4,746	1,649	1,735
Total Operational Assets	8,223	1,085		(31)		9,277	5,374	737	(28)			6,083	2,849	3,194
Collections	2,098	175	1	(92)		2,182	591	125	(60)			656	1,507	1,526
Capital Works in Progress	10,517	8,941		(7,289)		12,169							10,517	12,169
	1,028,806	26,407	1,594	(9,145)	32,570	1,080,232	29,616	16,919	(268)	(9,652)		36,615	999,190	1,043,617

## Property, Plant, and Equipment (Council Only)

2021 Council Only	Cost/ Valuation 01-Jul-20	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals and Transfers	Revaluation	Cost/ Valuation 30-Jun-21	Accum Depn & Impairment Charges 01-Jul-20	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-21	Book Value 30-Jun-20	Book Value 30-Jun-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	62,032	32	1	(329)		61,736							62,032	61,736
Buildings and Improvements	64,564	1,513	98	(205)		65,970	3,618	3,258	(67)			6,809	60,946	59,161
Infrastructural Assets														
- Roading	555,361	6,761	1,018			563,140	438	6,736				7,174	554,923	555,966
- Bridges	20,171	1,968	22			22,161		619				619	20,171	21,542
- Water Supply Schemes:														
Treatment Plants and Facilities	21,223	426		(942)	4,410	25,117	1,698	872	(199)	(2,371)			19,525	25,117
Other Assets (ie Reticulation)	58,708	3,976		(840)	17,105	78,949	2,235	1,232	(76)	(3,391)			56,473	78,949
- Sewerage Schemes:														
Treatment Plants and Facilities	12,118	53		(321)	65,109	76,959	684	479	(50)	(1,113)			11,434	76,959
Other Assets (ie Reticulation)	39,704	453		(99)	12,325	52,383	1,590	815	(37)	(2,368)			38,114	52,383
- Drainage Schemes	18,060				2,660	20,720	542	273		(815)			17,518	20,720
- Solid Waste Facilities	1,300	6				1,306	1,173	23				1,196	127	110
- Oamaru Harbour	32,509	321				32,830	6,405	343				6,748	26,104	26,082
- Alps to Ocean	5,183	1,514				6,697	892	213				1,105	4,291	5,592
Total Infrastructural Assets	764,337	15,478	1,040	(2,202)	101,609	880,262	15,657	11,605	(362)	(10,058)		16,842	748,680	863,420
Operational Assets														
- Plant, Equipment and Vehicles	1,960	616		(218)		2,358	1,072	179	(93)			1,158	888	1,200
- Office Equipment and Fittings	4,817	1,115		(67)		5,865	3,779	495	(58)			4,216	1,038	1,649
Total Operational Assets	6,777	1,731		(285)		8,223	4,851	674	(151)			5,374	1,926	2,849
Collections	2,054	120	2	(78)		2,098	550	109	(68)			591	1,504	1,507
Capital Works in Progress	5,961	7,604		(3,048)		10,517							5,961	10,517
	905,725	26,478	1,141	(6,147)	101,609	1,028,806	24,676	15,646	(648)	(10,058)		29,616	881,049	999,190



## Property, Plant, and Equipment (Consolidated)

2022 Consolidated	Cost/ Valuation 01-Jul-21	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals and Transfers	Revaluation	Cost/ Valuation 30-Jun-22	Accum Depn & Impairment Charges 01-Jul-21	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-22	Book Value 30-Jun-21	Book Value 30-Jun-22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	67,721	16		(290)	20,827	88,274							67,721	88,274
Buildings and Improvements	84,446	302	26	(227)	18,361	102,908	7,525	3,815	(7)	(10,886)		447	76,921	102,461
Infrastructural Assets														
- Roading	562,995	4,551	494			568,040	7,174	6,844				14,018	555,821	554,022
- Bridges	22,161	(10)				22,151	619	631				1,250	21,542	20,901
- Water Supply Schemes														
Treatment Plants and Facilities	25,117	5,890		(146)		30,861		972	(113)			859	25,117	30,002
Other Assets (ie Reticulation)	78,949	4,057	364	(1,323)		82,047		1,723	(38)			1,685	78,949	80,362
- Sewerage Schemes														
Treatment Plants and Facilities	76,959	401		(2)		77,358		529	(1)			528	76,959	76,830
Other Assets (ie Reticulation)	52,383	270	305	(46)		52,912		1,157	(10)			1,147	52,383	51,765
- Drainage Schemes	20,720		404	(164)		20,960		328	(2)			326	20,720	20,634
- Solid Waste	1,306	(12)				1,294	1,196	22	(9)			1,209	110	85
- Oamaru Harbour	32,829	739				33,568	6,748	359				7,107	26,081	26,461
- Alps to Ocean	6,697	113				6,810	1,105	239				1,344	5,592	5,466
Total Infrastructural Assets	880,116	15,999	1,567	(1,681)		896,001	16,842	12,804	(173)			29,473	863,274	866,528
Operational Assets														
- Plant, Equipment and Vehicles	31,684	1,541		(1,681)	101	31,645	20,108	2,041	(1,590)	101	15	20,675	11,576	10,970
- Office Equipment and Fittings	8,484	836		(26)	243	9,537	5,537	765	(21)	243		6,524	2,947	3,013
Total Operational Assets	40,168	2,377		(1,707)	344	41,182	25,645	2,806	(1,611)	344	15	27,199	14,523	13,983
Collections	2,098	175	1	(92)		2,182	591	125	(60)			656	1,507	1,526
Capital Works in Progress	10,542	8,941		(7,297)		12,186							10,542	12,186
	1,085,091	27,810	1,594	(11,294)	39,532	1,142,733	50,603	19,550	(1,851)	(10,542)	15	57,775	1,034,488	1,084,958

## Property, Plant, and Equipment (Consolidated)

2021 Consolidated	Cost/ Valuation 01-Jul-20	Current Year Assets Constructed by WDC	Current Year Assets Transferred to WDC	Current Year Disposals and Transfers	Revaluation	Cost/ Valuation 30-Jun-21	Accum Depn & Impairment Charges 01-Jul-20	Current Year Depreciation	Current Year Disposals	Revaluation	Current Year Impairment Charges	Accum Depn & Impairment Charges 30-Jun-21	Book Value 30-Jun-20	Book Value 30-Jun-21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	68,192	32	1	(504)		67,721							68,192	67,721
Buildings and Improvements	83,074	1,638	98	(364)		84,446	3,690	3,910	(75)			7,525	79,384	76,921
Infrastructural Assets														
- Roading	555,361	6,616	1,018			562,995	438	6,736				7,174	554,923	555,821
- Bridges	20,171	1,968	22			22,161		619				619	20,171	21,542
- Water Supply Schemes														
Treatment Plants and Facilities	21,223	426		(942)	4,410	25,117	1,698	872	(199)	(2,371)			19,525	25,117
Other Assets (ie Reticulation)	58,708	3,976		(840)	17,105	78,949	2,235	1,232	(76)	(3,391)			56,473	78,949
- Sewerage Schemes														
Treatment Plants and Facilities	12,118	53		(321)	65,109	76,959	684	479	(50)	(1,113)			11,434	76,959
Other Assets (ie Reticulation)	39,704	453		(99)	12,325	52,383	1,590	815	(37)	(2,368)			38,114	52,383
- Drainage Schemes	18,060				2,660	20,720	542	273		(815)			17,518	20,720
- Solid Waste	1,300	6				1,306	1,173	23				1,196	127	110
- Oamaru Harbour	32,509	320				32,829	6,405	343				6,748	26,104	26,081
- Alps to Ocean	5,183	1,514				6,697	892	213				1,105	4,291	5,592
Total Infrastructural Assets	764,337	15,332	1,040	(2,202)	101,609	880,116	15,657	11,605	(362)	(10,058)		16,842	748,680	863,274
Operational Assets														
- Plant, Equipment and Vehicles	29,848	3,405		(1,569)		31,684	19,367	2,025	(1,284)			20,108	10,481	11,576
- Office Equipment and Fittings	7,413	1,215		(144)		8,484	4,959	712	(134)			5,537	2,454	2,947
Total Operational Assets	37,261	4,620		(1,713)		40,168	24,326	2,737	(1,418)			25,645	12,935	14,523
Collections	2,054	120	2	(78)		2,098	550	109	(68)			591	1,504	1,507
Capital Works in Progress	6,172	7,604		(3,234)		10,542							6,172	10,542
	961,090	29,346	1,141	(8,095)	101,609	1,085,091	44,223	18,361	(1,923)	(10,058)		50,603	916,867	1,034,488

## Capital Work in Progress

Capital Work in Progress for Council consists of the following asset categories:

	Council	
	2022	2021
	\$000	\$000
Infrastructural Assets – roading and bridges	772	110
Infrastructural Assets – water supply schemes	6,010	8,439
Infrastructural Assets – sewerage schemes	1,986	174
Infrastructural Assets – stormwater	-	66
Property and other assets	3,401	1,728
Total	\$12,169	\$10,517

## Restricted Assets

Land, and Buildings and Improvements, include restricted properties. These restrictions affect Council's right to use, or dispose of, the asset, and 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 \$18,142,300 (2021: \$15,884,337).

## Insurance (Mandatory Disclosure under Schedule 10, s31A of the LGA 2002)

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

### *Water, Wastewater and Stormwater Assets*

Total carrying value \$259,534,247 (2021: 254,125,656). Individual assets valued in excess of \$1,000,000 are insured – value of these assets for insurance purposes is \$105,411,533 (2021: \$41,128,623). Council mitigates the risk related to the remaining assets through its membership of the Local Authority Protection Programme (LAPP), use of depreciation reserves and the Disaster Fund (refer below).

Estimated cost of full replacement of the assets is \$404,318,826, based on the latest valuation at 30 June 2021, and subsequent additions at cost or valuation, and can be analysed as follows:

Water Supply schemes	\$176,556,717
Wastewater (Sewerage) schemes	\$189,226,962
Storm Water (Drainage) schemes	\$38,535,147

### *Land and Buildings*

Council's land has a carrying value of \$81,085,300 (2021: \$61,737,818) and cannot be insured.

Restoration might be funded by the Earthquake Commission if the loss occurred as a result of earthquake or landslip.

Council's buildings have a carrying value of \$79,068,470 (2021: \$59,160,720), and a value of \$152,407,913 (2021: \$158,268,723) for insurance purposes. Council self-insures buildings which would either not be replaced in the event of loss or would be funded from depreciation reserves and the Disaster Fund (refer below).

### *Roading Assets, including bridges and footpaths*

Total carrying value \$575,027,519 (2021: \$577,507,948). These are not specifically insured. Significant loss or damage would be subsidised by Waka Kotahi New Zealand Transport Agency, which has previously funded costs arising from storm events. Current rates of financial assistance may change in the future. Any un-subsidised cost would be met from depreciation reserves, and the Disaster Fund (refer next page). Estimated cost of full replacement of the assets is \$799,803,412 based on the valuation at 30 June 2020.

### *Solid Waste facilities, Ōamaru Harbour and the Alps2Ocean Cycle Trail*

Total carrying value of \$32,012,108 (2021: 31,783,968). Not specifically insured. Replacement or reinstatement would be funded from operational budgets or depreciation reserves.

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

Total carrying value \$1,525,820. Valued at \$4,000,550 for insurance purposes (2021: \$4,000,550), being \$3,000,550 for Council's own art works (2021: \$3,000,550), and \$1,000,000 for art works on loan to Council (2021: \$1,000,000). The balance of Council's own art works is uninsured. No provision has been made to self-insure these items, as they are considered unique, and could not be replaced in the event of loss.

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

### *Vehicles, Plant and Equipment, Furniture and Fittings*

Plant, Equipment and Vehicles have a carrying value of \$1,459,226, of which Vehicles have a carrying value of \$798,029, and a value for insurance purposes of \$1,156,811 (2021: \$855,124). All vehicles are insured for replacement value. Other items of Plant and Equipment are not insured.

Office Equipment and Fittings with a carrying value of \$1,735,686 are not insured. Individual items are not generally of material value, and depreciation reserves would fund any replacements.

### *Summary of Insurance Cover arranged by Council*

Total carrying value of Property Plant and Equipment	\$1,043,699,094
Total value of cover for insurance purposes	\$262,977,257
Total value of uninsured assets	\$780,721,837

### *Significant uninsured assets include:*

Roading Network (NZTA subsidies, Council reserves)	\$575,027,519
Water, Wastewater and stormwater assets (LAPP assistance)	\$154,122,714
Land holdings (uninsurable, potential Earthquake Commission funding)	\$81,085,300
Solid Waste, Harbour, Cycle Trail	\$32,012,108

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 Waka Kotahi New Zealand Transport Agency subsidies, the LAPP fund, the Earthquake Commission and Council's own reserves, including the Disaster Fund and the Insurance Excess Fund (details below). Furthermore, destroyed assets might not be rebuilt, or, if reconstructed, might not be in the same configuration as the previous asset, in order to control and reduce cost.

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

Council has specific reserves to enable it to provide a rapid response to significant and damaging events and to meet uninsured losses that may arise. At 30 June 2022, the Disaster Fund stood at \$2,726,700 (2021: \$2,727,425), and the Insurance Excess Fund \$203,094 (2021: \$203,094). Council maintains committed cash facilities with its bankers to provide additional and immediate funding to meet any shortfall.

## Critical Accounting Estimates and Assumptions

### *Estimating the Fair Value of Land, Buildings, and Infrastructure*

Land and buildings, including Parks and the Ōamaru Airport, were revalued at 30 June 2022 in accordance with NZ IPSAS 17, PINZ Professional Practice Standards and New Zealand Infrastructure Valuation and Depreciation guidelines.

#### **Land (Operational, Restricted, and Infrastructural)**

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

#### **Buildings (operational and restricted)**

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2022 valuation include:

- Replacement costs of specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- Replacement cost is derived from recent construction contracts of equivalent assets and Property Institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- There are no significant earthquake-prone issues associated the buildings.
- Remaining useful lives of assets are estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.
- Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence.
- The valuer has assumed that all properties valued are fully compliant with relevant legislation, including the Buildings Act 2004 and the Resource Management Act 1991.
- For properties where Council is both owner and occupier, the valuation assumed market rental with standard terms, including a 6 year lease term and rent review every 2 years.

The fair value of properties has been determined by an independent valuer who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Given that a range of assumptions are used in determining the fair value of land and buildings associated with the rest home complex, the subjectivity of those assumptions could have significant impact on the profit and fair value.

The directors of Observatory Village Lifecare Limited, in conjunction with the valuer, estimate that the average period of occupancy for apartments is 3 years (2021: 3 years), for care suites is 2 years (2021: 2 years) and for villas 8 years (2021: 8 years). These estimates are based on industry historical results and experience.

## *Infrastructural Asset Classes*

### **Roads and Bridges**

The most recent valuation of roads and bridges was performed at 30 June 2020 by an independent registered valuer. A fair value assessment was performed at 30 June 2022, including obtaining advice from an independent expert infrastructure valuer, to gain assurance that the fair value was not materially different from the carrying amount. Although this exercise revealed that Council's infrastructure assets have likely increased markedly in value and a full revaluation should be undertaken, this was not done due to time, costs and resource constraints. A full revaluation of roading assets is due to be completed for 30 June 2023.

### **Water, Sewerage and Stormwater infrastructure**

The most recent valuation of sewerage, water, and stormwater infrastructural assets was performed by an independent registered valuer at 30 June 2021. A fair value assessment was performed at 30 June 2022 to gain assurance that the fair value was not significantly different from the carrying amount. Although this exercise, combined with the fair value assessment of roading infrastructure discussed above indicated that Council's infrastructure assets have likely increased materially in value, and a full revaluation should be undertaken, this was not done due to time, costs and resource constraints. A full revaluation of 3 Waters assets is to be completed 30 June 2024.

Infrastructural assets are valued using the depreciated replacement cost method, which involves a number of estimates and assumptions. These include:

- Replacement costs, where appropriate, reflect optimisation due to over-design or surplus capacity. Council has determined that there is no significant surplus capacity in its sewerage and water assets.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Those unit rates are applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the June 2022 quarter index) for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. Estimates can be affected by local conditions, such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council might over- or underestimate the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, adjusted for local conditions based on experience. Asset inspections, deterioration, and condition-modelling are carried out regularly as part of asset management planning activities, to provide further assurance over useful life estimates.

### **Critical Judgements in applying Council's Accounting Policies**

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. 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. Due to uncertainty over the future intended use of the land, Council has not classified the land as investment property.

#### *Reliability of Asset Valuations*

In the years between the regular triennial revaluation cycle, Council conducts a fair value assessment to provide assurance that carrying values do not vary significantly from current fair value estimates.

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 11: Investment Property

### Investment Property – Policy

Investment property includes land and buildings related to the retirement village operation which are held to earn rental income and for capital appreciation. Investment property is initially recorded at cost and subsequently measured annually at fair value as determined by an independent registered valuer.

Gains or losses arising from changes in fair values are included in the Statement of Comprehensive Revenue and Expense in the year in which they arise. Where an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Revenue and Expense is the difference between the net sales price and the carrying value of the property. Investment properties are not depreciated.

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

### Investment Property

Balance at 1 July	-	-	31,450	26,165
Additions and transfers	-	-	4,877	1,315
Revaluation Gain / (Loss)	-	-	713	3,970
Balance at 30 June	<u>\$-</u>	<u>\$-</u>	<u>\$37,040</u>	<u>\$31,450</u>

Investment property was valued by CVAS (CHC) Ltd trading as Colliers at 30 June 2022. The valuation was prepared in accordance with *PBE IPSAS 16 Investment Properties*. Colliers is appropriately qualified and experienced in valuing retirement village properties in New Zealand.

Fair values were determined using a two-step approach. The value of the care facility is determined based on income capitalisation of the market rent adopting a 7.0% yield (2021: 7.5%).

Serviced Apartments and Independent Villas are valued using the discounted cash flow approach. Major assumptions used in the discounted cash flow analysis are a discount rate of 14.75% (2021: 14.75%), growth rates in unit values ranging from 0% for year 1, 1% for year 2 and 2.5% from year 3 onwards over the term of the cash flow, with a compounded growth rate of 2.34% (2021: 2.34%) per annum. For independent villas, a market value compounded growth rate of 2.80% (2021: 2.84%) has been adopted, reflecting a growth rate of 0% for year 1, 2% for year 2 and then 3% from year 3 onwards. A deduction for expenses such as refurbishment costs, marketing and capital expenditure has also been adopted.

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

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

There is approximately 30,620 (2021: 48,635) square metres of excess land remaining as undeveloped and as shown in the report, which has been valued at \$35.00 (2021: \$15.00) per square metre. Colliers have reviewed market conditions in relation to the COVID global pandemic impact upon value. With the level of uncertainty and unknown impacts decreasing, and markets becoming more used to operating under COVID conditions, the specific adjustments made to discount rates and near-term growth rates for COVID in the prior year valuations have been critically analysed and adjusted when determining value at 30 June 2022. Their view is that the longer-term economic impact of COVID on the New Zealand aged care sector remains difficult to accurately predict, with only limited comparable transactions and market evidence since the outbreak to give guidance. They advise that, because of these factors, a higher degree of caution should be exercised when relying on valuations.



## Note 12: Intangible Assets

### Intangible Assets – Policy

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

The main categories of intangible assets are:

#### Software

Computer software licenses are capitalised based on costs incurred to acquire and bring into service. Costs, including employee costs and related overheads, associated with developing software for internal use are recognised as an intangible asset. Costs related to staff training, maintaining computer software, and developing and maintaining Council's website are expensed when incurred. The useful life of software is 3 to 10 years, and the cost is amortised on a straight-line basis.

#### Carbon Credits

Carbon credits are recognised at cost on acquisition and those received from the Crown under the Emissions Trading Scheme are recognised at fair value, being the value on the tradable carbon credit market at the time of receipt. Carbon credits are not amortised, but are tested for impairment annually, and are derecognised when surrendered to satisfy carbon emission obligations. Credits are held to meet future obligations related to emissions at the Palmerston landfill facility. These obligations are satisfied by surrendering credits based on volumes of waste accepted at the facility. Remaining units are held firstly to meet ongoing obligations related to the Palmerston landfill facility, and secondly to meet the potential liability that would arise should Council, in the future, decide against replanting forested areas after harvesting or fire.

Other intangible assets include:

#### Aerial Photographic Images

Council undertakes a programme of aerial photography throughout the Waitaki District. Images arising from this activity are available to view through Council's systems. The value of the photographic images is established as the cost of completing the aerial photography programme, and is amortised on a straight-line basis over five years.

#### Other

Other intangible assets, including consents held by members of the group, with an identifiable useful life of 5 to 25 years, are amortised on a straight-line basis.

### Amortisation

Intangible assets are amortised on the following bases:

	Economic life	Amortisation rate
• <b>Software</b>	2 – 10 years	10% – 50%
• <b>Carbon credits</b>	no amortisation, credits are disposed of when surrendered	
• <b>Other items</b>	5 – 25 years	4% – 20%

## Impairment of Intangible Assets

Intangible assets with finite useful lives are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may no longer be recoverable. 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 estimated 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

	2022				2021			
	Software	Carbon Credits	Other	Total	Software	Carbon Credits	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b><u>Council only</u></b>								
Balance at 1 July								
Cost	4,037	14	-	4,051	2,992	14	165	3,171
Accumulated Amortisation	(2,526)	-	-	(2,526)	(2,221)	-	(165)	(2,386)
Opening Book Value	1,511	14	-	1,525	771	14	-	785
Movements for the year								
Additions	763	-	91	854	1,047	-	-	1,047
Disposals - cost	(7)	-	-	(7)	(2)	-	(165)	(167)
Amortisation charge	(390)	-	(9)	(399)	(307)	-	-	(307)
Disposals - accum amortisation	7	-	-	7	2	-	165	167
Net movement for the year	373	-	82	455	740	-	-	740
Balance at 30 June								
Cost	4,793	14	91	4,898	4,037	14	-	4,051
Accumulated Amortisation	(2,909)	-	(9)	(2,918)	(2,526)	-	-	(2,526)
Closing Book Value	<b>\$1,884</b>	<b>\$14</b>	<b>\$82</b>	<b>\$1,980</b>	<b>\$1,511</b>	<b>\$14</b>	<b>\$-</b>	<b>\$1,525</b>
<b><u>Consolidated</u></b>								
Balance at 1 July								
Cost	4,314	14	623	4,951	3,352	14	788	4,154
Accumulated Amortisation	(2,749)	-	(555)	(3,304)	(2,435)	-	(704)	(3,139)
Opening Book Value	1,565	14	68	1,647	917	14	84	1,015
Movements for the year								
Additions	763	-	91	854	1,138	-	-	1,138
Disposals - cost	(7)	-	-	(7)	(176)	-	(165)	(341)
Amortisation charge	(405)	-	(24)	(429)	(322)	-	(16)	(338)
Disposals - accum amortisation	7	-	-	7	8	-	165	173
Net movement for the year	358	-	67	425	648	-	(16)	632
Balance at 30 June								
Cost	5,070	14	714	5,798	4,314	14	623	4,951
Accumulated Amortisation	(3,147)	-	(579)	(3,726)	(2,749)	-	(555)	(3,304)
Closing Book Value	<b>\$1,923</b>	<b>\$14</b>	<b>\$135</b>	<b>\$2,072</b>	<b>\$1,565</b>	<b>\$14</b>	<b>\$68</b>	<b>\$1,647</b>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 13: Forestry Assets

### Forestry Assets – Policy

Forestry is the estimated worth of 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	357	286	357	286
Gains / (Losses) arising from changes in fair value less estimated point of sale costs	(19)	71	(19)	71
Balance at 30 June	<u>\$338</u>	<u>\$357</u>	<u>\$338</u>	<u>\$357</u>

Council has several forest stands covering a net stocked area of 113.8ha (2021: 113.8ha), planted mainly in pinus radiata in the Waitaki District. These are at varying stages of maturity, ranging from 10-30 years. Council's forestry holdings are primarily for aesthetic and land protection purposes.

The annual valuation, dated 30 June 2022, was performed by David Janett, B.For.Sc, MNZIF, a registered forestry consultant, on behalf of Forestry Management Ltd. A pre-tax discount rate of 9.0% (2021: 9.0%) has been used to discount the present value of expected cash flows. All costs and prices used are based on current market information.

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

### Insurance

Council's forestry assets are subject to the risk of fire and storm damage. In the current financial year Council arranged insurance providing maximum cover of \$268,816 (2021: \$268,816) for the forestry plantations, up to \$250,000 (2021: \$250,000) for fire-fighting costs and up to \$111,800 (2021: \$111,800) for replanting and other re-establishment costs.

### Emissions Trading Scheme

Forestry stands are professionally managed and Council adheres strictly to a replanting plan developed by its advisers to ensure that there is no liability related to the Emissions Trading Scheme. Council holds carbon credits specifically related to its forestry asset (refer Note 12).

## Note 14: Financial Assets

### 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.

Classification of financial assets depends on their cash flow characteristics and the Council's management model for managing these. The following categories (as recognised in PBE IPSAS 41 Accounting Standard) are those used for initial classification and subsequent measurement:

#### *Amortised cost*

Financial assets are classified and subsequently measured at amortised cost if they give rise to cash flows that are solely payments of principal and interest on the principal outstanding, and are held within a management model whose objective is to collect the contractual cash flows of the asset.

Such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any expected credit losses (ECL – refer policy below). Where applicable, interest accrued but unpaid at balance date is added to the investment balance. Includes term deposits, and external loans.

#### *Fair value through other comprehensive revenue and expense (FVTOCRE)*

Financial assets are classified and subsequently measured at fair value through other comprehensive revenue and expense if they give rise to cash flows that are solely payments of principal and interest and are held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Council holds no assets in this category.

#### *Fair value through surplus and deficit (FVTSD)*

Financial assets that do not meet the criteria to be measured at amortised cost or at FVTOCRE are subsequently measured at fair value through surplus and deficit. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at fair value through other comprehensive revenue and expense.

Subsequent to initial recognition, financial assets in this category are measured at fair value with fair value gains or losses recognised in surplus or deficit. Interest revenue recognised from such financial assets are separately presented within revenue. Includes equity investments, LGFA borrower notes, and the investment in the Ōmārama Airfield Limited joint venture.

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

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

### Expected Credit Loss Allowance (ECL)

Council recognises an allowance for ECLs for all debt instruments not classified as fair value through surplus and deficit. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

Council and the group consider a financial asset to be in default when the asset is more than 90 days past due. It may be determined that a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

### Investment in Subsidiaries

Council consolidates in the group financial statements all entities where Council can control financing and operating policies to obtain benefits from the activities of the subsidiaries. This right exists through the exercise of majority voting power on the governing body, where such policies have been irreversibly determined by Council, or where the determination of such policies would not materially affect the potential ownership benefits arising from the subsidiary.

Investments in subsidiaries are held at cost in Council's parent entity financial statements.

Whitestone Contracting Ltd	4,600	4,600	-	-
Tourism Waitaki Ltd	103	103	-	-
Waitaki District Health Services Ltd	-	-	-	-
Waitaki Whitestone Geopark Trust	-	-	-	-
<b>Total Investment in Subsidiaries</b>	<b>\$4,703</b>	<b>\$4,703</b>	-	-

	Council Only		Consolidated	
	2022	2021	2022	2021
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

### Interest in Joint Venture (Fair Value through Surplus and Deficit)

Council holds 50% ownership of Ōmārama Airfield Limited for strategic reasons and adjusts the value of its holdings by its share of the company's surplus or deficit at each balance date.

Opening balance	1,644	1,675	1,644	1,675
Share of reported surplus / (deficit)	121	(31)	121	(31)
<b>Closing balance</b>	<b>\$1,765</b>	<b>\$1,644</b>	<b>\$1,765</b>	<b>\$1,644</b>

Operating results and financial position for Ōmārama Airfield Limited are summarised below:

Operating Revenue	95	97	95	97
Operating Expenditure	(159)	(159)	(159)	(159)
Revaluation of Properties	310	-	310	-
<b>Annual Surplus / (Deficit)</b>	<b>\$246</b>	<b>(\$62)</b>	<b>\$246</b>	<b>(\$62)</b>
<b>Council's share of Surplus / (Deficit)</b>	<b>\$121</b>	<b>(\$31)</b>	<b>\$121</b>	<b>(\$31)</b>
Total Assets	\$3,546	\$3,323	\$3,546	\$3,323
Total Liabilities	(\$16)	(\$36)	(\$16)	(\$36)

### Listed and Unlisted Shares, LGFA Borrower Notes (Fair Value through Surplus and Deficit)

Council holds listed or unlisted shares for strategic or other reasons. The intention on acquisition is normally to hold long term. Shares are classified as non-current unless disposal is expected within the following year. Investments in shares in the unlisted companies below are valued at cost as there is no market, or any likely market, for the shares, and there have been no recent share sales on which to base a fair value:

#### Civic Financial Services Ltd

120,000 shares (1.07% ownership)	114	114	114	114
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#### Lower Waitaki Irrigation Co Ltd

2,909 Shares (11.5% ownership)	31	31	31	31
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#### Local Government Funding Agency (held as a condition of borrowing from the LGFA)

LGFA Borrower Notes – non-current	467	263	467	263
LGFA Borrower Notes – current	51	50	51	50
<b>Total LGFA Borrower Notes</b>	<b>518</b>	<b>313</b>	<b>518</b>	<b>313</b>
<b>Total Investments in and with other entities</b>	<b>\$663</b>	<b>\$458</b>	<b>\$663</b>	<b>\$458</b>

Categorised as Non-current	612	408	612	408
Categorised as Current	51	50	51	50
<b>Total Investments in and with other entities</b>	<b>\$663</b>	<b>\$458</b>	<b>\$663</b>	<b>\$458</b>

	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

### Term Deposits (Amortised Cost)

Council and members of its consolidated group may place surplus funds on deposit with trading banks.

Deposits with maturity dates less than or equal to 3 months from the date of the deposit are included as part of Cash and Cash Equivalents and are detailed in Note 15.

#### Current

Term Deposits maturing between 3 & 12 months	2,003	-	2,816	2,910
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### Loans to Other Entities (Amortised Cost)

Funds advanced to external entities to promote community wellbeing and economic development within the Waitaki district.

North Otago Irrigation Co Ltd	14,201	14,698	14,201	14,698
Observatory Village Charitable Trust Group	15,599	10,959	-	-
Kurow-Duntroon Irrigation Co Ltd	3,130	3,112	3,130	3,112
Advances to other entities	524	1,308	524	608
<b>Loans to other entities</b>	<b>\$33,454</b>	<b>\$30,077</b>	<b>\$17,855</b>	<b>\$18,418</b>
Expected Lifetime Credit Losses**	-	(119)	-	(119)
<b>Loans to other entities</b>	<b>\$33,454</b>	<b>\$29,958</b>	<b>\$17,855</b>	<b>\$18,299</b>
Categorised as Non-current	33,053	27,154	17,454	17,913
Categorised as Current	401	2,804	401	386
<b>Total</b>	<b>\$33,454</b>	<b>\$29,958</b>	<b>\$17,855</b>	<b>\$18,299</b>

Interest due on loans at year end is added to the loan balance for reporting purposes.

Elements of certain loans are provided free of interest having regard particularly to heritage interests and community support. Council has not discounted the value of these loans to reflect a notional income stream because the net result of such action would be immaterial.

The largest advances are:

#### North Otago Irrigation Co Ltd

General Security Agreement over Company assets including Water Supply Contracts and Memoranda of Encumbrances between NOIC and the irrigators. Fully repaid by January 2031.

#### Observatory Village Charitable Trust Group

General Security Agreement over assets of the company. Fully repaid by 30 June 2035. A portion of this advance has been made free of interest.

#### Kurow-Duntroon Irrigation Co Ltd

General Security Agreement over assets of the company. Fully repaid by 9 November 2033.

	Council Only		Consolidated	
	2022	2021	2022	2021
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

\*\*In 2021, Council recognised a provision for lifetime ECL on certain loans because of difficulties encountered by borrowers due to ongoing impacts of the COVID pandemic. These loans have been reviewed and, as one has been fully repaid and payments of principal have restarted for the other, the provision established in 2021 is no longer required and has therefore been reversed.

Council monitors external loans for indicators of financial stress and hardship and engages with borrowers at the earliest possible stage in order to resolve issues.

#### **Maturity Profile of Lending**

Due within one year	401	2,804	401	386
Due between one and two years	650	2,319	680	711
Due between two and five years	8,397	7,920	3,902	3,970
Due beyond five years	24,006	16,915	12,872	13,232
<b>Total</b>	<b>\$33,454</b>	<b>\$29,958</b>	<b>\$17,855</b>	<b>\$18,299</b>

The effective interest rate on secured loans at year end was 2.74% (2021: 2.63%).

#### **Movements in Loans to other entities**

Balance at 1 July	29,958	33,041	18,299	20,684
New or increased loans made during the period	5,418	35	18	35
Interest accrued at balance date	-	10	-	-
Payments made in reduction of loans	(2,041)	(3,009)	(581)	(2,301)
ECL allowance reversed (recognised)	119	(119)	119	(119)
<b>Balance at 30 June</b>	<b>\$33,454</b>	<b>\$29,958</b>	<b>\$17,855</b>	<b>\$18,299</b>



Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 15: Cash and Cash Equivalents

### Cash and Cash Equivalents – Policy

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying value of cash at bank and term deposits maturing within three months approximates fair value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position – see Note 20.

### Analysis of Cash and Cash Equivalents:

Cash at bank and in hand	559	180	5,148	1,309
Deposits with initial terms of 3 months or less	1,501	2000	1,501	2,861
Total Cash and Cash Equivalents	<u>\$2,060</u>	<u>\$2,180</u>	<u>\$6,649</u>	<u>\$4,170</u>
Bank overdrafts (refer note 20)	-	-	-	(588)
Total per Statement of Cash Flows	<u>\$2,060</u>	<u>\$2,180</u>	<u>\$6,649</u>	<u>\$3,582</u>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 16: Trade and Other Receivables

### Trade and Other Receivables – Policy

Receivables from both Non-exchange and from Exchange Transactions are recorded at the amount due less an allowance for expected credit losses (ECL).

Council and group members apply a simplified ECL model for recognising lifetime ECL for receivables. In measuring ECLs, receivables are grouped into Rate receivables and Other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rate receivables are “written off”:

- when remitted in accordance with Council’s rate remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating Act) 2002.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than a year overdue.

### Receivables comprise

Arising from non-exchange transactions

Outstanding debt related to rates, external grants, infringements and fees and charges for services that are partly subsidised from rates	3,073	4,245	5,459	5,846
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Arising from exchange transactions

Outstanding debt related to commercial sales, and fees and charges that are not subsidised from rates	1,901	1,558	3,469	4,596
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Total Receivables	<u>\$4,974</u>	<u>\$5,803</u>	<u>\$8,928</u>	<u>\$10,442</u>
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	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

#### Analysis of Receivables, and Other Information:

Rates	1,667	1,405	1,667	1,405
Sundry Debtors	2,006	2,906	6,239	7,630
Accrued Revenue	1,413	1,727	1,374	1,728
Infringements	81	69	81	69
Inter-company	198	43	-	-
Total Receivables	5,365	6,150	9,361	10,832
Less Allowance for Credit Losses	(391)	(347)	(433)	(390)
Total Receivables	\$4,974	\$5,803	\$8,928	\$10,442

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

#### Aging Profile of Sundry Debtors

Not yet overdue	1,597	1,896	5,042	5,831
Overdue 0 – 30 days	116	271	494	892
Overdue 30 – 60 days	52	162	75	161
Overdue more than 61 days	439	620	628	746
Total Sundry Debtors	\$2,204	\$2,949	\$6,239	\$7,630

#### Expected Credit Loss Allowance (Provision for Impairment)

##### *Rates Debtors*

Council has powers under the Local Government (Rating) Act 2002 enabling it to recover outstanding debts including, as the ultimate sanction, the ability to sell the rating unit to which unpaid rates relate. Council recognises that overdue rates are a cost on the community, but invoking its powers related to selling property to pay outstanding rates rarely results in a satisfactory outcome and usually leaves a balance to be written off, so has decided that it is appropriate to continue with past practice of providing as doubtful the full amount of overdue rates related to prior years, and 10% of unpaid rates and penalty interest charges related to the current year.

##### *Infringement Debtors*

Infringements remaining unpaid after thirty days are transferred to the Ministry of Justice courts system for further action. Council's experience has been that collection of outstanding infringements, even utilising the court's auspices, is a long-drawn out process with no certainty of success, so believes it is appropriate to continue to recognise 50% of unpaid infringements lodged with the courts as doubtful of collection.

##### *Other receivables*

Council must deal with a broad spectrum of its community without the benefit of being able to refuse credit. However, Council's experience is that most of its debtors deal professionally with Council and make payments as and when required.

Accordingly, Council bases its ECL on a review of outstanding receivables at balance date and adjusts the provision for impairment based on that review. Group members are able, within certain limitations, to exercise greater discretion when extending credit facilities to external parties but undertake the same review processes as those completed by Council to determine the appropriate level of ECLs to apply.

	Council Only		Consolidated	
	2022	2021	2022	2021
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

#### Analysis of Allowance for Credit Losses:

Individual provision	34	37	76	80
Collective provision	357	310	357	310
Total Allowance for Credit Losses	<u>\$391</u>	<u>\$347</u>	<u>\$433</u>	<u>\$390</u>

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

#### Movements in the Allowance for Credit Losses:

Opening balance	347	230	390	334
Increase / (Decrease)	98	207	103	206
Less Receivables written off	(54)	(90)	(60)	(150)
Total Allowance for Credit Losses	<u>\$391</u>	<u>\$347</u>	<u>\$433</u>	<u>\$390</u>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 17: Non-Current Assets Held for Sale

### Non-Current Assets Held for Sale – Policy

- Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.
- Such assets are valued at the lower of the carrying value and fair value less disposal costs.
- Impairment losses for write-downs of such assets held for sale are recognised in surplus or deficit.
- Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.
- Non-current assets are not depreciated while they are classified as held for sale.

### Analysis of Assets Held for Sale:

Land – North End Industrial Park, 3 sites	1,150	1,150	1,150	1,150
Land – Other (2021: 5 residential sections)	-	261	-	261
Land – two industrial properties	-	-	465	-
Motor vehicles – (2021: 2)	-	56	-	56
Total Assets held for Sale	<u>\$1,150</u>	<u>\$1,467</u>	<u>\$1,615</u>	<u>\$1,467</u>

### Classification of Assets Held for Sale

Non-current asset	1,150	1,150	1,150	1,150
The North End Industrial Park sites are subject to a sale and purchase agreement, with settlement deferred for ten years with final settlement due 26 August 2024. Until final settlement Council is effectively leasing the properties to the purchaser.				
Current asset	-	317	465	317
Total Assets held for Sale	<u>\$1,150</u>	<u>\$1,467</u>	<u>\$1,615</u>	<u>\$1,467</u>

## 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	41	18	68	64
Metal and Soil Stocks	71	136	178	403
Other Supplies	-	-	458	388
Total Inventory, classified as Current	<u>\$112</u>	<u>\$154</u>	<u>\$704</u>	<u>\$855</u>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 19: Construction Contracts

### Construction Contracts – Policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. This is measured by reference to the contract costs incurred as a percentage of total estimated costs for each contract. Contract costs include all costs directly related to specific contracts, those that are specifically chargeable to the customer under the terms of the contract and an allocation of overheads incurred in relation to 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 expensed 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	-	-	5,283	6,655
Profit recognised to date	-	-	1,784	1,296
Gross construction work in progress	-	-	7,067	7,951
Less progress billings	-	-	(6,938)	(8,382)
Construction work in progress	-	-	129	(432)
Add back Income charged in advance	-	-	172	607
Net Construction Work in Progress	-	-	301	175
Other contracts	-	-	100	41
Total Work in Progress	-	-	\$401	\$216

	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

## Note 20: Borrowings

### Borrowings – Policy

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at the amount borrowed. Interest due but unpaid at balance date is accrued and added to the outstanding balance as a current liability.

Borrowings are classified as current liabilities when settlement is contractually due within 12 months after balance date. In all other circumstances, borrowings are classified as term liabilities.

### Analysis of Borrowings:

#### Non-Current Borrowing

LGFA Loans	18,500	10,500	18,500	10,500
Bank Loans	-	-	948	1,014
Ministry of Business Innovation & Employment (MBIE) Loan	-	-	448	-
<b>Total</b>	<b>\$18,500</b>	<b>\$10,500</b>	<b>\$19,896</b>	<b>\$11,514</b>

#### Current Borrowing

LGFA Loans	6,500	4,500	6,500	4,500
LGFA Loans – accrued interest	74	21	74	21
Bank Loans	-	1,000	66	1,063
Bank Overdrafts	-	-	-	588
<b>Total</b>	<b>\$6,574</b>	<b>\$5,521</b>	<b>\$6,640</b>	<b>\$6,172</b>
<b>Total Borrowings</b>	<b>\$25,074</b>	<b>\$16,021</b>	<b>\$26,536</b>	<b>\$17,686</b>

### Reconciliation of movements in liabilities arising from financing activities

Opening balance	16,021	7,400	17,686	8,537
Less Bank overdraft repaid	-	-	(588)	-
New advances	14,250	33,400	14,698	15,558
Advances repaid	(5,250)	(24,800)	(5,313)	(6,430)
Non-cash changes – change in interest accrued	53	21	53	21
<b>Total Borrowings</b>	<b>\$25,074</b>	<b>\$16,021</b>	<b>\$26,536</b>	<b>\$17,686</b>

### Repayment Terms

The following is a maturity analysis of total debt:

Payable no later than one year	6,574	5,521	6,640	6,172
Payable between one and five years	14,500	8,500	15,242	8,782
Later than five years	4,000	2,000	4,654	2,732
<b>Total Borrowings</b>	<b>\$25,074</b>	<b>\$16,021</b>	<b>\$26,536</b>	<b>\$17,686</b>

## Security

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

## Interest Terms for Secured Loans

LGFA loans are subject to a mix of fixed and floating interest rates which are re-set at defined intervals. Bank Loans are subject to customised loan rates based on floating rates plus a margin, and rates are re-set by the lender quarterly. The MBIE advance is interest-free until March 2024, then fixed at 3%p.a. with full settlement due in 2027.

## Financial Guarantee Obligations

The Council is an unrated guarantor for the LGFA. Full details concerning this contingent liability are to be found in Note 27 Contingencies. Council has no other financial guarantees in place.

## Internal Loans (Council Only)

Council's Liability Management and Investment Policy established an internal loan system using surplus cash reserves to fund activities in preference to raising external debt. Internal loans are regarded as part of ratepayer debt because, when those surplus cash reserves were called upon for the purpose for which they were raised, external loans would be required to replace those used internally. Council reached the position of requiring external loans in the 2020 financial year. Internal loans are eliminated on consolidation of Council's activities, and are detailed below:

### Movements for the year ended 30 June 2022

	Interest Expense \$000	Opening Balance \$000	Increased Borrowing \$000	Principal Repaid \$000	Closing Balance \$000
Roads and Footpaths	15	323	519	(152)	690
Waste Water	160	4,039	1,278	(146)	5,171
Water Supply	458	12,768	1,580	(1,678)	12,670
Waste Management and minimisation	5	142	3	(13)	132
Arts, Heritage and Culture	3	78	-	(14)	64
Parks and Recreation	25	615	108	(27)	696
Community amenities	55	1,427	551	(71)	1,907
Oamaru Harbour and Historic Precinct	137	3,521	620	(179)	3,962
Commercial and Development Activities	285	8,673	385	(649)	8,409
Environment and Regulatory	10	252	43	-	295
Support Services	(1,150)	-	-	-	-
	-	\$31,838	\$5,087	(\$2,929)	\$33,996



**Movements for the year ended 30 June 2021**

	<b>Interest Expense \$000</b>	<b>Opening Balance \$000</b>	<b>Increased Borrowing \$000</b>	<b>Principal Repaid \$000</b>	<b>Closing Balance \$000</b>
Roads and Footpaths	12	397	-	(74)	323
Waste Water	85	2,215	1,906	(82)	4,039
Water Supply	395	10,556	3,902	(1,690)	12,768
Waste Management and minimisation	5	156	-	(14)	142
Arts, Heritage and Culture	3	88	-	(10)	78
Parks and Recreation	19	566	135	(86)	615
Community amenities	26	592	884	(49)	1,427
Ōamaru Harbour and Historic Precinct	98	2,836	885	(200)	3,521
Commercial and Development Activities	256	8,639	684	(650)	8,673
Environment and Regulatory	-	-	252	-	252
Support Services	(898)	-	-	-	-
	-	\$26,045	\$8,648	(\$2,855)	\$31,838

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 21: Provisions

### Provisions – Policy

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

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

### Landfill Aftercare and Site Restoration

Opening	621	567	631	574
Provision utilised	(30)	(8)	(30)	(8)
Additions to / Reduction in Provision	(302)	62	(207)	65
<b>Total Provisions</b>	<b>\$289</b>	<b>\$621</b>	<b>\$394</b>	<b>\$631</b>
Analysed:				
Non-Current	281	365	281	365
Current	8	256	113	266
<b>Total Provisions</b>	<b>\$289</b>	<b>\$621</b>	<b>\$394</b>	<b>\$631</b>

### Critical Accounting Estimates and Assumptions – Estimating Aftercare Costs

Council has operated landfills in Ōamaru and Palmerston. As a condition of its consents, Council must maintain and monitor those landfills after their closure, including establishing a provision to undertake clean-up work, at these, and other potentially contaminated sites. Council has engaged an independent consultant, David Brown, NZCE-Civil, REA, of Waugh Consultants Ltd, to assess and value Council's landfill aftercare provision.

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

The provision is based on the expected life of the remaining active landfill site, as determined by current and expected future volumes, and the anticipated costs of cleaning up, capping and monitoring both sites. Gross projected costs, before being discounted to present value using a discount rate of 5.0% (2021: 5%), amount to \$454,450 (2021: \$1,073,450).

The provision has reduced because the quantum and timing of works required has been reassessed.

### Site Restoration

Established for the restoration of land used by a Group member for quarrying and other processes.

Council Only		Consolidated	
2022	2021	2022	2021
\$000	\$000	\$000	\$000

## Note 22: Employee Entitlements

### Employee Entitlements – Policy

#### Short-Term Benefits

Employee benefits that are expected 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, annual leave earned, but not yet taken, at balance date, and long service leave, and other entitlements expected to be settled within 12 months.

Group members recognise a liability and expense for bonuses if contractually obliged or where a past practice has created a constructive obligation.

#### Long-Term Benefits

Entitlements payable beyond 12 months, such as un-vested long service leave, are calculated on an actuarial basis having consideration of:

- likely future entitlements accruing to staff, based on years of service and years to entitlement; and
- likelihood of staff reaching the point of entitlement; and
- contractual entitlements information; and
- present value of estimated future cash flows, using appropriate discount rates and inflation factors.

### Analysis of Employee Entitlements:

#### Current Liabilities

Accrued Salaries and Wages	228	202	783	801
Annual Leave	1,372	1,168	3,878	3,395
Long Service Leave	61	78	114	87
Sick Leave	-	-	53	33
Continuing Medical Education	-	-	77	42
<b>Current Employee Entitlements</b>	<b>\$1,661</b>	<b>\$1,448</b>	<b>\$4,905</b>	<b>\$4,358</b>

#### Non-current Liabilities

Annual Leave	-	-	-	26
Long Service Leave	103	93	157	197
Sick Leave	-	-	15	86
<b>Non-current Employee Entitlements</b>	<b>103</b>	<b>93</b>	<b>172</b>	<b>309</b>
<b>Total Employee Entitlements</b>	<b>\$1,764</b>	<b>\$1,541</b>	<b>\$5,077</b>	<b>\$4,667</b>

### Critical Accounting Estimates and Assumptions – Estimating Retirement and Long Service Leave Obligations

The present value of retirement and long service leave obligations depend on factors that are determined on an actuarial basis. Key assumptions made in estimating the liability are the discount rate (2% - 5%) and salary inflation factor (2% - 4.2%). Changes in these factors can materially affect the amount of the liability. A further important factor is the assumption made in respect of each individual employee of the likelihood that they will reach the thresholds necessary to enable them to access the entitlement.

	Council Only		Consolidated	
	2022	2021	2022	2021
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 23: Leases

### Finance Leases

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

Current portion	-	-	153	87
Non-current portion	-	-	616	498
<b>Total</b>	<u>\$-</u>	<u>\$-</u>	<u>\$769</u>	<u>\$585</u>

### Operating Leases as a Lessor

Council holds properties for cultural, social and economic development purposes and, where possible, leases properties to individuals, businesses and community organisations for an economic return.

Rental income arising offsets costs that might otherwise have been met from rates or, in the case of Endowment properties, is credited to the appropriate reserve.

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

Council holds its property portfolio for the benefit of current and future ratepayers and the district as a whole. Total rental income earned in the 2022 financial year amounted to \$2,341k (2021: \$2,039k) and includes income from community and other residential properties, leases for which are generally not fixed term and are cancellable by either party upon receipt of suitable notice as stipulated in the lease agreement. Commercial leases range from 12 months to more than thirty years. Longer term leases are subject to a base term followed by a series of rights of renewal, and regular rent reviews.

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

Revenue due within 1 year	1,344	1,123	1,163	957
Revenue due between 1 and 2 years	1,287	907	1,100	737
Revenue due between 2 and 5 years	3,492	2,315	2,830	1,867
Revenue due beyond 5 years	15,074	4,708	11,446	2,666
<b>Total</b>	<u>\$21,197</u>	<u>\$9,053</u>	<u>\$16,539</u>	<u>\$6,227</u>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 24: Trade and Other Payables

### Trade and Other Payables – Policy

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

Revenue Charged or Received in Advance relates to funds that have been received, but not yet earned, by Council, and other group members and is regarded as a liability until conditions related to the stipulated use of the funding have been fulfilled. Such revenue includes Rates paid in advance and Government and other external funding received for which conditions have still to be met.

Deposits held by Council relate to undertakings made by developers and other parties in respect to work that Council has required be completed. Deposits are refunded when Council receives evidence to its satisfaction that the required works have been completed.

### Analysis of Trade and Other Payables:

Sundry Creditors	4,638	5,119	10,055	10,552
Accruals	716	692	1,174	1,042
Owing to Subsidiaries	469	1,081	-	-
Revenue Charged or Received in Advance	1,424	3,061	1,710	4,048
Deposits	199	213	199	213
<b>Total Trade and other payables</b>	<b>\$7,446</b>	<b>\$10,166</b>	<b>\$13,138</b>	<b>\$15,855</b>

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 25: Occupational Right Agreements and Obligations to Residents

Residents make interest-free advances to the retirement village under Occupancy Right Agreements (ORA) in exchange for the right to occupy retirement village units. Under the ORA, an encumbrance is recorded over the land title by the statutory supervisor to secure the retirement village's obligations to the license holders which ranks ahead of any bank or other securities and is managed and overseen by Covenant Trustee Services Ltd as the first ranking charge holder in terms of the Retirement Villages Act 2003. The total ORA liability is the outstanding liability to be repaid to the estate of any resident who passes away. It is the purchase price, less revenue earned to date for the elapsed period of residency. The revenue earned by the village is capped at 24% of the purchase price. Estimated occupancy periods are three years for apartments, two years for care units, and eight years for villas.

The amortised value of an ORA is refundable on vacating the unit or apartment, or on termination of the licence (subject to a new agreement being issued), and is classified as a Current Liability as the precise timing of terminating events is not predictable and the retirement village does not have a right to defer settlement, which must occur when there has been a terminating event and subsequent resale of the licence. Therefore the fair value of occupational rights is equal to the face value, being the amount that can be demanded by the resident.

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

### Occupation Right Agreements and Other Obligations to Residents

Occupation Right Agreements	-	-	18,877	17,983
Revenue Charged or Received in Advance	-	-	744	939
<b>Total</b>	<u>\$-</u>	<u>\$-</u>	<u>\$19,621</u>	<u>\$18,922</u>

### Critical Accounting Estimates and Assumption

Village contributions are recognised as revenue on a straight-line basis, requiring management to estimate the period of occupancy of villas, apartments and care suites.

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Note 26: Commitments

Council and members of its consolidated group have outstanding commitments at year end related to the purchase or construction of capital assets and non-cancellable operating leases of property and other items.

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

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

At year end, the following commitments are reported:

### Capital Commitments

Water infrastructure	1,628	1,283	1,352	420
Road infrastructure	4,081	321	2,637	-
Property, Plant & Equipment	724	437	2,923	2,131
Total Capital Commitments	<u>\$6,433</u>	<u>\$2,041</u>	<u>\$6,912</u>	<u>\$2,551</u>

### Operating Leases

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

Not later than one year	176	132	335	293
Later than one year and not later than five years	191	149	349	384
Later than five years	-	-	-	-
Total Operating Lease commitments	<u>\$367</u>	<u>\$281</u>	<u>\$684</u>	<u>\$677</u>

## Note 27: Contingencies

### Council and Group

- Council belongs to the Local Authority Protection Programme (LAPP). Members may be called upon to contribute should a future major natural disaster negatively impact the LAPP. Council will recognise a liability in relation to any future contributions when there is certainty over their amount and timing, but is not aware of any such liability due at, or occurring after, balance date. *See Note 10 – Insurance section – for further information.*
- Council is not aware of any actual or potential personal grievance claims (2021: NIL).
- Council owns and manages closed landfills whose contents are unknown. Resource consents require regular monitoring of these sites. Except for the former Hampden landfill, there are no known defects that might result in a claim, and Council believes defects at this site have been resolved and will completely relocate the contents of this facility to the Palmerston landfill. Future changes to environmental conditions or land use may affect this position. Council has established an Aftercare Provision for Closed Landfills to reflect the estimated future cost of its obligation. *See Note 21 for further information.*
- Council owns forestry plantations which are pre-1990 forest under the emissions trading scheme. If this land is permanently de-forested, a de-forestation penalty may be incurred, the potential amount of which is unknown. This is unlikely to be incurred as Council does not currently intend to de-forest any of its forest holdings. Council has been allocated and holds carbon credits related to its forestry asset. *See Note 13 for further information.*
- Council is an unrated guarantor of the New Zealand Local Government Funding Agency Limited (LGFA) which was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The LGFA has a local currency ratings from S&P Global Ratings of AAA and foreign currency ratings of AA from Fitch and AA+ from S&P.

At year end, Council is one of 30 local authority shareholders and 68 local authority guarantors. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings which, at 30 June 2022, totaled \$15.8 billion (2021: \$13.6 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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



- A group member is subject to potential litigation related to two complaints to the Health and Disability Commissioner. The outcome of further investigation related to these matters is unknown. The company's insurer has been informed. The insurance excess in relation to each complaint is \$20,000, which effectively represents the maximum potential loss to the company and group.
- A group member is aware of a potential issue concerning underpaid employee remuneration and is undertaking a review of payroll hours. Until this has been completed and analysed, the amount of any potential underpayment liability remains unknown and cannot be quantified.
- A group member has established performance bonds amounting to \$1,341,785 (2021: \$1,820,642) to guarantee performance obligations under particular contracts. These bonds are released when performance criteria are met.
- As a significant property owner, Council faces a number of issues, including:
  - Depending on the scale and timing of any structural strengthening or other mitigation work required following an assessment of the findings of the Canterbury Earthquakes Royal Commission of Inquiry, and statutory deadlines for its completion, Council may have to reprioritise other capital projects; and
  - To mitigate the effect of extreme changes in insurance premiums after the Christchurch and Kaikoura earthquakes, Council has self-insured a range of assets, and assumed larger excesses in some cases. This strategy carries increased risk of financial loss, the potential impact of which cannot be accurately quantified. Council continues to monitor this risk and to consider ways by which it can practically limit its exposure. *See Note 10 – Insurance section – for further information.*
- Council and the Group have no contingent assets.

## Note 28: Financial Instruments

Council and the Group are party to financial instrument arrangements as part of normal operations, including bank overdraft and draw-down facilities, short- and long-term borrowings, short-term deposits, investments, debtors and creditors.

All financial instruments are recognised in the Statement of Financial Position, while related income and expenditure is recognised in the surplus or deficit.

### Market Risk

#### *Fair value interest rate risk*

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

#### *Cash flow interest rate risk*

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

Council's liability management policy requires it to maintain at least 70% of its borrowings at fixed rates of interest.

#### *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.

### Liquidity Risk

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

Council maintains flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council endeavours to maintain both a service target level of investments that mature within specified timeframes and borrowing facilities that may be drawn upon to achieve desired outcomes.

Council and other Group members have total bank overdraft facilities of \$1,250,000 (2021: \$1,559,000) and had utilised \$Nil (2021: \$588,422) at balance date.

Council has uncommitted loan facilities of \$1,000,000 (2021: \$14,000,000), and other Group members hold a further \$2,911,736 (2021: \$2,718,933) for the purposes of meeting borrowing needs and had utilised \$1,014,040 (2021: \$1,077,160) of these facilities at balance date.

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

Council is able to draw down further loan funding from the LGFA in terms of its financing policy in order to meet capital expenditure requirements .

Council Only		Consolidated	
2022	2021	2022	2021
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>

## Credit Risk

The risk that a third party will default on its obligations causing Council and the group 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.

Receivables arise mainly from Council's statutory functions, and there are no procedures in place to monitor or report the credit quality of receivables. Council has no significant concentrations of credit risk in relation to receivables as it has a large number of such customers, mainly ratepayers, and has statutory powers under the Local Government (Rating) Act 2002 which enable it to recover outstanding and overdue rates.

While Council's receivables are primarily concentrated within the Waitaki district, the largest single amount due at balance date relates to roading subsidies and other charges owed by Waka Kotahi New Zealand Transport Agency, \$481,308 (2021: \$1,528,432), while the largest receivable for Waitaki District Health Services Ltd is outstanding contractual payments due from the Southern District Health Board (from 1 July 2022, Te Whatu Ora). Council and the group hold no collateral or credit enhancements for financial instruments that give rise to credit risk.

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 detailed in the table below.

Community and other loans (Note 14)	33,454	29,958	17,855	18,299
Term deposits (Note 14)	2,003	-	2,816	2,910
LGFA Notes (Note 14)	518	313	518	313
Cash at bank (Note 15)	2,060	2,180	6,649	4,170
Accounts Receivable (Note 16, excluding rates)*	3,307	4,398	7,261	9,072
Total Financial Instruments	<u>\$41,342</u>	<u>\$36,849</u>	<u>\$35,099</u>	<u>\$34,764</u>

*\*In the above analysis, Accounts Receivable exclude rates receivables, as these do not meet the definition of a Financial Instrument under PBE IPSAS 41.*

	Council Only		Consolidated	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000

### Credit Risk exposure by credit risk rating grades, excluding receivables

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.

Banks rated AA- or better by Standard and Poor's	4,063	2,180	9,465	7,080
Borrower notes with LGFA	518	313	518	313
Advances to other entities with no default history	33,454	29,958	17,855	18,299
Total Cash Equivalents, Term Deposits and Advances to other entities	\$38,035	\$32,451	\$27,838	\$25,692

### Other Matters

Council has performed a sensitivity analysis and estimated that a change in interest rates of 1% would increase, or decrease, Council's reported operating surplus by approximately \$360,306 (2021: \$303,000).

### 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.

	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
<b>Council only - 2022</b>						
Other Financial Assets						
- Investments in Subsidiaries	4,703	-	-	-	-	-
- Investment in Joint Venture	1,765	-	-	-	-	-
- Investments in unlisted shares	145	-	-	-	-	-
- Investments in other entities	518	548	51	90	293	114
- Loans to other entities	33,454	45,245	1,867	2,104	12,406	28,868
Cash and Cash Equivalents	2,060	2,076	2,076	-	-	-
Trade and Other Receivables	4,974	4,974	4,974	-	-	-
Term Deposits	2,003	2,007	2,007	-	-	-
<b>Total Financial Assets</b>	<b>49,622</b>	<b>54,850</b>	<b>10,975</b>	<b>2,194</b>	<b>12,699</b>	<b>28,982</b>
Trade and Other Payables	7,446	7,446	7,446	-	-	-
Employee Entitlements	1,764	1,764	1,661	27	37	39
Borrowings	25,074	28,044	7,006	4,263	12,661	4,114
<b>Total Financial Liabilities</b>	<b>34,284</b>	<b>37,254</b>	<b>16,113</b>	<b>4,290</b>	<b>12,698</b>	<b>4,153</b>
<b>Net Liquidity</b>	<b>\$ 15,338</b>	<b>\$ 17,596</b>	<b>(\$ 5,138)</b>	<b>(\$ 2,096)</b>	<b>\$ 1</b>	<b>\$ 24,829</b>

#### **Council only - 2021**

Other Financial Assets						
- Investments in Subsidiaries	4,703	-	-	-	-	-
- Investment in Joint Venture	1,644	-	-	-	-	-
- Investments in unlisted shares	145	-	-	-	-	-
- Investments in other entities	313	319	51	51	166	196
- Loans to other entities	29,958	36,456	3,659	3,174	10,203	19,420
Cash and Cash Equivalents	2,180	2,187	2,187	-	-	-
Trade and Other Receivables	5,803	5,803	5,803	-	-	-
Term Deposits	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>44,746</b>	<b>44,765</b>	<b>11,700</b>	<b>3,225</b>	<b>10,369</b>	<b>19,616</b>
Trade and Other Payables	10,166	10,166	10,166	-	-	-
Employee Entitlements	1,541	1,541	1,448	93	-	-
Short-term Borrowings	16,021	16,397	5,623	2,101	6,657	2,016
<b>Total Financial Liabilities</b>	<b>27,728</b>	<b>28,104</b>	<b>17,237</b>	<b>2,194</b>	<b>6,657</b>	<b>2,016</b>
<b>Net Liquidity</b>	<b>\$ 17,018</b>	<b>\$ 16,661</b>	<b>(\$ 5,537)</b>	<b>\$ 1,031</b>	<b>\$ 3,712</b>	<b>\$ 17,600</b>

	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
<b>Group - 2022</b>						
Other Financial Assets						
- Investment in Joint Venture	1,765	-	-	-	-	-
- Investments in unlisted shares	145	-	-	-	-	-
- Investments in other entities	518	548	51	90	293	114
- Loans to other entities	17,855	23,167	1,057	1,293	5,695	15,122
Cash and Cash Equivalents	6,649	6,702	6,702	-	-	-
Trade and Other Receivables	8,928	8,928	8,928	-	-	-
Term Deposits	2,816	2,823	2,823	-	-	-
<b>Total Financial Assets</b>	<b>38,676</b>	<b>42,168</b>	<b>19,561</b>	<b>1,383</b>	<b>5,988</b>	<b>15,236</b>
Trade and Other Payables	13,388	13,388	13,388	-	-	-
Employee Entitlements	5,077	5,077	4,905	96	36	40
Borrowings	26,536	29,569	7,076	4,613	13,075	4,805
Finance Leases	769	1,255	267	236	646	106
<b>Total Financial Liabilities</b>	<b>45,770</b>	<b>49,289</b>	<b>25,636</b>	<b>4,945</b>	<b>13,757</b>	<b>4,951</b>
<b>Net Liquidity</b>	<b>(\$ 7,094)</b>	<b>(\$ 7,121)</b>	<b>(\$ 6,075)</b>	<b>(\$ 3,562)</b>	<b>(\$ 7,769)</b>	<b>\$ 10,285</b>
<b>Group - 2021</b>						
Other Financial Assets						
- Investment in Joint Venture	1,644	-	-	-	-	-
- Investments in other entities	458	319	51	51	166	196
- Loans to other entities	18,299	23,152	942	1,256	5,604	15,350
Cash and Cash Equivalents	4,170	4,183	4,183	-	-	-
Trade and Other Receivables	10,442	10,442	10,442	-	-	-
Term Deposits	2,910	2,925	2,925	-	-	-
<b>Total Financial Assets</b>	<b>37,923</b>	<b>41,021</b>	<b>18,543</b>	<b>1,307</b>	<b>5,770</b>	<b>15,546</b>
Trade and Other Payables	15,855	15,855	15,855	-	-	-
Employee Entitlements	4,667	4,667	4,358	-	309	-
Borrowings	17,686	18,094	6,276	2,169	6,879	2,770
Finance Leases	585	604	90	90	269	155
<b>Total Financial Liabilities</b>	<b>38,793</b>	<b>39,220</b>	<b>26,579</b>	<b>2,259</b>	<b>7,457</b>	<b>2,925</b>
<b>Net Liquidity</b>	<b>(\$ 870)</b>	<b>\$ 1,801</b>	<b>(\$ 8,036)</b>	<b>(\$ 952)</b>	<b>(\$ 1,687)</b>	<b>\$ 12,621</b>

## Note 29: Elected Members' Interests Transactions

This disclosure is a requirement of the Local Authorities (Members' Interests) Act 1968 and relates to elected and appointed members who, through their business or other external relationships, have, or may have, dealings with Council in a commercial context.

All amounts are stated in whole dollars.

### Council

#### Mayor Gary Kircher is:

- A Trustee of the Observatory Village Charitable Trust Group - refer to Note 30 for details.
- A member of the Ōamaru Whitestone Civic Trust, which has loans from Council amounting to \$508,500 (2021 \$532,500). It paid interest of \$15,339 and made principal repayments of \$24,000 (2021 – the Trust was excused payments of interest and principal due to the impact of COVID). The Trust provided visitor centre services to Council amounting to \$113,991 (2021: \$Nil) and received grants of \$12,924 (2021: \$60,612). Council owed \$Nil (2021: \$Nil) at year end.
- A member of the Meadowbank United Football Club which received grants of \$Nil (2021: \$610).

#### Deputy Mayor Melanie Tavendale is:

- A Trustee of the Waitaki Whitestone Geopark Trust, refer to Note 30 for details.
- A Director of Waitaki District Health Services Ltd (since 1 March 2022) – refer to Note 30 for details.

#### Councillor Hana Halalele is:

- A Trustee of the Waitaki Safer Community Trust which provided services to Council amounting to \$Nil (2021: \$1,454). Council owed \$Nil (2021: \$181) at year end.

#### Councillor Colin Wollstein is:

- A Director of North Otago Motor Group Ltd which provided vehicle maintenance services to Council amounting to \$14,592 (2021: \$6,386). Council purchased no motor vehicles from the company (2021: 1 vehicle \$41,035) and owed the company \$1,332 (2021: \$333) at year end.

#### Councillor Jeremy Holding is:

- A Trustee of the Waitaki Community Recreation Trust which operates the Waitaki Community Recreation Centre and which received grants from, and provided services to, Council amounting to \$83,670 (2021: \$81,966). Council owed the Trust \$Nil (2021: \$Nil) at year end.

#### Councillor Bill Kingan is:

- President of the North Otago Highland Pipe Band which received funding of \$150 (2021: \$150) in relation to the band's involvement with Anzac Day commemorations.

### Appointed Member

Simon Neale, through his company SN Consulting Ltd, provided services to Council in his capacity as appointed independent member of the Performance, Audit and Risk Committee amounting to \$13,639 (2021: \$3,987). Council owed \$3,450 (2021: \$1,150) at year end.

### Ahuriri Community Board

- Calum Reid, a Board member, is a Director and shareholder of Calect Electrical Ltd which provided services to Council during 2022 amounting to \$697 (2021 \$708). Council owed \$Nil (2021: \$Nil) at year end. Mr Reid is also Chair of the Waitaki Valley Community Society Inc. which operates the Kurow Museum and provided i-site and other promotional services to Council amounting to \$31,252 (2021: \$34,088). Council owed the Society \$Nil (2021: \$Nil) at year end.

- Brent Cowles, a member of the Board, is Managing Director of Get It Now Ltd which received financial support as part of the Mayors Taskforce for Jobs programme amounting to \$10,573 (2021: Nil). Council owed the company \$Nil (2021: \$Nil) at year end.

### **Waihemo Community Board**

- Heather McGregor, Chair of the Board, is Treasurer/Secretary of the Palmerston Waihemo RSA which received funding of \$150 (2021: \$150) in relation to its involvement with Anzac Day commemorations.
- Carol Watson, a member of the Board, is an owner of No.12 The Shed Ltd which, in 2022, undertook contracting work for Council amounting to \$2,116 (2021: \$Nil). Council owed the company \$Nil (2021: \$Nil) at year end.

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

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

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

Close family members of elected members, 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 elected member, key management personnel or other staff member.



## Note 30: Related Party Transactions

Council is the ultimate parent of the Group, controlling, directly or indirectly, five (2021: five) individual trading entities. Through shared directorships and other relationships, there are other related entities, but none over which Council can exert control. Transactions between Council and group members are completed on normal contractual terms, with payments made in accordance with those contracts, or in the month following supply.

Entity and details of transaction	Council only	
	2022 \$000	2021 \$000
<b>Waitaki District Health Services Ltd Group</b>		
<i><b>Waitaki District Health Services Ltd</b></i>		
Services provided by Council	187	81
Interest charged by Council on funds advanced (Note 4)	14	18
Balance owed to Council at year end	197	40
Balance owed by Council at year end	1	-
Outstanding balance of Council loan funding (Note 14)	-	700
<i><b>Observatory Village Charitable Trust Group</b></i>		
Services provided by Council	258	165
Interest charged by Council on funds advanced (Note 4)	302	384
Rates and other amounts paid to Council in advance	37	10
Balance owed to Council at year end	3	4
Outstanding balance of Council loan funding (Note 14)	15,598	10,959
<b>Tourism Waitaki Ltd</b>		
Services provided by Council	225	207
Balance owed to Council at year end	-	1
Services provided to Council	478	456
Balance owed by Council at year end	58	-
<b>Whitestone Contracting Ltd and Group</b>		
Services provided by Council	58	43
Balance owed to Council at year end	1	2
Services provided to Council	2,147	3,272
Balance owed by Council	374	1,081
Dividends paid to Council	32	631
<b>Waitaki Whitestone Geopark Trust</b>		
Grants provided by Council	175	130
<b>Ōmārama Airfield Limited (Joint Venture – 50% owned)</b>		
Services provided by Council	26	23
Services provided to Council	1	4

No provision is required, and no expense has been recognised in relation to impairment of loans or other receivables due from related parties (2021: \$Nil).

## Note 31: Waitaki District Council: Funding Impact Statement for 30 June 2022 (Whole of Council)

	2020/21 Annual Plan \$000	2020/21 Actual \$000	2021/22 Long Term Plan \$000	2021/22 Actual \$000
<b>Sources of Operating Funding</b>				
General Rates, Uniform Annual General Charge, Rates Penalties	6,438	6,442	7,846	7,840
Targeted Rates	25,814	25,826	26,886	27,676
Subsidies and Grants for Operating Purposes	4,261	5,026	4,187	4,553
Fees and Charges	6,929	6,779	7,042	6,511
Interest and dividends from investments	1,544	1,417	1,205	942
Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,363	1,333	1,758	1,335
<b>Total Operating Funding</b>	<b>46,349</b>	<b>46,823</b>	<b>48,923</b>	<b>48,857</b>
<b>Applications of Operating Funding</b>				
Payments to Staff and Suppliers	41,159	46,147	40,920	41,139
Finance Costs	245	169	182	299
Other Operating Funding Applications	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>41,404</b>	<b>46,316</b>	<b>41,102</b>	<b>41,438</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>4,945</b>	<b>507</b>	<b>7,821</b>	<b>7,419</b>
<b>Sources of Capital funding</b>				
Subsidies and Grants for Capital Expenditure	9,473	8,680	12,103	9,141
Development and Financial Contributions	954	1,757	1,044	1,972
Increase / (Decrease) in Debt	-	8,621	17,032	9,053
Gross Proceeds from Sale of Assets	68	1,797	179	962
<b>Total Sources of Capital Funding</b>	<b>10,495</b>	<b>20,855</b>	<b>30,358</b>	<b>21,128</b>
<b>Applications of Capital funding</b>				
Capital Expenditure				
to meet Additional Demand	-	-	-	-
to improve Levels of Service	13,350	10,443	11,978	7,907
to replace Existing Assets	11,721	14,157	12,867	12,185
Increase / (Decrease) in Reserves	(9,631)	(2,468)	1,400	3,250
Increase / (Decrease) of investments	-	(770)	11,934	5,205
<b>Total Applications for Capital Funding</b>	<b>15,440</b>	<b>21,362</b>	<b>38,179</b>	<b>28,547</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(4,945)</b>	<b>(507)</b>	<b>(7,821)</b>	<b>(7,419)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 32: Reconciliation of Funding Impact Statements by Group of Activity

	2021 Annual Plan \$000	2021 Actual \$000	2022 Long Term Plan \$000	2022 Actual \$000
<b>Operating Revenue</b>				
Roads and Footpaths	4,261	4,163	3,610	3,667
Wastewater	665	557	594	564
Stormwater	-	2	-	-
Water Supply	861	520	755	(129)
Waste Management and Minimisation	182	178	202	253
Arts, Culture and Community	648	704	742	729
Parks and Recreation	993	892	983	645
Democracy and Accountability	-	249	26,253	26,798
Economic Development and Property	4,281	4,360	2,507	3,177
Heritage, Environment and Regulation	2,534	3,081	3,278	3,090
Support Services (now included in Democracy and Accountability)	22,290	23,554	-	-
<b>Operational Revenue per Activity FIS</b>	<b>36,715</b>	<b>38,260</b>	<b>38,923</b>	<b>38,794</b>
<b>Total Sources of Capital Funding</b>				
Roads and Footpaths	4,925	4,997	3,979	3,000
Wastewater	133	467	168	1,411
Stormwater	-	-	-	-
Water Supply	441	11,750	4,513	4,884
Waste Management and Minimisation	-	-	-	-
Arts, Culture and Community	3,828	71	9	49
Parks and Recreation	428	212	2,534	165
Democracy and Accountability	-	-	18,829	9,993
Economic Development and Property	472	2,513	117	1,108
Heritage, Environment and Regulation	210	409	210	518
Support Services (now included in Democracy and Accountability)	58	436	-	-
<b>Capital Revenue per Activity FIS</b>	<b>10,495</b>	<b>20,855</b>	<b>30,358</b>	<b>21,128</b>
Less Internal Charges and Overheads Recovered	(22,619)	(23,704)	(24,698)	(25,453)
Add total Rates	32,252	32,268	34,732	35,516
<b>Revenue per Total Activities FIS</b>	<b>56,843</b>	<b>67,679</b>	<b>79,315</b>	<b>69,985</b>
Remove proceeds from sale of assets	(68)	(656)	(179)	(318)
Remove (Increased) decreased borrowings	-	(8,621)	(17,032)	(9,053)
Rate remissions offset against expenditure	(255)	(257)	(255)	-
<b>Revenue per Statement of Comprehensive Revenue and Expenditure</b>	<b>56,520</b>	<b>58,144</b>	<b>61,849</b>	<b>60,614</b>

	2021 Annual Plan \$000	2021 Actual \$000	2022 Long Term Plan \$000	2022 Actual \$000
<b>Total Applications of Operating Funding</b>				
Roads and Footpaths	7,175	8,261	6,963	7,150
Wastewater	4,695	4,542	2,683	3,090
Stormwater	453	244	219	338
Water Supply	5,562	5,928	5,479	6,163
Waste Management and Minimisation	1,401	1,375	1,502	1,326
Arts, Culture and Community	4,338	4,643	4,076	3,864
Parks and Recreation	4,884	4,850	5,272	5,155
Democracy and Accountability	4,488	5,040	29,517	27,000
Economic Development and Property	3,821	4,928	3,299	5,323
Heritage, Environment and Regulation	6,783	7,217	6,826	7,483
Support Services (now included in Democracy and Accountability)	20,422	22,993	-	-
<b>Total Operational expenditure per FIS</b>	64,022	70,021	65,835	66,892
Less Internal Charges and Overheads Applied	(20,854)	(23,704)	(22,961)	(23,733)
Less internal charges included in capital	(1,765)	(1,491)	(1,771)	(1,721)
Rate remissions offset against revenue	(255)	(257)	(255)	-
Non-trading losses / (gains)	-	1,984	-	1,726
Add Depreciation and Amortisation	16,255	15,953	16,413	17,318
<b>Expenditure per Statement of Comprehensive Revenue and Expenditure</b>	57,404	62,505	57,260	60,482

<b>Depreciation and Amortisation</b>				
Roads and Footpaths	7,841	7,331	7,449	7,454
Wastewater	1,203	1,306	1,370	1,698
Stormwater	273	273	286	328
Water Supply	2,145	2,105	2,300	2,697
Waste Management and Minimisation	59	60	59	62
Arts, Culture and Community	164	211	182	245
Parks and Recreation	917	916	2,002	1,900
Democracy and Accountability	-	-	773	971
Economic Development and Property	1,920	1,882	1,930	1,908
Heritage, Environment and Regulation	59	60	62	55
Support Services (now included in Democracy and Accountability)	1,674	1,808	-	-
<b>Total Depreciation and Amortisation charges</b>	16,255	15,952	16,413	17,318

## Note 33: Review of Variances Against Budget and the Prior Period

Variances in reported results for the current financial year to the prior year, or to budget, are detailed in the financial commentary in each activity area. The following provides further information concerning significant or unusual variances:

Council only	2022 Actual \$000	2022 LTP Year 1 \$000	2021 Actual \$000
<b>Revenue</b>			

Rates ( <i>Note 1</i> )	35,516	35,585	32,846
Rates are levied in accordance with Council's Finance Policies and the 2021-31 Long Term Plan and include penalties on overdue rates. Variances may arise from development activities and other changes in the rating database between the Plan's adoption and striking the rates and by changes in volumes of water consumed.			
User Charges	3,116	3,162	3,030
Significant variances:			
• Aquatic Centre ( <i>effects of COVID lockdowns</i> )	359	630	520
• Ōamaru Opera House ( <i>COVID impact on shows</i> )	207	301	194
• Car parking fees ( <i>free parking extended after COVID</i> )	86	250	146
• Insurance claim proceeds	1	-	227
Government Grants ( <i>Note 2</i> )	12,790	13,365	12,828
Roading subsidy was under budget \$703k, and budgeted funding of \$750k for the proposed Sports and Events Centre did not eventuate in 2022 but is anticipated for 2023. More revenue was received in relation to the 3 Waters funding package.			
Other Grants and Donations ( <i>refer Note 3</i> )	913	2,808	599
The Cultural Facilities development and proposed Sports and Events Centre projects did not progress, resulting in a funding shortfall of \$2,480k. This may be picked up in subsequent financial periods. Funding was received to support the Mayors Taskforce for Jobs campaign.			

### Expenditure

Personnel Costs ( <i>Note 5</i> )	13,657	14,057	13,211
Although approved staff numbers increased over 2021, unfilled vacancies during the year resulted in an overall cost saving against budget.			
Depreciation and amortisation ( <i>Notes 10 &amp; 12</i> )	17,318	16,413	15,953
The revaluation of 3 Waters infrastructure in 2021 resulted in increased depreciation expense.			
Other expenses ( <i>Note 6 for statutory disclosures</i> )	27,482	26,608	31,188
Other significant variances:			
• Community grants and donations	994	955	1,234
• Contractors, maintenance and other works	14,727	14,820	17,493
• Consultants	2,156	1,345	2,231
• Electricity supply	1,904	1,824	2,037
Other Non-trading Losses / (Gains) ( <i>Note 7</i> )	1,726	-	1,984
Losses on disposal of Fixed Assets were \$1,711k (2021: \$2,154k), gains on disposal were \$4k (2021: \$99k). Forestry holdings reduced in value by \$19k (2021: increase by \$71k).			

<b>Council only</b>	<b>2022 Actual \$000</b>	<b>2022 LTP Year 1 \$000</b>	<b>2021 Actual \$000</b>
Gain/(Loss) on revaluation of Infrastructural Assets	-	-	111,666
Gain/(Loss) on revaluation of Property, Plant and Equipment	42,222	6,959	-
Council assets are revalued on a three-yearly cycle. Water, sewer and Stormwater assets were valued in 2021, and will again be valued in 2024. Council's property and parks assets, and the Ōamaru Airport, were valued in the current year. The resulting gain exceeded budget because of recent significant movements in property prices.			

<b>Statement of Financial Position items</b>			
Property, Plant & Equipment ( <i>Note 10</i> )	1,043,617	908,711	999,190
The revaluation of 3 Waters assets in the 2021 financial year resulted in a substantial unbudgeted increase in value, as has the revaluation of Property, Parks and the Ōamaru Airport in the current year.			

Cash and Cash Equivalents ( <i>Note 15</i> )	2,060	1,761	2,180
Other Financial Assets – Term Deposits ( <i>Note 14</i> )	2,003	13,030	-
The amount of funds held on term deposit longer than 90 days depends on operational and capital requirements. At year end, Council held less funds on term deposit than was budgeted for that reason.			

Loans to other entities – non-current asset ( <i>Note 14</i> )	33,053	25,030	27,154
Loans to other entities – current asset ( <i>Note 14</i> )	401	2,401	2,804
Council provided additional loan funding for the Observatory Village Charitable Trust Group, and a new loan agreement deferred principal repayments until 2024.			

Receivables ( <i>Note 16</i> )	4,974	5,348	5,803
Receivables related to Roading subsidy were considerably reduced on the previous period, and collection of debt related to water meters has improved Council's position overall.			

Provisions – non-current ( <i>Note 21</i> )	281	370	365
Provisions – current ( <i>Note 21</i> )	8	20	256
Future capping and related costs for landfill sites were reassessed, with some work deferred and other items removed entirely.			

Borrowings – non-current liability ( <i>Note 20</i> )	18,500	20,500	10,500
Borrowings – current liability ( <i>Note 20</i> )	6,574	4,532	5,521
Council's borrowings matched budget overall, but the timing of individual maturities and higher interest rates resulted in minor changes between current and non-current categories.			

<b>Statement of Cash Flows</b>			
Net Cash from Operating Activities	16,976	22,428	13,809
Net Cash from Investing Activities	(26,096)	(34,267)	(20,789)
Net Cash from Financing Activities	9,000	10,000	8,600
<i>Refer to the Statement of Cash Flows for further analysis</i>			

## Note 34: Effects of the COVID Pandemic

In March 2020, the World Health Organisation declared the novel coronavirus, COVID, to be a pandemic. The COVID pandemic substantially reduced economic activity on a global scale, and lockdowns imposed by the New Zealand Government at levels 3 and 4 in 2020, and again in August/September 2021 caused significant financial and other issues for Council, its communities and members of its consolidated group which have continued to affect Council and the group during the 2021/22 financial year.

### Council

Effects on individual activities are generally covered in activity reports. Total revenue improved over the 2021 financial year, although the dividend received from Whitestone Contracting Ltd was significantly reduced as a direct impact of the effects the pandemic had on that business's operations during 2021.

Ongoing impacts in 2022 have particularly affected parking revenue (Council has continued to offer free parking until 10am on business days in the Ōamaru CBD), and revenue earned by the Waitaki Aquatic Centre and the Ōamaru Opera House (reduced patronage and limited opportunities for touring shows).

Property rentals have recovered from their downturn in 2021 as those tenants who received rental concessions are now meeting their lease obligations, and penalties applied to overdue rates have returned to normal levels.

Council withstood the economic impact with no staff losses and, during the 2022 financial year, has increased the numbers of staff employed. Because of its solid funding base and contracted revenue sources, Council does not expect long-term or permanent financial damage from the effects of the pandemic, although future Annual and Long Term Plans will have to allow for replenishment of the Disaster Fund which was reduced by \$1,041,913 since 2019 to provide economic stimulus and assistance to local business and communities.

### Effects on Group Members:

#### *Tourism Waitaki Ltd*

The company is heavily reliant on tourist traffic, and continued restrictions on overseas visitors have had a significant impact on operations. I-site and visitor centre operations and management of the Alps2Ocean cycletrail have been taken over by Council.

The company reported an operating deficit despite government support for the Ōamaru Blue Penguin Colony from the Strategic Tourism Assets Protection Programme, and further funding for other specific tourism-related activities. Tourism Waitaki has re-focused its efforts on promoting the district to local travellers and realigned its structure to better match reduced revenues.

#### *Whitestone Contracting Ltd*

The company reported an improved operating surplus for the 2022 financial year after a disappointing result for the 2021 year attributed to the level 4 lockdowns imposed that year, and to delays arising from staff absences. Council received a dividend based on that 2021 operating result that was under budget, but the company's Directors anticipate no lasting long-term financial repercussions as the company has maintenance and civil engineering contracts which are either on-going or about to commence and can draw on banking facilities as needed to meet short term funding shortfalls.

#### *Waitaki District Health Services Ltd Group*

The hospital continued to provide a full range of health services during and since the pandemic, but some non-core services, particularly allied and community outreach services, were paused whenever lockdown levels greater than level 1 were implemented. As a result, there has been no change to core health funding. During higher levels of lockdown, there was a reduction in non-core radiology services. The hospital did not develop or deliver any new or enhanced services due to the pandemic.

The Observatory Village Charitable Trust Group experienced no adverse effects on its operations arising from the COVID pandemic and has continued to provide aged-care services for its residents at all levels of care and during all levels of COVID lockdown. The Trust is continuing to expand the retirement village through the construction of further villas and apartments.

#### *Waitaki Whitestone Geopark Trust*

The Trust was established to facilitate the development of a UNESCO Global Geopark. The Trust was not impacted by the pandemic and continued its operations throughout the period. The Trust has reported operating surpluses for both 2021 and the current financial year, and Council is committed to supporting the Trust.

Representatives of UNESCO visited and reviewed locations that will be incorporated into the proposed Geopark after border restrictions were relaxed, and it appears likely that the concept will progress further with their support. As part of the ongoing development of the Geopark concept, the company is working closely with both Tourism Waitaki Ltd and the Vanished World Trust to bring its vision to fruition.

### **Effects on Joint Venture**

#### *Ōmārama Airfield Limited*

Usage of the company's facilities has returned to about 60% of pre-COVID levels. The joint venture reported an operating deficit for the current financial year that was larger than the budgeted deficit due to reduced operation revenue and the result of the revaluation of infrastructural assets.



## **Note 35: Legislative Breach**

Council was required under section 98(7)(b) of the Local Government Act 2002 to complete and adopt its 2021-22 Annual Report by 31 December 2022. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

## **Note 36: Events Subsequent to Balance Date**

### **Flood event**

In July 2022, a significant weather event caused substantial damage to parts of Council's roading network. Since that time, Council has spent over \$3 million on repairs and has claimed over \$2 million of this cost from Waka Kotahi New Zealand Transport Agency. The unsubsidised balance has been funded from the Disaster Fund and accumulated depreciation reserves.

### **Water Services Reform Programme**

The New Zealand Government is implementing water services reform that is intended to ensure all New Zealanders have safe, clean and affordable water services.

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A Water Services Bill to enable the transfer of these assets and liabilities to the water services entities is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the Council remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities, and to stagger their establishment dates starting from early 2025, with all water services entities to be established by 1 June 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed

### **Review into the future of Local Government**

Central Government announced its intention to review the role and functions of local government entities prior to 30 June 2021.

The initial engagement process has now finished, and the Review into the Future of Local Government has published a draft report, He Mata Whāriki, He Matawānui which poses recommendations and key questions intended to shape a more community-focused and citizen-centred local governance system. Submissions were open until 28 February 2023, and the final report and recommendations are due in June 2023. Because the process has still to be completed, no more substantive detail is available at the time of adopting this annual report and Council is not able to say precisely if or how it might be affected.

### **Funding Contract – Waitaki District Health Services Ltd**

The former Southern District Health Board, a significant funder of services provided by Waitaki District Health Services Ltd, ceased to exist on 30 June 2022. Current funding arrangements have been continued by the new health authority, Te Whatu Ora Health New Zealand until negotiations related to a new replacement funding arrangement are concluded. Council has provided loans to the company in the period subsequent to balance date and will continue to support the company as required pending a satisfactory outcome from the contract negotiations.

## OPPORTUNITIES FOR MĀORI TO CONTRIBUTE TO THE DECISION-MAKING PROCESS

### Existing Arrangements

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

Council acknowledges that Te Rūnanga o Ngāi Tahu is the representative of Ngāi Tahu Whānui and that where any enactment requires consultation with any iwi or any iwi authority, that consultation shall, with respect to matters affecting Ngāi Tahu Whānui, be held with Te Rūnanga o Ngāi Tahu.

Waitaki District Council and Te Rūnanga o Moeraki have a signed Memorandum of Understanding (MoU). The MoU sets out mechanisms and processes that will promote and facilitate effective consultation and liaison between the Council and the Rūnanga.

Waitaki District Council is also a signatory to the Te Rōpū Taiao Otago Governance Charter which formalises the relationship between the Papatipu Rūnanga and the local authorities of the Otago region. The committee primarily deals with higher level decision making concerning environmental resource management within local government.

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
- reference not only to enabling contribution to decision-making but also to fostering Māori capacity to contribute.

## PRINCIPAL ADVISORS

### Auditors

#### Audit New Zealand

For and on behalf of the Controller and Auditor General

### Bankers

#### Bank of New Zealand

Ōamaru

#### ANZ Banking Group

Ōamaru

#### ASB Bank

Auckland

#### Westpac Bank

Dunedin

### Financial Advisors

#### Bancorp

Christchurch

### Insurance Brokers

#### Aon NZ Ltd

Dunedin

### Solicitors

#### Anderson Lloyd

Dunedin

#### Dean and Coleman Law

Ōamaru

#### Hope and Associates

Ōamaru

#### Simpson Grierson

Wellington

### Taxation Advisors

#### Deloitte

Dunedin