

# ANNUAL REPORT SUMMARY

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## 2018–19



**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI

# INTRODUCTION FROM THE COUNCIL AND CHIEF EXECUTIVE

The 2018-19 Annual Report presents Council's progress and performance against the first year of the 2018-28 Long Term Plan from 1 July 2018 to 30 June 2019

## Financial Result

We've ended the year in a strong financial position, despite recording a deficit of (\$1.582 million), largely due to the requirement to write off assets abandoned and decommissioned as a consequence of recent 3 Waters infrastructural upgrades. This is the first deficit recorded by Council after reporting healthy surpluses since 2012.

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

## Infrastructure

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

## Roads

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

## Water

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

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

## Wastewater

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

## Waste Minimisation

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

## Parks and Recreation

The November flood events resulted in a significant amount of damage to the Alps 2 Ocean cycle trail. Fortunately, we were able to secure \$380,000 of additional funding from the Ministry of Business Innovation and Employment to enable us to reinstate the trail and increase resilience to flood damage in the future. We continued to progress construction of the Alps 2 Ocean cycle trail between Aviemore Dam and Kurow with completion of this section scheduled following completion of the Kurow Irrigation works and prior to next Christmas. Additional funding to complete the section of the trail from Sailors Cutting to Benmore Dam has been applied for and we hope this work can commence this summer.

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

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

## Economic Development

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

International commercial airline pilot training began in August 2019, with 15 AirAsia India pilot cadets expected in the first intake. It is expected that this partnership will be worth millions of dollars to the district's economy over the contract term, and we also anticipate job growth in the highly valuable aerospace sector.

## Ōamaru Harbour

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

## Building Services

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

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



Fergus Power **Chief Executive**



Gary Kircher **Mayor for Waitaki**



# WAITAKI - THE BEST PLACE TO LIVE, WORK & PLAY

"Ka titiro ake ki te tihi o Aoraki,  
Heke atu ki te awa tapu o Waitaki,  
Huri ki te moana o Araiteuru,  
Tēnā koutou katoa"

"Look up to the top of Aoraki,  
and back down the Waitaki River,  
to the Coast of the ancient canoe of the  
Gods, Araiteuru,  
Greetings to you all"

## OVERARCHING PRINCIPLE

### PARTNERSHIP

Our community is our taonga  
- to be treasured and encouraged.

By working together we can  
create a district that uses our  
skills and talents in a way that  
enables all to participate, to grow  
and to be valued.



### ECONOMIC WELL-BEING

We enable  
opportunities  
for new and  
existing  
businesses

We keep  
our district  
affordable



### SOCIAL & CULTURAL WELL-BEING

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

We understand  
the diverse  
needs of our  
community



### ENVIRONMENTAL WELL-BEING

We maintain  
the safest  
community  
we can

Waitaki's  
distinctive  
environment  
is valued and  
protected

## COMMUNITY OUTCOMES

What we want to achieve as  
our district evolves

## SUPPORTING PRINCIPLES

Enhancing Council's reputation

We are One Team

Customer Service we are proud of

We do the 'right things right'

We lead decisively



## STRATEGIC PRIORITIES

enabling us to work towards our vision and community outcomes

Improving value  
for money  
and customer  
responsiveness

Pursuing  
opportunities  
for Waitaki to  
improve economic  
sustainability and  
resilience

Providing  
services that  
support a high  
quality of life  
& a vibrant  
district

Continued  
commitment  
to existing  
services

Recognising  
and providing  
for the  
implications  
of climate  
change

## STRATEGIC ACTIONS

for making the Council Vision a reality

With our community  
develop a shared  
strategic vision for  
Waitaki District's  
future

Support new and  
existing businesses to  
create business and  
career opportunities

Enhance and diversify  
Waitaki's visitor  
offering to attract  
year-round visitors

Support private  
sector to address  
gaps in visitor  
facilities and services

Review alignment of  
services and facilities  
to better meet the  
needs of residents  
and visitors

Engage more  
effectively with  
stakeholders to  
improve the impact of  
social and economic  
initiatives

Improve asset  
resilience and  
condition

Being responsive to  
our customers

Attract more families  
to Waitaki to mitigate  
currently anticipated  
demographic trends

Partner with industry  
and government to  
address infrastructure  
challenges

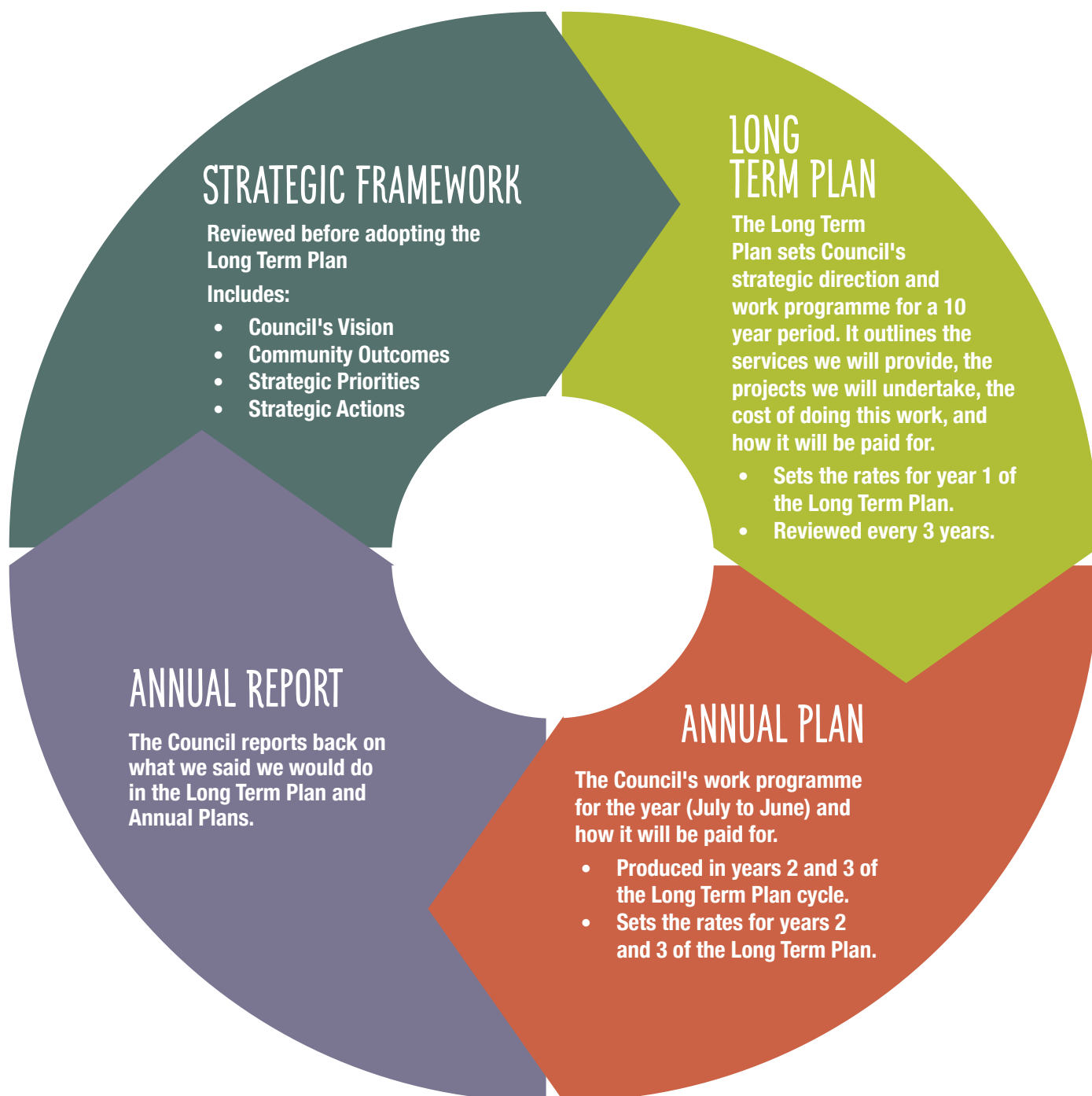
Responding  
to higher  
environmental  
standards

Enhance Council's  
organisational  
capacity



**Waitaki**  
DISTRICT COUNCIL  
TE KAUNIHERA A ROHE O WAITAKI

# OUR PLANNING CYCLE





## Council VISION

*Waitaki*  
**THE BEST PLACE  
TO LIVE, WORK AND PLAY**

## Community OUTCOMES

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

**We keep our  
district affordable**

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

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

**We maintain the  
safest community  
we can**

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

The community outcomes describe how we want our community to be. The activities of Council contribute to a variety of community outcomes.

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# COUNCIL ACTIVITIES

## MEASURING OUR PERFORMANCE

Council uses a number of methods to measure and monitor the quality and effectiveness of the services we provide. These help us to ensure we are delivering what we said we would and that we improve performance where it's required.

Each Council activity has performance measures with targets that they aim to achieve. As we are reporting on the 2018-19 financial year these measures are targets from the 2018-28 Long Term Plan.

The following pages contain a summary of the activities and performance measures we've achieved and not achieved. Full information on these performance measures can be found in the 2018-19 Annual Report at [www.waitaki.govt.nz](http://www.waitaki.govt.nz)

Performance measures results





# ANNUAL RESIDENTS' SURVEY

Each year we survey our residents to find out how we're doing. The questions asked in the survey cover a number of our activities and help us understand what we are doing well and where we need to improve.

There has been a significant improvement in levels of satisfaction with Council's consultation with the community, performance of the Mayor and Councillors and performance of the Ahuriri Community Board.

The two main reasons for satisfaction with the Mayor and Councillors are that they are perceived to be doing a reasonable job, and respondents are happy with what they are accomplishing.

We have undertaken some significant pieces of consultation with the community this year including the Ōamaru HarbOUR Space, the Waitaki District Plan and masterplans for Otematata and Omarama. The increase in resident satisfaction with our consultation with the community is encouraging.

## RESIDENT SATISFACTION SURVEY RESULTS SUMMARY

Residents are most satisfied with...

**89%**

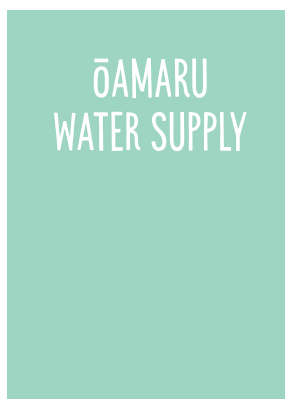
of residents are satisfied with the Library services offered in the district



LIBRARIES

**89%**

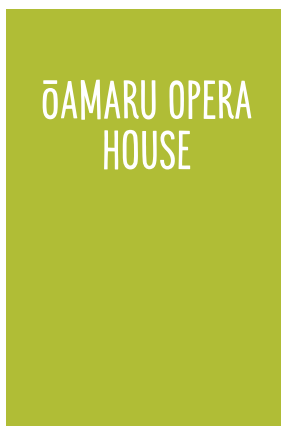
Of residents connected to the Ōamaru water supply are satisfied



ŌAMARU  
WATER SUPPLY

**96%**

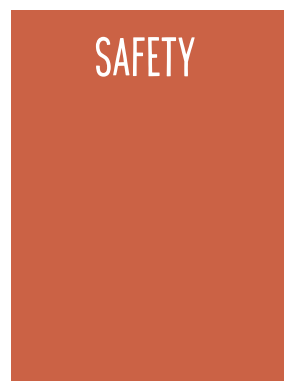
of residents are satisfied with the Ōamaru Opera House



ŌAMARU OPERA  
HOUSE

**85%**

of residents think that the Waitaki district is generally a safe place to be



SAFETY

We need to improve on...

WAIHEMO  
COMMUNITY  
BOARD

**39%**

of residents (in the Waihemo Ward) are satisfied with the performance of the Waihemo Community Board



OUR ROADS

**41%** of residents are satisfied with the sealed roading network, and

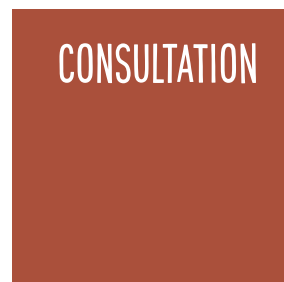
**28%** are satisfied with the unsealed roading network in the district



CONSULTATION

**47%**

of residents are satisfied with Council's consultation with the community





## COUNCIL

Council and Community Boards are governance bodies forming a vital link between communities and Council staff who manage assets and activities. Council and Community Boards are 'democracy in action'.

Our specific community outcomes are:

- ▶ Provide governance structures, planning and reporting to provide cost effective, good quality infrastructure, public services and regulatory functions
- ▶ Provide opportunities for the community to actively contribute to democratic local decision making on services and facilities
- ▶ Provide opportunities to participate in democratic local decision making through representation on Community Boards, Council and by consultation

## WHAT WE'VE DONE

A number of bylaws and policies have been adopted:

- ▶ Waitaki Alcohol Ban Bylaw 2018 was adopted 4 December 2018
- ▶ Dangerous and Insanitary Buildings Policy was adopted 4 December 2018
- ▶ Class 4 Gambling Venues Policy was adopted 10 December 2018
- ▶ TAB Venues Policy 2018 was adopted 10 December 2018
- ▶ Strategic Routes and Priority Thoroughfares document was adopted 28 May 2019

The Ahuriri and Waihemo Community Boards developed 10 year plans which will provide a vision for the Community Boards over the next ten years. The plans will help guide Community Board decisions, action and future engagement with the community and Council.

## PERFORMANCE MEASURES

We have four performance measures – one was achieved and three were not.

**64%** of residents are satisfied with the leadership and direction provided by the Mayor and Councillors (*target = 70%*).

▶ **not achieved**

[2017-18 = 56%]

**55%** of residents are satisfied that the Ahuriri Community Board is making a positive difference (*target = 50%*).

▶ **achieved**

[2017-18 = 44%]

**39%** of residents are satisfied that the Waihemo Community Board is making a positive difference (*target = 50%*).

▶ **not achieved**

[2017-18 = 49%]

**47%** of residents are satisfied with the information provided about Council's current actions and its plans (*target = 60%*).

▶ **not achieved**

[2017-18 = 39%]

# ECONOMIC DEVELOPMENT & PROPERTY

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

Part of Council's leadership involves supporting the economy and communities through economic and community development functions. Council provides advice and encourages initiatives to support existing economic activity and diversification across the district.

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

Our specific community outcomes are:

- ▶ Encourage sustainable development of our local economy through partnerships, innovation, quality infrastructure, and planning
- ▶ Provide advice and encourage initiatives to support existing economic activity and diversification across the district
- ▶ Effectively manage the property portfolio so that returns are maximised and rates input is minimised
- ▶ Provide 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
- ▶ Contribute to the economy of the district

## WHAT WE'VE DONE

- ▶ Council supported the establishment of the NZ Airline Academy at Ōamaru Airport which has won international contracts to train private and airline cadet pilots
- ▶ We have helped the Waitaki Whitestone Geopark Trust advance the district's application to become a UNESCO Global Geopark, including bringing Prof Patrick McKeever (recently Head of Earth Sciences for UNESCO) to the district to tell people about geoparks. This work has strengthened our connections with central Government, local businesses, iwi and a wide range of community groups. We will wait on the outcome of the Geopark application before deciding whether or not to pursue World Heritage Status for Historic Ōamaru.
- ▶ A number of harbour projects are underway. At the Breakwater 8,500 tonne of rock have been installed and concrete repairs have been undertaken. Stage 1 of 2 has been completed on the dredging with 7,000 cubic metres of dredging spoil having been moved.
- ▶ Forrester Gallery – work was undertaken to remediate the building from mould and asbestos. The building has undergone a comprehensive interior and exterior refurbishment including improvements to the fire systems and heating, ventilation, and air conditioning.
- ▶ North Otago Museum – Stage 1 refurbishment for the front exhibition space is well underway. Options for Stage 2 are being developed for consideration.
- ▶ The Palmerston Town Clock was repaired
- ▶ Lakes Centre was upgraded so that the building is now compliant with fire regulations

## PERFORMANCE MEASURES

We have five performance measures four were achieved and one was not achieved:

We received central government business support funding which will support a number of projects (*target = At least 1 key Long Term Plan project receives a level of funding that secures ongoing project development*).

▶ **achieved**

[New measure]

**94%** of Community housing tenants are satisfied with their tenancy (*target = 90%*).

▶ **achieved**

[2017-18 = 98%]

**74%** of Commercial tenants are satisfied with their tenancy (*target = 90%*).

▶ **not achieved**

[2017-18 = 90%]

**95%** of Community housing units are occupied (*target = 90%*).

▶ **achieved**

[2017-18 = 97%]

**100%** of Commercial tenancies are occupied (*target = 90%*).

▶ **achieved**

[2017-18 = 100%]



# HERITAGE, ENVIRONMENT & REGULATION

Council works to create a district where residents feel safe and protected.

We want our natural environment to be protected and sustainable, where we have appropriate emergency services and Council business is conducted in a transparent, prudent and efficient manner

Our specific community outcomes are:

- ▶ Manage the activity efficiently and effectively
- ▶ Resolve commercial and domestic environmental impacts
- ▶ Monitor approved resource consents and conditions to minimise environmental impact and promote sustainable land management
- ▶ Ensure sufficient land is zoned for business, commercial and rural activities
- ▶ Provide building control services in a professional and efficient manner
- ▶ Ensure building consents are processed accurately, efficiently and within statutory timeframes
- ▶ Ensure buildings are safe and do not pose a risk to the public
- ▶ Ensure that food for sale to the public is prepared in safe premises that meet food hygiene regulations
- ▶ Ensure the threat to the community from nuisance or dangerous dogs or wandering stock is minimised
- ▶ Have 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
- ▶ Play an active role in the Safer Waitaki Coalition

## WHAT WE'VE DONE

### Heritage and Planning

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

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

### Regulatory and Environmental

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

### Building services

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

## PERFORMANCE MEASURES

We have 17 performance measures, 11 were achieved, five were not and there was one measure where we were unable to report our performance as no data was provided.

**93%** of resource consents were processed within statutory timeframes (*target = 95%*).

▶ **not achieved**

[2017-18 = 94%]

We maintained Building Consent Authority status (*target = maintain Building Consent Authority status*).

▶ **achieved**

[New measure]

**36%** of dog owners in the district have a selected owner status (*target 31%*).

▶ **achieved**

[New measure]

**61%** of residents are satisfied with emergency services (*target = 80%*).

▶ **not achieved**

[2017-18 = 72%]

**85%** of residents are satisfied that Waitaki is a safe place to live (*target = 80%*).

▶ **not achieved**

[2017-18 = 87%]



## ROADS AND FOOTPATHS

Roads and footpaths are an integral part of our district. They are designed to help drive economic growth and to help keep us safe.

Our specific community outcomes are:

- ▶ Provide roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods
- ▶ Provide transport networks and services that are safe
- ▶ Ensure roading activities are managed efficiently and effectively

## WHAT WE'VE DONE

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

## PERFORMANCE MEASURES

We have seven performance measures two were achieved and five were not:

A reduction in the number of serious injuries and fatalities  
(From 8 in 2017-18 to 7 in 2018-19)

### ▶ achieved

**41%** of residents are satisfied with the condition of Waitaki's non state highway sealed roads (*target = 60%*).

### ▶ not achieved

[2017-18 = 35%]

**28%** of residents are satisfied with the condition of Waitaki's non state highway unsealed roads (*target = 50%*).

### ▶ not achieved

[2017-18 = 29%]

The average quality of the ride on sealed roads, measured by smooth travel exposure was 90% (*target = greater than 90%*).

### ▶ not achieved

[2017-18 = 87%]

**5.5%** of local roads were resealed in 2018-19 (*target = greater than 5%*).

### ▶ achieved

[2017-18 = 6.4%]

**93%** of footpaths within the district met the specified level of service (*target = 96%*).

### ▶ not achieved

[2017-18 = 95.6%]

**90%** of requests for service relating to roads and footpaths were responded to within agreed timeframes (*target = greater than 90%*).

### ▶ not achieved

[2017-18 = 92%]



## WATER SERVICES AND WASTE

Water and waste are fundamental to our community. Council aims to provide these services in a safe and reliable way that is affordable for ratepayers. Through different initiatives we encourage people to recycle and protect the natural beauty of our environment.

Our specific community outcomes are:

- ▶ Provide access to affordable, reliable, accessible and efficient waste disposal systems and facilities
- ▶ Manage the activity in accordance with consent conditions and enforcement of the relevant legislation to mitigate adverse environmental effects
- ▶ Encourage minimisation, reuse and recycling of waste
- ▶ Encourage the provision of different waste disposal options by the private sector
- ▶ Provide assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth
- ▶ Provide community reticulated systems in agreed areas
- ▶ Protect the communities from drinking water related health issues by providing quality potable water to agreed areas
- ▶ Manage flooding events in urban areas
- ▶ Acknowledge and incorporate the natural environment in design, construction, operation and maintenance of infrastructure
- ▶ Provide a timely response to service requests and system failures
- ▶ Manage the activity efficiently and effectively
- ▶ Maintain the quality and continuity of stormwater services, and wastewater services
- ▶ Protect the community from wastewater related health issues

## WHAT WE'VE DONE

Protected the public health of Waitaki communities by continuing to:

- ▶ Source, treat, store and distribute drinking water to more than 20,000 residents across 15 water supplies.
- ▶ Collect and dispose of stormwater across eight community areas.
- ▶ Collect, treat and dispose of wastewater from over 14,000 residents across eight networks.

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

## PERFORMANCE MEASURES

We have 22 performance measures 11 were achieved, eight were not and three were new measures with the baseline being established this year. Below are some of the key performance measures:

The total number of complaints received about drinking water was 27.3 per 1,000 connections to Council's networked reticulation system (*target = less than 25 per 1,000 connections*).

▶ **not achieved**

[2017-18 = 28.8]

There was 1 flooding event in Council's stormwater reticulation system (*target = 0*).

▶ **not achieved**

[2017-18 = 1]

The length of time to respond to water supply issues and complaints was met in some cases but not in all.

▶ **achieved/not achieved**

[2017-18 = Achieved/Not achieved]

**97%** of residents live within 25km of a transfer station, landfill or recycling centre (*target = greater than 90% of residents*).

▶ **achieved**

[2017-18 = 97%]

468kg of waste was generated per person in Waitaki and received at the Ōamaru Refuse Transfer Station and Palmerston landfill in 2018-19 (*target = a reduction in the volume of waste generated*).

▶ **New measure**



forward to the 2019/20 financial year. Planning for this commenced in February.

Stage 2 of the South Hill water main upgrades was completed by the June 2019 deadline. This extensive project has greatly improved supply resilience and capacity in the South Hill area.

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

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

We helped the Waitaki Resource Recovery Park communicate changes to contractors and the community regarding changes to recycling services following the collapse of global recycling markets for 3 to 7 plastics.



## PARKS AND RECREATION

Our green-spaces, sports fields and other recreational facilities provide many opportunities for people to enjoy different activities and events.

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

Our specific community outcomes are:

- ▶ Provide parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses
- ▶ Provide activities at low cost or free to users and manage the activity efficiently and effectively
- ▶ Acknowledge the needs of the wider community and cultural and recreation/sport groups through the provision of multipurpose spaces
- ▶ Meet industry standards and provide opportunities for people to feel safe while being active and to connect the community through sport and recreation
- ▶ Comply with resource consents and regulations
- ▶ Provide opportunities for people to enjoy the district's distinctive environment
- ▶ Provide facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events, accommodation.

## WHAT WE'VE DONE

- ▶ Flooding in November resulted in unplanned remedial work and reprioritising our work programme for the year. This coupled with warm temperatures resulted in high growth rates throughout spring with maintenance issues from spring into summer. We had these issues resolved by mid to late summer with continued satisfactory maintenance for the remainder of the year. A number of measures have been put in place to mitigate against maintenance issues occurring in the coming year. Despite this we received a number of unsolicited compliments, particularly from sports codes (on the presentations of the sports fields) and from tourists (on the presentation of the Ōamaru Public Gardens), Harbour and other high profile areas.
- ▶ Two new bike parks were designed and constructed in Kurow and Palmerston with support from local communities and with community funding from the Otago Community Trust, Oceana Gold, and Meridian.
- ▶ Streetscaping plantings were completed in Dunback and Hampden with design completed for Maheno.
- ▶ We carried out levelling of King George Park and planned for further drainage work on this sports field in the coming year.

## PERFORMANCE MEASURES

We have seven performance measures five were achieved and two were not:

There was a 4% decrease in visitors to the Waitaki Aquatic Centre (*target = increase*).

▶ **not achieved**

[2017-18 = 8.3% increase]

77% of customers were satisfied with the Waitaki Aquatic Centre (*target = 80%*).

▶ **not achieved**

[2017-18 = 85%]

84% of residents are satisfied with Waitaki's parks and reserves (*target = 80%*).

▶ **achieved**

[2017-18 = 87%]

71% of residents are satisfied with the district's campgrounds (*target = 70%*).

▶ **achieved**

[2017-18 = 64%]

80% of residents are satisfied with Waitaki's sports fields and facilities (*target = 80%*).

▶ **achieved**

[2017-18 = 84%]

82% of residents are satisfied with the cemeteries in Waitaki (*target = 80%*).

▶ **achieved**

[2017-18 = 86%]

74% of residents are satisfied with the public toilets in the district (*target = 70%*).

▶ **achieved**

[2017-18 = 73%]



## ARTS, CULTURE AND COMMUNITY

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

There are different ways we can celebrate our vibrant culture. Our cultural venues such as the North Otago Museum, the Ōamaru Opera House and the Forrester Gallery are just some of the ways we can enjoy living in Waitaki.

Our specific community outcomes are:

- Provide facilities and services that contribute to the quality of life of the district and make it attractive for people to live here

## WHAT WE'VE DONE

### Waitaki District Libraries

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

### Forrester Gallery

The Forrester Gallery was closed in December 2018 because of building issues. Since then work has been undertaken to remediate the building from mould and asbestos. The building has undergone a comprehensive interior and exterior refurbishment including improvements to the fire systems and heating, ventilation, and air conditioning. Work on the building is ongoing and it will reopen to the public in early 2020. In the meantime a range of options for further development of the gallery building as part of the Cultural Facilities Development Project is underway.

### Ōamaru Opera House

An estimated 42,000 people came through the doors of the Ōamaru Opera House during 2018-19 – for shows, meetings, events, conferences, toilet stops, tourists and café use – an increase of 16% from the previous year.

## PERFORMANCE MEASURES

We have a total of twelve performance measures, six were achieved and six were not. Below are some of the key performance measures:

**89%** of residents are satisfied with library services (*target = 80%*).

► **achieved**

[2017-18 = 93%]

**65%** of the population of the Waitaki District are members of the library (*target = 60%*).

► **achieved**

[New measure]

**95%** of Schools in the Waitaki District are satisfied with the Gallery and Museum's educational activities and/or engagement (*target = 80%*).

► **achieved**

[2017-18 = 88%]

**96%** of residents are satisfied with the Opera House (*target = 90%*).

► **achieved**

[2017-18 = 92%]

There was a **6%** increase in the number of tickets sold for performances at the Opera House (*target = 5%*).

► **achieved**

[2017-18 = 1.48% increase]

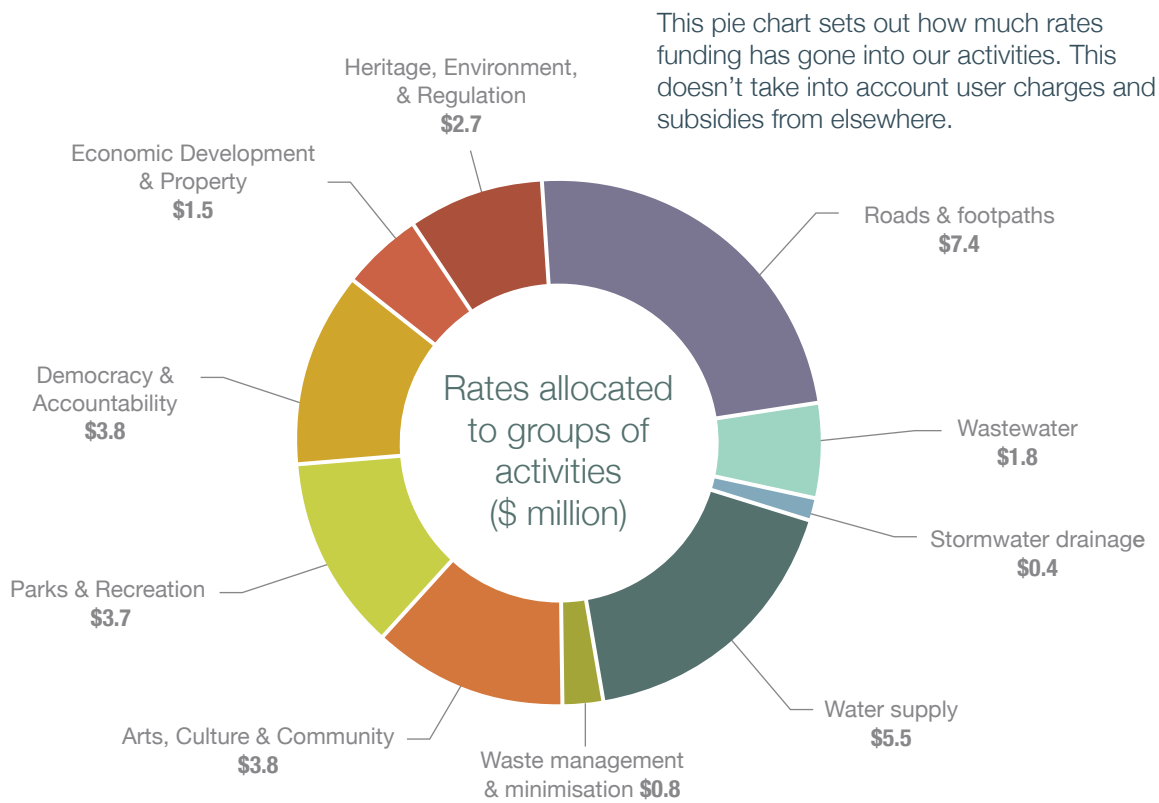
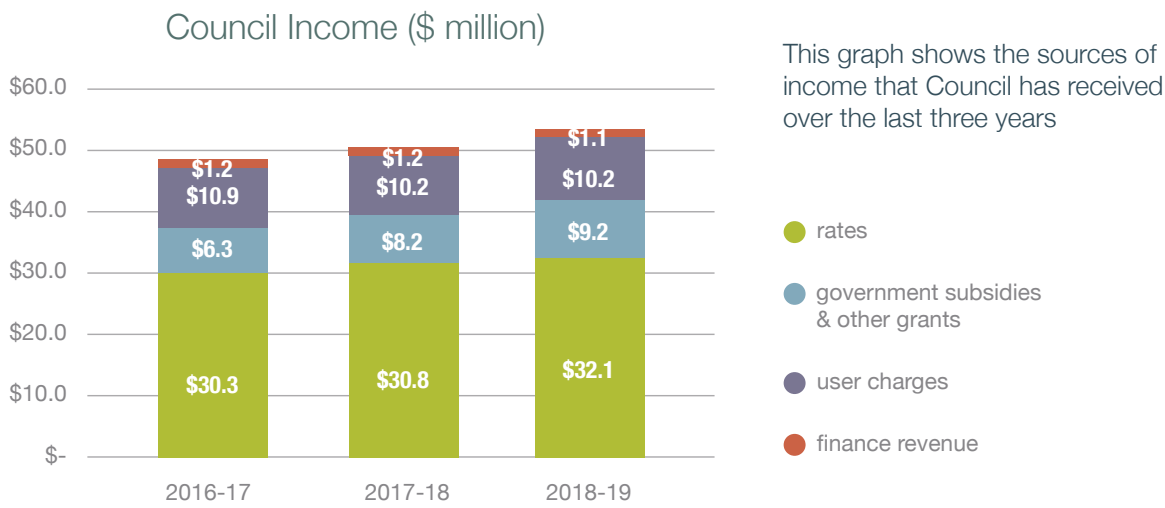


# FINANCIAL OVERVIEW



# FINANCIAL OVERVIEW

Council funds services such as roads, libraries, swimming pools, parks, playgrounds and water. While a lot of money for these services is raised through rates we also receive income from user charges, such as swimming pool entry fees, government subsidies and interest from investments.



Council's financial position is sound. Asset values have been maintained, there is no external debt and, although Council's cash position has worsened slightly on that recorded in the previous Annual Report, investments in infrastructure and local enterprises have increased.

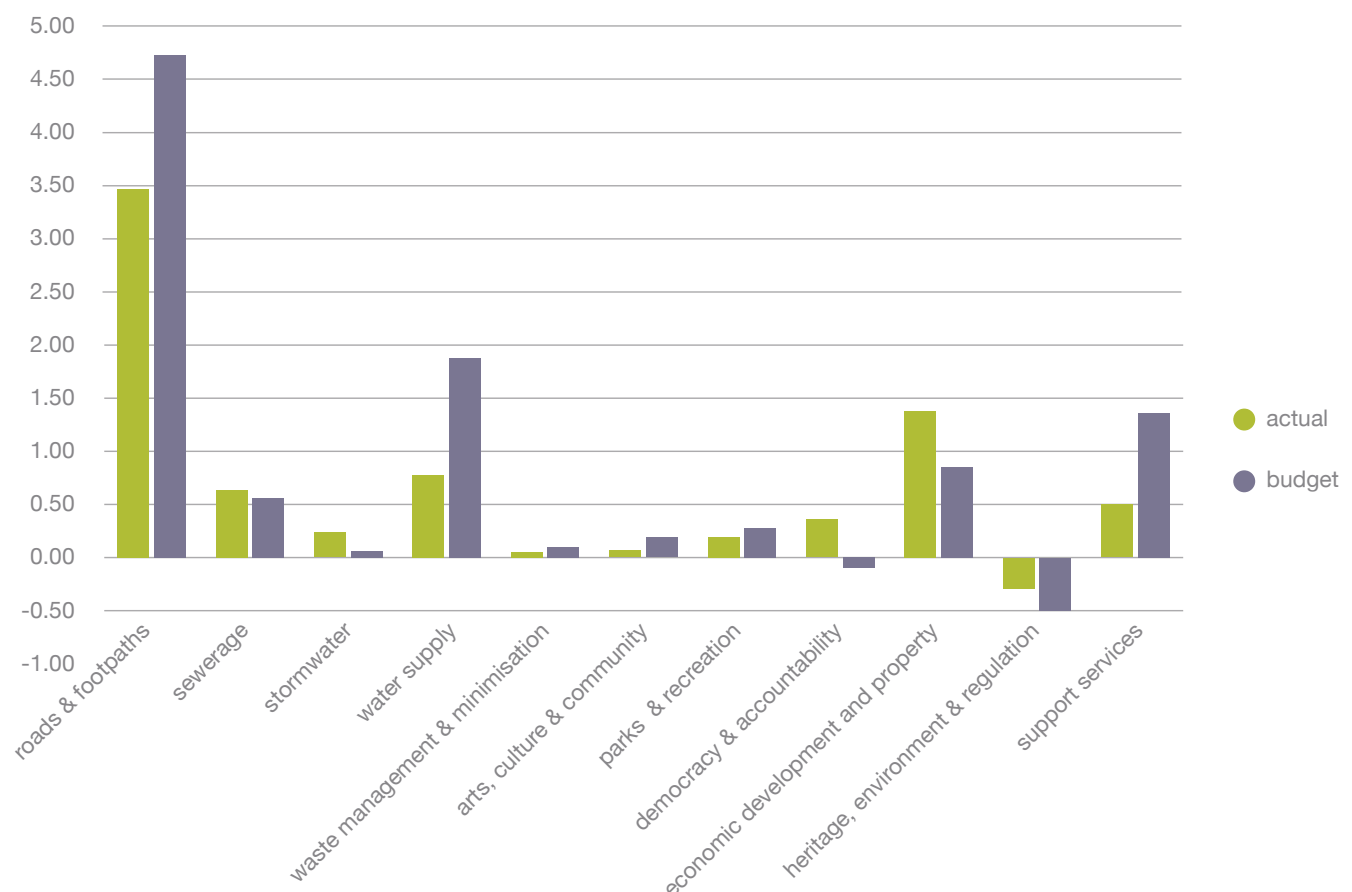
Ignoring assets vested in Council (\$0.459 million), the net results from asset disposals (-\$1.539 million) and revaluations, Council achieved an operating deficit of (\$0.502) million. As demonstrated in the graph below, five Council activities recorded operating results that met or exceeded budget expectations due largely to on-going cost control and increased revenue, while six did not, as a result of numerous factors including increased depreciation and urgent, unbudgeted, maintenance requirements.

In particular,

- the Roading and Footpaths activity was affected by damage arising from adverse weather events,
- the Water Supply activity by increased depreciation arising from the revaluation of infrastructure and
- the Arts, Culture and Community activity by the requirement to urgently resolve issues with mould that were revealed in the Forrester Gallery

Despite these apparently negative indicators, Council is well placed to meet the challenges posed by significant capital projects that will commence in the next few years.

Activities - Actual Operating Surplus vs Budget (\$ million)





# SUMMARY OF FINANCIAL STATEMENTS

	Waitaki District Council Only			Consolidated Group	
	Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
All in \$'000					
<b>A Summary of the Statement of Comprehensive Revenue and Expense</b>					
for the year ended 30 June 2019					
<b>Income</b>					
Rates Revenue	32,116	31,835	30,779	32,070	30,733
Other Revenue	19,957	18,033	18,640	54,807	53,857
Assets vested in Council	459	-	976	459	976
<b>Total Income</b>	<b>\$ 52,532</b>	<b>\$ 49,868</b>	<b>\$ 50,395</b>	<b>\$ 87,336</b>	<b>\$ 85,566</b>
<b>Expenditure</b>					
Activity Expenditure	52,574	48,996	48,758	88,304	84,066
Finance cost	1	2	-	15	8
Other non-trading Losses	1,539	-	724	614	418
<b>Total Expenditure</b>	<b>\$ 54,114</b>	<b>\$ 48,998</b>	<b>\$ 49,482</b>	<b>\$ 88,933</b>	<b>\$ 84,492</b>
<b>Surplus / (Deficit) from Operations</b>	<b>(\$1,582)</b>	<b>\$ 870</b>	<b>\$ 913</b>	<b>(\$1,597)</b>	<b>\$ 1,074</b>
Income Tax Expense / (Refund)	-	-	-	468	301
<b>Surplus / (Deficit) after tax</b>	<b>(\$1,582)</b>	<b>\$ 870</b>	<b>\$ 913</b>	<b>(\$2,065)</b>	<b>\$ 773</b>
Other Comprehensive Revenue and Expense	22,690	6,621	46,519	22,690	46,828
<b>Total Comprehensive Revenue and Expense</b>	<b>\$ 21,108</b>	<b>\$ 7,491</b>	<b>\$ 47,432</b>	<b>\$ 20,625</b>	<b>\$ 47,601</b>
<b>Statement of Changes in Equity</b>					
for the year ended 30 June 2019					
<b>Public Equity at 1 July</b>	809,601	851,660	762,169	833,917	786,316
Total Comprehensive Revenue and Expense	21,108	7,491	47,432	20,625	47,601
<b>Public Equity at 30 June</b>	<b>\$ 830,709</b>	<b>\$ 859,151</b>	<b>\$ 809,601</b>	<b>\$ 854,542</b>	<b>\$ 833,917</b>
<b>A Summary of the Statement of Financial Position</b>					
as at 30 June 2019					
<b>Public Equity</b>	<b>\$ 830,709</b>	<b>\$ 859,151</b>	<b>\$ 809,601</b>	<b>\$ 854,542</b>	<b>\$ 833,917</b>
Current Assets	8,657	13,026	13,530	16,825	22,870
Non-Current Assets	830,404	853,152	806,404	853,504	827,255
<b>Total Assets</b>	<b>\$ 839,061</b>	<b>\$ 866,178</b>	<b>\$ 819,934</b>	<b>\$ 870,329</b>	<b>\$ 850,125</b>
Current Liabilities	7,988	6,669	9,614	13,822	14,843
Non-Current Liabilities	364	358	719	1,965	1,365
<b>Total Liabilities</b>	<b>\$ 8,352</b>	<b>\$ 7,027</b>	<b>\$ 10,333</b>	<b>\$ 15,787</b>	<b>\$ 16,208</b>
<b>Net Assets</b>	<b>\$ 830,709</b>	<b>\$ 859,151</b>	<b>\$ 809,601</b>	<b>\$ 854,542</b>	<b>\$ 833,917</b>
<b>A Summary of the Statement of Cash Flows</b>					
for the year ended 30 June 2019					
Net Cash from Operating Activities	11,429	14,100	13,034	11,862	14,836
Net Cash from Investing Activities	(13,280)	(14,016)	(15,301)	(15,620)	(16,613)
Net Cash from Financing Activities	-	-	-	1,114	(2)
<b>Net Increase / (Decrease) in Cash</b>	<b>(\$1,851)</b>	<b>\$ 84</b>	<b>(\$2,267)</b>	<b>(\$2,644)</b>	<b>(\$1,779)</b>
Total Cash Resources at 1 July	2,216	2,150	4,483	3,761	5,540
<b>Total Cash Resources at 30 June</b>	<b>\$ 365</b>	<b>\$ 2,234</b>	<b>\$ 2,216</b>	<b>\$ 1,117</b>	<b>\$ 3,761</b>

# NOTES TO FINANCIAL STATEMENTS

The Waitaki District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002.

Council's financial statements are for the Waitaki District Council as a separate entity. The Waitaki District Council group consists of the Waitaki District Council and its subsidiaries, Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki Ltd (100% owned). The investment in Omarama Airfield Limited (50% owned) is treated as a jointly controlled entity. All companies are incorporated in New Zealand.

Council's 2018-19 Annual Report, from which this summary has been extracted, was adopted by Council on 30 October 2019. The Annual Report has been audited, and has received a modified audit opinion dated 30 October 2019, which may be viewed at [www.waitaki.govt.nz](http://www.waitaki.govt.nz). The modification applied to the audit opinion relates to the non-consolidation of entities deemed by the Office of the Auditor General to be controlled entities of the Group in terms of PBE IPSAS 6. More information is provided in the section titled "Events subsequent to Balance Date" appearing on page 23 of this Summary.

This summary complies with PBE FRS-43: Summary Financial Statements, but is a summary only and cannot be expected to provide a full explanation or the level of understanding as the full Annual Report. The financial statements contained in the Annual Report were prepared in accordance with Tier 1 PBE accounting standards, and so comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and with the requirements of the Local Government Act 2002. They are prepared in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Council has contracts committing it to spend \$27,932,000 (2017-18: \$31,463,000). As was the case in the previous period, Council has contingent liabilities which are dependent on future events, the actual value of which cannot be quantified.

Council was involved in related party transactions with Whitestone Contracting Ltd, Tourism Waitaki Ltd, Waitaki District Health Services Ltd, Omarama Airfield Ltd, North Otago Irrigation Company Ltd, and Observatory Village Lifecare Ltd, details of which are included in the full Annual Report.

## Variances between 2019 actual results and the 2019 Annual Plan and 2018 actual results

Actual results for 2019 reported in Council's 2019 Annual Report have varied, both from budget and from results reported for the previous period, for a number of reasons. Significant variances are summarised below, and more information is provided in Note 30 in the full Annual Report:

- Rates revenue includes penalties applied to overdue rates and water charged by meter, and varies in direct relation to the levels of rate increase applied, amounts of overdue debt, and to the usage of water;
- User charges reduced in 2019 when compared with 2018 as a direct result of undertaking no forestry harvesting activities, and increased over budget due to the receipt of unbudgeted proceeds of insurance claims and other factors;
- Overall revenue from grants was well over both budget and the previous year due to funding from the Ministry of Justice for the refurbishment of the Ōamaru Courthouse and from the Ministry of Business, Innovation and Employment for Alps2Ocean cycletrail construction and maintenance, and funding for tourism infrastructure;
- Other gains and losses included losses on disposal and write-off of fixed assets totalling \$2,247k;
- Personnel costs exceeded those reported in the previous period as staff numbers have increased as part of a strategy to reduce reliance on external service providers;
- Increased depreciation and amortisation expense resulted from the triennial revaluation of Water, Sewer and Stormwater infrastructure.

## Events Subsequent to Balance Date

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

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

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



## Events Subsequent to Balance Date (continued)

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

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

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

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

## Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Waitaki District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 8 to 24:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the District Council's activities (included in the "measuring our performance" section of the summary report).

## Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

However, the Group financial information in the summary financial statements includes a misstatement to the equivalent extent as the full audited financial statements in relation to the exclusion of the financial information of the Observatory Village Charitable Trust and its controlled entities Observatory Village Lifecare Limited, Observatory Village Care Limited, and Reed Street Healthcare Limited. The misstatement of the full audited financial statements is explained below in *The full annual report and our audit report thereon* section.

## Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

## **The full annual report and our audit report thereon**

We expressed a qualified audit opinion on the full audited financial statements and an unmodified audit opinion on the other audited information in the full annual report for the year ended 30 June 2019 in our auditor's report dated 30 October 2019. The basis for our qualified audit opinion on the financial statements is explained below.

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

The District Council has disclosed in Note 31 on page 152 of the full annual report what it estimates to be the financial effect on the Group's full financial statements if these entities had been consolidated. As this information is based on unaudited information provided by the entities, we are unable to determine if the information presented is materially correct.

Information about this matter is also disclosed on page 23 of the District Council's summary annual report.

## **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements in accordance with PBE FRS 43: Summary Financial Statements.

## **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.



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

A handwritten signature in black ink, appearing to read 'Dereck Ollsson', with a stylized, cursive script.

Dereck Ollsson,  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand  
29 November 2019

*growing strong communities*

**[www.waitaki.govt.nz](http://www.waitaki.govt.nz)**

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**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI