



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

ANNUAL REPORT SUMMARY 2017-18

INTRODUCTION FROM THE COUNCIL AND CHIEF EXECUTIVE

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

The 2017/18 Annual Report presents Council's progress and performance against the third year of the 2015-25 Long Term Plan from 1 July 2017 to 30 June 2018.

Positive Financial Result

We've ended the year in a strong financial position with a surplus of \$0.913m. This is the sixth consecutive year we've reported a healthy surplus and better than budgeted financial position. We will continue to review our costs, particularly from an operational perspective, ensuring ratepayers get the best value for money. Council's surplus includes a dividend of \$504,000 from Council-owned Whitestone Contracting Limited.

Our financial position is indicative of our prudence. When developing the 2018-28 Long Term Plan, we expected a 4.6% rates increase for the year ending 30 June 2019. Despite a significant increase in activity, and Council's decision to appoint new roles (such as our new Economic Development Manager and a Heritage Advisor), we have been able to contain the rates increase to a level of only 3.84%, something we are very pleased with. We have also been able to introduce some new projects for the coming year that will help grow our district.

Organisational Realignment

During the year, the Executive Leadership Team (ELT) underwent a realignment. As a result, organisational functionality has improved, with ELT managers having a better 'fit' with the areas of operation for which they have responsibility. As a result of this realignment and an earlier resignation of a Tier 2 manager, one Tier 3 manager was promoted to ELT level as Group Manager – Heritage, Environment and Regulatory. Because of an increased focus on leveraging greater value for the community through improved use of technology, the Manager of Information Systems was also promoted to the ELT table as Group Manager – Information Systems.

Economic Development

Council has led the district's effort to secure UNESCO Global Geopark status for the Waitaki Whitestone Geopark. In May 2018, the Waitaki Whitestone Geopark

was selected by the New Zealand National Commission for UNESCO to go forward as New Zealand's national nomination for assessment as a UNESCO Global Geopark.

The Alps2Ocean Cycle Trail continues to go from strength to strength. Central Government funding was secured to take more of the trail off road. A big "thank you" goes to landowners for their enthusiasm and co-operation to make this happen. The addition of the Alps 2 Ocean Ultrathon has added yet another dimension to New Zealand's longest national cycleway and the economic benefits of the A2O are increasingly evident in the Waitaki Valley and the wider district.

Our success during the year in attracting the New Zealand Airline Academy to commence commercial airline pilot training operations at Oamaru Airport has been very pleasing. An initial intake of approximately 20 trainee pilots is anticipated for 2018/19. They will complete around 4,000 flights over the first 10-12 month period. Ultimately, it is expected that the Academy will employ 10 staff locally, and will have 30 to 50 commercial pilot trainees within a 2-3-year period.

A key focus of the water team has been to enable new developments with the supply of water services. This included installation of new pipelines for the Natural Chicken Company south of Moeraki, Waiareka Park subdivision, Otematata school subdivision, and Reservoir Road water main upgrade for the Observatory Hill Retirement Village.

International Internship Programme

One of the notable successes of the year has been the successful design and implementation of our international internship programme, with University students from the Netherlands, France and Germany choosing to undertake their mandatory international internship experience in the Waitaki district. Interns have worked in a variety of tasks including assisting with our successful national nomination as a prospective UNESCO Global Geopark, Human Resources, Finance, Engineering, Information Systems, Tourism, Marketing and Economic Development.

Roads

We have continued to work on improving our roads so they can cope better with land use change and a period of wetter weather than normal. Two new assets have also been added to the roading network – the pedestrian suspension bridge crossing the Oamaru Creek (assisted by a civil engineering intern) and the realigned Waterfront Road.

The two rain events earlier this year had a lessor impact on our roads when compared to previous rain. This is proving the value of the previous years' Resilience Projects. With much of the District already having twice last year's rainfall to date, the roads – although in need of repair works – have held up well to the increase in wetness.

Recreation

With increasing tourist numbers, we continued to review our services and have applied for assistance from central government through its Tourism Infrastructure Fund. We are very conscious of the potential burden on our ratepayers in meeting increasing tourism needs and also of the environmental and community impact due to this changing environment. A new toilet block was installed in Dunback with support from central government funding and this has been well received.

HamNak Water Supply Upgrade

The project to build a pipeline to connect the Hampden and Herbert water supplies to Oamaru continued to be a key focus of Council in 2017/18, with 34km of pipeline installed, along with two new pump stations. The work will be completed in August 2018, at a cost close to \$6m.

Thanks to the Team

All the results above have been possible through the efforts of a large number of people, both our Councillor team and Community Boards, and our staff. It has been the input from this team that has delivered the results that can be seen so clearly right across our community. We would also like to give special thanks to Mr Neil Jorgensen, who ably handled the role of Council's Acting Chief Executive prior to Fergus commencing as our Chief Executive on 18 September 2017.

We are very pleased to be part of a team that is helping grow Waitaki – the best place to live, work and play.



A stylized, handwritten signature of Fergus Power in black ink.

Fergus Power **Chief Executive**



A stylized, handwritten signature of Gary Kircher in black ink.

Gary Kircher **Mayor for Waitaki**

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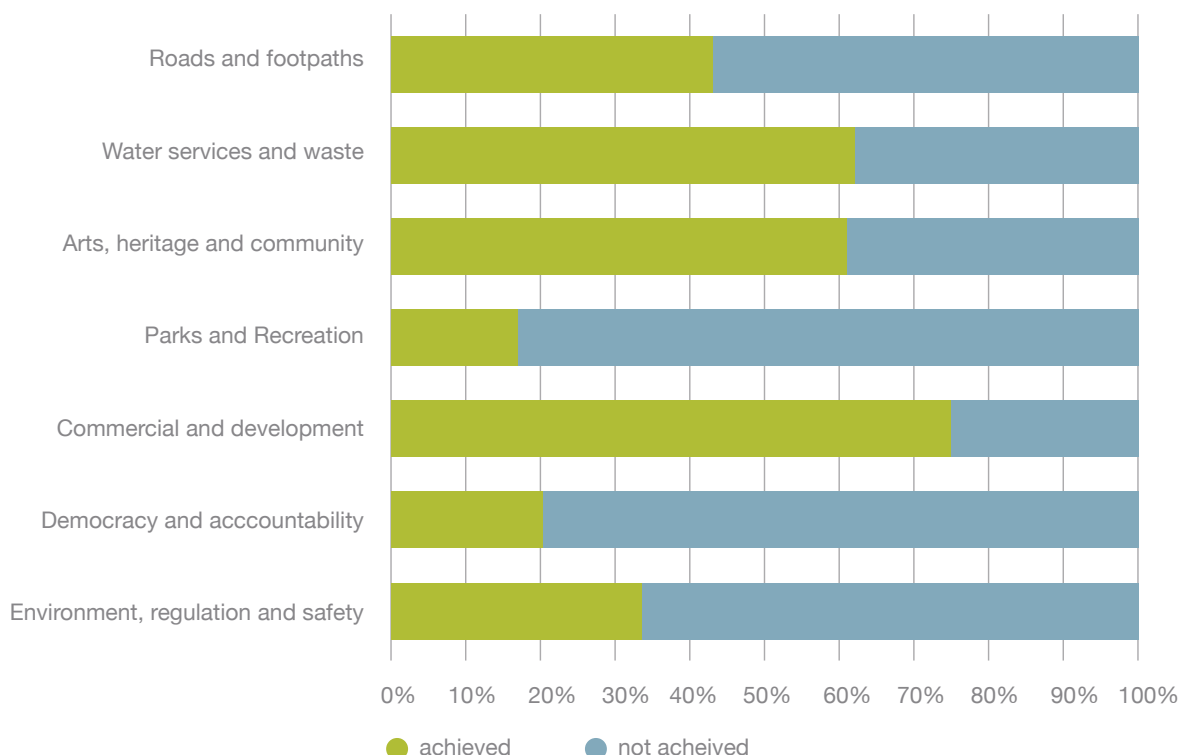
MEASURING OUR PERFORMANCE

Council has seven activity groups and each of these have performance measures.

Below is an illustration of the activities and the measures we've achieved and not achieved. The following pages contain more information.

Full information can be found in the 2017/18 Annual Report at www.waitaki.govt.nz

Performance measures results



ANNUAL RESIDENTS' SURVEY

Our annual residents' survey looked across all our services and activities to understand what we are doing well and where we need to improve.

There is a low level of satisfaction with the waste services provided by Council, the main reasons for dissatisfaction were cost and an inability to recycle for free.

Council's Waste Management and Minimisation Plan 2018-24, which was adopted in June 2018 and includes an action plan and budgets for the next six years to 2024, may help to address some of residents' concerns. In addition to confirming Council's current user-pays approach to waste management and including increases to waste disposal fees at the Council-owned rural recovery parks and Palmerston

Landfill, the plan places more emphasis on waste minimisation education and initiatives and includes additional funding to support these.

Residents continue to be dissatisfied with our roads; poor condition, lack of maintenance and potholes are the top reasons for dissatisfaction. Satisfaction with our sealed roads is down on 2017 but satisfaction with our unsealed roads is up from 2017 which could be due to work done as part of the Rural Resilience project.

Following is a summary of the results from the survey.

RESIDENT SATISFACTION SURVEY RESULTS SUMMARY

Residents are most satisfied with...

87%

of residents are satisfied with parks and reserves in the Waitaki District



93%

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



92%

of residents are satisfied with the Oamaru Opera House



87%

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



We need to improve on...



23%

of residents are satisfied with the information seen or heard about the redevelopment of the Gallery, Museum and Archive



26%

of residents are satisfied with the waste services provided by Council (Landfills and transfer stations)



35%

of residents are satisfied with the sealed roading network, and

29%

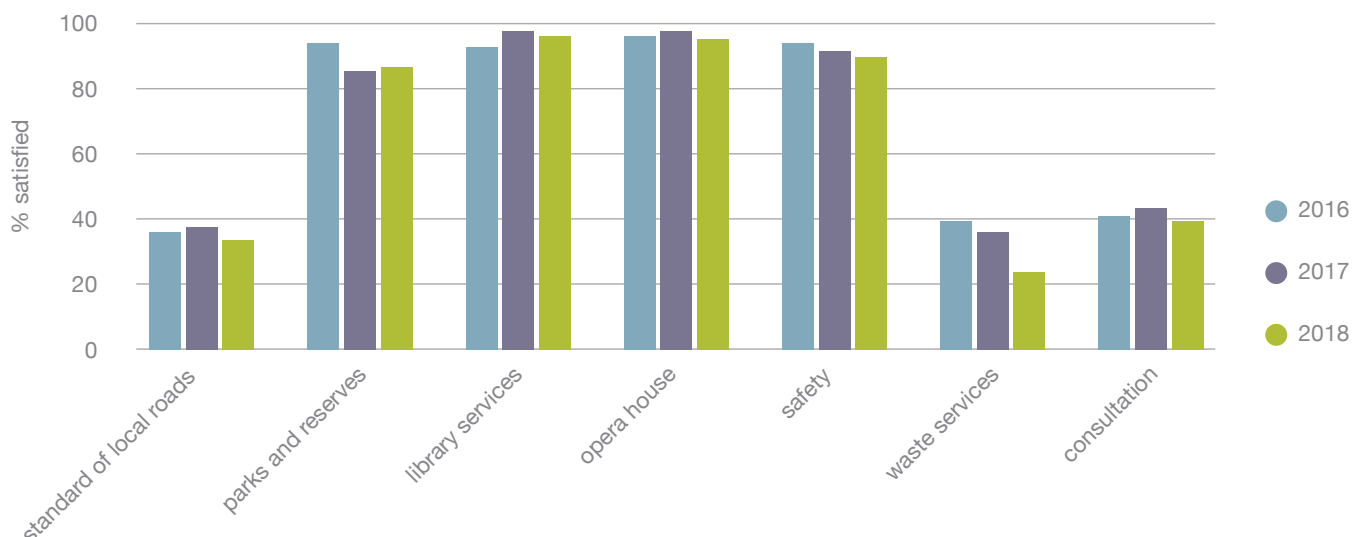
are satisfied with the unsealed roading network in the district



39%

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

Percentage of respondents to the Residents' survey who are satisfied:





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

- ▶ Successfully completed the 2017/18 programme of the National Land Transport Plan for the Waitaki District.
- ▶ Consulted with community over levels of investment in roading that resulted in a positive outcome of needing more investment to address increasing demands. This was incorporated into the Regional Land Transport Programme submission.
- ▶ Council completed the Rural Resilience Project in 2016/17 which was again tested a couple of times earlier this year. While we had a number of roads closed and under caution, roads were opened a lot more quickly than in past events with far less damage to the road network.
- ▶ A procedural audit by New Zealand Transport Agency (NZTA) was carried out and completed on the roading administration practices with a very successful outcome.
- ▶ Major LED street lighting upgrade of the network commenced in 2016/17 including a collaboration with NZTA for State Highways. Council is leading the way for the lower South Island in terms of collaboration for the supply of 12,500 LED lighting units and assisting neighbouring councils. We expect the whole of Waitaki district to be upgraded to LED by December 2018.
- ▶ Moeraki community, with NZTA and Council, engaged with the upgrading of the Moeraki Village and Boulders intersections. New signs are being erected and some physical works are yet to be completed.
- ▶ Business case successfully completed for a submission to the 2018-21 Regional Land Transport Plan at the end of August 2017 which included a period of consultation with stakeholders and the public to give direction and feedback on the size of the programme.

PERFORMANCE MEASURES

We have seven performance measures of these three were achieved and four were not.

92% of public enquiries were responded to within agreed timeframes (*target 90%*)
[94% in 2016/17]

▶ **achieved**

The average quality of ride on sealed roads, measured by smoothness was **87%** (*target = maintained at 96 or less*)
[90% in 2016/17]

▶ **achieved**

A reduction in the number of serious injuries and fatalities [from 9 in 2016/17 to 8 in 2017/18]

▶ **achieved**

35% of residents were satisfied with the sealed roading network (*target = 70%*)
[47% in 2016/17]

▶ **not achieved**

29% of residents were satisfied with the unsealed roading network (*target = 70%*)
[27% in 2016/17]

▶ **not achieved**

6.4% of local roads were resealed in 2017/18 (*target 7%*)
[7% in 2016/17]

▶ **not achieved**

95.6% of footpaths within the district met the specified level of service (*target = 96%*)
[97.8% in 2016/17]

▶ **not achieved**



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

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 17 water supplies
- ▶ Collect, treat and dispose of wastewater from more than 14,000 residents across eight networks
- ▶ Collect and dispose of stormwater across seven community areas
- ▶ Ensure the provision of accessible waste management and minimisation services and facilities

Significant progress was made towards completing the new water supply pipeline from Oamaru to Herbert, Waianakarua, Hampden and Moeraki. This \$6.7m project will supply NZ Drinking Water Standard compliant water from the Oamaru Water Treatment Plant to more than a thousand consumers in these areas.

Stage 1 of the project to upgrade the South Hill water mains was completed. This project was designed to ensure ongoing supply resilience and capacity, and will support the addition of Herbert, Waianakarua, Hampden and Moeraki to the supply. The project also included development of a new pump station at the South Hill reservoir to improve the water pressure for households in the area known as the South Hill microzone.

Council's Waste Management and Minimisation Plan 2018-24 was developed, publicly consulted on and adopted. The plan is required under the Waste Minimisation Act 2008 and provides the strategic framework for Council's role in waste management and minimisation. It also includes an action plan and budgets for the next six years to 2024.

An aftercare plan for Oamaru Landfill to meet Otago Regional Council's closed landfill resource consent conditions was completed.

PERFORMANCE MEASURES

We have 18 performance measures. Some were achieved, while others were not. Below are some of the key measures.

The total number of complaints about the stormwater system was 0.6 per 1,000 connections (*target = less than 1 per 1,000 connections*)
[0.5 per 1,000 in 2016/17]

▶ **achieved**

97% of residents are within 25km of a transfer station, landfill or recycling centre (*target = 90% of residents*)
[97% in 2016/17]

▶ **achieved**

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

▶ **achieved/not achieved**

The following material quantities were removed from the waste stream:

Achieved: Glass – 550 tonnes (*target = 450 tonnes*)
[436 tonnes in 2016/17]

Not achieved: Recyclables – 2,173 tonnes (*target = 2,500 tonnes*)
[2144 tonnes in 2016/17]

▶ **achieved/not achieved**

The number of dry weather overflows from our sewerage system, 2 sewerage overflows per 1,000 connections (*target = less than 1.4 per 1,000 connections*)
[3.6 overflows in 2016/17]

▶ **not achieved**



ARTS, HERITAGE AND COMMUNITY

There are different ways we celebrate our vibrant culture. Our parks, sports fields, cultural venues such as the North Otago Museum, the Oamaru 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
- ▶ Play an active role in the Safer Waitaki Coalition

WHAT WE'VE DONE

Forrester Gallery and North Otago Museum and Archive

- ▶ Increased our community visibility through the support of community events - Steampunk Festival, Waitaki Arts Festival and Heritage Week.
- ▶ Delivered our wonderlab education programme, the annual Burns Memorial School Art Exhibition, and outreach visits to schools.
- ▶ Carried out research and audits of our collections including a review of objects at the Museum related to local agricultural history, and rehousing of the dress and costume collection; continuing the ongoing review of the photographic collection at the Archive readying it for online access in 2019 and the creation of a forward collecting plan for the Gallery.

Waitaki District Libraries

- ▶ Completed the reconfiguration of Oamaru Public Library as part of the introduction of Radio Frequency Identification (RFID) technology. The Community Space is one of the success stories of the reconfiguration and is being used for a wide range of activities.
- ▶ We have further developed our own Digital Literacy modules to train staff and the public. The Library is also supporting a SparkJump initiative that provides cheap internet to families with school aged children.

Community Development, Safety and Grants

- ▶ Community Participation in the Safer Waitaki Coalition, coordinated by our community development coordinator has grown substantively since its inception. The number of organisations on the database has grown from the original 17 to 127 with numerous projects, activities and events taking place across six working groups: Mental Health and Addictions, Family Whānau, Violence Prevention, Industry Link, Positive Aging and Alcohol and Drug.
- ▶ Along with Police, led the successful delivery of a co-ordinated White Ribbon event. The event involved four high schools, classic cars, and 50 motorcycle riders and was supported by local businesses in Oamaru and Hampden.
- ▶ Co-ordinated Family Violence training with It's Not OK on 6 March followed by a business breakfast.

PERFORMANCE MEASURES

We have a total of 13 performance measures. Eight were achieved and five were not achieved. Below is a summary.

88% of schools were satisfied with the level of engagement by the Gallery/Museum (*target = 80%*)
[89% in 2016/17]

▶ **achieved**

93% of residents satisfied with Library services (*target = 92%*)
[95% in 2016/17]

▶ **achieved**

92% of residents satisfied with the Opera House (*target = 90%*)
[95% in 2016/17]

▶ **achieved**

96% of Archive users satisfied (*target = 90%*)
[96% in 2016/17]

▶ **achieved**

87% of residents satisfied that the Waitaki district is a safe place (*target = 95%*)
[90% in 2016/17]

▶ **not achieved**

maintain number of visitors (physical visits) to the library; 2017/18 = 124,931 (2016/17 = 140,822)

▶ **not achieved**

PARKS AND RECREATION

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

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
- ▶ Acknowledging 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

- ▶ We provided coaching services to the Oamaru Swim Club who continued to perform well, this year winning the award for the top performing swim club in the Mako Zone (South Island) at the New Zealand Junior Swim Meet. Note: this is on a win basis and not on swim club size, so was a significant achievement. In recognition of this Narcis Gherca picked up coach of the year at the North Otago Sports Awards for the third year in a row.
- ▶ Flooding in July resulted in reprioritising the work programme for the year and put pressure on staff and contractors. Following a lull from November to January, rain continued in from February on. In total, we received 950mm of rain for the year compared to a historic average of 565mm. This amount of rain made maintenance difficult as resourcing is planned for a typical year and wet ground conditions mean that we are unable to access for maintenance without causing damage. Despite these difficulties, maintenance was completed to a satisfactory level and a number of unsolicited compliments were received from members of the community and visitors on the condition of our reserves and particularly the Oamaru Public Gardens which many tourists rate highly.
- ▶ A highlight was reinstating Craig Fountain in the Oamaru Public Gardens to a working state along with lighting enhancements courtesy of Rotary and Network Waitaki.
- ▶ We completed drainage improvements to Mill Domain. This has improved the situation, but ongoing turf improvement work such as liming and vibramoling will be required to progressively improve the predominantly clay based soil structure.
- ▶ A new toilet block was installed in Dunback with support from central government funding and this has received favourable comments.
- ▶ We continue to progress construction of the Alps to Ocean cycle trail with a section completed this year to avoid the Kurow Bluffs and consents obtained for the section from Sailors Cutting to Benmore Dam. The Alps to Ocean is gaining recognition as one of the world's great rides.

PERFORMANCE MEASURES

We have a total of six performance measures, one of which was achieved and five were not.

We had an **8%** increase in visitors to the Aquatic Centre (*target = 1% increase*)
[5.5% decrease in 2016/17]

▶ **achieved**

85% of customers were satisfied with the Aquatic Centre (*target = 90%*)
[87% in 2016/17]

▶ **not achieved**

87% of residents were satisfied with our parks and reserves (*target = 90%*)
[85% in 2016/17]

▶ **not achieved**

64% of users were satisfied with the district's camping grounds (*target = 90%*)
[66% in 2016/17]

▶ **not achieved**

84% of residents were satisfied with sports fields and facilities (*target = 90%*)
[84% in 2016/17]

▶ **not achieved**

86% of residents were satisfied with cemeteries (*target = 95%*)
[83% in 2016/17]

▶ **not achieved**





COMMERCIAL AND DEVELOPMENT

This group of activities include economic development, grants and services, commercial holdings, community property, property holdings and public toilets.

Our specific community outcomes are:

- ▶ 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
- ▶ Contributing to the economy of the district

WHAT WE'VE DONE

- ▶ New Zealand Airline Academy commenced operations at the Oamaru Airport. An initial intake of approximately 20 trainee pilots is anticipated for 2018/19 who will complete about 4,000 flights in the first 10-12 month period. It is expected that the Academy will employ 10 staff locally, and will have 30-50 commercial pilot trainees within a 2-3 year period.
- ▶ The Oamaru Courthouse strengthening project commenced in January and will be completed in September 2018, enabling court services to return to a building that is fit for purpose.
- ▶ An agreement was reached to enable a luxury, boutique accommodation complex to be built at the corner of Tyne Street and Arun Street. The sale for the site, comprising approximately 6,200m² of land, follows Council's call for expressions of interest from developers in August last year. The accommodation complex will comprise approximately 20-24 guest sites and be designed to enhance the area.
- ▶ Part of the Council headquarters basement was extensively flood damaged in the July flooding. It was a complicated project to repair as it involved moving thousands of records; this was repaired by December.
- ▶ A number of Harbour area projects commenced for example, dredging and Holmes Wharf deck replacement is being planned, the Betsy Mast and Signalman's Hut was moved for navigational safety reasons.
- ▶ Staff office accommodation was well below NZ guidelines for office space and this was affecting productivity. A project to relocate 80 staff was completed throughout the main headquarters building. This also involved leasing additional external premises for 17 staff.

PERFORMANCE MEASURES

We have five performance measures – three were achieved, one was partially achieved and one was not.

98% of community housing tenants were satisfied with their tenancy (*target = 80%*) [96% in 2016/17], and 90% of commercial tenants were satisfied with their tenancy (*target = 75%*) [98% in 2016/17]

▶ **achieved**

97% of community housing units were occupied [93% in 2016/17] and 100% of commercial tenancies were occupied [100% in 2016/17] (*target = 80% for both*)

▶ **achieved**

The annual rate of return on the North Otago Irrigation Company (NOIC) investment was 3.28% (*target = annual return equals market 1 year swap rate plus 1.25%*) [3.58% in 2016/17]

▶ **achieved**

Not achieved – Six monthly report NOIC was received on 5 October 2018 (*target = 30 April 2018*)

Achieved - Annual report from NOIC was received on 5 October 2018 (*target = 30 November 2018*)

▶ **achieved/not achieved**

73% of residents were satisfied with public toilets (*target = 80%*) [74% in 2016/17]

▶ **not achieved**



ENVIRONMENT, REGULATION AND SAFETY

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
- ▶ Provide building control services in a professional and efficient manner
- ▶ Ensure building consents are processed accurately, efficiently and within statutory timeframes
- ▶ Ensure sufficient land is zoned for business, commercial and rural activities
- ▶ 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 co-ordinating emergency responses in the district
- ▶ Resolve commercial and domestic environmental impacts
- ▶ Monitor approved resource consents and conditions to minimise environmental impact and promote sustainable land management

WHAT WE'VE DONE

- ▶ There has been growth across the district with the complexity of resource consents being borne out in higher numbers of notified applications; especially those impacting areas of high visual and landscape values.
- ▶ The review of the Waitaki District Plan has continued through work on building up the evidence base. However, the date for public notification has been complicated by the timing for National Planning Standards, associated work streams as a result of the Mackenzie Alignment Review process, and staff changes. It is likely that the Plan will be ready for notification in 2019, following public engagement in the latter half of 2018.

PERFORMANCE MEASURES

We have 12 performance measures – four were achieved, eight were not achieved. Below is a summary.

100% of high risk licenced premises inspected every six months (*target = 100%*)
[100% in 2016/17]

▶ **achieved**

29 reported dog attacks (*target = less than 54*)
[26 reported in 2016/17]

▶ **achieved**

98.6% of building consents approved within 20 working days (*target = 100%*)
[88% in 2016/17]

▶ **not achieved**

94% of resource consents were processed within statutory timeframes (*target = 100%*)
[100% in 2016/17]

▶ **not achieved**

72% satisfaction with the district's emergency services (*target = 75%*)
[63% in 2016/17]

▶ **not achieved**



DEMOCRACY AND ACCOUNTABILITY

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

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

The General Bylaw was adopted in May 2018.

Through the two Community Boards a number of improvements have been made including approving:

- ▶ A budget of \$19,000 from the Otematata Amenity Rate for the Otematata East Road Traffic Island Improvement Works
- ▶ The purchase of drinking fountains for Kurow, Otematata and Ōmārama
- ▶ A budget of \$15,000 to repair the Palmerston Town Clock
- ▶ A contribution of up to \$20,000 for the construction of a dish channel of about 130 metres along the frontages on Lincoln Street connecting to the State Highway kerb in Palmerston.

PERFORMANCE MEASURES

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

100% of plans, policies and bylaws adopted within statutory timeframes (*target = 100%*) [100% in 2016/17]

▶ **achieved**

56% of residents satisfied with the performance of the mayor and councillors (*target = 75%*) [57% in 2016/17]

▶ **not achieved**

44% [49% in 2016/17] and **49%** [46% in 2016/17] were satisfied with the performance of the Ahuriri and Waihemo community boards respectively (*target = 85% for both*)

▶ **not achieved**

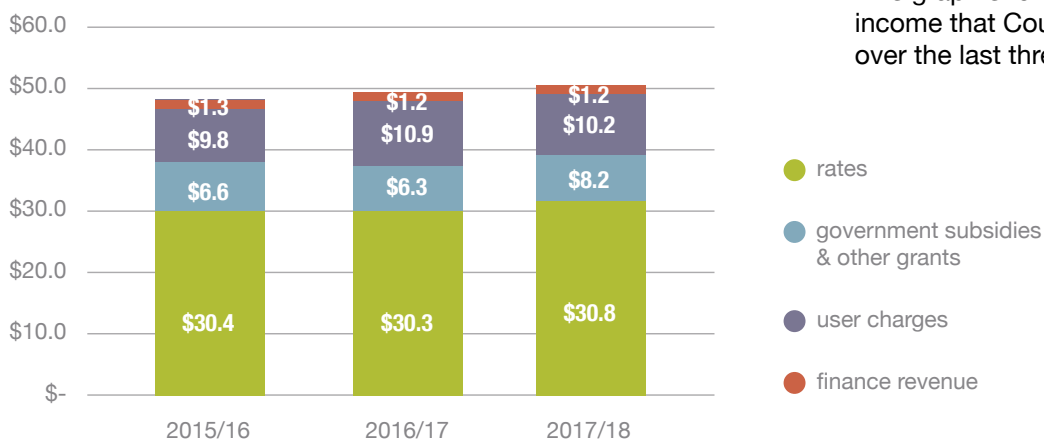
39% of residents were satisfied with consultation and engagement (*target = 60%*) [43% in 2016/17]

▶ **not achieved**

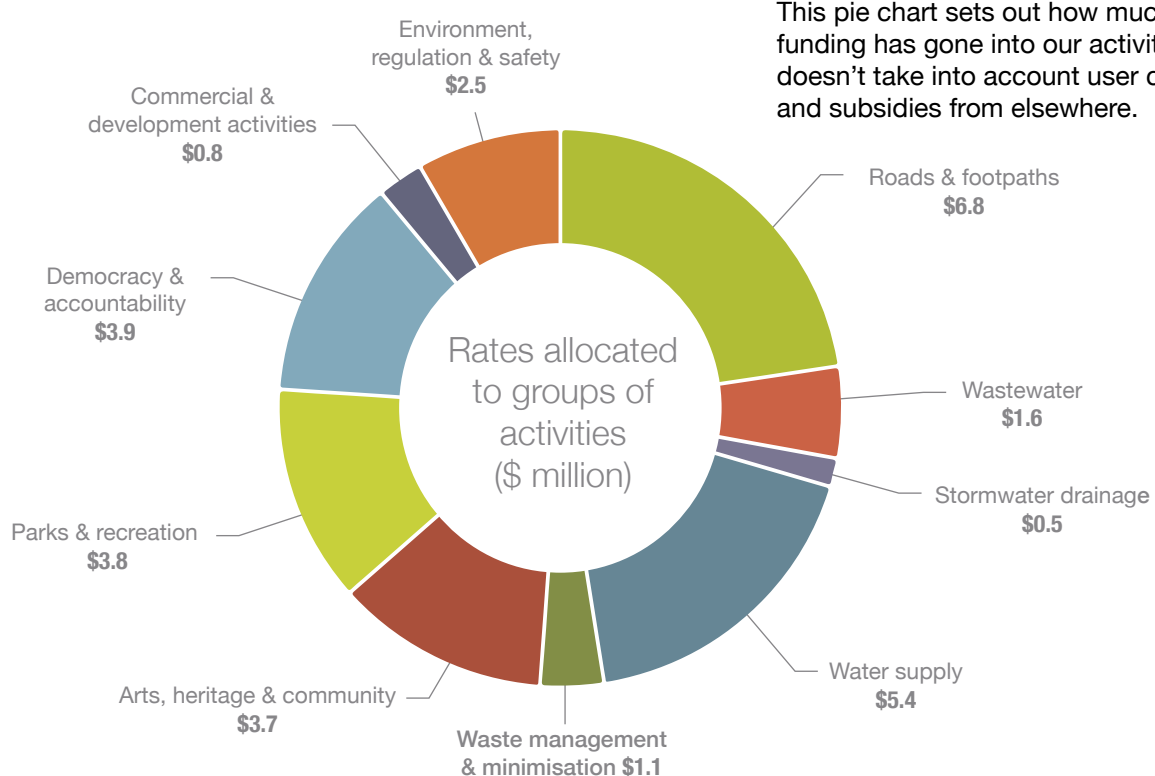
FINANCIAL OVERVIEW

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 Income (\$ million)



This graph shows the sources of income that Council has received over the last three years.



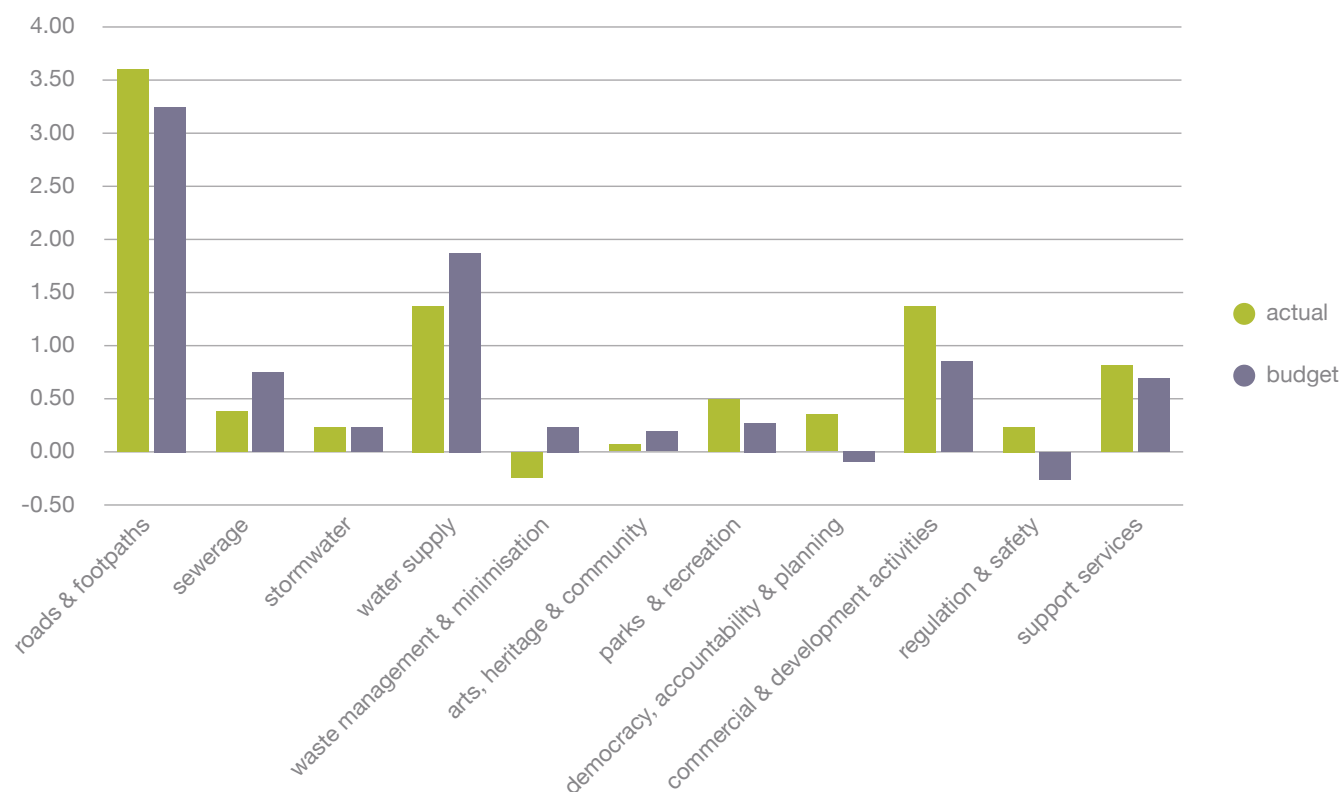
This pie chart sets out how much rates funding has gone into our activities. This doesn't take into account user charges and subsidies from elsewhere.

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 (\$0.976 million), the net results from asset disposals (-\$0.724 million) and revaluations, Council achieved an operating surplus of \$0.661 million. As demonstrated in the graph below, with only four exceptions, all Council activities recorded operating results that met or exceeded budget expectations, due largely to on-going cost control and increased revenue.

This strong financial performance and cash position means 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 2018	Budget 2018	Actual 2017	Actual 2018	Actual 2017
All in \$'000						
A Summary of the Statement of Comprehensive Revenue and Expense						
Income						
	Rates Revenue	30,779	30,717	30,303	30,733	30,266
	Other Revenue	18,640	17,434	17,647	53,857	49,276
	Assets vested in Council	976	-	726	976	726
	Total Income	\$ 50,395	\$ 48,151	\$ 48,676	\$ 85,566	\$ 80,268
Expenditure						
	Activity Expenditure	49,482	44,719	47,144	84,484	79,799
	Finance cost	-	-	1	8	12
	Total Expenditure	\$ 49,482	\$ 44,719	\$ 47,145	\$ 84,492	\$ 79,811
1 ▶	Surplus / (Deficit) from Operations	\$ 913	\$ 3,432	\$ 1,531	\$ 1,074	\$ 457
	Income Tax Expense / (Refund)	-	-	-	301	101
2 ▶	Surplus / (Deficit) after tax	\$ 913	\$ 3,432	\$ 1,531	\$ 773	\$ 356
Other Comprehensive Revenue and Expense						
	- Gain/(Loss) on revaluation of Infrastructural Assets	46,519	14,315	-	46,519	-
	- Gain/(Loss) on revaluation of Properties	-	-	9,741	309	10,084
	Total Other Comprehensive Revenue and Expense	\$ 46,519	\$ 14,315	\$ 9,741	\$ 46,828	\$ 10,084
	Total Comprehensive Revenue and Expense	\$ 47,432	\$ 17,747	\$ 11,272	\$ 47,601	\$ 10,440
A Summary of the Statement of Changes in Equity						
3 ▶	Public Equity at 1 July	762,169	760,303	750,897	786,316	775,876
	Total Comprehensive Revenue and Expense	47,432	17,747	11,272	47,601	10,440
4 ▶	Public Equity at 30 June	\$ 809,601	\$ 778,050	\$ 762,169	\$ 833,917	\$ 786,316
A Summary of the Statement of Financial Position						
	Public Equity	\$ 809,601	\$ 778,050	\$ 762,169	\$ 833,917	\$ 786,316
	Current Assets	13,530	12,475	18,022	22,870	27,900
	Non-Current Assets	806,404	772,709	751,414	827,255	771,584
	Total Assets	\$ 819,934	\$ 785,184	\$ 769,436	\$ 850,125	\$ 799,484
	Current Liabilities	9,614	6,744	6,479	14,843	11,645
	Non-Current Liabilities	719	390	788	1,365	1,523
5 ▶	Total Liabilities	\$ 10,333	\$ 7,134	\$ 7,267	\$ 16,208	\$ 13,168
6 ▶	Net Assets	\$ 809,601	\$ 778,050	\$ 762,169	\$ 833,917	\$ 786,316
A Summary of the Statement of Cash Flows						
7 ▶	Net Cash from Operating Activities	13,034	15,968	15,316	14,836	16,273
9 ▶	Net Cash from Investing Activities	(15,301)	(17,745)	(13,296)	(16,613)	(17,934)
	Net Cash from Financing Activities	-	-	-	(2)	(1)
	Net Increase / (Decrease) in Cash	(\$2,267)	(\$1,777)	\$ 2,020	(\$1,779)	(\$1,662)
10 ▶	Total Cash Resources at 1 July	4,483	3,927	2,463	5,540	7,202
11 ▶	Total Cash Resources at 30 June	\$ 2,216	\$ 2,150	\$ 4,483	\$ 3,761	\$ 5,540

1 ▶ Difference between our revenue (what comes in) and our expenditure (what we spend)

2 ▶ Total economic income left after tax and other considerations

3 ▶ Total value of Council (what the public owns) at the start of the year

4 ▶ Total value of Council at the end of the year

5 ▶ Amount we owe (bills, loans etc.)

6 ▶ Difference between what we own and what we owe

7 ▶ Difference between operating cash inflows and outflows

8 ▶ Difference between buying and selling assets

9 ▶ Difference between borrowing and repayment of loans

10 ▶ Money in the bank at the start of the year

11 ▶ Money in the bank at the end of the year

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 2017/18 Annual Report, from which this summary has been extracted, was adopted by Council on 30 October 2018. The Annual Report has been audited, and has received an unmodified audit opinion dated 30 October 2018, which may be viewed at www.waitaki.govt.nz.

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 \$30,794,000 (2016/17: \$28,477,000). 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 2018 actual results and the 2018 Annual Plan and 2017 actual results

Actual results for 2018 reported in Council's 2018 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 2018 when compared with 2017 as a result of the closure of the Oamaru landfill, and a decrease in forestry harvesting activities;
- Overall revenue from grants was under budget due to delays in a number of capital projects and, in particular, the deferral of the planned cultural facilities development;
- Other gains and losses included losses on disposal and write-off of fixed assets totalling \$1,751k;
- Personnel costs exceeded those reported in the previous period because there were fewer vacancies amongst Council's staff during the 2018 financial year;
- Increased depreciation and amortisation expense resulted from the triennial revaluation of Roothing infrastructure.

Events Subsequent to Balance Date

At its meeting on 2 August, 2018, the Waitaki Heritage Fund Committee resolved to make available a further interest-free advance of \$70,000 to the Oamaru Whitestone Civic Trust to assist with the installation of a goods elevator in the Loan and Mercantile Building.

Council continues to negotiate with its insurers over final reimbursement of expenses incurred in resolving damage arising from the adverse weather event of 21-23 July 2017, and remains optimistic that further funds will be received in due course. However there is no basis on which to estimate the quantum of any potential settlement and no adjustments have been included in the financial results for the 2018 year.

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

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the readers of Waitaki District Council and Group's summary of the annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of the Waitaki District Council and Group (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 5 to 18:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2018;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

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.

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 an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 30 October 2018.

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.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2018-28 Long-term plan, which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Dereck Ollsson,
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
29 November 2018

growing strong communities

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Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI