

ANNUAL REPORT SUMMARY 2022/23



Waimate
District Council

Message from the Mayor and Chief Executive

Welcome to the Waimate District Council's Annual Report Summary for 2022/23. This summary provides an overview of Council's activities and services for the year ended 30 June 2023. For a complete understanding of Council's performance, please refer to the full 2022/23 Annual Report which is available at waimatedc.govt.nz or at Council's reception (125 Queen Street, Waimate).

The full Annual Report provides a snapshot of our performance over the past financial year and celebrates some of the key highlights that have been achieved. While we will continue to progress a number of significant projects in the coming months and years, our focus remains heavily on delivering quality infrastructure, public and regulatory services that are both cost-effective and efficient for the community.

Like the rest of New Zealand, inflationary pressures, rising interest rates, supply issues and staff shortages have provided challenges on multiple fronts for Council.

We have continued to navigate the uncertain legislative landscape imposed by Central Government, including the Affordable Waters Reforms, the Resource Management Act Reforms and the Future for Local Government Review.

These reforms will have a significant impact upon how councils across the country operate, lead and serve their communities. However, despite the uncertainty, and the removal of the second Tranche of the Three Waters Better Off Funding, Council continued to invest in upgrading and maintaining the district's water infrastructure.

The Local Government elections in October 2022 saw the district elect a new Council for a three-year term. From the beginning of their tenure the new Council found itself tackling an array of issues, most of which are likely to continue throughout the remainder of their term. However, together with the community and our small, hard-working team, Council will continue to work for the betterment of the Waimate District.

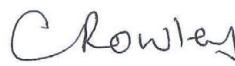
On the finance front, Council recorded a surplus of \$0.642 million compared to a forecast deficit of \$1.373 million. This was largely due to the recognition of vested assets and carbon credits, increased water, sewer and

subdivision contributions, increased subsidies and grants from Three Waters Stimulus and Transitional Funding, reduced finance costs and other reductions. Refer to note 28 of the full Annual Report for the explanations of major variances against budget.

While the landscape may still be unclear, we can reflect on what has been a productive and successful year for Council.

We thank those who have contributed to all the achievements throughout the year – elected members, staff, agencies, contractors, local businesses, volunteers and, of course, the community.

Thank you!



Craig Rowley
Mayor



Stuart Duncan
Chief Executive



Mayor Craig Rowley (left)
and Chief Executive Stuart Duncan (right)

Key Achievements



Clothing bins

The 'Zero Waste Drive' campaign saw four clothing bins installed on Gorge Road in October 2022 encouraging residents to recycle unwanted clothing and fabrics and reduce waste to landfill. By the end of June 2023, over 5,000kgs of textile was collected.

All collected items are sorted by our textile recycling partners. The highest quality items are selected for sale at second-hand stores; and the next grade sold to merchants in bundles. The balance is sent to textile recycling companies where they are repurposed into insulation material, wiping cloths and mattress stuffing, among other things.



Roads and footpaths

There were significant levels of activity and progress in the last year on our roads and footpaths. The rain events in July 2022 caused damage to the district's roads, which were repaired with funding assistance from Waka Kotahi New Zealand Transport Agency. A total of 15,128 cubic metres of metal was added to 346 kms of unsealed roads throughout the Waimate District. Resurfacing of 28.6 kms of sealed roads, which is 4.5% of the sealed network, was completed. A total of 1.526 kms of footpaths were renewed with an asphaltic concrete surface, covering an area of 2,786 cubic metres.

Additionally, 36 culverts were installed, totalling 315 metres. Council undertook the cleaning of around 75.8 kms of surface channel drains and the construction of 23.7 kms of surface channels. The Scotts Bridge over the Hakataramea River had its steel beams cleaned and treated with barrier sealant. The Mckenzie Bridge on Cliffs Road had an old weight restricted timber side bridge replaced with a concrete box culvert.

New public toilets

In conjunction with the Government's Tourism Infrastructure Fund, new dry vault toilets (unpowered and waterless) were installed at the Te Akatarawa Reserve within the Waimate Lakes Camping Area and at the Waihao Box. The Lakes Camping toilet provides access year-round to cater for the influx of visitors using the Alps2Ocean Cycle Trail, and helps meet the demand of increasing campers during the peak season, including freedom campers.

The Waihao Box toilet replaced ageing infrastructure that no longer met the quality expectations of users and was not wheelchair accessible. The site had recently been redeveloped by Environment Canterbury, in collaboration with Council and local iwi, and the addition of a new toilet further enhanced the area.



Queen Street community space

A collaborative approach saw a community initiative between Council, Rooney Earthmoving Limited and adjoining landowners develop a new community space on Queen Street.

The green space, located between the Waimate Police Station and the Style 358 store, features a range of elements such as seating, gardens, shrubs and LED lighting.

The lights are repurposed former streetlights, and the seating made from former wooden beams recovered during the demolition of the site's vacant buildings.

In addition, Council installed a drinking water fountain and extended the existing hanging basket watering system which is remotely set and operated by the parks and reserves team.



Glenavy Recreation Reserve

In October 2022, following a meeting with members of the Glenavy community, the Glenavy Reserve Community Planning Group was formed to investigate options for the redevelopment of the Glenavy Recreation Reserve. The group's recommendations to Council were accepted and work on the project began.

The redevelopment plan was broken into two stages. Stage one started with the reinstatement of walking tracks and a new loop track connecting them.

Fencing was reinstated with gates at both the north and south ends of the track, and a pocket park (bike park) developed.

With stage 1 completed, Council developed the Draft Glenavy Recreation Reserve Management Plan.



Disc golf course

A proposal submitted by Waimate2gether to establish an international grade 18-hole disc golf course at Knottingley Park and Arboretum was supported by Council, subject to funding from the Department of Internal Affairs. Funding was received and work began on the installation of 18 baskets and launching pads (tee-pads) throughout the area, spanning more than 1,900 metres in length.

The course was completed in December 2022, and saw the Knottingley Giants Disc Golf Tournament held in June 2023. The competition, being a nationally endorsed tournament, drew players of all skill levels and some of the sport's biggest names. The tournament saw a full field with 90 players and spectators from all over the South Island. The disc-golf course displays the Golfers' Code of Conduct alongside the scorecards to adhere to international standards.



White Horse redevelopment project

The White Horse redevelopment project, spearheaded by Waimate2gether, was a team effort involving Council, Rotary, Lions, local contractors and schools throughout the district with the goal to make the area a must-see place to visit.

Since the official opening in April 2022, further improvements have continued, such as, installation of all the school Pous and signage, planting and landscaping. The project was completed and vested back to Council on 16 June 2023.



Mayors Taskforce for Jobs

The Mayors Taskforce for Jobs, in partnership with the Ministry of Social Development and Local Government New Zealand, extended the Community Recovery Programme for a further 12 months to 30 June 2023, now named Rural Community Resilience Programme. An initial amount of \$220,000 was granted to place 20 people into full-time employment (30 hours

minimum). This target was met in November 2022 and an additional \$12,000 was sought to cover expenditure for the rest of the year. The Employment Coordinator placed people into 52 full-time roles, 9 part-time and 8 casual/temporary roles.



Three waters stimulus projects

Council staff completed an ambitious programme of accelerated capital investment and significant projects, 15 in total. Total stimulus funding received was \$3.36 million with an additional \$1.24 million of council co-funding.

While the stimulus funding was completed back in the 2021/22 financial year, there was a component of Council co-funding for some projects that remained for the 2022/23 period.

Council has successfully wrapped up and awarded the final elements of these projects leading to the successful installation of new reservoirs on many of our rural water schemes. We have also been able to assess the CCTV footage of our wastewater network leading to the future renewals programme. The Edward Street Wastewater Upgrade represents the largest component of our co-funding obligation with the contract awarded in June 2023.

Other significant projects included the Queen Street stormwater and wastewater upgrade, desludging of the Waimate wastewater treatment ponds, sewer inflow investigation and compliance monitoring software deployment.

Civil Defence Emergency Management

The "South Canterbury Civil Defence Emergency Management Coordinating Committee" was established a number of years ago to promote effective and collaborative reduction, readiness, response and recovery capability across the South Canterbury councils.

In November 2022, new arrangements were formalised to allow for rostered weather and event monitoring for the Waimate, Timaru and Mackenzie District Councils.

This does not replace or remove any council's ability to activate and staff their own Emergency Operations Centre (EOC) but provides a professional and consistent approach for monitoring and responding to information or requests that require a response from councils' emergency management team.



Tastiest water in the country

Waimate District's Otaio water supply was declared New Zealand's tastiest tap water at the National Water Taste Test in May 2023 by the Water Industry Operations Group. The supply had previously been a finalist in 2019 and 2021. All entries were judged on four criteria: colour, clarity, smell and taste. The judges congratulated Council for delivering safe and great tasting tap water to a standard declared the best in New Zealand.

The water sample was selected as the official entry to the competition by Councillors in May 2023 following a blind taste test on samples from three Waimate District water supplies.



Activities and Service Performance Information

Council uses a number of measures to track our performance. Every three years they are reviewed in conjunction with our Long Term Plan. The 2021-31 Long Term Plan measures are being used in the 2022/23 financial year.

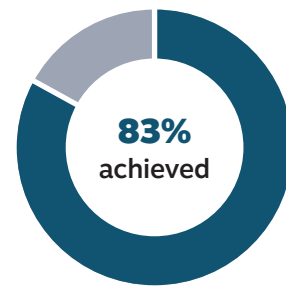
Each year we report on this progress in our Annual Report. Below is a snapshot of our performance measures achievement. To view the full list of measures please refer to the full Annual Report at waimatedc.govt.nz.



Water Supply
Achieved 9 of 13 measures



Waste Management
Achieved 3 of 6 measures



Stormwater
Achieved 5 of 6 measures



Sewerage
Achieved 6 of 7 measures



Rooding and Footpaths
Achieved 5 of 10 measures



Organisation and Governance
Achieved 3 of 6 measures



District Planning and Regulatory Services
Achieved 11 of 16 measures



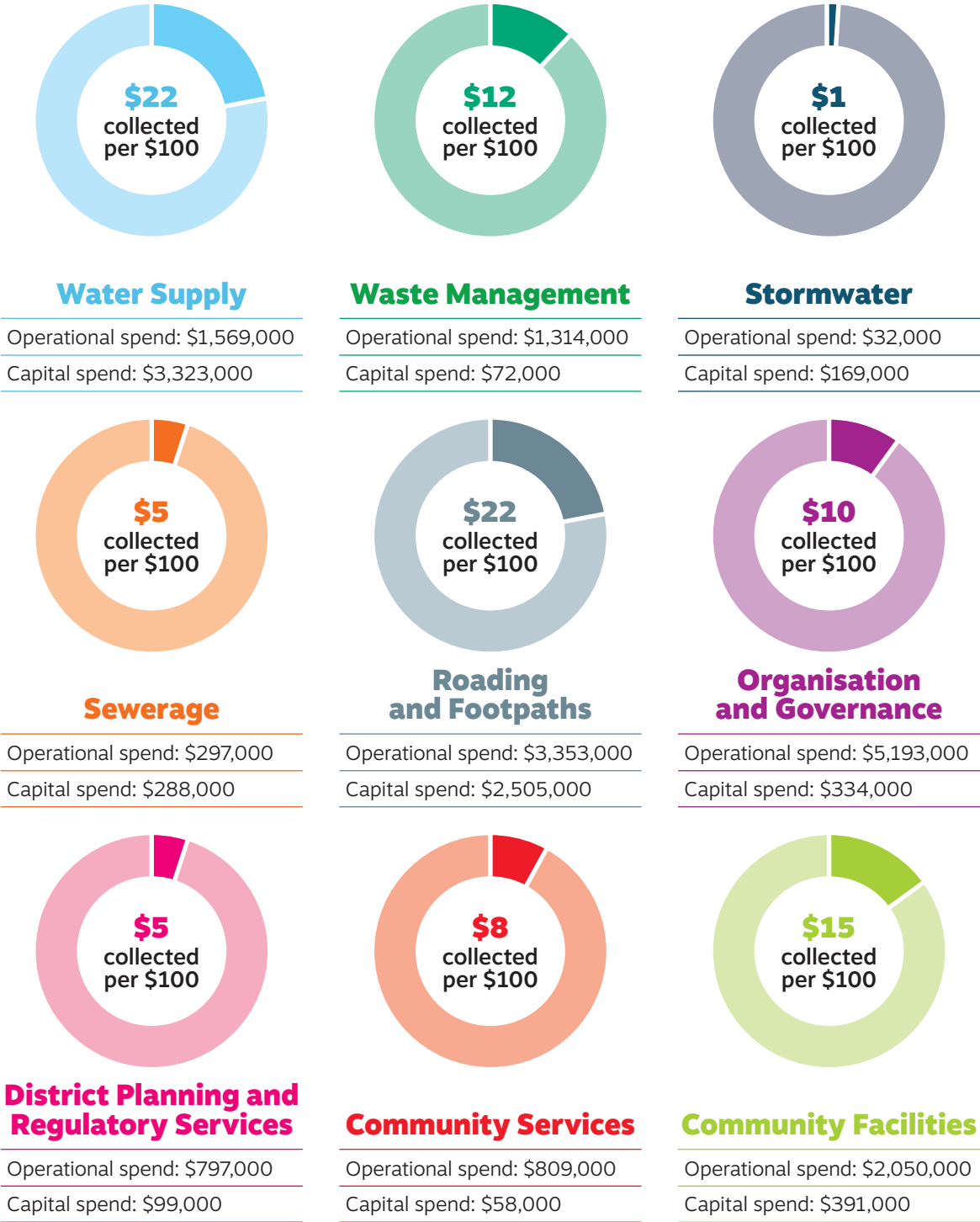
Community Services
Achieved 5 of 15 measures



Community Facilities
Achieved 12 of 14 measures

Rates Allocation

The figures in the following diagram are shown for every \$100 of rates collected (on average).



Operational spend includes payments to staff and suppliers, and finance costs.

Financial Statements

Summary financial statements

Waimate District Council is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The Downlands Rural Water Scheme is a joint arrangement domiciled and operating in New Zealand and established under the LGA. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for the purposes of PBE IPSAS.

The summary financial statements and activities and service performance information of the Council are for the year ended 30 June 2023, are in New Zealand dollars and rounded to the nearest thousand (\$000). The full financial statements and activities and service performance information of the Council have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in accordance with Tier 2 Public Benefit Entity accounting standards.

The 2022/23 Annual Report and the 2021/22 Annual Report have been audited by Audit New Zealand and received unmodified opinions for each report.

The full financial statements and activities and service performance information were authorised for issue by Council on 31 October 2023.

The summary financial statements and activities and service performance information are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

The following information has been extracted from the full Annual Report. Readers of the Annual Report Summary should note that the financial information contained herein cannot be expected to provide as complete an understanding as that provided by the full financial reports contained in the full Annual Report. The full Annual Report is available at waimatedc.govt.nz.

Other disclosures

Budget information

The budget figures presented in the financial statements of the Waimate District Council are those included in the Annual Budget 2022/2023 and are consistent with the accounting policies used to prepare the financial statements.

Water services reforms

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Events after balance date

Water Services Reform Programme - Better Off Fund

A fully executed funding agreement between the Department of Internal Affairs, Council and Crown Infrastructure Partners Limited, for Better Off Funding for Council, was completed on 12 October 2023. The agreement provides for a total maximum of \$2.42m of funding to go towards specified permitted funding activities.

The end date of the funding agreement is 30 June 2027.

Major financial variances

- Rates penalties income exceeded the Annual Plan 2023 budget due to increased rates receivables outstanding after due dates in addition to a conservative budget.
- Subsidies and grants income for operating purposes exceeded the Annual Plan 2023 budget mainly due to the Mayors Taskforce for Jobs initiative (\$237,000), Three Waters transitional funding (\$52,000) and Stimulus Funding (\$45,000) where no budgets were allowed.
- Fees and charges exceeded the Annual Plan 2023 budget due to higher levels of income for the cemetery, building control and resource management activities.
- Interest income exceeded the Annual Plan 2023 budget by \$125,000 due to higher cash reserves following delayed capital spends during both the 2021/22 and 2022/23 financial years.
- Local authorities fuel tax, fines, infringements, and other receipts exceeded the Annual Plan 2023 budget mainly due to an increased Water Supply and Sewerage recoveries for connections and forestry harvest income.
- Payments to staff and suppliers exceeded the Annual Plan 2023 budget as a result of increased expenditure for Mayors Taskforce for Jobs initiative (\$243,000), Hakataramea Rural Water scheme (\$143,000), Utilities department stock supplies (\$125,000), Three Waters transitional funding expenditure (\$53,000), repairs and maintenance (\$142,000) and increased roading operational spends (\$335,000). This is partially offset by reduced expenditure for District Plan review and other regulatory spends (\$90,000), electricity costs (\$76,000) and wages and salaries (\$137,000).
- Subsidies and grants for capital expenditure includes income from the Three Waters Stimulus Fund initiative (\$540,000), the Tourism Infrastructure Fund (\$123,000) where no budgets were allowed.
- Development and financial contributions exceeded the Annual Plan 2023 budget due to the large volume of water and sewer capital contributions mainly in the Waimate Urban and Hook Waituna areas, along with increased subdivision contributions.
- Finance costs were below the Annual Plan 2023 budget due to increased cash reserves following reduced capital spends compared to budget.
- Total capital expenditure was \$1.1 million below the Annual Plan 2023 budget. Major variances to budget included Roding minor improvements, development and seal extensions below budget by \$319,000, the Library extension and Chambers upgrade project below budget by \$1,673,000 and Waimate town public toilets project below budget by \$445,000. The Waihaorunga Rural Water scheme Drinking Water Standards upgrade project was delayed and below budget by \$470,000. These projects will be carried forward to the 2023/24 financial year. The underspend was partially offset by increased spends for projects partially funded from the Tourism Infrastructure Fund above budget by \$178,000. Fleet vehicle replacements were \$203,000 above budget due to the timing of stock available. Lower Waihao Rural Water scheme Drinking Water Standards upgrade project was above budget by \$1.4 million.
- Decrease in borrowings was favourable to the Annual Plan 2023 budget predominantly due to the use of cash reserves and the delay of capital spends for both the 2021/22 and 2022/23 financial years.
- The sale of surplus vehicle assets following the purchase of replacement vehicles were unbudgeted.
- Other comprehensive revenue and expenditure includes the Alpine Energy Limited investment and associated annual valuation movements, with the 30 June 2023 annual movement higher than the budget anticipated.
- Special separate and trust funds are favourable mainly due to delayed capital projects for the Library extension, Waimate town public toilets and various Water Scheme upgrades, where the drawdown of internal reserves and loans were budgeted.
- The Asset Revaluation reserve includes Roding and Three Waters revaluations completed at 30 June 2022, which were higher than anticipated when the budget was set.
- Other reserves includes the Alpine Energy Limited investment and associated annual valuation movements, with the 30 June 2023 annual movement higher than the budget anticipated.

Statement of Comprehensive Revenue and Expenditure for the year ended 30 June 2023

	Actual 30 June 2023 \$000	Annual Plan 30 June 2023 \$000	Actual 30 June 2022 \$000
Total operating revenue	22,801	19,260	21,938
Finance costs	235	349	161
Other operating expenses	21,923	20,284	19,316
Operating Surplus / (Deficit) before Taxation	642	(1,373)	2,461
Taxation expense	-	-	-
Total Surplus / (Deficit)	642	(1,373)	2,461
Other Comprehensive Revenue and Expenditure			
Increase / (decrease) in revaluation reserves	636	25,840	60,154
Financial assets at fair value through other comprehensive revenue and expenditure	4,328	658	731
Total other comprehensive revenue and expenditure	4,964	26,498	60,885
Total Comprehensive Revenue and Expenditure	5,606	25,125	63,346

Statement of Changes in Equity for the year ended 30 June 2023

	Actual 30 June 2023 \$000	Annual Plan 30 June 2023 \$000	Actual 30 June 2022 \$000
Equity at start of year	515,924	455,626	452,578
Total comprehensive revenue and expenditure	5,606	25,125	63,346
Equity at end of year	521,530	480,751	515,924

Statement of Financial Position as at 30 June 2023

	Actual 30 June 2023 \$000	Annual Plan 30 June 2023 \$000	Actual 30 June 2022 \$000
Current assets	6,154	5,291	8,093
Non-current assets	524,318	494,578	517,308
Total assets	530,473	499,869	525,402
Current liabilities	3,906	3,620	6,853
Non-current liabilities	5,037	15,498	2,626
Total liabilities	8,943	19,118	9,478
Equity	521,530	480,751	515,924
Total liabilities and equity	530,473	499,869	525,402

Statement of Cash Flows for the year ended 30 June 2023

	Actual 30 June 2023 \$000	Annual Plan 30 June 2023 \$000	Actual 30 June 2022 \$000
Cash at start of year	5,818	2,885	3,768
Cash flows from operating activities	5,064	4,156	7,278
Cash flows from investing activities	(7,119)	(14,554)	(7,719)
Cash flows from financing activities	287	10,237	2,491
Cash at end of year	4,050	2,724	5,818

Independent Auditor's Report

To the readers of Waimate District Council's summary of the annual report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of Waimate District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 7 and 9 to 11:

- The summary statement of financial position as at 30 June 2023.
- The summaries of the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended 30 June 2023.
- The notes to the summary financial statements that include accounting policies and other explanatory information.
- The summary statement of activities and service performance information.

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 2023 in our auditor's report dated 31 October 2023.

Emphasis of matter - uncertainty over the water services reform programme

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026.

The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

This matter is disclosed on page 9 of the summary financial statements.

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 reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the District Council's Debenture Trust Deed, which is compatible with independence requirements.

Other than this engagement, we have no relationship with, or interests in, the District Council.

A handwritten signature in black ink, appearing to read 'Rudie Tomlinson'. The signature is written in a cursive style with a large initial 'R'.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
2 November 2023



125 Queen Street, Waimate 7924
PO Box 122, Waimate 7960

Phone: 03 689 0000
E-mail: council@waimatedc.govt.nz
Web: waimatedc.govt.nz

