
ANNUAL REPORT SUMMARY

FOR THE YEAR ENDED 30 JUNE 2015



SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The Annual Report Summary provides an overview of Council's activities, services and finances for the year 1 July 2014 - 30 June 2015.

The information is taken from Council's audited Annual Report, adopted by Council 6 October 2015.

An unmodified audit opinion was given on the full Annual Report by Audit New Zealand.

Complete information about Council's financial position and operation is provided in the full Annual Report 2014 - 2015.

A copy of the full Annual Report is available online and from all Council libraries and from Council Service Centres.

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PRESENTATION CURRENCY AND ROUNDING

The financial statements disclosed in this summary document are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We have pleasure in presenting the Council's Annual Report for 2014/15, the third and final year in the three year cycle of the 2012-2022 Ten Year Plan.

The Council has continued to focus on post-earthquake town centre redevelopment and rapid population growth over the 2014/15 year with several major projects coming to fruition and now in operation. This has included the opening of the Kaiapoi Ruataniwha Civic Centre in January 2015 and the opening of the Cones Road Bridge over the Ashley-Rakahuri River in February 2015.

Also in February and March respectively were the re-opening of the strengthened and refurbished Oxford and Rangiora Town Halls. The latter includes a new performing arts complex and cinemas. The switching on of Rangiora's first traffic lights occurred in April 2015 with the completion of the realignment of the Cenotaph Corner.

Council also completed a comprehensive precinct-based redevelopment plan for north of High Street in Rangiora in 2014/15 for submission to the Minister for Canterbury Earthquake Recovery. The Minister approved the Precinct Plan and associated plan changes in March 2015. This will allow further development of businesses in the High Street vicinity and intensify the business opportunities in the Rangiora town centre.

Significant progress with reconstruction of buildings in the Rangiora and Kaiapoi town centres was made during 2014/15 with commencement of several reconstruction projects in both centres.

While the Council's Building Unit has experienced unprecedented pressure over the last few years, the rate of consents for new dwellings, while still higher than historical averages, has slowed down from the high points of 2012/13 and 2013/14. The unit approved 851 consents for new dwellings in 2014/15 which compares with 1,154 consents for new dwellings in 2013/14 and 1,125 consents for residential dwellings in 2012/13.

Based on this and other analyses, the estimated residential population for the Waimakariri District as at 30 June 2015 was 55,000. The estimated population of the District is expected to increase to more than 63,000 people by 2025.

Construction of the Giles Road arterial road in Kaiapoi commenced in 2014/15. This new arterial road will bypass the Silverstream residential development and provide a strategic link and alternative access to Rangiora from the Christchurch Northern Motorway and southern Kaiapoi.

The 2014/15 year also saw a suite of amendments to the Local Government Act 2002 which introduced a range of new requirements for Council in producing the 2015-2025 Long Term Plan. The amendments were passed in August 2014 and required Council to produce additional documents including a Long Term Plan Consultation Document, a 30 Year Infrastructure Strategy, a Significance and Engagement Policy and a revised Development Contributions Policy to allow for an objections procedure. All these new statutory requirements were delivered on time and with an unmodified audit opinion for Council to pass the 2015-2025 Long Term Plan on the 30 June 2015.

Te Ngāi Tūāhuriri Rūnanga executive meets regularly (scheduled monthly) with me and senior Council officers. In addition the Runanga is represented at the monthly meetings of the Canterbury Water Management Strategy Waimakariri Zone Committee. The Annual Hui was held on 7 April 2015 and provided the Runanga and the Council with the opportunity to review the year's activity and identify future works required.

Flooding mitigation works continued throughout 2014/15 following the flooding event in June 2014 and many flood prone areas of the District now have better assurance that properties will not be inundated in future high rainfall events.

The Christchurch motorway development by the New Zealand Transport Agency continued to be a key issue for the District in 2014/15, and a range of works and programmes continued to be rolled out in an attempt to alleviate traffic congestion at peak times. This has included ongoing planning for the western Belfast bypass, the northern arterial road

and dedicated bus lanes, and the employment by the Council of a full time journey planner.

The collaboration between other territorial authorities and the Regional Council has been a highlight of 2014/15, with the Canterbury Mayoral Forum collaborating on a joint work programme including producing a Regional Economic Development Strategy. Canterbury Mayors have been tasked with specific leadership responsibility in the strategy, and Mayor

Ayers has taken responsibility to lead an education and training module to help develop a skilled workforce for the region.

Many of the more tangible signs of recovery have become evident in 2014/15 and they bear testament to the strength and resilience of our community, including the business community, in the face of all the challenges associated with the rebuild of our District.



A handwritten signature in black ink, reading "D Ayers". The signature is fluid and cursive, with a small dot at the end.

David Ayers
Mayor



A handwritten signature in black ink, reading "J Palmer". The signature is fluid and cursive, with a large loop at the end.

Jim Palmer
Chief Executive

PERFORMANCE AND ACTIVITY

During the year the Council continued to deliver a wide scope of services to its community, as well as undertaking necessary repairs and replacement through its earthquake repair programme.



The Council's Landmarks Team. From left: Rachel Tregurtha, Helen Stanley, Jan Watts, Judith Holt, Jean Turvey, David Ayers. Absent: Leith Newell.

Our Corporate Processes

- The Council's 'Landmarks' Team won the 'Heritage Champion Award' in October 2014. The Canterbury Heritage Awards are held every two years and this particular accolade was for heritage advocacy by a group for increasing public awareness of heritage and bi-cultural heritage issues.
- New amendments in 2014 to the Local Government Act 2002 required Council to produce a 30 Year Infrastructure Strategy. Its purpose was to identify significant infrastructure issues and options for managing them over the 30 years. This document was effective from 1 July 2015.
- A further key amendment was the requirement for a 'Consultation Document' (CD) to engage the community with on the matters that were proposed for inclusion in Council's draft Long Term Plan 2015-2025, with the purpose of better informing the community and providing a simpler means for the community to give feedback. The CD was adopted for consultation by Council on 24 February 2015.
- Council adopted its Long Term Plan 2015-2025 on 16 June 2015 with an unmodified Audit Opinion.
- A Regional Economic Development Strategy has been devised, backed by 11 Mayors of Canterbury, to work with agencies to coordinate priorities for the region to ensure the region's economy continues to be vibrant. The Waimakariri District Council has responsibility to lead an education and training module to help develop a regional skilled workforce.
- 204 people from many differing nationalities became New Zealand citizens during official ceremonies held throughout the year at the Council.
- The Council conducted 95.4% (target 95%) of its business in meetings open to the public during the financial year.





Dollars and Sense

- The Waimakariri District Council continued to deliver its capital works programme. Total capital expenditure in 2014/15 was \$93.2 million and 70% of the 281 capital projects identified were delivered.
- The Council achieved reinstatement for its Infrastructure and underground assets with the Local Authorities Protection Programme (LAPP) and has achieved full insurance cover for all Council buildings valued at \$275million for flood, fire and other perils including earthquakes.
- The Earthquake programme has completed \$83.3 million of the estimated \$140.3 million programme. \$57million remains to be spent over the next 2-3 years.
- The Council achieved Standard and Poors credit rating of AA and will assist in the Council achieving a lower funding cost for its capital programme.
- The Council has been involved in many strategic land and property purchases to enable for road realignment network extensions, central township retail development, and recreational development.



© Aaron Campbell Photography

Our Roads

- An official opening of the new Ashley Bridge at Cones Road was held on 21 February 2015. General traffic was able to use the new bridge from 23 February.
- Rangiora saw the switching on of its first set of traffic lights in the town, at Red Lion Corner, as a key part of realigning Ashley, Ivory and High Street.
- A roundabout was built at the corner of East Belt and Kippenberger Avenue, Rangiora, to complement and complete the upgrades to the road works at Cenotaph Corner.
- A further roundabout was built at the corner of West Belt and High Street, Rangiora, to enhance traffic flow and road safety.
- 100% of urgent faults and 99.5% of routine faults were completed on time.
- As per the survey carried out in May 2015, the number of Single Occupancy Vehicles (SOV) has increased on Lineside Road, Rangiora to 84% (target of 82%), and on Main North Road to 82% (target of 81%). There was a slight decrease in SOV on Tram Road (target of 83%) to 81%.



Our Community Buildings

- The Oxford Town Hall was reopened, on 19 February 2015, after having been closed since April 2011 due to the need to repair earthquake damage and undertake seismic strengthening and refurbishment.
- The Rangiora Town Hall was reopened on 15 March 2015, after having been closed since December 2011 due to safety risks post-earthquakes, and whilst a programme of seismic strengthening extension and refurbishment took place.
- The Ruataniwha Kaiapoi Civic Centre was opened on 17 January 2015. This is an architecturally designed two-storey building comprising service centre, library, museum and art space and was built on the site of the original library and service centre.



Our Three Waters

- Significant progress was made on flood mitigation during 2014/2015. Key flood works were implemented including increasing capacity of the drains in the Mandeville area and increasing the capacity of the Parnham Drain pump station in Kaiapoi.
- Three of the District's wastewater ponds were deslugged this year. This has the effect of increasing the operational capacity of the ponds and improves the treatment process
- Upgrade of the Oxford Wastewater Treatment Plant was implemented to address overflow issues during wet weather events.
- The upgrade of the Oxford No.2 water supply is approximately one year behind while Council drills an alternative backup well at Domain Road.
- The delivery of the upgrade of the Oxford Rural No.1 water supply is also delayed by approximately one year whilst drilling for adequate water is underway.
- The physical works to upgrade the treatment of Mandeville water supply will not be completed until June 2016. This was originally scheduled for June 2015 completion.
- Joining the Fernside water supply to Mandeville is also delayed from June 2015, and will require Council to review options for the best solution for Fernside properties.



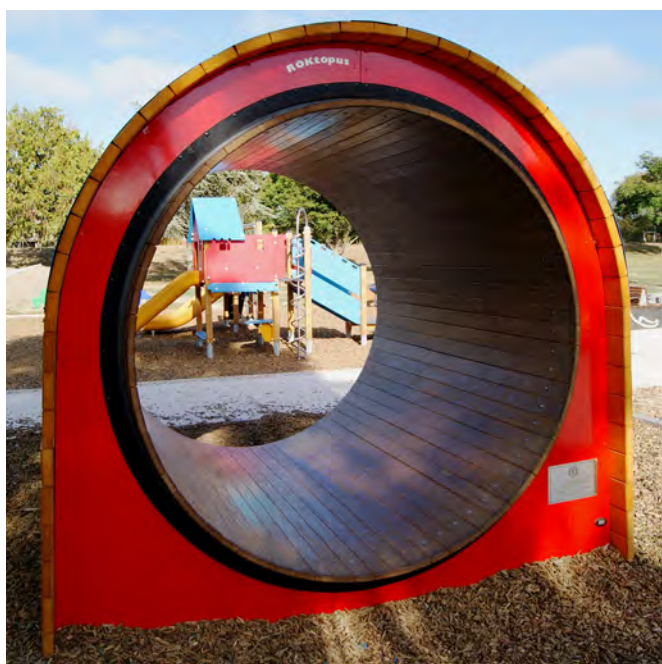
North Loburn students proudly display their EnviroSchools Green-gold certificate and flag with Heidi Mardon, Chief Executive Toimata Foundation.

Our Environment

- There is a decrease by 27% of annual kg per capita waste to landfill. This is against a reducing target of 405kg per capita in the base year of 2007/2008. This includes a decrease of 7.7% from 2013/2014.
- Whilst there are 16 EnviroSchools now established in our District and many of these schools have received Bronze awards, in November last year North Loburn School received Green-Gold Award status which is the highest award for acknowledgement of efforts in creating a sustainable school.
- A tsunami evacuation exercise was held on 12 June 2015 for the beaches communities where a simultaneous evacuation of Waikuku Beach, Woodend Beach and Pines-Kairaki Beach was staged at night for the residents.
- Council had 2655 service requests and dog complaints to respond to over the financial year. All of these were responded to on time. The District has 11,568 dogs belonging to 7,368 owners.
- Our Pegasus Bay Bylaw continues its long review process and the Bylaw Hearing Panel is working to find the best solutions for all people and interest groups to be able to use the beaches, whilst environmental considerations are at the forefront. This bylaw is still being reviewed within statutory timeframes as the process commenced in 2014 well-before the 5 year review date.

Our Parks and Recreation

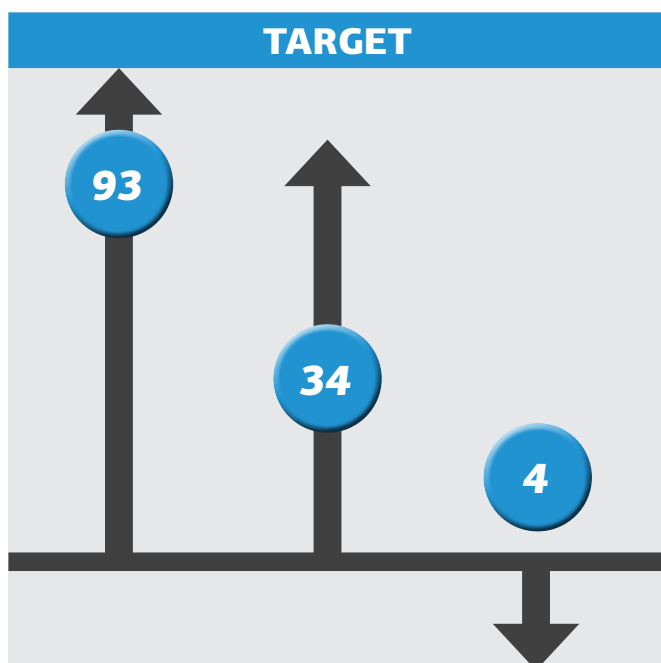
- Trousselot Park was completed in December 2014 for Kaiapoi and is now known as a destination park. It was completely redesigned and it includes a playground, half basketball court, plaza space and skate park.
- Kendall Park artificial turf providing an all-weather surface for rugby and football, was completed for play in September 2014. This was the first artificial turf for the District.
- The Rangiora Table Bowls facility at Millton Memorial Park was completed in June and opened for use in July 2015.





Developing our District

- A suite of changes in 2014/2015 to Rangiora's High Street as part of its town centre revitalisation included realignment of the Ashley, Ivory and High Street intersection; upgrade and landscaping of the cenotaph and installation of traffic lights, was completed in time for the Anzac commemorations. The first stage of two-way High Street followed this upgrade, and traffic can now flow in both directions through to Percival Street. These changes are high-level actions that were agreed through the implementation of the Rangiora Town Centre Strategy 2010.
- Improvements at the Williams Street and Raven Key Corner by Blackwell's Department Store, and by the new Ruataniwha Kaiapoi Civic Centre are part of the suite of enhancements for Kaiapoi's town centre revitalisation. The implementation of these actions were outlined in the high-level implementation table in the Kaiapoi Town Centre Plan 2011.
- The urbanisation of Island Road which includes kerb and channelling between Cosgrove Street and Adderley Terrace, Kaiapoi, has been completed.
- 99% of all 466 resource consent applications issued were processed within statutory timeframes.
- The Council issued 1,736 consents in its building unit (25% fewer than in 2013/2014). Of these consents 759 were for new dwellings (1045 in 2013/2014), a 27% decrease in new dwelling building consents. 98% of all consents were issued within 20 days, against a target of 100%.



Performance Targets - non-financial

The performance targets were determined through Council's 2012-2022 Long Term Plan. For full details of performance results refer to pages 22 - 131 of the full Annual Report 2014-2015.

Of the 131 indicators that Council reports on:

- 93 targets were fully achieved
- 34 targets were almost achieved
- 4 targets were not achieved

Independent Auditor's Report

To the readers of Waimakariri District Council's summary annual report for the year ended 30 June 2015

The summary annual report was derived from the annual report of the Waimakariri District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 5 to 9 and 11 to 15:

- the summary statement of financial position as at 30 June 2015;
- 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 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as significant activities) of the District Council and group.

We expressed an unmodified audit opinion on the District Council's and group's full audited statements in our report dated 6 October 2015.

Opinion

In our opinion:

- the summary 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.

Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in

particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its associates.



John Mackey
Audit New Zealand

On behalf of the Auditor General
Christchurch, New Zealand, 6 October 2015

FINANCIAL OVERVIEW

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community.

The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).

The Annual Report shows that Council recorded a net surplus before taxation for the year ended 30 June 2015 of \$33.6 million, which was \$20.4 million less than budget. The surplus was \$42.5 million for the 2013/14 financial year.

The major variations from budget are below.

The Council's borrowings as at 30 June 2015 were \$80 million (\$50 million in 2013/14). This compares with a budget of \$73.9 million. The increase in borrowing was to fund major capital projects including Kaiapoi Ruataniwha Civic Centre, Cones Road Bridge, Oxford Town Hall and Rangiora Town Hall.

The specific disclosures in the summary financial statements have been extracted from the full financial statements. The full financial statements were authorised for issue by Council on 6 October 2015.

The full financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The full financial statements that comply with PBE Standards are the first financial statements presented in accordance with the new PBE accounting standards.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

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

You can find a copy of the full Annual Report on the Council's website waimakariri.govt.nz

FINANCIAL STATEMENTS

	Group	Parent	Parent	Group	Parent
	Actual 2015	Actual 2015	Budget 2015	Actual 2014	Actual 2014
	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2015					
<i>Financial Performance</i>					
Total operating revenue	115,174	115,174	128,895	113,722	113,722
Finance costs	3,683	3,683	6,256	2,929	2,929
Total other operating expenditure	78,148	78,148	68,740	69,939	69,939
Other gains	252	252	142	1,606	1,606
Plus Share of Associates	(63)	-	-	(38)	-
Net Surplus / (Deficit) before Taxation	33,532	33,595	54,041	42,422	42,460
Less Taxation expense	(137)	(137)	(75)	(276)	(276)
Net Surplus / (Deficit)	33,395	33,458	53,966	42,146	42,184
<i>Other comprehensive revenue and expense</i>					
Gain/(Loss) on asset revaluation	35,656	35,656	38,612	75,110	75,110
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	3,388	3,388	-	1,032	1,032
Financial assets at fair value through other comprehensive revenue and expense	32	32	-	142	142
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	39,076	39,076	38,612	76,284	76,284
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	72,471	72,534	92,578	118,430	118,468

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2015

<i>Equity at beginning of the year</i>	1,268,622	1,265,980	1,238,932	1,150,192	1,147,512
Net Surplus / (Deficit) for the year	33,395	33,458	53,966	42,146	42,184
Other comprehensive revenue and expense	39,076	39,076	38,612	76,284	76,284
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	72,471	72,534	92,578	118,430	118,468
EQUITY AT END OF THE YEAR	1,341,093	1,338,514	1,331,510	1,268,622	1,265,980

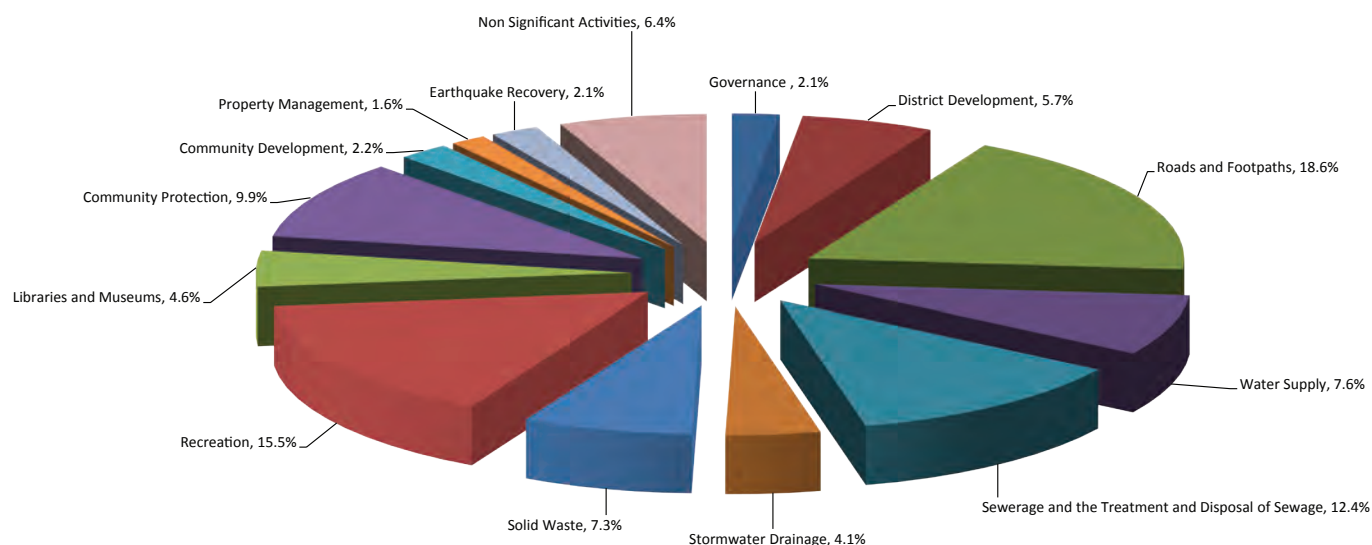
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

Current Assets	20,869	20,869	15,495	29,505	29,505
Non-current Assets	1,423,742	1,421,164	1,412,408	1,311,391	1,308,750
TOTAL ASSETS	1,444,611	1,442,033	1,427,903	1,340,896	1,338,255
Current Liabilities	36,657	36,657	25,136	26,520	26,520
Non-current Liabilities	66,862	66,862	71,258	45,756	45,756
TOTAL LIABILITIES	103,519	103,519	96,394	72,276	72,276
Accumulated general equity	727,635	725,284	780,516	694,342	691,928
Other reserves	5,977	5,977	6,387	6,101	6,101
Revaluation reserve	607,481	607,253	544,607	568,178	567,950
TOTAL EQUITY	1,341,093	1,338,514	1,331,510	1,268,622	1,265,980

	Group	Parent	Parent	Group	Parent
	Actual 2015	Actual 2015	Budget 2015	Actual 2014	Actual 2014
	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015					
Cashflows from operating activities	26,844	26,844	41,210	42,828	42,828
Cashflows from investing activities	(65,509)	(65,509)	(77,676)	(52,638)	(52,638)
Cashflows from financing activities	30,000	30,000	23,890	999	999
NET INCREASE (DECREASE) IN CASH HELD	(8,665)	(8,665)	(12,576)	(8,811)	(8,811)
Plus opening cash balance	20,531	20,531	20,829	29,342	29,342
CLOSING BALANCE	11,866	11,866	8,253	20,531	20,531

OPERATING EXPENDITURE SUMMARY

The chart below shows how expenditure was spread among Council's activities. Council's total operating expenditure for 2014/15 was \$81.8m.



EXPLANATION OF VARIANCES

Revenue was \$13.8million under budget.

Subsidies and grants were under budget by \$3.7million as there were delays in roading capital projects due to extended designs and consultations.

Development Contribution revenue was \$6.9million below budget as expected development has not occurred in some Outline Development Areas such as the East Woodend Outline Development Area.

Operating expenses were \$6.8million over budget.

This included depreciation which was \$2.5million over budget from increases in the Council's asset revaluations as at 30 June 2014. There was an unbudgeted loss on change in fair value of interest rate swaps of \$1.3 million due to falling interest rates. Extra expenditure was incurred on sealed pavement maintenance and water reticulation maintenance due to wet weather and storm events.

Building consent processing costs were over budget due to continued high demand, which was partly offset by extra revenue.

The Council recorded a \$39.1m gain on asset revaluation (budget \$38.6m). This represents the

increase in the value of roading assets which were revalued at 30 June 2015.

Current assets were \$5.4m higher than budget. Cash is higher than budgeted due to more borrowings arranged before balance date.

Non current assets were \$8.8m more than budgeted mainly due to an increase in the value of roading assets revalued at 30 June 2015.

Trade and other payables were \$1.4m over budget due to greater year end payables as a result of Council's large volume of capital/operational projects.

Borrowings (Current and non-current) were \$6.1m over budget due to cash demands of Council's capital programme.

Financial Benchmarking

There are no major variances in the Council's financial performance in relation to various benchmarks which enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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