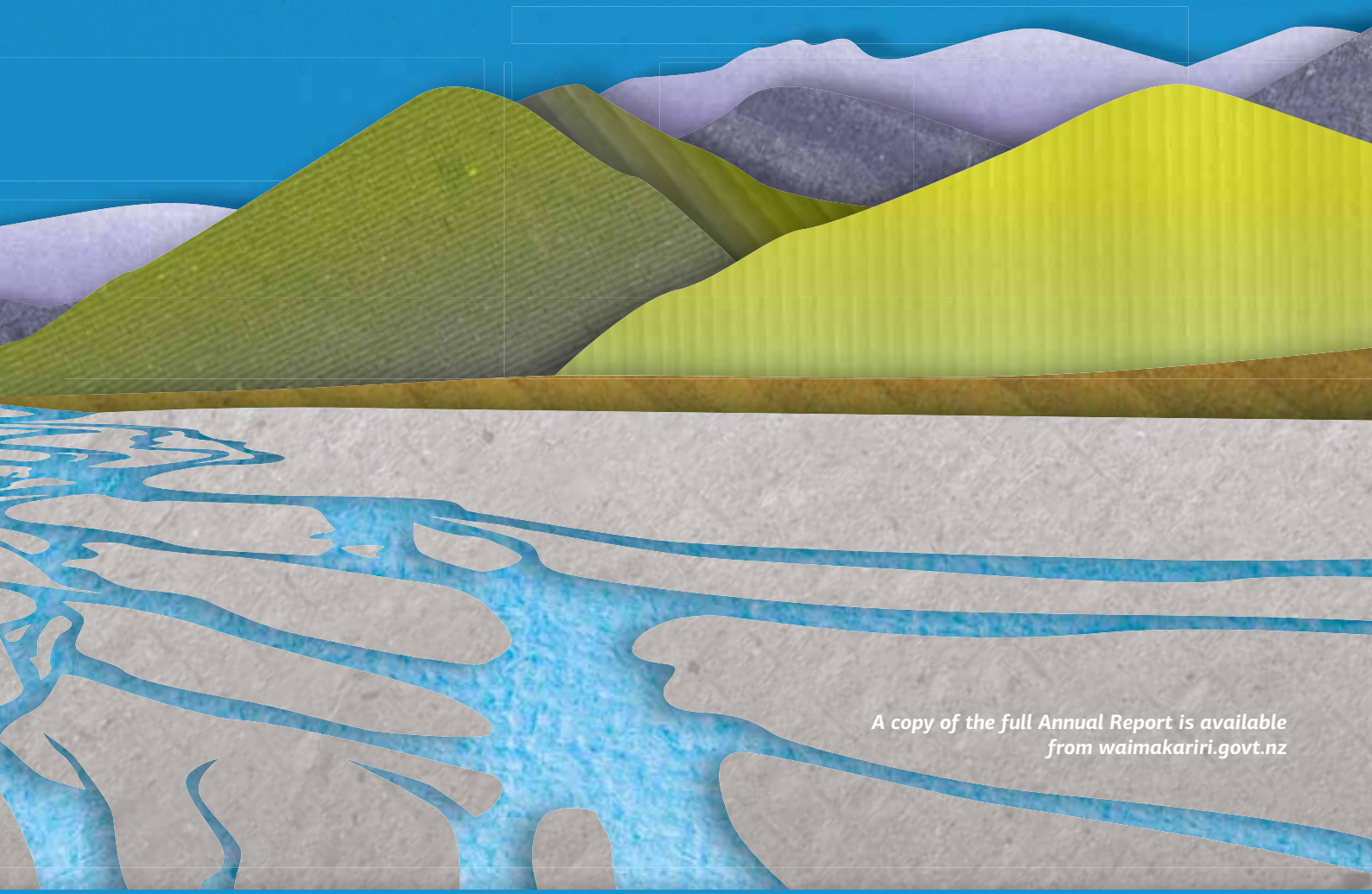




WAIMAKARIRI ***Our District***

Annual Report Summary 2019-2020
A YEAR IN REVIEW

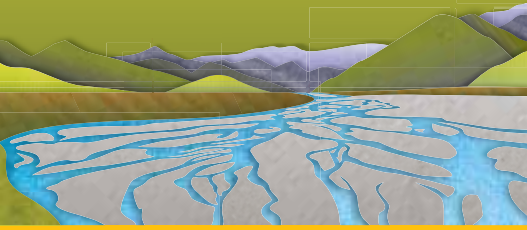


*A copy of the full Annual Report is available
from waimakariri.govt.nz*

MAKING WAIMAKARIRI A GREAT PLACE TO BE

PAGE 1

MESSAGE FROM THE MAYOR



PAGE 4

WHERE WE SPENT YOUR RATES



PAGE 6

COMMUNITY OUTCOMES



PAGE 8

OVERALL SERVICE PERFORMANCE RESULTS



PAGE 10

HIGHLIGHTS FOR THE YEAR



PAGE 11

RECREATION



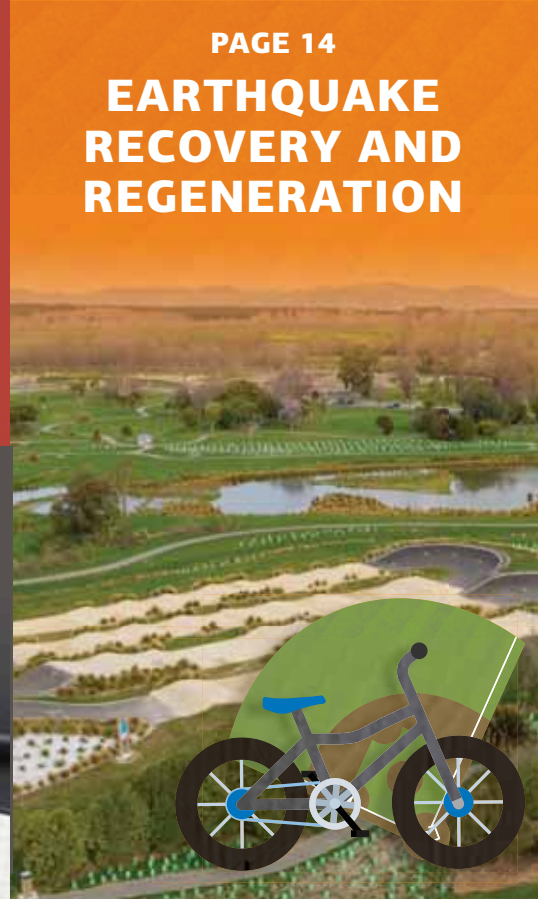
PAGE 12

INFRASTRUCTURE SERVICES



PAGE 14

EARTHQUAKE RECOVERY AND REGENERATION



PAGE 15

OUR FINANCES



PAGE 25

INDEPENDENT AUDITORS REPORT



Message from the Mayor

Kia ora koutou Waimakariri



It's a pleasure to present this year's Annual Report to you, my first as Mayor.

It's been a bit of a challenging year due to COVID-19. From the March 2020 lock-down, Council's service delivery has been impacted, although I was delighted with the level of service that the Council was able to provide. We consulted on our draft Annual Plan last year only to have our consultation period interrupted because of the COVID-19 lockdown.

I believe the Council read the situation well and started working on a review of the Annual Plan promptly so we could deliver a lower-than-projected rate increase.

This required a significant amount of work by staff and elected members to get a revised plan together and I'm proud of everyone for digging in and achieving a positive outcome for our community in the first year of what will be a reasonably large period of recovery.

Despite the impact of COVID-19, the Council has made great progress during the year.

2020 marks 10 years since the earthquakes and on reflection it is outstanding just how far the District has come while juggling rapid population growth and the increased need for services and facilities. This is no small part down to strong leadership from Council and Community Boards supported

well by an experienced and very capable staff group.

The growth we've experienced to date is set to continue. Last year we consulted on how we should best provide services for our growing community – who are on schedule to exceed 75,000 by 2028. This isn't that far away when you think about it.

These new people will create jobs, increase economic activity and add vibrancy to our District. It's important the Council looks after them through the provision of infrastructure such as water, parks, public facilities and services that improves their lives and helps them prosper.

We've progressed the District Plan and are looking to go out for engagement on this in early-mid

2021. This document will help guide our District's growth over the coming decades.

Our investment in three-water infrastructure has continued and we've made further steps towards making sure all of our drinking water schemes meet the current Drinking-water Standards for New Zealand – now only the Poyntz Road scheme, serving 81 properties, needs upgrading.

Storm water management has continued to be invested in and we've addressed a number of known issues. More recently we have been awarded some 'shovel-ready' central government funding to continue this work in the coming year too – particularly focused on lower-lying areas in Kaiapoi.

Wastewater investment continues and we have made significant progress replacing the Rangiora central sewer main – this will improve the capacity of the entire system in Rangiora and is a core multi-year project which will enable future growth and housing development.

This past year we opened the West Belt Extension to Townsend Road in June, put in place a number of pedestrian safety islands, built new footpaths and continued with our seal extension programme – sealing 1.85km of new road. On top of this we've undertaken a significant programme of kerb and channel replacement to make our streets

safer and storm water easier to manage.

We're developing new Park & Ride areas in time for the launch of the new express bus service that will follow the opening the Northern Corridor later this year to make life easier for those who commute to Christchurch and don't want to contribute to congestion. To begin with we are creating Park & Ride areas in Rangiora and Kaiapoi and aim to develop these over time in line with demand.

Our new kerbside collection service is up and running and despite some COVID-19 related setbacks we're positioned to significantly reduce the amount of recycling from our District that ends up in the landfill.

From a recreation perspective we've made great progress on the build of Stadium Waimakariri. The frame is up, the roof is on, and excitement is building. This building is on track to open within the year and it will be a terrific asset to our community.

The regeneration of earthquake damaged land in Kaiapoi is continuing on-track with the Honda Forest, BMX track and Dog Park already being regularly used by the community. Sports fields and softball diamonds are underway and will be ready for use in the coming months. The Kaiapoi River dredging, wharf and walkway improvements have also added to Kaiapoi's vitality.

Elsewhere we continue to upgrade and maintain our current parks and reserves so they're friendly places for our community to spend time and play.

This last year the Council received some excellent external validation. We received our second AA rating from expert assessors of Council's performance CouncilMARK.

They described Waimakariri District Council as "showing that councils can consistently deliver high performance for their communities."

We are one of only two Councils among 33 assessed so far to get to AA level – and it is testament to the work ethic of the whole organisation.

On top of this we maintained our high AA/A-1+ credit rating from Standard and Poor's which is testimony to the robust financial management of the Council. It also means we borrow money at better rates which has a flow on effect for our community.

All of this work and successful delivery of projects and outcomes for the community is helped by the amazing support from local businesses and community groups and professional organisations across the District.

I am grateful for the work that they do to help make Waimakariri such a great place. To be able to work in partnership with these

groups adds such value to the work that we do across sectors.

In the coming year we say farewell to long-standing Chief Executive Jim Palmer.

Jim is a real leader and well regarded throughout the country. Through the earthquakes he demonstrated exceptional leadership which helped our District recover and following that supported Kaikoura recover from their own earthquake. He is also having a significant input in to the COVID-19 response and recovery. On top of this he's outstanding at the business-as-usual aspects of running a large organisation.

He will be missed and we wish Jim well as he moves to the next phase of his career.

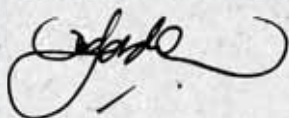
There are certainly challenges ahead for our District, and the country as a whole, with the uncertainty associated with COVID-19, potential changes to the regulation and delivery of water services, and to new low-emission/carbon zero regulations. I believe we have a great team in place to help us navigate through this and would like to thank the wider community for their ongoing support.

This coming year we begin the process of writing our Long Term Plan (LTP) which is a three year plan, that takes a ten year view on how we should face these challenges and progress with

delivering facilities and services that help our community thrive.

We'll be in touch in early 2021 with this plan to check in and make sure we are aligned with the community's vision for Waimakariri.

Ngā Mihi



Dan Gordon
Mayor



Where We Spent Your Rates

We deliver a broad range of services to our community in return for payment of rates.

This is a selection of the services we've provided over the year and the cost per day to you the ratepayer. These costs are based on average rates for properties where the service is provided.

Governance



Roads and Footpaths



Libraries



Planning

(Admin, District Development,
Civil Defence)



Economic Development

(Promotion CBA's)



Stormwater Drainage

(Urban & Rural areas)



Swimming Pools



Sewage Disposal



Water and Water ways



Community Buildings



Parks and Reserves



Canterbury Museum



Health and Safety

Cemeteries, Rural Fire, Health,
Animal & Buildings control)



Earthquake Recovery



Waste Collection and Disposal



Community Outcomes

Community Outcomes describe how Waimakariri District Council aims to achieve meeting the current and future needs of our communities with good-quality local infrastructure, providing local public services and performance of regulatory functions.

Community outcomes set the direction for our Long Term Plan (LTP) and all activities included in the 2018-2028 LTP that the Council undertakes contribute towards achieving these outcomes. The key groups of activities that contribute to each outcome are displayed.

The *Local Government Act 2002* requires Council to promote the following four Community Wellbeings in the present and for the future. Each Community Outcome is associated with one or more Wellbeings.



Social
Wellbeing



Environmental
Wellbeing



Cultural
Wellbeing



Economic
Wellbeing



There is a safe environment for all.

- Community Leadership, Property Management, Infrastructure Services and Community Services



There are areas of significant indigenous vegetation and habitats for indigenous fauna.

- Community Services, Council Controlled Organisations and Community Leadership



There are wide ranging opportunities for people to contribute to the decision making that effects our District.

- Community Leadership



Our community's needs for health and social services are met.

- Community Leadership



Effect is given to the principles of the Treaty of Waitangi.

- Community Leadership



There is a healthy and sustainable environment for all.

- Community Leadership and Infrastructure Services



Public spaces and facilities are plentiful, accessible and high quality.

- Community Services



People have wide-ranging opportunities for learning and being informed.

- Community Services



Core utility services are provided in a timely and sustainable manner.

- Infrastructure Services and Council Controlled Organisations



The distinctive character of our takiwā - towns, villages and rural areas is maintained.

- Community Leadership and Council Controlled Organisations



The community's cultures, arts and heritage are conserved and celebrated.

- Community Services and Council Controlled Organisations



People are friendly and caring, creating a strong sense of community in our District.

- Community Services and Community Leadership



Transport is accessible, convenient, reliable and sustainable

- Infrastructure Services



Businesses in the District are diverse, adaptable and growing.

- Community Leadership and Council Controlled Organisations





Overall Service Performance Results

In the Council's Long Term Plan 2018-2028 there are a total of 111 non-financial performance measures in place to gauge the service performance of Council's six groups of significant activities.

Non-financial performance measures have set targets to assess things like responsiveness, health and safety, timeliness and legislative compliance. They also link to and demonstrate how the activities the Council undertakes contribute to outcomes sought by the community.

Overall the results for the 2019/2020 financial year show 73 per cent of all measures achieved, this is a decrease of 2 percent on 2018/2019.

Some of the performance measures in the 2019/20 financial year have been impacted by the response to COVID-19. This has included the cancellation of the Annual Hui with the local Rūnanga

scheduled for April 2020, as well as the closing of libraries and aquatic facilities for extended periods in the first half of the 2020 calendar year. Surveys of the users of libraries and aquatic facilities were interrupted during this time, and so the response to user surveys, and the resultant performance measures, are not comparable to previous years.

Measures that were not met

Governance

- Quarterly Rūnanga Executive Meetings with Council staff (2/4)
- Annual Hui was not held
- Percentage of Council, Committee and Community Board meetings held per quarter (82.75% with a target of 100%)

District Development

- Supply of land identified for urban residential use (228ha with a target of 250ha)
- Number of Land Use Consents audited per annum (156 with a target of 200)

Water Supply and Quality

- Safety of drinking water (11/14 schemes compliant)
- One event where water was not available for more than eight hours

Stockwater

- Three water outages exceeded 24 hours

Stormwater drainage

- Rural drainage areas requests for drain cleaning responded to within 5 days, 93% (245/264).

- Service requests responded to within 5 working days, 92% (359/389)
- Water race advisory group meetings, 11/15

Recreation

- Annual satisfaction survey of the sports grounds
- Annual satisfaction survey of meeting and performance spaces
- Biannual survey of Aquatic Facilities.

Library services

- Number of annual visits per person, 6.78 with a target of 7.5
- Annual customer satisfaction survey

Community Development

- Facilitation of local collaborative networks

Red Zone Regeneration

- Recreation and Ecological Linkages
- Road Improvements
- Sports fields and changing facilities

Measures that almost achieved target

District Development

Percentage of resource consents issued within statutory timeframes (98.9% with a target of 100%)

Roads and Footpaths

Percentage of the sealed road network that is resurfaced (4.45% with a target of 5%)

Water Supply and Quality

Percentage of real water loss from the networked reticulation system

based on 240 litres per connection per day (26% with a target of 22%)

Stockwater

Percentage of service requests responded to within 48 hours (98% with a target of 100%).

Environmental Health Services

Percentage of all licensed alcohol premises inspected at least once per annum (90% with a target of 95%)

Building Services

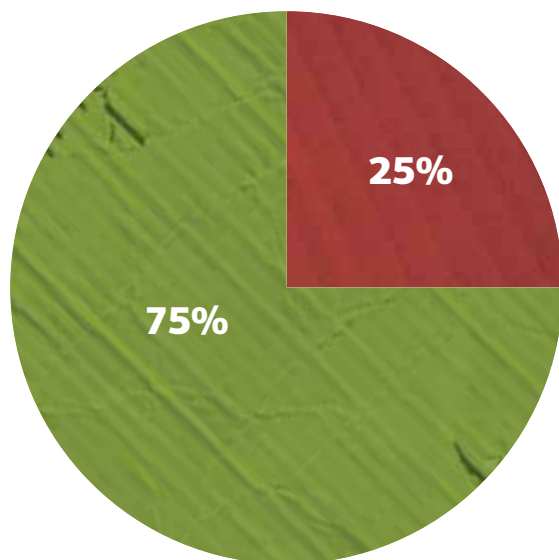
Percentage of Code Compliance Certificates issued within the Statutory 20 days (99% with a target of 100%)

Property Management

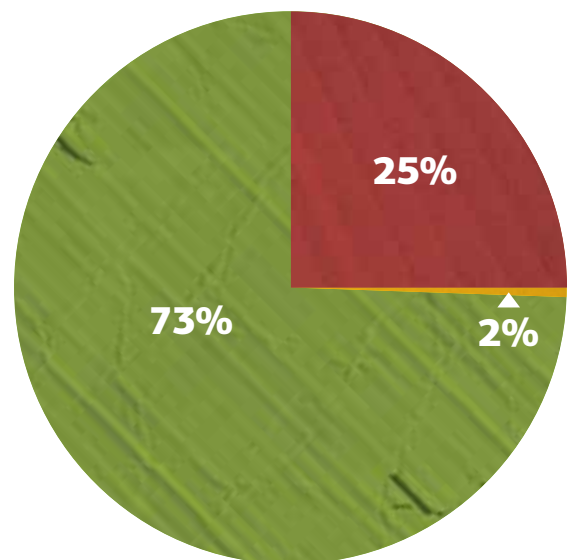
Percentage of Pensioner and Community Housing occupancy per annum (96.69% with a target of 97%).

Performance results

2018/2019



2019/2020



- = Met or exceeded target
- = Not met target
- = Two projects, not due for completion until 2022 and 2024 respectively.

Of the 111 measures, 73% (81) were completed or met, with 25% (28) not being met. Of the measures not met, there were 7 (or 6% of the total measures) within 5% of the measure being met.

Two other projects (2% of the total measures) are not due for completion until 2022 and 2024 respectively.



HIGHLIGHTS FOR THE YEAR



Recreation

Multi-Use Indoor Sports Facility

Progress on Stadium Waimakariri this year has been significant with the site established, foundation laid, frame up, roof on and preparation to make the building water-tight now underway. The new facility will cost around \$28m, be approximately 6,000m² in

size and house four indoor courts configured for futsal, handball, korfball, volleyball, netball, badminton and basketball. It will also house a central fitness facility, change rooms, coaching and meeting space and seat around 500 spectators. It's expected the doors will open to the public mid-2021.



Public spaces and facilities are plentiful, accessible and high quality.



There is a safe environment for all.



Infrastructure Services



Transport is accessible, convenient, reliable and sustainable.



Public spaces and facilities are plentiful, accessible and high quality.



Core utility services are provided in a timely and sustainable manner.

Earthquake Recovery Road Works

The last year has seen the reconstruction of Charles Street, Jollie Street and Cass Street in earthquake damages areas of Kaiapoi. This is the last of the work associated with rebuilding roads in the Regeneration area.



Garrymere Water Supply Upgrade

The Garrymere water supply is a small supply north of the Ashley River that required an upgrade to comply with the Drinking-water Standards for New Zealand. Following extensive consultation during the 2018/19 financial year, it was agreed that an upgrade was required by way of filtration and ultra-violet (UV) disinfection treatment being installed at the existing treatment plant. This work was tendered and constructed within the 2019/20 financial year, and the upgraded plant has been operational since June 2020.

Central Rangiora Sewer Capacity

This significant project will future-proof core infrastructure and enable Rangiora's continue growth. While unseen, replacing the sewer infrastructure is a multi-year project requiring a programme of upgrades to



reduce wastewater overflows and cater for further growth in the township.

Refuse and Recycling

The 'three bins' kerbside, organics and rubbish bin service started on 1 July 2019. A total of 9,900 rubbish bins and 7,776 organics bins, were ordered by the end of February and delivered to properties between 15 April and 30 June 2019. A

further 1,500 bins were ordered between March and June and were delivered during July 2019. As at 30 June 2020 there had been a 3.6 percent increase in recycling bin numbers, and a 12.8 percent increase in rubbish bin numbers and 14.5 percent increase in organics bin numbers. This is a significant milestone and a core feature of enabling our Waste Minimisation Bylaw's vision of reducing our waste to landfill.



Earthquake Recovery and Regeneration

Regeneration

Work to regenerate earthquake damaged land in Kaiapoi is on-track with the Honda Forest, BMX track and Dog Park opened this year and already being well used by the community. Sports fields and softball diamonds are being constructed at the moment and will be ready for use in the coming months. The

Kaiapoi River dredging, wharf and walkway improvements have also added to Kaiapoi's vitality and helped encourage and enable easier use of the river which is a core feature of the historic river town.



Public spaces and facilities are plentiful, accessible and high quality.



Core utility services are provided in a timely and sustainable manner.





OUR FINANCES



Financial Statements

Consolidated Statement of Comprehensive Revenue and Expense

For The Year Ended 30 June 2020

	Group 2020 Actual \$'000	Parent 2020 Actual \$'000	Parent 2020 Budget \$'000	Group 2019 Actual \$'000	Parent 2019 Actual \$'000
Financial Performance					
Total operating revenue	113,473	113,473	121,363	137,400	137,400
Finance costs	5,619	5,619	7,663	5,454	5,454
Other operating expenditure	106,451	106,451	93,787	104,622	104,622
Other gains	1,373	1,373	145	2,136	2,136
Plus Share of Associates	(2)	-	-	94	-
Net Surplus / (Deficit) before Taxation	2,774	2,776	20,058	29,554	29,460
Less Taxation expense	-	-	-	-	-
NET SURPLUS / (DEFICIT)	2,774	2,776	20,058	29,554	29,460
Other comprehensive revenue and expense					
Gain/(Loss) on asset revaluation	46,306	46,306	42,026	36,012	35,789
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	-	-	-	-	-
Financial assets at fair value through other comprehensive revenue and expense	(59)	(59)	-	(126)	(126)
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	46,247	46,247	42,026	35,886	35,663
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	49,021	49,023	62,084	65,440	65,123

Consolidated Statement of Changes in Net Assets/Equity

For The Year Ended 30 June 2020

	Group 2020 Actual \$'000	Parent 2020 Actual \$'000	Parent 2020 Budget \$'000	Group 2019 Actual \$'000	Parent 2019 Actual \$'000
EQUITY AT BEGINNING OF THE YEAR	1,689,161	1,685,437	1,684,856	1,623,721	1,620,314
Prior period adjustment	-	-	-	-	-
OPENING BALANCE RESTATED FOR PRIOR PERIOD ADJUSTMENT	1,689,161	1,685,437	1,684,856	1,623,721	1,620,314
Net Surplus / (Deficit) for the year	2,774	2,776	20,058	29,554	29,460
Other comprehensive revenue and expense	46,247	46,247	42,026	35,886	35,663
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	49,021	49,023	62,084	65,440	65,123
EQUITY AT END OF THE YEAR	1,738,182	1,734,460	1,746,940	1,689,161	1,685,437

Consolidated Statement of Financial Position

As at 30 June 2020

	Group 2020 Actual \$'000	Parent 2020 Actual \$'000	Parent 2020 Budget \$'000	Group 2019 Actual \$'000	Parent 2019 Actual \$'000
Current Assets	43,985	43,985	23,349	37,606	37,606
Non-current Assets	1,895,693	1,891,972	1,937,614	1,833,623	1,829,900
TOTAL ASSETS	1,939,678	1,935,957	1,960,963	1,871,228	1,867,505
Current Liabilities	47,839	47,839	48,124	49,261	49,261
Non-current Liabilities	153,658	153,658	165,899	132,808	132,808
TOTAL LIABILITIES	201,497	201,497	214,023	182,069	182,069
Accumulated general equity	870,599	867,558	889,239	865,924	862,881
Other reserves	4,902	4,902	6,702	5,889	5,889
Revaluation reserve	862,682	862,000	850,999	817,349	816,667
TOTAL EQUITY	1,738,182	1,734,460	1,746,940	1,689,161	1,685,437

Consolidated Statement of Cash Flows

For The Year Ended 30 June 2020

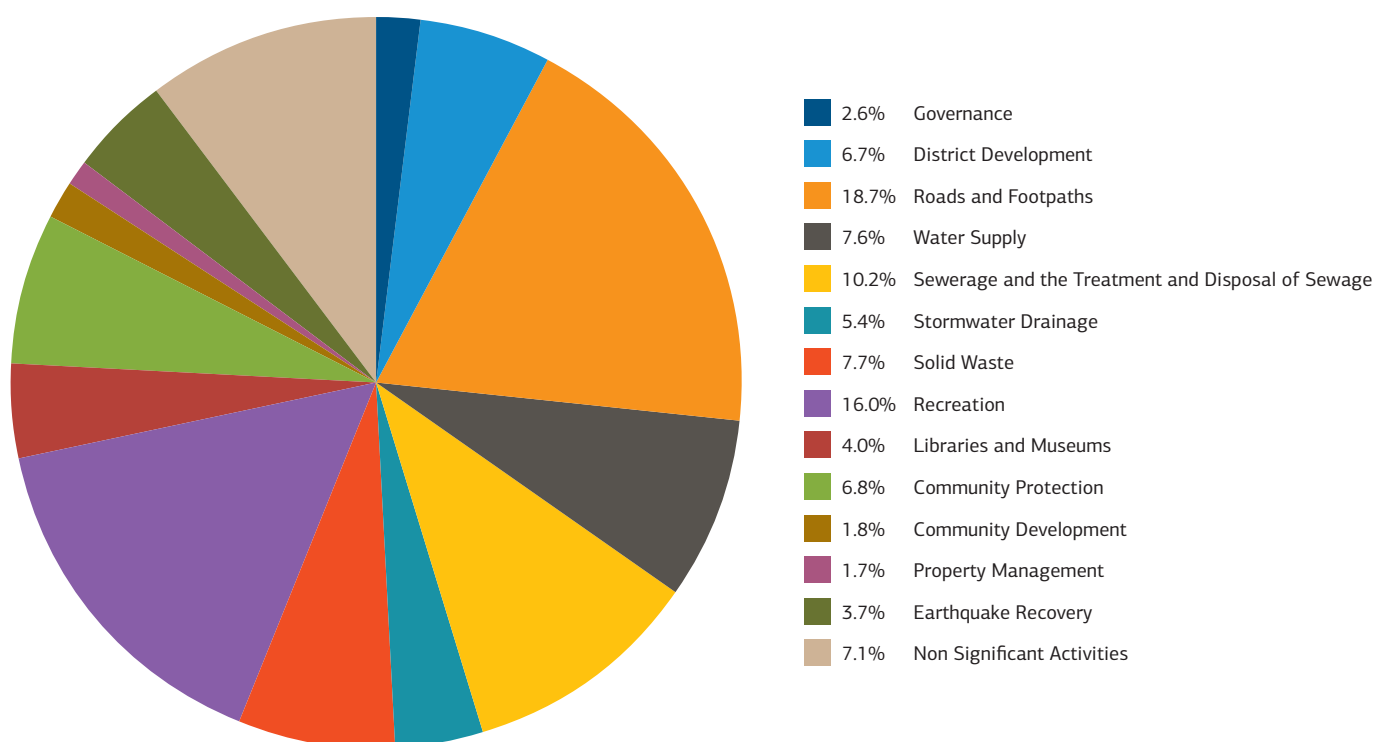
	Group 2020 Actual \$'000	Parent 2020 Actual \$'000	Parent 2020 Budget \$'000	Group 2019 Actual \$'000	Parent 2019 Actual \$'000
Cashflows from operating activities	22,858	22,858	29,257	23,151	23,151
Cashflows from investing activities	(30,440)	(30,440)	(70,008)	(37,540)	(37,540)
Cashflows from financing activities	15,000	15,000	30,572	15,000	15,000
NET INCREASE (DECREASE) IN CASH HELD	7,418	7,418	(10,179)	611	611
Plus opening cash balance	19,941	19,941	20,870	19,330	19,330
CLOSING BALANCE	27,359	27,359	10,691	19,941	19,941

Presentation currency and rounding

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

Expenditure Summary

The chart below shows how expenditure was spread among Council's activities. Council's total operating expenditure for 2019/20 was \$112.1m.



Financial overview

Under the provisions of the Local Government Act (LGA) 2002 (s.101) Council is required 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 (breakeven).

The Annual Report shows that Council recorded a net surplus before taxation for the year ended 30 June 2020 of \$2.8m, which was \$17.3m less than budget. The surplus was \$29.5m for the 2018/19 financial year.

Revenue and other gains were \$6.7m under budget.

Subsidies and grants \$2.6m under budget due to delay of the roading capital programme (in particular the low cost/ low risk improvements of local roads). The roading programme was further delayed in the last quarter due to COVID-19.

Other revenue was \$4.6m over budget mainly due to other general recoveries including recoveries from private works, increased rates penalties, more than budgeted connection fees/lump sum contributions to connect to Council's infrastructural facilities and increased liquor licensing/food premises revenue.

Vested assets were \$3.1m and Development Contributions were \$6.2m under budget as the major developments wait to get to the next stage of their development. Due to COVID-19, development in the district has slowed down.

Other gains of \$1.4m (\$1.2m more than budgeted) contains

gains on sale from property, plant & equipment of \$0.6m and gain on revaluation of investment property of \$0.6m.

Operating expenses were \$10.6m over budget

Capital expensed of \$2.2m are costs incurred but which do not form part of the final assets and was not budgeted.

Loss on disposal of fixed and other infrastructural assets was \$3.1m more than budget mainly due to unbudgeted write-offs of old asset values that were subsequently replaced.

Loss on revaluation of interest rate swaps was \$5.5m and was not budgeted.

Other comprehensive revenue and expense

The Council recorded a \$46.3m gain on asset revaluation (budget \$42.0m). As at 30 June 2020, Council revalued its roading assets, 3 water assets and solid waste assets.

Financial Position

Total assets were \$21.3m under the budget mainly due to delays of the asset capital programme.

Total liabilities were \$12.4m less than the budget as less external borrowings were required as a result of delays in Council's capital programme. This is partially offset by fair value loss of interest rate swaps due to current economic conditions.

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.

Specific disclosures

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 2020.

The full financial statements of the Council and group have been prepared in accordance with the requirements of the LGA 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 Public Benefit Entity (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).

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

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

Events after balance

In July 2020, the New Zealand Government announced an initial funding package of \$761m to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three year programme of reform of local government water services delivery arrangements.

Council agreed to sign the MoU and Funding agreement which was signed by the Mayor on the 24 August 2020.

The agreement will provide \$8.02m of funding from the signed agreement. (2019: No significant post balance date events).

COVID-19

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as COVID-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

In anticipation of the evolving situation, staff maintained the Council's cash holdings to \$25m from our ordinary cash holding of \$15m during this period to strengthen our liquidity position going into the lockdown. This was achieved by delaying reinvesting term deposits and construction of capital projects to future years.

During Level 4 and Level 3 most staff were able to work from home either in a business as usual mode, while other staff focused on the COVID-19 response. During Level 2, most of our business activity resumed with the required health and safety protocols in place and our staff began returning to their usual place of work. Level 1 predominantly saw a return to pre COVID-19 activity.

Work on our major capital projects resumed on 28 April 2020 following the move to Level 3. Council staff have worked together with our contractors to mitigate the lost time during Level 4.

Council's Water Unit worked through the lock down period to

ensure repairs and maintenance on 3 waters assets were performed in a timely manner.

The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further. Council staff will work with effected ratepayers to set up affordable payment plans.

Council incurred some additional civil defence costs in response to providing emergency accommodation and other welfare costs. The Council incurred a total of \$176,279 in response to the emergency, some of the direct costs (around \$30,000) were claimed from Central Government. The unclaimable portion of costs is an additional cost to the Council.

Council also incurred costs for capital works contracts as a result of the COVID-19 Level 4 lockdown and subsequent requirements for Alert Levels 3/2/1. Costs associated with COVID-19 varied with each contract, however, these costs can generally be broken into costs associated with the lockdown itself (disestablishment, re-establishment, making the site safe, and time related costs) and costs associated with the additional requirements for working in Alert Levels 3/2/1 (additional PPE, staff education, cleaning equipment, and physical distancing requirements). The costs were estimated to be around \$320,000.

There has been an impact on the Council's achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the annual report.

This year Council has revalued its 3 waters, solid waste and roading

assets at 30 June 2020. It is possible that replacement cost rates may be subject to short-term changes due to shortages of materials or specialist labour. However, the replacement costs that are used in depreciated replacement cost calculations should reflect typical and sustainable market conditions. At the time of developing the unit rates for this valuation date there was no information (robust contract data) to indicate a change to longer term, sustainable market conditions. This assumption was agreed by our valuer/peer reviewer. An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from COVID-19.

The Council also has an investment property portfolio that was revalued as at 30 June 2020 the valuation highlighted that there were market uncertainties that effected the valuation refer to note 16 of the financial statements for further information.

Staff and Council worked to identify savings for the 2020/21 Annual Plan. Due to the COVID-19 pandemic Council revised the Draft Annual Plan 2020/21 to keep rates increases as low as possible - from a proposed 4% down to 1.5%. We examined all budgets and projects and found net savings of \$2.9m which permitted this reduction.

Due to COVID-19 restrictions, the Council incurred costs and lost income. As at 30 June 2020, Council raised an internal loan of \$0.7m. This is \$1.5m less than what was budgeted in the 2020/21 Annual Plan. The difference is expected to be withdrawn in the 20/21 financial year to cover additional costs/lost of income. The loan will be repaid over next 10 years.

Financial Benchmarking

Annual Report disclosure statement for year ending 30 June 2020

What is the purpose of this statement?

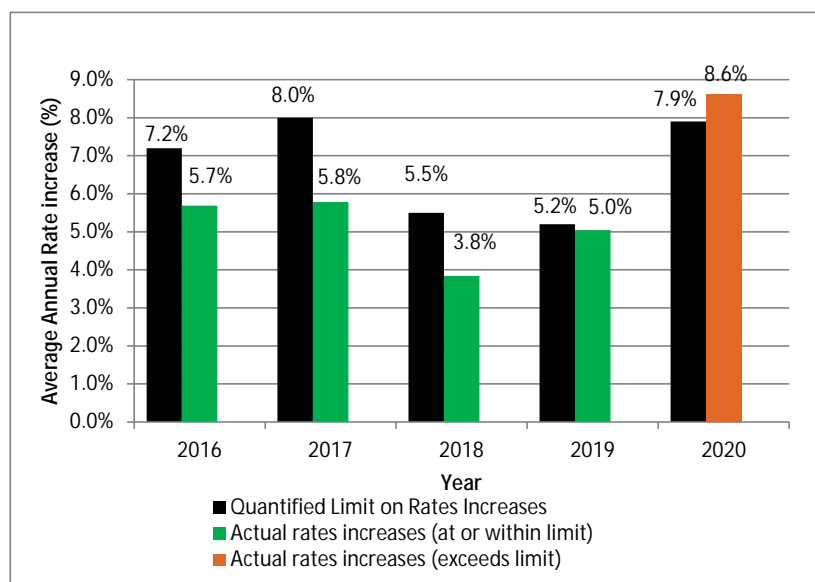
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is the average rates increase per property and the limit for each year shown is sourced from the 2015-2025 and 2018-2028 Ten Year Plans.

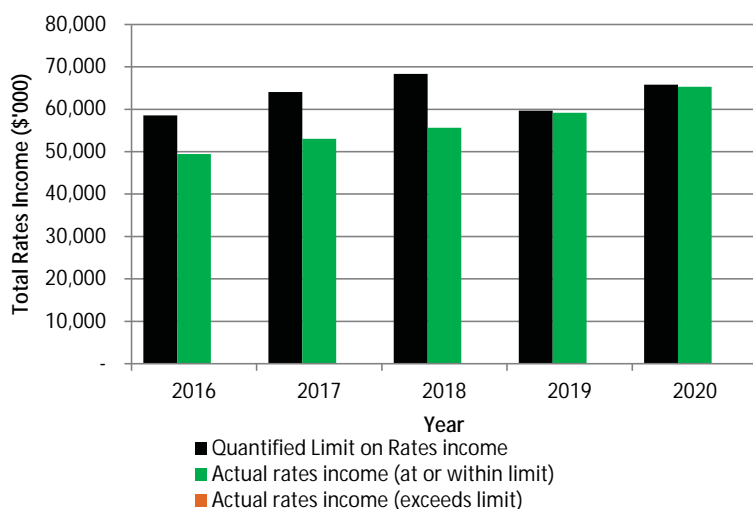
The rates increase for 2020 is over the limit due to additional growth and cost to meet the additional levels of service.



Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan. The quantified limit is the total rates income for the Council and the limit for each year shown is sourced from the 2015-2025 and 2018-28 Ten Year Plans.

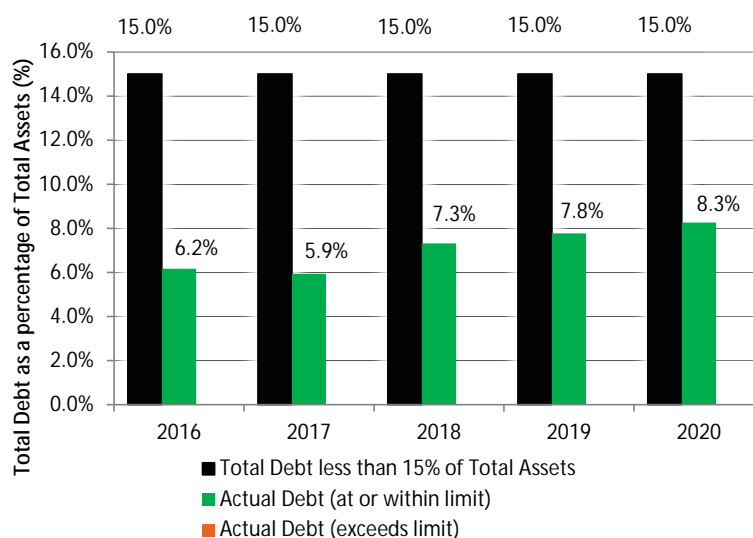
The rates income below excludes GST.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan.

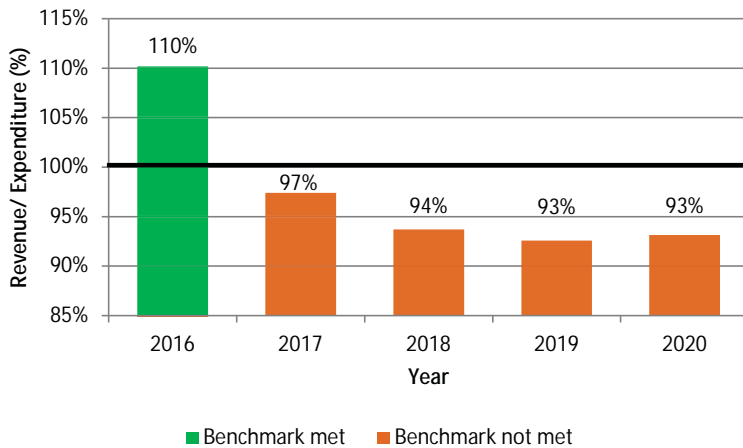
The quantified limit for the following graph is total debt as a percentage of total assets will not exceed 15%. The limit shown was sourced from the 2015-2025 and 2018-28 Ten Year Plans.



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



2016

Council's revenue exceeded its operating expenses in 2016 by 10% mainly due to insurance recoveries for earthquake works.

2017-2020

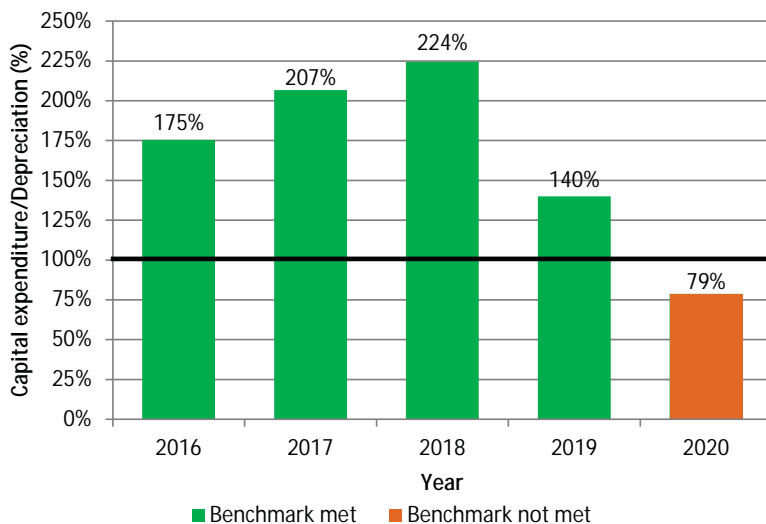
Council's operating expenses exceeded its revenue in 2017, 2018, 2019 and 2020. Council considered rate affordability by smoothing the rates increase caused by the earthquake events to outer years. Also depreciation is not fully funded due to the depreciation fund able to be invested at a higher rate than inflation over the useful life of assets.

Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Network services are classified as water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths.

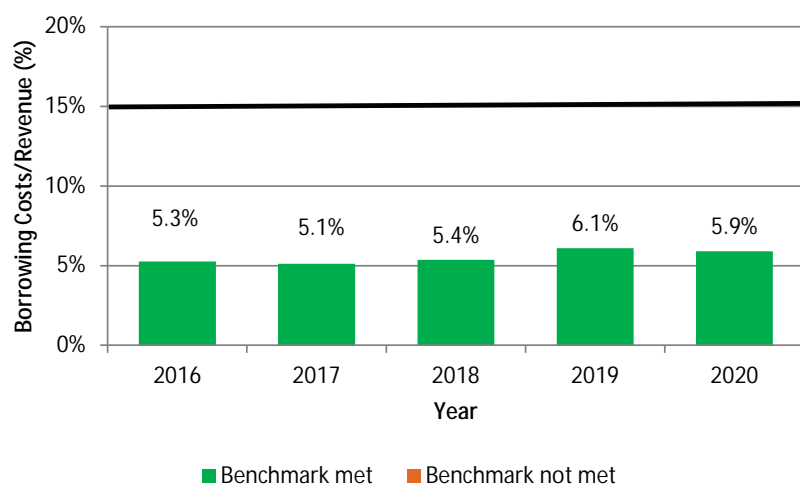


Council's depreciation on network services exceeded capital expenditure on network services in 2020 due to capital programme delays from COVID-19.

Debt servicing benchmark A

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

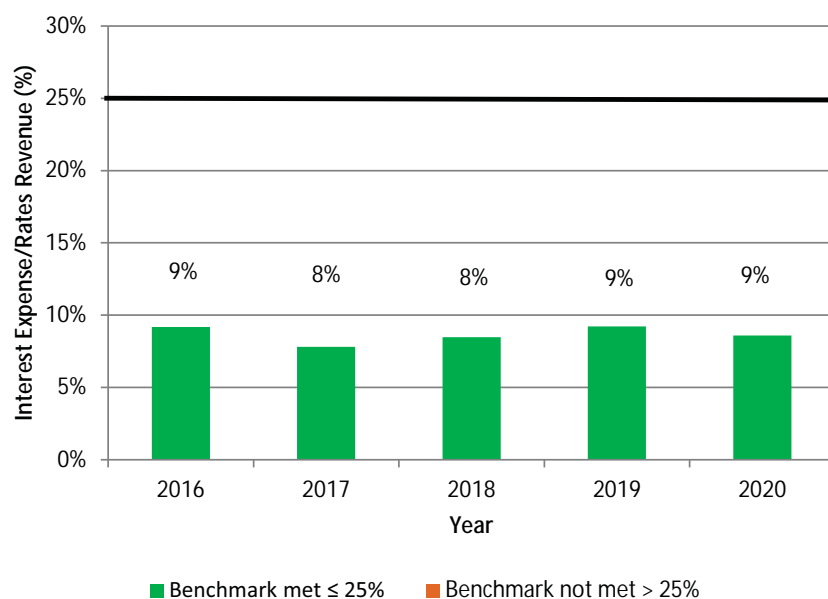
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt servicing benchmark B

The following graph compares Council's interest expense with the rates revenue and the limit was sourced from the 2015-2025 and 2018-2028 Ten Year Plans.

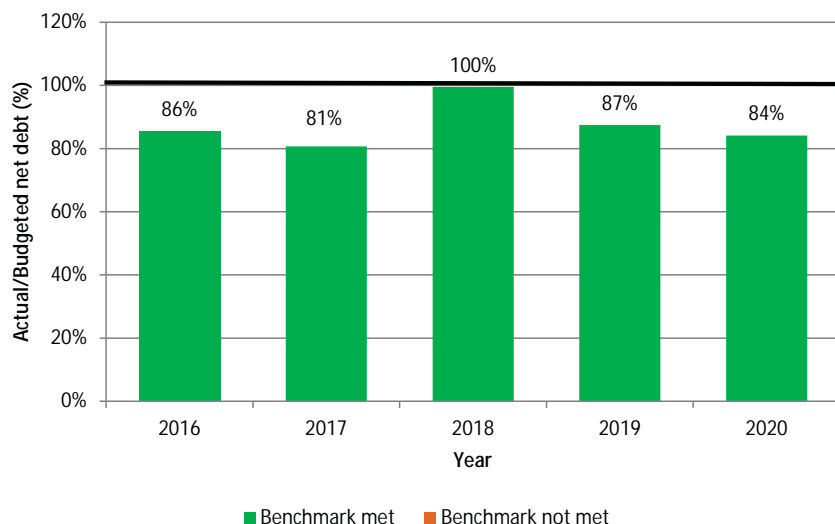
The Council meets this benchmark if interest expense as a proportion of rates revenue does not exceed 25%.



Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

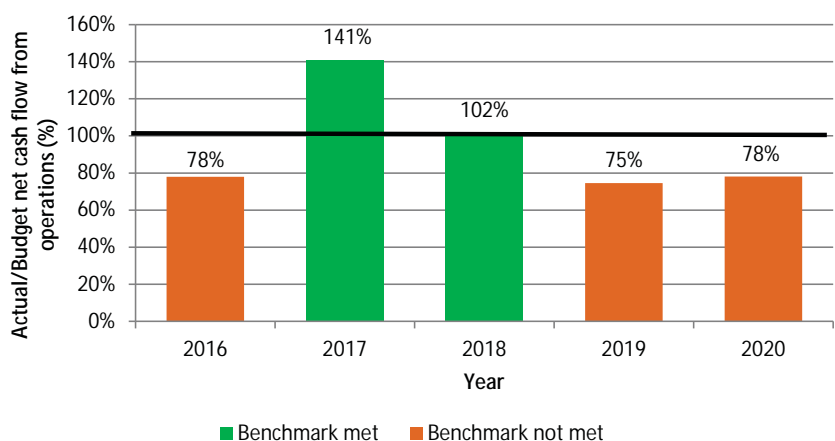
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



2016

Council received less NZTA subsidies compared to the budget due to delay of roading capital programme.

2017

Council received more development and other contributions compared to the budget due to subdivisions completed in Rangiora, Kaiapoi and Woodend.

2019

Council received less Earthquake recovery subsidies due to a change in Crown funding. Also contributing are Business Improvement projects which are being loan funded.

2020

Council received less development and other contributions compared to the budget due to major developments waiting to get to the next stage of their development.

Independent Auditor's Report

To the readers of Waimakariri District Council and group's summary of the annual report for the year ended 30 June 2020.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

The summary of the annual report was derived from the annual report of the Waimakariri District Council (the District Council) and group for the year ended 30 June 2020.

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

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary service performance results.

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 2020 in our auditor's report dated 6 October 2020. That report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of COVID-19 on the District Council as set out in full Annual Report in note 32 to the financial statements and on page 14 of the statement of service performance. We draw specific attention to the following matter due to the significant level of uncertainty caused by COVID-19:

- **Investment property**
Note 16 on page 133 of the full annual report describes the significant uncertainties highlighted by the valuer, related to estimating the fair values of the District Council's investment property.

An extract of this information is included in the summary of the annual report on page 19.

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 performed a limited assurance engagement related to the District Council's debenture trust deed. This engagement is compatible with those independence requirements. Other than our audit, our report on the disclosure requirements and this engagement, 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
Christchurch, New Zealand
6 October 2020

