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available at waimakariri.govt.nz

Annual Report Summary
2022-2023
The Year in Review



WAIMAKARIRI
DISTRICT COUNCIL



**Leaving a positive
print on the future
of our District.**

Our District, our place, our plan. Our job is to look after our District, not just for this generation, but for many more to come. Never before have our actions and decisions around the sustainability of our community been so important. Our **'thumbprint'** represents the mark we leave on the Waimakariri District.

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Statement of Comprehensive Profit or Loss
For The Year Ended 30 June 2023

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INDEPENDENT AUDITORS REPORT



Message from the Mayor and Chief Executive

Tēnā koutou katoa

Welcome to the audited Annual Report for the year ended 30 June 2023.

The Waimakariri District remains on the same growth trajectory we've been on since the Canterbury earthquakes with building consents continuing to reach new heights despite tough economic conditions.

This continual growth can pose some challenges. The Council is committed to ensuring growth is planned for in a way that enhances the lifestyle that makes our District such an attractive place to live.

Everything we do is for the benefit of the community and the Council is proud of the role we play in making sure Waimakariri is a great place to visit, live and play.

In this last year, the Council has met several significant milestones and completed numerous projects which deliver on this promise.

The Council appointed Jeff Millward as our new Chief Executive. Jeff has just shy of four decades of experience in the local government sector at this Council and most recently has been Acting Chief Executive at the Council. Before this he was the General Manager of Finance and Business Support for 14 years – so we know we're in good hands.

The District Plan review continues to progress and we're taking our time to ensure as broad a group of stakeholders and community members as possible can input into this strategic document which will determine the future shape of Waimakariri.

We've also been working with our neighbouring councils as part of the Greater Christchurch Partnership on joint planning to ensure our District Plan complements those of our neighbouring areas and we jointly plan for shared services such as public transport.

Part of ensuring the future shape of Waimakariri meets the needs and desires of residents is through place making - strengthening the connection between people and the places they share. The Council has completed several projects that deliver on this.

We celebrated the opening of an upgraded Good Street in Rangiora. This new pedestrian-friendly upgrade with a stage for performers makes Good Street a more attractive place for shoppers to sit, eat and spend time while out and about in Rangiora.

In Kaiapoi we entered a joint agreement with the New Zealand Motor Caravan Association for a new motor caravan park in the Red Zone area of Kaiapoi East. This has already proven to be popular and is a contact boost of business for retailers in Kaiapoi.

Work on the plan for the Pegasus Community Centre is continuing and we're investigating



options for a land-purchase for this community facility with Templeton Group (the developers of Pegasus). Watch this space.

Water has been a big theme of the past year.

The Council has continued to advocate against the mandated Three Waters Reform as part of our involvement with Communities 4 Local Democracy - He hapori mo te Manapori (C4LD). Through our involvement in this group, we have helped provide an alternative plan that would meet the government's objectives while retaining local ownership and say in 3 Waters.

This Annual Report is being drafted ahead of the general election. The outcome of this election will likely shape the future of Three Waters Reform.

We have also continued to advocate to keep Waimakariri's drinking water chlorine-free and have submitted exemptions to the new water regulator Taumata Arowai. However, the exemptions application was declined in late June 2023.

Finally, we've seen a fair share of rainwater this year. In July, a flooding event saw more than 150mm of rain fall over

three days and resulted in the establishment of a Civil Defence Emergency Operations Centre (EOC), a precautionary self-evacuation of Tuahiwi at its peak, numerous road closures and widespread surface flooding.

Severe weather events are happening more regularly, and the Council is seeking to establish a permanent fund to ensure we have budget to maintain, fix, and improve our stormwater, wastewater and roading networks following extreme weather.

Looking ahead, we are currently working on the Long Term Plan. As always the juggle is getting the right balance between investing in community infrastructure and services at the time of need/demand while ensuring rates increases are sustainable and affordable for residents.

We will be engaging with residents on the proposed plan in March/April next year and are looking forward to hearing your thoughts on how we can continue in partnership with you to make Waimakariri a great place to live.

Ngā mihi



A stylized, handwritten signature in black ink.

Dan Gordon
Mayor



A stylized, handwritten signature in black ink.

Jeff Millward
Chief Executive



Where We Spend 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



Planning

(Admin, District Development, Civil Defence)



Roads and Footpaths



Libraries



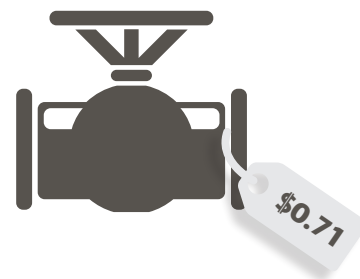
Waste Collection and Disposal



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



Other



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 2021-2031 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 Wellbeing.



Social
Wellbeing



Environmental
Wellbeing



Cultural
Wellbeing



Economic
Wellbeing



There is a safe environment for all.

Community Leadership, Property Management, Infrastructure Services and Community Services

UN SDG 3, 13



Indigenous flora and fauna, and their habitats, especially Significant Natural Areas are protected and enhanced.

Community Services, Council Controlled Organisations and Community Leadership

UN SDG 15



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

Community Leadership

UN SDG 16



People's needs for mental and physical health and social services are met.

Community Leadership

UN SDG 3, 16



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

Community Leadership

UN SDG 10, 11, 16



There is a healthy and sustainable environment for all.

Community Leadership and Infrastructure Services

UN SDG 3, 6, 11, 12, 13, 15





Public spaces and facilities are plentiful, accessible and high quality, and reflect cultural identity.

Community Services

UN SDG 3, 11



People have wide ranging opportunities for learning and being informed.

Community Services

UN SDG 3, 4



Core utility services are sustainable, low emissions, resilient, affordable; and provided in a timely manner.

Infrastructure Services and Council Controlled Organisations

UN SDG 6, 7, 9, 11, 12, 13, 15



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

Community Leadership and Council Controlled Organisations

UN SDG 11



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

Community Services and Council Controlled Organisations

UN SDG 3, 11, 16



There is a strong sense of community within our District.

Community Services and Community Leadership

UN SDG 3, 16



Transport is accessible, convenient, reliable and sustainable.

Infrastructure Services

UN SDG 9, 11, 12



Businesses in the District are diverse, adaptable and growing.

Community Leadership and Council Controlled Organisations

UN SDG 8



Reporting for Waimakariri District Council

The statement of service performance is formally classified from pages 18 to 94 of the Annual Report 2022-2023.

The relevant legislation governing the requirement of reporting of the Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The statement of service performance of the Council has been prepared in accordance with PBE standards and is for the year ended 30 June 2023. The statement was authorised for issue by the Council on 17 October 2023.

Critical reporting judgements, estimates and assumptions

Service performance reporting (PBE FRS 48)

In preparing the statement of service performance, the Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements, estimates and assumptions are discussed below.

Measure selection and level of aggregation

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Waimakariri District Council against the forecast levels of service. The service performance measures were originally adopted in the 2021-2031 Long-Term Plan and continued in the 2022-2023 Annual Plan.

The service performance measures are reported on to Council through the Audit and Risk Committee each quarter during the relevant annual period. The annual results are then reported in the relevant Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards the Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the 19 portfolios, providing a holistic set that give a rounded picture of the non-financial performance of the Council. Each portfolio has a set of metrics that were identified through the 2021-2031 LTP involving Council and management. This process ensured the selected measures best reflect the Council's performance and are available in a timely and accurate manner.

The performance measures marked in blue are the mandatory performance measures set under section 261B of the Local Government Act 2002, the Secretary for Local Government made the Non-Financial Performance Measures Rules 2013. This was to ensure the public to assess a reasonable comparison across all the councils.

Surveys

To manage the inherent risks of low response rates, unintentionally unrepresentative sampling, or inadequate question setting in relation to residents and occasional customer survey, we apply the following judgements:

- Both the aquatics and community facility surveys have been designed by council staff and in used for a number of years.
- For aquatics, concessions card holders and members are considered a significant representation of all pool users.

- All formal users of the Council facilities are considered representative of all users.

The statement of service performance utilises data from two survey-based measures:

1. The Aquatics survey is undertaken by sending an open link via Bang the Table software to all of the Council's concession card and membership card holders inviting them to provide feedback on the cleanliness of facilities, friendliness of staff, number of activities provided and their overall satisfaction. While numbers vary depending on the number of concession card and membership card holders, these people are considered representative of the District population. Participants are free to choose to engage in the survey.
2. The Community Facilities and Sports Ground surveys are conducted annually by emailing each facility user in the 12 months prior, a 3-question survey. Responses are voluntary and of the 573 surveys sent 96 responded this year.

Customer Service Requests referred to in a range of measures means requests received by email, telephone, snap-send-solve or verbal by Council staff during normal working hours and those received by the Councils after hours service managed by Answer Services. All Customer service Requests are entered into the Council's Enterprise System and tracked through to completion.

The assumption is that all requests are managed through this process as opposed to staff receiving and responding to requests independently.

Overall Service Performance Results

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 2022/23 financial year show 67 percent of all measures achieved, this is a six percent increase on 2021/22.

Measures that were not met

Governance

- Rūnanga Executive meetings with Council held each quarter (0/4). This is the same result as the previous year.
- Rūnanga/Council Annual Hui held (0/1). This is the same result as the previous year.
- Mahi Tahi Joint Development Committee meetings (0/6). This is the same result as the previous year.

District Development

- The percentage of land use consents (LUCs) that are reviewed for monitoring requirements (81%, target 100%). Previous year result was 100%.

Roads and Footpaths

- A reduction in the number of fatalities and serious injury crashes on the local road network, from the previous financial year.

(There were four fatalities and 22 serious injury crashes last year, this year there were seven fatalities and 27 serious injury crashes).

- The percentage of the sealed local road network that is resurfaced (3.37%, target 5%). Previous year result was 3.83%.
- Percentage of customer service requests relating to roads and footpaths responded to within service delivery standards (84%, target 95%). Previous year result was 94%.

Water Supply and Quality

- The extent to which drinking water complies with the drinking water standards for:
 - Bacterial compliance - Not fully compliant. This is the same results as the previous year.
 - Protozoal compliance - Not fully compliant. This is the same results as the previous year.
- The number of events that cause water not to be available to any connection for more than 8 hours (2, target 0). There were no events in the previous year.

Stockwater

- The number of water outages exceeding 24 hours duration (23, target Nil). There were 21 outages the previous year.

Stormwater drainage

- Rural drainage areas requests for drain cleaning responded to within five days (60%, target 95%). Previous year result was 76%.
- The percentage of service requests relating to any drainage enquiries that are responded to within five working days (63%, target 95%). Previous year result was 83%.
- Maintain dialogue and consultation with Te Ngāi Tūāhuriri Rūnanga

(No meetings held). There were no meetings held the previous year.

Libraries and Museums

- The number of visits per person per annum to the Kaiapoi and Rangiora Libraries based on the District's population (5.4 visits per person, target 7.5). Previous year result was 6.01 visits.
- Customer satisfaction with library services as measured by an annual survey of library users (Survey not conducted). The survey was not conducted in the previous year.

Community Protection

- Environmental Health Services - Percentage of all licensed alcohol premises inspected at least once per annum (80%, target 95%). Previous year result was 31%.
 - Environmental Health Services - The percentage of all other unreasonable noise complaints responded to within 48 hours (84%, target 90%). Previous year result was 67%.
 - Animal Control - The percentage of calls for wandering stock on roads responded to within one hour (83%, target 90%). Previous year result was 82%.
 - Building Services - The percentage of code of compliance certificates issued within the statutory 20 days (78%, target 100%). Previous year result was 98%.
 - Building Services - The percentage of Project Information Memoranda (PIM) applications issued in 20 working days (94%, target 100%). Previous year result was 76%.
 - Building Services - Inspect pool barriers every three years (8%, target 33%). Previous year result was 7%.
- ### Property Management
- The percentage of Health and Safety, and urgent maintenance

service requests responded to within 24 hours (83%, target 100%). Previous year result was 86%.

Earthquake Recovery and Regeneration

- Implementation of the Red Zone Regeneration Plan: Recreation and Ecological Linkages (carried over to 2023/24).

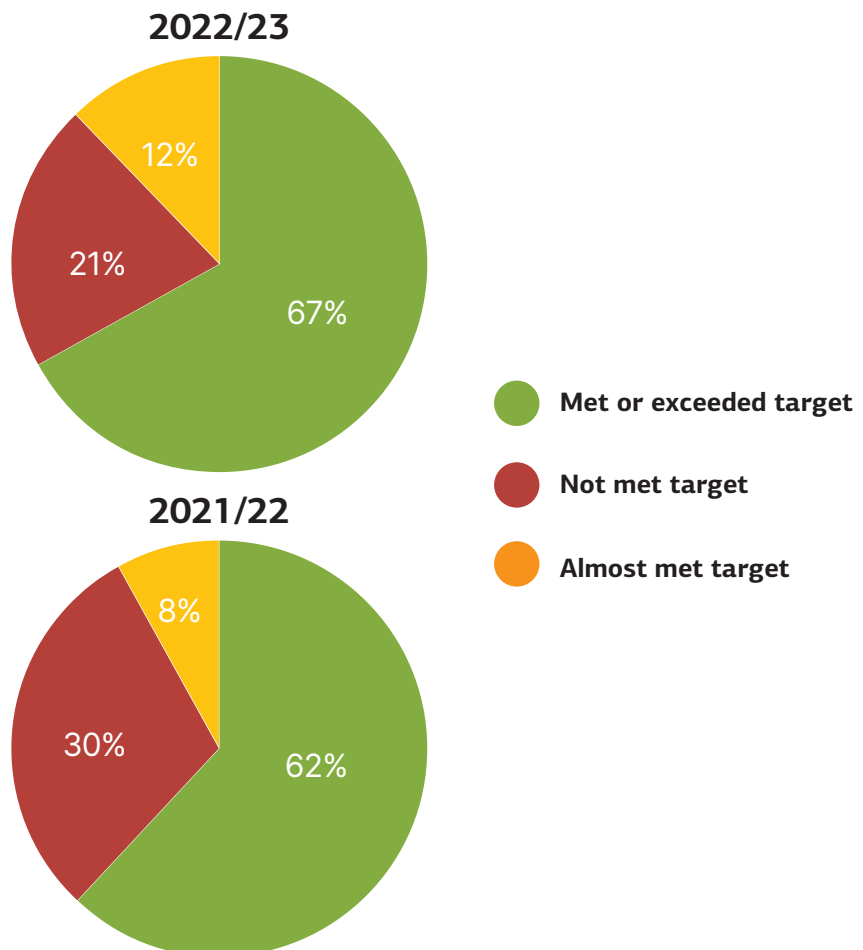
Measures that almost achieved target

- Governance – The percentage of Official Information Requests (OIR) applications completed within 20 working days (96%, target 100%).
- Governance - Percentage of Council agenda items of business that are open to the public (88%, target 90%).
- District Development - The percentage of resource consents issued in accordance with the Resource Management Act (RMA) requirements (96%, target 100%).
- Water Supply - The total number of complaints received about Drinking Water:
 - Council's response to complaints about Clarity, Taste, Odour, Pressure/Flow, Continuity of Supply and Council's response to any issue raised (5.08, target less than 5 complaints per 1,000 connections).
- Water Supply - The average consumption of drinking water per day per person within the District (470.50, target less than 450 litres).

- Solid Waste - The Southbrook Resource Recovery Park is open at least 360 days for the financial year (359, target 360).
- Building Services – The percentage of building consent applications processed within the statutory 20 days (95%, target 100%).

Of the 111 measures, 67% (74) were completed or met, with 33% (37) not being met. Of the measures not met, there were 13 (or 12% of the total measures) within 5% of the measure being met.

Performance results





HIGHLIGHTS FOR THE YEAR

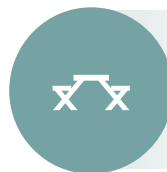
Good Street Laneway Upgrade

In May the upgraded Good Street Laneway was opened with a community event. There were musicians, food stalls, performers and more to encourage locals to come down and check out the newly upgraded Rangiora town centre feature.

The upgrade includes a new stage area and adjacent seating which takes pride of place of the widened laneway. The project was jointly funded through the Good Street Development and Rangiora Town Centre Revitalisation budgets.



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



Public spaces and facilities are plentiful, accessible and high quality, and reflect cultural identity.



Indigenous flora and fauna, and their habitats, especially Significant Natural Areas are protected and enhanced.



There is a healthy and sustainable environment for all.



There is a safe environment for all.

Land Purchase Could Pave the Way for Future Wetland and Recreation Reserve

Council has recently acquired a 85ha block of land between Lineside and Revells Roads which is prone to flooding. Following heavy rain, water becomes trapped in the basin-like land and for years it has been colloquially referred to by locals as "Lake Lineside".

It is hoped a proportion of the land could be retired from

commercial operation and reverted to ephemeral wetland (an area that is periodically a wetland, and dry other times) in the future, that would also help clean up downstream waterways.

Over the next one to two years, while investigations are underway to determine the best use of the site, Council intends to offset the running costs by generating revenue from the land through a lease or license. This means it will have little to no cost to ratepayers.



Core utility services are sustainable, low emissions, resilient, affordable; and provided in a timely manner.

Milestone Reached for Kaiapoi Stormwater and Flooding Improvements

During the 2020 Covid-19 lockdown we applied for Government funding to upgrade the stormwater network across Kaiapoi and reduce the likelihood of flooding in big storm events.

Our total Shovel Ready costing was \$22.3m with the Council share \$13.3m.

Work included upgrades to the Otaki Street pumping station, Beach Road pumping station, McIntosh Drain pumping station, Parnhams Drain accessway, the Sneyd Street and Beach Road culvert works as well as the mains replacements and other infrastructure.



The Council's Response to Reforms

The Council has been active in responding to a series of central-government led reform proposals – including 3 Waters, the Resource Management Act, and the Future for Local Government report.

We have made detailed submissions on each piece of legislation before parliament and been active in the select committee processes providing alternative options and constructive feedback which would result in better proposals.

We have also joined other councils in collective opposition to 3 Waters

and have been an active member of Communities 4 Local Democracy He hapori mo te Manapori (C4LD), of which Mayor Dan Gordon is the Co-Chair, as well taking joint legal action alongside Timaru and Whangarei councils.

We are proud of the role we have played in this space as advocates of the interests of Waimakariri residents.



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



Transport is accessible, convenient, reliable and sustainable.



Core utility services are sustainable, low emissions, resilient, affordable; and provided in a timely manner.

Kaiapoi Regeneration Wins Award

Council's Regeneration of Kaiapoi won the Minister of Local Government's Award for Council/Community Relations.

Implementation of the multi-year project, delivered over five regeneration areas, covering some 80ha, has been community-led, in

partnership with residents, visitors, businesses, mana whenua and central government.

The Taituarā judges said "This was a highly complex and challenging multi-year programme that is an exemplar for those communities needing to recover from a natural disaster."



There is a healthy and sustainable environment for all.



Indigenous flora and fauna, and their habitats, especially Significant Natural Areas are protected and enhanced.

Greater Christchurch Partnership

While our focus is on Waimakariri, the Council is involved in the Greater Christchurch Partnership – an urban growth coalition including Waimakariri, Christchurch City, Selwyn, Environment Canterbury, Waka Kotahi, Te Whatu Ora and Mana whenua.

In the past year we've engaged with residents on the Greater Christchurch Spatial Plan which outlines residential and business growth directions for the city and Districts and integrates shared public services like health and transport across growth areas.

This will be incorporated in the Waimakariri District Plan and helps our Council better plan for growth.





There is a strong sense of community within our District.



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



Public spaces and facilities are plentiful, accessible and high quality, and reflect cultural identity.

Residents Satisfaction Remains High

The 2022 Customer Satisfaction Survey shows that overall performance of the Council, as rated by residents, sits at 86%. What makes this significant achievement more impressive is that satisfaction of Council services has been consistently high since 2016.

Other highlights include 80% satisfaction with customer service, 74% satisfaction with consultation, 85% satisfaction with drinking water, 91% satisfaction with parks and community facilities, and 67% satisfaction with information provided about Council activities.



There is a strong sense of community within our District.

Waimakariri District Council Retains “Stable” Credit Rating

Credit rating agency, Standard and Poor's, confirmed Waimakariri District Council's AA long-term and A-1+ short-term credit rating with a stable outlook for the second year.

The AA rating equates the Council with New Zealand's national credit rating – the 'sovereign

rating'. Standard and Poor's does not rate any individual Council higher than the sovereign rating.



Core utility services are sustainable, low emissions, resilient, affordable; and provided in a timely manner.

Pegasus Community Centre

The Woodend/Pegasus area is expected to grow to a community of over 12,000 residents by 2048. In 2022, Council was approached by Templeton Group with a proposal to build a community facility as part of a planned town centre development. We're continuing to explore this option as we believe it will deliver the best result for the community.





OUR FINANCES

Financial Statements

Council Statement of Comprehensive Revenue and Expense For The Year Ended 30 June 2023

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
Financial Performance			
Total operating revenue	154,495	149,682	151,963
Finance costs	8,112	7,074	6,073
Other operating expenditure	128,505	111,578	115,465
Other gains	3,849	343	14,257
Plus Share of Associates	1	-	23
Net Surplus/(Deficit) before Taxation	21,728	31,373	44,705
Less Taxation expense	-	-	-
NET SURPLUS/(DEFICIT)	21,729	31,373	44,705
Other comprehensive revenue and expense			
Gain/(Loss) on asset revaluation	58,897	9,105	395,611
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	-	-	-
Financial assets at fair value through other comprehensive revenue and expense	(119)	-	80
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	58,778	9,105	395,691
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	80,507	40,478	440,396

Council Statement of Changes in Net Assets/Equity For The Year Ended 30 June 2023

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
EQUITY AT BEGINNING OF THE YEAR	2,212,783	1,921,813	1,772,387
Prior period adjustment	-	-	-
OPENING BALANCE RESTATED FOR PRIOR PERIOD ADJUSTMENT	2,212,783	1,921,813	1,772,387
Net Surplus/(Deficit) for the year	21,729	31,373	44,705
Other comprehensive revenue and expense	58,778	9,105	395,691
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	80,507	40,478	440,396
EQUITY AT END OF THE YEAR	2,293,291	1,962,291	2,212,783

Council Statement of Financial Position As at 30 June 2023

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
Current Assets	36,890	36,782	41,766
Non-current Assets	2,463,768	2,148,235	2,367,701
TOTAL ASSETS	2,500,658	2,185,017	2,409,467
Current Liabilities	47,367	54,269	56,548
Non-current Liabilities	160,000	168,457	140,136
TOTAL LIABILITIES	207,367	222,726	196,684
Accumulated general equity	972,055	959,126	947,864
Other reserves	4,367	4,996	5,474
Revaluation reserve	1,316,867	998,169	1,259,447
TOTAL EQUITY	2,293,291	1,962,291	2,212,783

Council Statement of Cash Flows

For The Year Ended 30 June 2023

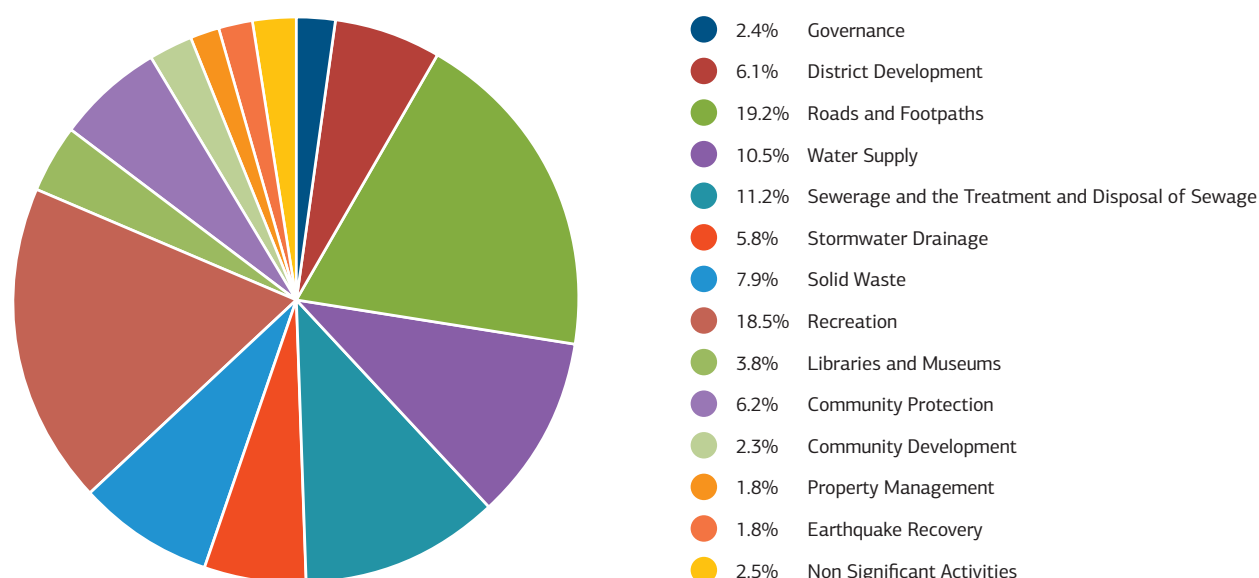
	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
Cashflows from operating activities	27,569	43,037	36,266
Cashflows from investing activities	(45,601)	(58,618)	(26,692)
Cashflows from financing activities	10,000	17,769	-
NET INCREASE (DECREASE) IN CASH HELD	(8,032)	2,188	9,573
Plus opening cash balance	28,380	21,823	18,807
CLOSING BALANCE	20,348	24,012	28,380

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 2022/23 was \$136.6m.



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 2023 of \$21.7m, which was \$9.6m less than budget. The surplus was \$44.7m for the 2021/22 financial year.

Revenue and other gains were \$8.3m over budget

Interest revenue was \$1.6m more than budget as interest was received from interest rate swaps due to rising interest rates. In the past, Council paid interest on the interest rate swaps.

Subsidies and grants were \$1.4m more than budget. Subsidies from Waka Kotahi were more than budget by \$1m due to claims in relation to the July 2022 flood event. Council also received Better Off Funding from the Crown as part of the Three Waters Reform. Development contributions were \$6.3m less than budgeted as the major developments wait to get to the next stage of their development. The revenue of 2022/23 (\$11.3m) is consistent with last year (\$11.6m).

Vested assets were \$9m more than budget due to development activities in the District (vested assets 2022/23: \$25.3m vs 2021/22: \$27.7m).

Other gains of \$3.8m (\$3.5m more than budgeted) contains gains on revaluation of interest rate swaps of \$2.6m, gain on sale of property, plant and equipment of \$0.9m and gain on revaluation of forestry assets of \$0.4m. The fair value movements for interest rate swaps and forestry assets were not budgeted in the Annual Plan budget.

Operating expenses were \$18.0m over budget

Capital expended of \$3.7m are costs incurred as part of capital projects but which do not form part of the final assets and was not budgeted.

Roading repair costs due to July 2022 flood event were not budgeted (\$1.8m). Costs incurred on sealed pavement, unsealed pavement, drainage maintenance and road safety related programme were more than budget by \$1.6m due to contract inflation adjustments and wet weather.

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.

Depreciation was \$4.3m over budget. This increase was because of the revaluation of infrastructural assets at 30 June 2022.

Other comprehensive revenue and expense

The Council recorded a \$58.9m gain on asset revaluation (budget \$9.1m). As at 30 June 2023, Council revalued its roading and solid waste assets. Value increase for roading assets was \$56.0m due to index movements.

Financial Position

Total assets were \$315.6m more the budget mainly due to asset revaluations at two balance dates (30 June 2022 and 30 June 2023) were not fully captured in the Annual Plan. Relevant capital index movements were more significant than initially forecasted.

Total liabilities were \$15.4m less than the budget as less external borrowings were required as a

result of delays in Council's capital programme. In addition, because of rising interest rates, interest rate swaps have been revalued from a liability to an asset for the Council.

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 17 October 2023.

The full financial statements of the Council 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 date July 2023 flood event

The rainfall events which occurred during July 2023 (22-24 July 2023), required a substantial response from our maintenance contractors and there has been some damage to Roding and 3 Waters infrastructure in the District. Work has been underway since the flood event to identify all issues in the network and restore infrastructure. This has

included repairing underground services, roads, bridges, culverts, slips and washouts from overland flow. In some areas, the work required to repair infrastructure is reasonably substantial and as such is ongoing. Council approved a budget of \$4.04m in responding to the flood event and recovery from the flood damages.

Water services reform programme

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.



Financial Benchmarking

Annual Report disclosure statement for year ending 30 June 2023

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

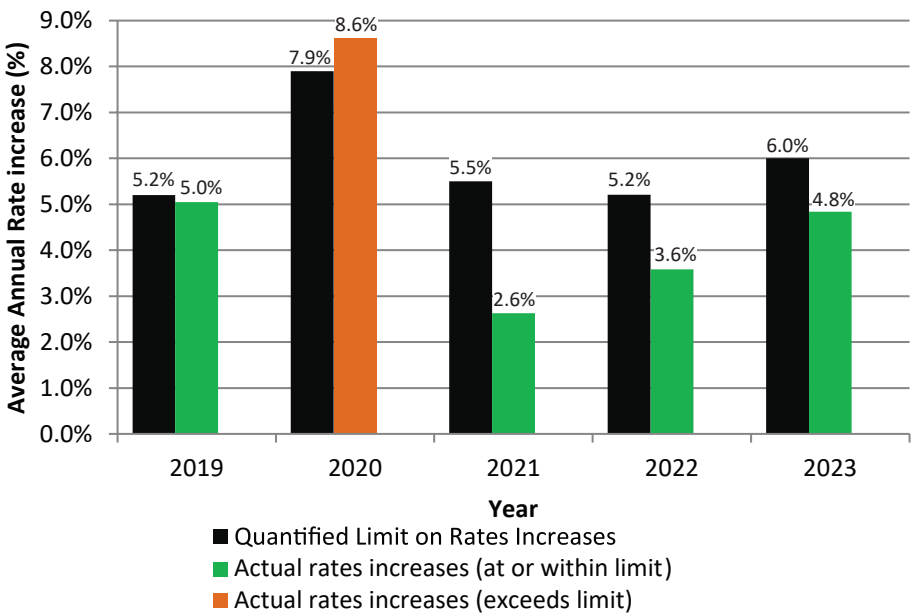
The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council’s Long Term Plan. The quantified limit is the average rates increase per property and the limit for each year shown is sourced from the 2018-28 and 2021-31 Ten Year Plans.

The following graph excludes the rating impact from optional waste bins for the financial year 2021/22 and 2022/23.

Rates for the Ashley Water supply are excluded from this graph, under a memorandum of understanding dated 10 May 2021, Hurunui District Council (HDC) set rates which is collected by WDC from 1 July 2021. WDC pays the full amount of rates to HDC. The water consumers in the area still deal with HDC for any operational issues with the water supply in accordance with the 1989 Local Government Reorganisation Order.

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

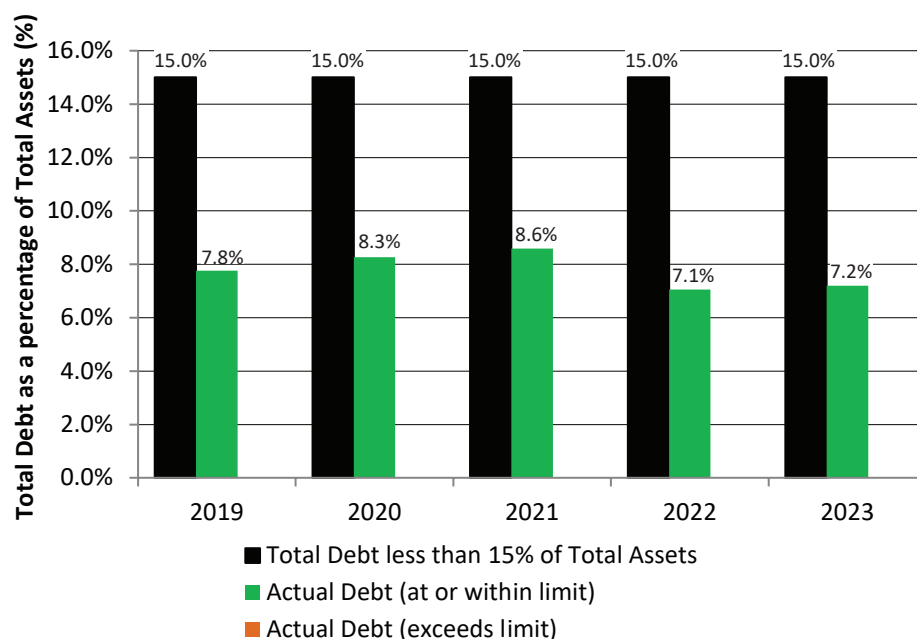
The rates increase for 2021 is under the limit due to the impact from Covid-19 of lower than forecasted inflation.



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.

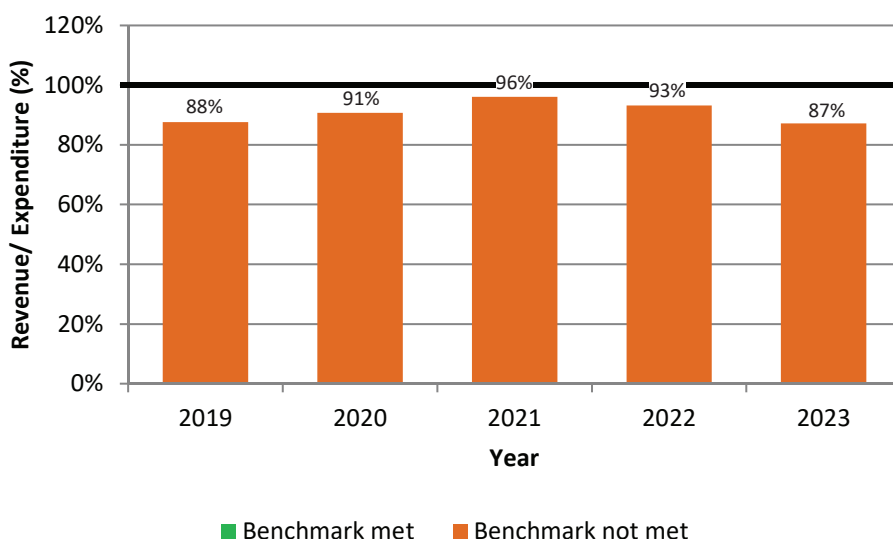
The quantified limit for the following graph is total debt as a percentage of total assets will not exceed 15%. The limit shown was sourced from the 2015-25, 2018-28 and 2021-31 Ten Year Plans.



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.



Council's operating expenses exceeded its revenue in 2019, 2020, 2021, 2022 and 2023. 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.

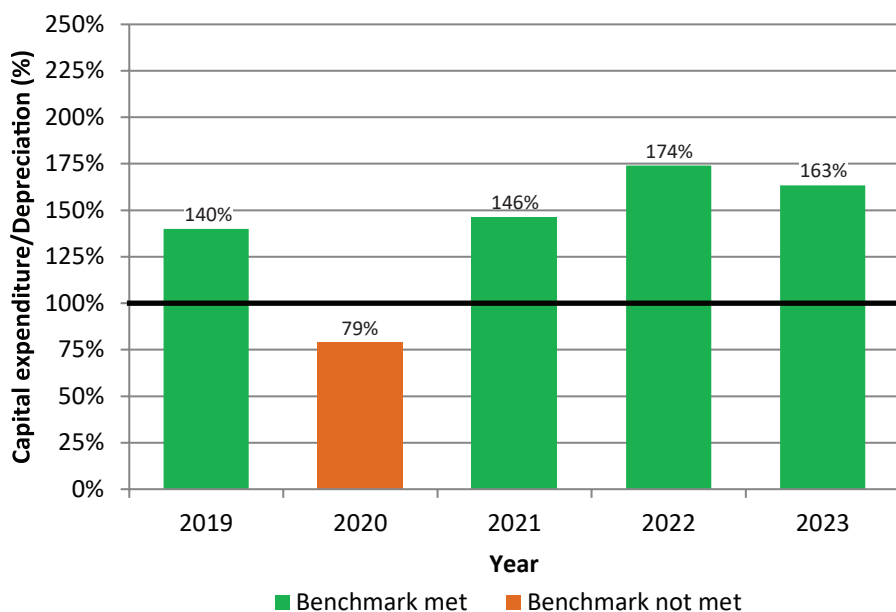
Essential services benchmark

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.

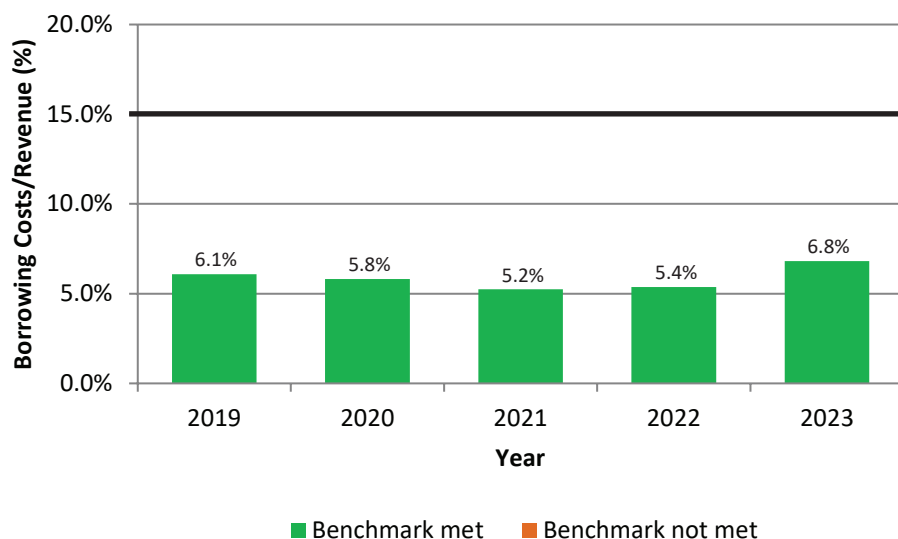
Council's depreciation on network services exceeded capital expenditure on network services in 2020 due to capital programme delays from Covid-19.



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).

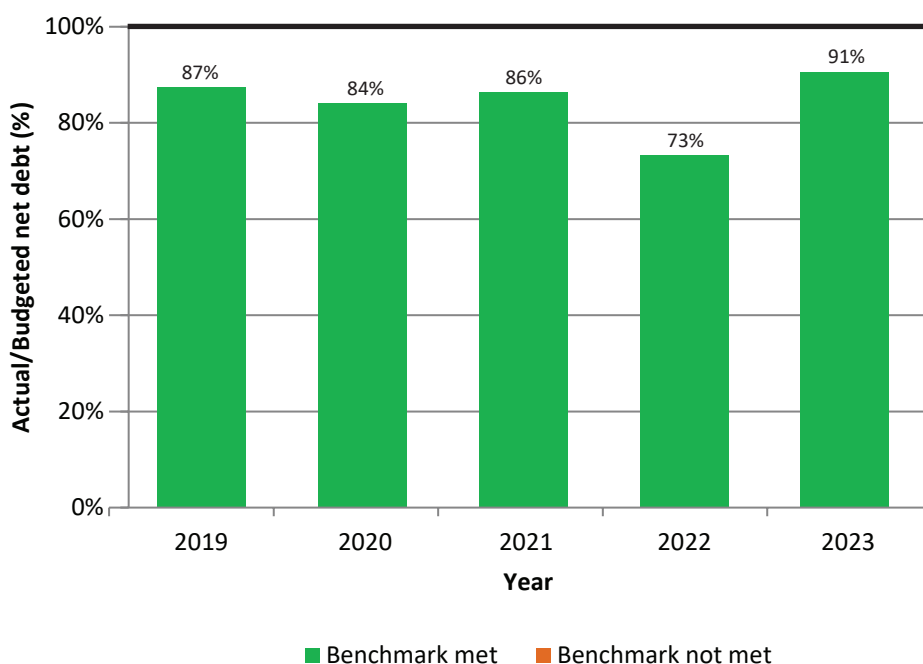
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt 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).

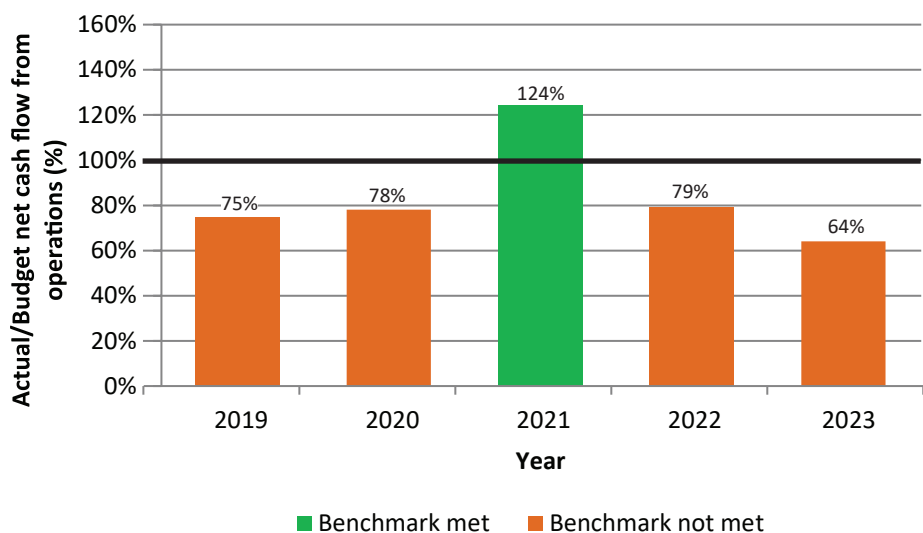
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



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.

2021

Council received unbudgeted Stimulus and Shovel Ready programmes funding.

2022

Council paid out more than budgeted cash to suppliers due to flood events and capital expensed (costs incurred that cannot be capitalised and funded via loans/renewal funds).

2023

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's summary of the annual report for the year ended 30 June 2023.

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) for the year ended 30 June 2023.

The summary of the annual report comprises the following summary statements on pages 8 to 19:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/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; 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 2023 in our auditor's report dated 17 October 2023.

Our auditor's report on the full annual report includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's water services



reform programme. 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 waters 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 District 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.

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 the report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's Debenture Trust Deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



Yvonne Yang

Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
17 October 2023





**Leaving a positive
print on the future
of our District.**



WAIMAKARIRI
DISTRICT COUNCIL