
2022.

Pre-Election Report



Basis of preparation

This report is being released in the pre-election period. Special care has been taken to ensure that it is politically neutral.

It is presented as an apolitical document, and is not a manifesto, either in whole or in part, for any candidate or political grouping taking part in the election campaign.

While this report has not been audited, much of the information presented has been sourced from audited reports. For example, the first two years' retrospective financial data has been audited as it has been taken directly from the respective Annual reports and Long Term Plan.

CONTENTS.

- 2** Welcome from the Chief Executive
- 4** 2022 Election and Key Dates
- 6** A snapshot of the District
- 8** Our purpose - Community Outcomes
- 10** Māori Capacity
- 12** Finances at a glance
- 15** Key projects
- 19** Financial performance

WELCOME.

From the Chief Executive

Kia ora tatou

The Local Government elections are an exciting opportunity to make a difference in your community and shape how Waimakariri develops over the coming years.

Whether you are interested in standing for the Council or a Community Board, or simply looking to know more about the opportunities and issues facing the District before placing your vote, this report will interest you.

Since the Canterbury earthquakes the Council and District has experienced a significant and prolonged period of growth and change.

With our population growth set to continue and reach almost 100,000 by 2050, there are a number of big issues on the horizon that will affect us all.

The Big Issues

The Council has a role to play in the promotion of social, economic, environmental and cultural wellbeing across the District. We see there being a greater need to focus further on working with our community to identify programmes, projects and investments to make a difference to these wellbeing's in the coming years.

Over the last two years the effects of Covid-19 has created economic uncertainty, disruption to social cohesion and mental health challenges, among other issues, which have impacted our community. The business environment has become increasingly difficult as well.

There is a significant reform agenda being led by Central Government with current reform proposals for Three Waters, the Resource Management Act, as well as a review of the future of Local Government.

There's a lot that's still unknown about how these reforms will impact the Council but it is likely there will be an increased focus on community wellbeing and community outcomes. There may also be a greater focus on spatial planning and key infrastructure provision at a regional level. Should this happen it is important a local voice is still heard.

There are also global issues needing our local attention such as climate change, reducing our carbon emissions, and a growing focus on sustainability and supporting a sustainable-focused economy.

These macro topics will require input from the community, as well as local solutions; it's likely the Council will soon be required to meet new regulations and other targets to respond to these issues.

Environmental challenges are taking place at the same time as the ongoing growth of the District.

We're working with the Greater Christchurch Partnership councils on a number of significant projects This includes decarbonising the transport system, increasing our resilience to natural hazards and the effects of climate change, accelerating the provision of quality affordable housing and improving access to employment, education and other services.

In the short term we've undertaken climate change risk assessments, joint spatial planning and are

considering our roles in mitigation and adaptation strategies. But there's still work to be done to take the Waimakariri community on this journey.

Internally we also face challenges. The uncertainty within the sector, coupled with many reviewing their work/life balance following Covid-19 lockdowns, means our workforce is experiencing higher turnover than normal and attracting candidates in a competitive market is an ongoing challenge.

The Opportunity

Wherever there is change there is also opportunity and potential.

Throughout the next three years the role of a Councillor and Community Board member could change in terms of how you advocate for the community and set the direction for the District's development.

There is significant work ahead to achieve and the Council's elected representatives will have to understand, relate and respond to a number of challenges in short time frames – often in partnership with other groups, areas and stakeholders.

The ability to make strong connections and network across Canterbury will become more important as the Government responds to these global issues and community wellbeing.

The Council's recent Long Term Plan, Annual Plan, Annual Report, Sustainability Strategy and Town Centre development plans provide more detail about our recent projects, future vision as well as a summary of the challenges facing the organisation. These documents can be found at Waimakariri.govt.nz.

As a Council we are in great shape to respond to change.

Waimakariri District Council continues to have some of the most stable financial management in the country and credit rating agency Standard & Poor's have maintained our rating of AA long-term and A-1+ short term credit ratings.

The Council is also a consistent high performer – in 2020 the Council received a second AA CouncilMARK rating. Launched by Local Government NZ (LGNZ), CouncilMARK is a rigorous, transparent assessment of council performance, as well as a pathway for continuous improvement for the sector.

Help Shape the Future

I encourage both voters and potential candidates to engage in informed debate about the issues facing our community, and consider what Council leadership and direction should focus on for the next three years and beyond.

Waimakariri District Council needs passionate people who care deeply about the community.

We're looking for candidates who can adapt to change, have great ideas, enthusiasm, commitment, a positive vision for the future and above all to work as part of a team committed to serving today's and future generations.

I strongly encourage you to get involved.



A stylized, handwritten signature in white ink on a blue background. The signature is cursive and appears to read 'Jeff Millward'.

Jeff Millward
Acting Chief Executive



2022.

Election and Key Dates

Local authority elections take place every three years on the second Saturday in October, via postal voting.

This year, the election will be held on Saturday 8 October 2022. The elections are held under the requirements of the Local Electoral Act 2001, The Local Electoral Regulations 2001, and the Local Government Act 2002.

The Waimakariri District Council is comprised of:



A Mayor



10 councillors

Four Community Boards representing the community comprised of:



Kaipoi-Tuahiwi Community Board
5 members + 2 councillors
from Kaiapoi-Woodend Ward



Woodend-Sefton Community Board
5 members + 2 councillors
from Kaiapoi-Woodend Ward



Oxford-Ohoka Community Board
6 members + 2 councillors
from Oxford-Ohoka Ward



Rangiora-Ashley Community Board
8 members + 4 councillors
from Rangiora-Ashley Ward

Responsibility of the Council and Community Boards:

The Council is responsible for the overall governance of the District Council. It sets Council policy and monitors its implementation.

The Community Boards seek and represent their community's views and advocate for the interests of their community. The Boards also make decisions related to community issues where authority has been delegated to the Boards from the Council.

Key dates



**JULY
15**

Nominations open



**AUGUST
12**

Nominations close
(closes 12 noon)



**SEPTEMBER
16-22**

Delivery of voting papers



**SEPTEMBER
16
- 8 October**

Voting period



**OCTOBER
8**

Election Day
(voting closes 12 noon)



**OCTOBER
13**

Official result declaration
(anticipated)

District ward map



A Snapshot of the District

Waimakariri

OUR STRENGTHS.

Comparison

64,700

Population and annual growth

5,084,300

National

9.7%

GDP/Economic growth measure

5.5%

National

\$108,100

Average household income

\$106,600

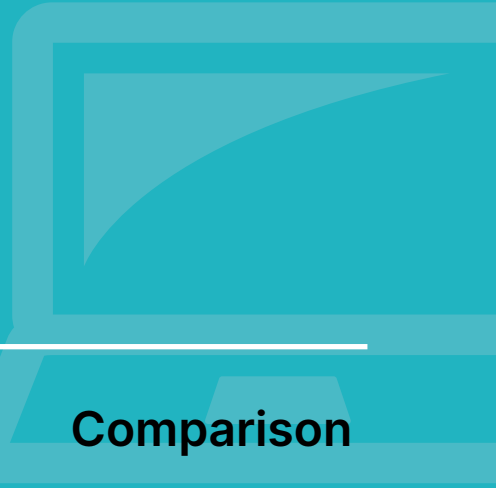
National average

\$568,226

2020 average house cost

\$772,024

National average



Waimakariri

OUR STRENGTHS.

Comparison

\$441

Average weekly rent

\$483

National average

2.7%

Unemployment

3.8%

National average

66%

Employment rate

68%

National

**Figures sourced from Infometrics December 2021, Quarterly Economic Monitor, and MBIE December 2021 Regional Factsheet.*

OUR PURPOSE.

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 2019-2021 LTP that the Council undertakes contribute towards achieving these outcomes. The key groups of activities that contribute to each outcome are displayed.

 Social Wellbeing

 Economic Wellbeing

 Cultural Wellbeing

 Environmental Wellbeing

 UN Sustainable Development Goals



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

MĀORI.

Capacity

Continued development of Māori Capacity to contribute to decision making process of the Council.

The Council in partnership with Te Ngāi Tūāhuriri Rūnanga, continue to build their relationship towards mutual understanding, through on-going discussion and consultation on relevant issues. This is provided for in the Memorandum of Understanding (MOU) between Te Ngāi Tūāhuriri Rūnanga and the Council, signed in 2003 and reviewed in December 2012.

Shared Decision-Making

Opportunity for active involvement in shared decision-making includes an annual Hui between the Council and Te Ngāi Tūāhuriri Rūnanga. Current issues and possible joint ventures or shared projects are discussed and matters for Council consideration in developing its Long Term and Annual Plans identified.

There is continued Council representation and dialogue at Te Ngāi Tūāhuriri Rūnanga meetings as requested, so that the Rūnanga can contribute to issues before the Council, like Resource Consents and Plan Changes, and hear about Council projects and developments that are of interest to them.

Te Ngāi Tūāhuriri Rūnanga and Council established the Mahi Tahi Joint Development Committee in 2019 to share decision-making about mutual

issues that impact both organisations. The Mahi Tahi Joint Development Committee has up to three representatives from Te Ngāi Tūāhuriri Rūnanga, the Mayor and two Councillors.

Consultation

To facilitate consultation, Te Ngāi Tūāhuriri Rūnanga liaise with Council staff at bi-monthly forums, participate in statutory and non-statutory consultation processes and provide advice and guidance on resource management matters of significance to the hapū and whanau of Ngāi Tūāhuriri.

The standard report template for all Council Committee and Community Board reports provides for specific consideration of mana whenua views on matters likely to be of interest to Te Ngāi Tūāhuriri hapū, based on known matters of concern or clearly direct implications.

Hearings and Pre-Hearing Meetings

Mana whenua where relevant, are acknowledged in hearings and pre-hearings and the Council encourage pre-hearings with Te Ngāi Tūāhuriri Rūnanga before resource consent and plan change/variation hearings to address issues of concern use of venues and provision for tikanga Māori.

At hearings recognition and provision for tikanga Māori and te reo Māori, is provided for where appropriate, and information considered sensitive and confidential by mana whenua is protected.



Other Relationships

The Council continues to work directly with the Mana Waitaha Trust, authorised by Te Ngāi Tūāhuriri Rūnanga to engage with the Council on behalf of descendant land owners in relation to the residential development of Māori Reserve 873.

Te Ngāi Tūāhuriri Rūnanga also have two representatives on the Waimakariri Zone Committee under the Canterbury Water Management Strategy.

The Council and Te Ngāi Tūāhuriri Rūnanga (through Ngāi Tahu) each appoint Trustees to Te Kōhaka o Tūhaitara Trust that manages over 700ha of coastal conservation land. Recently management responsibility of the Mahinga Kai area in Kaiapoi, as a result of the regeneration plans post earthquakes, was delegated to the Trust.



FINANCES.

At a glance

Your Council currently owns

\$1.9 billion

worth of physical assets

(facilities, infrastructure, property etc)

Council owes

\$170 million

of net debt

as at 30 June 2022

We spend

\$86 million

on the operational costs

of running the District every year

Overall the District has

equity of

\$1.8 billion

Value for money

The cost of running council's services (per day)

Governance



Roads and Footpaths



Libraries



Swimming Pools



Planning

(Admin, District Development, Civil Defence)



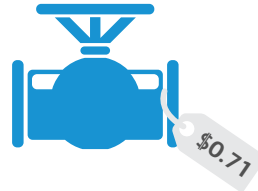
Economic Development

(Promotion CBA's)



Stormwater Drainage

(Urban & Rural areas)



Health and Safety

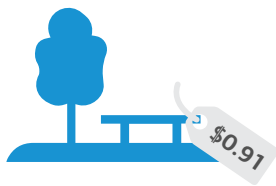
Cemeteries, Rural Fire, Health, Animal & Buildings control)



Community Buildings



Parks and Reserves



Christchurch Museum



Sewerage Disposal



Water and Water ways



Earthquake Recovery



This all equates to approximately \$9.29 per day.

Rates on an average residential property equate to around 3% of the average household income.

Waste Collection and Disposal



*Based on average residential property rates for 2022.

Managing our finances

Like the majority of Councils in New Zealand, the Waimakariri District Council borrows money to ensure we can provide infrastructure and invest in our community ahead of time in line with growth.

Councils need to respond to the rising expectations that communities have of them, and with higher environmental and government-imposed standards. Councils will need to continue investing in their districts, with debt funding providing the best means of ensuring inter-generational equity.

Council's level of external borrowing is \$170m, as at the end of June 2022.

The Long Term Plan proposed that debt levels would peak at about \$217m in 2030/31, but would be under \$200m for the first seven years of the Plan.

Local government debt is used to build infrastructure and with this in mind our annual expenditure is between \$40-80m. Relative to this is our interest cost of about \$6-7m per annum. Council's current average cost of borrowing was 3.6% in 2020/21.

This is well within limits imposed by the Local Government Funding Agency and Council's self-imposed conservative policy limits.

Rates

In the 2021-2031 LTP, average rates increases were:

In 2021/22 the average property rate increased 4.3%. The following five years from 2022 – 2027 average rates increases were signalled to range between 4.1% - 4.2%. The remaining years of the ten year plan range between 3.5% - 3.7%.

Capital spending

- \$163m on replacement capital projects - 28% of which will be in the Wastewater, Stormwater and Water Supply areas, 45% on Rooding and 18% on Recreation, including Libraries and Aquatic services. This includes Skew bridge realignment/replacement \$11m, Road resurfacing \$24m and pavement rehabilitation \$11m.
- \$129m on improved levels of service capital projects on meeting water quality standards, improving drainage, and other levels of service. 55% of which will be in the Wastewater, Stormwater and Water Supply areas, 23% on Rooding and 10% on Recreation, including Libraries and Aquatic facilities. Significant capital projects include Tram Road route safety improvements \$12m, Stimulus package of works \$10m, Global stormwater consent implementation (to 2037) \$21m Covid-19 Shovel ready programme of works \$18m.
- \$236m on projects relating to growth, 24% of which will be in the Wastewater, Stormwater and Water Supply areas, 38% on Rooding and 23% on Recreation, including Libraries and Aquatic facilities. Projects include Kaiapoi sewer capacity upgrade \$18m, West Rangiora route safety upgrade \$14m, \$18m extension to the Rangiora Service Centre.



KEY PROJECTS.

Looking back, present day

and future focus



2019/20

2020/21

2021/22

2022/23

2023/24

2024/25

2025/26

LTP 2018-2028
Election Year

LTP 2018-2028

LTP 2021-2031





LTP 2021-2031
Election Year
Year +1LTP 2021-2031
Year +2

LTP 2024-2034

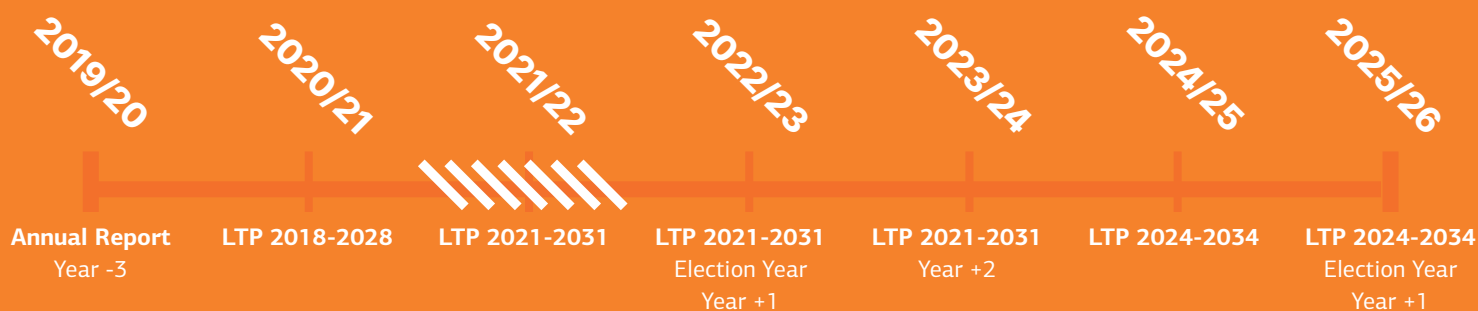
LTP 2024-2034
Election Year
Year +1

Looking Back

Key projects undertaken 2019 to 2021

LTP Activity		Project description	Total spent (\$M)
Earthquake Recovery and Regeneration		Playing field Kaiapoi	1.7
		East Kaiapoi road upgrade Kaiapoi	1.3
		Recreation and ecological links Kaiapoi	1.14
		Dredging the Kaiapoi River and installing the pontoons	0.8
Infrastructure Services		Kaiapoi Charles Street rising main	
		Kaiapoi and Rangiora flood mitigation	
		Kerbside collection services	
Community Services		Multi-use sports facility Coldstream Road	28.6
Community Leadership		Covid Community Response	
		Draft District Plan	3.9
		Continued provision for growth and development through the Greater Christchurch Partnership	





Present Day

Key projects for 2021/22

LTP Activity		Project description	Total spent (\$M)
Earthquake Recovery and Regeneration		Recreation and ecological links Kaiapoi	0.1
		Sports facilities Kaiapoi East	0.1
		Heritage and Mahinga kai Kaiapoi East	0.4
Infrastructure Services		Rangiora wastewater network upgrade	1.8
		Southbrook resource and recovery park	0.4
		Kaiapoi flooding and stormwater (Shovel ready improvement projects)	7.8
		Road network level of service	1.7
Community Services		Kaiapoi Community Hub	0.5
Community Leadership		Review Central Government Reforms: - Future for Local Government - Resource Management Act - Three Waters	



2019/20

2020/21

2021/22

2022/23

2023/24

2024/25

2025/26

Annual Report
Year -3

LTP 2018-2028

LTP 2021-2031

LTP 2021-2031
Election Year
Year +1LTP 2021-2031
Year +2

LTP 2024-2034

LTP 2024-2034
Election Year
Year +1

Future Focus

Key projects planned for 2023 and beyond

LTP Activity		Project description	Total spent (\$M)
Infrastructure Services*		Kaiapoi wastewater network upgrade	11.1
		Skewbridge Road alignment/replacement	11.0
		Rangiora Eastern Bypass	21.0
		Park and Ride Facilities	2.0
		Woodend wastewater treatment pond extensions	2.5
Community Service		Pegasus Community Facilities	4.5
Community Leadership		Natural disaster and adverse events planning	
		District growth provisions	
		Maori relationship building	
		Waste minimisation and sustainability	
		Central Government Reforms <ul style="list-style-type: none"> - health and disability services - education services - Building Act - Emergency Management 	
District Development		Greater Christchurch Partnership Project 2050	
Solid Waste		Southbrook Resource Recovery Park Expansion	1.9
Property Management		Mid-life renewals of housing for the elderly	3.4

*The Council prepares an Infrastructure Strategy for the life of its assets. Refer to the Infrastructure Strategy document which identifies key infrastructure beyond the Long Term Plan years.



FINANCIAL PERFORMANCE.



Funding impact statement

This financial statement sets out the funding mechanisms and forecast budgets Council will use to pay for its capital and operating programme from 2023 to 2026.

	Actual 2019/20 Year -3	Actual 2020/21 Year -2
	\$'000	\$'000
Sources of operating funding		
General Rates, uniform annual general charges, rates penalties	10,491	10,522
Targeted Rates (other than a targeted rate for water supply)	56,122	58,938
Subsidies and grants for operating purposes	3,350	4,812
Fees and charges and targeted rates for water supply	19,601	19,262
Interest and dividends from investments	940	971
Local authorities fuel tax, fines, infringement fees, and other receipts	1,014	1,004
TOTAL OPERATING FUNDING	91,518	95,509
Applications of operating funding		
Payments to staff and suppliers	72,237	77,988
Finance costs	5,619	5,811
Other operating funding applications	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	77,856	83,799
SURPLUS/(DEFICIT) OF OPERATING FUNDING	13,662	11,710
Sources of capital funding		
Subsidies and grants for capital expenditure	4,111	14,176
Development and financial contributions	6,141	10,381
Increase (decrease) in debt	15,000	10,000
Gross Proceeds from sale of assets	4,110	1,978
Lump sum contributions	-	-
TOTAL SOURCES OF CAPITAL FUNDING	29,362	36,535
Applications of capital funding		
Capital expenditure		
- to meet additional demand	5,613	10,798
- to improve the level of service	20,855	45,469
- to replace existing assets	19,879	16,861
Increase (decrease) in reserves	(3,618)	(25,339)
Increase (decrease) in investments	295	456
TOTAL APPLICATIONS OF CAPITAL FUNDING	43,024	48,245
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(13,662)	(11,710)
FUNDING BALANCE	-	-

Forecast 2021/22 Year -1 \$'000	LTP 2021-2031 2022/23 Election Year \$'000	LTP 2021-2031 2023/24 Year +1 \$'000	LTP 2021-2031 2024/25 Year +2 \$'000	LTP 2021-2031 2025/26 Year +3* \$'000
10,629	10,681	11,427	12,166	13,208
64,070	67,797	71,797	76,020	80,211
4,894	3,498	3,600	3,739	3,888
19,651	18,678	20,221	20,916	21,320
795	988	1,005	1,043	1,075
702	861	717	730	1,020
100,741	102,503	108,767	114,614	120,722
77,869	79,633	81,717	82,440	85,104
5,943	6,544	6,630	6,700	6,843
-	-	-	-	-
83,812	86,177	88,347	89,140	91,947
16,929	16,326	20,420	25,474	28,775
11,838	8,914	5,281	6,151	5,982
16,277	17,309	16,032	17,492	16,299
-	1,867	(30)	2,806	(1,140)
382	57	40	236	57
-	-	-	-	-
28,497	28,147	21,323	26,685	21,198
4,814	15,993	11,566	20,335	18,069
30,258	12,842	11,389	12,065	8,984
11,246	13,101	12,974	11,440	17,849
(892)	2,507	5,814	2,274	1,071
-	30	-	6,045	4,000
45,426	44,473	41,743	52,159	49,973
(16,929)	(16,326)	(20,420)	(25,474)	(28,775)
-	-	-	-	-

Consolidated balance sheet

The consolidated balance sheet shows what the Council owns (our assets) and what we owe (our debt/liabilities) and the net worth (represented by net assets).

	Actual 2019/20 Year -3	Actual 2020/21 Year -2	Forecast 2021/22 Year -1	LTP 2021- 2031 2022/23 Election Year	LTP 2021- 2031 2023/24 Year +1	LTP 2021- 2031 2024/25 Year +2	LTP 2021- 2031 2025/26 Year +3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
TOTAL CURRENT ASSETS	43,985	41,653	38,199	29,681	35,288	44,168	49,340
Non-current assets							
Forestry	2,187	3,068	3,068	2,281	2,305	2,329	2,382
Investment properties	16,346	12,652	13,538	16,634	16,780	16,928	17,077
Property, plant and equipment	72,553	81,899	81,944	78,855	79,624	80,153	80,783
Infrastructure	1,800,886	1,836,765	1,943,833	2,050,675	2,122,507	2,202,848	2,286,904
TOTAL NON-CURRENT ASSETS	1,891,972	1,934,384	2,042,383	2,148,445	2,221,216	2,302,258	2,387,146
TOTAL ASSETS	1,935,957	1,976,037	2,080,582	2,178,126	2,256,504	2,346,426	2,436,486
Current liabilities							
Borrowing	25,055	20,000	30,000	30,000	30,000	30,000	30,000
Other current liabilities	22,784	26,817	28,728	21,112	20,743	21,384	21,404
TOTAL CURRENT LIABILITIES	47,839	46,817	58,728	51,112	50,743	51,384	51,404
Non-current liabilities							
Borrowing	134,990	150,000	140,000	167,028	166,998	169,804	168,664
Other non-current liabilities	18,668	10,546	6,236	18,847	18,844	19,112	19,003
TOTAL NON-CURRENT LIABILITIES	153,658	160,546	146,236	185,875	185,842	188,916	187,667
TOTAL LIABILITIES	201,497	207,363	204,964	236,987	236,585	240,300	239,071
TOTAL RATEPAYERS' EQUITY	1,734,460	1,768,674	1,875,618	1,941,139	2,019,919	2,106,126	2,197,415

Credit rating

Credit rating agency, Standard and Poor's, affirmed its AA long-term and A-1+ short-term credit rating with a stable outlook for Waimakariri District Council on January 2022.

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

The outlook is based on Standard and Poor's view that Council's capital works programme is significant, which can cause an increase of debt in the short term (approximately two years).

The significant work programme includes necessary infrastructure to cater for Waimakariri's growing needs and population.

Financial strategy and performance

The Financial Strategy outlines key financial parameters and limits within which Waimakariri District Council will operate for the life of a ten year Long Term Plan.

The Strategy provides a guide for which proposals for expenditure and funding may be considered and a context for public disclosure of the overall effect of long term expenditure on levels of service, rates, debt and investments.

Significant factors considered in the Strategy

Canterbury Earthquakes

The financial impact of the Canterbury earthquakes and the associated rebuild continues. Although some of the costs were met from insurance and others from borrowing, the ongoing

servicing cost of these loans will be met from rates for the next ten years and beyond.

Growth

The estimated population of the District is expected to increase from 66,900 on 1 July 2021 to 77,700 by 2030/31.

Strategic objectives

To maintain levels of service, respond to community expectations and meet the requirements of national standards, there are four key objectives set out in the Strategy:

- Reinstate Council's community assets to pre-earthquake condition
- Restrict operating expenditure movements to the rate of Local Government Cost Inflation, excluding catering for population growth and improved levels of service
- Maintain debt within policy limits, while maintaining headroom for significant natural disasters long term
- Maintain the current prudent financial management while still providing high levels of service to both current and future generations.

Financial benchmarking

Local Government (Financial Reporting Prudence) Regulations 2014.

Forecast for 2021/22

The result for 2021/22 is a forecast.

The forecast is based on the most recent financial information available for 2021/22 plus an estimate of financial transactions until 30 June 2022.

This information has not been audited.

Budgets for 2022/23 to 2025/26.

The budgets for 2022/23 to 2025/26 are taken from the Long Term Plan 2021-2031 (LTP).

The 2021-2031 Long Term Plan was audited by Audit New Zealand.

The graph compares the Council's actual/forecast rates increases with a quantified limit on rates increases included in the financial strategy.

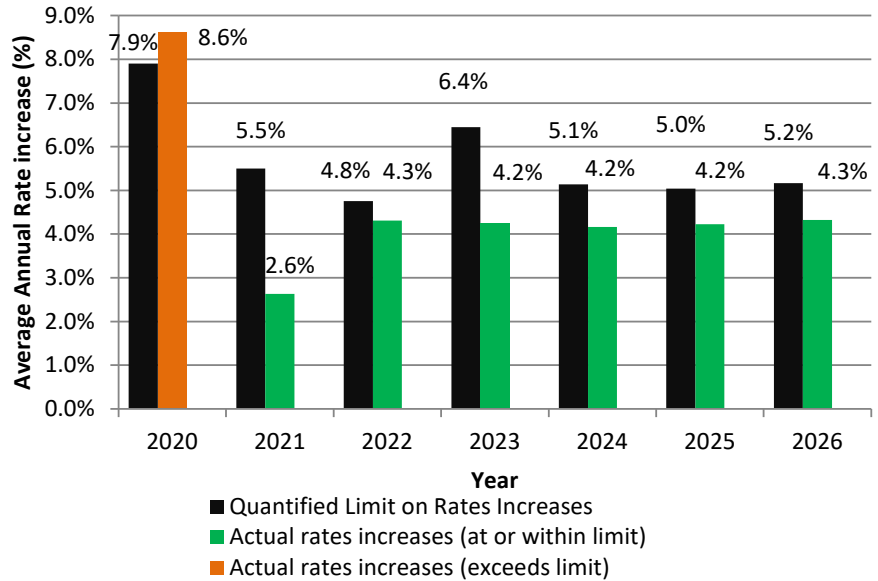
The quantified limit is the average rates increase per property.

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

Rates affordability

Rates movements have been affected by a number of factors including the impact of the Canterbury earthquakes and growth.

In terms of growth, while Development Contributions fund much of the capital projects, additional developed land and services need to be maintained and form part of the Council's operational expenditure.

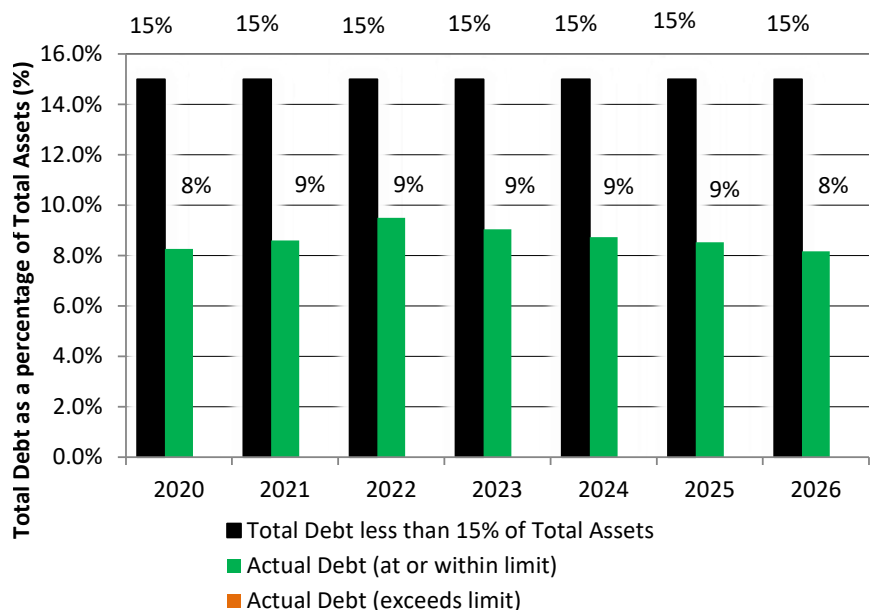


This graph compares the Council's actual/forecast borrowing with a quantified limit set in the financial strategy.

The quantified limit is total debt as a percentage of total assets will not exceed 15%.

Debt affordability

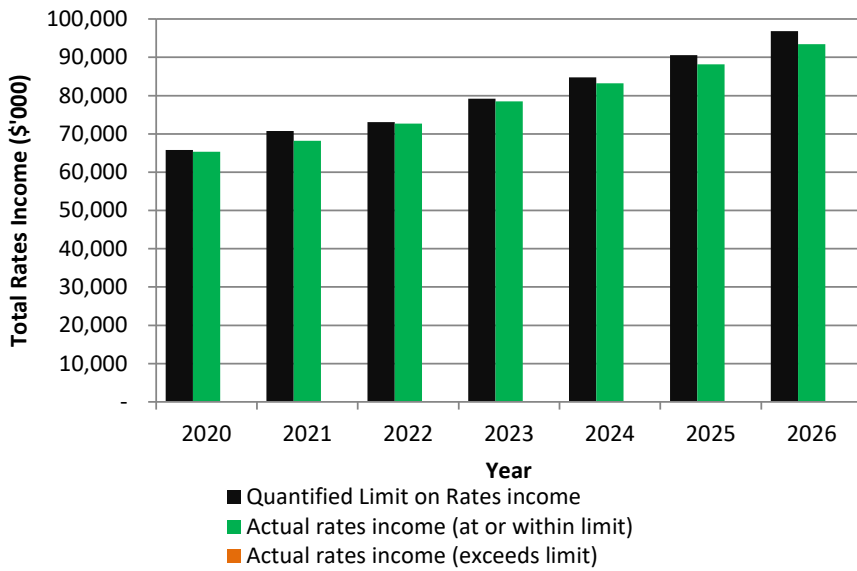
The debt affordability benchmark is met if Council's planned borrowing is within each quantified limit on borrowing.



Rates (income) affordability

The graph compares the Council's actual/forecast rates income with a quantified limit on rates income included in the financial strategy.

The quantified limit is the total rates income. The rates income excludes GST.



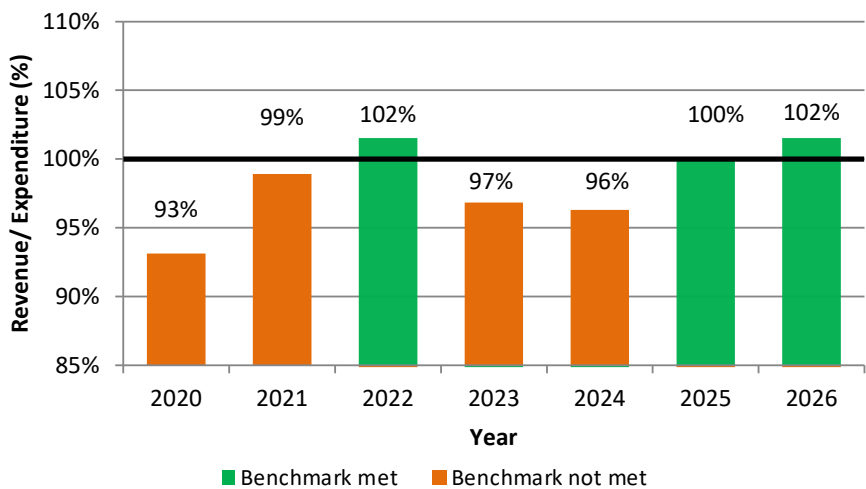
Council is not meeting the benchmark in 2020, 2021, 2023 and 2024. The primary reasons are due to:

- The funding costs relating to the earthquakes being spread over the outer years and progressively funded
- The depreciation funding policy where the full amount of depreciation is shown as an operating cost but is not fully funded due to depreciation funds being invested at higher rates than inflation over the life of the asset

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

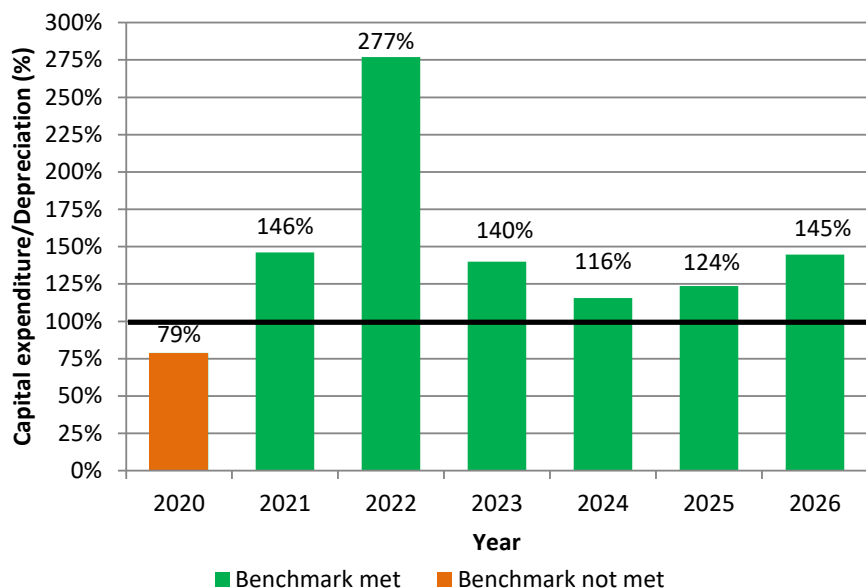
Balanced budget

The Council meets this benchmark if its revenue equals or is greater than its operating expenditure. Council revenue excludes 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).



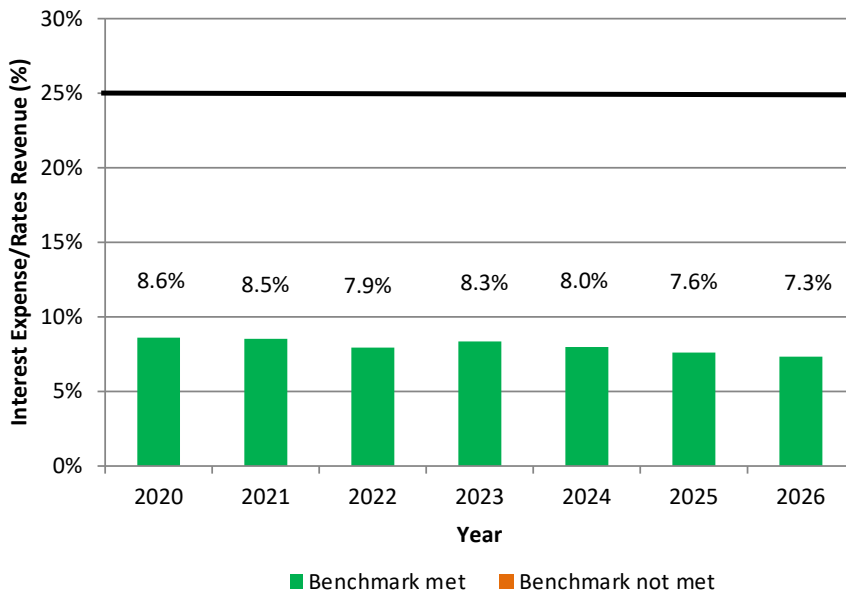
Essential services

This benchmark is met if capital expenditure on network services equals or is greater than depreciation on network services. The Council expenditure on network services excludes earthquake repairs/replacements but includes new/growth works.



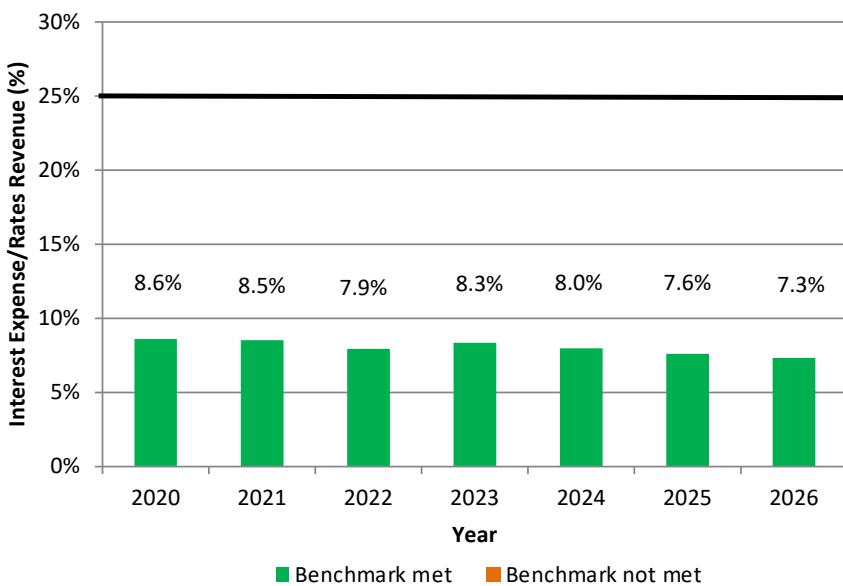
Debt servicing as a percentage of total revenue

The limit for Council borrowing is set at 15%. Borrowing costs as a proportion of revenue excluding development contributions, financial derivative financial instruments, and contributions, vested assets, gains on revaluations of property, plant, or equipment.



Debt servicing as a percentage of rates revenue

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



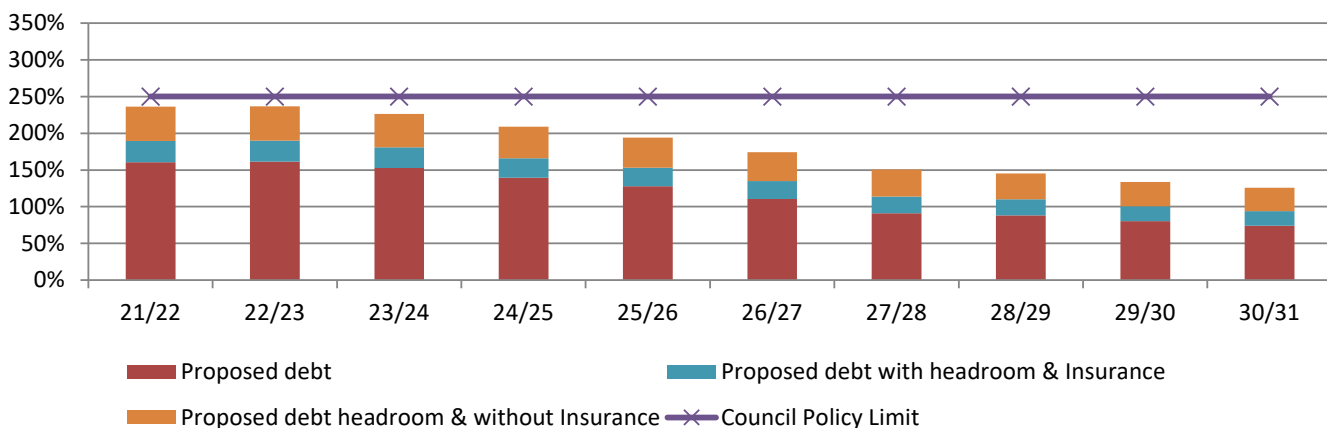
Other policy limits

These Policy limits measure the Council’s ability to pay its debts and pay interest on those debts. The Council has stayed within its Policy limits and is budgeted to remain within those limits.

Performance measure for debt levels and interest costs	Target	2019/20 Actual	2020/21 Actual	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP
Net Debt as a percentage of Operating Revenue	<250%	138.9%	129.1%	160.8%	161.4%	152.8%	139.4%	128.0%
Net Cash Inflow From Operating Activities exceeds gross interest by two times	>2	4.1	7.1	7.8	6.2	6.2	7.4	7.5
Net Debt as a percentage of Total Assets	<15%	6.8%	7.1%	8.7%	8.3%	7.7%	7.2%	6.7%
Liquidity ratio	>1	1.9	1.6	1.3	1.4	1.7	2.1	2.3

Debt with limits

This illustrates the “headroom” Council has to raise debt should it be required to help pay for infrastructure repairs after a natural disaster.



Equity investments and other interests

The Council has equity investments in three companies and interests in four trusts. The primary reason for holding equity in these entities is to achieve efficiency and community outcomes and not for financial return on investment.

Company	Shareholding percentage	Principal reason for holding	Budget return per annum	2019/20 Actual	2020/21 Actual	2021/22 Forecast
			\$'000	\$'000	\$'000	\$'000
Transwaste Canterbury Ltd	3.9%	Develop and operate the regional land facility at Kate Valley	600	645	849	624
Local Government Funding Agency	0.4%	Borrowing	-	4	3	3
Civic Assurance	0.8%	Insurance and risk management	-	74	-	-

Trust	Shareholding percentage	Principal reason for holding	Budget return per annum	2019/20 Actual	2020/21 Actual	2021/22 Forecast
			\$'000	\$'000	\$'000	\$'000
Te Kohaka O Tuhaitara	50%	Environment and recreation	-	NA	NA	NA
Enterprise North Canterbury	50%	Economic Development	-	NA	NA	NA
Waimakariri Art Collection	33%	District Art	-	NA	NA	NA
Waimakariri Libraries	100%	District Libraries	-	NA	NA	NA
Waimakariri Public Arts Trust	20%	District Art	-	NA	NA	NA



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