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available at waimakariri.govt.nz

Annual Report Summary
2021 - 2022
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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Message from the Mayor and Chief Executive

Tēnā koutou katoa

Welcome to the Annual Report for 2021 – 22.

This document is being put together shortly after the dismantlement of the Covid-19 Protection Framework aka the 'traffic light system' and it's a timely milestone to acknowledge as we look back on the Council's work programme and progress for the last year.

The impact of the pandemic has been profound and as a community we will continue to see the ongoing economic, health, social and psychological impacts over the coming years.

Many businesses had to adapt quickly to physical distancing, masking requirements, implementing vaccine passes and the disruptive effects of economic uncertainty. The Council had to weather the same challenges and despite this we can report back and say that we've had a successful year.

This year unfortunately Chief Executive Jim Harland stepped down due to health reasons. Luckily, we were in the fortunate position to appoint Jeff Millward, General Manager of Finance and Business Support, as Acting Chief Executive.

Jeff is widely respected across Canterbury and throughout local government and finance sectors, and has been the General Manager of Finance and Business Support for 14 years, and with the council in one role or another for 37 years.

The continuity of our experienced staff has meant we continued

to deliver to the aspirations of our Annual Plan and made great progress on several fronts.

Because of the economic uncertainty caused by Covid-19 the Council made rates restraint a priority and Waimakariri had the lowest rates increase across the Greater Christchurch area two years running.

We're proud of this fact and that while doing this we continued to invest in our community.

The District continues to attract business and residential growth at record levels and this year we saw the highest demand for building consents since the earthquake rebuild. Our sustained growth was one of the key factors in ensuring we could continue our work programme while keeping rates increases low.

Ensuring this ongoing growth is well-planned and sustainable is a focus of the Council and this year we notified our Proposed District Plan – the rule book for how people use, subdivide and develop land for the coming 10 years or more.

At a local level we are looking at the direction of urban growth, business and town centre development, and there are exciting projects under investigation such as the Marina and Aquasports proposals for Kaiapoi.

This year we progressed a walking and cycling network plan for the District, opened our new award winning multi-use sports facility MainPower Stadium, continued to progress flood protection works in Kaiapoi, started the development of a Kaiapoi Community Hub, and

settled on road safety for school children using Southbrook Road.

These are all topics the community care about and we're proud to be delivering these projects for the community.

But we're not only inwardly focused. We're working with our local government, central government and mana whenua partners as part of the Urban Growth Partnership for Greater Christchurch – the Whakawhanake Kāinga Committee - to ensure the Canterbury region develops well as a whole.

A big focus for this year has been responding to central Government's mandated Three Waters Reform proposal.

Waimakariri District Council is committed to advocating for a better reform model. We are a founding member of Communities 4 Local Democracy He hapori mō te Manapori (C4LD) and are proud of the alternative model we have produced with partner Councils.

C4LD represents nearly half of all local authorities in New Zealand and we have collectively asked the government to listen to the sector rather than pushing forward with their current plan. We've advocated strongly and made sure our voice is heard and now await the select committee and Government decisions on how it will progress.

As well as presenting a better delivery model, one of our main points of opposition was that we do not believe the proposed water-entities will be able to respond to natural disasters in as coordinated and responsive a manner as local managers like the Council.

For the second year in a row we experienced a significant rain event that caused damage and significant concern for residents. A significant band of rain on Thursday 30 July plunged Canterbury into the wettest July on record.

Across the District there were reports of surface flooding on roads, drains being near capacity and a small number of properties had flood waters enter their homes. Our Civil Defence team and staff worked through the event to ensure our infrastructure was functioning, any issues are identified, and signage was up in busy areas where extreme caution was required – all so risk to residents was minimised where possible.

From the July event there were 805 requests for service that added to the tally of about 1400 under investigation from prior events. It's hard to imagine an organisation looking after Three Waters Infrastructure for the majority of the South Island would be in as good a position to respond in times of crisis.

What these increasingly common significant rain events do is hammer home the fact the climate is changing.

This year the Council took a significant step in our climate change response – adopting a technical report from NIWA which detailed the changes in weather we should expect. This will help inform our adaptation strategy and ensure our District responds appropriately to this change. We are a member of the Canterbury Mayoral Forum Climate Change Steering Group and are working together to understand the long term effects of climate change for Canterbury.

Council is committed to working with mana whenua and the wider community to mitigate and adapt to climate change.

As well as climate uncertainty, there also continues to be a degree of uncertainty in the local government sector. Three Waters Reform, the Review into the Future for Local Government, Resource Management Act, the National Policy Statement for Urban Development and Reviewing and Modernising the Emergency Management Framework are all still progressing at pace.

The Council is committed to making sure Waimakariri has a voice in these changes and are proactively and constructively engaging in these processes so our residents get the best outcomes possible.

In this last year we mourned the loss of three great community advocates.

Dame Aroha (Ngāi tūāhuriri, Ngāi tahu) was the kaumātua of Tuahiwi Marae and Waimakariri District Council and has represented her hapū at an iwi level for many years.

She was awarded a Dame Companion of the New Zealand Order of Merit in recognition of her significant service to Māori and the community in 2020. These were just some of her accolades.

We also acknowledged the passing of Christine Joy Greengrass. Chris was involved at all levels, from grass roots to worker to governance leader, for more than 20 years.

During the earthquakes Chris worked as Team Leader in the Waimakariri Earthquake Trust, which involved working to support families following the earthquakes and assisting them on the path to recovery. Kaiapoi was badly damaged and Chris played an integral part in its recovery.

Roger Blair also recently passed away. Roger served on the Council

and the Community Board for a number of years and was a highly valued colleague. Roger made a huge contribution to our Council and was a strong advocate for the Kaiapoi community.

As we look back on the year we would like to thank the community for their ongoing support.

We look forward to continuing to work in partnership with the community to ensure Waimakariri continues to be a fantastic place to live, work and play.

Ngā mihi



A handwritten signature in black ink, appearing to read 'Dan Gordon'.

Dan Gordon
Mayor



A handwritten signature in black ink, appearing to read 'Jeff Millward'.

Jeff Millward
Acting Chief Executive

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



Planning

(Admin, District Development, Civil Defence)



Roads and Footpaths



Libraries



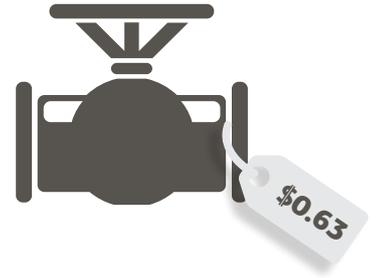
Waste Collection and Disposal



Economic Development (Promotion CBA's)



Stormwater Drainage (Urban & Rural areas)



Swimming Pools



Sewage Disposal



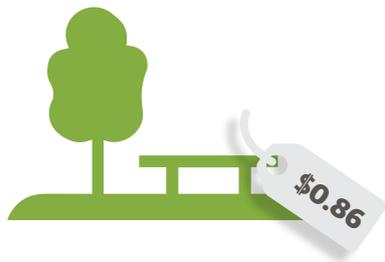
Water and Water ways



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

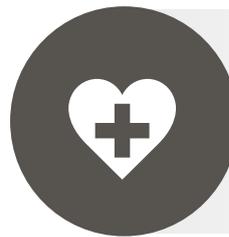
UN SDG 15 



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

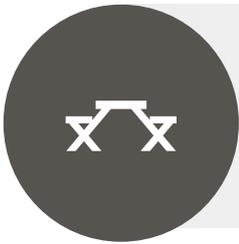
UN SDG 10, 11, 16   



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



People have wide ranging opportunities for learning and being informed.

Community Services



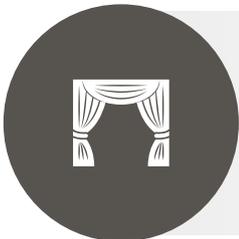
Core utility services are sustainable, low emissions, resilient, affordable; and provided in a timely manner.

Infrastructure Services and Council Controlled Organisations



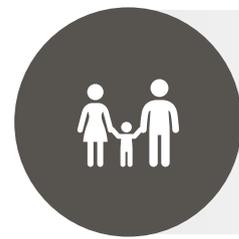
The distinctive character of our takiwā - towns, villages and rural areas is maintained, developed and celebrated.

Community Leadership and Council Controlled Organisations



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

Community Services and Council Controlled Organisations



There is a strong sense of community within 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

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 2021/2022 financial year show 61 percent of all measures achieved, this is a ten percent reduction on 2020/2021.

Measures that were not met

Governance

- Rūnanga Executive meetings with Council held each quarter (2/4)
- Rūnanga/Council Annual Hui held (0/1)
- Mahi Tahi Joint Development Committee meetings (1/6)
- The percentage of Official Information Requests (OIR) applications completed within 20 working days (93%, target 100%)

District Development

- Supply of land identified for urban residential use (177ha, target 250ha)
- The percentage of plan changes responded to in accordance with the Resource Management Act (RMA) requirements (75%, target 100%)

Roads and Footpaths

- The percentage of the sealed local road network that is resurfaced (3.83%, target 5%)

Water Supply and Quality

- Percentage of real water loss from the networked reticulation system based on 240 litres per connection per day (26%, target 22%)

- The median response time to attend and/or resolve a call-out in response to a fault or unplanned interruption to the network reticulation system:
 - Attendance for urgent call-outs: from the time that the local authority receives notification to the time that the service personnel reach the site (82.4, target 60 minutes)
- The total number of complaints received about Drinking Water:
 - Council's response to complaints about Clarity, Taste, Odour, Pressure/Flow and Continuity of Supply (7.85, target less than five complaints per 1,000 connections)

Stockwater

- The number of water outages exceeding 24 hours duration (21, target Nil)

Stormwater drainage

- Rural drainage areas requests for drain cleaning responded to within five days (76%, target 95%)
- The percentage of service requests relating to any drainage enquiries that are responded to within five working days (83%, target 95%)

Earthquake Recovery and Regeneration

- Implementation of the Red Zone Regeneration Plan: Recreation and Ecological Linkages.

Recreation

- Aquatic Facilities - Customer satisfaction with the Aquatic Facilities, as measured by a biannual survey of facility users (Only one survey was completed, result was 91%, target 90%)
- Libraries and Museums - The number of visits per person per annum to the Kaiapoi and Rangiora Libraries based on the District's population (6.01, target 7.5)

- Libraries and Museums - Customer satisfaction with library services as measured by an annual survey of library users (Survey was not carried out)

Community Protection

- Emergency Management - Our Emergency Operations Centre is trained and resourced to industry standards. Our civil defence volunteers are trained and equipped to industry standards.
 - Emergency Management - Engage the community on civil defence risks.
 - Environmental Health Services - Percentage of all licensed alcohol premises inspected at least once per annum (31%, target 95%)
 - Environmental Health Services - The percentage of all other unreasonable noise complaints responded to within 48 hours (67%, target 90%)
 - Animal Control - The percentage of calls for wandering stock on roads responded to within one hour (82%, target 90%)
 - Building Services - The percentage of building consent applications processed within the statutory 20 days (90%, target 100%)
 - Building Services - The percentage of Project Information Memoranda (PIM) applications issued in 20 working days (76%, target 100%)
 - Building Services - Inspect pool barriers every three years (7%, target 33%)
- ### Property Management
- The percentage of Health and Safety, and urgent maintenance service requests responded to within 24 hours (87%, target 100%)
- ### Council Controlled Organisations - Enterprise North Canterbury (ENC)
- Business seminars and workshops delivered (11 with a target of 20).

Measures that almost achieved target

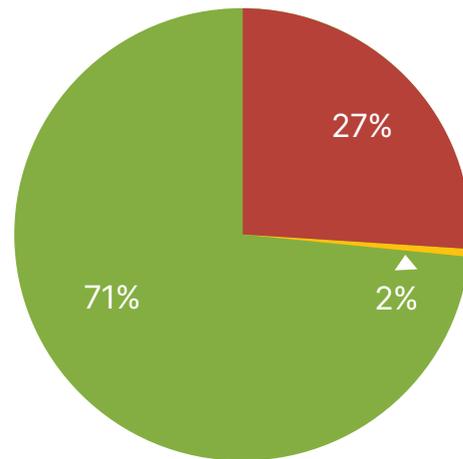
- Governance - Percentage of Council agenda items of business that are open to the public (85%, target 90%)
- District Development - The percentage of resource consents issued in accordance with the Resource Management Act (RMA) requirements (95%, target 100%)
- Reduction in fatal and serious injury crashes, expressed as the number of fatal and serious injury crashes as a combined total. (25, last year was 24)
- Roads and Footpaths – Percentage of customer service requests relating to roads and footpaths responded to within service delivery standards (94%, target 95%)
- The extent to which drinking water complies with the drinking water standards:
 - Bacterial compliance - Not fully compliant
 - Protozoal compliance - Not fully compliant
- Recreation – Customer satisfaction with meeting and performance spaces, as measured by an annual survey of facility users (89%, target 90%)
- Recreation - Facilities are available for at least 90% of the days during the year outside of scheduled maintenance (89%, target 90%)
- Environmental Health - The percentage of code of compliance certificates issued within the statutory 20 days (97%, target 100%)

Measures in progress

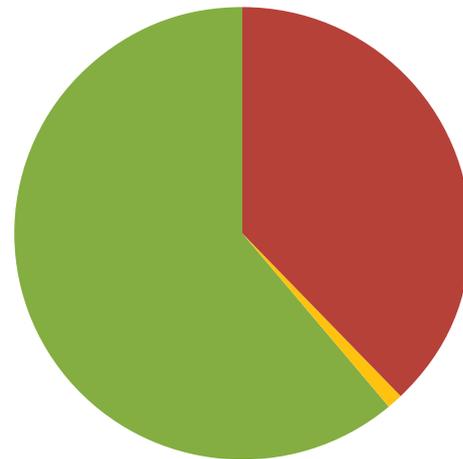
- Red Zone Regeneration - Heritage and Mahinga Kai (due for completion 2024)

Performance results

2020/2021



2021/2022



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

Of the 111 measures, 61% (68) were completed or met, with 38% (42) not being met. Of the measures not met, there were 10 (or 9% of the total measures) within 5% of the measure being met. One project is not due for completion until 2024.



HIGHLIGHTS FOR THE YEAR

Recreation



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



There is a safe environment for all.

MainPower Stadium opened

This year MainPower Stadium was opened to the public and over 6000 locals joined in festivities on the opening weekend. Since opening the award winning MainPower Stadium has become a drawcard for numerous sports competitions across the District and has hosted a range of events and tournaments on a scale not previously seen in North Canterbury. The \$28m 6000-square-metre stadium opened in August last year and provides a range of opportunities for recreation, events and activities.



Photo by Anthony Turnham



Infrastructure Services



Transport is accessible, convenient, reliable and sustainable.



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



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

Shovel-Ready Flood Protection

Following a significant flood in 2014, the Council developed a plan to construct pump stations and other stormwater infrastructure in central Kaiapoi to improve drainage and reduce the impact of flooding. The upgrade will increase the resilience of the stormwater network across Kaiapoi and reduce the likelihood of flooding in big storm events. The overall project cost is \$18m and will be jointly funded from existing

Council budgets (\$9m) as well as Government Shovel Ready Projects funding (\$9m). The project is aimed to be complete in late 2022.



Walking and Cycling Network Plan

Council's Walking and Cycling Strategy includes a vision that Waimakariri residents choose to walk and cycle and that the environment is friendly, safe and accessible. As our population grows, and more people choose to walk and cycle, we need to ensure our networks are accessible and safe, and connect people to where they need to go. The draft plan shows what routes are already in place and where new links and routes are proposed to make better connections in and around our towns. Council has approximately \$560,000 allocated over the next three years to deliver the routes outlined in the plan and will continue to build more in further years.



Planning



There is a safe environment for all.



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

Climate Change Technical Report adopted

The Council adopted a Climate Change Scenario Technical Report. The report prepared by NIWA, is to inform Council's climate change response in the Waimakariri District. This report identified that weather patterns are expected to become more volatile and will

inform a risk assessment to see what land and infrastructure is most at risk from climate change. Council is committed to working with the community to identify options for reducing this risk. This will form the basis of a Climate Change Adaptation Strategy.



District Plan Notified

This year we notified the Proposed District Plan – the planning rule book that sets rules for sustainably managing how people use, subdivide and develop land, what and where they can build and what kind of activities they can undertake. This is an important document as it helps shape the direction in which Waimakariri will continue to grow and determines the most appropriate areas for business and residential growth.



OUR FINANCES

Financial Statements

Statement of Comprehensive Revenue and Expense

For The Year Ended 30 June 2022

	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Financial Performance			
Total operating revenue	151,963	142,143	137,661
Finance costs	6,073	5,864	5,811
Other operating expenditure	115,465	103,156	109,423
Other gains	14,257	368	9,352
Plus Share of Associates	23	-	(9)
Net Surplus/(Deficit) before Taxation	44,705	33,491	31,769
Less Taxation expense	-	-	-
NET SURPLUS/(DEFICIT)	44,705	33,491	31,769
Other comprehensive revenue and expense			
Gain/(Loss) on asset revaluation	395,611	25,456	2,833
Increase/(decrease) in asset revaluation reserve due to Impairment & impairment reversal	-	-	-
Financial assets at fair value through other comprehensive revenue and expense	80	-	(397)
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	395,691	25,456	2,436
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	440,396	58,947	34,205

Statement of Changes in Net Assets/Equity

For The Year Ended 30 June 2022

	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
EQUITY AT BEGINNING OF THE YEAR	1,772,387	1,761,132	1,738,182
Prior period adjustment	-	-	-
OPENING BALANCE RESTATED FOR PRIOR PERIOD ADJUSTMENT	1,772,387	1,761,132	1,738,182
Net Surplus/(Deficit) for the year	44,705	33,491	31,769
Other comprehensive revenue and expense	395,691	25,456	2,436
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	440,396	58,947	34,205
EQUITY AT END OF THE YEAR	2,212,783	1,820,079	1,772,387

Statement of Financial Position

As at 30 June 2022

	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Current Assets	41,766	28,879	41,653
Non-current Assets	2,367,701	2,027,995	1,938,096
TOTAL ASSETS	2,409,467	2,056,874	1,979,749
Current Liabilities	56,548	52,966	46,817
Non-current Liabilities	140,136	183,829	160,546
TOTAL LIABILITIES	196,684	236,795	207,363
Accumulated general equity	947,864	922,657	902,714
Other reserves	5,474	4,902	4,996
Revaluation reserve	1,259,447	892,520	864,678
TOTAL EQUITY	2,212,783	1,820,079	1,772,387

Statement of Cash Flows

For The Year Ended 30 June 2022

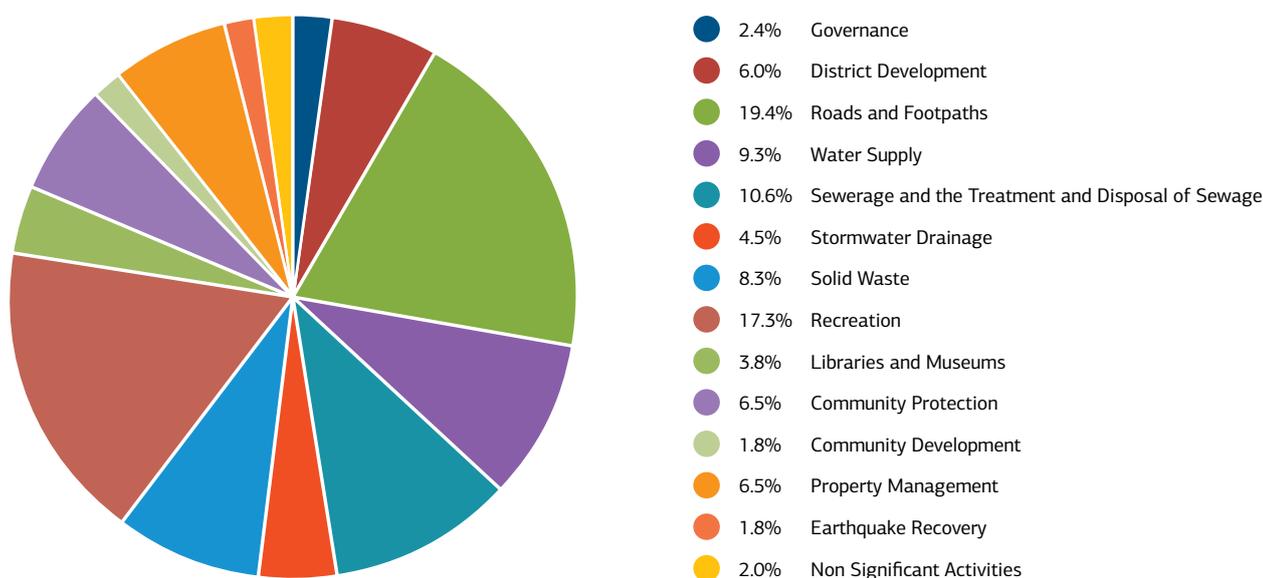
	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Cashflows from operating activities	36,266	45,734	41,384
Cashflows from investing activities	(26,692)	(73,875)	(59,936)
Cashflows from financing activities	-	25,161	10,000
NET INCREASE (DECREASE) IN CASH HELD	9,574	(2,979)	(8,552)
Plus opening cash balance	18,807	19,465	27,359
CLOSING BALANCE	28,380	16,486	18,807

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 2021/22 was \$121.5m.



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 2022 of \$44.7m, which was \$11.2m more than budget. The surplus was \$31.8m for the 2020/21 financial year.

Revenue and other gains were \$23.7m over budget

Subsidies and grants \$1m less budget due to less Government subsidies received on Shovel Ready projects as some projects

were postponed to next year. This was partially offset by more than budgeted Waka Kotahi subsidies, New Zealand Libraries Partnership Programme and Tennis Centre grants.

Other revenue was \$2.9m over budget due to recoveries from private works, increased rates penalties, more than budgeted connection fees to connect to Council's infrastructural facilities. Revenue from resource consents/building consents were more

than budgeted due to increased workload partially offset by increased costs.

Development contributions were \$5.5m under budget as major developments wait to get to next stage of their development. The revenue of 2021/22 is \$1.2m higher than last year.

Vested assets were \$13.0m more than budgeted mainly due to development activities in the district.

Other gains of \$14.3m (\$13.9m more than budgeted) contains gains on revaluation of interest rate swaps of \$13.6m, gain on sale of land of \$0.3m and gain on revaluation of investment property of \$0.3m.

Operating expenses were \$12.5m over budget

Capital expensed of \$3m 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 \$2.4m more than budget mainly due to unbudgeted write-offs of old asset values that were subsequently replaced.

Loss on revaluation of investment properties was \$5.7m and was not budgeted.

Other comprehensive revenue and expense

The Council recorded a \$395.6m gain on asset revaluation (budget

\$25.5m). As at 30 June 2022, Council revalued its roading, land and buildings, 3 waters and community facilities assets.

Financial Position

Total assets were \$352.6m more than the budget mainly due to asset revaluations.

Total liabilities were \$40.1m less than the budget as less external borrowings were required as a result of delays in Council's capital programme and gains on revaluation of interest rate swaps due to interest rate movements.

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 20 December 2022.

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 date

Resignation of Chief Executive

On 8 July 2022 Jim Harland stepped down as Chief Executive for health reasons.

Waimakariri District Council has appointed Jeff Millward, General Manager of Finance and Business Support, into the role of Acting Chief Executive.

The Council will start the process to find a new Chief Executive in February 2023 following the local government elections and busy Christmas period.



July 2022 flood event

The rainfall events which occurred during July 2022 (12 July, 20 July, 26 July, and 30 July) including the wind event on the 18 July, required a substantial response from our maintenance contractors and there has been some damage to Roading 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 \$3.82 million in responding to the flood event and recovery from the flood damages.

November 2022 Woodend and Pegasus Beach fire event

There was a large fire started on 3 November 2022 at Woodend and Pegasus beaches. The fire that was started by fireworks covered an estimated 133 hectares of land.

The Council worked together with Fire and Emergency New Zealand (FENZ) to evacuate residents of Woodend Beach Holiday Park and Council's Civil Defence team established a welfare hub at the Woodend Community Centre.

As at the reporting date, the Council was still in the process of estimating the loss on Council's properties.

The Better-off funding and Transition Package Agreement

On 6 September 2022, the Council resolved to enter into a funding agreement between Department of Internal Affairs (DIA) and Waimakariri District Council for Three Waters Services Reforms – Transition Support Package (Tranche 1) . Under this agreement, the Council can recover up to \$569,000 for eligible costs under the funding agreement. Eligible costs can include information gathering and reporting requirements relating to the transfer of assets, liabilities, workforce, contracts to Water Services Entities (WSE) and complying with additional requirements or processes

mandated by the Water Services Entities Bill and associated legislation.

On 22 November 2022, the Council resolved to apply for Better-off funding under the Three Waters reform package. The funding has not yet been approved by DIA.

Three Waters Reform

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these reforms will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Financial Benchmarking

Annual Report disclosure statement for year ending 30 June 2022

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

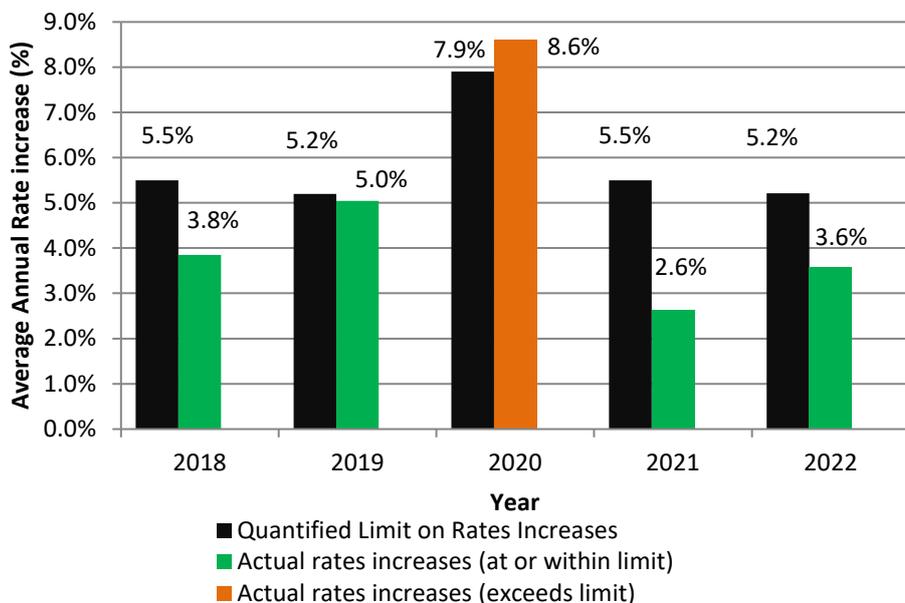
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan. The quantified limit is the average rates increase per property and the limit for each year shown is sourced from the 2015-25, 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.

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.

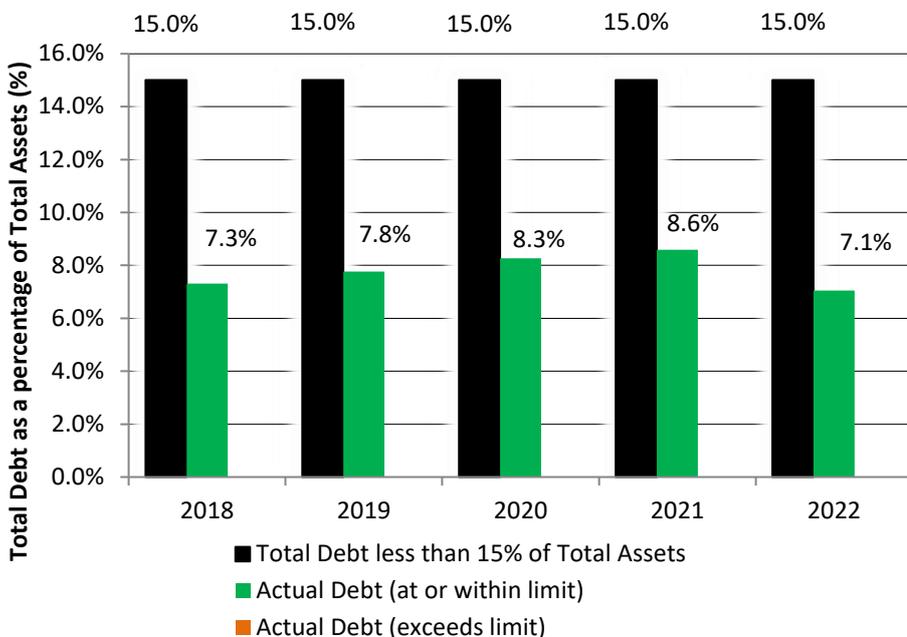
The rates increase for 2021 is under the limit, as Council reduced the proposed rate to relieve the financial pressures during Covid-19 on ratepayers.



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.

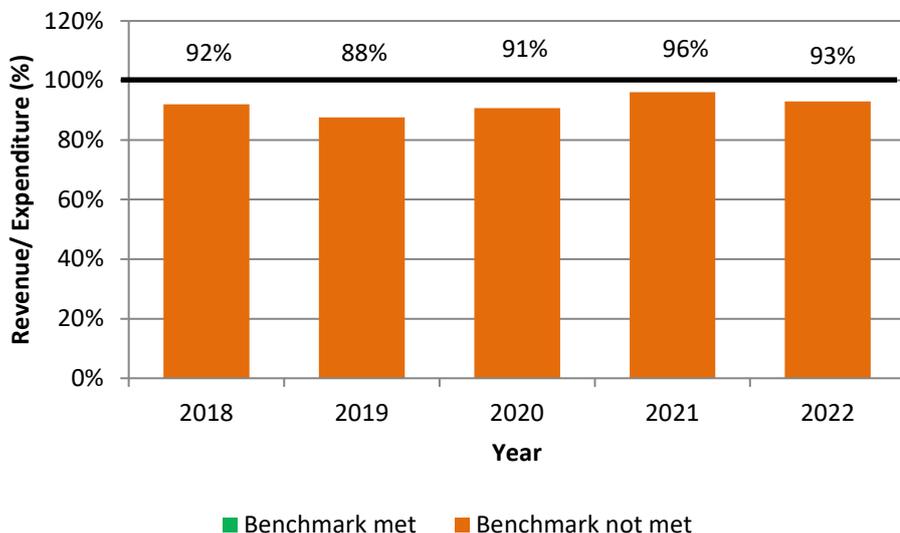
The quantified limit for the following graph is total debt as a percentage of total assets will not exceed 15%. The limit shown was sourced from the 2015-25, 2018-28 and 2021-31 Ten Year Plans.



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 2018, 2019, 2020, 2021 and 2022. 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.

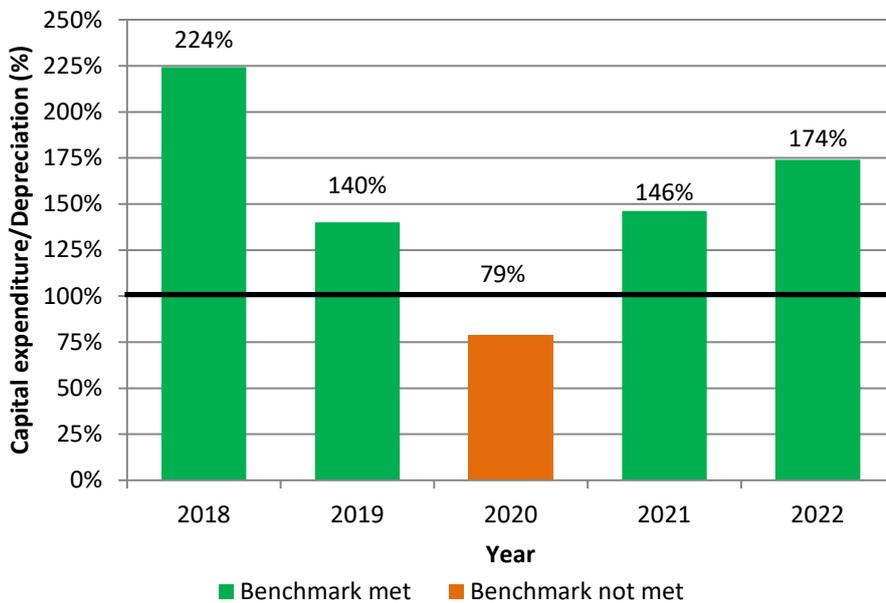
Essential services benchmark

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.

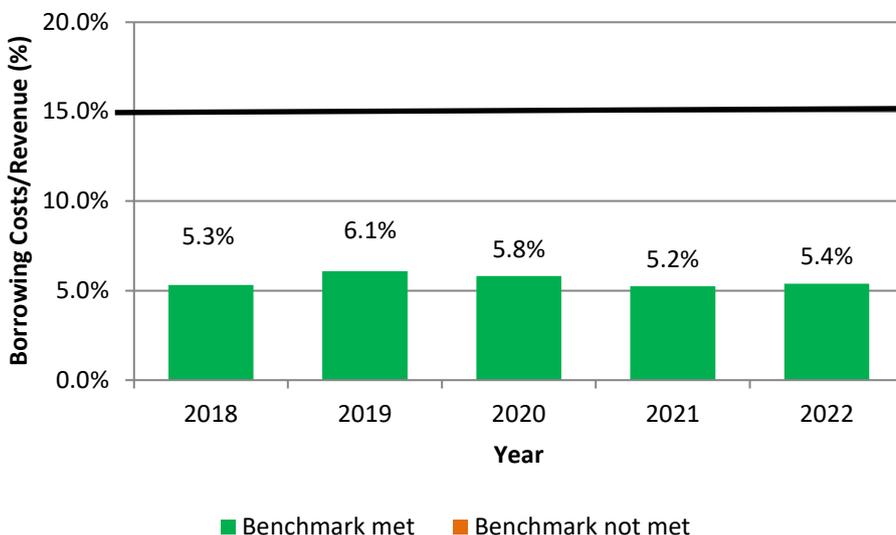
Council's depreciation on network services exceeded capital expenditure on network services in 2020 due to capital programme delays from Covid-19.



Debt servicing benchmark

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).

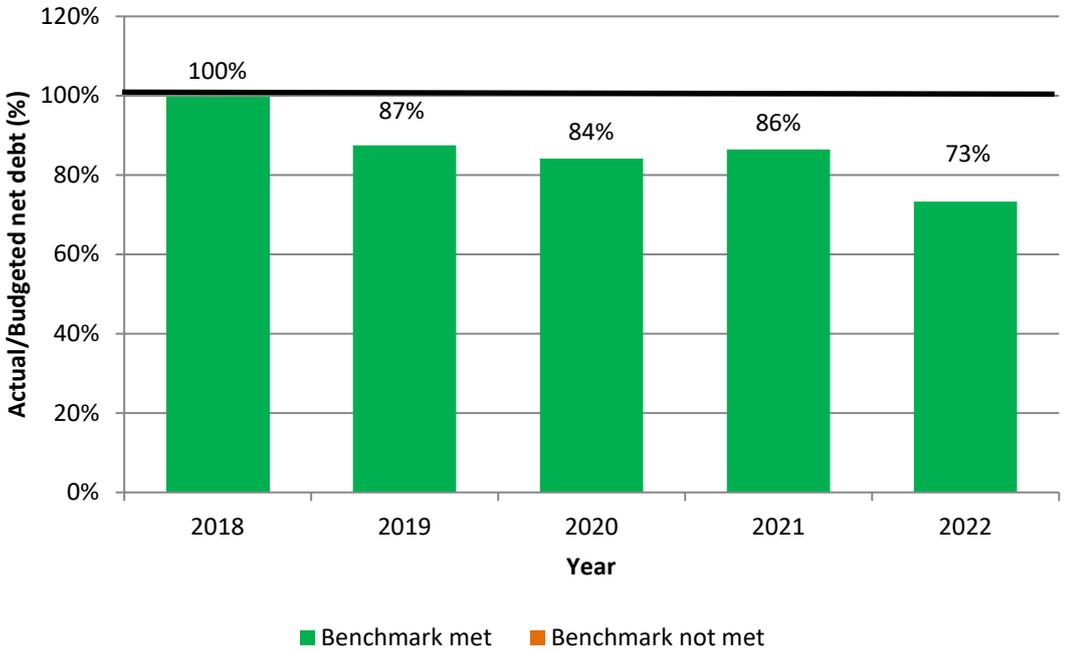
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than, the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



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).

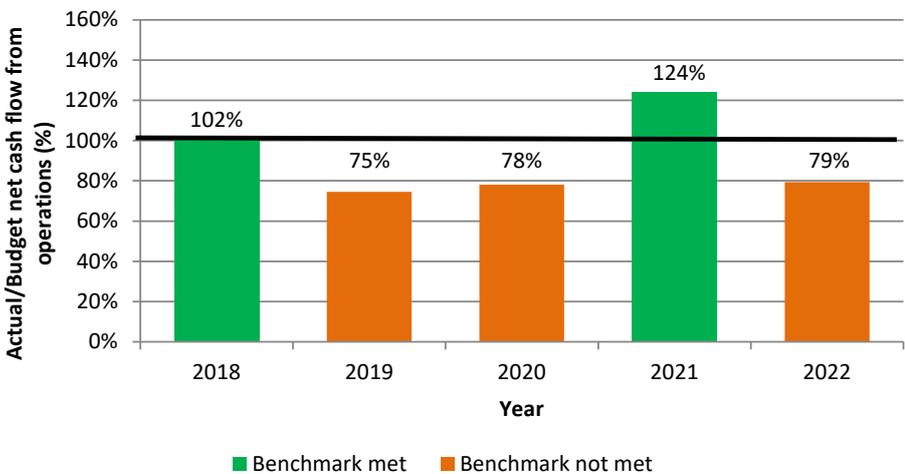
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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).



Independent Auditor's Report

To the readers of Waimakariri District Council's summary of the annual report for the year ended 30 June 2022.

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 2022.

The summary of the annual report comprises the following summary statements on pages 8 to 18:

- the summary statement of financial position as at 30 June 2022;
- 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 2022;
- 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 2022 in our auditor's report dated 20 December 2022.

Our auditor's report on the full annual report includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme. In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

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
20 December 2022



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