



Waimate

2015/16 Summary Annual Report

Introduction from the Mayor and CE



It is with pleasure that we present Council's Annual Report 2015/16.

The 2015/16 year has been one where significant projects have commenced and been delivered, not just by Council, but across the District by other key stakeholders.

The excellent financial result for Council shown in this report demonstrates that it is committed to delivering its services and activities in a disciplined and financially prudent manner.

Financial Performance

Council reported a surplus of \$1,483,000 against a reported Long Term Plan (LTP) budget surplus of \$773,000. The major variances are:

- NZ Transport Agency government grants are slightly lower than LTP budget following the deferral of renewal and maintenance programme works to next year.
- Building and resource consent charges are above LTP budgets due to an increased level of consent fees generally.
- Camping fees are above LTP budget with each camping area performing at, or above expected levels, with greater patronage, particularly at the Waitaki Lakes.
- Legal expenses are above LTP budget due to rating policy advice and the ongoing defence of a court case.

We continue to work diligently to maintain an 'open door' policy between Council and the community. We increased communications with members of the media and the public on some of the positive projects and work undertaken by Council and staff.

There are three areas where Council has delivered or supported significant achievements. They are:

- i. major capital projects;
- ii. community projects and activities; and
- iii. operational and 'business as usual' activities.

Major Capital Projects

Council has been involved in a range of major capital projects. All of these are important in providing our community with first class recreation facilities and supporting economic development across the district.

Waimate Event Centre

A highlight of this financial year was the 'turning of the sod' and the blessing of the site for the build of the Waimate Event Centre on 3 August 2015. It was a much anticipated day for Council, funding partner Gary Rooney/Rooney Earthmoving Ltd and the community, as the build began on this long-awaited facility. Council resolved that \$950,000 of external funding was required for this project to proceed and special recognition must be made of the sponsors, fundraising committee, staff and everyone who assisted in many

ways to ensure that target was achieved. Stage One was completed mid-2016 and the grand opening will be held on 17 December 2016.

Dairy Factory Expansions

During the year Council received resource consent applications from the two dairy factories located within the District.

Site works for the stage two expansion of the Oceania Dairy factory at Glenavy has commenced after resource consent was granted in April 2016, and this coupled with the likely expansion planned for an extra dryer, is expected to create some 285 jobs over the next 10 years. A resource consent application for the expansion of the Fonterra Dairy factory at Studholme was considered by Commissioners on behalf of Waimate District Council and Environment Canterbury. This was conditionally approved in July 2016.

These projects are vitally important as part of supporting economic development across the District.

Irrigation Schemes

Council has been actively involved in supporting the development of irrigation schemes both from the district and across the Canterbury region. Waimate is leading the Value-Added Production work stream for the Canterbury Regional Economic Development Strategy developed and supported by the Canterbury Mayoral Forum.

Two irrigation schemes that have long-term substantial benefits for our district are the Waihao Downs Irrigation Scheme, which opened in April 2016, and the Hunter Downs Irrigation Scheme, currently in the scheme development stage.

Congratulations to the many people who have worked tirelessly to move these projects forward.

Community Projects and Activities

During the year a number of notable community related projects and activities were undertaken. The Waimate District is fortunate and privileged to have so many members of the community contributing voluntarily to groups and organisations across the District. There are too many to name individually but Council is hugely appreciative of the contribution these individuals and groups make to the great district we live in. Without these contributions we would not have nearly as much to offer to residents and visitors alike. Council wants to continue to build its relationship with community groups both locally and nationally.

Waimate District Civic Awards

One of the highlights of the year is recognising some of our people who make a quiet yet invaluable contribution to the community.

The Waimate District Civic Awards 2016, held in March, saw four adult volunteers, one youth volunteer and a local group recognised and thanked for their community service.

Electric Vehicle Roadshow

Smaller in scale than many other projects, but in keeping us connected to a changing world, in April 2016 there was the installation and public opening of Waimate's electric vehicle charging station on Queen Street outside Seddon Square. The charging station was installed by Alpine Energy in association with ChargeNET. Along with Timaru, we are the first to receive a fast-charging station in the South Island.

Operational and 'Business as Usual'

Many of the activities Council carries out during the year are part of its 'business as usual' operations. Council is striving to deliver its services to a high standard, looking at how to do it more efficiently and to ensure that the community has an input on issues that matter to them. It is also important that Council strongly advocate to central government on matters of importance to rural communities. Some of the work undertaken to highlight these objectives are set out below.

Joint Council Rooding Collaboration

Ashburton, Mackenzie, Timaru and Waimate District Councils have jointly prepared new Road Network Operations and Maintenance Contracts as part of the Mid-South Canterbury roading collaboration. These contracts were tendered concurrently as four individual contracts. The five-year Waimate contract was awarded to Whitestone Contracting Ltd who started work on 1 December 2015. A collaborative contract for the road surfacing in the Mackenzie, Timaru and Waimate Districts has been awarded to Downer NZ Ltd (Dunedin) for a two-year period.

Regulatory Services

Council is responsible for a range of regulatory services to protect and advance the health and wellbeing of the community. Some of the achievements in the regulatory area include:

- **Environmental Health** – the Environmental Health team has been involved in the development and implementation of the Joint Local Alcohol Policy in partnership with Mackenzie and Timaru District Councils. The joint policy came into force in March 2016.
- **Dog and Animal Control** – the Dog Control Policy and Dog Control Bylaw underwent a full review, were adopted by Council and came into force on 1 July 2015. In December 2015 Council achieved registration of 98.7% of all known dogs in the District.

External Submissions

The number of submissions by Waimate District Council to Government select committees increase as Council focused on strengthening the local voice in issues that affect rural communities such as fresh water reform, building standards and Easter holiday trading hours.

And Finally...

2015/16 has been a productive year for Council and we have continued to effectively and efficiently deliver the services our communities need. Our work has been made all the more successful through collaboration with many stakeholders and the wider community.

We thank those who have contributed to all the achievements noted in this report – elected members, council staff, agencies, local businesses, volunteers and the community.

We look forward to working with you all to continue to grow our fantastic District.

Summary Financial Statements

Waimate District Council is a territorial local body governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Council consists of the Council operations, forestry joint ventures (53.41% owned) and Downlands joint venture (14.81% owned). Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of PBE IPSAS.

The financial statements are for the Council, which is an individual entity and includes the Council forestry joint ventures and the Downlands joint venture.

The financial statements are for the year ended 30 June 2016 are in New Zealand dollars and rounded to the nearest thousand (\$000). The full financial statements of the Council have been prepared in accordance with NZ GAAP and in accordance with Tier 2 Public Benefit Entity accounting standards.

The 2015/16 Annual Report, and the 2014/15 Annual Report have been audited by Audit New Zealand and received unmodified opinions for each report.

The financial statements were authorised for issue by Council on 4 October 2016. The summary financial statements are in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43).

The full financial statements comply with PBE Standards.

The following information has been extracted from the full Annual Report 2016

Reporting on the Community's Wellbeing

The Annual Report includes reporting on progress made towards achieving community outcomes as set out in the Long Term Plan 2015-25. The four high level outcomes are: Wealthy Community, Safe and Healthy People, Sustainable District and Environment and Active and Supportive Community.

Progress is monitored by way of specific indicators in the form of performance measures for each of Council's 24 activities. Details of the measures and reporting are shown in full in the Annual Report Document. Measures are reported as either achieved or not achieved and the following table lists the results for each group of activities:

Group	Achieved	Not Achieved	% Achieved
Water Supply	7	8	47%
Waste Management	4	1	80%
Stormwater	5	0	100%
Sewerage & Sewage	6	0	100%
Roading & Footpaths	7	0	100%
Property & Investments	2	0	100%
Parks & Recreation	4	0	100%
Organisation & Governance	3	0	100%
Environmental Services	10	3	76%
Community Services	3	3	50%

This table excludes the 15 performance measures that are based on results from a biennial customer satisfaction survey which was not completed in the 2015/16 year. The survey will be completed early 2017.

Major Financial Variances

NZ Transport Agency government grants: NZ Transport Agency government grants are slightly lower than the LTP Budget following the deferral of renewal and maintenance programme works to next year.

Building and resource consent charges: Revenue is favourable compared to LTP Budget due to an increased level of consent fees generally. Large consents processed include the Waimate Event Centre and milk processing plant expansions.

Camping: Camping fees are favourable compared to LTP Budget with each camping area performing at or above expected levels and greater patronage, particularly the Waitaki Lakes.

Finance Income and Expenditure: Expenditure is favourable compared to the LTP Budget as the budget includes the cost of derivatives interest, however this has already been provided for in prior years as part of the derivative liability. Additionally cash reserves are better than expected resulting in interest revenue exceeding budget.

Reserve Contributions: Building and resource consent charges are favourable compared to LTP Budget due to an increased level of consent fees generally. Large consents processed include the Waimate Event Centre and milk processing plant expansions.

Dividend Revenue: Investments and Finance revenue from activities has exceeded the LTP Budget and 2015 Actual predominantly due to the budget being set conservatively.

Legal Expenses – Expenditure is above LTP Budget and Annual Plan due to rating policy advice and the ongoing defence of a court case.

Revenue from activities –

Property: Revenue includes community donations for the Waimate Event Centre. The LTP Budget allowed \$950,000 for the community donations compared to Actual revenue for 2016 of \$683,000. The balance of community donations to reach the \$950,000 budget are to be received in future.

Managing Services: Revenue is favourable compared to LTP Budget and Actual 2015 due to cost recoveries from Environmental Canterbury Regional Council rates (\$87,000 above budget), and Roding and Utilities cost recoveries (\$90,000 above budget).

Forestry: Revenue is favourable compared to LTP Budget and 2015 Actual due to the harvesting of reserves and joint venture forests (\$405,000 above budget). This is offset by increased Forestry expenditure in relation to harvesting (\$403,000 above budget).



Performance measures

The following are some selected performance measures from the Council's 24 activities:

Level of Service	Performance Measure	Result	Achievement 2015/16
Water Supply			
Safety of Drinking Water: Council will provide potable water.	Maintain secure source status (Waimate Urban, Otaio-Makikihi RWS)	Waimate: Timaru Rd – Reassessment criteria submitted to Drinking Water Assessor, awaiting approval Waimate: Manchesters Bore – Reassessment criteria submitted to Drinking Water Assessor, awaiting approval Otaio-Makikihi: Tavistock – Achieved	Not yet achieved – awaiting assessment approval. (note- the target was not achieved as secured source status requires isotope analysis to confirm the age of the water within the aquifer. Results from testing take a number of months to analyse based on radio isotope half-lives.)
Council will minimise disruptions to the supply	Number of unprogrammed maintenance interruptions to service per year. Target: Urban < five interruptions. Target: Rural < 50 interruptions.	Number of unprogrammed urban interruptions = Two Number of unprogrammed rural interruptions = None	Urban: Achieved (2015: Not measured) Rural: Achieved (2015: Not measured)
Waste Management			
Council manages the waste management services wisely	Reduce waste tonnage to landfill Target: ≤51% residual waste.	Residual waste: 53.6%	Not achieved. (2015: Not measured)
Sewerage and Sewage			
System and adequacy	The number of dry weather sewerage overflow from the territorial authority’s sewerage system, expressed per 1000 sewerage connections to that sewerage system. Target: ≤2 per 1000 connections.	Sewerage connections = 1707. Number of dry weather sewerage overflows per 1000 connections = 1/1707 = 0.6 per 1000 connections	Achieved. (2015: Not measured)
Roading and Footpaths			
Respond to customer complaints and requests in a timely manner	Customer complaints and service requests are responded to within five working days. Target: 100% of complaints and requests responded to within five working days	Council received 171 complaints and service requests and all were responded to within five working days. 100%	Achieved (2015: Not measured)
Camping			
Provide quality camping facilities	Less than five complaints about camping facilities not well maintained or tidy. Target: ≤5 complaints per year	No complaints received regarding the maintenance of camping facilities	Achieved (2015: Achieved)
Building Control			
The Building Control Authority process consents in a timely manner.	That Council issues building consents within the statutory time frame. Target: 100% of consents issued within 20 working days	244 out of 244 building consents were issued within 20 working days. 100%	Achieved. (2015: Not achieved – 99.6%)

Points of Significance

Water Supply
An extension to the Stage Three urban water main renewal is complete with the termination now sited at the Mill Road and Allan Streets intersection. Stage Four is programmed for 2016/17 and will result in the crossing of the Waimate Creek at the Mill Road bridge.

Stormwater Drainage
The Manse Street stormwater upgrade has been delayed with construction programmed for early 2016/17. The delay enables further design around overland flow paths and simultaneous kerb and channel upgrades.

Sewerage and Sewer
Ongoing CCTV inspections to better inform the renewal programme and this footage has been used to identify locations at which capitalised maintenance has substituted full renewal and has allowed aged reticulation to remain in service.

Roading
Roading Network Operations and Maintenance Contract
Waimate, Ashburton, Timaru and Mackenzie District Councils have jointly prepared new Road Network Operations and Maintenance Contracts as part of the roading collaboration. The new contracts were tendered concurrently as four individual contracts. The Waimate Road Network Operations and Maintenance Contract was awarded to Whitestone Contracting Ltd. who started work on 1 December 2015. The contract is for a five-year period and includes all road maintenance excluding street cleaning.

Collaborative Contract for Resurfacing
A collaborative contract for the road resurfacing in the Waimate, Timaru and Mackenzie Districts has been awarded to Downer NZ Ltd. (Dunedin) for a two-year period.

Property
Following the decision by Council to enter into a project partnership with Gary Rooney and Rooney Earthmoving Ltd for the building of an enhanced event centre, work has proceeded at a fast pace. The building began in late 2015 with stage one scheduled to be completed June/July 2016. It is pleasing to report that work has been completed as scheduled, with stage one open for public use on 4 July 2016. Stage one comprises two full-sized multi-use courts, offices, meeting rooms, ablutions, gallery, mezzanine floors and reception areas. A late addition to stage one is the climbing wall which is being sponsored by a private individual.

Camping
Various upgrades to the Waitaki Lakes Camping Ground commenced and will be completed prior to the 2016/17 camping season. These upgrades will provide greater reliability and capacity within the camping ground.

Parks and Public Spaces
A replacement swing set was installed at Cameron Street. A second swing set, replacement slide and new see-saws are programmed for the Belt Street Reserve and will be installed in early 2016/17. The show house at Victoria Park was officially re-opened as the ‘Alex McRae Show House’.

Swimming
The showers at the Norman Kirk Memorial Pool have been upgraded.

Strategy
The number of external submissions by Waimate District Council to Government select committees has increased as Council focused on strengthening the local voice on issues such as fresh water reform, building standards, and Easter holiday trading hours.

Resource Management
Resource consent for the development of Stage Two of the Oceania Dairy factory at Glenavy was approved. Considerable work was undertaken on the resource application for the future development at the Fonterra factory at Studholme. This consent was considered by Council and Environment Canterbury appointed Commissioners.

Dog and Animal Control
In December 2015 Council achieved registration of 98.7% of all known dogs as at 1 July 2015

Statement of Comprehensive Revenue and Expenditure for the year ended 30 June 2016

	2016 Actual \$000	2016 LTP Budget \$000	2016 Annual Plan \$000	2015 Actual \$000
Operating Revenue				
Rates (net of remissions)	8,739	8,698	8,698	8,430
Development and Financial contributions	181	93	93	146
Subsidies and Grants	2,866	3,190	3,190	2,252
Fees and charges	1,298	899	899	1,013
Interest revenue	92	30	30	81
Other revenue	2,307	1,413	1,413	1,465
Total Operating Revenue	15,483	14,323	14,323	13,387
Operating Expenditure				
Employment benefit expenses	3,360	3,439	3,439	3,304
Depreciation	4,341	4,053	4,053	4,110
Amortisation	12	11	11	48
Finance costs	48	43	43	22
Other expenses	6,239	6,004	6,004	5,953
Total Operating Expenditure	14,000	13,550	13,550	13,437
Operating Surplus/(Deficit) before Taxation	1,483	773	773	(50)
Taxation expense	-	-	-	-
Total Surplus/(Deficit)	1,483	773	773	(50)
Other Comprehensive Revenue and Expenditure				
Increase/(decrease) in discretionary reserves/restricted assets	-	-	-	(3)
Increase/(decrease) in revaluation reserves	-	-	-	2,383
Impairment of revalued assets and reversal of a prior year value	-	-	-	-
Financial assets at fair value through other comprehensive revenue	1,621	1,000	1,000	14,607
Total Other Comprehensive Revenue and Expenditure	1,621	1,000	1,000	16,987
Total Comprehensive Revenue and Expenditure	3,104	1,773	1,773	16,937

Statement of Changes in Equity for the year ended 30 June 2016

	2016 Actual \$000	2016 LTP Budget \$000	2016 Annual Plan \$000	2015 Actual \$000
Equity as at 1 July	396,335	407,654	407,654	379,398
Total Comprehensive Revenue and Expenditure	3,104	1,773	1,773	16,937
Equity at 30 June	399,439	409,427	409,427	396,335

Statement of Financial Position as at 30 June 2016

	2016 Actual \$000	2016 LTP Budget \$000	2016 Annual Plan \$000	2015 Actual \$000
Assets				
Current Assets				
Cash and cash equivalents	2,683	370	370	1,905
Trade and other receivables	1,854	804	804	1,447
Inventories	496	152	152	540
Other financial assets	649	65	65	593
Derivative financial instruments	-	-	-	-
Total Current Assets	5,682	1,391	1,391	4,485
Non-Current Assets				
Trade and other receivables	-	-	-	-
Infrastructural assets	345,520	377,276	377,276	346,392
Operational assets	22,609	20,943	20,943	19,332
Forestry assets	1,489	1,553	1,553	1,749
Intangible assets	168	137	137	121
Other financial assets	28,600	13,485	13,485	29,986
Total Non-Current Assets	398,386	413,394	413,394	394,580
Total Assets	404,068	414,785	414,785	399,065
Liabilities				
Current Liabilities				
Trade and other payables	2,219	1,346	1,346	1,799
Public debt	22	500	500	500
Provisions	6	6	6	5
Derivative financial instruments	-	-	-	-
Employee benefit liabilities	343	410	410	360
Total Current Liabilities	2,590	2,262	2,262	2,664
Non-Current Liabilities				
Public Debt	1,978	3,049	3,049	-
Provisions	61	47	47	66
Derivative financial instruments	-	-	-	-
Employee benefit liabilities	-	-	-	-
Total Non-Current Liabilities	2,039	3,096	3,096	66
Equity				
Public Equity	84,602	83,199	83,199	82,768
Special separate and trust funds	1,487	1,384	1,384	1,838
Asset revaluation reserve	293,849	320,571	320,571	293,849
Other reserves	19,501	4,273	4,273	17,880
Total Equity	399,439	409,427	409,427	396,335
Total Liabilities and Equity	404,068	414,785	414,785	399,065



