

**PUBLIC**

# **Agenda**

Notice is hereby given of an  
**Environmental Services and Finance  
Committee Meeting**  
to be held on

**Tuesday 30 January 2018**

to follow the  
District Infrastructure Committee Meeting

Council Chamber  
Waimate District Council  
125 Queen Street  
Waimate

[www.waimatedc.govt.nz](http://www.waimatedc.govt.nz)

**Notice is hereby given that a meeting of the Environmental Services and Finance Committee will be held in the Council Chamber, Waimate District Council, 125 Queen Street, Waimate, on Tuesday 30 January 2018, to follow the District Infrastructure Committee Meeting.**

### **Committee Membership**

Sharyn Cain	Chair
Jakki Guilford	Deputy Chair
Craig Rowley	Mayor
David Anderson	Councillor
Peter Collins	Councillor
Miriam Morton	Councillor
Tom O'Connor	Councillor
David Owen	Councillor
Sheila Paul	Councillor

Quorum – no less than five members

### **Local Authorities (Members' Interests) Act 1968**

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

### **Significance Consideration**

Evaluation: Council officers, in preparing these reports have had regard to Council's Significance and Engagement Policy. Council and Committee members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council or Committee explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

### **Decision Making**

The Council, in considering each matter, must be:

- i Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decisions;
- ii Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.

Stuart Duncan  
Chief Executive

## Order of Business

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## Item 1

## Apologies

Prepared by:           Stuart Duncan  
                                  Chief Executive

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The Chair will call for any apologies. An apology has been received from Cr D Anderson, and Cr S Paul.

### **Recommendation**

That the apologies are accepted.



## Item 2                      Conflicts of Interest

Prepared by:                      Stuart Duncan  
   Chief Executive

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As per the Local Authorities (Members' Interests) Act 1968 (as below), the Chair will enquire if there are any Conflicts of Interest to be declared on any item on the agenda, and if so, for any member to declare this interest.

### **Local Authorities (Members' Interests) Act 1968**

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

## **Item 3                      Identification of Major (Urgent Business) or Minor Items not on the Agenda**

Prepared by:                      Stuart Duncan  
   Chief Executive

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The Chair will call for any major (urgent business) or minor items not on the agenda to be raised according to Standing Orders, as below:

### **a            Standing Orders 3.7.5 – Major Items**

An item not on the agenda for a meeting may be dealt with at the meeting if the local authority by resolution so decides, and the presiding member explains at the meeting at a time when it is open to the public –

- i            The reason why the item was not listed on the agenda; and
- ii          The reason why discussion of the item cannot be delayed until a subsequent meeting.

### **b            Standing Orders 3.7.6 – Minor Items**

An item not on the agenda for a meeting may be dealt with at the meeting if –

- i            That item is a minor matter relating to the general business of the local authority; and
- ii          The presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- iii        No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

## **Recommendation**

That the Environmental Services and Finance Committee resolves to consider any major (urgent business) or minor items at the end of the open section of the meeting.

## **Item 4**

## **Confirmation of Minutes: Environmental Services and Finance Committee**

Prepared by:       Stuart Duncan  
                          Chief Executive

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The unconfirmed minutes of the Environmental Services and Finance Committee meeting held on Tuesday 5 December 2017 are presented for confirmation.

### **Recommendation**

That the minutes of the Environmental Services and Finance Committee meeting held on Tuesday 5 December 2017, excluding the public excluded items, are confirmed as a true and correct record.

**Unconfirmed Minutes of the Environmental Services and Finance Committee meeting of the Waimate District Council held at 125 Queen Street, Waimate on Tuesday 5 December 2017, beginning at 9.30am, following Public Forum.**

<b>Public Forum</b>	There were no members of the public at the Public Forum.
<b>Present</b>	Chair: Cr S Cain Mayor: C Rowley Councillors: D Anderson, P Collins, J Guilford, M Morton, T O'Connor, D Owen, S Paul
<b>In Attendance</b>	Chief Executive: S Duncan Managers: M Jones, S Chapman (partial), S Kelly, D Mitchell, A Hilton Committee Secretary: K Reid
<b>1 Apologies</b>	No apologies were received.
<b>2 Conflicts of Interest</b>	The Chair called for Conflicts of Interests. There were no Conflicts of Interest identified.
<b>3 Identification of Major (Urgent Business) or Minor Items not on the Agenda</b>	The Chair called for Major or Minor Items not on the Agenda. There were no major (urgent business) or minor items identified.
<b>4 Confirmation of Minutes – Ordinary Council Meeting</b>	<b>Resolved:</b> That the minutes of the Environmental Services and Finance Committee meeting held on Tuesday 24 October 2017, excluding the public excluded items, are confirmed as a true and correct record.  Moved Mayor Rowley Seconded Cr Guilford MOTION CARRIED
<b>5 Management Report – Corporate Services</b>	The Statement of Financial Performance was tabled.  <b>Resolved:</b> That the Corporate Services Manager's report is accepted and that the tabled financial document is accepted.  Moved Cr Owen Seconded Cr Guilford MOTION CARRIED

**Note:**

A full set of financials will be presented to the 19 December 2017 Council Meeting.

**6 Audit Engagement Letter – Consultation Document & Long Term Plan 2018-28**

The Environmental Services and Finance Committee considered the Audit Engagement Letter – Consultation Document & Long Term Plan 2018-28.

A recommendation was tabled from the 4 December 2017 Audit and Risk Committee meeting.

The Environmental Services and Finance Committee was given delegation for this item at the 14 November 2017 Council Meeting.

**Resolved:**

That the Audit Engagement Letter – Consultation Document & Long Term Plan 2018-28 report is accepted; and

That the Environmental Services & Finance Committee approves and authorises the Mayor to sign the Audit Engagement Letter – Consultation Document & Long Term Plan 2018-28 and return to Audit New Zealand.

Moved Cr Anderson  
Seconded Cr Paul  
MOTION CARRIED

**7 Draft Dangerous Buildings Policy and Insanitary Buildings Policy**

The Environmental Services and Finance Committee reviewed the Earthquake-prone, Dangerous and Insanitary Buildings Policy.

**Resolved:**

That the Draft Dangerous Buildings Policy and the Draft Insanitary Buildings report is accepted; and

That the Environmental Services and Finance Committee approves the draft changes to the existing policies; and

That the Environmental Services and Finance Committee approves the amended Dangerous Buildings Policy and Draft Insanitary Policy for implementation.

Moved Mayor Rowley  
Seconded Cr Paul  
MOTION CARRIED

**8 Consideration of Major (Urgent Business) or Minor Items not on the Agenda**

There were no major (urgent business) or minor items identified.

**9 Exclusion of the Public**

The Environmental Services and Finance Committee considered moving into public excluded to take the below items:

- i Confirmation of Public Excluded Minutes: Environmental Services and Finance Committee meeting – Tuesday 24 October 2017
- ii Alpine Energy Report for Shareholders – October 2017

General Subject of each matter to be considered	Reason for passing this resolution	Ground(s) under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution
Confirmation of Public Excluded Minutes – Environmental Services and Finance Committee	Good reason to withhold exists under Section 7	7(2)(c)(i)(ii) The withholding of the information is necessary to protect information which is subject to an obligation of confidence
Alpine Energy Report for Shareholders – October 2017	Good reason to withhold exists under Section 7	7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

**Resolved:**

That the Environmental Services and Finance Committee resolves to exclude the public from the following parts of the meeting on the grounds contained in section 48(1) of the Local Government Official Information and Meetings Act, or section 6 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

Moved Mayor Rowley  
Seconded Cr Paul  
MOTION CARRIED

There being no further business, the Chair declared the meeting closed at 10.15am. These minutes to be confirmed at the Environmental Services and Finance Committee meeting to be held on Tuesday 30 January 2018.

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Mayor C Rowley  
Chair

## 14 Citizenship Ceremony

The Chair closed the meeting to conduct the Citizenship Ceremony.

Date	New Citizen Name	Nationality
5 December 2017	Laney Jane Margaret STANISTREET	British
5 December 2017	Ionut Dragos APAFI	Romanian

Students from the Waimate High School's Kapa Haka group performed the National Anthem, and then the new Citizens and their guests joined Council for morning tea.

## **Item 5**

### **Receipt of Minutes: Lower Waitaki South Coastal Canterbury Zone Committee**

Prepared by: Andy Hilton  
Corporate Services Manager

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The confirmed minutes of the Lower Waitaki South Coastal Canterbury Zone Committee meeting held on Wednesday 18 October 2017 are presented for the information of the Environmental Services and Finance Committee.

### **Recommendation**

That the confirmed minutes of the Lower Waitaki South Coastal Canterbury Zone Committee meeting held on Wednesday 18 October 2017 are received.



**LOWER WAITAKI SOUTH COASTAL CANTERBURY ZONE COMMITTEE**

**UNCONFIRMED MINUTES OF A LOWER WAITAKI SOUTH COASTAL  
CANTERBURY ZONE COMMITTEE MEETING HELD IN THE WAIMATE EVENT  
CENTRE, WAIMATE ON WEDNESDAY 18 OCTOBER 2017, AT 1.00PM**

<b>PRESENT</b>	Chair Kate White (Community); Mark Giles (Deputy Chair), Suzanne Eddington (Waihao Runanga), Sandra Hampstead-Tipene (Arowhenua Runanga), Mark Kingsbury (Community), Cr Miriam Morton (Waimate District Council), Bruce Murphy (Community), Brent Packman (Community), Liz Rollinson (Community), and Cr Peter Scott (Environment Canterbury)
<b>APOLOGIES</b>	Andrew Feierabend (Meridian Energy), Ranui Ryan (Moeraki Runanga), Jeremy Holding (Waitaki District Council) and Andrew Hayes (Community)
<b>IN ATTENDANCE</b>	Olivia Smith, Zone Facilitator Karalyn Reid, Committee Secretary

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The Chair welcomed members to the meeting and Peter Ramsden opened the meeting with a Karakia.

**Apologies**

Apologies were received from Andrew Feierabend (Meridian Energy), Ranui Ryan (Moeraki Runanga), Jeremy Holding (Waitaki District Council) and Andrew Hayes (Community)

**RESOLVED**

LWSC17/22 Moved Bruce Murphy  
Seconded Mark Kingsbury  
"That the apologies are accepted."  
**MOTION CARRIED**

**Declaration of Interests**

There were no additional interests registered.

**Confirmation of Minutes**

**RESOLVED**

LWSC17/23 Moved Sandy Hampstead-Tipene  
Seconded Suzanne Eddington  
"That the minutes of the Lower Waitaki Zone Committee meeting held on 20 September 2017 are adopted as a true and correct record, with the below amendment."  
**MOTION CARRIED**

Amendment: Hunter Downs: Department of Conservation, not Conversation.

#### **Regional Committee Update**

There was no Regional Committee update.

#### **Facilitator Update by Acting Facilitator Olivia Smith**

- The joint Upper and Lower Waitaki Zone Committee Communications Workshop was planned for tomorrow (Thursday) at Omarama.
- The Iwi Management Plan report has been delayed
- Update on South Bank of Waitaki – Mining Right. Work is being done on this with outcome expected in near future.
- CDHB currently promoting the testing of private drinking water supplies. Cr Peter Scott outlined that groundwater is susceptible to E. coli and Nitrates, and people that are on shallow groundwater takes are encouraged to test their drinking water at least twice a year. Most susceptible are pregnant women and infants.
- The Committee indicated they were keen for a field trip to view the Lower Waitaki Island Project.

#### **Correspondence**

Inwards – letter received from Environment Canterbury “Hunter Downs Memorandum re Wainono Monitoring” dated 29 September 2017.

#### **RESOLVED**

LWSC17/24 Moved Mark Kingsbury  
Seconded Cr Miriam Morton  
“That the correspondence is received.”  
MOTION CARRIED

#### **Plan Change 3 Update**

Councillor Peter Skelton updated the Zone Committee on the extensive background of PC3 and the establishment of the Waitaki Catchment Allocation Plan, and also updated the Zone Committee on progress with PC5 appeal process.

Cr Peter Scott thanked both Councillor Peter Skelton and also Chair Kate White for their hard work over many years. There was a suggestion that the ‘Water Allocation Plan story’ be captured by Kate White.

#### **Lower Waitaki Zone Committee Immediate Steps Fund – Biodiversity Project Funding Approval**

Kennedy Lange, Biodiversity Officer gave a verbal presentation on Immediate Steps Funding project, which will contribute to meeting the required outcomes for the CWMS for the Lower Waitaki Zone. Of the current Immediate Steps budget for Lower Waitaki South Coastal Canterbury Zone, \$432,621 remains to be allocated.

#### **RESOLVED**

LWSC17/25 Moved Suzanne Eddington  
Seconded Liz Rollinson  
“That the Lower Waitaki Zone Committee approve funding for attached Immediate Steps Project”  
MOTION CARRIED

#### **Good Management Practices for Setback Strips on Cropping Farms**

Colin Hurst (a cropping farmer on the project team) and Abie Horrocks (Environmental Research Manager at FAR) presented an overview of the project to establish good management practices for setback strips on cropping farms.

A project group involving members of the Foundation Arable Research (FAR), farmers and Agri-magic have worked together to develop a project proposal to compare the effectiveness of a range of setback widths, species and cultivation practices.

FAR have recently applied to the Sustainable Farming Fund for funding for the proposed project. The result of the application is not yet known.

It was suggested the project group put a submission in on ECan's Long Term Plan and that a press release be written outlining the Zone Committee's endorsement.

#### **RESOLVED**

**LWSC17/26**

**Moved Mark Giles**

**Seconded Cr Miriam Morton**

**"That the Lower Waitaki Zone Committee strongly endorses the project 'Good Management Practices for Setback Strips on Cropping Farms'."**

**MOTION CARRIED**

#### **Water Quality 101 – What's it all about? and Swimming Grades for 2017/18 and Waihao River Faecal Source Tracking Results**

Shirley Hayward spoke to a power-point presentation on Water Quality, Swimming grades for 2017/18 season and the Faecal Source Tracking (FST) results for the Waihao Black Hole site.

#### **Zone Delivery**

Zone Manager, Chris Eccleston provided an update (as attached).

#### **2017 Annual Report – Key Achievements**

The Lower Waitaki Zone Committee considered the content for the 2017 Annual Report, as presented in the agenda. The annual report, which highlights the key achievements in the zone, forms the basis for the Chair reporting to Waitaki and Waimate District Councillors and to Environment Canterbury Councillors. The Committee's Annual Report for 2017 will be signed off at the first meeting in 2018.

#### **General Business/General Public**

The Committee were given an update on Braided River Island River Restoration Project by DoC.

Peter Ramsden closed the meeting with a Karakia at 3.45pm.

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K White  
Chairperson

## Item 6

### Receipt of Minutes: Orari Temuka Opihi Pareora Zone Committee

Prepared by: Andy Hilton  
Corporate Services Manager

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The confirmed minutes of the Orari Temuka Opihi Pareora Zone Committee meeting held on Monday 20 November 2017 are presented for the information of the Environmental Services and Finance Committee.

#### **Recommendation**

That the confirmed minutes of the Orari Temuka Opihi Pareora Zone Committee meeting held on Monday 20 November 2017 are received.

## ORARI-TEMUKA-OPIHI-PAREORA ZONE WATER MANAGEMENT COMMITTEE

### MINUTES OF AN ORARI-TEMUKA-OPIHI-PAREORA ZONE WATER MANAGEMENT COMMITTEE MEETING HELD IN THE COUNCIL CHAMBER, TIMARU DISTRICT COUNCIL, 2 KING GEORGE PLACE, TIMARU, ON MONDAY 20 NOVEMBER 2017 AT 1:30 PM

#### PRESENT

John Talbot (Chairperson), Cllr David Anderson, Cllr Anne Munro, Ivon Hurst, Cllr Richard Lyon, Hamish McFarlane, Kylee Galbraith, James Pearce, Cllr Lan Pham, Ad Sintenie and Mark Webb

#### IN ATTENDANCE

Barb Gilchrist (Facilitator), Craig Davison (Senior Planner), Sue Eddington (Waihao), Dan Clark (Senior Hydrology Scientist and Technical Lead), Lyn Carmichael (Planner), Peter Constantine (Principal Planning Advisor), Michael Hide (Zone Implementation Team Manager), Leo Fietje (Principal Planning Advisor) Peter Ramsden (Tangata Whenua Facilitator), Graeme Clarke (Team Leader Water Quality & Ecology Science), Lochiel McKellar (Planning Hearings Officer), Rhys Taylor (Catchment Group Facilitator)

Tony McCormick (Opuha Water Ltd), Julia Crossman (Opuha Water Ltd), Georgina Hamilton (Tavendale and Partners for Opuha Water Ltd), Susie Williams (PGG Wrightson RE), Bruce Livesey, Bill Wright, Tony Pearce (Dear Industry New Zealand), Kris Jrange (DINZ) Kelly Bennett, Neil Campbell, Lionel Hume (FFNZ), Jeremy Talbot (Lower Opihi Catchment Group), Trevor Gee (DairyNZ), John Benn (DOC), Mark Adams (Federated Farmers). Prue Thirkettle (National Council of Women)

#### 1 REGISTER OF INTERESTS

There were no additional interests advised.

#### 2 COMMUNITY FORUM

Speakers on behalf of the New Zealand Deer Farmers Association spoke to the Committee. The organisation are in the process of putting together a good farm management manual, which is currently in a draft state (copy supplied). A final version should be available in early 2018. Deer farmers are seeking to avoid a consenting process for farms due to the costs involved. They are developing a new scheme for auditing having just gone through a similar process working with MPI to develop a regulatory control system for velvet producers. Goal is for 80-85% of deer farms to be operating under a Farm Environment Plan by the end of 2018. Invitation extended for Zone Committee to visit deer farms in the area.

#### 3 CONFIRMATION OF MINUTES – COMMITTEE MEETING 3 APRIL 2017

Proposed Cr Anne Munro

Seconded Richard Lyon

“That the minutes of the committee meeting held on 2 October 2017, be confirmed as a true and correct record.”

MOTION CARRIED

#### 4 FACILITATOR UPDATE

The Facilitator gave a brief verbal report on the progress of the draft Zone Implementation Programme Addendum currently being developed by the Zone

Committee. This is scheduled to be made public 15 December 2017 and community engagement on the draft will commence in late-January 2018.

5 FARMERS REFERENCE GROUP UPDATE

Leo Fietje gave a presentation on the results that have come out of the Farmers Reference Group. Extended thanks to the participating farmers and Zone Committee members.

6 ZONE DELIVERY UPDATE

The Zone Manager gave an update on staff changes and progress towards achieving the five priority outcomes for zone delivery that were agreed by the Committee in 2016.

Meeting closed 3:15pm.

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Chairman

## Item 7

## Management Report – Corporate Services

Prepared by:           Andy Hilton  
                                Corporate Services Manager

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The Corporate Services Manager's report is submitted for the information of the Environmental Services and Finance Committee.

### **Recommendation**

That the Corporate Services Manager's report is accepted.

## Highlights

### Governance

#### Lower Waitaki South Coastal Canterbury Zone Committee

- 1 The Lower Waitaki South Coastal Canterbury Zone Committee has agreed to continue to hire the Waimate Event Centre for their meetings. At the December meeting, the Committee thanked Cr Miriam Morton for her work as Council's representative on this Committee since October 2016, and welcomed Cr Jakki Guilford.
- 2 There is a Canterbury Water Management Strategy 'Water Shed' event planned for Zone Committee members and Mayors in Christchurch on Monday 9 April 2018.

#### Waimate Community ANZAC Group

- 3 The Waimate Community ANZAC Group met on Wednesday 25 October 2017 to continue with planning for the 2018 ANZAC Civic Service. Funding of the 2018 service is of concern to members, as the increased Council contribution of \$2,000 is expected to cover costs of the traffic management plan only.

#### Waimate District Civic Awards Committee

- 4 Nominations for the 2018 Waimate District Civic Awards closed on Friday 26 January 2018. The Committee will meet on Thursday 1 February 2018, with the Awards Function for this year's recipients and their guests to be held on Friday 9 March 2018, starting at a slightly earlier time of 5.30pm. This year the Committee agreed the function would be promoted as an 'after-five' function, offering pre-dinner nibbles instead of the more expensive finger-food option. The Committee also have invited the Head Prefects of the Waimate High School on to the Committee in order to promote the Youth section of the awards.

### Information Technology

#### Uninterruptible Power Supply (UPS) replacement

- 5 This core piece of infrastructure failed on 15 December 2017. Replacement was due and budgeted this year and has been procured, commissioned and is in now supporting production server hardware. This project was completed within budget. The reason for the failure is still to be determined.



## **Community CCTV**

- 6 A quote has been requested of the supplying security company, as the existing quote is out of date. A response is expected by the end of January with a presentation likely to follow.

## **Corporate Services**

### **InfoCouncil Agenda Software**

- 7 Training was held for agenda report writers and administrators at Council on the 17 and 18 January 2018.
- 8 Transitioning to the new InfoCouncil will occur over the next few months. While Council may not notice large changes in the look and format of the documents, there will be significant saving of time and efficiencies in procedure and reporting for staff.

### **Sharepoint/Records**

- 9 Significant progress has been made on the taxonomy in Sharepoint; the project is currently on hold awaiting further discussions with Managers once the Draft Long Term plan is finished.
- 10 The Records Officer is continuing work on preparing records for transfer to Archives at the Museum, and sorting records at the yard for destruction.

### **Other**

- 11 Incoming payments have been busy with the Lakes Camping, campgrounds and swimming pool being relatively busy over the Christmas New Year period and a high volume of payments being processed in the first week back from Christmas break. The installation of an eftpos terminal on 14 December at Waitangi has had some impact (with a total of \$4780 being processed via eftpos in that first month). This volume will increase as campers become more aware of its availability.
- 12 The third instalment for rates has been applied and is due on 23 February. The previous 6 months has seen a successful project encouraging ratepayers to opt in to the direct debit system, and there was an improved uptake when we started offering weekly/fortnightly deductions.
- 13 Public Toilet cleaning was taken back in-house following cessation of our supplier contract in October 2017. Two cleaners, working on a roster basis and managed under the Corporate Services Team leader, currently discharge this service. At present, cost associated with delivery of the internal service is under review; indicatively it is slightly higher, with level of service being met.

## Action Point Report

Action Point	Status	Comment
4 April 2017 – Council		
<p>Council Meeting: Item 24 – Waimate Skate Park – Assets Vesting to Council</p> <p>Council agreed that the QV Boland Park Assets Valuation Report does not include the voluntary contributions of Lions and Rotary. Staff will request a letter from both organisations vesting their interests to Council in the Boland Park development.</p>	In progress	Gym equipment (Rotary) has been vested; Lions equipment is progressing
1 August 2017 – Environmental Services and Finance Committee		
Alpine Energy Statement of Corporate Intent 2017/18 to 2019/20: (Public Excluded): That Council hold a discussion on the financial impact of any winding back of Alpine Energy Limited's dividend.	Completed	Wind back of reliance factored into draft LTP
6 December 2017 – Environmental Services and Finance Committee		
Alpine Energy (Public Excluded): That the letter from Alpine Energy Chairman to Shareholders on Directors Fees be included into the 19 December 2017 Council Meeting public excluded section for decision.	Completed	
19 December 2017 – Council		
Item 8 Management Report – Corporate Services: Expenditure No 5: That a more detailed explanation be supplied.	In progress	CE to report to Council – 20 February 2019
19 December 2017 – Council		
Alpine Energy Request to Review Directors Fees (Public Excluded): That Council's representative on Alpine Energy is requested to come and present to Council early in 2018.	Completed	A presentation is confirmed for the public-excluded Environmental Services and Finance Committee meeting – 30 January 2018

## Finance

### Report by Andy Hilton

#### Analysis of Variances for the 5 months ended 30 November 2017

- 1 The attached financial statements are the result for the 5 months to 30 November 2017.
- 2 For the 5 months to 30 November 2017, Council has recorded a deficit of \$542,000, compared to a budgeted surplus of \$49,000; therefore Council is tracking \$591,000 adverse to budget. Refer to Report A. Major variances and likely annual impact are reported below.

#### Revenue

- 3 NZTA subsidy claims are favourable to budget by \$109,000. This is primarily due to emergency restatement funding (following July 2017 flooding event), which was not budgeted. NZTA contributed 60% (\$307,000) of the total flood damage expenditure claimed to date (\$506,000).
- 4 Fees & Licences are \$73,000 favourable to budget. Waitaki Lakes camping fees are \$64,000 ahead of budget (\$19,000 ahead of last year). Cemetery fees contribute a further \$8,000 to the year to date surplus.
- 5 Other revenue (Report E) – Income has exceeded budget by \$127,000 due to:
  - a Rates Penalties – penalties applied for late payment of rates instalments are \$42,000 ahead of budget YTD. This is primarily down to a conservative budget for penalty revenue as penalties, by their nature, are hard to predict. Compared to prior year, penalties for Instalment 2 and earlier are \$10,000 more than last year.
  - b Grants and Donations (Miscellaneous) – an \$83,000 donation was received in July representing the 3rd and final tranche of Waimate Event Centre donation funding from Alpine Energy.
  - c Sundry Sales – The sale of a further section at Eric Batchelor Place, Lot 13, has contributed \$45,000 to sundry revenue, the budget does not anticipate this sale until the end of 2017/18. This revenue is offset by the cost price of the section (as recorded at June 2017) being recognised as an expense within Miscellaneous expenditure.

#### Expenditure

- 6 Employment Benefit Expenses (Report A) – exceeds budget by \$113,000 YTD. A full report of the basis for this variance will be provided in the Chief Executives report on 20 February 2018.
- 7 Depreciation & Amortisation (Report A) - below budget predominately due to lower than projected aggregate asset values following revaluation.
- 8 Roothing Expenses (Report A) – Expenditure has exceeded budget by \$665,000. \$506,000 of roading expenditure is related to emergency reinstatements following the July 2017 flooding event, 60% is received by NZTA cofounding. The additional variance

reflects additional spend to compensate for underspend of the NZTA budget in the prior year.

- 9 Works expenses (Report A) – Expenditure is \$64,000 below budget. \$40,000 underspend YTD derives from asset management plan work, with additional costs still to be spent this year. Operational maintenance underspend accounts for the remaining variance.
- 10 Consultancy Expenses (Report A) – represent regular, annual costs incurred by Council, in particular Forestry Silviculture report and Tax work undertaken by our independent advisors.
- 11 Finance costs (Report A) – Adverse to budget by \$15,000 due to an under accrual of loan interest payments at the end of the previous financial year (a variance that will persist throughout the year).
- 12 Repairs and Maintenance (Report A) – below budget expenditure in Parks & Reserves (\$16,000) and Property (\$15,000, mainly Public Toilets) are the core drivers of the \$37,000 variance.
- 13 Regulatory Expenses (Report A) – Expenditure is \$8,000 below budget due to higher than anticipated liquor licensing expenses being charged to Council.
- 14 Insurance (Report A) – Expenditure is \$23,000 below budget, due to Council receiving a better than expected premium rate.
- 15 Loss on Sale of Assets (Report A) – Following the transfer of the district's rural fire assets into Fire & Emergency New Zealand, a loss on disposal of \$239,000 has been recognised.
- 16 Other Expenses (Report E) – Expenditure is below budget by \$148,000. Major variances are identified as follows:
  - a Other Employment Related Costs – a \$56,000 underspend is primarily due to underspend in training & conferences for the first five months of the year.
  - b Grants – An underspend of \$33,000 YTD is due mainly to Sports South Canterbury, Resource Central and Creative NZ grants funding not being fully distributed so far this year.
  - c Utilities and Vehicle costs – Expenditure has exceeded budget by \$161,000 and is inclusive of internal labour, plant and stock charges for Water Schemes and other activities. This is partially offset by the underspend of \$28,000 operational maintenance in Works Expenses in Note 9 above
  - d Miscellaneous – Within this category is \$18,000 of additional rectification work required to discharge the requirements of completed JV Forestry harvests.

## Forecast to 30 June 2018

- 17 At this early stage of the year, our projection for 2017/18 is Council will miss its deficit target of \$138,000 by circa \$900,000. The main drivers of this difference are forecast to be:
- a Other operating revenue – favourable \$120,000 (Donations & Penalties)
  - b Employment Benefit expenses – adverse \$210,000
  - c Depreciation & Amortisation – favourable \$211,000
  - d Roothing Expenses – adverse \$850,000 (Emergency restatement and prior year catchup)
  - e Loss of Sale of Assets – adverse \$239,000 (FENZ)

## Statement of Financial Position

- 18 Report B details the Financial Position as at 30 November. Movements of note since the end of the previous financial year are as follows.
- a Cash and Short Term Deposits remain significant reflecting the current reserve positions, collection of Instalments 1 and 2 of rates and an expectation of capital spend later in the year. As at 30 November, \$2 million was on 90-day term deposit with our bank.
  - b Trade receivables movement reflects the settlement of accrued monies, including Alpine Energy dividend and Rates in Advance.
  - c Asset movements reflect the disposal of Rural Fire assets as well as Capital work to date.
  - d Payables reflect the balance of the invoices owing at quarter-end.
  - e Public Debt (WEC Event Centre Loan) has not been analysed into Current & Non-Current portions for interim financials. The repayment of principle is reflected in the net movement of the two lines – down \$27,000.

## Report A

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# Waimate District Council

# Report B

## Statement of Financial Position

As at

30 Nov 2017

\$000	30 Nov 2017	30 Jun 2017	Change
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank	\$ 147	\$ 332	\$ (185)
Short Term Deposits	4,867	3,369	1,498
Trade and Other Receivables	523	1,251	(728)
Inventories	250	286	(36)
Total Current Assets	5,787	5,238	549
<b>Non-Current Assets</b>			
Investments	792	780	12
Equity Investments	29,922	29,924	(2)
Forestry Assets	1,472	1,472	-
Intangible Assets	190	199	(9)
Operational Assets	25,692	25,208	484
Infrastructural Assets	373,569	375,559	(1,990)
Total Non-Current Assets	431,637	433,142	(1,505)
<b>Total Assets</b>	<b>\$ 437,424</b>	<b>\$ 438,380</b>	<b>\$ (956)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables and Accruals	\$ 1,343	\$ 1,657	\$ (314)
Employee Entitlements	359	342	17
Provisions	6	6	-
Total Current Liabilities	1,708	2,076	(368)
<b>Non-Current Liabilities</b>			
Public Debt	2,777	2,734	43
Provisions	61	61	-
Total Non-Current Liabilities	2,838	2,795	43
<b>Equity</b>			
Public Equity	85,624	86,346	(722)
Special Separate and Trust Funds	1,961	1,870	91
Asset Revaluation Reserve	324,568	324,568	-
Other Reserves	20,725	20,725	-
Total Equity	432,878	433,509	(631)
<b>Total Liabilities and Equity</b>	<b>\$ 437,424</b>	<b>\$ 438,380</b>	<b>\$ (956)</b>



# Waimate District Council

## Operating Statement by Groups of Activities

### For the 5 months ended

### 30 Nov 2017

# Report C

\$000	Current Month			Year to date			YTD to Annual Budget	
	Actual	Budget	Variance	% Var.	Actual	Budget	Variance	% Var.
<b>Revenue</b>								
Community Services	\$ 3	\$ 3	\$ -	(0.6%)	\$ 378	\$ 369	\$ 9	2.4%
Environmental Services	112	34	78	235.1%	712	678	34	5.1%
Organisation and Governance	344	246	98	39.8%	2,429	2,141	288	13.5%
Parks and Recreation	30	31	(1)	(5.9%)	615	539	76	14.2%
Property and Investments	80	67	13	19.8%	543	358	185	51.9%
Roading	205	206	(1)	(0.7%)	2,043	1,920	123	6.4%
Utilities	18	19	(1)	(2.0%)	1,802	1,930	(128)	(6.6%)
<b>Total Revenue</b>	<b>792</b>	<b>606</b>	<b>186</b>	<b>30.8%</b>	<b>8,522</b>	<b>7,935</b>	<b>587</b>	<b>7.4%</b>
<b>Expenditure</b>								
Community Services	77	67	(10)	(15.0%)	318	367	49	13.8%
Environmental Services	171	97	(74)	(76.3%)	754	515	(239)	(46.4%)
Organisation and Governance	443	343	(100)	(29.2%)	2,206	1,960	(246)	(12.5%)
Parks and Recreation	125	109	(16)	(14.9%)	597	583	(14)	(2.3%)
Property and Investments	85	93	8	9.1%	786	688	(98)	(14.2%)
Roading	558	420	(138)	(32.8%)	2,798	2,102	(696)	(33.1%)
Utilities	255	283	28	9.7%	1,606	1,678	72	4.3%
<b>Total Expenditure</b>	<b>1,714</b>	<b>1,412</b>	<b>(302)</b>	<b>(21.4%)</b>	<b>9,065</b>	<b>7,893</b>	<b>(1,172)</b>	<b>(14.8%)</b>
<b>Net Surplus/(Deficit)</b>								
Community Services	(74)	(64)	(10)	15.8%	60	2	58	3,229.5%
Environmental Services	(59)	(63)	4	(7.7%)	(42)	163	(205)	(125.9%)
Organisation and Governance	(99)	(97)	(2)	2.3%	223	181	42	23.9%
Parks and Recreation	(95)	(78)	(17)	23.3%	18	(44)	62	(140.1%)
Property and Investments	(5)	(26)	21	(81.5%)	(243)	(330)	87	(26.7%)
Roading	(353)	(214)	(139)	65.2%	(755)	(182)	(573)	(315.5%)
Utilities	(237)	(264)	27	(10.3%)	196	252	(56)	(22.2%)
<b>Total Surplus/(Deficit)</b>	<b>(922)</b>	<b>(806)</b>	<b>(116)</b>	<b>14.4%</b>	<b>(543)</b>	<b>42</b>	<b>(585)</b>	<b>(1,470.8%)</b>

Refer to reports D1 to D4 for individuals Activities from with each of the above Groups of Activities.  
Refer also to reports F to O for details by Revenue and Expenditure type for each Group of Activities.



## Report D.1

Waimate District Council Environmental Services and Finance Committee Meeting – 30 January 2018 Page 29 of 89

**Waimate District Council**  
**Divisional Revenue and Expenditure**  
**For the 5 months ended**  
**30 Nov 2017**

**Report D.2**

\$000	Variance Note	Actual	Current Month		Year to date		YTD to Annual Budget	
			Budget	Variance	Budget	Variance	Budget	% of Budget Standard = 41.7%
<b>Organisation and Governance</b>								
<b>Revenue</b>								
Community Representation		\$ -	\$ 1	(1)	\$ 470	\$ 1	\$ 940	50.2%
Strategy		4	4	-	289	14	586	51.6%
Managing Services		340	241	99	1,382	273	3,102	53.4%
Total Revenue		344	246	98	2,141	288	4,628	52.5%
<b>Expenditure</b>								
Community Representation		91	62	(29)	378	(38)	928	44.8%
Strategy		48	39	(9)	200	(14)	668	32.1%
Managing Services	12/13	304	242	(62)	1,382	(194)	3,115	50.6%
Total Expenditure		443	343	(100)	1,960	(246)	4,711	46.8%
<b>Net Surplus/(Deficit)</b>								
Community Representation		(91)	(61)	(30)	92	(37)	12	476.9%
Strategy		(44)	(35)	(9)	89	-	(82)	(108.3%)
Managing Services		36	(1)	37	-	79	(13)	(594.4%)
Total Surplus/(Deficit)		(99)	(97)	(2)	181	42	(83)	(268.2%)
<b>Parks and Recreation</b>								
<b>Revenue</b>								
Camping		\$ 20	\$ 20	-	\$ 85	\$ 59	\$ 285	50.8%
Cemeteries		2	4	(2)	36	9	79	56.6%
Parks and Public Spaces	5c	1	1	-	320	5	655	49.6%
Swimming		7	6	1	98	3	211	47.7%
Total Revenue		30	31	(1)	539	76	1,230	50.0%
<b>Expenditure</b>								
Camping		23	24	1	139	5	311	43.0%
Cemeteries		15	7	(8)	34	(4)	89	42.4%
Parks and Public Spaces		63	56	(7)	315	(38)	689	51.3%
Swimming		24	22	(2)	95	23	213	33.8%
Total Expenditure		125	109	(16)	583	(14)	1,302	45.8%
<b>Net Surplus/(Deficit)</b>								
Camping		(3)	(4)	1	(54)	64	(26)	(41.4%)
Cemeteries		(13)	(3)	(10)	2	5	(10)	(70.7%)
Parks and Public Spaces		(62)	(55)	(7)	5	(33)	(34)	83.7%
Swimming		(17)	(16)	(1)	29	26	(2)	(1,430.3%)
Total Surplus/(Deficit)		(95)	(78)	(17)	(44)	62	(72)	(25.0%)

## Report D.3

TID to Annual Budget		
budget		% of Budget Standard = 41.7%
186		4.1%
602		(2.7%)
978		56.5%
1,746		31.1%
<hr/>		
101		75.8%
430		44.2%
1,159		44.8%
1,690		46.5%
<hr/>		
65		(106.7%)
172		(120.9%)
(181)		(18.7%)
56		(435.2%)
<hr/>		
5,055		40.4%
5,055		40.4%
<hr/>		
5,290		52.9%
5,290		52.9%
<hr/>		
(235)		321.4%
(235)		321.4%

# Waimate District Council

## Divisional Revenue and Expenditure

For the 5 months ended

30 Nov 2017

# Report D.4

\$000

### Utilities

#### Revenue

	Variance Note	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD to Annual Budget Budget % of Budget Standard = 41.7%
Waste Management		\$ 11	\$ 10	\$ 1	19.1%	\$ 542	\$ 541	\$ 1	0.2%	\$ 1,111 48.8%
Sewerage and Sewage		3	6	(3)	(44.5%)	266	279	(13)	(4.7%)	575 46.3%
Stormwater Drainage		-	-	-	(100.0%)	55	53	2	3.8%	106 51.7%
Water Supply - Rural and Urban		4	3	1	24.1%	939	1,057	(118)	(11.2%)	2,348 40.0%
<b>Total Revenue</b>		<b>18</b>	<b>19</b>	<b>(1)</b>	<b>(2.0%)</b>	<b>1,802</b>	<b>1,930</b>	<b>(128)</b>	<b>(6.6%)</b>	<b>4,140 43.5%</b>

#### Expenditure

Waste Management	8	95	87	(8)	(8.8%)	468	468	-	(0.0%)	1,099 42.6%
Sewerage and Sewage		27	35	8	22.7%	226	237	11	4.8%	529 42.7%
Stormwater Drainage		14	7	(7)	(90.2%)	50	56	6	10.7%	112 44.3%
Water Supply - Rural and Urban	14b	119	154	35	21.8%	862	917	55	6.0%	2,221 38.9%
<b>Total Expenditure</b>		<b>255</b>	<b>283</b>	<b>28</b>	<b>9.7%</b>	<b>1,606</b>	<b>1,678</b>	<b>72</b>	<b>4.3%</b>	<b>3,961 40.6%</b>

#### Net Surplus/(Deficit)

Waste Management		(84)	(77)	(7)	7.6%	74	73	1	1.4%	12 629.9%
Sewerage and Sewage		(24)	(29)	5	(18.3%)	40	42	(2)	(4.8%)	46 87.9%
Stormwater Drainage		(14)	(7)	(7)	98.8%	5	(3)	8	(289.1%)	(6) (88.9%)
Water Supply - Rural and Urban		(115)	(151)	36	(22.8%)	77	140	(63)	(45.2%)	127 59.8%
<b>Total Surplus/(Deficit)</b>		<b>(237)</b>	<b>(264)</b>	<b>27</b>	<b>(10.3%)</b>	<b>196</b>	<b>252</b>	<b>(56)</b>	<b>(22.2%)</b>	<b>179 109.6%</b>

# Waimate District Council

## Report E

### Finer detail of Other Revenue and Other Expenses

For the 5 months ended

30 Nov 2017

\$000

Variance Note	Current Month			Year to date			YTD to Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	% of Budget
<b>Other Revenue</b>								
Rate Penalties	5a	\$ 14	\$ -	14	42	262.5%	\$ 64	90.6%
Grants and Donations (Miscellaneous)	5b	-	-	-	84	-	1	16.716.6%
Petrol Tax		8	7	1	22	(21.4%)	97	22.5%
Forestry Revenue		-	-	-	-	-	-	-
Rent Revenue		31	33	(2)	137	12.3%	241	56.8%
Recoveries - Water/Roading		53	54	(1)	199	(2.7%)	617	32.2%
Commissions		-	-	-	10	13.8%	36	28.9%
Sundry Sales	5c	11	7	4	88	133.2%	222	39.4%
Total Other Revenue		117	101	16	598	471	1,278	46.7%
<b>Other Expenses</b>								
Councillor Remuneration and Costs		-	6	6	61	68	223	27.3%
Other Employment Related Costs	16a	11	18	7	59	115	277	21.2%
Audit Fees		-	-	-	2	(2)	179	1.1%
Computer Support and GIS		9	19	10	154	167	277	55.5%
Telecommunications		8	7	(1)	39	36	88	45.0%
Electricity		21	33	12	147	165	396	37.1%
Other Property, Rent and Rates		2	3	1	116	133	180	64.6%
Forestry costs		-	-	-	1	(1)	-	-
Grants	16b	23	20	(3)	65	98	120	54.4%
Rural Fire Contract		-	2	2	-	8	18	-
Postage/Stationery/Copying/Printing		6	12	6	42	48	111	38.4%
Utilities and Vehicle costs	16c	23	16	(7)	206	45	125	165.1%
Subscriptions/Memberships		2	-	(2)	39	38	47	82.5%
Plant and Machinery Hire		7	7	-	16	16	37	42.2%
Bank Fees		-	1	1	3	15	32	8.2%
Miscellaneous	16d	42	40	(2)	234	219	677	34.8%
Total Other Expenses		154	184	30	1,184	1,171	2,787	42.5%



# Water Supply

## Statement of Financial Performance

### For the 5 months ended 30 Nov 2017

Report **F**

\$000

#### Operating Revenue

	Variance Note	Actual	Budget	Variance	% Var.	Actual	Budget	Variance	% Var.	YTD to Annual Budget Budget	% of Budget Standard = 41.7%
General Rates		\$ -	\$ -	\$ -	-	\$ -	\$ 6	\$ 6	-	\$ 11	52%
Targeted Rates for Water Supply		-	-	-	-	880	877	3	0%	2,005	44%
Development, Financial Contributions		-	2	(2)	(100%)	18	9	9	103%	22	85%
Dividends		-	-	-	-	-	-	-	-	-	-
Fees and Licences		2	-	2	422%	3	2	1	63%	19	14%
Finance Revenue		-	-	-	-	-	-	-	-	22	-
Internal Revenue		-	-	-	-	13	8	5	65%	32	41%
Other Revenue		2	1	1	108%	19	22	(3)	(17%)	103	18%
Total Operating Revenue		4	3	1	24%	939	1,057	(118)	(11%)	2,347	40%

#### Operating Expenditure

Depreciation and Amortisation		47	52	5	10%	236	262	26	10%	628	38%
Works Expenses	8 / 16c	7	10	3	32%	38	103	65	63%	268	14%
Consultancy Expenses		-	1	1	100%	-	3	3	100%	8	-
Finance Costs		-	-	-	-	-	-	-	-	36	-
Repairs and Maintenance		-	-	-	-	-	2	2	100%	5	-
Insurance		-	-	-	-	43	43	-	-	43	99%
Internal Expenses		11	33	22	67%	198	233	35	15%	570	35%
Other Expenses		55	58	3	3%	347	272	(75)	(28%)	662	53%
Total Operating Expenditure		120	154	34	22%	862	918	56	6%	2,220	39%
Total Surplus/(Deficit)		\$ (116)	\$ (151)	\$ 35	(23%)	\$ 77	\$ 139	\$ (62)	(45%)	\$ 127	60%

# Waste Management

## Statement of Financial Performance

### For the 5 months ended

### 30 Nov 2017

Report G

\$000	Variance Note	Actual	Budget	Variance	% Var.	Actual	Budget	Variance	% Var.	YTD to Annual Budget Budget	% of Budget Standard = 41.7%
<b>Operating Revenue</b>											
Civic Amenities Rates		\$ -	\$ -	\$ -	-	\$ 115	\$ 115	\$ -	-	\$ 230	50%
Other Targeted Rates		-	-	-	-	357	359	(2)	(1%)	718	50%
Other Subsidies and Grants		-	-	-	-	16	16	-	-	31	50%
Fees and Licences		10	9	1	8%	45	47	(2)	(4%)	112	40%
Internal Revenue		-	-	-	-	8	5	3	56%	20	39%
Other Revenue		1	-	1	-	1	(1)	2	-	-	-
Total Operating Revenue		11	9	2	19%	542	541	1	0%	1,111	49%
<b>Operating Expenditure</b>											
Depreciation and Amortisation		4	4	-	-	18	19	1	5%	46	40%
Works Expenses	9	72	73	1	1%	374	382	8	2%	892	42%
Consultancy Expenses		-	-	-	-	-	-	-	-	1	-
Repairs and Maintenance		-	-	-	-	1	-	(1)	(168%)	1	112%
Insurance		-	-	-	-	2	3	1	18%	3	82%
Legal Fees		-	-	-	-	-	-	-	-	-	-
Internal Expenses		16	9	(7)	(75%)	67	59	(8)	(13%)	148	45%
Other Expenses		3	1	(2)	(159%)	6	5	(1)	(54%)	8	64%
Total Operating Expenditure		95	87	(8)	(9%)	468	468	-	-	1,099	43%
<b>Total Surplus/(Deficit)</b>		<b>\$ (84)</b>	<b>\$ (78)</b>	<b>\$ (6)</b>	<b>8%</b>	<b>\$ 74</b>	<b>\$ 73</b>	<b>\$ 1</b>	<b>1%</b>	<b>\$ 12</b>	<b>630%</b>

## Report H

YTD to Annual Budget			
Budget		% of Budget	
		Standard = 41.7%	
\$	495	49%	
	16	67%	
	52	0%	
	-	-	
	9	80%	
	3	176%	
	575	46%	
	208	41%	
	31	79%	
	2	18%	
	1	-	
	17	93%	
	165	30%	
	105	47%	
	529	43%	
\$	46	88%	



## Report I

30 NOV 2017										
Variance Note	Current Month			Year to date			YTD to Annual Budget			
	Actual	Budget	Variance	% Var.	Actual	Budget	Variance	% Var.	Budget	% of Budget Standard = 41.7%
<b>\$000</b>										
<b>Operating Revenue</b>										
General Rates	\$	-	\$	-	\$	54	\$	51	\$	103
Development, Financial Contributions		-	-	-		-	2	(2)		3
Fees and Licences		-	-	-		-	-	-		-
Internal Revenue		-	-	-		1	-	1		-
Total Operating Revenue		-	-	-		55	53	2		106
										52%
<b>Operating Expenditure</b>										
Depreciation and Amortisation		3	3	-		14	16	2		39
Works Expenses		6	1	(5)	(75%)	9	14	5		19
Consultancy Expenses		-	-	-		-	-	-		1
Insurance		-	-	-		2	2	-		2
Internal Expenses		5	3	(2)	(71%)	17	17	-		42
Other Expenses		-	-	-		8	7	(1)		9
Total Operating Expenditure		14	7	(7)	(90%)	50	56	6		112
										44%
<b>Total Surplus/(Deficit)</b>	\$	(14)	\$	(7)	\$	5	(3)	\$	8	(6)
				99%						(89%)

## Report J

	YTD to Annual Budget	
	Budget	% of Budget
	Standard = 41.7%	
\$	2,334	50%
	2,656	31%
	-	-
	-	-
	65	49%
	5,055	40%
	2,779	40%
	2,182	66%
	-	-
	2	-
	321	74%
	5	9%
	5,290	53%
\$	(235)	321%

## Report K

Waimate District Council Environmental Services and Finance Committee Meeting – 30 January 2018 Page 39 of 89

## Report L

## Statement of Financial Performance

**For the 5 months ended**

30 Nov 2017

Financial Performance Report - Q3 2023												
Category	Variance Note	Current Month			Year to date			YTD to Annual Budget				
		Actual	Budget	% Var.	Actual	Budget	% Var.	Budget	% of Budget Standard = 41.7%			
<b>Operating Revenue</b>												
General Rates	\$	-	\$	-	\$	353	\$	338	\$	676	52%	
Other Targeted Rates	-	-	-	-	-	56	-	56	-	111	50%	
Development, Financial Contributions	1	4	4	(3)	(62%)	7	19	(12)	(62%)	46	16%	
Fees and Licences	110	28	28	82	293%	287	258	29	11%	484	59%	
Internal Revenue	-	-	-	-	-	8	3	5	156%	13	64%	
Other Revenue	1	2	2	(1)	(66%)	2	4	(2)	(51%)	7	27%	
Total Operating Revenue		112	34	78	235%	712	678	34	5%	1,337	53%	
<b>Operating Expenditure</b>												
Employment Benefit Expenses	34	28	28	(6)	(22%)	154	141	(13)	(9%)	335	46%	
Depreciation and Amortisation	3	2	2	(1)	(62%)	17	11	(6)	(62%)	26	67%	
Consultancy Expenses	-	1	1	1	100%	1	3	2	73%	20	5%	
Repairs and Maintenance	-	-	-	-	-	-	1	1	11%	1	56%	
Regulatory Expenses	13	78	2	(76)	(3,563%)	19	11	(8)	(78%)	121	16%	
Insurance	-	-	-	-	-	11	12	1	8%	12	92%	
Legal Fees	-	3	3	3	100%	2	4	2	63%	6	25%	
Internal Expenses	49	50	50	1	3%	278	269	(9)	(3%)	635	44%	
Other Expenses	7	11	11	4	35%	31	63	32	52%	130	24%	
Total Operating Expenditure		171	97	(74)	(76%)	754	515	(239)	(46%)	1,286	59%	
Total Surplus/(Deficit)		\$	(59)	\$	(63)	\$	163	\$	(205)	\$	51	(83%)

## Report M

## Statement of Financial Performance

**For the 5 months ended**

30 Nov 2017

Operating Revenue													
Variance	Note	Current Month			Year to date			YTD to Annual Budget					
		Actual	Budget	% Var.	Actual	Budget	Variance	% Var.	Budget	% of Budget Standard = 41.7%			
Operating Revenue	General Rates	\$	-	\$	-	-	\$	(348)	\$	(328)	\$	(655)	53%
	Civic Amenities Rates		-	-	-	-		55		55		109	50%
	Other Targeted Rates		-	-	-	-		117		118		236	50%
	Dividends		-	-	-	-		150		150		754	20%
	Finance Revenue		1	1	-	-		16		4		9	179%
	Gain on Sale of Assets/Revaluations		-	-	-	-		-		-		133	-
	Internal Revenue		22	22	-	-		216		206		642	34%
	Other Revenue	5a/c	57	44	13	32%		337		153		518	65%
	Total Operating Revenue		80	67	13	20%		543		358		1,746	31%
Operating Expenditure	Employment Benefit Expenses		3	3	-	-		18		15		36	51%
	Depreciation and Amortisation		32	29	(3)	(11%)		160		143		346	46%
	Consultancy Expenses		-	5	5	92%		4		20		61	7%
	Finance Costs	11	9	14	5	40%		86		71		171	50%
	Repairs and Maintenance		2	5	3	66%		11		33		88	12%
	Insurance		-	-	-	-		80		82		84	96%
	Legal Fees		-	1	1	100%		2		3		4	58%
	Internal Expenses		28	19	(9)	(50%)		249		171		509	49%
	Other Expenses	16d	11	17	6	40%		176		150		393	45%
	Total Operating Expenditure		85	93	8	9%		786		688		1,785	44%
Total Surplus/(Deficit)		\$	(5)	\$	(26)	\$	(243)	\$	(330)	\$	(39)	649%	

## Report N

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Within 20% of budget
Within 10% of budget
Overspent

Available to spend	Tr
10,000	
7,200	
17,200	
(693)	
200,000	
(1,664)	
10,040	
54,000	
4,576	
(156)	
266,101	
(3,036)	
971	
1,200	
4,000	
7,347	
60,877	
(136,503)	
8,500	
1,551	
14,000	
-	
232,931	
353	
(1,045)	
191,146	
24,749	
(72)	
23,233	
1,200	
6,929	
1,000	
(69,105)	
-	
5,517	
15,000	
1,500	
90,000	
15,000	
5,000	
7,000	
89,041	
8,000	
6,072	
10,000	
4,750	
10,000	
6,000	
5,248	
8,175	
58,245	
38,601	
38,601	

Within 20% of budget
Within 10% of budget
Overspent

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24/01/2018



## Item 8 Expenditure Variation Report for the 3 months ended 30 September 2017

Prepared by: Andy Hilton  
Corporate Services Manager

And: Melissa Thomson  
Accountant

## Purpose of Report

- 1 The following analysis of expenditure variation is provided for the information of Council. For the first quarter to September 2017 expenditure variations totalling \$408,870 include operational expenditure of \$203,690 and capital expenditure of \$205,180.

These expenditure variation items are funded from each activity reserve.

- |   |  |             |
|---|--|-------------|
| 2 | Income – Donation Waimate Event Centre   | (\$ 83,330) |
|   | A favourable variance to budget due to the final donation being received from Alpine Energy for the Waimate Event Centre community fundraising.  |             |
| 3 | Finance costs  | \$ 27,960   |
|   | A budget variance will continue for the financial year due to an under accrual of Loan interest payments at 30 June 2017.  |             |
| 4 | Loss on sale of assets   | \$ 241,360  |
|   | Following transfer of the district's rural fire assets into Fire & Emergency New Zealand, a loss on disposal of \$241,360 has been recognised.   |             |
| 5 | General forest expenses  | \$ 17,700   |
|   | Additional rectification work was required to discharge the requirements of completed JV Forestry harvests.  |             |
| 6 | Capital expenditure – Victoria Park Playground   | \$ 162,100  |
|   | Playground equipment and ausplay matting has been purchased totalling \$209,330 compared to a budget of \$47,230. This additional expenditure was approved by Council at the Ordinary Council meeting held on 23 May 2017. |             |
| 7 | Capital expenditure – Magiq Performance Suite  | \$ 43,080   |
|   | An upgrade of systems to Magiq Performance has resulted in a budget variation of \$43,080 (nil budget this year). This capital expenditure was approved by Council at the Ordinary Council meeting held on 4 April 2017.   |             |

Total expenditure variances for the 3 months to September 2017      **\$ 408,870**

## Recommendation

That the Expenditure Variation Report for the 3 months ended 30 September 2017 report is accepted.

## Item 9                      Alpine Energy Dividend – Surplus Funds Set Aside for Future Initiatives

Prepared by:            Andy Hilton  
                                Corporate Services Manager

And:                      Melissa Thomson  
                                Accountant

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### Purpose of Report

1     The following analysis of expenditure from the surplus Alpine Energy Dividend funds is provided for Councils information. For the 6 months to December 2017, expenditure totalling \$35,410 has been committed leaving a balance of \$64,590 for the financial year.

2     Details of expenditure to date is as follows:

<b>Income – Alpine Energy Dividend surplus funds</b>	<b>\$ 100,000</b>
Annual Plan 2017/18 surplus funds set aside for future initiatives.	

<b>Marketing Website</b>	<b>\$ (24,575)</b>
Expenditure for marketing the website, including a launch, design competition and banner purchases have been incurred	
Council Resolution Y/N:	Yes
Council resolved at the Ordinary Council Meeting held on 23 May 2017: <i>“That Council approves the development of a Council-owned website to market the Waimate District to national and international markets, up to a maximum cost of \$20,000 in 2017/18 and up to a maximum \$20,000 in 2018/19”.</i>	

<b>Community Christmas tree lights</b>	<b>\$ (480)</b>
Expenditure for Christmas tree lights has been incurred.	
Council Resolution Y/N:	No
Expenditure approved by Stuart Duncan, Chief Executive.	

<b>Hanging Baskets</b>	<b>\$ (10,355)</b>
Expenditure for Christmas tree lights has been incurred.	
Council Resolution Y/N:	No
Expenditure approved by Stuart Duncan, Chief Executive.	

<b>Total funds remaining as at 31 December 2017</b>	<b>\$ 64,590</b>
---	------------------

### Recommendation

That the Alpine Energy Dividend – Surplus funds set aside for future initiatives report for the 6 months to December 2017 report is accepted.

## **Item 10                      Register of Pecuniary and other Specified Interests of the Mayor and Councillors of the Waimate District Council Summary of Annual Returns**

Prepared by:                      Andy Hilton  
Corporate Services Manager

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### **Purpose of Report**

- 1      From time to time Audit New Zealand requests documents to ensure Elected Members of Councils are acting in accordance with the Code of Conduct. These documents include Register of Members Interests, Conflict of Interest, Gifts, etc.
- 2      It is proposed that this could be achieved more efficiently by an annual document being completed by Elected Members called a 'Register of pecuniary and other specified interests of the Mayor and Councillors of the Waimate District Council Summary of Annual Returns'.
- 3      This draft document follows this report.
- 4      Appendix 1 is the information gathered in 2016 of the new Council, and Appendix 2 is the draft document for review.

### **Proposal / Options**

- 5      The current format, as shown in Appendix 1, is retained or,
- 6      The proposed format, as shown in Appendix 2, is accepted subject to adjustments made in by this committee for adoption by Council.

### **Obstacles**

- 7      There are no known obstacles.

### **Assessment of Significance**

- 8      This matter is not deemed significant under the Council's Significance and Engagement Policy.

### **Budget Considerations**

- 9      There are no known budget considerations.

## **Cost-effectiveness**

10 Cost-effectiveness consideration is not applicable.

## **Recommendation**


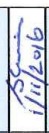
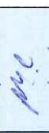


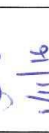






- 1 That the Register of pecuniary and other specified interests of the Mayor and Councillors of the Waimate District Council Summary of Annual Returns report is accepted; and
- 2 That the Environmental Services and Finance Committee reviews the draft document and makes and makes a recommendation for the 20 February 2018 Council meeting.

# APPENDIX 1

## Waimate District Council - Register of Members Interests

Date of last review  
1/11/2016

(Where spouse's interests are declared they are noted in the table below)

Elected Member	Family Member	Shareholdings or Controlling Interests in Companies	Positions held as Members of Companies	Interests in Family or Business Trusts	Interests in Partnerships (Inc Joint Ventures)	Interest in Real Estate * Locality * Purpose * Nature of Interest	Memberships of Political Parties, Bodies & Associations, Trade & Professional Organisations	Other	Last Change Date	Elected Member Signature of Acceptance & Date
Anderson, David			Director, Write Here, Right Now Ltd	JD and MC Anderson Trust		Own Home	NZ National Party	Employed by Hunter Downs Water on contract for communications work MDC, TDC, WDC	28/09/2016	 1/11/16
Cain, Sharyn						Own Home			28/09/2016	 1/11/2016
Collins, Peter					Picture Framing Business	Own Home		Waimate Squash Club (Ctee Member); Sport Waimate (Ctee Member)	28/09/2016	 1/11/16
Collins, Peter	Spouse				Picture Framing Business	Own Home		Waimate District Resource Trust (employee non-voting); CentreCare (WDRRT Rep Ctee); Sole Trader - Tour Bizhub; Insight Wellness	25/09/2014	 1/11/16
Guilford, Jakki						Own Home, Timaru 1/4 share of family lifestyle block, Nortons Res Rd				 1/11/16
Guilford, Jakki	Spouse					Own Home				
Morton, Miriam						Own Home		Waimate Competitions Society (Ctee member); Employees of Waimate District Council, Senior Librarian	18/10/2016	 1/11/16
Morton, Miriam	Spouse					Own Home	PSA		18/10/2016	 1/11/2016
O'Connor, Tom				TW & JR O'Connor Family Trust		Own Home, St Andrews	Grey Power Journalism AT Assn; St Andrew Residents Assn		25/09/2014	 15/11/2016
O'Connor, Tom	Spouse			TW & JR O'Connor Family Trust		Own Home, St Andrews	Teachers Assn		25/09/2014	 1/11/16
Owen, David		Shareholder in Farmlands Co-op Society				Own Home	Registered Licensee REINZ (Real Estate Institute of NZ)	Trustee on Ian Dempsey Scholarship Fund; member Lions Club	31/10/2016	 1/11/16
Owen, David	Spouse					Own Home				
Paul, Sheila		Glenpack Ltd	Director	CJ & SG Paul Family Trust		Glenavy Oamaru Accommodation Commercial		Lions: Wt; Keane Park (Glenavy)	28/09/2016	 1/11/16
Paul, Sheila	Spouse	Glenpack Ltd	Director	CJ & SG Paul Family Trust		Glenavy Oamaru Accommodation Commercial		Rotary; Keane Park (Glenavy)	28/09/2016	 1/11/16
Rowley, Craig		Loot Jewellers				Own Home			25/09/2014	

## APPENDIX 2

### REGISTER OF PECUNIARY AND OTHER SPECIFIED INTERESTS OF THE MAYOR AND COUNCILLORS OF THE WAIMATE DISTRICT COUNCIL – SUMMARY OF ANNUAL RETURNS AS AT 31 DECEMBER 2017 (please also include Spouse/Partner if applicable in brackets)

**Name:** Joe Bloggs  
**Position:** Mayor  
**As at (date):** 31 December 2017

- 1. Company Directorships and Controlling Interests**  
No interest to declare, OR ....  
Example: Shareholder of Bloggs Irrigation Ltd
- 2. Other Companies and Business Entities and positions held**  
No interest to declare, OR ...  
Example: Owner of Bloggs Legal Ltd
- 3. Employment**  
No interest to declare, OR ...  
Example: Bloggs Hardware (Spouse: Jenny Bloggs)
- 4. Beneficial Interests in, and Trusteeships of Trusts**  
No interest to declare, OR ...  
Example: Bloggs Family Trust – Beneficiary and Trustee
- 5. Organisations and Trusts that obtain, or are seeking funding or other assistance from the Council**  
No interest to declare, OR ...  
Example: Committee Member on Waimate Historical Society (NOT Council appointed representative); Member Waimate Returned Services Association
- 6. Council appointments to Council Committees, associated organisations and external bodies.**  
Example: Council representative on Waimate Community Anzac Group
- 7. Real Estate / Property**  
Example: Joint Bloggs Family Home – 22 Waimate Road, Waimate; Rental Property 22 Beach Road, Timaru.
- 8. Overseas Travel**  
No interest to declare, OR  
Example: Council-related business/invitations
- 9. Gifts**  
No interest to declare, OR ...
- 12. Discharged debts**  
No interest to declare, OR ...

**13. Payments for activities or services from Waimate District Council**

No interest to declare, OR ...

Example: Bloggs Photography Services 17 October 2017 Framing Work (details provided or copy attached)

## Item 11

# Order of Meetings on Council Committee Meeting Day

Prepared by: Andy Hilton  
Corporate Services Manager

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## Purpose of Report

- 1 At the last Committee meeting day in 2017, Council requested a review of the order of Committee meetings.
- 2 Council asked to look at options and decide, for consistency, what order they would like the Committee meetings to operate for the rest of the Council term.

## Background

- 3 Since the Inaugural meetings of the Committees on 20 January 2015, Council have held their Committee meetings in the order of Environmental Services and Finance; District Infrastructure followed by Community Services and Development.
- 4 According to legislation, Council is required to advertise their meeting dates, times and order. It is also useful to know in advance the order of meetings, to enable the Committee Secretary to arrange presentations, and any other special Council or Mayoral items such as Citizenship Ceremonies.

## Proposal / Options

- 5 That Council considers and decides on the order of Committees for future meetings.
- 6 The options that may be considered are:
  - a Bespoke i.e. next Committee meeting order is decided by the previous Committee session, or by staff based on subjective significance of the agenda items.
  - b Revolving, i.e., each Committee has a turn of being the first meeting of the day. For example:
    - i 13 March 2018: Environmental Services and Finance, followed by District Infrastructure, followed by Community Services and Development
    - ii 1 May 2018: District Infrastructure, followed by Community Services and Development, followed by Environmental Services and Finance
    - iii 12 June 2018: Community Services and Development, followed by Environmental Services and Finance, followed by District Infrastructure
  - c Set, in a particular order to be advised by Council.



## **Obstacles**

- 7 There are no known obstacles.

## **Assessment of Significance**

- 8 This matter is not deemed significant under the Council's Significance and Engagement Policy.

## **Budget Considerations**

- 9 There are no known budget considerations.

## **Cost-effectiveness**

- 10 Cost-effectiveness consideration is not applicable.

## **Recommendation**

- 1 That the Order of Meetings on Council Committee Meeting Day report is accepted; and
- 2 That the Environmental Services and Finance Committee considers and informs staff the order of Committees for future meetings and makes a recommendation for the 20 February 2018 Council meeting.

## Item 12

## Audit New Zealand Management Report for the year ended 30 June 2017

Prepared by: Andy Hilton  
Corporate Services Manager

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### Purpose of Report

- 1 This report provides the Environmental Services and Finance Committee with the opportunity to receive Audit New Zealand's management report following completion of the annual report audit for the year ended 30 June 2017.

### Background

- 2 The Annual Report 2016-17 was adopted by Council on 31 October 2017.
- 3 Audit New Zealand issued an unmodified audit opinion on 31 October 2017.
- 4 The monitoring of the actions proposed by management in this report falls under the remit of the Audit & Risk Committee. However, because the next Audit & Risk Committee falls on 12 March 2017, staff determined that delivery of this report was best not delayed for a further two months.

### Proposal / Options

- 5 That the Environmental Services and Finance Committee provide feedback to Council on any areas of note within the report.

### Obstacles

- 6 There are no known obstacles.

### Assessment of Significance

- 7 This matter is not deemed significant under the Council's Significance and Engagement Policy.

### Budget Considerations

- 8 There are no known budget considerations.

### Cost-effectiveness

- 9 Cost-effectiveness consideration is not applicable.

## **Recommendation**

- 1 That the Audit New Zealand Management Report for the year ended 30 June 2017 report is accepted; and
- 2 That the Environmental Services and Finance Committee provides feedback to Council on any areas of note within the report, proposing any related action items are monitored by Audit & Risk Committee.

Report to Council on the annual audit of

**Waimate District Council**

for the year ended 30 June 2017

## Key messages

We have completed the audit for the year ended 30 June 2017. This report sets out our findings from the audit and draws attention to areas where Waimate District Council (the Council) is doing well or where we have made recommendations for improvement.

This report summarises the work performed, and notes audit issues identified during our engagement. We have raised five matters, the recommendations are listed below. There are a number of other recommendations made during our interim audit and in the 2016, for which progress has been variable (refer to Appendix 2). We have made comments on the areas of interest raised in our arrangements letter (see Appendix 3).

### Issues identified during the audit

The following table summarises our recommendations and their priority:

Recommendation	Urgent	Necessary	Beneficial
To ensure the model for LTP, Annual Plan and Financial Statements are consistent and allocations documented.	✓		
To ensure all assets within a class are revalued to comply with PBEIPSAS 17.		✓	
Valuations are completed at an earlier stage to allow time for quality assurance processes.			✓
Prepare the draft financial statements in line with agreed dates.			✓
Implement a quality assurance process before the audit.			✓
Disclose the number of water faults in the results for the response time to urgent and non-urgent performance measure.			✓
Report comparative results for statement of service performance measures.			✓

There is an explanation of the priority rating system in the Appendix 1.

### Thank you

We would like to thank the Council and management assistance received during the audit.



Scott Tobin  
Audit Director  
6 December 2017

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2	Significant matters, issues, or risks identified during the audit.....	3
3	Control environment .....	7
4	Status of previous recommendations.....	8
	Appendix 1: Explanation of priority rating system.....	9
	Appendix 2: Status of previous recommendations .....	10
	Appendix 3: Matters of interest for all local authorities .....	12
	Appendix 4: Mandatory disclosures .....	14

## **1 Our audit opinion**

### **1.1 We issued an unmodified audit opinion**

We issued an unmodified audit opinion on 31 October 2017. We were satisfied that the financial statements and statement of service performance fairly reflected the Council's activity for the year and its financial position at the end of the year.

### **1.2 Uncorrected misstatements**

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. There were no significant misstatements identified during the audit that have not been corrected.

## **2 Significant matters, issues, or risks identified during the audit**

### **2.1 The model for Long Term Plan (LTP), Annual Plan and Financial Statements are not consistent**

While completing our audit we identified that the comparative figures did not reflect previous documents. Following discussion with Andy Hilton (Corporate Services Manager) we were informed the model used for the LTP, Annual Plan and Financial Statements were not consistent. As the driver for the allocation of funding was different for the three documents the comparability for these figures was limited.

#### **Recommendations**

- The Council clearly documents the allocation of funding, and when annual plans are produced those allocations are consistent with the LTP.
- Any changes to the underlying model need to be clearly documented and reviewed for consistency.

#### **Management comment**

*The complexity of the model employed to produce the financial information for LTP and Annual Plan, has been identified by Staff as a driver for consistency errors and a barrier to gaining comprehensive, internal assurance of the consistency of the final result.*

*Staff, under direction of Council, engaged a third party provider of modelling software in March 2017 to provide their solution to Council, and are well on the way to implementing this alternative model as the basis for delivering our 2018-28 LTP financials. This includes a process of fully documenting the basis of the model.*

### **2.2 Revaluation infrastructure assets**

PBE IPSAS 17 Property, Plant and Equipment, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The District Council revalued its roading assets, sanitation assets, and three waters assets as at 30 June 2017.

Valuations increased the value of assets by \$30.7 million.

The valuations were delayed for various reasons, including external party review (roading). The external valuers were late on delivery of final drafts, this delayed the Council's annual report preparation and the audit. The water revaluations were also delayed due to the unfortunate and understandable absence of the Assets Group Manager.

We identified the water supply revaluation did non-comply with PBE IPSAS 17, which requires all assets within an asset class to be revalued simultaneously. The water assets excluded were Ducts – Waitaki Bridges, Cattle Creek Scheme, Waihaorunga – Mag Flow Water Meter and the Hakataramea Scheme. The items within a class of property, plant and equipment are revalued simultaneously in order to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates.

We reviewed the revaluation process including source data collection, methodology of the valuation reports and reasonableness of assumptions and concluded the valuations were appropriate for inclusion in the financial statements.

Overall the valuations were reasonable and appropriately reflected in the financial statements.

#### **Recommendations**

- Valuations are completed at an earlier stage to allow time for quality assurance processes and the figures to be included in the financial statements.
- The Council ensure all assets within an asset class are revalued when they perform revaluations.

#### **Management comment**

*Staff acknowledge the comments surrounding earlier completion of the revaluations and will implement systems to ensure that quality assurance checks occur in a timely manner for 30 June 2020.*

*Council utilises Asset Finda for the three waters asset database and this currently excludes both the Hakataramea and Cattle Creek rural water schemes. These two schemes are run and maintained by an incorporated society and the consumers respectively. Staff will endeavour to introduce these assets to the database prior to the 2020 revaluations.*

*Staff will review the classification of assets and reclassify as appropriate.*

### **2.3 Preparation of the financial statements**

The financial statements provided to us at the beginning of the audit were incomplete. The equity and tax and tax notes were not updated, the statement of cash flows was not complete and the revaluation of infrastructure assets was not included in the financial statements (refer above for comments regarding the valuations). A set of financial statements with all of the disclosures above completed and ready for our review was provided five weeks later than the date agreed.



As well as the delayed preparation, our audit of the financial statements and performance identified numerous small, but time consuming to fix. Errors included matters such as incorrect disclosures required for accounting standards and errors in comparative and current year figures, many of which had not been updated appropriately or from previous years.

Contributing factors to these matters were:

- An outdated financial model to map financial statements and link key disclosures. The financial model disclosures, and mapping was not consistent with current Council practices. The new GL codes in the system were not mapped, this led to incorrect figures moving through to the draft financial statements.
- A lack of internal quality assurance review over the information provided, and sense check of numbers relying on the above model.

The process of adjusting the figures in the financial statement was long and several versions of the annual report were prepared by management and reviewed by the audit team.

Our fee is set upon the expectations set out in the arrangement letter. The fee for 2017 has been significantly exceeded, due in part to the delays from the late completion of valuations and the number of annual report iterations reviewed. We will be discussing the fee overrun with management. The process also meant that management spent a lot more time working on the annual report than it should have.

Despite the difficulties faced, we note the positive attitude, high level of communication and good working relationship with management. Our requests for correction to the misstatements were well received and team members were receptive of our suggestions throughout the audit process.

#### **Recommendations**

We recommend:

- A project management approach to the annual report preparation, including scheduling of valuations.
- Timeframes to include sufficient time for self-review of information prepared.
- Revision/replacement of the excel model used to compile the financials for the annual report.

#### **Management comment**

*Staff acknowledge that significantly more work than initially expected was required to ensure the Financial Statements model was up to date and contributed to the delay in delivery of the final result.*

*Staff further acknowledge that with the CSM the sole Council resource devoted to production of the financial statements, a degree of assurance and continuity that had been present in previous Annual Report cycles was missing. This also contributed to the delay in production of the result.*

*Staff have reflected that there appeared to be some re-testing of areas that had been reviewed by the Audit team as part of September field testing, which contributed to some delays to the audit process.*

*Staff resolve to apply the recommendations highlighted above. In addition, Staff reflect that the absence of an LTP process running parallel to the Annual Report process will ensure more resource can be applied to the Annual Report in advance deliver of a draft result to Audit.*

## **2.4 Service Performance Statements**

We have identified two areas of improvements for the service performance disclosures.

### **2.4.1 Disclosure water supply faults and response times**

For water assets, the Council reports the average number of minutes taken to respond to, and resolve, faults. Although not required, we consider the disclosure would be enhanced by the inclusion of the number of faults classified as urgent and non-urgent. Adding this information it allows the reader to better understand the reliability of the service and also provides a context for the response times.

We also identified response times that had been incorrectly entered into the Asset Finda system for some faults. This resulted in resolution times which were less than response times.

#### **Recommendations:**

- Include the number of urgent and non-urgent faults in the Service Performance Statements.
- Response times be reviewed for reasonableness, and to ensure that resolution times are not less than response times.

#### **Management comment**

*Staff will review the proposed enhanced disclosure and consider the resources required to deliver the extra information, which is the main barrier to implementation.*

*Staff will review the response times in Asset Finda as per the recommendation, including process that yielded the error in the first place.*

### **2.4.2 Statement of Service Performance comparative disclosure**

Currently for many of the reported measures the comparative (prior year) results reported simply show 'achieved' or 'not achieved'. We recommend the comparative show the actual prior year result. In many cases that information is more useful than performance against the target as it will highlight actual increases or decreases in performance.

#### **Recommendation**

Report detailed comparative results for the statement of service performance measures.

### Management comment

*Staff acknowledge that greater detail in the reported result will provide the reader with a more detailed result. At present our view is that the disclosure is sufficient.*

## 2.5 Waimate Event Centre

Following the completion of the Waimate Event Centre we performed a sample testing of capital expenditures incurred during the year, reviewed valuation and recognition of fixed assets in the financial statements. Our review identified the following:

- The Waimate Event Centre has been appropriately recognised in the Fixed Asset Register, and accounted for correctly in the financial statements. The recognition of related depreciation expense has been appropriately calculated.
- The vested portion of the Waimate Event Centre of \$1,922k has been appropriately recognised in the financial statements and is based on a suitable valuation performed by QV.
- The funds received during the year from the Waimate Event Centre Community Trust of \$312k has appropriately been recognised as revenue and disclosed in the notes of the financial statements.
- Our testing on the expenditure relating the Waimate Event Centre did not identify any instances where expenditure was not reasonable.

Council completed its own internal review of the retrospectively authorised expenditure identified late in 2016. We consider that review reasonable and the learnings identified appropriate. Those findings need to be considered for future projects and decision-making processes.

There are no outstanding audit issues relating to the project.

## 3 Control environment

As discussed in the interim management report we performed a high-level review of the control environment. We considered the overall attitude, awareness, and actions of the Council and management in establishing and maintaining effective management procedures and internal controls. Our assessment of these areas was based on regular discussions with key members of senior management, members of the Council, and our accumulated knowledge of the Council's business.

In performing this assessment we consider both the "design effectiveness"<sup>1</sup> and "operational effectiveness"<sup>2</sup> of internal control. The explanation of these terms is outlined below. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control.

<sup>1</sup> Control is effective to either prevent or detect a material error in either the financial statements and/or non-financial information. The control is "fit for purpose".

<sup>2</sup> Control has operated effectively throughout the period tested.

In our review of the District Council's current processes we assessed the control environment as design and operationally effective. At the final audit we ensure the controls continued to operate, we can confirm the controls were operationally effective for the full financial year.

In the interim management report we made recommendations to document controls, and update the staff handbook. We have included these in the Appendix 2: Status of previous recommendations.

#### **4 Status of previous recommendations**

The status of each matter that was outstanding in last year's report to the Council is summarised in Appendix 2.

Summary of action taken against previous years' and interim recommendations:

<b>Number of recommendations from previous years' audits</b>	<b>Current status</b>
0	Matters that have been resolved
4	Progress is being made, but not yet fully resolved
5	No progress has been made

This summary needs to be read in conjunction with the status of recommendations raised in previous years' management reports as detailed at Appendix 2.

## Appendix 1: Explanation of priority rating system

Our recommendations for improvement and their priority are based on our assessment of how far short the Council is from a standard that is appropriate for the size, nature, and complexity of its business.

We have developed the following priority ratings for our recommended improvements:

<b>Urgent</b> Major improvements required	<b>Needs to be addressed <i>urgently</i></b> These recommendations relate to a significant deficiency that exposes the Council to significant risk. Risks could include a material error in the financial statements [and the non-financial information]; a breach of significant legislation; or the risk of reputational harm.
<b>Necessary</b> Improvements are necessary	<b>Address at the earliest reasonable opportunity, <i>generally within 6 months</i></b> These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.
<b>Beneficial</b> Some improvement required	<b>Address, <i>generally within 6 to 12 months</i></b> These recommendations relate to deficiencies that result in the Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.

## Appendix 2: Status of previous recommendations

### Outstanding matters

Recommendation	Current status	Priority	Management's proposed action
<b>Fair Value Assessment</b>			
The District Council complete a formal impairment assessment for each revalued asset class that is not subject to a valuation in that financial year.	There has been no formal impairment assessment process implemented at year-end as this was a revaluation year.	Necessary	<i>The informal process will be replaced with Price Level Change Adjusters and capital work costs.</i>  <i>Council is simply not resourced to a level at which it could undertake a full, detailed review as suggested in the 2016 report.</i>
<b>Accounting for property, plant and equipment</b>			
The District Council implement a monitoring and write off process to account for the infrastructure assets that are replaced during the year.	Council is currently working to provide the necessary resource to service this requirement moving forward.	Necessary	<i>This is still in progress.</i> <i>Reliance is on the valuation, and per discussion with Rob no disposals have been made.</i> <i>Further progress will be made during the course of 2017/18 with additional resource now secured in the Asset Management team.</i>
Strengthen the internal controls around property, plant and equipment assets by ensuring all additions and disposals are appropriately authorised by personnel with the right delegated authority. Additionally, regular stocktakes, and timely reconciliations between the general ledger and fixed assets register should be performed to the existence and accuracy of records over those assets.	Monthly reconciliations are performed, however no formal stocktake process over assets was performed.	Necessary	<i>We accept that little progress on stock take procedures has been made.</i> <i>Stock takes have been undertaken where required in relation to Fire Assets, IT equipment and Vehicles during the year.</i> <i>As part of the implementation of the updated financial system modules, we will be designing and/or updating processes around stock, job costing and assets and are confident progress around stock taking procedures will result.</i>

Recommendation	Current status	Priority	Management's proposed action
<b>Statement of service performance</b>			
We recommend that a formal system is in place to ensure that the measures reported in SSP are accurate.	During the final audit process for 2017 we identified a significant amount of errors in the first and subsequent drafts.	Necessary	See main report section 2.3 response.
<b>Contract, project management and procurement</b>			
Consideration should be given to enhancing contract management and project management policies and practices.	No change – some members of staff have had training.	Beneficial	We are mindful of the need to make progress in this area. Council does not have sufficient spare resource to dedicate to contract or project management.
<b>Procurement policy</b>			
The procurement policy should include conditions relating to, set value, quantity limits and restrictions on the use of purchasing privilege for third parties such as family and friends.	The procurement policy has not been updated.	Beneficial	Council intends to programme in policy reviews, with critical policy amendments first on the list. Procurement policy will form part of this review.
<b>Control Environment</b>			
The District Council would benefit from formally documenting the Financial Reporting and internal control processes.	No progress has been noted.	Beneficial	Work is ongoing to review and update reporting and control procedures.
The District Council updates the Staff Handbook, last updated in 2013.	No progress has been noted.	Beneficial	An update is planned for the 2017/18 financial year.
<b>High annual leave balances</b>			
We recommend that annual leave balances for all employees are monitored on a regular basis, with appropriate steps being taken by the entity to reduce this liability where possible.	Management review leave balances monthly, however, high leave balances in excess of 10 days more than their entitlement remain.	Beneficial	Action is underway, led by the HR Manager, to promote use of holidays where leave balances are large. This is part of regular, active monitoring of leave balances  Leave balances are reported, and are an area of focus for, the Audit & Risk Committee.

## Appendix 3: Matters of interest for all local authorities

Areas of interest	Our audit response
<b>Rates</b>	
Rates are the District Council's primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA) in rates setting and collection is critical to ensure that rates are validly set and not at risk of challenge.	Noting our review is not a legal review, we consider the Council has complied with the Local Government Act 2002 for annual report purposes.
<b>Financial reporting disclosures</b>	
Schedule 10 of the Local Government Act and the Local Government (Financial Reporting) Regulations 2014 detail disclosures to be included in the Annual Report. The District Council should review these requirements to ensure all disclosures have been included in the annual report.	We identified a number of disclosure deficiencies on our review of the draft information. The identified misstatements have been corrected in the final version of annual report.
<b>Funding impact statements (FIS)</b>	
The District Council's annual report will identify and explain any significant financial and service performance variances from those planned. While the FIS incorporates two years' comparative information, we expect the primary focus of variance explanations at the Group of Activities level and whole of District Council will be against the 2015 2025 LTP.	During our review we identified a significant number of errors in the FIS. This was regarding comparative figures reported. The identified misstatements have been corrected in the final version of annual report.
<b>Possible LTP amendments</b>	
Every proposed amendment must be audited. An amendment arises where District Council proposes: <ul style="list-style-type: none"> <li>a significant change to services levels - section 97 (1)(a); or</li> <li>to transfer ownership of a strategic asset - section 97(1)(b); or</li> <li>a significant change to the revenue and financing policy - section 103(4).</li> </ul>	No LTP amendments were identified.
<b>Conflicts of interest</b>	
Conflicts of interest are an area of concern from two perspectives; probity and the potential for a conflict of interest that is not well managed to create significant legal and reputation risks. During 2007 the Office of the Auditor General (OAG) published two sets of guidance for entities in this area.  Managing conflicts of interest: guidance for public entities, explains how to understand conflicts of	We did not identify any indications of a pecuniary interest gained by management, councillors, or any related party.  We have recommended improvements to the process of management of conflicts of interests in the interim management report.



Areas of interest	Our audit response
<p>interest in the public sector, and how to identify, disclose, and manage them. It also considers both the legal and ethical dimensions of conflicts of interest.</p> <p>Guidance for members of local authorities about the law on conflicts of interest provides more specific guidance for councillors. This is an updated version of previously published guidance about the legal requirements that apply to council members in formal decision making at meetings of their authority.</p> <p>The Local Authorities (Members' Interests) Act 1968 controls the making of contracts between councillors and the District Council and prevents councillors from participating in District Council matters in which they have a pecuniary interest.</p>	
Elected members – remuneration and allowances	
<p>The Local Government Act gives the Remuneration Authority responsibility for setting the remuneration of local government elected members. The Authority also has the role of approving a Local Authority's policy on allowances and expenses.</p> <p>The District Council's annual report must disclose the total remuneration received by or payable to each member of the local authority in the reporting period. A local authority must disclose remuneration paid or payable to each member from both the local authority and any District Council organisation of the local authority.</p>	<p>Our audit did not identify any indication of non-compliance with Local Government Act regarding elected members remuneration and allowances.</p>

## Appendix 4: Mandatory disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>Other than the audit, we have no relationship with, or interests in, the Council.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Waimate District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Waimate District Council during or since the end of the financial year.</p>
Unresolved disagreements	<p>We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion.</p>

## Item 13

## Management Report – Regulatory and Compliance Group

Prepared by: Sue Kelly  
Regulatory and Compliance Group Manager

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The Regulatory and Compliance Group Manager's report is submitted for the information of the Environmental Services and Finance Committee.

### **Recommendation**

That the Regulatory and Compliance Group Manager's report is accepted.

# Management Report – Regulatory and Compliance Group

Prepared by: Sue Kelly  
Regulatory and Compliance Group Manager

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## Highlights

### Building Control

#### Dangerous and Insanitary Buildings

- 1 The building at 113 High Street has now been fully demolished and the clearance of the material from the site will take place at a time that does not interfere with the operation of nearby businesses.
- 2 In December 2017, Council staff issued an Insanitary Building Notice on a private dwelling and a Dangerous Building Notice on the building, which is adjacent to 113 High Street. The recently adopted policies were enacted and staff have contacted the individual property owners to work towards appropriate remediation of all matters.

#### One-stop-shop for Building Resources

- 3 The following information has been provided by the Ministry of Business, Innovation and Employment:

#### ***MBIE opens access to Building CodeHub database, five building standards and a handbook***

- 4 A new website to make building rules easier to access and understand and the sponsorship of five building standards and a handbook have been announced by the Ministry of Business, Innovation and Employment (MBIE). These efforts are part of MBIE's wider work programme to simplify the building code system and make it easier for users to comply.
- 5 MBIE's new building-specific search engine Building CodeHub is now available at [codehub.building.govt.nz](http://codehub.building.govt.nz). The search engine is an easy-to-use, one-stop-shop for all the resources you need to design and construct buildings so they comply with the New Zealand Building Code.
- 6 Resources that can be accessed on Building CodeHub include building legislation, the Building Code, MultiProof certificates, CodeMark certificates and more, because Building CodeHub links to the resources providers' website, it is always up to date. MBIE will continue to enhance Building CodeHub with links to more resources so your searches will find more documents over time.
- 7 Using Building CodeHub, you can:
  - trust that the Building Code resources you locate are authoritative and current
  - be assured that cited references in your plans comply with the Building Code

- have confidence that industry professionals are referring to the correct cited resources
- save time by having a single access point for all current Building Code resources.

*Using Building CodeHub is free, but some resources you can find (such as copyrighted material) might require payment or subscription.*

- 8 Another recent announcement from MBIE is that they have sponsored access for five commonly used building standards and a handbook. Providing this access for is another way MBIE is making the building system easier to use and help people to do the right thing.
- 9 MBIE reports that practitioners tell them the cost of standards can be a barrier for them to follow the rules. They hope that sponsoring these standards will lead to better practices, safer homes and buildings, and increased compliance with the Building Code.
- 10 The sponsored standards and the handbook are:
  - a Design for access and mobility: Buildings and associated facilities (NZS 4121:2001) – provides solutions for making buildings and facilities accessible to and usable by people with disabilities.
  - b Housing, alterations and small buildings contract (NZS 3902:2004) – a plain English standard building contract.
  - c Thermal insulation – housing and small buildings (NZS 4218:2009) – helps establish the levels of thermal insulation for houses and small buildings.
  - d Interconnected smoke alarms for houses (NZS 4514:2009) – provides information about the placement and audibility of smoke alarms.
  - e Safety barriers and fences around swimming pools, spas and hot tubs (NZS 8500:2006) – describes barriers for residential pools including ways to assess their strength.
  - f Handbook on Timber-framed buildings (selected extracts from NZS 3604:2011) – figures and tables to help design and construct timber-framed buildings up to three storeys high.
- 11 You can access the standards from the [Standards New Zealand](http://standards.newzealand.govt.nz) website, or from [Building CodeHub](http://buildingcodehub.govt.nz). Links: [codehub.building.govt.nz](http://codehub.building.govt.nz), [standards.govt.nz](http://standards.govt.nz)

## Resource Management

- 12 The following resource consents have been granted under delegated authority for the 1 October – 31 December 2017 quarter:

RM170023	Subdivision: Create 2 rural lots EHS Ventures Limited 511 & 513 Clarksfield Road, Elephant Hill Processing Days = 18 out of 20	05/10/17
RM170024	Land Use: Erect two dwelling units Valmurray Limited 6B Hayes Street, Waimate Processing Days = 4 out of 20	06/11/17
RM100047	Land Use: Retrospective consent to farm sheep indoors BW & YR Payne 336 Limestone Road, Maungati Processing Days = 19 out of 20	09/11/17
RM170026	Land Use: Remove protected trees LJ & RM Green 220 Queen Street & Hillary Street, Waimate Processing Days = 15 out of 20 Decision by full Council	14/11/17
RM170025	Land Use: Establish an extensive pig farm within 500m of neighbour's dwellings in addition to existing resource consent RM990838 C Bates 791 Pareora River Road, Southburn Processing Days = 4 out of 20	21/11/17
RM170016	Subdivision and Land Use: Create 4 residential lots Hunter Hills Investments Limited 92-98 High Street, Waimate Processing Days = 24 out of 20	23/11/17
RM170027	Subdivision: Create 4 residential lots and a further lot for amalgamation DT & LG Julian 67 Mill Road, Waimate Processing Days = 19 out of 20	24/11/17

## Regulatory

### Food and Health

- 13 Agreement has been reached with MPI (Ministry of Primary Industries) regarding the contract/solution to the issue whereby a number of territorial authorities were contracting out some of the functions prohibited under section 173(4).
- 14 Although good debate has been had and MPI have raised matters for future consideration, on balance MPI is satisfied that the action of territorial authorities directly employing MPI accredited food safety officers on an as required basis for those activities has alleviated their concerns. MPI has stated it will continue to work with councils generally to ensure that this area is being managed effectively to mitigate any potential risks.
- 15 Several South Island councils worked collaboratively to achieve this outcome and that approach appears to have been pivotal in achieving this outcome.

## Action Point Report

Action Point	Status	Comment
1 August 2017 – Community Services and Development Committee		
Council agreed that the Easter Trading Policy be brought before Council sooner rather than later.	In progress	Now including in LTP consultation document to obtain general community consensus

## Projects

Financial Year	Activity	Project	Project Description	Budget	Spend to Date	% Complete	Status		Comments / Issues / Risks / Reasons
							Time	Budget	
2015/16	BCA	Mobile inspections	Introducing new electronic entry of data in the field	\$40k	\$18,558.00	98%			Entering test mode mid-January and anticipate will be fully active in February 2018
2017/18	BCA	Integration of Trapeze		TBA					To provide increased electronic capability for consent processes
2018	BCA	Electronic filing of Building Consents	Integration of Datacom	TBA					Scoping of Datacom to allow for electronic filing and processing of building consents
2016/18	Regulatory	Bylaw Review	Undertake a full review of all Bylaws	Internal resources	Internal resources	30%			Review process approved, timetable set and process underway with six items completed as at 1 September 2017. Awaiting an update on the schedule from the Asset Department.
2017/19	RM	Back-scanning of Resource Consents	Scanning of current and historic resource consent documents into MagiQ	Internal resources		58%			Work began June 2017 and is expected to be completed July 2019. There are approximately 1,100 historic resource consent files to be scanned in, 633 have been scanned as at 15 January 2018.
2017	Regulatory	Earthquake Prone Building Initial Assessments	Setting up processes and structure to undertake the initial assessments under the new legislation	Internal resources - other costs unknown at this time					TA function Not started
2017/22	RM	District Plan Review	10 year review of District Plan						Not started
	Regulatory	Swimming Pool Registration and Monitoring Project	Monitoring of Pools as required by changes to the Building Act	Internal resources		10%			Set up register, liaise with the community, inspect and register swimming pools, spa pools and hot tubs as per the new requirements of the Act
2017/18	Regulatory	Back-scanning of LIM Reports	2010-2015 LIM reports to be scanned in electronically	Internal resources					To ensure data is captured to allow for destruction of physical files. All LIMS since that time are electronically filed
2017/22	RM	RMA Amendments 18 April 2017	SCP Fees & Charges for Boundary & Marginal activities	Internal and advertising					This amendment completed and resolved by Council

### Status Key:

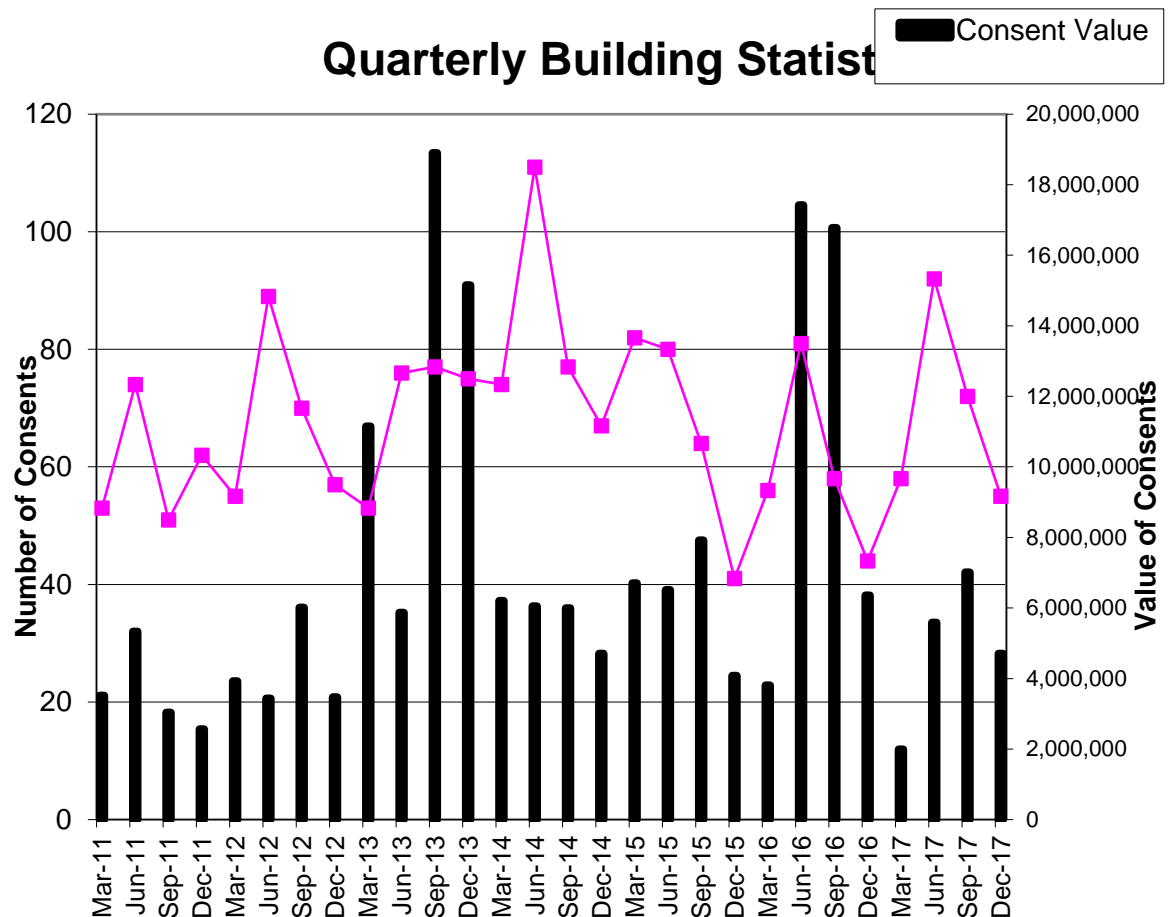
	On track with time / budget for completion within the plan year		High Risk (budget and / or timeframe)		Some risk (budget and / or timeframe) – Highlight issues in comments		Not started / external to Council
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# Quarterly Statistical Reporting for the period 1 October – 31 December 2017

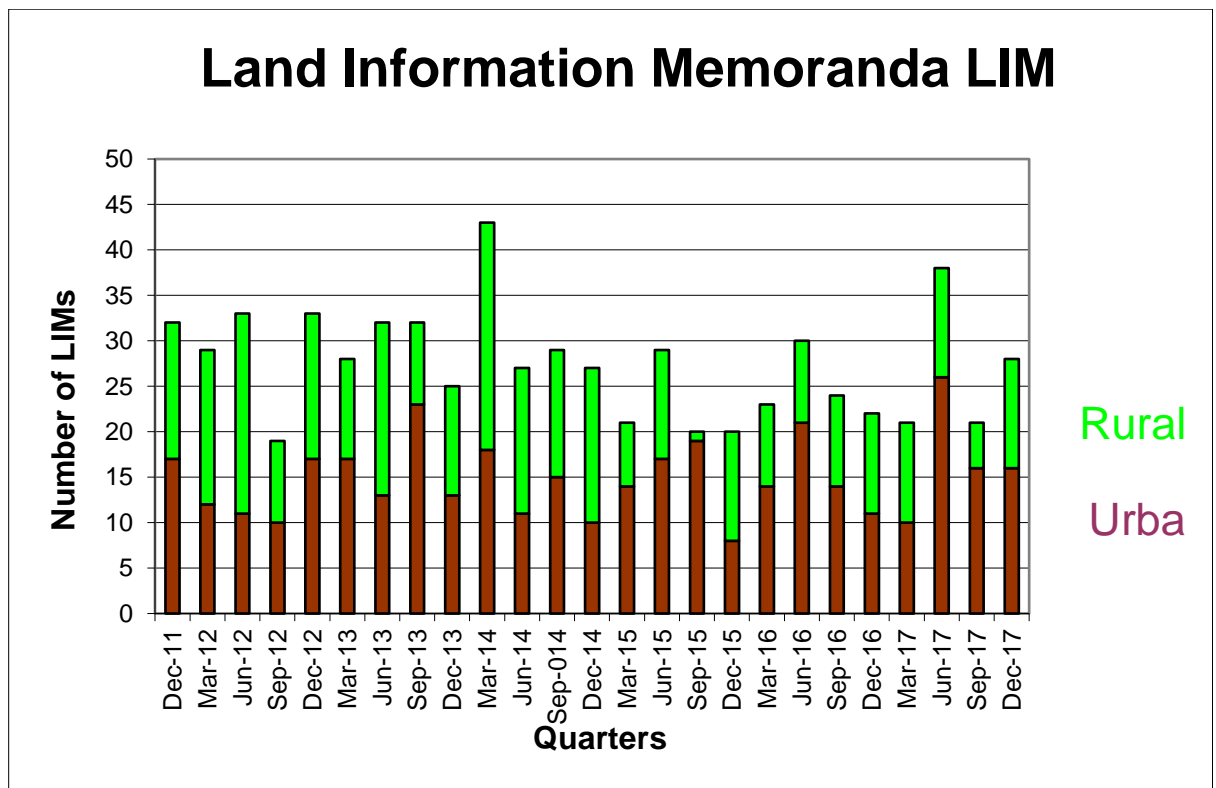
## Building Consents

- 16 55 building consents were issued for the period 1 October – 31 December 2017 with a value of \$4,707,627.



## Land Information Memoranda (LIM)

- 17 28 LIM Reports were issued for the period 1 October – 31 December 2017. These were for 16 urban and 12 rural properties.



## Dog and Animal Control

- 18 Having recently said goodbye to Karen Buchanan when she headed off overseas, we are very fortunate to welcome Linda Shefford to the Waimate team this year as Karen's replacement. Linda comes to us with previous knowledge and experience as an animal control officer in Timaru, and as an experienced vet nurse. With this background, we know that Linda will be a valuable addition to the team. Linda has a special interest in education so this will enhance our focus as we set up a new program to spend time with (particularly) school-age children in promoting safe interaction with dogs.

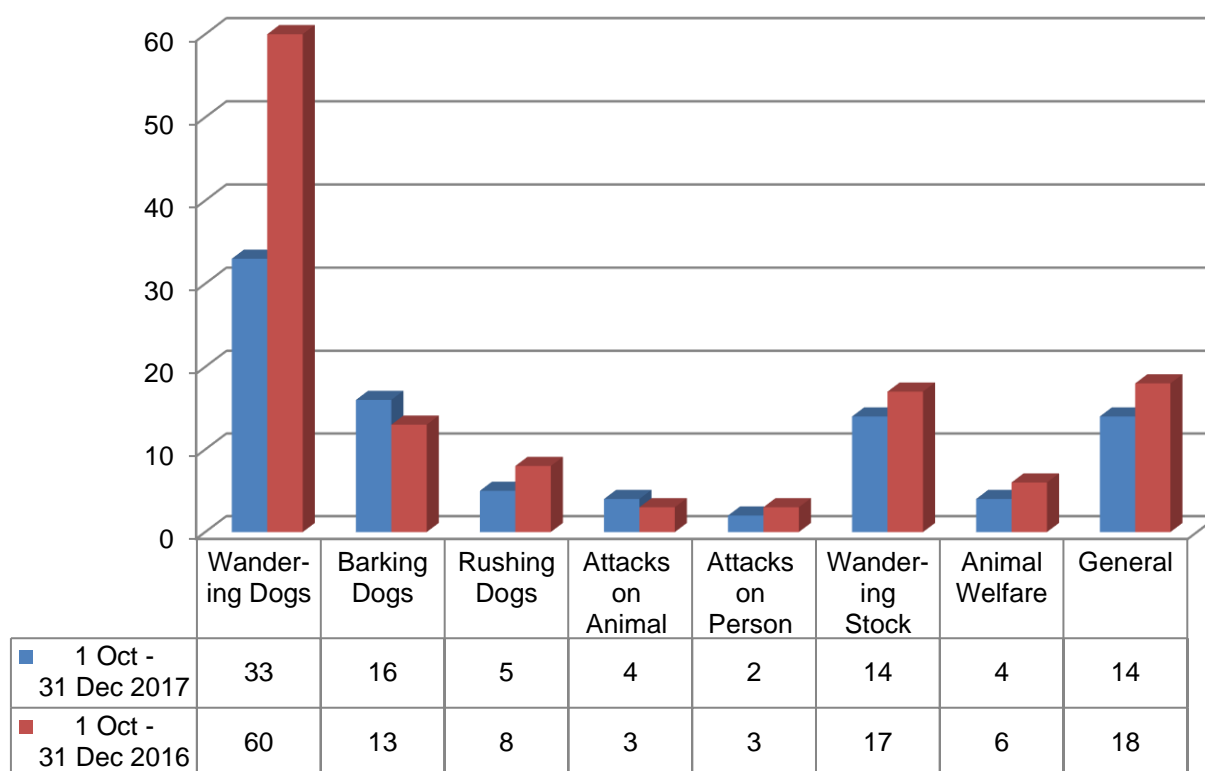
### Dog Attack

- 19 One of Council's part-time animal control officers' sustained injuries when responding to an unprovoked dog attack on a camper at the "lakes" during the holiday season. It was fortunate that the officer was able to react in such a way as to avoid injuries that were more serious during this second unprovoked attack when the owner failed to sufficiently restrain the dog. Because of these two incidents, the dog was surrendered by the out-of-town owner and taken to the vet immediately.

### Wandering Stock and Mycoplasma Bovis

- 20 Due to concerns about wandering stock and the potential spread of mycoplasma bovis, the Regulatory and Compliance Group Manager contacted MPI (Ministry of Primary Industries) and requested that they review the current procedures, which Council staff use when dealing with wandering stock.
- 21 The procedures state that if the owner of the livestock is not known or able to be identified, that the livestock should be placed in the nearest empty paddock. This ensures swift removal from the road to minimise the risk of vehicular accidents. Staff do try to identify the owner or notify the affected property owner as soon as possible so that they may take appropriate action.
- 22 The following response was received from the Liaison Officer:
- "I have discussed your query with the response team and we suggest that you make no change to your policy. The public safety risk of wandering stock, especially at night, over-rides the very low risk of cattle picking up Mycoplasma bovis from an empty paddock."*
- 23 Staff have been issued with this response so that they are able to explain to farmers why this practice has not changed. We understand that farmers are concerned about the implications and risks of wandering stock in the current climate, and staff will do their best to support them when instances occur.

24 Dog and Animal Control Corrective Action Requests (CARs) 1 October to 31 December 2017 and the 2016 comparison:



25 Dog registration 1 October to 31 December 2017 and the 2016 comparison.

Month	2017			2016		
	Registere d dogs	Unregister ed dogs	Owners with unregister ed dogs	Registere d dogs	Unregister ed dogs	Owners with unregister ed dogs
Oct	2801	36	25	2828	53	31
Nov	2838	19	13	2860	45	26
Dec	2852	10	8	2859	44	25

## Item 14

# Waimate District Bylaw Review – Chapter 18 The Keeping of Animals, Poultry and Bees

Prepared by: Sue Kelly  
Regulatory and Compliance Group Manager

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## Purpose of Report

- 1 To review Waimate District Bylaw Chapter 18 - The Keeping of Animals, Poultry and Bees.

## Background

- 2 Bylaws are Council made rules or regulations created to protect the community and our District making it a safe and healthy place. They apply specifically to the Waimate District and are enforceable by either Council or other nominated agencies such as the New Zealand Police. They are a localised form of legislation that apply to local issues not already covered by any existing Act of Parliament or Regulations. In most cases, Council makes bylaws under the [Local Government Act 2002](#) and they are generally made for one or more of the following purposes:
  - a Protecting the public from nuisance
  - b Protecting, promoting, and maintaining public health and safety
  - c Minimising the potential for offensive behaviour in public places.
- 3 Not complying with a bylaw can result in fines, seizure of property and remedial action. Bylaws can be enforced by warranted Council staff or contractors and by other appropriate external agencies such as the New Zealand Police.
- 4 Council is required to carry out its second review of the Waimate District Council Consolidated Bylaw 2008 by July-December 2018 under [section 159](#) of the Local Government Act 2002 (LGA). Under [section 160](#) (LGA) Council must carry out the bylaw review by making the determinations required under [section 155](#) of the LGA.

### Procedure for review

- 5 The bylaw shall be reviewed in adherence with the process described under the Council resolution “Waimate District Bylaw Review” on 6 December 2016.
- 6 At the completion of the review of all bylaws contained within the Waimate District Consolidated Bylaw 2008, the special consultative procedure will be undertaken in accordance with [sections 156 \(1\) \(a\)](#) and [86](#) (LGA).

## Supporting Legislation and Documents such as but not limited to

[Local Government Act 1974](#)

[Local Government Act 2002](#)

[Bylaw Act 1910](#)

[Human Rights Act 1993](#)

[Interpretation Act 1999](#)

[Health Act 1956](#)

[Trespass Act 1980](#)

[Waimate District Plan](#)

[Waimate District Council Policies](#)

## **Proposal / Options**

- 7 To review the Waimate District Bylaw Chapter 18 - The Keeping of Animals, Poultry and Bees.
- 8 To approve the draft bylaw for consultation, with the proposed attached track change amendments.

## **Obstacles**

- 9 There are no known obstacles.

## **Assessment of Significance**

- 10 This matter may be deemed significant under the Council's Significance and Engagement Policy.

## **Budget Considerations**

- 11 There are no known budget considerations.

## **Cost-effectiveness**

- 12 Consideration has been given to cost-effectiveness. In the past, this review has been carried out with assistance from external contractors, but is being completed in house on this occasion.

## **Recommendation**

- 1 That the Waimate District Bylaw Review – Chapter 18 The Keeping of Animals, Poultry and Bees report is accepted; and
- 2 That the Environmental Services and Finance Committee approves the Draft of Chapter 18 The Keeping of Animals, Poultry and Bees as provided for consultation;  
OR
- 3 That the Environmental Services and Finance Committee approves the Draft of Chapter 18 - The Keeping of Animals, Poultry and Bees with amendments for consultation.

## WAIMATE DISTRICT CONSOLIDATED BYLAW #####

### CHAPTER 18

#### 18 THE KEEPING OF ANIMALS, POULTRY AND BEES

##### Scope

The purpose of this chapter of the Bylaw is to set out the requirements for the keeping of animals, poultry and bees in urban and business areas, as defined by the District Plan.

These requirements do not generally apply in other than urban and business areas excepting that any animals or poultry kept on any site throughout the District are expected to be contained within the property of the owner. In some instances distance and the area of the property involved will provide adequate containment.

These requirements are deemed necessary for the protection of the amenities and for public safety.

##### 1801 Containment of animals and poultry

1801.1 Any animal and any poultry kept on any property within the District shall be effectively contained or restrained within the property of the owner by fence, tether, pen, run or cage so as to prevent such animal or poultry straying onto any neighbouring property or onto any road or public place. Effective measures must be taken to ensure stock do not damage or eat other persons' trees, shrubs or vegetation. This clause shall not apply to domestic cats.<sup>[SK1]</sup>

##### 1802 Pig keeping

1802.1 ~~Pigs can only be kept in the rural areas in compliance with District Plan rules or consents. Pigs are not permitted in any urban area.~~

**OR** Except in accordance with the District Plan and/or a resource consent under the Resource Management Act 1991 no person shall keep or allow to be kept any pig in the Waimate District. A pig or pigs shall not be kept in any urban zoned area.<sup>[SK2]</sup>

##### 1803 Stock in urban areas

1803.1 ~~A~~any person keeping stock in an urban area of Waimate District shall ensure that premises where stock are kept meet the provisions of the First Schedule of this chapter of the Bylaw.

##### 1804 Poultry keeping

1804.1 ~~I~~in areas other than those zoned rural no poultry caged or otherwise (which shall include geese, ducks, pigeons, turkeys, and domestic fowls of all descriptions) shall be kept except in a properly constructed poultry house covered in with a rainproof roof and provided with a floor of concrete or other approved material with a surrounding nib wall, to which may be attached a poultry run.

1804.2 ~~e~~Every poultry house shall be constructed in the manner required by this chapter of the Bylaw and as required by the provisions of the Building Act 2004.

1804.3 No poultry house or poultry run shall be erected or maintained any part of which is within 10 metres from any dwelling, factory, or any other building, whether wholly

or partially occupied, or within 5 metres of the boundary of adjoining premises, or such greater distance as may be required under the provisions of the District Plan.

1804.4 Every poultry run of whatever size shall be so enclosed as to confine the poultry within such poultry run which may be mobile.

1804.5 No more than 12 head of poultry shall be kept on an urban property (see 1804.6 for exclusions).

1804.6 The keeping of roosters and peacocks is only allowed, subject to written consent of Council. The consent will be at the pleasure of Council and may contain specific conditions regarding the consent.

#### **1805 Noise from animal, bird, or poultry**

1805.1 No Person shall keep within any premises any noisy animal, bird, or poultry which shall be or cause a nuisance to residents in the neighbourhood.

Provided that no proceedings shall be taken against any person for an offence under this chapter of the Bylaw until after the expiration of 14 days from the date of the service on such person of a notice alleging a noise nuisance given by Council after receipt by it of a complaint, signed by not less than three householders residing within hearing of the animal, bird or poultry causing the alleged nuisance. [SK3]

1805.2 Animals, birds or poultry shall be kept only in conditions and such manner or numbers which do not cause or have the potential to cause nuisance.

Where Council considers the keeping of animals, birds or poultry is in such numbers or conditions to be a nuisance, or have the potential to cause nuisance, it may restrict the numbers or require complete removal of any animals, birds or poultry. [SK4]

#### **1806 Beekeeping**

1806.1 In areas, other than those zoned rural in the District Plan, persons keeping bees must ensure no nuisance is caused to neighbours by those bees.

1806.2 Where Council considers a hive to be dangerous, offensive or likely to be injurious to any person it may require the removal of such a hive.

1806.3 Beekeepers shall have regard to associated Biosecurity legislation current at the time. [SK5]

#### **1807 Non-compliance**

If there is non-compliance with any of the Council requirements, animals or stock may be required by a Council officer to be removed from the property.



**WAIMATE DISTRICT CONSOLIDATED BYLAW #####****CHAPTER 18****THE KEEPING OF ANIMALS, POULTRY AND BEES****FIRST SCHEDULE****BYLAW POLICY      CONDITIONS RELATING TO STOCK KEPT ON URBAN PROPERTIES****SUBJECT:              CLAUSE 1803.1 – STOCK IN URBAN AREAS**

- 1      Fences must in the opinion of Council, be adequate to prevent Animals from wandering and all road gates to paddocks must be able to be securely fastened. In ~~addition~~<sup>addition</sup>, an effective restraining wire shall be placed 1 metre from any neighbouring residential property.
- 2      Stock shall not be kept in such number, manner, or of such size that in the opinion of the Council would cause a nuisance.
- 3      ~~Electric fencing is not allowed in the urban area~~<sup>(SK6)</sup>.  
         Any electric fencing in the urban area must be:
  - (a)    At least 1 metre from any boundary line and 1 metre from any neighbouring residential property;
  - (b)    Suitably labelled to indicate that the fence is electrified;
  - (c)    Checked daily to ensure it is operating correctly.
- 4      Adequate water supply must be provided in an appropriate position on any area used to keep animals.
- 5      Where natural feed on the section becomes insufficient, the animals (except horses) are to be removed. Feeding in for horses is permitted, provided no nuisance arises.
- 6      Manure and ~~any other~~ offensive material is to be removed daily and disposed of in a way that avoids nuisance.
- 7      The minimum area for the keeping of horses shall be not less than 2023 square metres for each horse (½ acre).
- 8      The owner of any property, of area greater than 2000 square metres and which is rezoned residential, may seek exemption from these requirements provided that non-compliance does not create a nuisance for any adjoining property owner.

#### Bylaw Evaluation

Chapter under assessment	Chapter 18 assessment: The Keeping of Animals, Poultry and Bees	
Assessor	Sue Kelly, Regulatory and Compliance Group Manager	
Date		
Questions	Yes/No	Action
Is the bylaw a legal requirement	No	[choose an action]
Does the Council have the authority to prepare the bylaw	Yes	[choose an action]
Will the bylaw give rise to any issues under the New Zealand Bill of Rights Act 1990? (s155(2)(b) LGA 2002)	No	[choose an action]
Is there existing legislation that covers the bylaw?	No	[choose an action]
Will the bylaw prevent injury, damage, and nuisance to the public and/or goods? (s145 LGA 2002)	Yes	[choose an action]
Does the bylaw assist Council to meet its statutory obligations?	Yes	[choose an action]
Is the bylaw consistent with Councils plans and policies?	Yes	[choose an action]

#### Alternatives to the bylaw (s155(1) LGA 2002)

Could the issue be controlled primarily by	Yes/No
Education	No
Providing services	No
Providing incentives	No
Voluntary agreements	No
Charges	No
District Plan/policies	No
Do nothing	No
Another organisations responsibility	No

#### Effectiveness of the bylaw method

Effectiveness	Yes/No
Will it deal with the main issues needing controlling?	Yes
Is the bylaw practically enforceable?	Yes

#### Community Wellbeing assessment

Question	Yes/No
Are there economic effects for the community	Yes
Are there environmental effects for the community	Yes
Are there social effects for the community	Yes
Are there cultural effects for the community	No

#### Conclusions

Question	Yes/No
Is a bylaw the most appropriate form or regulating this activity?	Yes
Is the proposed bylaw the most appropriate form of bylaw	Yes
What other methods are identified to support the bylaw approach?	

## **Item 15**

## **Consideration of Major (Urgent Business) or Minor Items not on the Agenda**

Prepared by:       Stuart Duncan  
                          Chief Executive

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The Environmental Services and Finance Committee is to consider any major (urgent business) or minor items identified earlier in the meeting.

## Item 16

## Exclusion of the Public

Prepared by: Stuart Duncan  
Chief Executive

For the Environmental Services and Finance Committee to exclude the public in order to take the following public excluded agenda items:

- i Confirmation of Public Excluded Minutes: Environmental Services and Finance Committee meeting – Tuesday 5 December 2017
- ii Alpine Energy Report for Shareholders: November 2017
- iii Presentation: Council's representative – Alpine Energy Ltd

General Subject of each matter to be considered	Reason for passing this resolution	Ground(s) under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution
Confirmation of Public Excluded Minutes – Environmental Services and Finance Committee	Good reason to withhold exists under Section 7	7(2)(c)(i)(ii) The withholding of the information is necessary to protect information which is subject to an obligation of confidence
Alpine Energy Report for Shareholders: November 2017	Good reason to withhold exists under Section 7	7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
Presentation: Council's representative – Alpine Energy Ltd	Good reason to withhold exists under Section 7	7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information

## Recommendation

That the Environmental Services and Finance Committee resolves to exclude the public from the following parts of the meeting on the grounds contained in section 48(1) of the Local Government Official Information and Meetings Act, or section 6 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.