



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

**I hereby give notice that the
Council Meeting
will be held on:**

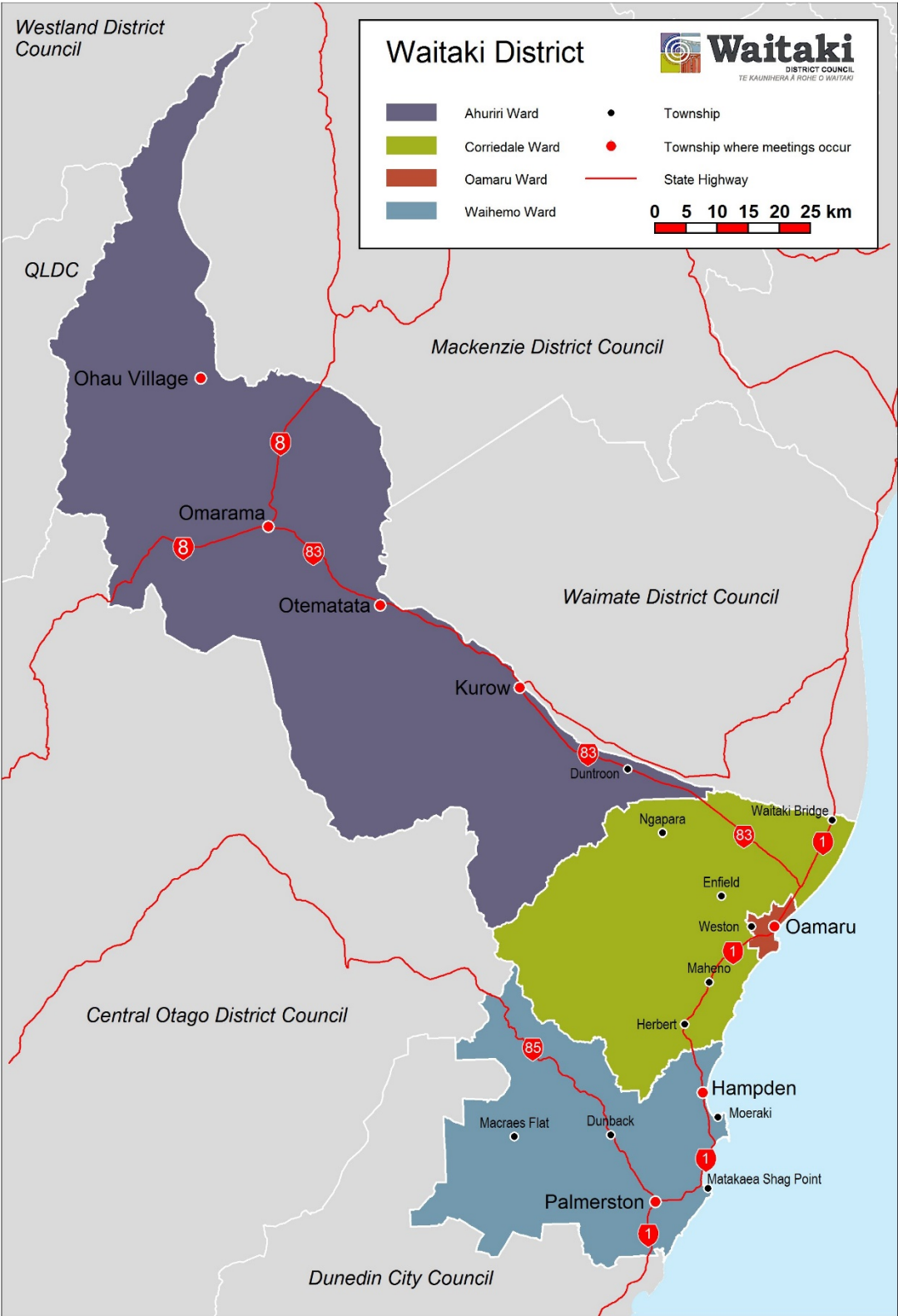
Date: Tuesday, 16 February 2021
Time: 9.00am
Location: Council Chamber, Third Floor
Office of the Waitaki District Council
20 Thames Street, Oamaru

Agenda

Council Meeting

16 February 2021

Fergus Power
Chief Executive





COMMUNITY OUTCOMES



STRATEGIC PRIORITIES



Ensuring we get core business done while delivering on our strategic priorities and achieving our community outcomes



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- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 PUBLIC FORUM**

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 27 OCTOBER 2020

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. Public minutes of the Council Meeting held on 27 October 2020

RECOMMENDATION

That Council confirms the Public minutes of the Council Meeting held on 27 October 2020, as circulated, as a true and correct record of that meeting.

UNCONFIRMED MINUTES

**OF THE ADDITIONAL MEETING OF THE WAITAKI DISTRICT COUNCIL
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 27 OCTOBER 2020 AT 9.00AM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale (Associate Chair), Cr Hana Halalele, Cr Jeremy Holding, Cr Jim Hopkins, Cr Ross McRobie, Cr Bill Kingan, Cr Kelli Milmine, Cr Peter Newton, Cr Guy Percival, and Cr Colin Wollstein

IN ATTENDANCE: Fergus Power (Chief Executive)
Neil Jorgensen (Assets Group Manager / Deputy Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Andrew Bardsley (Regulatory Manager)

The Chair declared the meeting open at 9.00am and welcomed everyone present, including those watching the livestream on Council's Facebook page.

1 APOLOGIES

There were no apologies.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 6 OCTOBER 2020

RESOLVED WDC 2020/244

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Kelli Milmine

That the Council confirms the Public minutes of the Council Meeting held on 6 October 2020, as circulated, as a true and correct record of that meeting.

CARRIED

The Chair advised that he proposed to confirm the public excluded minutes of the 6 October 2020 Council Meeting in the public session if no one wished to speak to them. No one spoke in response, so the Chair sought a mover and a seconder to confirm those public excluded minutes as Public Agenda Item 3.2 in this meeting.

3.2 PUBLIC EXCLUDED MINUTES OF THE COUNCIL MEETING HELD ON 6 OCTOBER 2020

RESOLVED WDC 2020/245

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Hana Halalele

That the Council confirms the Public Excluded minutes of the Council Meeting held on 6 October 2020, as circulated, as a true and correct record of that meeting.

CARRIED

4 DECISION REPORTS

4.1 APPROVAL OF DOG CONTROL S10A REPORT 2020

The report, as circulated, provided for Council approval the Dog Control Report 2020, in accordance with Section 10A of the Dog Control Act 1996 (the Act). Acting Group Manager Roger Cook and Regulatory Manager Andrew Bardsley were present for this item and advised that Senior Compliance Officer Tristan Hope was on leave.

MOTION

Cr Jeremy Holding moved the report's recommendations and Cr Peter Newton seconded the motion.

Discussion on the motion:

Mr Hope's presence at the A&P show the previous year was commended, given that it focused on providing education to dog owners about their responsibilities under the Act. Mr Bardsley added that Mr Hope had also organised a special additional session with dog owners and another for rural dog owners, which was believed to be important given the worrying of stock in recent months. There was general support for this proactive approach.

The quality of the report was commended by several Elected Members.

The Chair also acknowledged and commended the work of Mr Hope as the emergency management officer for Lake Ohau and asked that that feedback be passed on to him.

ACTION: Regulatory Manager Andrew Bardsley

RESOLVED WDC 2020/246

Moved: Cr Jeremy Holding

Seconded: Cr Peter Newton

That Council approves the Dog Control S10A Report 2019-2020 in order that the report can be made available to the Department of Internal Affairs (DIA) and publicly notified.

CARRIED

The Chair advised that meeting that item 4.2 would be addressed at a later time in the agenda and directed the meeting to Agenda Item 4.3.

4.3 TREASURY STRATEGY, 2020-21 FINANCIAL YEAR - SECOND QUARTER

The report, as circulated, to discuss and adopt a Treasury Strategy for the second quarter of the 2020-21 financial year, now that Council has transitioned to membership of the Local Government Funding Agency (LGFA).

Group Manager Paul Hope introduced the report and noted that a new report format is being developed.

There was discussion on the LGFA loan, the BNZ facility being kept as a 'last resort' given that LGFA funding would be cheaper; the doubling of bank charges and facilities fees and the clarification that both had been looked at to minimise them as much as possible and that fees were a feature of the all-of-government contract. It was also noted that Waitaki District Council still accepted cash and cheque payments which were more expensive to maintain.

It was noted that the LGFA costs did include costs associated with the ongoing Treasury service.

It was highlighted that as many opportunities as possible are taken to help publicise within the community that Council's extending of loans to community entities and borrowing from the LGFA provided a margin in Council's favour, which ensures that the returns stayed in the community.

RESOLVED WDC 2020/247

Moved: Cr Colin Wollstein

Seconded: Cr Peter Newton

That Council:

1. Adopts a Treasury Strategy for the second quarter of the 2020-21 financial year that will guide the selection of the most cost-effective arrangements to utilise external borrowings and invest any available funds to best advantage to minimise the net cost of funds.
2. As part of the approved Treasury strategy, approves the raising of debt up to a maximum value of \$15 million through the Local Government Funding Agency, with the mix of instruments and terms to be approved by the Chief Executive based on advice from Council's Treasury Advisors.

CARRIED

The Chair welcomed the Rates team to the meeting for the Agenda Item 5.1 as well as Mr Tim Gibson from Quotable Value.

5 MEMORANDUM REPORTS

5.1 TRIENNIAL REVALUATION UPDATE

The report, as circulated, enabled Quotable Value to provide an update on the outcome of the Triennial Revaluation of the Waitaki district.

Group Manager Paul Hope introduced the report and then handed over to Mr Tim Gibson from Quotable Value who gave a presentation to the meeting about the triennial revaluations of the Waitaki district. The ensuing question and answer session with Elected Members addressed topics such as growth in the Waitaki residential market, driven by low interest rates, with the rural market having limited growth and the dairy industry negative growth; the use of questionnaires to source views from property owners; the influence of Central Government's \$1 billion tree

programme on strongly driving values in the forestry sector as a national trend; and process matters relating to the impact on rates. With regard to the latter, it was acknowledged for the record that values going up 45% did not mean that people would need to start paying 45% more in rates. It is about how the total pie is divided up. Therefore, if a ratepayer has an overall average increase in value, then their rates will not change much. The overall pie only changes when Council decides on the annual plan and agrees on a total amount for each year.

It was also clarified that there is an appeal process of about six weeks after the revaluations were issued (around 22 December was the estimated timeframe).

One Elected Member observed that the huge increase in residential values were mainly driven by lower value properties and queried whether that would be reflected in the end values. It was further suggested that the rates will be driven up by whether a property value is higher or lower than the average increase. In response, Group Manager Paul Hope advised that Quotable Value would go through that exercise and advise how it affects rates and how the rates policy will be applied. Then the modelling would take place – eg what does this mean for individual ratepayers and – if this is an issue – how does Council address it? The intent was to try and keep the two processes as separate as possible. Quotable Value determines the values and Council decides how to apply them. The Chair suggested that examples would be helpful for Elected Members to see when that information came to a future meeting. He noted that the lower value residential properties would generally pay more for roading and amenities, and it would be good to know whether a 45% increase would mean an increase in rates of 10% or 3-4%, so that Council could give the community an indication of the effect on them.

ACTION: Group Manager Paul Hope and Rates team, with Quotable Value

The Chair thanked Mr Gibson for his work on the revaluation exercise and noted that it could have been the most complex one because of COVID. Mr Hope also acknowledged Mr Gibson and his team and the considerable amount of work that went on in the background to take the numbers from a variety of sources and turn them into rates invoices. He noted that there was still more work to do to complete the full exercise.

Mr Gibson thanked Council, Mr Hope, and the Rates team for the opportunity to work with them on the revaluation exercise and for the opportunity to present the results to Council today.

RESOLVED WDC 2020/248

Moved: Cr Ross McRobie

Seconded: Cr Jeremy Holding

That the Council receives and notes the information.

CARRIED

The meeting was reconvened at 10.16am, and the Chair directed discussion to Agenda Item 4.4.

4.4 FINANCIAL CONTRIBUTIONS

The report, as circulated, proposed to consider whether the maximum amount for a financial contribution is appropriate for the current operative District Plan based on the market value within the tiered band; or whether a lower percentage should be used in the rural and urban areas of the District.

Acting Group Manager Roger Cook, Planning Manager Hamish Barrell and Recreation Manager Erik van der Spek were all present for this agenda item. Mr Barrell introduced the report, and he and Mr van der Spek clarified particular points in response to questions.

Residual concerns about what was being proposed in the report and whether it would be a solution to the original problem were raised. It was noted that Councillors had been unaware of the serious underfunding from the rural sector, as well as other issues highlighted, and that – in trying to solve

those – more inequities appeared to have been created. Using the main highway as the delineation between what is considered ‘coastal’ and what is considered ‘rural’ was also not considered to be ‘fair’.

Given these concerns, the Chair believed it would be preferable to leave the report to lie on the table and for further work to be done to better fix some particular problems without creating any more. In response, some Elected Members noted that a decision on this issue had already been delayed once. Others endorsed the Chair’s suggested approach.

MOTION

The Chair advised that he would test the mood of the meeting, and moved that the report lie on the table, and Deputy Mayor Melanie Tavendale seconded the motion.

Discussion on the motion:

It was confirmed that the list of projects attached to the report had not yet been signed off or agreed as they would be put forward for consideration in the Long Term Plan process.

The definition of the rural area in the future would be assisted by guidance notes. The intention was to reference the valuation report, rather than to define the difference between one side of the road or another.

A request for a clearer policy for officers to follow was made, but for it to be sharpened more. For example, rather than rural being at 2.5%, for it to continue to be up to 2.5% with a guiding document to help officers and developers. The need was for the policy to be fair and to recognise that more subdivisions were being built; properties were costing more; and accordingly, people would have to pay more development contributions.

The Chair advised that he would welcome the opportunity to work with officers to try and fine-tune the proposed policy. Mr Cook acknowledged the discussion just completed and advised that officers accepted those comments and would welcome the contribution offered and the opportunity to present another report to a future meeting. It was suggested that the future report go through the Committee system first, so that it would be able to benefit from discussion at that level before being brought back to Council for a final decision.

ACTION: Acting Heritage, Environment and Regulatory Group Manager, Planning Manager, with contribution from the Chair

RESOLVED WDC 2020/249

Moved: Cr Jim Hopkins

Seconded: Deputy Mayor Melanie Tavendale

That Council agrees to lie the report on the table.

CARRIED

The Chair directed the meeting forward to Agenda Item 4.5.

4.5 CARRY FORWARD REPORT 2020/21

The report, as circulated, sought Council’s approval of carrying forward funding for incomplete projects from 2019/20 (or earlier) budgets.

Group Manager Paul Hope introduced the report to this meeting, noting that it was an updated version that now included more information as requested by Council.

Among the topics discussed were LGFA borrowing and the availability of appropriate levels of funding; intentions relating to the timing of the Ohau water upgrade, and unspent budgets and their availability to be used to offset a rates increase.

It was also highlighted that the report was essentially a request to carry forward Council's initial budget decisions and intent, and that Council could change how it wants to spend those funds;

MOTION

Cr Jim Hopkins sought to move the report's recommendations with the addition of the following words after "2020/21," "... except the unspent library training and travel budget be reallocated to item 3.6.2 to remove the need for funding and that Council reconsider its economic development grants funds as part of the LTP."

MOTION LAPSED

The Chair called for a seconder, and when no one spoke, he declared the motion lapsed for want of a seconder.

NEW MOTION

Deputy Mayor Melanie Tavendale moved the report's recommendations, and Cr Hana Halalele seconded the motion.

Discussion on the motion:

One Elected Member cautioned against pulling out smaller budget items, especially training, and suggested the focus needed to be on requesting more information where it was needed and on staying at a governance level. There was also a need to be mindful of the consequences of any decisions to delete without all the necessary information to hand.

It was clarified that there had been some deletions from the previous report (eg \$400k for business park roading).

Other views expressed included that the discussion was potentially making the process more difficult for Council when – because it did not impact on rates – it was not the time to go hand-picking and changing things.

The matter of timing was highlighted again as important, and it was noted that this matter could be looked at again during the Long Term Plan process. There was a need to make sure that as much as possible of the work programme could be achieved, but also to acknowledge that trying to do too much could trip things up from time to time. There was general support for further discussions on the Carry Forward Report to be part of the Long Term Plan process.

RESOLVED WDC 2020/250

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Hana Halalele

That Council approves the projects listed in Appendix 1 for carry forward and action in 2020/21.

CARRIED

The meeting was adjourned at 11.02am and reconvened at 11.45am.

The Chair directed the meeting back to agenda item 4.2 and welcomed Waitaki District Health Services Limited representatives to the meeting for this agenda item.

4.2 WAITAKI DISTRICT HEALTH SERVICES LIMITED 2018-2019 ANNUAL REPORT

The report, as circulated, provided Council with the opportunity to formally receive the audited Waitaki District Health Services Limited 2018-2019 Annual Report, and to present a resolution for the receipt of the report and the appointment of auditors, such resolution being in lieu of a

shareholder's meeting. Waitaki District Health Services Limited (WDHSL) representatives will also provide an update on progress on the 2019-2020 Annual Report.

Chairman Mark Rogers, Deputy Chair Helen Algar QSM, and Chief Executive Phil Jamieson were present in the Council Chamber for this meeting. Director Paul Allison joined the meeting via Zoom video-conference.

It was clarified that the WDHSL annual report attached to the agenda report was for FY 2018-2019, for formal receipt by Council. Those accounts had been delayed because Audit New Zealand had asked for the Observatory Retirement Village to be a linked entity in that report, which had delayed the audit until just recently. A lot of work had been undertaken over the past year to complete the work requested by Audit, and for that report to then be consolidated into Council's group report.

The WDHSL Chairman acknowledged the Chair's remarks and advised that the overview he and other WDHSL representatives would present to the meeting were on the 2019-2020 year.

He noted that the annual report attached to the agenda report was for FY 2018-2019 and was to be formally received by Council at this meeting. However, he and other WDHSL representatives would also report on the 2019/2020 year, which had been a 'game of two halves'.

A presentation was then given to the meeting, by Mr Rogers and Mr Jamieson, with key topics being strategy, future outlook, and the local environment (still impacted by COVID-19). Government review and reform of healthcare, the need to develop a population / community-centric healthcare model and attracting strong clinical doctors were highlighted. Sustainable outcomes were also featured. It was noted that a copy of the presentation document had been uploaded to LG Hub for the information of Elected Members.

The ensuing question and answer session addressed topics such as DHB revenue, locums, inventory, just-in-time systems management, and cash reserves.

The Chair thanked the WDHSL Chairman and other representatives for attending the meeting and for their presentation and discussion with Elected Members.

RESOLVED WDC 2020/251

Moved: Cr Jim Hopkins

Seconded: Cr Ross McRobie

That Council:

1. Formally receives the Waitaki District Health Services Limited 2018-2019 Annual Report; and
2. Authorises the Mayor and Chief Executive to sign the resolution pursuant to Section 122 of the Companies Act 1993 in lieu of the Annual General Meeting of shareholders of Waitaki District Health Services Limited.

CARRIED

The Chair noted for the record that there was no longer any need for the meeting to go into public excluded because the Public Excluded Minutes of the previous meeting had already been confirmed in the Public section of the meeting. Therefore, Agenda Items 5 to 8 no longer applied to this meeting.

- 5 **RESOLUTION TO EXCLUDE THE PUBLIC**
- 6 **PUBLIC EXCLUDED SECTION**
- 7 **RESOLUTION TO RETURN TO THE PUBLIC MEETING**
- 8 **RELEASE OF PUBLIC EXCLUDED INFORMATION**

- 9 **MEETING CLOSE**

There being no further business, the Chair declared the meeting closed, at 12.15pm.

TO BE CONFIRMED at the Council Meeting to be held on 16 February 2021.

.....
CHAIRPERSON

**4.2 PUBLIC MINUTES OF THE ADDITIONAL COUNCIL MEETING HELD ON 15
DECEMBER 2020**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. Public minutes of the Additional Council Meeting held on 15
December 2020

RECOMMENDATION

That Council confirms the Public minutes of the Additional Council Meeting held on 15 December 2020, as circulated, as a true and correct record of that meeting.

UNCONFIRMED MINUTES

**OF THE ADDITIONAL MEETING OF THE WAITAKI DISTRICT COUNCIL
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 15 DECEMBER 2020 AT 9.00AM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale (Associate Chair) (via Zoom video-conference), Cr Hana Halalele (via Zoom video-conference), Cr Jeremy Holding, Cr Jim Hopkins, Cr Ross McRobie, Cr Bill Kingan, Cr Kelli Williams, Cr Guy Percival, and Cr Colin Wollstein

IN ATTENDANCE: Fergus Power (Chief Executive)
Neil Jorgensen (Assets Group Manager / Deputy Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Lichelle Guyan (Heritage, Environment and Regulatory Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Ian Wells (Accounting Manager)
Mike Searle (Policy and Strategy Manager)

The Chair declared the meeting open at 9.00am and welcomed everyone present, including those watching the livestream on Council's Facebook page.

1 APOLOGIES

There were no apologies.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 PUBLIC MINUTES OF THE ADDITIONAL COUNCIL MEETING HELD ON 27 OCTOBER 2020

The meeting heard that, due to workload prioritisation for the additional round of meetings this week, the public minutes of the Additional Council Meeting held on 27 October 2020 were unable to be included in the final agenda papers or the Agenda Addendum for confirmation at this Additional Council Meeting. It was AGREED that they would be deferred for confirmation at the first Council Meeting in 2021.

3.2 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 8 DECEMBER 2020

RESOLVED WDC 2020/282

Moved: Cr Jim Hopkins
Seconded: Cr Ross McRobie

That Council confirms the public minutes of the Waitaki District Council Meeting held on 8 December 2020, as circulated with the Agenda Addendum to this meeting and with minor grammatical amendments as agreed, as a true and correct record of that meeting.

CARRIED

4 DECISION REPORTS

4.1 ADOPTION OF ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The report, as circulated, sought Council's adoption of the Annual Report for the Year Ended 30 June 2020 in accordance with Local Government Act 2002 statutory requirements.

Group Manager Paul Hope, Accounting Manager Ian Wells, and Strategy and Policy Manager Mike Searle were in attendance for this agenda item.

Mr Hope apologised to the meeting for the delay in getting the Annual Report to this point of being available for Council adoption. He noted that it reflected the scale and complexity of the document that has been prepared. He referred Elected Members to the Statement of Comprehensive Revenue and Expenditure on page 105 of the Annual Report document and highlighted the additional items in it as a reflection of the numerous factors that were not contemplated when the budget was originally set. This included the impact of COVID on Council as well as the Group; the size of revaluations for Property, Plant and Equipment (PPE) and the Roding network; and the need to change the accounting treatment and disclosures of the Observatory Retirement Village (ORV) and the Omarama Airfield Limited (OAL). All these factors had made for a complicated operating year for Council and a larger and more detailed than usual set of statements and notes to them. That has created issues for Mr Wells and Mr Searle, as the chief preparers of the document, as they have worked through all that had to be done. Correspondingly, the auditors have also had more information to review. A clear audit opinion has now been provided (this morning). There are still some unknown implications of the impact of COVID, which will not be fully known until March/April next year.

Mr Hope acknowledged that it had been a very challenging process to prepare the Annual Report and get it audited. However, it had been completed in time for the revised statutory deadline. The earlier draft that Council had seen had focused on Council's performance, so the key components for Council to review now in this updated draft are the Group's overall performance and the revaluations.

The Chair thanked Mr Hope for his overview. He highlighted Mr Hope's comments about the audit having been "complicated" and a "very challenging process" and expressed his disappointment that the Audit Director was not in attendance to answer questions from him and other Elected Members. The Chair highlighted the fact that, despite the exceptional efforts of staff, this Annual Report was late in being produced for Council adoption. When he asked how late it was, Mr Hope answered that it was a week late; it was originally scheduled to be adopted last week at the final Council Meeting for the year, on 8 December 2020, following the Auditor-General's earlier change from the usual October deadline.

The Chair informed the meeting that he and the Chief Executive had just signed off the Annual Report that morning. When he asked how much Council paid in audit fees for the process, Mr Wells replied that it was approximately \$150,000.

The Chair noted that the audit had taken the team away from work on the Long Term Plan and that two months had been lost from that process as a result. He was concerned that, on top of the \$150,000 fee for the audit, there were unknown additional costs for the organisation in providing information for the audit, sometimes several times for the same purpose. He said he did want to have a discussion with the Audit Director about that and his disappointment in the audit performance. The Chair advised that other councils had reported having similar experiences, so this was not aimed at any individuals within the audit team but rather, at Audit New Zealand. The time they had taken and the requirements that had been asked of Council had cost the organisation not only the \$150,000 fee but an enormous amount of time which had prevented a lot of other information (eg for the LTP) to be developed for consideration by Elected Members.

Some other Elected Members also spoke in support of the Chair's remarks. A question was raised about whether any of the \$150,000 audit fee could be withheld, and the Chair advised that that would be part of the discussions with the Audit Director.

It was clarified that the yellow text in the draft Annual Report would now be replaced by the Audit opinion received that morning.

Performance, Audit and Risk Committee Chair, Cr Colin Wollstein, extended his congratulations to Mr Hope, Mr Wells and Mr Searle for their exceptional efforts to 'negotiate the audit field' and have the Annual Report signed off ahead of the revised statutory deadline.

Two matters of concern about the content of the Audit Opinion were raised by an Elected Member, and Mr Hope provided an explanation in response.

It was also clarified that there were two asset valuations instead of the usual one this year at the request of Audit, and the impact of that was Council's asset valuation had increased by a total of \$84.5M.

An overview was requested about why the Annual Report says that the financial position of Council remains sound when there is a reported deficit this year compared to surpluses that had been reported in previous years. Mr Hope and the Chair provided that explanation, highlighting that Council was now using depreciation resources to ensure that existing infrastructure was improved, and new infrastructure was added to improve the service delivery level for the community. The detail in the financial statements about the results of the various Council departments and performance against service targets was also highlighted as a good way for members of the public to understand where ratepayer funds had been spent during 2019/20.

The Chair summarised the discussion and acknowledged the efforts of staff in getting the Annual Report to this meeting for adoption. It was an important milestone and achievement for the year.

RESOLVED WDC 2020/283

Moved: Cr Colin Wollstein

Seconded: Cr Ross McRobie

That Council:

1. Adopts the Annual Report for the year ended 30 June 2020, with grammatical amendments as required, in accordance with sections 98 and 99 of the Local Government Act 2002; and
2. Receives the draft Summary Annual Report, for information.

CARRIED

5 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2020/284

Moved: Cr Bill Kingan

Seconded: Cr Kelli Williams

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Public Excluded Minutes of the Council Meeting held on 8 December 2020 PE	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
- Public Excluded Recommendations of the Executive Committee Meeting held on 30 November 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

At 9.27am, the Chair advised that business in the public part of the meeting had now been completed. He thanked members of the public in the Council Chamber and those watching the livestream on Council's Facebook page for their participation in the meeting and wished everyone a Merry Christmas and safe holiday season.

6 PUBLIC EXCLUDED SECTION

The public excluded minutes apply to this section of the meeting.

7 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2020/287

Moved: Cr Guy Percival
Seconded: Cr Jeremy Holding

That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

CARRIED

8 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, Council decided to release the following previously public excluded information here, under Agenda Item 8, in the public minutes of this meeting.

6.1 PUBLIC EXCLUDED MINUTES OF THE COUNCIL MEETING HELD ON 8 DECEMBER 2020 PE

RESOLVED WDC 2020/285

Moved: Cr Ross McRobie
Seconded: Cr Jeremy Holding

That Council confirms the public excluded minutes of the Waitaki District Council Meeting held on 8 December 2020, as circulated in the Agenda Addendum and with amendments agreed at this meeting, as a true and correct record of that meeting.

CARRIED

9 MEETING CLOSE

The Chair declared the meeting closed at 9.50am and wished Councillors and staff present in the Council Chamber and on Zoom video-conference a Merry Christmas.

TO BE CONFIRMED at the Council Meeting to be held on Tuesday 16 February 2021.

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CHAIRPERSON

5 LEADERSHIP REPORTS

5.1 MAYOR'S REPORT - 16 FEBRUARY 2021

Author: Gary Kircher, Mayor for Waitaki

Attachments: 1. Mayor's Report - 16 February 2021

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

The following comments are provided to bring Councillors and the public up to date with issues that have arisen since the last Council Meeting on Tuesday, 8 December 2020.

MAYOR'S REPORT – 16 February 2021 Council Meeting

This report is an opportunity for Councillors and the wider community to be informed on a range of issues and happenings in Waitaki and beyond. It is an update since my last report which went to the full Council Meeting on 8 December 2020.

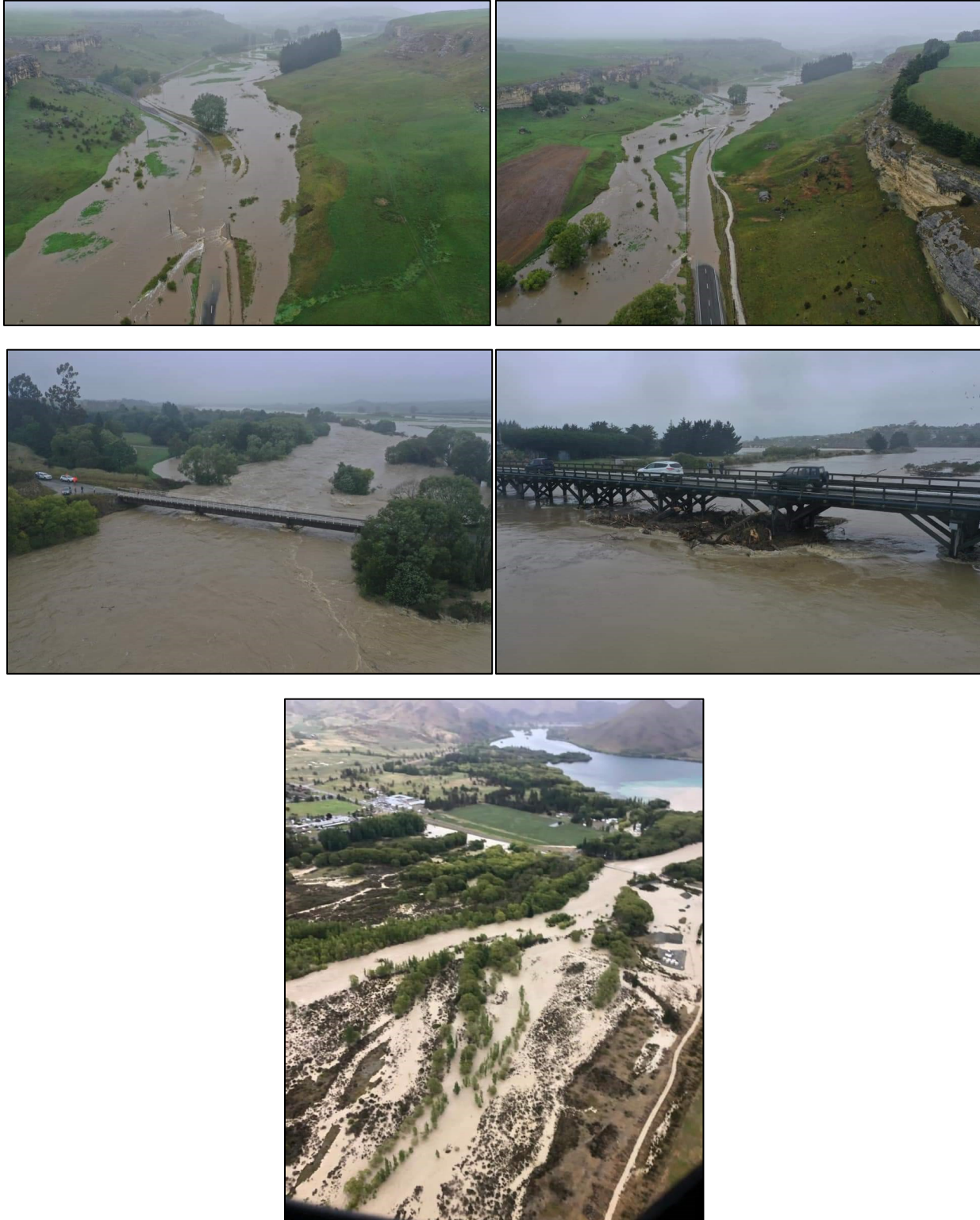
A new year, a new emergency

In 2020, the first of January brought us the weirdly orange skies caused by Australia's bush fires. In 2021, the second of January brought us extensive rain throughout Waitaki causing flooding and damage in many places (refer photographs below and overleaf for aerial views).

Thanks goes to our dedicated staff and contractors who were called back to work to deal with the issues, and to get our infrastructure back up and running. It has taken a lot of effort, and the bills have yet to be tallied, but once again the work that we have done to build greater resilience into our infrastructure paid off, with much less damage than there might have been.

Parts of Otago recorded double to triple the amount of rain for the month of January, with much of that falling in the first few days of the month. The following are some rainfall accumulations for parts of Waitaki over January 2021:

Danseys Pass	248mm
Otekaieke	169mm
Oamaru	143mm
Palmerston	137mm
Hampden	134mm
Omarama	98mm
Otematata	84mm



Photographs: Aerial views from around Waitaki as heavy rain brings flooding on 2 January 2021 (Credit: Heliventures New Zealand Limited, and SouthRoads)

Trees are great... in the right place

One of the major challenges for communities everywhere is dealing with the issues surrounding climate change. Unfortunately, one of the major problems facing our community now is the undesired consequences resulting from carbon credit farming. The Government has incentivised people and companies to carpet-bomb landscapes with pine trees, strangling indigenous vegetation, destroying habitats, and wrecking the environment, all in the name of saving the... environment.

This perverse activity has been going on further north of us for the past year or so. Farms have been bought up, de-stocked, and planted with trees over every square metre possible. In the worst cases, this includes planting in waterways, not observing rules and best practice around tree management, no fire breaks, no provision of firefighting dams, and no controls over pest weeds and animals. They become a huge source of wildfire fuel, and they are a neighbour's worst nightmare. You only need to talk to some of the neighbours who have properties next to the wildfire that engulfed 611 hectares at Livingstone last October to understand the threat that they live with every day. These properties are ticking time bombs waiting to explode, and there seems to be little enthusiasm from central government to put proper safety measures in place.

Then there is the social cost. With no ongoing farm management, there is no need for people to live and work on the land; there are no services required from agricultural companies; and there is little to no maintenance carried out. That affects rural communities – those farms are no longer homes to the kids who go to the local school, there are no customers for the local shop, pub, or service station. Where this happens to too many farms in a community, then the community dies.

The companies 'investing' in the transformation of these farms receive payments for the carbon credits which are then used to offset pollution by companies elsewhere – many are not even in New Zealand. This is all the more likely because companies buying farms to plant trees are not required to go through the usual Overseas Investment Office process to seek permission, but instead get a free ride. Furthermore, they can afford to pay ridiculous money for these farms; prices that no traditional farming activity can afford to pay. These farms are lost to these domestic or overseas interests, and the likelihood of them ever returning to Kiwi ownership and productive farming ranges from slim to zero.

Waitaki is at the crossroads now. We have this issue now, and it is about to get worse. We have to support our community. We have to support our farmers. And we have to support our economy. Planting trees without controls is taking us down a disastrous path, and we need to respond quickly. Where a company ignores the rules and plants without consent, or ignores consent conditions, we must act. If it requires prosecution, then we should not shy away from that action. If we are able to build greater protections into our district plan, then we must do that. If we can lobby central government to bring greater scrutiny into their processes, then lobby we must.

This is not a call to remove all trees; this is a call to make sure we have a healthy, biodiverse and sustainable environment where our communities can thrive. The time to act is now and our community needs us to do just that, so we can make Waitaki the best place to be!



Photographs taken in first week of February 2021 during a visit to Tararua district. The circles are sprayed areas where a seedling has then been planted. Many thousands of hectares have been planted out like this, and the resulting monoculture will be hugely harmful to the environment.

A new Rangatahi for 2021

The Tuia Programme is an opportunity for young people of Māori heritage to take part in a year-long programme involving mentoring, learning more about Māori culture, community work, and leadership. From my experience and that of many other Mayors, the learning has been very much a two-way street, with the Mayors gaining as much from the experience as the Rangatahi.

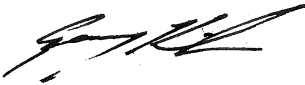


I am pleased to announce that Waitaki has a new Rangatahi for the Tuia programme for this year. Following discussions with Justin Tipa and David Higgins of the Moeraki Runanga, Leanne Kingan and I interviewed Safiya Hunter for the opportunity. We were impressed by Safiya and it was an easy decision to offer her the position.

This year, I will also be involving Deputy Mayor Tavendale in the mentoring process, which will give Safiya a broader perspective that we hope she will benefit from. I know we are looking forward to getting it underway!

Photograph:
Safiya Hunter and Mayor Gary Kircher

Warm regards,



Gary Kircher
Mayor for Waitaki

MEETINGS ATTENDED BY MAYOR GARY KIRCHER

2020

8 December	Real Classic Rock Radio Interview
8 December	Council Meeting
8 December	Performance, Audit and Risk Committee Meeting
8 December	Councillor briefing
8 December	East Otago High School Prizegiving
9 December	Visit to St Kevin's College – hillside planting project
9 December	Mariner Suites Tour
10 December	Meeting with John Hynds and Sean Mulligan from Hynds Pipe Systems
10 December	Meeting with Waihemo Community Board Chair Heather McGregor
10 December	Meeting with Vice-Chancellor – Professor Richard Blaikie
10 December	Emergency Management Joint Committee Meeting
11 December	Otago Mayoral Forum
11 December	Te Roopu Taiao Meeting
14 December	Mayor and Chief Executive Meeting
14 December	Meeting with George Kelcher, Road Metals
14 December	Museum Official Re-Opening
14 December	Meeting with Jared Ross – North Otago Federated Farmers
14 December	Ahuriri Community Board Meeting
15 December	Real Classis Rock Radio Interview
15 December	Meeting with Canterbury Spinners
15 December	Additional Council Meeting
15 December	Executive Committee Meeting
15 December	Councillor briefing
15 December	Mayoral Christmas Function
16 December	Meeting with WDHS Ltd Chair, Mark Rogers
16 December	'Raising Capability in the Waitaki District' Meeting
16 December	Meeting with WDHS Ltd director, Paul Allison
16 December	NOSLAM Christmas Volunteer Event
17 December	Destination Management Governance Meeting
18 December	A20 Sailors Cutting-Benmore section Opening
21 December	Meeting with Ken McKeown, McKeown Group Ltd
21 December	Mayor and Chief Executive Meeting
21 December	Communications Portfolio Meeting
21 December	45 South TV Interview
22 December	Meeting with Waihemo Community Board Chair and Cr Williams
22 December	Visit to Kimberley Rest Home
22 December	Extraordinary Executive Committee Meeting
23 December	Meeting with Robert Roodnat re local democracy study
31 December	Waitaki New Year's Eve event

2021

3 January	Flooding event – TVNZ Interview (plus radio interviews)
4 January	Little Blue Bike Trail Project
5 January	Radio NZ Interview
8 January	Meeting re flooding from Otematata River
11 January	Oamaru Mail interview – review of 2020, looking forward to 2021
11 January	Mayor and Chief Executive Meeting

11 January	Meeting with Murray Linwood re Lions project for Ohau
15 January	Interview – The Breeze
18 January	Meeting with Tihou Bazire Messenger-Weepu – Tuia Programme
19 January	Mayor and Chief Executive Meeting
19 January	Meeting with Milligan's Food Group – re Sponsorship Event
20 January	Farewell for Nikki Stumbles – Sports Otago
25 January	Meeting – Ohau Fires Mayoral Emergency Relief Fund Panel
25 January	Community Hub Meeting, with Feldspar
26 January	Real Classic Rock Radio Interview
26 January	Mayor and Chief Executive Meeting
26 January	NOSLaM Farm Visits
27 January	Meeting with Tony Spivey re SUIP policy
27 January	Meeting with Barney McCone, Whalan Lodge
29 January	Meeting – Ohau Fires Mayoral Emergency Relief Fund Panel
29 January	Canterbury Three Water Steering Group – Workshop
1 February	Mayor and Chief Executive Meeting
1 February	Draft Agenda Meeting
1 February	Workshop – Long Term Plan
1 February	45 South TV Interview
1 February	Workshop – Shared Regulatory Services with Mackenzie District Council
2 February	Real Classic Rock Radio Interview
9 February	Real Classic Rock Radio Interview
9 February	Draft Agenda Meeting
9 February	Committees Day Meetings – HAC, Assets, and CCR
9 February	Councillor briefing
10 February	Public Meeting with Weston Residents – footpaths
12 February	Interview – The Breeze
12 February	Waitaki Boys' High School – Scholars' Assembly
12 February	Highlanders Vs Crusaders Game
15 February	Workshop Long Term Plan
15 February	Draft Agenda Meeting
15 February	Workshop District Plan Review
15 February	Workshop DPR – Landowner engagement plan
15 February	Waitaki District Council Youth Council Meeting

5.2 CHIEF EXECUTIVE'S REPORT FOR PERIOD ENDING 16 FEBRUARY 2021

Author: Fergus Power, Chief Executive

Attachments: 1. Chief Executive's Report for period ending 16 February 2021

RECOMMENDATION

That Council receives and notes the information.

PURPOSE

The attached report is provided to bring the Mayor and Councillors up to date with issues that have arisen since the last Council Meeting on Tuesday, 8 December 2020.

Chief Executive

REPORT

UPDATE FOR THE PERIOD ENDING
16 FEBRUARY 2021



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

1. INTRODUCTION FROM THE CHIEF EXECUTIVE



Hello, Kia ora koutou, Mālō e lelei, ofa lava, Kia orana, Ni sa bula vinaka, Fakatalofa atu, Malo Ni, Fakaalofa sahi atu, Mabuhay, Hola, Nǐ hảo.

The Chief Executive Officer's regular reporting to Council provides an opportunity for elected members and the community to be aware of significant policy and strategic initiatives at international, national, regional, and local levels.

In the Aotearoa New Zealand context, the COVID-19 pandemic has demonstrated the power of local authorities to help their communities at a time of great stress and adversity.

Local government in New Zealand is currently facing the largest change that it has faced since the local government reforms of 1989.

The prospect of water services being detached from local authorities is raising many questions and, when set alongside the lessons learned from COVID-19, the future represents an opportunity for local government to reimagine its role in the 2020s and beyond.

Some interesting research pieces surrounding the future of local government have been generated out of the United Kingdom, and the following make very informative reading, and I encourage you to access them and to extract ideas that can help inform a wider public debate about the future of local government in New Zealand:

New Local Government Network: Think Big, Act Small: Elinor Ostrom's Radical Vision for Community Power

The English thinktank, New Local Government Network, argues for a rebalancing of power away from the centre, but more aimed at a shift from the state to empowered communities, with local government acting as an enabler and an advocate. This is founded in the work of Nobel Prize winner Elinor Ostrom and can be accessed here: <https://www.newlocal.org.uk/publications/ostrom/>

New Local Government Network (NLGN): Towards Resilience

The NLGN also commissioned this 'conversation starter' about how local government in the UK can move towards resilience for a more prepared and better future. The paper identifies five pillars that need to form the centrepiece of any approach: economic resilience, public sector resilience, community resilience, environmental resilience and workforce resilience. The paper can be accessed here: <https://www.newlocal.org.uk/publications/towards-resilience-redesigning-our-systems-for-a-better-future/>

Local Government Information Unit (LGIU): The Future of Local Government

The English thinktank LGIU invited Dr Andy Johnston to consider the implications of COVID-19 and other global trends that are washing over us and create a set of possible scenarios. This analysis presents his conclusions, and can be accessed here: <https://lgiu.org/publication/the-future-of-local-government/>

Local Government Information Unit (LGIU): Power Down to Level Up

Power Down to Level Up champions the role of place in promoting community well-being, observing that place has 'made a comeback in recent years'. The reorientation around place is seen as essential for when the pandemic subsides and will require the reimagining of the role of local government and its relationship with communities. The authors offer six different case studies of differing approaches to powering up, and can be accessed here: <https://lgiu.org/publication/power-down-to-level-up-resilient-place-shaping-for-a-post-covid-world/>

Continuing on the theme of change – two very capable Group Managers have recently announced their resignations from Council. Neil Jorgensen, Assets Group Manager, departed on 12 February. Neil (who acted as my Deputy Chief Executive) contributed greatly to the community through his professionalism, passion and team leadership, and will be missed.

Lichelle Guyan, Heritage, Environment and Regulatory Group Manager, will also shortly be departing Council (26 March). Lichelle has done stellar work in improving regulatory performance and in supporting community development, along with her great work as Recovery Manager for the Lake Ohau Alpine Village Wildfire Disaster.

I'm sure you will join with me in wishing both of these valued team members a successful future in their new endeavours, and in welcoming Paul Hope to his interim role as Acting Assets Group Manager and Finance and Corporate Development Group Manager (replacing Neil Jorgensen), to Roger Cook in his role as Acting Heritage, Environment and Regulatory Group Manager (replacing Lichelle Guyan), and to Lisa Baillie in her new role as interim Deputy Chief Executive (until my replacement following departure on 4 June).

Be kind, and kia kaha

Fergus Power
Chief Executive



2. CENTRAL GOVERNMENT UPDATES

Briefings to Incoming Ministers Released

On 14 December 2020, the Government proactively released all of the Briefings for Incoming Ministers. These documents introduce Ministers to their portfolios, set out the key issues and decisions the Ministers are likely to be called on to make.

The briefings can be accessed here: <https://www.beehive.govt.nz/feature/bims>

Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill

The Minister for Local Government, the Hon Nanaia Mahuta, intends introducing a Bill to remove the binding poll option from the process for establishing Māori wards and constituencies (including both council-initiated and elector-demanded polls). The Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill (the Bill) will be introduced into Parliament in early February 2021 and enacted under urgency so that the changes can apply for decisions leading up to the 2022 local elections.

This Bill amends the Local Electoral Act 2001.

The policy intention of the Bill is to —

- align the treatment of Māori wards and Māori constituencies with the treatment of general wards and general constituencies as much as possible; and
- remove all mechanisms for binding polls to be held on whether Māori wards or Māori constituencies will be established; and
- provide local authorities with an opportunity to make decisions on Māori wards and Māori constituencies, in light of these changes, in time for the 2022 local elections.

At present, the Local Electoral Act 2001 provides that if a council resolves to establish wards or constituencies for electors on the Māori electoral roll, a local referendum (a **poll**) on whether Māori wards or Māori constituencies should be established must be held if at least 5% of the electors of the city, district, or region demand one. These polls have proved to be an almost insurmountable barrier to improving Māori representation in local government and, in some cases, a deterrent to local authorities considering establishing Māori wards or Māori constituencies.

There is no equivalent provision for elector-demanded polls in the process for creating general wards and general constituencies. Therefore, the removal of the poll provision is consistent with the Crown's obligations under te Tiriti o Waitangi/the Treaty of Waitangi and aims to strengthen the Māori–Crown relationship at a local level by removing barriers to Māori participation in local elections.

To achieve these policy aims, the Bill —

- repeals the provisions in the Local Electoral Act 2001 that relate to polls on the establishment of Māori wards and Māori constituencies; and
- prohibits binding council-initiated polls on whether to establish Māori wards or Māori constituencies (while retaining the right of councils to initiate non-binding polls to gauge public sentiment); and
- establishes a transition period ending on 21 May 2021 in which any local authority may, regardless of any previous decisions or previous poll outcomes, resolve to establish Māori wards or Māori constituencies for the 2022 local elections.

The Bill can be accessed here:

<https://www.legislation.govt.nz/bill/government/2021/0006/latest/whole.html>

Draft report of the Climate Change Commission

The draft report of the Climate Change Commission, chaired by Rod Carr, was published outlining how Aotearoa New Zealand can reach net zero emissions of long-lived gasses by 2050 and reduce biogenic methane emissions by between 24-47 percent also by 2050 (see *Energy and Innovation section*). The report argues that all of this is achievable with existing technologies. It deals in detail with a wide range of issues, the principal ones being: land use, waste, transport, along with Heat, Industry and Power. The Government is not, however, seeking to down-play the scale of the challenges that lie ahead. The draft advice is now open for consultation until 14 March 2021 and final advice is expected to be released before end of May 2021. The Government will then have some detailed work to do as it commits its Emissions Reduction Plan to paper – laying out the shape of its first three emissions budgets – which it has promised before Christmas.

The draft report can be accessed here: <https://www.climatecommission.govt.nz/get-involved/our-advice-and-evidence/>

Tourism Assets Protection Programme Inquiry

The Auditor-General, John Ryan, has decided to carry out an inquiry into aspects of the Government's Strategic Tourism Assets Protection Programme. Concerns about the Programme have been raised in the media and with the Office of the Auditor-General (OAG). Tourism businesses have questioned the clarity and transparency of the Programme's criteria and whether they were applied consistently. Because of the concerns OAG has heard, the amount of public funding involved, and the importance of robust processes to ensure public trust and confidence is not eroded, OAG will carry out an inquiry. In keeping with the Auditor-General's role, the inquiry will focus on the actions and processes underpinning the initial eligibility assessments and subsequent assessment of eligible proposals.

The Terms of Reference for the Inquiry can be accessed here:

https://oag.parliament.nz/media/2021/inquiry-tourism#utm_source=subs&utm_medium=subs&utm_campaign=tourism

Cawthron Institute: Environmental Limits - A Proposed Framework for Aotearoa New Zealand

The Cawthron Institute has prepared a report surveying international frameworks, identifying important lessons for outcome-based environmental management, and helping clarify what setting environmental limits and targets will require. This report will prove of interest to those contemplating the shift in thinking set out in the Randerson RMA Review report.

The report can be accessed here:

<https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/environmental-limits.pdf>

3. LOCAL GOVERNMENT AND POLICY UPDATES



Ministry for the Environment (MFE): Two Resources on the National Policy Statement – Urban Development

In December, MFE released two resources to support the implementation of the new National Policy Statement on Urban Development. The first (<https://www.mfe.govt.nz/publications/towns-and-cities/evidence-based-decision-making-under-national-policy-statement-urban>) is intended to help local authorities understand and interpret the provisions for evidence-based decision-making in subpart 3 of the National Policy Statement on Urban Development. The other (<https://www.mfe.govt.nz/publications/towns-and-cities/guidance-housing-and-business-development-capacity-assessments-hbas>) provides guidance on producing a Housing and Business Development Capacity Assessment (HBA) under subpart 5 of the National Policy Statement on Urban Development.

Local Government Official Information Act Practices (Ombudsman)

The Chief Ombudsman has released investigation reports into LGOIMA practice and compliance at Buller District Council, Invercargill City Council, Porirua City Council and Tauranga City Council.

Invercargill City Council "unreasonably failed" to implement good official information practice, according to the Ombudsman. Investigations into Local Government Official Information and Meetings Act (LGOIMA) practice and compliance resulted in suggested improvements such as training and record keeping guidance for Buller District Council, Porirua City Council and Tauranga City Council. However, Chief Ombudsman Peter Boshier issued six formal recommendations to Invercargill, including to create an official information request webpage, develop written policies and procedures, and ensure LGOIMA responses include a reason for withholding information and reference to the right to complain to the Ombudsman. Boshier said "strong and positive leadership is the most important element in establishing a culture of openness and backing that up with the right tools and training."

The Ombudsman's report/s can be accessed here:

<https://www.ombudsman.parliament.nz/resources/lgoima-practice-reports-buller-district-council-invercargill-city-council-porirua-city>

Substantial improvements in LGOIMA practice in the Waitaki District Council have been implemented over the past two years, resulting in a comprehensive, integrated LGOIMA documentation process flow and monitoring and reporting elements.

List of efficient hot water cylinders (EECA)

The Energy Efficiency and Conservation Authority has released a list of electric hot water cylinders to help industry and consumers identify products that meet energy efficiency standards and know which models have passed check testing. Group Manager Strategy and Regulation Dr Marcos Pelenur said more than 60,000 electric hot water cylinders are sold each year in New Zealand without clear verifiable information about energy efficiency available which he said is a significant issue for consumers and their energy bills. The list is available here:

<https://www.eeca.govt.nz/our-work/product-regulations/equipment-energy-efficiency/products-under-e3/electric-storage-water-heaters/new-zealand-meps-compliant-electric-storage-water-heaters/>

4. CIVIL DEFENCE AND POLICY UPDATES

The year 2021 started with a significant rain event.

The Emergency Operations Centre (EOC) operated with a Controller, Public Information Management (PIM) / WDC Communications team and Emergency Management Officer liaising with the Waitaki District Council Chief Executive, Mayor, Roading Team, FENZ, Police, ORC and ECan flood team and other stakeholders.

The event largely did not affect residential areas, with the most significant impact on people being the brief closure of SH1 at Maheno and corresponding closure of Kakanui Bridge - highlighting alternative route problems. There was however significant damage to local roads.

Also, of concern was the rapid rise in the Otematata River and subsequent evacuation of Boat Harbour camping ground. This has highlighted the dangers of the area as an overnight camping site. The Emergency Services Coordinating Committee are planning on a debrief on the matter at their February meeting, and action points and/or recommendations will be forwarded to WDC.

Emergency Management Otago

- Since the last report, the Business Plan and Public education strategy are yet to be progressed from their draft version.
- Matt Alley, Acting Manager for Otago CDEM, has had his contract extended to the end of June 2021 with no definite date offered as to when the permanent role will be advertised.
- As previously reported, Emergency Management Otago has decided to launch *Gets Ready* for the Otago Group – how this will be done for the various Territorial Authorities is still being worked through and Neighbourhood Support are still planning to look into whether they can establish in Waitaki.

Other

- With recent and pending staff changes within WDC, this has created gaps in the EOC, most significantly within the Incident Management Team.

- The rescheduled five days of EOC training with Gerrard Moore is now planned for 15 to 19 March 2021. The training will further develop the EOC function and will look to increase the use of D4H. Also, there are plans for a separate half day training for the Controllers and Response Managers.
- In relation to public education, work with Safer Waitaki and WDC Communications team is on-going on how to best deliver the messages in a progressive plan throughout the year.

5. GENERAL MANAGEMENT

Personnel Management

Since my last report, the following staff movements have occurred:

Comings:

Victoria van der Spek – Executive Officer
Steve Clarke – Solid Waste Manager
Devika Rajasekharan – Project Manager/ Business Analyst
Christina Linwood – Project Manager/ Business Analyst
Sherie Mailei – Property Officer (Maternity Cover)
Raj Parikh – Roading Technical Officer

Goings:

Bron Claridge – Enviroschools Facilitator
Maddy Maxwell – Customer Services Officer, Oamaru Opera House
Daniel Irving – Project Manager/ Business Analyst
Sarahann du Plooy – Events Coordinator, Oamaru Opera House
Andries du Plooy – Assets Business Advisor
Rosemary Small – Customer Liaison Officer (Retirement)
Robyn Mills – Administration Officer, Roading
Genevieve Paisley – Project Engineer, Three Waters
Chris Meech – Curator of Archives
Neil Jorgensen – Assets Group Manager

Internal Movements:

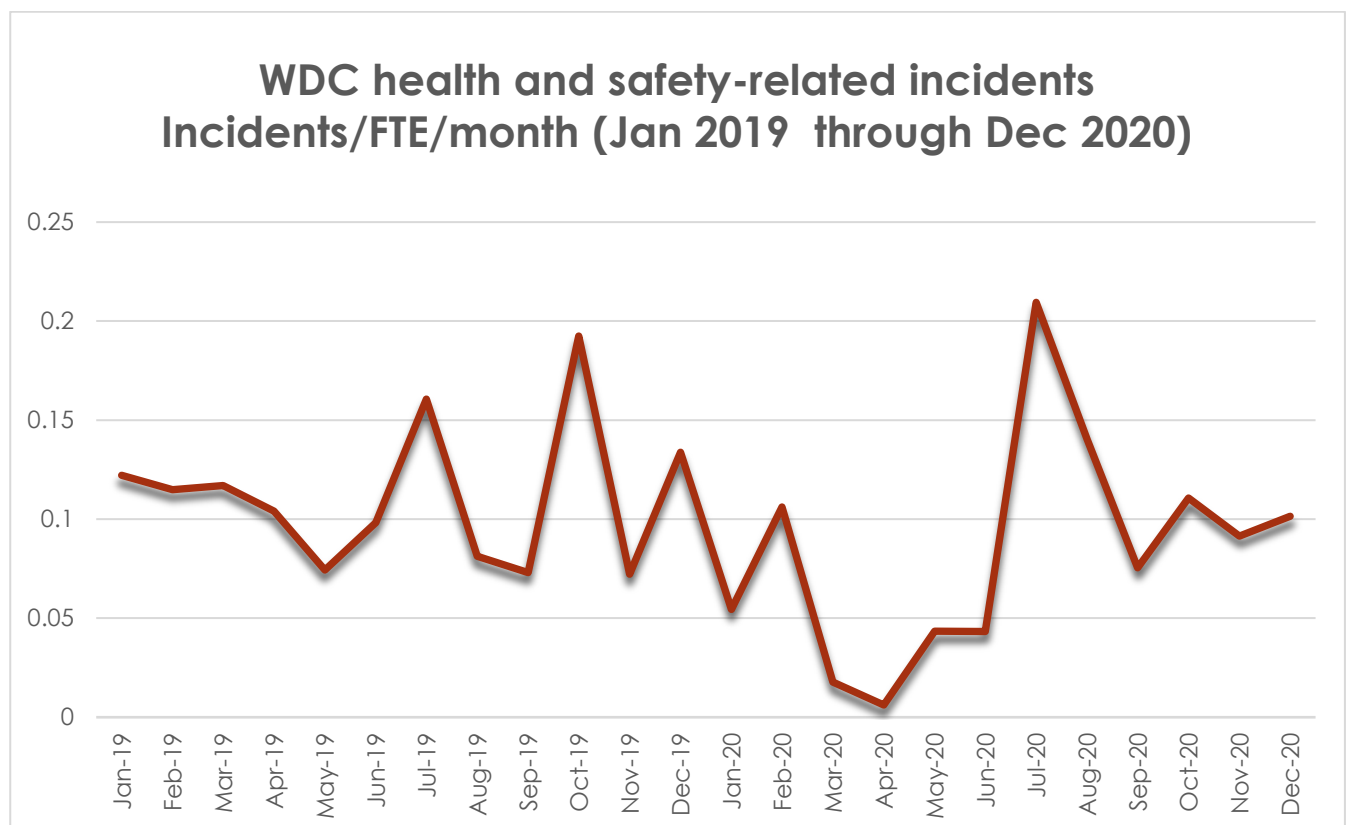
Katrina Clark – Resource Management Planner to Senior Planner – District Plan Review
Leon Kruskopf - Roading Technical Officer to Three Waters Project Engineer
Kirsty Rendell – Planning/Regulatory Administrator to Roading Administration Officer

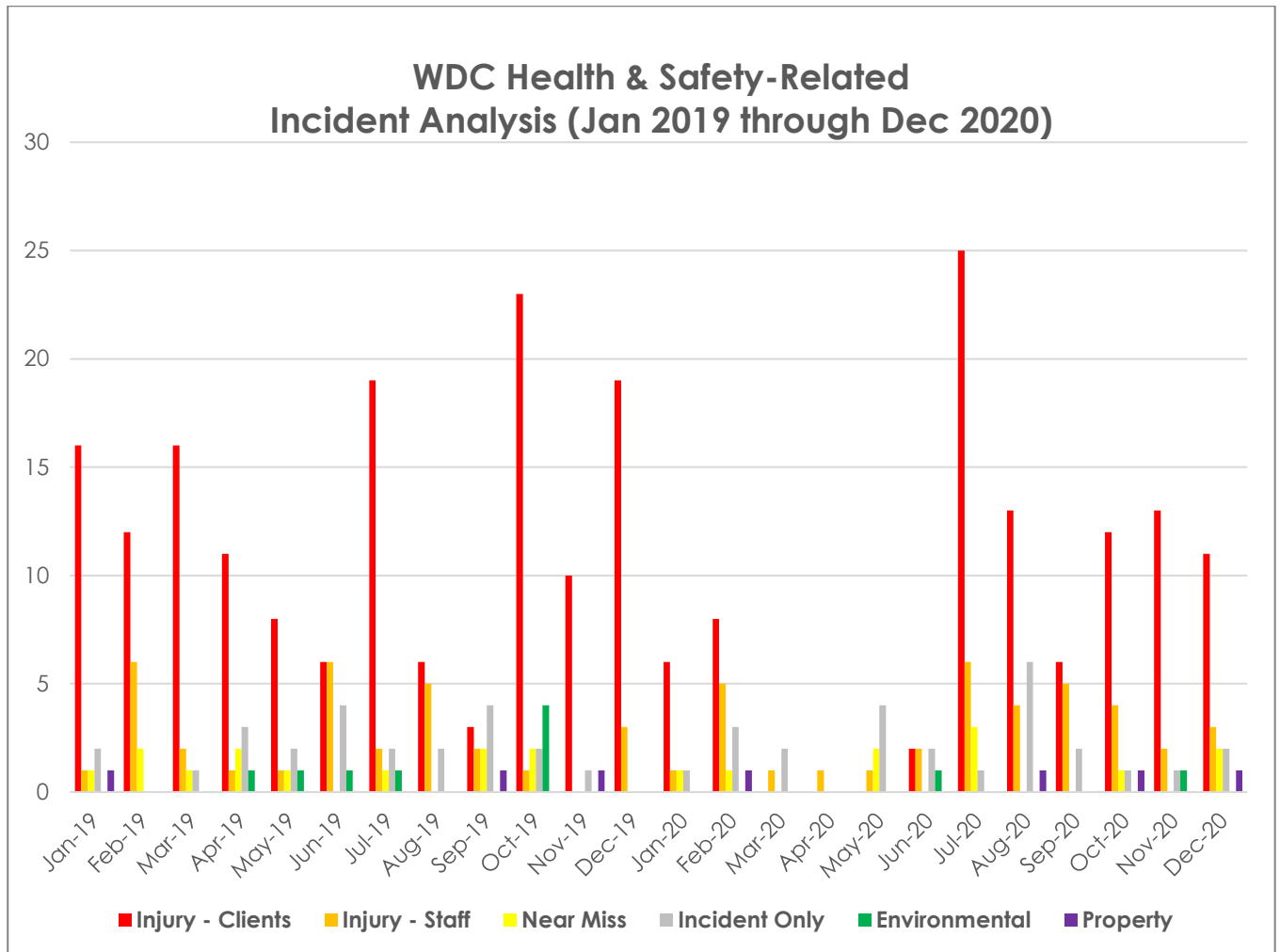
6. HEALTH AND SAFETY

Category	December 2020
Near Miss	2
Injury – Clients	11
Injury – Staff	3
Incident Only	2
Environmental	0
Property	1

Notes re December incidents:

1. All 11 injuries to clients were incidents typical of pool activities at the Aquatic Centre. The appropriate actions were taken. It was noted that over the holiday period there was more patronage at the pool.
2. The incident only category includes an abuse by a member of the public to staff and an incident at the Library resulting in new signage prohibiting vaping within the library. Both incidents were handled appropriately.





7. PROPERTY SETTLEMENTS

There are no property settlements between the period of the last report to date.

8. EXTERNAL MEETINGS ATTENDED

9 December 2020	Mackenzie Chief Executive's Meeting
10 December 2020	Meeting with Glenn Campbell, Whitestone Contracting Ltd
10 December 2020	Meeting with Otago University, Dunedin
10 December 2020	Otago Joint CDEM Committee Meeting, Dunedin
10 December 2020	Otago Mayoral Forum Working Dinner, Dunedin
11 December 2020	Otago Mayoral Forum, Dunedin
17 December 2020	Destination Management Governance Meeting
18 December 2020	Mana Whenua and Chief Executive's Hui, Christchurch
20 January 2021	Meeting with Richard Cruice
25 January 2021	Canterbury Chief Executive's Forum, Rolleston
27 January 2021	Zoom Meeting with University of Otago
1 February 2021	Meeting with Mackenzie District Council and Tourism Waitaki
4 February 2021	Otago / Southland Three Waters Meeting
12 February 2021	Mobile blackspots workshop
12 February 2021	Meeting with David Wilson

6 RECOMMENDATIONS FROM COMMITTEES REPORTS

**6.1 RECOMMENDATIONS OF THE WAIHEMO COMMUNITY BOARD MEETING HELD ON
7 DECEMBER 2020**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

6.1.1 WAIHEMO RESERVE IMPROVEMENTS

The report, as circulated, sought the Board's recommendation to Council to allocate sufficient funds from the Board's reserve funds to allow work on the Waihemo Reserve Improvements to be completed.

RESOLVED WCB 2020/050

Moved: Mrs Carol Watson

Seconded: Ms Casey Linklater

That the Waihemo Community Board recommends:

That Council approves the use of \$5,000 from the Waihemo Ward Rate (Reserves) for providing additional seats and picnic tables for the Bike Park and playground area in Palmerston.

CARRIED

6.2 RECOMMENDATIONS OF THE AHURIRI COMMUNITY BOARD MEETING HELD ON 14 DECEMBER 2020

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

6.25.1 KUROW SKATE PARK IMPROVEMENTS

The report, as circulated, sought the Board's recommendation to Council on a funding source for the remaining \$7,000 for the Kurow community skate park project.

RESOLVED ACB 2020/067

Moved: Mr Ross Menzies

Seconded: Mr Brent Cowles

That the Ahuriri Community Board recommends:

That Council:

1. Approves a \$7,000 contribution from Ahuriri Ward Rate (Reserves) for a shortfall in funding for the Kurow Skate Park community project.

CARRIED

6.3 RECOMMENDATIONS OF THE HARBOUR AREA COMMITTEE MEETING HELD ON 9 FEBRUARY 2021

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

6.3.1 HARBOUR DELIVERY PLAN

RESOLVED HAC 2021/002

Moved: Deputy Mayor Melanie Tavendale

Seconded: Mr Graeme Clark

That the Harbour Area Committee recommends:

That Council:

1. **Delegates** responsibility for the delivery of the Ōamaru Harbour Plan 2020 and Beyond to the Harbour Area Committee.
2. **Notes** the approach that will be taken to deliver projects.

CARRIED

RESOLVED HAC 2021/003

Moved: Cr Colin Wollstein

Seconded: Deputy Mayor Melanie Tavendale

That, contingent on delegated authority from Council, the Harbour Area Committee:

3. **Approves** the set of projects listed for Tranche 1 of the Ōamaru Harbour Plan 2020 and Beyond.

CARRIED

RESOLVED HAC 2021/004

Moved: Mayor Gary Kircher
Seconded: Deputy Mayor Melanie Tavendale

That, contingent on delegated authority from Council, the Harbour Area Committee:

4. **Appoints** the following Harbour Area Committee representatives to take on the role of Harbour Area Committee representative/s for Tranche 1 projects, as follows:

Completion of Rock Armouring:

Dr Philippa Agnew (as the Harbour Area Committee representative)
Mr George Kelcher (as the Senior Supplier)

Renovation of Holmes Wharf:

Mr Kevin Murdoch
Cr Jeremy Holding

Public Access to Breakwater and Sandy Bay Beach:

Mr George Kelcher
Cr Colin Wollstein

Slipway Improvement:

Mr Kevin Murdoch

Formalising Parking at the Marketplace Zone:

Mayor Gary Kircher
Deputy Mayor Melanie Tavendale
Cr Jeremy Holding
Mr Graeme Clark

Marketplace Zone West – Structure, Power and Water, Shade Sails, Power Poles and Storage Container

Mayor Gary Kircher
Deputy Mayor Melanie Tavendale
Cr Jeremy Holding
Mr Graeme Clark

Road Realignment:

Deputy Mayor Melanie Tavendale
Mr Kevin Murdoch
Dr Philippa Agnew

Red Sheds:

Cr Kelli Williams
Mr Graeme Clark

Footpath Connections:

Cr Kelli Williams
Cr Colin Wollstein

CARRIED

**6.4 RECOMMENDATIONS OF THE ASSETS COMMITTEE MEETING HELD ON 9
FEBRUARY 2021**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

6.4.1 BREAKWATER MAINTENANCE

RESOLVED AC 2021/003

Moved: Mayor Gary Kircher

Seconded: Deputy Mayor Melanie Tavendale

That the Assets Committee recommends:

That Council:

1. Approves \$400,000 to undertake maintenance work at the Ōamaru Harbour Breakwater, funded by a short-term loan funded from the annual Breakwater Maintenance Budget of \$230,000 per annum.
2. Approves a variation to the existing rock placement contract to Road Metals for the supply and placement of additional rock for the maintenance work.

CARRIED

6.4.2 SAND MATTRESSES ROCK REVETMENT

RESOLVED AC 2021/004

Moved: Cr Colin Wollstein

Seconded: Cr Kelli Williams

That the Assets Committee recommends:

That Council approves \$85,000 to undertake rock revetment work over sand filled mattresses located on the beach north of Ōamaru Harbour and south of Ōamaru Creek, funded by a new loan.

CARRIED

7 DECISION REPORTS

7.1 AWAMOA PARK LEASE PROPOSAL AND PUBLIC CONSULTATION

Author:	Victoria van der Spek, Executive Officer
Authoriser:	Paul Hope, Finance and Corporate Development Group Manager
Attachments:	1. Email request from St John to lease Council land 2. Awamoa Park Certificate of Title 3. Draft consultation documentation 4. St John lease submission form

RECOMMENDATIONS

That Council:

1. Agrees in principle to make Council land available at Awamoa Park for a potential lease by The Order of St John, South Island Region Trust Board (Ōamaru) for the purpose of developing a new purpose-built emergency Ambulance facility.
2. Instructs officers to commence a one-month public consultation period on 26 February 2021 in accordance with section 138 of the Local Government Act in relation to the request by The Order of St John, South Island Region Trust Board (Ōamaru) to lease Council land at Awamoa Park, Ōamaru.
3. Instructs officers to report back to the Council with all submissions and objections, and to arrange for submitters and objectors to be given an opportunity to present their views to the Council.
4. Notes that, upon completion of the consultation process, the Council will then make a final decision on whether to grant the lease.

DECISION OBJECTIVE

To seek Council's agreement in principle to make Council land available at Awamoa Park for a potential lease by The Order of St John, South Island Region Trust Board (Ōamaru) to allow for the development of a new purpose-built emergency Ambulance facility in Ōamaru, and to commence a one-month public consultation process on this proposal as required under section 138 of the Local Government Act 2002.

SUMMARY

A formal request to lease a portion of Council land at Awamoa Park to The Order of St John, South Island Region Trust Board (Ōamaru) (now referred to as St John) was received by Council's Property department in February 2020 (see Attachment 1). The request is associated with a proposal by St John to develop a new purpose-built emergency Ambulance facility in Ōamaru.

This is the fourth report to be tabled with Council in relation to this matter. Earlier reports to Council have included the following:

- May 2018 (a publicly excluded item to discuss the initial proposed St John concept at Awamoa Park) [WDC 2018/080];
- October 2018 (to discuss consultation requirements under the Reserves Act 1977 as the land was previously understood to be administered under this legislation) [WDC 2018/198]; and
- February 2020 (to confirm the land status of the subject land at Awamoa Park being administered under the Local Government Act 2002) [WDC 2020/018].

The leasing of Council land should be completed in a manner that is consistent with the principles of the legislation and the behaviours expected to prudently manage public property. Section 138 of the Local Government Act 2002 requires Council to consult with the community over any decision to dispose of land held as a “park” by the Council. The Local Government Act treats a long-term lease of a park as a “disposal”.

Council has already agreed [refer to Council resolution WDC 2020/018] that it will not make any final decision on this proposal until Council Elected Members have considered a formal request from St John and considered community feedback as part of a formal public consultation process. Resource consent would only be sought by St John after the lease decision has been made, subject to a separate process under the Resource Management Act 1991.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Agreement in principle to make Council land available at Awamoa Park for a potential lease by The Order of St John, with any decision being subject to the consideration of community views through a formal public consultation
Operational Decision-Making:	Running public consultation process
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	Key	Community Board Views	No
Consultation	Key	Publicity and Communication	Key

BACKGROUND

St John's current facility in Coquet Street is not fit for purpose. Built in 1981, the existing station requires extensive renovation and additional facilities including the requirement for more overnight accommodation (bedrooms) to accommodate an increase in staffing numbers (due to new national Double-Crewing standards). Space at the current site for further expansion is constrained. The current facility is also located within a tsunami zone, and there are access limitations to and from the site, including an intersection with traffic lights, limiting St John's capability to respond in an emergency.

The proposal

St John wishes to lease a portion of Council land at Awamoa Park, Ōamaru to allow for the development of a new ambulance IL4 station facility. IL4 (Importance Level Four) is a standard of construction for buildings that must be operational immediately after an earthquake or other disastrous event, such as emergency shelters and hospital operating theatres, triage centres and other critical post-disaster infrastructure. The preferred site is within the western portion of Awamoa Park (see Figure 1 below).



Preferred site – Awamoa Park



Figure 1: Site location, indicative building footprint and concept plan

The proposed location at Awamoa Park is known as Section 86, Block IV Ōamaru SD. It is fee-simple Council owned land held for the purpose of health and recreation and administered under the Local Government Act 2002. See Attachment 2 for a copy of the Certificate of Title for Awamoa Park.

The maximum timeframe Council can grant a lease on fee simple Council land is for a period of less than 35 years. There is no right of renewal provision allowed in this situation. If a lease were to be granted, Council would need to readdress any proposal to continue the lease sometime in the future. The lessee would be responsible for maintenance and insurance of the defined area of land for the duration of the lease.

The alternatives and the preferred option

Since around 2014, six alternative sites in Ōamaru have been investigated in detail by St John, with Awamoa Park, Ōamaru being the preferred location. Other options considered by St John have included:

1. Orana Park – issues with adequate scale and flood prone sports field access, access on to the highway and availability of parking
2. A combined services facility with Waitaki District Council – sites identified were not suitable for St John operations
3. A property near the Ōamaru Fire Station – uncertainty around land availability
4. A property in the vicinity of Humber and Coquet Street – the land lacked suitable vehicle access
5. Ōamaru Hospital – identified as a potential shared location, but site analysis determined the available site was of insufficient scale for St John operations
6. Awamoa Park (**the preferred option**).

Awamoa Park was identified as a potential location during engagement with Waitaki District Council in 2017/18. As a result of these initial discussions, St John undertook extensive due diligence including consultation with the Waka Kotahi NZ Transport Agency (NZTA). The preferred site at Awamoa Park meets operational requirements and response times, is centrally located with good arterial access, and is outside of the tsunami zone.

The consultation process

Section 138 of the Local Government Act 2002 requires Council to consult with the community over any decision to dispose of land held as a “park” by the Council.

The consultation period for this proposal is scheduled for 26 February to 26 March 2021. A placeholder for a Council hearing and deliberations on this matter has been set aside for Tuesday 13 April 2021 (if required).

A SurveyMonkey questionnaire, and links to the relevant background material to the proposal, will be made available on Council’s website.

The proposed consultation documentation is included in Attachment 3.

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Council declines to give agreement in principle to the proposal prior to the consideration of community views.

Option 2 – Council agrees in principle to the proposal to lease a portion of Council land at Awamoa Park to The Order of St John, South Island Region Trust Board (Ōamaru) subject to the outcome of public consultation under the Local Government Act 2002.

ASSESSMENT OF PREFERRED OPTION

Option 1	Option 2
Council declines to give agreement in principle to the St John proposal to lease a portion of Council land at Awamoa Park prior to the consideration of community views.	Council agrees in principle to the proposal to lease a portion of Council land at Awamoa Park to The Order of St John, South Island Region Trust Board (Ōamaru) subject to the outcome of public consultation under the Local Government Act 2002. The preferred option
Council has previously resolved to consult with the community on the proposal subject to the receipt of a formal request from St John which has now being received. By not providing an agreement in principle to lease land at Awamoa Park to St John for the purpose of developing a new purpose-built emergency Ambulance facility, this could result in confusion amongst the community during the public consultation process.	This option provides clarity around the proposal, and signals to the community that the decision to lease Council land will be made based on the outcomes of the public consultation process through the consideration of community views in relation to the proposal.

Option 2 is the preferred option. This option would provide a degree of certainty to the applicant and to the community that Council endorses the proposal to lease a portion of land at Awamoa Park to St John for the purpose of developing a new Ambulance station, subject to the consideration of community views on the lease proposal.

This decision does not relate to any related resource consents that may be required for the proposal under the Resource Management Act 1991. A resource consent would only be sought by St John (the applicant) after a lease decision has been made by Council and will be subject to a separate process under the Resource Management Act. This may or may not require public notification – the notification path for any resource consent application would be determined by Council's Planning unit at the time the application is received by Council.

CONCLUSION

Officers seek Council's agreement in principle to make Council land available at Awamoa Park for a potential lease by St John for the purpose of developing a new purpose-built emergency Ambulance facility, with a final decision being made by Council after consideration of feedback from the community through a formal public consultation process as required under the Local Government Act 2002.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here

We maintain the safest community we can

Community Views

Council is required to consider the views of the community for this proposal under Section 138 of the Local Government Act 2002.

Legal Considerations

The leasing of Council land should be completed in a manner that is consistent with the principles of the relevant legislation. In disposing of Council fee-simple land, Council must follow due process under section 138 of the Local Government Act 2002: *“dispose of, in relation to a park, includes the granting of a lease for more than six months that has the effect of excluding or substantially interfering with the public’s access to the park”*.

Publicity and Community Considerations

Part of the process for Council to issue a lease is to publicly notify our intention to issue a lease and to consider any submissions. Council will consider the outcome of the consultation with the community before making a final decision whether to lease or not.

-----Original Message-----

From: David Thomas
Sent: 2/21/2020 10:20:43 AM
To: rjuilius@waitaki.govt.nz
CC: Craig Stockdale
Subject: St John - Oamaru

Hi Renee

Further to recent meetings held St John would formally like to request the preparation of a Ground Lease for an undefined parcel of land a Awamoa Park, Oamaru, which would allow St John to develop a new Ambulance Station on terms to be agreed with Council.

I am aware from various comments and correspondence that there may be some further options under consideration for the park.

- We have a set of drawings for our current design, which could be made available for your Council consultation process.
- Can you advise if there is any provision for a Civil Defence Headquarters in your Financial Plan?
- Are there any proposals to locate or co-locate this in Awamoa Park?
- If so, this would create an opportunity for a joint development, but require considerable legal frameworks and potentially Audit Office approval

I wonder if you could update me on:

- The dates you require documents for formal consultation
- The style and nature of documents
- Confirmation of the acknowledgement of request for Ground Lease
- And any information on the above

Regards
David

David Thomas
General Manager Infrastructure
St John New Zealand / *Hato Hone Aotearoa*



St John

Here for Life

PO Box 1443 | Christchurch 8140 | New Zealand

www.stjohn.org.nz

Thank you New Zealand



This email message and any accompanying attachments are IN-CONFIDENCE to St John. It is only intended for the person or organisation to which it is addressed and may contain confidential and/or privileged information. If you

are not the intended recipient do not read, use, disseminate, distribute or copy this e-mail message and attachments. If you have received this email message in error please notify the sender or the St John ICT Service Desk immediately by e-mail via ServiceDesk@stjohn.org.nz and delete this e-mail message from your system.

14.08.91

26290/385/00

[Land and Deeds—4.]
[Form B.]

NEW ZEALAND.

Reference: Vol. 46, Folio 70
Transfer No.
Application No.

OFFICE
Register-book,
Vol. 242, folio 300

Order for N/O No. X1556
Subject to Section 58 of "The Reserves and other Lands
Disposal and Public Bodies Empowering Act 1925"

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT.

This Certificate, dated the Twenty-eighth day of October, one thousand nine hundred and Thirty
under the hand and seal of the District Land Registrar of the Land Registration District of OTAGO Witnesseth that
THE CORPORATION OF THE BOROUGH OF OAMARU is seized of an estate in fee simple in trust for the purposes of
health and public recreation

is seized of an estate in fee simple (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorial under written
or endorsed hereon, subject also to any existing right of the Crown to take and lay off roads under the provisions of any Act of the General Assembly
of New Zealand) in the land hereinafter described, as the same is delineated by the plan hereon bordered green, be the several admeasurements
a little more or less, that is to say: All that parcel of land containing nineteen acres and three paces more or less situated in
the Borough of Oamaru being Reserve "C" on the Public Maps of the Town of Oamaru

Assistant
District Land Registrar.

EQUIVALENT METRIC
AREA IS 7.4811 ha
662799/1 7.4811 ha

Town of Oamaru

19a. Or. 03p
Plan 12086

Reserve "C"
86
7.4811 ha

Scale 5 chains to an inch

THIS REPRODUCTION (ON A REDUCED SCALE)
CERTIFIED TO BE A TRUE COPY OF THE
ORIGINAL REGISTER FOR THE PURPOSES OF
SECTION 215A LAND TRANSFER ACT 1952.

The within land is now known as Section
86, Block IV Oamaru Survey District (7.4811
ha) 10.9.1986 at 9.09am
See Re-Appellation 662799/1

A.L.R.



The Order of St John, South Island Region Trust Board (Ōamaru) proposal to lease part of Awamoa Park

Summary of proposal

The Order of St John, South Island Region Trust Board (Ōamaru) (now referred to as St John) is seeking a lease from Waitaki District Council (now referred to as Council) to establish and operate a purpose-built emergency ambulance base on part of Awamoa Park, Ōamaru (see Figure 1 below) on a portion of the land situated in CT PtS: 86 Blk: IV SD Ōamaru (OT242/300) (see Attachment 1 for copy of the Certificate of Title).

For the proposal to become a reality, there are two main approvals required before St John can use the land at Awamoa Park:

1. A lease from the Council over freehold Council land; and
2. Resource consent under the Resource Management Act 1991 from Council focusing on the environmental impacts of the proposal **(to be determined in a later separate process if Council grants a lease for the subject land)**.

The maximum timeframe Council can grant a lease on fee simple Council land is for a period of less than 35 years. There is no right of renewal provision allowed in this situation. If a lease were to be granted, Council would need to re-address any proposal to continue the lease sometime in the future.

Council has resolved to consult with the community on this proposal prior to any decision being made to enter into a lease with St John.

Why consult?

Section 138 of the Local Government Act 2002 requires Council to consult with the community over any decision to dispose of land held as a "park" by the Council. The Local Government Act treats a long-term lease of a park as a "disposal". Council is required to consider the views and preferences of people likely to be affected by or have an interest in the matter.

Following consultation (submissions and hearing), Council will make a final decision on whether to grant the lease to St John. Resource consent would then be sought from Council's planning unit, should the lease decision have been made.

The proposal

St John is seeking a lease from Council to establish and operate a purpose-built IL4* Ambulance Station facility. The application site is in the western portion of Awamoa Park (see Figure 1). St John propose to relocate from their current location on Coquet Street Ōamaru.

**IL4 This is a standard of construction for buildings that must be operational immediately after an earthquake or other disastrous event, such as emergency shelters and hospital operating theatres, triage centres and other critical post-disaster infrastructure.*

St John's current facility in Coquet Street is not fit for purpose. Built in 1981, the existing station requires extensive renovation and additional facilities including the requirement for more overnight accommodation (bedrooms) to accommodate an increase in staffing numbers (due to new national Double-Crewing standards). Space at the current site for further expansion is constrained. The current facility is also located within a tsunami zone, and there are access limitations to and from the site, including an intersection with traffic lights – limiting St John's capability to respond in an emergency.



Figure 1: Site location, indicative building footprint and concept plan

The alternatives and the preferred option

Since around 2014, six alternative sites in Ōamaru have been investigated in detail by St John, with Awamoa Park, Ōamaru being the preferred location. Other options considered by St John have included:

1. Orana Park – issues with adequate scale and flood prone, sports field access, access on to the highway and availability of parking.
2. A combined services facility with Council – sites identified were not suitable for St John operations.
3. A property near the Ōamaru Fire Station – uncertainty around land availability.
4. A property in the vicinity of Humber and Coquet Street – the land lacked suitable vehicle access.
5. Ōamaru Hospital – identified as a potential shared location, however, site analysis determined the available site was of insufficient scale for St John operations.
6. **Awamoa Park (the preferred option).**

Awamoa Park was identified as a potential location during engagement with Waitaki District Council in 2017/18. As a result of these initial discussions, St John undertook extensive due diligence including consultation with the New Zealand Transport Agency (NZTA). The preferred site at Awamoa Park meets operational requirements and response times, is centrally located with good arterial access, and is outside of the tsunami zone.

What would the benefits be to the Waitaki District and the Ōamaru community?

Health and wellbeing

A new fit for purpose facility for St John in Ōamaru will provide the community with ongoing assistance in medical, accident and Civil Defence emergencies. Health and safety concerns with the current access from the existing station onto State Highway 1 would also be eliminated.

How would having the St John facility at Awamoa Park impact on the work of Council?

Impacts on the park

There is the potential for impacts in existing park users, mainly passive recreational users.

A limited number of trees would need to be removed for construction. In conjunction with Council, St John propose to replant a number of trees to provide partial screening of the facility and integrate into the park setting. There is the **potential for approximately 10-12 carparks** to be lost within the park as part of the proposal.

What would Council's role be if the proposal went ahead?

If Council agrees that this proposal is in the community's best interests, Council will have the following responsibilities:

- ▶ **Landlord, regulator, supervisor**
Council will be responsible for ensuring conditions of the lease and any subsequent land use consent are adhered to.
- ▶ **Steward of public resources**
As well as landowner and regulator, Council will also continue to be responsible to the Waitaki District and Ōamaru community for its overall management of the park, and what the role of the park will be in delivering community needs.

The risks

Any venture of this type carries a level of risk. Some possible key risks may include:

- ▶ **Council declines to lease**
Council has sole discretion whether to lease or not.
- ▶ **Consents not secured, or not viable**
Decline of the resource consent from Council, or appeals, could result in the project being cancelled or significantly revised. This is in the hands of the applicant. The Council is, through this process, ensuring that unnecessary timing barriers are not created that will adversely affect the proposal.
- ▶ **Sufficient investment is not secured to make the project viable**
The applicant will need to raise capital to establish the new facility. This is a matter for St John. If insufficient capital is raised, the project will not proceed.

What would a lease cover?

Any lease document would cover all legal aspects of the use of Council land, including any easements for St John to access and use the site effectively. Easements are yet to be fully defined and will not be until a detailed design is complete and location of services identified following the establishment of a lease. Any lease would also be conditional on statutory processes being completed (such as the provision of a resource consent).

Want to lodge a submission?

[Link to submission form and notification material]

Key dates

- | | |
|----------------------------|---|
| ▶ Friday 26 February 2021: | Consultation opens |
| ▶ Friday 26 March 2021: | Consultation closes |
| ▶ Tuesday 13 April 2021: | Submitters present to Council hearing (if required) and Council deliberations |
| ▶ Tuesday 11 May 2021: | Council decision on lease |

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Private Bag 50058, Ōamaru 9444

  
www.waitaki.govt.nz

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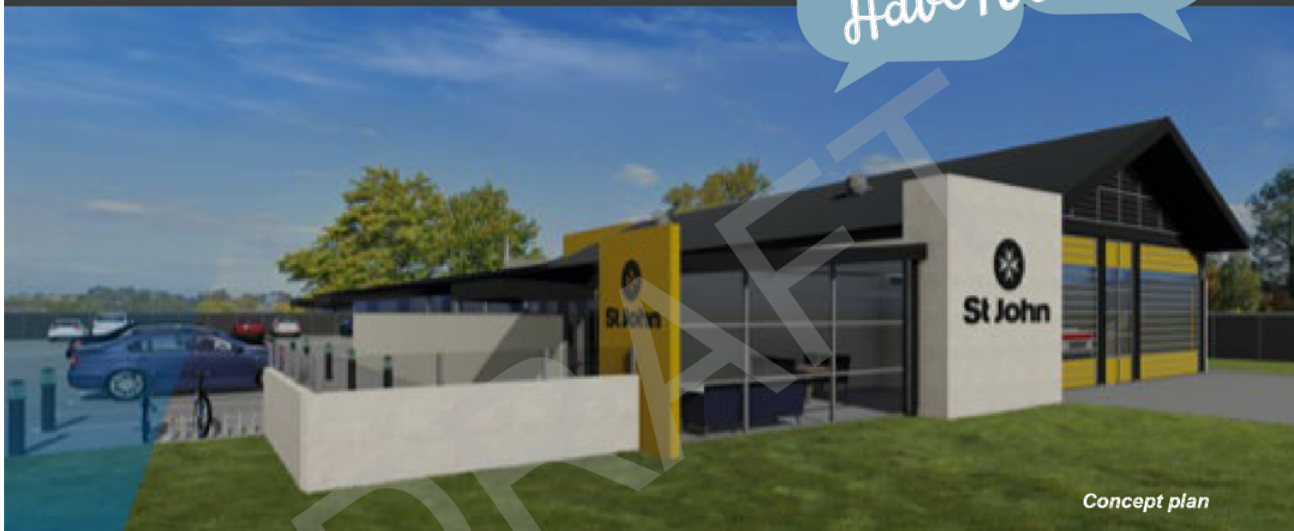
DRAFT AWAMOA PARK LEASE PROPOSAL DOCUMENT

4



Have your say on an application by The Order of St John, South Island Region Trust Board (Ōamaru) for a lease at Awamoa Park

Have YOUR say!



Summary of proposal

Waitaki District Council has received an application from The Order of St John South Island Region Trust Board (Ōamaru) to lease part of Awamoa Park, Ōamaru (CT PtS: 86 Blk: IV SD Ōamaru (OT242/300)) to establish and operate a purpose-built emergency ambulance base facility.

The maximum length of time Council can issue a lease for this purpose on Council fee-simple land is less than 35 years.

Note: this is not an application for resource consent. A resource consent will be required but will only follow after a Council decision has been made on the leasing of Council land.

Location of proposed activity

The application site is in the western portion of Awamoa Park (see Figure 1 for site location and indicative building footprint).



Figure 1: Site location and indicative building footprint

Key dates

- ▶ Friday 26 February 2021: Consultation opens
- ▶ Friday 26 March 2021: **Consultation closes**
- ▶ Tuesday 13 April 2021: Submitters present to Council hearing (if required) and Council deliberations
- ▶ Tuesday 11 May 2021: **Council decision on lease**

How to have your say

You can fill in the attached submission form and either email, post it or drop it off to Council offices in Ōamaru or Palmerston. Or you can fill in our online submission form available through the 'Public Consultation' page at www.waitak.govt.nz. If you indicate that you would like to speak to your submission, we will contact you to arrange a time.

Feedback on a proposed new lease to The Order of St John, South Island Region Trust Board (Ōamaru) at Awamoa Park

Submissions close on Friday 26 March 2021 at 5pm.



How to lodge your submission:

Fill in our online submission: www.waitaki.govt.nz

You can also email, post or deliver this submission form as follows:

- ▶ **Email:** consult@waitaki.govt.nz
- ▶ **Post:** Attention: St John lease proposal,
Waitaki District Council, Private Bag 50058, Ōamaru 9444
- ▶ **Deliver:** Council Headquarters, 20 Thames Street, Ōamaru
or Waihemo Service Centre, Palmerston

Submitter details:

If hand-writing, please write your contact details in clear BLOCK CAPITAL letters

Is this an individual submission? ☐ Yes ☐ No

If this submission is on behalf of an organisation, please state the name of the organisation:

Organisation: _____

First Name: _____ Last Name: _____

☒ Please indicate how you'd prefer we contact you

☐ Address: _____

☐ Email: _____

☐ Phone/mobile: _____

Do you wish to present your submission at a Council hearing?

☐ Yes ☐ No

Signature of submitter (or person authorised to sign on behalf of the submitter):

_____ Date: _____ 2021

(Note: A signature is not required if you make your submission online or by email)

The Proposal

The Waitaki District Council is considering whether or not to enter into a 34 year, 11 month, 29 day lease with The Order of St John, South Island Region Trust Board (Ōamaru) for the establishment and operation of a purpose-built emergency ambulance base facility at Awamoa Park, Ōamaru being CT PtS: 86 Blk: IV SD Ōamaru (OT242/300).

Please read the full proposal and the reasons behind it before commenting. The proposal can be found on the 'Public Consultations' page of the Council website and printed copies are available at Council offices.

Your Feedback

1. Do you support Council entering into a lease with St John Ōamaru for land at Awamoa Park?

☐ Yes

☐ No

2. What comments would you like to provide on the proposal?



Need more room? You can add extra pages if there is not enough space on this form to give all the feedback you want to.

Please make sure your name and contact information are included.

Privacy Statement: Please note that all submissions (including names and contact details) will be made publicly available. A summary of submissions including the name of the submitter may also be made publicly available and posted on the Waitaki District Council website. Personal information will be used for administration relating to the subject matter of the submissions, including notifying submitters of subsequent steps and decisions. All information will be held by the Waitaki District Council, with submitters having the right to access and correct personal information.

Note: All submissions are public information. This supports our drive to be as transparent as possible, but, if there are any personal details you don't want made public, please let us know.

Phone 03 433 0300
Email service@waitaki.govt.nz
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DRAFT AWAMOA PARK LEASE PUBLIC NOTIFICATION DOCUMENT

4

7.2 MACKENZIE AND WAITAKI DISTRICT COUNCILS INTEGRATED SERVICES

Author: Roger Cook, Building Services Manager

Authoriser: Lichelle Guyan, Heritage, Environment and Regulatory Group Manager

RECOMMENDATION

That Council:

1. Approves the feasibility study through the development of a joint Business Case for an Integrated Regulatory Services Model between Mackenzie District Council and Waitaki District Council.

DECISION OBJECTIVE

To seek Council's agreement to proceed with a feasibility study through the development of a joint Business case for an Integrated Regulatory Service Model between Mackenzie District Council and Waitaki District Council.

SUMMARY

Waitaki District Council's Regulatory Services and Building Control Services are currently operating successfully with a competent personnel base and fulfilling statutory requirements. However, the sustainability and vulnerability of the successful operating model is considered a very real risk into the future and it is sound business practice to examine ways to reduce risk. By approving this recommendation Council defers the final decision regarding the long-term implications of the proposal until they are fully informed via the Business Case.

It is hoped subsequently that the Business case will provide confidence that an Integrated Regulatory Service Model can realise sufficient benefits and that Council are prepared to progress the concept to implementation.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Provide endorsement to proceed to the joint Business case to inform future decision making.
Operational Decision-Making:	Engage with Officers from Mackenzie District Council to confirm scope of Business case.
Communications	Officers to engage with Regulatory staff to provide update. Officers to engage with Waitaki Building Forum. Media/public enquiries regarding governance decision-making topics above can be addressed by governance. Media/public enquiries regarding operational decision-making topics above can be addressed by officers.

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Moderate	Cultural Considerations	No
Significance	Key	Social Considerations	No
Financial Criteria	Moderate	Economic Considerations	Key
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Small to medium sized Local Authorities are facing increasing pressure to provide consistent quality, timely and cost-effective Regulatory services such as Building Control activities, Territorial Authority obligations under the Building Act 2004, Food Registration, Alcohol Licencing and Dog Control.

The pressure comes in the following forms:

1. Operating a cost-effective resourcing model that can meet community expectations from a small staff establishment.
2. Operating a cost-effective resourcing model that can meet the required statutory time frames.
3. The Local Authority's ability to attract competent staff in a constrained skilled labour market.
4. Increasing operating cost to meet Accreditation requirements.
5. The need to retain technically skilled personnel to support the development and meet the supervision requirements of other personnel.
6. Centralised nationally operating service providers, eg Kāinga Ora, servicing specific sectors of work.
7. National operators and private contractors aggressively competing in the marketplace for qualified personnel.
8. Increasing dependence on private contractors for service delivery which then perpetuates the competition in the labour market that ultimately results in higher service charges.
9. Legislative change and further anticipated reform impacting the nature and volume of the work.

There are many examples across New Zealand's Local Authorities that have suffered to a lesser or greater extent from a combination of the factors above.

A recent example is Mackenzie District Council which has been incrementally impacted over time to now be almost totally reliant on contractors and having to operate a very expensive and unsustainable model to meet its statutory requirements and community expectations.

Officers from Waitaki District Council and Mackenzie District Council believe that there is an opportunity to develop an Integrated Regulatory Services Model that could potentially improve sustainability and reduce vulnerability through the realisation of Economies of Scale and mitigate the pressures listed above. It is noteworthy that a similar model is currently under development with Local Authorities in the Waikato area.

On 1 February 2021, a combined workshop with Elected members of Waitaki District Council's Community, Culture and Regulatory Committee and Elected members of Mackenzie District Council was held. The opportunity was presented by Officers from both Local Authorities followed by a question-and-answer session. There was consensus that the concept of an Integrated Regulatory Services Model had potential merits that would be worthy of more detailed and thorough analysis.

This could be through the development of a formalised combined business case. The resulting business case will then inform future decision making regarding the progression of the concept.

SUMMARY OF OPTIONS CONSIDERED

Option 1 – Do not progress any further analysis of the Integrated Regulatory Service Model between Mackenzie and Waitaki District Councils.

In this option, Mackenzie District Council would be advised that Waitaki District Council did not wish to explore the concept of an Integrated Services model. This would result in Waitaki District Council managing the pressures and associated risks outlined in this report as they are currently doing.

This option is **Not preferred**.

Option 2 – Progress feasibility study through the development of a joint Business Case for an Integrated Regulatory services model between Mackenzie and Waitaki District Councils.

For the reasons outlined in this report, a Business case is the best way to make a fully informed decision. It could also provide insight into alternative or additional mitigations to the identified pressures and associated risks faced by the operational units.

This option is **Preferred**

ASSESSMENT OF PREFERRED OPTION

The development of a Business Case will ensure detailed analysis is made of the concept of an Integrated Regulatory Services Model between Mackenzie and Waitaki District Councils. By choosing Option 2, Elected Members will have the advantage of being fully informed in all aspects of the integration before making a final decision. There are limited possibilities to achieve integration with neighbouring districts and, if Mackenzie District Council seeks alternative solutions based on Waitaki District Council choosing not to engage, the risks facing the sustainability and vulnerability of the delivery of Regulatory Services and Building Services remains for Council and the opportunity to explore the option further is lost.

CONCLUSION

Officers seek Council's approval to engage with Officers of Mackenzie District Council to undertake a feasibility study through the development of a detailed joint Business Case for an Integrated Regulatory Services Model between the two Local Authorities. Subject to the business case conclusion, it is hoped that, if the study demonstrates sufficient benefits, Council will then support progression to implementation. For this reason, it is envisaged that the Business case will need to be comprehensive and cover such elements as strategic objectives and scope, economic factors, risk identification and mitigation, commercial arrangements, legal requirements, financial modelling, implementation management, governance, benefit realisation and measurement of success.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We enable opportunities for new and existing business

We provide and enable services and facilities, so people want to stay and move here

We understand the diverse needs of our community

Community Views

The Building Community in Waitaki District may be concerned that the current service levels may be impacted. Officers will engage with the Community explaining that this is a Business Case to inform a final decision. There will be no consequential drop in service level.

Financial Considerations

The cost of the Business case development can be funded within existing budget provisions.

Legal Considerations

Legislation allows for the creation of Integrated Regulatory Services between Local Authorities.

Publicity and Community Considerations

This paper is not Public Excluded so media may report the decision.

7.3 WAITAKI DISTRICT HEALTH SERVICES LIMITED 2019-2020 ANNUAL REPORT

Author: Ian Wells, Accounting Manager

Authoriser: Paul Hope, Finance and Corporate Development Group Manager

Attachments: 1. WDHSL 2019/2020 Annual Report

RECOMMENDATIONS

That Council:

1. Formally receives the Waitaki District Health Services Limited 2019-2020 Annual Report; and
2. Authorises the Mayor and Chief Executive to sign the resolution pursuant to Section 122 of the Companies Act 1993 in lieu of the Annual General Meeting of shareholders of Waitaki District Health Services Limited.

DECISION OBJECTIVE

To formally receive the audited Waitaki District Health Services Limited 2019-2020 Annual Report, and to present a resolution for the receipt of the report and the appointment of auditors, such resolution being in lieu of a shareholder's meeting.

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Waitaki District Health Services Limited is a 100% owned Council Controlled Organisation. As the only shareholder, Council appoints all the directors. Council needs to formally receive the 2019/20 Annual Report to complete the accountability cycle for the year. The directors during the period covered by this Annual Report were Paul Allison (Chairman from 1 July 2019 until 30 June 2020), Helen Algar QSM (Deputy Chair), Mark Rogers (appointed 1 January 2019), and Dr Andrew Wilson. WDHSL representatives have been invited to attend the meeting so that they can address any matters in the report, give an overview of the last year's operations, and provide an update on other matters as required.

Council is required to:

1. Receive the Annual Report, together with the Directors' and Auditors' Reports.
2. Confirm the appointment of auditors.

Consideration of Options

Council has no option but to receive the Annual Report. Consideration of the Annual Report is an important part of ensuring accountable governance of the Company.

Recommendation 2 could be declined in favour of an Annual General Meeting of shareholders, but the course of action recommended is more efficient and equally accountable to shareholders.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Legal Considerations

Part 5 and Schedule 8 of the Local Government Act 2002 contain provisions affecting Council Controlled Organisations, including:

- Governance (s57 – 60)
- Transparency (s61 – 63)
- Statements of Intent (s64)
- Performance Monitoring and Reporting (s65 – 69)

Section 120 of the Companies Act requires Companies to hold an Annual General Meeting. Section 122 of the Companies Act provides that an Annual General Meeting is not necessary if everything required to be done at that meeting is done by resolution of 75% of shareholders or such greater percentage as may be required under the Company Constitution.

Clause 4.3 of the Company's constitution precludes the distribution of dividends, so no resolution is required.

Council is required to:

1. Receive the Annual Report, together with the Directors' and Auditors' Reports.
2. Confirm the appointment of auditors.

Waitaki District Health Services Limited

**Resolution, pursuant to Section 122 of the Companies Act 1993,
in lieu of the Annual General Meeting of Shareholders
of Waitaki District Health Services Limited
Passed on 16 February 2021**

Resolved as follows:

Annual Accounts

That the Annual Accounts for the year ended 30 June 2020, as presented by the Directors, be approved and that the same be and is hereby adopted.

Auditor

That, in accordance with clause 13.7 of the Company's constitution and with section 70 of the Local Government Act 2002, it is noted that the Office of the Auditor-General continue in office as auditors.

.....
Mayor for Waitaki

Waitaki District Council
The only shareholder

.....
Chief Executive

Waitaki District Health Services Limited Group

Consolidated Financial Statements

For the year ended 30 June 2020



Waitaki District Health Services Limited Group

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For the year ended 30 June 2020

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Waitaki District Health Services Limited Group

Company Directory

For the year ended 30 June 2020

Issued Capital

100 Ordinary Shares

Postal Address

P O Box 94, Oamaru

Registered Office

20 Eden Street, Oamaru

Directors

Helen M Algar

Paul W Allison

Mark F Rogers (Chairman)

Andrew C F Wilson

Company Number

DN 910387

Bankers

Westpac

Date of Formation

29th May 1998

Shareholder

Waitaki District Council

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General

Solicitors

Berry & Co, Oamaru

Waitaki District Health Services Limited Group

Directors Report

For the year ended 30 June 2020

The Directors are pleased to present the consolidated report for the Group for the year ended 30 June 2020.

Principal Activities

Waitaki District Health Services Limited is the principal provider of health and disability services to the people living in the Oamaru district. These services include medical, women's health, child health, elderly, disability support, public health and related support services. Waitaki District Health Services Limited operates Oamaru Hospital. The majority of its funding comes from the Ministry of Health that is the government-funded purchaser of health and disability support services.

The Waitaki District Health Services Trust was established as an independent trust fund from which grants can be made to support Oamaru Hospital and other health services and healthcare needs of Waitaki District. The Trust receives & invests donations & bequests for these purposes from individual donors and community organisations. The Trust is particularly important to being able to assist health care in areas where government funding is either not available or limited. The Trust relies on the generosity of the community to maintain and grow the trust fund and all forms of donations will be gratefully accepted and carefully administered as part of a capital endowment fund, the income from which is utilised for grants.

Observatory Village is a retirement village, situated in Oamaru, which was established to provide an environment where residents can live well; receive care and services that are appropriate to their needs; and feel part of a community. Observatory Village Charitable Trust provides funding to the trading businesses (Observatory Village Lifecare Limited and Observatory Village Care Limited).

Results

Total Comprehensive Revenue and Expense

2020 Actual	2019 Actual
\$	\$

614,750 1,683,544

Directors

In accordance with the Company's constitution, Waitaki District Council has appointed Mrs Helen M Algar, Mr Paul W Allison, Mr Mark F Rogers (Chairman) and Mr Andrew C F Wilson as Directors of Waitaki District Health Services Limited. Directors are not shareholders and remain in office until changed by shareholders.

Helen M Algar
Paul W Allison
Mark F Rogers (Appointed 01/01/2019) (Chairman)
Andrew CF Wilson
Ian A Hurst (Resigned 21/01/2019)
Christopher J Swann (Resigned 30/06/2019)

2020 Actual	2019 Actual
\$	\$
22,500	22,500
40,500	22,500
22,500	11,250
22,500	22,500
-	11,250
-	40,500
<u>108,000</u>	<u>130,500</u>

Waitaki District Health Services Limited Group

Directors Report

For the year ended 30 June 2020

Employees' Remuneration

Details of employees who earned over \$100,000 over a year are:

	2020 Actual \$	2019 Actual \$
\$100,001 - \$110,000	2	1
\$110,001 - \$120,000	2	3
\$120,001 - \$130,000	2	1
\$130,001 - \$140,000	3	2
\$180,001 - \$190,000	1	-
\$210,001 - \$220,000	-	1
\$230,001 - \$240,000	-	1
\$250,001 - \$260,000	-	1
\$330,001 - \$340,000	1	-
	11	10

Directors' Interests

Interests of the Group Directors and Trustees are recorded below:

Waitaki District Health Services Limited & Trust

Andrew Wilson

Andrew and Nicky Wilson	Rental Property
Andrew Wilson GP Limited	Director
Clare River Limited	Director and Shareholder
Friends of Vanished World Charitable Trust	Trustee
Otaki Three Limited	Shareholder
Wilson Family Trust	Trustee
Wilson Family Trust Number 2	Trustee

Helen Algar

Age Concern Otago	Board Member
Waitaki Safer Community Trust	Trustee

Mark Rodgers

Adventure Development Limited	Board Member, Chairman
Institute of Directors Canterbury Branch	Committee Member
Kingsdown-Salisbury Hall Committee	Treasurer
Men at Work Limited	Independent Chairman
MVHB Professional Services Limited	Director and Shareholder
ourGroupIT Limited	Director
South Canterbury District Health Board Limited	Board Member - Ministerial Appointment
South Canterbury Eye Clinic Limited	Chairman
The Rogers Family Trust	Trustee
Venture Timaru Limited	Chairman
Westroads Limited	Director

Waitaki District Health Services Limited Group

Directors Report

For the year ended 30 June 2020

Paul Allison

Central Otago Health Services Limited
Halberg Foundation
Impact Consulting Limited
Infinite Energy Limited
NZME
Otago Polytechnic Education Foundation Trust
Otago Polytechnic Limited
Otago Rugby Union Board Appointment Panel
The Lion Foundation
University Book Shop (Otago) Limited

Director
Life Trustee
Independent Contractor
Independent Chair
Independent Contractor
Trustee
Board Member
Chairman
Regional Grants Committee, Independent Contractor
Director

Observatory Village Group

Ian Hurst

910 Limited
Arvida Group Limited
Augusta Industrial Fund Limited
Ecg Group Limited
Fuel To Go Limited
Hurst Holdings Limited
Hurst Lifecare Limited
Hurst Pastoral Holdings Limited
Kakariki Island Investments Limited
Lakewood Property Holdings Limited
Lakewood Rest Home Limited
Little Wonders (Childcare) At The Park Limited
Little Wonders Childcare (Wairakei) Limited
N.Z Fuel Services Limited
Oamaru Adventure Park Limited
Observatory Village Charitable Trust
Observatory Village Care Limited
Observatory Village Lifecare Limited
Penny Lane Childcare Limited
Penny Lane Properties Limited
The Park Early Learning Centre Limited
Waitaki Fuel Services Limited
Willowpark Investments Limited
Willows Childcare Limited

Shareholder
Shareholder
Shareholder
Shareholder
Director and Shareholder
Director
Director
Shareholder
Director and Shareholder
Director and Shareholder
Director and Shareholder
Shareholder
Director and Shareholder
Director
Shareholder
Trustee
Director
Director
Director
Director
Director and Shareholder
Director and Shareholder
Director and Shareholder
Director and Shareholder

Michelle Sintmaartensdyk

Oamaru Physiotherapy Clinic Limited
Observatory Village Care Limited
Observatory Village Lifecare Limited

Director and Shareholder
Director
Director

Waitaki District Health Services Limited Group

Directors Report

For the year ended 30 June 2020

Michael de Buyzer

Arvida Group Limited	Shareholder
Banco Trustees Limited	Director and Shareholder
BCO Trustees (2011) Limited	Director and Shareholder
BCO Trustees (2012) Limited	Director and Shareholder
BCO Trustees (2013) Limited	Director and Shareholder
BCO Trustees (2014) Limited	Director and Shareholder
BCO Trustees (2015) Limited	Director and Shareholder
BCO Trustees (2016) Limited	Director and Shareholder
BCO Trustees (2017) Limited	Director and Shareholder
BCO Trustees (2018) Limited	Director and Shareholder
BCO Trustees (2019) Limited	Director and Shareholder
BCO Trustees (Mertha) Limited	Director and Shareholder
BCO Trustees (Robertson) Limited	Director and Shareholder
Camp Street Properties Limited	Director and Shareholder
Dunstan Sprayers Limited	Director
Dunstan Contracting Limited	Director
Friendly Bay Limited	Director and Shareholder
Law Support Services Limited	Shareholder
Mallinson Trustees Limited	Director
Mcbride Street Queenstown Limited	Director and Shareholder
Mcphail Investments Limited	Director
Network Waitaki Limited	Director
Observatory Village Charitable Trust	Trustee
Onelaw Ip Holdings Limited	Shareholder
Onelaw Limited	Shareholder
PW Crum Trustees Limited	Shareholder
Whitestone Contracting Limited	Director
Whitestone Quarries And Landfill Limited	Director

Natalie Evans

Anaro Investments Limited	Director and Shareholder
Anaro Group Limited	Director and Shareholder
Bella Vista Management Limited	Director and Shareholder
McMaster Properties Limited	Director and Shareholder
Oamaru Whitestone Civic Trust	Trustee
Observatory Village Charitable Trust	Trustee
Okiwi Investments Limited	Director and Shareholder
Pembroke Investments Limited	Director
Qtown Holdings Limited	Director and Shareholder
Rei Investments Limited	Director and Shareholder
Vogel Investments Limited	Director and Shareholder
Thames Street Motels Limited	Shareholder
Wenlock Investments Limited	Director

Gary Kircher

Observatory Village Charitable Trust	Trustee
Waitaki District Council	Mayor

Waitaki District Health Services Limited Group

Directors Report

For the year ended 30 June 2020

Peter Robinson	Shareholder
Arvida Group Limited	Director and Shareholder
Lakewood Property Holdings Limited	Director and Shareholder
Lakewood Rest Home Limited	Director
Observatory Village Care Limited	Director
Observatory Village Lifecare Limited	Director and Shareholder
North Otago Motor Group Limited	Director and Shareholder
Tararo Property Limited	

Use of Company Information

During the period the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

Insurance of Directors

During the period the Company paid Director's indemnity insurance on behalf of Directors.

Audit

The audit of the Waitaki District Health Services Limited Group is undertaken by Audit New Zealand on behalf of the Auditor-General. Audit remuneration for the period under review was \$60,684 (2019: \$38,296). There were no other services, apart from audit services, provided by Audit New Zealand.

Waitaki District Health Services Limited Group

Statement of Responsibility

For the year ended 30 June 2020

The Board is responsible for the preparation of the Group Financial Statements and Statement of Performance and any of the judgements made in them for Waitaki District Health Services Limited Group.

The Board is responsible for any half-year performance information provided by Waitaki District Health Services Limited Group under section 66 of the Local Government Act 2002.

The Board has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.


In the opinion of the Board, these Group Financial Statements and Statement of Performance fairly reflect the financial position and operations of Waitaki District Health Services Limited Group for the year ended 30 June 2020.

For and on behalf of the Board of Directors,

Director



Director



Dr A. Wilson

Dated this 30th day of November, 2020

Waitaki District Health Services Limited Group

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2020

	Note	2020 Actual \$	2019 Actual \$
Revenue			
Southern District Health Board Revenue	2	11,251,705	10,593,787
Resident Fees and Retirement Village Contributions	2	6,137,926	4,403,773
Other Revenue	2	1,794,559	1,958,656
Interest Revenue	2	27,147	93,445
Gain on Revaluation of Investment Property	2,11	1,755,611	1,641,949
Total Revenue		20,966,948	18,691,610
Expenditure			
Personnel Costs	3	12,310,809	11,511,586
Depreciation and Amortisation Expense	9,10	997,944	867,573
Finance Costs		465,253	412,980
Other Expenses	4	7,285,058	5,965,854
Total Expenditure		21,059,064	18,757,993
Deficit from operations		(92,116)	(66,383)
Other Comprehensive Revenue and Expense			
Gain/(Loss) on Revaluation of Property, Plant and Equipment	9	706,866	1,749,927
		706,866	1,749,927
Total Comprehensive Revenue and Expense		614,750	1,683,544

The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein

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Waitaki District Health Services Limited Group

Statement of changes in Equity

For the year ended 30 June 2020

	2020 Actual \$	2019 Actual \$
Balance at Beginning of Period	17,761,566	16,078,022
Total Comprehensive Revenue and Expense	614,750	1,683,544
Balance at End of Period	18,376,316	17,761,566

The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein

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Waitaki District Health Services Limited Group

Statement of Financial Position

As at 30 June 2020

	Note	2020 Actual \$	2019 Actual \$
Current Assets			
Cash and Cash Equivalents	6	1,846,874	749,766
Current Term Deposits	7	1,016,202	1,254,314
Trade and Other Receivables	8	1,707,428	1,460,710
Inventory		106,010	212,962
Accrued Interest		2,579	15,900
Prepayments		148,740	74,925
Development in Progress	20	-	49,326
Total Current Assets		4,827,833	3,817,903
Non-Current Assets			
Property, Plant and Equipment	9	20,331,804	20,064,720
Intangible Assets	10	142,004	162,659
Investment Property	11	26,165,000	21,675,000
Total Non-Current Assets		46,638,808	41,902,379
Total Assets		51,466,641	45,720,282
Current Liabilities			
Bank Overdraft	6	70,431	-
Trade and Other Payables	12	2,344,638	1,890,435
Loans and Borrowings	14	1,564,637	3,656,638
Finance Leases	16	99,847	56,923
Obligations to Residents	15	15,947,074	12,200,357
Employee Benefits	13	1,944,812	1,692,877
Total Current Liabilities		21,971,439	19,497,230
Non-Current Liabilities			
Loans and Borrowings	14	10,792,001	8,000,000
Finance Leases	16	304,327	345,347
Employee Benefits	13	22,558	116,139
Total Non-Current Liabilities		11,118,886	8,461,486
Total Liabilities		33,090,325	27,958,716
Net Assets		18,376,316	17,761,566
Equity			
Share Capital	17	100	100
Retained Earnings	17	8,531,304	8,623,420
Revaluation Reserve	17	9,844,912	9,138,046
Total Equity		18,376,316	17,761,566

The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein

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Waitaki District Health Services Limited Group

Statement of Cashflows

For the year ended 30 June 2020

	Note	2020 Actual \$	2019 Actual \$
Cashflows From Operating Activities			
Cash was provided from			
Receipts from DHB, Patients and Residents		17,600,593	16,522,370
Interest Received		40,468	123,755
Net GST Received		162,947	-
Occupation Right Agreements Sold		6,489,988	5,886,329
Donations Received		67,189	122,420
		<u>24,361,185</u>	<u>22,654,874</u>
Cash was disbursed to			
Payments to Suppliers and Employees		18,670,524	17,383,161
Interest Paid		440,734	389,447
Occupation Right Agreements Pay Outs		1,619,423	271,816
Net GST Paid		-	4,201
		<u>20,730,681</u>	<u>18,048,625</u>
Net Cashflow From/(To) Operating Activities	21	<u>3,630,504</u>	<u>4,606,249</u>
Cashflows From Investing Activities			
Cash was provided from			
Sale of Property, Plant and Equipment		4,369	-
Withdrawal from Term Deposits		738,112	4,134,613
		<u>742,481</u>	<u>4,134,613</u>
Cash was disbursed to			
Purchase of Property, Plant and Equipment		399,086	1,705,275
Purchase of Investment Property		3,075,278	6,861,861
Reinvestment of Term Deposits		500,000	1,254,314
		<u>3,974,364</u>	<u>9,821,450</u>
Net Cashflow From/(To) Investing Activities		<u>(3,231,883)</u>	<u>(5,686,837)</u>
Cashflows from Financing Activities			
Cash was provided from			
Loans from Waitaki District Council		700,000	234,221
Proceeds from Finance Leases		66,000	-
		<u>766,000</u>	<u>234,221</u>
Cash was disbursed to			
Repayment of Finance Leases		137,944	129,464
		<u>137,944</u>	<u>129,464</u>
Net Cashflow From/(To) Financing Activities		<u>628,056</u>	<u>104,757</u>
Net Increase (Decrease) in Cash and Cash Equivalents		<u>1,026,677</u>	<u>(975,831)</u>
Add Opening Cash and Cash Equivalents		<u>749,766</u>	<u>1,725,597</u>
Closing Cash and Cash Equivalents	6	<u>1,776,443</u>	<u>749,766</u>

The accompanying notes form part of these financial statements and should be read in conjunction with the reports contained herein.
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Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

1. Statement of Accounting Policies

Reporting Entity

Waitaki District Health Services Limited ("the Company") is a Council Controlled Organisation as defined in the Local Government Act 2002. The company is wholly owned by Waitaki District Council and is registered under the Companies Act 1993.

The primary objective of the company is to provide services or goods for the community or social benefit rather than making a financial return. The company owns and operates the Oamaru Hospital. Accordingly, the company has designated itself as a public benefit entity (PBE) for reporting purposes.

Waitaki District Health Services Trust ("the Trust") is a Charitable Trust as defined in the Charities Act 2005. The primary objective of the Trust is to hold and administer funds for the charitable purpose of providing health services within the Waitaki District in New Zealand. The Trustees of the Trust are the directors of Waitaki District Health Services Limited.

Observatory Village Group incorporates Observatory Village Lifecare Limited, Observatory Village Care Limited and the Observatory Village Charitable Trust. The primary purpose of the Observatory Village Group is to establish and provide affordable rest home and hospital level care to the elderly of Oamaru, New Zealand as a charitable organisation.

Waitaki District Health Services Limited Group ("the Group") incorporates the Company, Trust and the Observatory Village Group.

The Group Financial Statements are for the period ended 30 June 2020. The Financial Statements were authorised for issue by the Directors on 30 November 2020. The board does not have the power to amend the financial statements after issuance.

Basis of Preparation

The Group Financial Statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings and investment properties.

The Group Financial Statements are presented in New Zealand dollars, which is the functional currency of the Group, rounded to the nearest dollar.

The Group Financial Statements have been prepared on a going concern basis. The basis of the going concern assessment is based on the following assumptions:

- Ongoing letter of support from the Waitaki District Council (received post 22 September board meeting).
- The ability for cost reductions, especially in the area of replacing contracted staff with employed medical professionals and leadership staff. This has progressed since the end of the financial year.
- Access to long term funding from the Observatory Village Trust and the Waitaki District Health Services Trust by way of ongoing cashflow surpluses generated by the hospital.
- Ongoing contractual relationship with the Southern District Health Board, ACC and other customers.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Statement of Compliance

The Group Financial Statements have been prepared in accordance with NZ GAAP. They comply with Tier 2 PBE (RDR) accounting standards on the basis the Group is not considered publically accountable or large with expenditure under \$30 million per annum. The statements meet the requirements of the Local Government Act 2002.

Subsidiaries

The Company consolidates its subsidiaries in the Group Financial Statements all entities where the Company has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the company controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the company or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Basis of Consolidation

The entities and the bases of their inclusion for consolidation in these financial statements are as follows:

Waitaki District Health Services Trust

The Company is the 100% beneficial owner of Waitaki District Health Services Trust.

The accounts have been consolidated using the acquisition method on a line by line basis.

The Trust is exempt as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

Observatory Village Group

The Observatory Village Charitable Trust was incorporated in October 2015. The Trust was settled by Waitaki District Health Services Limited. Therefore the company has control over the Observatory Village Charitable Trust and the Trust is considered a public entity.

The Observatory Village Charitable Trust is the 100% beneficial owner of Observatory Village Lifecare Limited and Observatory Village Care Limited, Reed Street Healthcare Limited also 100% owned by the Trust was liquidated on the 8th of May 2020.

Observatory Village Lifecare Limited, Observatory Village Care Limited and the Observatory Village Charitable Trust are collectively known as the Observatory Village Group. These accounts have been consolidated using the acquisition method on a line by line basis.

Comparatives

Certain prior period property, plant and equipment has been reclassified between functional categories for consistency with the current period. Hospital leasehold improvements have been reported separately from land and buildings. Intangible assets have been separated from the property, plant and equipment register and recorded separately in the statement of financial position. ACC Non-Acute Rehabilitation revenue was reclassified to Southern District Health Board Revenue from Other Operating Revenue as the ACC Non-Acute Rehabilitation revenue is provided under the Health Board contract.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied:

Revenue

Revenue is measured at the fair value of consideration received. Revenue is recorded either as revenue from exchange or revenue from non-exchange transactions. Non-exchange transactions refer to transactions where the Group gives value to another entity without directly receiving approximately equal value in exchange. This separation is set out in note 2 of the financial statements.

Southern District Health Board funding is set annually and relates to a 12 month period. All Southern District Health Board funding is invoiced within the financial year to which the funding has been set. Southern District Health Board revenue is recognised when eligibility has been established.

Operating revenues represent the gross revenue from commercial operations in the ordinary course of business and are recognised when earned.

Serviced Apartment, Villa, Hospital and Rest Home Fees from residents are recognised over the period in which the service is rendered.

Rental revenue is accounted for on a straight-line basis.

Village Contribution income has been recognised on a straight line basis over the expected period of occupancy.

Donations are recognised as revenue when received and can include donations from the general public.

Receipts for resident care and accommodation funded by other parties are recognised on an accruals basis. These revenues are recognised on a systematic basis over the periods in which the Group recognises as an expense the related costs for which the funding is intended to compensate. During the year ended 30 June 2020, and as a result of the COVID-19 pandemic, the Observatory Village Group received the wage subsidy.

Fees and charges are recognised when invoiced.

Interest income is recognised on an accruals basis using the effective interest method.

Consumables

Purchases of supplies are expensed in the period they are incurred.

Repairs and Maintenance

Repairs and maintenance costs are expensed in the period they are incurred.

Borrowing Costs

Borrowing costs are recognised as an expense in the period to which the charge relates.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases where the Group is the lessee are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The lease is charged to the Statement of Comprehensive Revenue and Expense over the lease period so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as a reduction of rental expenses over the lease term.

Goods and Services Tax

These accounts have been prepared on a GST exclusive basis and any net GST due or owing at balance date is included in trade and other receivables or trade and other payables (as appropriate). Trade receivables and payables are stated inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Investments

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, these investments are measured at amortised cost using the effective interest method, less any provision for impairment.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Company and Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Property, Plant and Equipment

Property, Plant and Equipment consists of:

Operational assets – these include land, buildings, building fittings, leasehold improvements, motor vehicles, furniture & fittings and plant & equipment.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other assets are measured at cost, less accumulated depreciation and impairment losses.

Assets are considered cash-generating where their primary objective is to generate a commercial return. Conversely, non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

The assets' residual values, useful lives and depreciation methods are reviewed annually and adjusted if appropriate at each financial year end.

Revaluations

Certain classes of assets, as detailed below, are re-valued.

Land and Buildings

Land and buildings (which are not classified as investment property or leasehold improvements) are initially recognised at cost and subsequently measured annually at fair value as determined by an independent registered valuer. Gains or losses arising from changes in the fair values of items of property, plant and equipment accounted for under the revaluation method are shown separately in the Consolidated Statement of Comprehensive Revenues and Expense. Gains in fair value are recognised within the Asset Revaluation Reserve within the Consolidated Statement of Changes in Equity.

Decreases in fair value are offset against the revaluation reserve to the extent that there is a credit balance. Any additional loss in fair value is recognised in the Statement of Comprehensive Revenue and Expense.

Where an item of property, plant and equipment is disposed of or when no further economic benefits are expected from its use, the gain or loss (calculated as the difference between net sales price and the carrying amount of the asset) is recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Additions to property, plant and equipment are recorded at their cost and are subsequently revalued annually where these fall within the revalued property category.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Leasehold Improvements

The leasehold improvements were valued by Quotable Value on 30 June, 2020. The valuation was carried out for financial reporting purposes in accordance with the valuation requirements of PBE IPSAS 17. Leasehold improvements are revalued at three year intervals, but are reviewed at each balance date to ensure that their carrying value is not materially different from their fair value.

Leasehold improvement revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Revenue and Expense.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when the future economic benefits are probable. The cost of day-to-day servicing property, plant and equipment are recognised in the statement of revenue and expense as they are incurred.

Depreciation

Depreciation is provided on a diminishing value basis for motor vehicles, and both diminishing value and straight line basis for land improvements, buildings, plant and equipment, and furniture and fittings at rates which will write off the cost (or revaluation) of the assets to their estimated residual values over their useful lives.

The applied rates are as follows:

	Straight Line	Diminishing Value
Buildings	1% to 2%	
Plant and Equipment	7% to 67%	4% to 60%
Furniture and Fittings	9% to 67%	3% to 60%
Motor Vehicles		20% to 30%

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Intangible Assets

Intangible assets are recorded at cost and subsequently amortised on either a diminishing value or a straight line basis at rates which will write off the cost of the assets to their estimated residual values over their useful lives.

The applied rates are as follows:

	Straight Line	Diminishing Value
Computer Software	10% to 40%	48%

Impairment of Non-financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

The value in use for cash-generating assets is the present value of expected future cash flows. For non cash-generating assets, value in use is determined using an approach based on either a depreciated or replacement cost approach.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset and in other comprehensive income. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Revenue and Expense and other comprehensive income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. This reversal is recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

Investment Properties

Investment properties include land and buildings relating to the retirement village operation intended to be held long term to earn rental income and for capital appreciation.

Investment properties are initially recorded at cost and subsequently measured annually at fair value as determined by an independent registered valuer. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Revenue and Expenses in the year in which they arise. Where an investment property is disposed of, the surplus or deficit recognised in the Statement of Comprehensive Revenue and Expense is the difference between the net sales price and the carrying value of the property.

No depreciation is provided for on investment properties.

Development in Progress

Development in progress is the cost incurred for buildings which are not yet completed as well as professional fees to date for development which have not been commenced. This will be transferred to Investment Properties on completion of the associated stage of construction.

Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Employee Entitlements

Short-term benefits

Employee benefits that the hospital expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Group recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the hospital anticipates it will be used by staff to cover those future absences.

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long service leave

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements and;
- The collective employment agreements using a probability of a 95% chance of staff reaching entitlement requirements. This probability is based upon the nature of the workforce and staff turnover in the past.

Financial Instruments

The Group is party to financial instrument arrangements as part of everyday operations. These financial instruments include bank overdraft facilities and draw-down facilities, current term deposits, financial assets, accounts receivable and accounts payable.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The Group has classified its financial assets as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and bank balances) are measured at amortised cost using the effective interest method, less any impairment or fair value adjustments.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Impairment of Financial Instruments

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Revenue and Expense to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Group made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations or future events that are believed to be reasonable under the circumstances. The main areas of estimate are in the useful lives of items or property, plant and equipment (see 'Depreciation' above), revaluations and impairment of financial assets. Useful lives, impairment and discount rates are reviewed annually.

Village Contribution Revenue Recognition

Village contributions are recognised as revenue on a straight-line basis. This requires management to estimate the period of occupancy for Villas, Apartments and Care Suites.

The directors of Observatory Village in conjunction with the valuer estimate that the average period of occupancy for Apartments is 4 years (2019: 4 years), Care Suites is 3 years (2019: 3 years) and Villas 8 years (2019: 8 years), based on historical results and experience.

If actual occupancy periods differ significantly from the estimates, Village Contributions shown in the Financial Statements will be affected accordingly. However, this is unlikely to cause a material adjustment.

Taxation

The company and its subsidiaries are exempt from tax as charitable organisations.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Share capital
- Retained earnings
- Revaluation reserve

Revaluation Reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the company invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Group.

Change in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

2. Revenue

	2020 Actual	2019 Actual
	\$	\$
Revenue from Exchange Transactions		
Gain on Revaluation of Investment Property	1,755,611	1,641,949
Interest Received	27,147	93,445
Resident Fees	2,611,491	1,926,794
Retirement Village Contributions	1,123,848	564,646
Other Operating Revenue	1,216,111	1,042,447
	<u>6,734,208</u>	<u>5,269,281</u>
Revenue from Non-Exchange Transactions		
District Health Board Revenue	11,251,705	10,593,787
Donations Received	67,189	122,420
Resident Fees	2,402,587	1,912,333
Other Operating Revenue	511,259	793,789
	<u>14,232,740</u>	<u>13,422,329</u>
Total Revenue	<u>20,966,948</u>	<u>18,691,610</u>

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

3. Personnel Costs

	2020 Actual	2019 Actual
	\$	\$
Salaries and wages	11,864,788	11,261,013
Employer Contributed Superannuation	287,667	225,271
Increase / (Decrease) in employee benefit entitlements	158,354	25,302
	<u>12,310,809</u>	<u>11,511,586</u>

4. Other Expenses

	2020 Actual	2019 Actual
	\$	\$
Includes the following items:		
Audit Fees paid to Audit New Zealand - Financial Statements	60,684	38,296
Audit Fees paid to PKF - Financial Statements	-	7,203
Audit Fees paid to Grant Thornton - Financial Statements	42,034	-
Director and Trustee Fees	147,999	170,499
Equipment Servicing	139,127	133,502
Food Costs	502,436	419,022
Insurance Premiums	134,179	125,836
Locums	2,338,929	1,571,290
Loss on Asset Disposal	2,410	851
Rental and Operating Lease Costs	109,013	68,443
Reporting and Licensing	298,931	262,034
Specialist Costs	298,776	304,872

5. Income Taxes

Sections CW41 and CW42 of the Income Tax Act 2007 provide tax exempt status for the company.

6. Cash and Cash Equivalents

	2020 Actual	2019 Actual
	\$	\$
Cash on Hand	500	500
ANZ Bank	310,572	150,945
ANZ Bank Call Account	1,515,031	217,025
Diocesan Trust	1,026	1,026
Westpac Bank	383	369,190
Westpac Call Account	19,362	11,080
Cash and Cash Equivalents	<u>1,846,874</u>	<u>749,766</u>
Westpac Bank Overdraft	<u>70,431</u>	<u>-</u>
	<u>70,431</u>	<u>-</u>
Net cash and cash equivalents for purposes of the statement of cash flows	<u>1,776,443</u>	<u>749,766</u>

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

7. Current Term Deposits

	2020 Actual	2019 Actual
	\$	\$
ANZ Bank	500,000	-
Westpac Bank	516,202	1,254,314
	<u>1,016,202</u>	<u>1,254,314</u>

8. Trade and Other Receivables

	2020 Actual	2019 Actual
	\$	\$
Trade and other receivables from Exchange Transactions	257,128	237,270
Trade and other receivables from Non-Exchange Transactions	1,510,300	1,187,755
GST Receivable	-	36,417
Less provisions for Impairment	(60,000)	(732)
Total trade and other receivables	<u>1,707,428</u>	<u>1,460,710</u>

The carrying value of receivables approximates their fair value.

An exchange transaction is one in which the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

The carrying amount of receivables that are past due, but not impaired, is \$223,593 (2019: \$69,332).

As at 30 June 2020 all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross	2020 Impairment	Net	Gross	2019 Impairment	Net
	\$	\$	\$	\$	\$	\$
Current	1,543,835	-	1,543,835	1,392,110	-	1,392,110
Past due 0-30 days	43,270	-	43,270	49,777	-	49,777
Past due 31-60 days	53,127	-	53,127	14,884	-	14,884
Past due greater than 61 days	127,196	60,000	67,196	4,671	732	3,939
Total	<u>1,767,428</u>	<u>60,000</u>	<u>1,707,428</u>	<u>1,461,442</u>	<u>732</u>	<u>1,460,710</u>

	2020 Actual	2019 Actual
	\$	\$
Balance at 1 July	732	4,170
Additional provisions made during year	60,000	-
Less receivables written off during the period	(732)	(3,438)
Balance at 30 June	<u>60,000</u>	<u>732</u>

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective assessment is based on an analysis of past collection history and debt writeoffs.

9. Property, Plant & Equipment

	Land & Buildings	Leasehold Land /Improvements	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Total
Cost or Revaluation						
Opening Balance	5,992,155	10,192,631	3,990,995	1,160,150	242,160	21,578,091
Additions	1,390,833	-	889,853	590,780	-	2,871,466
Disposals	-	-	(1,096,721)	(1,145)	(4,348)	(1,102,214)
Gain/(Loss) on Revaluations	1,749,927	-	-	-	-	1,749,927
Balance at 30 June 2019	9,132,915	10,192,631	3,784,127	1,749,785	237,812	25,097,270
Opening Balance	9,132,915	10,192,631	3,784,127	1,749,785	237,812	25,097,270
Additions	54,845	-	310,012	169,529	7,739	542,125
Disposals	-	-	(9,050)	-	(21,413)	(30,463)
Gain/(Loss) on Revaluations	(206,090)	912,956	-	-	-	706,866
Balance at 30 June 2020	8,981,670	11,105,587	4,085,089	1,919,314	224,138	26,315,798
Accumulated depreciation and impairment losses						
Opening Balance	160,255	1,142,631	3,443,923	366,836	169,191	5,282,836
Depreciation Expense	147,660	381,478	211,105	101,844	7,845	849,932
Disposals	-	-	(1,096,721)	-	(3,497)	(1,100,218)
Balance at 30 June 2019	307,915	1,524,109	2,558,307	468,680	173,539	5,032,550
Opening Balance	307,915	1,524,109	2,558,307	468,680	173,539	5,032,550
Depreciation Expense	183,755	381,478	257,352	147,786	6,918	977,289
Disposals	-	-	(4,726)	-	(21,119)	(25,845)
Balance at 30 June 2020	491,670	1,905,587	2,810,933	616,466	159,338	5,983,994
Carrying amounts						
At 30 June 2018	5,831,900	9,050,000	547,072	793,314	72,969	16,295,255
At 30 June 2019	8,825,000	8,668,522	1,225,820	1,281,105	64,273	20,064,720
At 30 June 2020	8,490,000	9,200,000	1,274,156	1,302,848	64,800	20,331,804

Land and Buildings relating to Waitaki District Health Services Limited were revalued by Quotable Value at 30 June, 2020, who are independent of the Company and Group.

Land and Buildings relating to the Observatory Village Group were revalued at 30 June 2020 by Colliers International Valuation (chch) Limited.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

The Covid-19 pandemic has caused widespread economic and market uncertainty. This is a relatively recent event at the time of valuation of the hospital land and buildings and market information will provide a better understanding of its effect on the property market as it becomes available. As the hospital is specialist property that will always be required in the community, the group does not consider Covid 19 will have any detrimental impact on the value. This risk relates to leasehold land held at market value and not leasehold buildings which are held at optimised depreciated replacement cost.

The valuation, due to the Covid-19 pandemic, of land and buildings relating to the Observatory Village Group is inherently uncertain. In terms of the property markets it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. The illiquidity in property markets means there will be a time delay in establishing transactional evidence to demonstrate actual pricing and what the adjustment from pre-pandemic values is likely to be.

The valuation methodology used in the valuation of the property plant and equipment is based on fair value of the asset. Where the fair value of an asset can be determined by reference to price in an active market for the same or similar asset, the fair value of the asset is determined using this information. Where fair value is unable to be reliably determined using market based evidence (apart from land which uses market value), optimised depreciated replacement cost is considered the most appropriate basis for determination of fair value. The land and buildings have been classified as specialised and therefore land is valued at market value and buildings use optimised depreciated replacement cost.

The net carrying amount of plant and equipment held under finance leases is \$404,174 (2019: \$402,270). Note 16 provides further information about finance leases.

10. Intangible Assets

	Computer Software
Cost	
Opening Balance	269,285
Additions	8,282
Balance at 30 June 2019	277,567
Opening Balance	277,567
Additions	-
Balance at 30 June 2020	277,567
Accumulated depreciation and impairment losses	
Opening Balance	97,267
Amortisation Expense	17,641
Balance at 30 June 2019	114,908
Opening Balance	114,908
Amortisation Expense	20,655
Balance at 30 June 2020	135,563

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Computer Software

Carrying amounts

At 30 June 2018	172,018
At 30 June 2019	162,659
At 30 June 2020	142,004

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the websites are recognised as an expense when incurred.

11. Investment Property

Revaluation

	2020 Actual \$	2019 Actual \$
Opening Balance	21,675,000	14,278,100
Additions/Transfers	2,734,389	5,754,952
Revaluation Gain/(Loss)	1,755,611	1,641,948
	<u>26,165,000</u>	<u>21,675,000</u>

Investment property was revalued by Colliers International Valuation (Chch) Limited at 30 June 2020.

The valuation was prepared by the above independent valuers in accordance with PBE IPSAS 16 Investment Properties. Colliers is appropriately qualified and experienced in valuing retirement village properties in New Zealand.

Fair values have been determined using a two-step approach. The determination of the value of the care facility is complex and is based on income capitalisation of the market rent adopting a 7.75% yield (2019: 7.5%).

The Care Suites, Apartments and Villas are valued using the discounted cash flow approach. The major assumptions used in the discounted cash flow analysis are a discount rate of 15.25% (2019: 15%), growth rates in unit values which range from -1% for year 1, 0% for year 2 and then positive growth from year 3 onwards over the term of the cash flow, with compounded growth rate at 2.27% per annum. For independent villas, a market value compounded growth rate at 2.68% has been adopted. This growth reflects negative growth rate of -2% for year 1, 0% for year 2 and then positive growth rate from year 3 onwards. A deduction for expenses such as refurbishment costs, marketing and capital expenditure has also been adopted.

Occupation Right Agreement contracts were reviewed and the valuation adjusted for residents' share, if any, of any capital gains when determining the market value to the proprietor. Other assumptions used by the valuer include the average age of entry of residents and average occupancy periods of units. The period of the discounted cash flow is 25 years.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

The above inputs calculate the proprietor's interest in Observatory Village Lifecare Limited which is then adjusted to take into account the residents Occupation Right Agreement liability as recorded in the Statement of Financial Position to determine the overall land and improvement value.

There is approximately 48,635 square metres of excess land remaining as undeveloped, and as shown within the report, has been valued at \$13.25 per square meter.

The outbreak of the Coronavirus (COVID-19) was declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020. Market activity is being impacted in almost every sector and there is a major reduction in liquidity across all investment markets. In terms of the property markets it is difficult at the current time to determine if this is a short term liquidity issue or a longer term concern. The illiquidity in property markets means there will be a time delay in establishing transactional evidence to demonstrate actual pricing and what the adjustment from pre-pandemic values is likely to be.

As at valuation date, the valuers consider it appropriate to attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation is reported on the basis of 'material valuation uncertainty'. Consequently, less certainty (and a higher degree of caution) should be attached to the valuation than would normally be the case.

12. Trade and Other Payables

	2020 Actual	2019 Actual
	\$	\$
Trade Creditors from Exchange Transactions	1,203,313	1,454,271
Accrued expenses from Exchange Transactions	392,815	206,444
Revenue Received in Advance from Exchange Transactions	41,667	4,930
Employment Deductions Payable	381,276	224,790
GST Payable	325,567	-
Total Trade and Other Payables	2,344,638	1,890,435

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value

13. Employee Benefit Liabilities

	2020 Actual	2019 Actual
	\$	\$
Accrued Pay	479,010	486,532
Annual Leave	1,419,148	1,222,112
Long Service Leave	35,941	46,304
Sick Leave	20,921	23,527
Continuing Medical Education	12,350	30,541
Total Employee Benefit Liabilities	1,967,370	1,809,016

Comprising:

Current	1,944,812	1,692,877
Non-Current	22,558	116,139
Total Employee Benefit Liabilities	1,967,370	1,809,016

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

14. Loans and Borrowings

As at 30 June 2019

	Current \$	Non-current \$	Total \$
Waitaki District Council - OV Stage One	-	8,000,000	8,000,000
Waitaki District Council - OV Stage Two, Tranche I	156,637	-	156,637
Waitaki District Council - OV Stage Two, Tranche II	3,500,001	-	3,500,001
Total Loans and Borrowings	3,656,638	8,000,000	11,656,638

As at 30 June 2020

	Current \$	Non-current \$	Total \$
Waitaki District Council - Hospital Funding Loan	700,000	-	700,000
Waitaki District Council - OV Stage One	300,000	7,700,000	8,000,000
Waitaki District Council - OV Stage Two, Tranche I	156,637	-	156,637
Waitaki District Council - OV Stage Two, Tranche II	408,000	3,092,001	3,500,001
Total Loans and Borrowings	1,564,637	10,792,001	12,356,638

Waitaki District Council

Council holds a general security agreement over all assets of Observatory Village Lifecare Limited, at balance date assets totalled \$38,924,474 (2019: \$32,892,209).

OV Stage One

The Stage One loan has interest charged at a rate set by Council, at 30 June 2020 3.98% p.a. The loan term is for a period of 10 years maturing 20 February 2027 with set repayments.

OV Stage Two, Tranche I ("Stage Two Design")

The Stage Two, Tranche I loan is interest free and repayable on demand.

OV Stage Two, Tranche II ("Stage Two Construction")

The Stage Two, Tranche II loan has interest charged at a rate set by Council, at 30 June 2.99% p.a. The loan term is for a period of 10 years maturing 20 February 2029 with set repayments.

Hospital Funding Loan

The council has provided Waitaki District Health Services Limited with a temporary funding arrangement to support the company to ensure solvency and operational viability. Interest charge at 30 June 2020 is 2.96% p.a. The loan maturity date is 30 June 2021.

There were no defaults on either principal or interest for any loan undertaken with any party during the current financial year.

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Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

15. Obligations to Residents

	2020 Actual	2019 Actual
	\$	\$
Occupation Right Agreements (ORA)	14,955,964	11,574,886
Revenue in Advance	991,110	625,471
	<u>15,947,074</u>	<u>12,200,357</u>

Covenant Trustee Services Limited is a first ranking charge holder in its capacity as the statutory supervisor, pursuant to the Retirement Villages Act 2003.

Fair Value

The occupation right agreement is refundable to the resident on vacating the unit or apartment or on termination of the licence (subject to new agreements being issued). Therefore, the fair value is equal to the face value being the amount that can be demanded by the resident.

The Obligations to Residents is classified as a current liability as the Group does not have an unconditional right to defer settlement. Settlement occurs when both a terminating event has occurred and there has been a subsequent resale of the licence.

Residents make interest free advances under the Occupation Right Agreements ("Occupancy Advances") to the retirement village in exchange for the right of occupancy to retirement village units. Under the terms of the Occupancy Agreement, an encumbrance is recorded over the land title by the statutory supervisor to secure the Group's obligation to the occupation license holders. The encumbrance ranks first ahead of any bank securities.

16. Finance Lease Liabilities

	2020 Actual	2019 Actual
	\$	\$
Current	99,847	56,923
Non-current	304,327	345,347
Total	<u>404,174</u>	<u>402,270</u>

Finance lease liabilities are secured by the related asset held under finance leases. The associated assets are included in the Property Plant and Equipment schedule and depreciated.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

17. Shareholders Equity

	2020 Actual \$	2019 Actual \$
(a) Capital		
100 Ordinary Shares		
Total Issued and Paid up Capital	100	100
Total Issued shares	100	100
(b) Retained Earnings		
Opening Balance	8,623,420	8,689,803
Net Operating Deficit	(92,116)	(66,383)
Retained Earnings	8,531,304	8,623,420
(c) Revaluation Reserve		
Opening Balance	9,138,046	7,388,119
Gain/(Loss) on Revaluation of Property	706,866	1,749,927
Revaluation Reserve	9,844,912	9,138,046
Total Shareholder Equity	18,376,316	17,761,566

Waitaki District Health Services Limited has only issued one Ordinary Class share type. This class includes the right to one vote per share.

18. Related Party Transactions

	2020 Actual \$	2019 Actual \$
(a) Related Parties		
<u>Waitaki District Council</u>		
Services provided by Council (GST exclusive)	164,303	126,880
Interest paid to Council	409,773	389,000
Amounts payable at balance date (GST inclusive)	30,417	7,812

In addition to the transactions noted above, Waitaki District Council has advanced three loans to the Group (one to Waitaki District Health Services Limited and two to the Observatory Village Group). The balances and terms of these loans are disclosed in Note 14.

Whitestone Contracting Limited

Services provided by Whitestone Contracting (GST exclusive)	25,473	-
Amounts payable at balance date (GST inclusive)	1,887	-

Waitaki District Health Services Trust

The Waitaki District Trust has an Unlimited Supported Guarantee dated 29 October 2019 with Waitaki District Health Services Limited relating to the overdraft facility

Andrew Wilson (Director of Waitaki District Health Services Limited)

Rental property provided by N & A Wilson (GST exclusive)	24,960	21,920
Amounts payable/(receivable) at balance date (GST inclusive)	2,080	2,080

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

(b) Key Management and Directors

Key management personnel comprise of Directors, the Chief Executive Officer and Clinical Director.

	2020		2019	
	FTE	Remuneration	FTE	Remuneration
		\$		\$
Directors	11.00	147,999	14.00	170,499
Leadership Team	3.50	596,937	3.73	674,421
Management Entity	1.00	227,224	1.00	114,310
Total		972,160		959,230

Due to the difficulty in determining the full-time equivalent for Directors/Trustees, the full-time equivalent figure is taken as the number of Directors/Trustees.

During the year WDHSL obtained key management personnel services from South Canterbury District Health Board for the Chief Executive Officer. This has been classed as transactions from a management entity.

19. Commitments

The group has the following capital commitments on balance date

	2020 Actual	2019 Actual
	\$	\$
- Swipe Card Security Door Upgrade		24,335
- Observatory Village Lifecare Limited Development	411,553	3,238,727
	<u>411,553</u>	<u>3,263,062</u>

Non-cancellable operating lease commitments:

Less than one year	41,730	41,730
One to Two years	41,730	41,730
Two to Five years	125,190	125,190
Five years and later	632,065	673,909
	<u>840,715</u>	<u>882,559</u>

The lease commitments consist of land owned by the Waitaki District Council which is occupied by the Group.

Operating leases as a lessor

Less than one year	22,700	22,700
One to Two years	22,700	22,700
Two to Five years	68,100	68,100
Five years and later	414,275	436,975
	<u>527,775</u>	<u>550,475</u>

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

The lease is to SCL Otago Southland Limited for rental of the hospital laboratory. The tenant is committed to paying all charges for electricity, telecommunication or other utility services used directly. The tenant shall also pay a fee in reasonable proportion to the landlord's general building outgoings.

20. Development in Progress

	2020 Actual	2019 Actual
	\$	\$
Opening Balance	49,326	-
Development Costs for the period	2,739,908	7,195,111
Transfer to Investment Property on Completion	(2,789,234)	(7,145,785)
	<u>49,326</u>	<u>49,326</u>

Development Work In Progress is the cost incurred for buildings which are not yet completed as well as professional fees to date for building development which have not been commenced.

21. Reconciliation of Net Surplus/(Deficit) from operations with Cashflows From Operating Activities

	2020 Actual	2019 Actual
	\$	\$
Net Surplus/(Deficit) from operations	(92,116)	(66,383)
Add/(less) non-cash items		
Depreciation and Amortisation	997,944	867,573
Loss/(Gain) on Disposal of Assets	249	851
Loss/(Gain) on Revaluation of Investment Property	(1,755,611)	(1,641,949)
Amortisation of Occupation Right Agreements	3,381,078	5,049,865
Interest and servicing cost on leases as shown in Lease Repayments	73,848	75,726
Add/(less) movements in working capital		
(Increase)/decrease in trade and other receivables	(317,044)	251,264
(Increase)/decrease in prepayments	(73,815)	(3,280)
(Increase)/decrease in accrued interest	16,186	30,310
(Increase)/decrease in inventory	106,952	(34,898)
Increase/(decrease) in trade and other payables	1,234,174	232,496
Increase/(decrease) in employee entitlements	58,659	(155,326)
Net Cashflow From/(To) Operating Activities	<u>3,630,504</u>	<u>4,606,249</u>

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

22. Contingent Assets and Liabilities

Waitaki District Health Services Limited and group has not granted any securities in respect of liabilities payable by any other party (2019: Nil).

Waitaki District Health Services Limited is currently subject to a potential litigation issue which relates to three HDC (The Health and Disability Commissioner) complaints. Claro NZ's Health Sector Lawyers were instructed on 05 July 2019 in relation to this litigation issue which is being overseen by Waitaki District Health Services Limited Group insurer, QBE. The insurance excess is \$60,000 or \$20,000 per claim.

There is a possibility that Waitaki District Health Services Limited will be required to back pay nurse hours relating to meal breaks. This investigation is currently underway, however the amount of back pay is not able to be quantified.

There were no contingent assets at balance date (2019: Nil).

23. Financial Instruments

Financial Instrument Categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020 Actual	2019 Actual
	\$	\$
<u>Financial Assets</u>		
Loans and Receivables		
Cash and cash equivalents	1,846,874	749,766
Receivables	1,707,428	1,460,710
Term deposits	1,016,202	1,254,314
	<u>4,570,504</u>	<u>3,464,790</u>
<u>Financial Liabilities</u>		
Financial Liabilities at Amortised Cost		
Payables	2,302,971	1,885,505
Bank Overdraft	70,431	
Secured Loans	12,356,638	11,656,638
	<u>14,730,040</u>	<u>13,542,143</u>

(a) Credit Risk

Financial instruments which potentially subject the Group to credit risk principally consist of bank balances, short term deposits and accounts receivable. The maximum exposure to credit risk at balance date is the fair value for the financial instrument as stated in the Statement of Financial Position.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

Significant concentrations of credit risk apply principally in respect of bank balances and short term deposits. The Group reduces this risk by investing with high credit rating institutions. Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Southern District Health Board for a high proportion of Waitaki District Health Services Limited's revenue. However, Southern District Health Board is considered a high credit quality entity.

(b) Fair Value

The fair value of financial instruments is equivalent to the carrying amount as stated in the Statement of Financial Position.

(c) Currency Risk

The Group has no currency risk given that the financial instruments are transacted in New Zealand Dollars.

(d) Interest rate risk

Interest rate risk is the risk that interest rate will change, increasing or decreasing the cost of borrowing or lending. The Group's short term deposits are at a fixed rate with maturities not exceeding one year. Consequently the Group is not exposed to significant interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

24. Covid-19 Pandemic

As a healthcare provider we continued to operate core services fully under Levels 2 – 4. Some non-core services, in particular allied and community outreach services were paused during the higher level of the lockdown, but these services have been reinstated since.

Not effect on core Ministry of Health funding as these services were continued. Where was saw a drop in demand was in our revenue from ACC as less people active in the community lead to a significant fall in accidents and therefore presentations to our services.

The Hospital also noted a pronounced drop in the number of non-core Radiology services (ultrasounds and CTs) performed.

No new or enhanced services were delivered during the period in response to the Covid-19 pandemic.

At this time the full financial impact of the Covid-19 pandemic is not able to be determined, but it is not expected to be significant to the group. Revenue streams are anticipated to remain materially unchanged and no impairment adjustments have been necessary.

Waitaki District Health Services Limited Group

Notes to the Financial Statements

For the year ended 30 June 2020

25. Events After Balance Date

Waitaki District Health Services Limited received an ongoing letter of support from the Waitaki District Council in regards to the going concern assessment. This was received on the 23rd of September 2020.

The Directors are not aware of any other items/events occurring between the year end and the date of the signing of the financial statements, that are significant.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Objectives and Performance

The principal objective of the Group is the charitable public purpose of operating a successful healthcare business to meet the healthcare needs of the Waitaki District Community by providing healthcare services beneficial to the community.

The objective of the Group for this financial year was specified in the statement of intent which was approved by the shareholder in its Annual Plan.

The objective is listed below with the relevant targets and measures of performance achieved during the financial year.

Waitaki District Health Services Limited

Objective

To maintain the long-term financial viability of the Group.

Statement of Intent Targets

Target

Operate and provide planned services within budgeted income, including services contract income with the Southern District Health Board and income from other contracted sources.

Achievement - Not Achieved

Net operating deficit before interest revenue, depreciation, taxation expense.

All planned services were provided

2020
Actual
\$

(1,627,432)

Target

Achieve a break even or better result after prudent provision for assets depreciation and replacement for future trading requirements

2020
Actual
\$

Achievement - Not Achieved

Net surplus/(deficit) from continuing operations

The company has not achieved the break even result for the financial year

(2,298,860)

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Target

Update the Company's business plan annually.

Achievement - Achieved

The business plan was updated.

Target

Meet service standards required under the Southern District Health Board contractual arrangements with the Company, by maintaining the following certifications:

- a. Health & Disability Sector Standards Certification for the hospital
- b. Baby Friendly Hospital initiative Certification for Maternity
- c. International Accreditation New Zealand (IANZ) Certification for Radiology
- d. Building Warrant of Fitness Certification
- e. Building Act 2004 Compliance Schedule
- f. Registration for Food Control Plan for the hospital kitchen
- g. Stationary Container System Test Certificate
- h. Hazardous Substances Location Test Certificate
- i. Approved Handlers Test Certificate
- j. Cold Chain Accreditation

Achievement - Achieved

The hospital has met its requirement targets under the Ministry of Health contract and Southern District Health Board.

Target

Meet and observe adequate professional and technical standards in the delivery of Health Services by ensuring all employed regulated health professionals hold current Annual Practicing Certificates.

Achievement - Achieved

The hospital has met its requirement targets in relation to Annual Practicing Certificates.

Target

Maintain and monitor a Quality Assurance Programme to ensure adequate standards of care and services are maintained to the Company's patients.

Achievement - Achieved

The Company continues to implement and operate both a quality assurance programme and an accreditation programme to ensure that these standards continue to be met.

Target

Establish, where appropriate, strategic alliances with business partners and community groups in order to achieve desired outcomes for health services.

Achievement - Achieved

Ongoing community health forums have been held within the financial year. Forum participants include health related and other community organisations within the Waitaki District. GP forums and staff forums have also been held.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Target

Report to Council at six monthly intervals as required.

Achievement - Achieved

The hospital reports six monthly and annually to the Council.

Target

Communicate to staff via regular newsletters and with the wider community as and when necessary utilising the local media.

Achievement - Achieved

Distributed staff communication and informed the community as required.

Target

Ensure services are clinically excellent, financially sustainable and delivered by staff working in safe working environments.

Achievement - Achieved

Services provided were performed to the required standard during the period. The company promoted safe working environments for staff and patients.

Target

The Board commit to reviewing the Company governance policies within the 2019 financial year.

Achievement - Achieved

The board reviewed the company governance policies.

Target

Work with all parties having a professional or business interest in health care in the Waitaki District to maintain and improve the range and quality of health care services in the District. Such as the Safer Waitaki Group, the Emergency Services Coordinating Committee (ESCC), the Emergency Care Coordination Team (ECCT), the Electives Operational Meeting and Stroke Governance Group.

Achievement - Achieved

GP and staff forums held on a day to day basis and as required. Working in partnership and maintaining a close link with other health organisations such as Asthma Society, Stroke Support, Diabetes Society, Cardiac Society, Cancer Society, Regional and Local Hospice and St Johns. Partnership programme with parent centre for antenatal classes. Participating with Civil Defence at Welfare Committee and EOC levels.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Waitaki District Health Services Trust

Target

Provide financial assistance for the purchase of property and equipment to assist Oamaru Hospital.

Achievement - Achieved

Donations to the hospital totalling \$454,589 during year.

Target

Provide assistance to the provision of Health Services in Waitaki District.

Achievement - Achieved

Loan to Observatory in place and assistance to hospital by way of loans and donations.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Observatory Village Care Limited

Target

Key Performance Indicators (KPI's) are developed on an annual basis, monitored and achieved.

Achievement - Achieved

KPI's were well achieved therefore when targets have been established for the following year, the target level has been increased. The only KPI that was below target was the portion of hospital to rest home level residents being more focused to rest home than targeted. New admissions were predominately at rest home level care as this is what support level was required in the community and also rest home residents are who demanded and purchased the new care suites that were available.

Target

Delivery of care to Rest home and Hospital level residents, maintained at the highest of industry standards.

Achievement - Achieved

Observatory is focused on providing quality care to its residents. Occupancy of the facility demonstrates demand for care. Occupancy (including filling of new beds) was 96.4%. The industry average is 87.1%.

Observatory Village was awarded a four-year Certification level against the Southern DHB contracts and the Ministry of Health, Health and Disability Standards. The facility had no findings from this audit and was awarded with four continuous improvement achievements relating to good practice, the activities programme, the quality programme and education and training. The mid way Surveillance audit completed in October 2020 also saw no findings or non-compliance issues.

Target

Chattels and assets are to be maintained to high standards.

Achievement - Achieved

While chattels and assets are new, the high standard of these are continued, with the regular use of a maintenance contractor for servicing and minor repairs. Replacement of damaged items and purchase of new items for different needs of residents is completed immediately, with quality goods from reputable companies.

Target

Report regularly to the Trust in terms of the Company's annual plan; performance targets and insurances.

Achievement - Achieved

The Directors and Management Team have met with Trustees 3 times throughout the year, along with providing quarterly reports. Meetings have included discussions on the Statement of Intent, Budgets, Insurance Coverage and KPI's.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Target

Work with all parties who have a professional business Interest in aged care in the Waitaki District to maintain and improve the range and quality of aged care services in the district.

Achievement - Achieved

The General Manager has been the representative of Waitaki Aged Care providers with the Southern DHB, as part of a steering group relating to COVID-19 prevention and strategies.

Target

Support as appropriate initiatives for aged care services Involving care of the elderly.

Achievement - Achieved

Observatory Village Lifecare has an implemented Quality System along with a Clinical Governance group, to constantly improve the service provided to residents. Such initiatives include reduction of infection rates, reducing pressure injuries, promoting best practice and improving the clinical care for residents.

Residents have appreciated having a Caresuite, which is another option in their choice of room, therefore existing rooms have been converted into care suites to meet this request.

Target

To promote and market the Care Facilities with a view to securing high occupancy levels.

Achievement - Achieved

Appropriately related advertising has been completed on a minimal basis. The main form of advertising is word of mouth promotion from residents, family, staff and industry contractors. Observatory has a regular waiting list showing the demand for the facility.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Observatory Village Lifecare Limited

Target

Oversee the construction and ongoing development at the Observatory Village Retirement Village as per the Tender Agreements entered into with Roger Gilchrist Builders Ltd, along with variations as agreed with Project Manager Michael Forgie of Forgie Hollows and Associates (Oamaru) Ltd.

Achievement - Achieved

Stage 2 Serviced Apartments (10 units) were completed on time and under budget. Stage 3 Serviced Apartments (10 units) were completed by the end of the year and total cost will also be under budget. Construction of a staff car park was completed, after obtaining tenders.

Target

Ensure the operation of the Retirement Village operates on budget and to the standard established by management, Directors and Trustees.

Achievement - Achieved

Observatory provided facilities and services to the village residents. The only expense to be over budget was rates, due to a revaluation following development.

Target

Ensure that adequate and appropriate funding is available to ensure the project is completed in accordance with budgeted forecast.

Achievement - Achieved

Cash flow has been monitored before and during each development project. Loans have been reviewed to ensure capacity for construction of stage 2 villas.

Target

Update the Company business plan on an annual basis.

Achievement - Achieved

Company business plan updated.

Target

Report regularly to the Trust in terms of the Company's annual plan, performance targets and insurances.

Achievement - Achieved

Meetings were held 3 times throughout the year which included sign off from trustees on insurance, construction, budgets and loans.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Target

Work with all parties to have a professional business interest in aged care in the Waitaki District to maintain and improve the range and quality of aged care services in the district.

Achievement - Achieved

The company has worked with aged care services in the district and maintained aged care facilities.

Target

Support as appropriate initiatives for aged care services involving housing and care of the elderly.

Achievement - Achieved

Demand from the community for further apartments, directed the company to construct 20 further serviced apartments which have been completed.

Planning for further villas has also resulted in the application for resource consent of 52 units in Stage 2 Villas.

Providing a continuum of care within an environment of support and familiar people and surroundings has been demonstrated from residents transferring from villas to apartments as well as apartments to care or villas to care.

Target

Promote and market the Retirement Village with a view to securing high occupancy levels.

Achievement - Achieved

The village has extensively marketed to the existing interest list for selling of the units available. Prior to completion of the new Stage 2 Apartments, 9 of the 10 units were already contracted for purchase.

15 villas/apartments/care suites have been resold throughout the year, with an average resale time of 3.6 months.

Waitaki District Health Services Limited Group

Statement of Objectives and Performance

For the year ended 30 June 2020

Observatory Village Charitable Trust

Purpose: To use or employ both capital and income of the trust fund for the furtherance of the primary charitable purposes in New Zealand of housing and care of the aged and inform through owning and operating the Observatory Hill Retirement Village in Oamaru and related ownership of the village's operating companies.

Target

To assist groups and organisations which are providing or are endeavouring to promote activities designed to assist the provision of aged care, health and disability services to residents of Oamaru and Waitaki District.

Achievement - Achieved

The trust achieved this through its operating companies running Observatory Hill Retirement Village.

Target

To make gifts for or towards the advancement of education relating to the provision of health disability services for those needing such care or assistance which comprise charitable purposes in New Zealand as the trustees shall, from time to time, determine.

Achievement - Not Achieved

The trust did not make any gifts during the 2020 financial year.



Independent Auditor's Report

To the readers of Waitaki District Health Services Limited's Group financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Waitaki District Health Services Limited Group (the Group). The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 10 to 38, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cashflows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 39 to 47.

In our opinion:

- the financial statements of the Group on pages 10 to 38:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Group on pages 39 to 47 presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Group. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Group as set out in the note 24 on page 37 to the financial statements. We draw specific attention to the following matters due to the significant level of uncertainty caused by Covid-19:

- ***Investment Property***

Note 11 on pages 29 to 30 describes the material valuation uncertainties highlighted by the valuer, related to estimating the fair values of the Group's investment property.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Group.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 9, but does not include the financial statements and the performance information, and our auditor's report thereon.

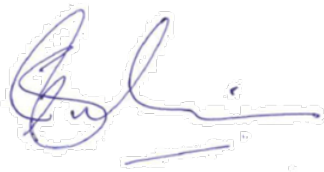
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.



Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand

7.4 DISTRICT PLAN REVIEW - DRAFT CHAPTER APPROVAL

Author: Katrina Clark, Senior Planner District Plan Review

Authoriser: Roger Cook, Acting Heritage, Environment and Regulatory Group Manager

RECOMMENDATION

That Council:

1. Approves the following draft chapters for release in the Draft District Plan, subject to the plan integration process:
 - a) Natural Features and Landscapes
 - b) Ecosystems and Indigenous Biodiversity
 - c) Natural Hazards (excluding new wildfire provisions).

DECISION OBJECTIVE

To seek approval for three draft District Plan chapters (subject to integration) to be released for community feedback as part of the District Plan Review process. The contents of these chapters will be discussed with landowners during the landowner engagement phase.

SUMMARY

This report is to seek approval from Council for the release of the Natural Features and Landscapes, Ecosystems and Indigenous Biodiversity, and Natural Hazards chapters of the Draft District Plan. These chapters were discussed at a Community, Culture and Regulatory Committee workshop on 16 November 2020 and several suggested revisions have since been considered and made to each of the chapters. Officers are currently preparing to engage with landowners on draft spatial layers and the provisions relating to these chapters.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Approve the draft chapters, subject to integration, for release in the Draft District Plan.
Operational Decision-Making:	Implementation of the decision for use during the landowner engagement phase of the District Plan Review.
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Key	Environmental Considerations	Key
Legal	No	Cultural Considerations	Moderate
Significance	Moderate	Social Considerations	Moderate
Financial Criteria	No	Economic Considerations	No
Community Views	Moderate	Community Board Views	No
Consultation	Key	Publicity and Communication	Moderate

BACKGROUND

Over the last few years, draft District Plan chapters have been workshopped with the Community, Culture and Regulatory (CCR) Committee. Officers are currently preparing to engage with landowners on proposed District Plan spatial layers and associated provisions in February/March and seek to release a draft District Plan in Autumn 2021.

Multiple chapters have been drafted in consultation with key stakeholders and internal departments and have been externally peer reviewed by a resource management specialist. The direction of each chapter has been developed through an assessment of the issues identified through the discussion document (2019), through discussions with key stakeholders, iwi, internal departments, and Elected Members during workshops.

It should be noted that it is expected that minor alterations will occur with the pre-release final draft for each chapter. A process of plan integration and formatting is required following the completion of all draft chapters to ensure all chapters work together and there are no conflicts. Following the completion of this integration process, a final draft plan will be presented to Council for approval to release as a Draft District Plan.

Seventeen (17) draft chapters were workshopped with the CCR Committee on 16 November 2020. Further workshops during March/April 2021 will consider the remaining chapters prior to the release of the Draft District Plan in Autumn 2021. Consideration has been given to the feedback received at the 16 November workshop and those changes are currently being worked through by Officers and specialist consultants. Prior to landowner engagement, Council approval is now sought for three of the chapters previously workshopped on 16 November 2020. These chapters contain key provisions that will be discussed with landowners during this engagement phase. The final draft chapters are provided in Attachment A of this report. Attachment B schedules the comments made by Councillors on these chapters at the CCR workshop held on 16 November 2020, and officer/consultant responses to these.

Officers will also be discussing the identification of Wāhi Tūpuna sites with affected landowners during this engagement phase. Provisions relating to Wāhi Tūpuna sites will be contained within the Sites and Areas of Significance to Maori chapter of the Draft District Plan. A draft of this chapter is scheduled to be workshopped with the CCR Committee on 1 March 2021.

A CCR workshop is to be held on 15 February 2021 to further discuss the landowner engagement phase.

SUMMARY OF OPTIONS CONSIDERED

Option 1 Approve the Natural Features and Landscapes, Ecosystems and Indigenous Biodiversity, and Natural Hazards chapters of the Draft District Plan, subject to final integration (Preferred Option).

This will provide Officers with a mandate to discuss the provisions in these chapters with landowners affected by the relevant spatial layers of the Draft District Plan.

Option 2 Do not approve the draft chapters.

Any further changes required to the draft chapters contained in Attachment A have the potential to delay the landowner engagement phase and consequentially the release of the Draft District Plan. Without Council-approved draft chapters, Officers will be unable to fully discuss with landowners how they will be affected by the various spatial layers.

ASSESSMENT OF PREFERRED OPTION

Option 1 is the preferred option. Approval of the three chapters will allow Officers to have meaningful discussions with landowners during the engagement phase. A delay to the progress of these chapters could risk a further delay to the timing of the landowner engagement phase and consequently the release of the Draft District Plan. A communications plan has been developed for the landowner engagement phase and is based on the premise that Officers will be able to provide information to landowners on the draft rules relating to each of the spatial layers.

CONCLUSION

Officers seek Council approval for the draft Natural Features and Landscapes, Ecosystems and Indigenous Biodiversity, and Natural Hazards chapters to be released in the Draft District Plan subject to the integration process. This will allow for the provisions within each chapter to be shared with landowners during the engagement phase.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We understand the diverse needs of our community.

The approval of these chapters will allow Officers to share draft provisions with affected landowners. Feedback from these landowners will be used to inform the Draft District Plan.

Waitaki's distinctive environment is valued and protected.

The draft chapters give full consideration to Waitaki's environment and will inform landowners on the values associated with these environments and how we are looking to protect them.

Policy and Plan Considerations

The draft chapters will feed into the Draft District Plan for community feedback.

Community Views

The draft chapters will be used to provide meaningful information to affected landowners on the proposed changes to the District Plan.

Publicity and Community Considerations

A communications plan has been developed to guide the release of the information, initially through the landowner engagement phase, and then through the release of the Draft District Plan.

8 RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Public Excluded minutes of the Extraordinary Council Meeting held on 15 December 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
9.2 - Public Excluded Recommendations of the Assets Committee Meeting held on 9 February 2021	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

9 PUBLIC EXCLUDED SECTION

10 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RECOMMENDATION

That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

11 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, any previously public excluded information that Council decides to release will be included here, under this Agenda Item, in the public minutes of this meeting.

12 MEETING CLOSE