



Agenda

**Notice is hereby given of
an Extraordinary Council Meeting**

Thursday 31 October 2024

1:00pm

Function Room
Waimate Events Centre
Paul Street
Waimate

www.waimatedc.govt.nz

Notice is hereby given that a meeting of the Council will be held in the Function Room, Waimate Events Centre, Paul Street, Waimate, on Thursday 31 October 2024, commencing at 1:00pm.

Elected Members

Craig Rowley	Chairperson
Sharyn Cain	Deputy Mayor
John Begg	Councillor
Peter Collins	Councillor
Sandy McAlwee	Councillor
Tom O'Connor	Councillor
Colin Pankhurst	Councillor
Lisa Small	Councillor
Rick Stevens	Councillor

Quorum – no less than five members

Significance Consideration

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

Decision Making

The Council, in considering each matter, must be:

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

Stuart Duncan
Chief Executive

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OPENING

1 OPENING

The Chair will welcome members to the meeting.

2 PUBLIC FORUM

There is no Public Forum scheduled for this meeting.

3 APOLOGIES

The Chair will call for any apologies.

4 VISITORS

Audit NZ Director will be attending the meeting via Microsoft Teams

5 CONFLICTS OF INTEREST

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

Local Authorities (Members' Interests) Act 1968

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

6 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA

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

- a. **Standing Orders 3.7.5 – Major Items**

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

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

- b. **Standing Orders 3.7.6 – Minor Items**

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

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

REPORTS

7 GENERAL REPORTS

7.1 ANNUAL REPORT FOR YEAR ENDED 30 JUNE 2024

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. Draft Annual Report 2023-24 (under separate cover) 

PURPOSE

1. To provide Council with the information necessary to adopt the Annual Report for the Year Ended 30 June 2024.
2. Council's Audit Director Rudie Tomlinson will attend the meeting remotely.

BACKGROUND

3. The Annual Report provides information that assists the Waimate Community to assess the performance of the Waimate District Council.
4. Sections 98 and 99 of the Local Government Act 2002 require councils to prepare an Annual Report in respect of each financial year and in accordance with the information required by Part 3 of Schedule 10 of the same Act.
5. Councils are required to adopt the Annual Report within four months after the end of the financial year to which it relates, therefore by 31 October.
6. The Annual Report is produced pursuant to the requirements of the Local Government Act 2002. The purposes of an annual report as per section 98 (2) are:
 - a. To compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and
 - b. To promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.
7. The draft Waimate District Council Annual Report 2023/24 provided is subject to change as a result of the continuing audit. Any changes will be tabled at this meeting to identify and discuss before Council is asked to consider adoption.
8. Audit New Zealand undertook their interim audit in April 2024. The final audit commenced on 23 September 2024, with completion effective with the issuing of their audit opinion to enable Council's adoption of the Annual Report.
9. Both the interim and final audits were completed entirely remotely, with a number of Teams meetings held throughout to facilitate discussion, queries and testing that would have in the past taken place in person.
10. Audit New Zealand have completed their audit of Council's financial results and performance measures for the year ended 30 June 2024, on behalf of the Office of the Auditor-General.
11. The draft audit opinion will be circulated to elected members by email as soon as this is available, with the final opinion, expected to be received immediately prior to adoption.
12. In accordance with section 98 (4) of the Act within one month after adoption, the Annual Report and a summary of the information contained within must be made publicly available.
13. The Annual Report summary "must represent, fairly and consistently, the information regarding the major matters dealt with in the annual report" (section 98 (5)).
14. The summary does not require Council's adoption by resolution.

15. The audit of the summary is expected to be completed during November with the audit opinion expected prior to the statutory deadline of 30 November 2024.
16. The Statement of Service Performance information is included in the annual report on pages 14 to 31 providing our Performance Measure results with additional narrative to explain the reasons for the major performance measure variances.
17. A one-page summary of the results of the Service Performance measures is also included on page 11 of the Annual Report.
18. The Annual Report details a surplus of \$2.652M, favourable in comparison to the budgeted deficit of \$1.817M.
19. The significant variations from the 2024 Annual Plan budget are detailed in Note 28 of the Annual Report, and are as follows:
20. Statement of comprehensive revenue and expenditure:
 - a. Revenue
 - i. Rates penalties income exceeded the Annual Plan 2024 budget due to increased rates receivables outstanding after due dates in addition to a conservative budget (Actual: \$163,000; Budget \$90,000).
 - ii. Subsidies and grants income exceeded the Annual Plan 2024 budget mainly due to Waka Kotahi NZTA subsidies income (Actual: \$4.213m; Budget \$3.625m), Mayors Taskforce for Jobs initiative (Actual: \$221,000; Budget \$100,000), Waste Levy grants (Actual: \$148,000; Budget \$34,000) and Better Off Funding (Actual: \$1.111m; Budget \$nil).
 - iii. Fees and charges income was below the Annual Plan 2024 budget due to reduced levels of economic activity and income for the building control activity.
 - iv. Development and financial contributions exceeded the Annual Plan 2024 budget due to the large volume of water and sewer capital contributions mainly in the Waimate Urban area.
 - v. Interest income exceeded the Annual Plan 2024 budget by \$112,000 due to higher cash reserves following delayed capital spends compared to the budgeted spends.
 - vi. Other revenue exceeded the Annual Plan 2024 budget mainly due to vested assets (Actual \$1.61m; Budget \$nil) and found assets revenue recognition (Actual \$1.51m; Budget \$nil).
 - b. Expenditure
 - i. Employee entitlements were below the Annual Plan 2024 budget due to staff vacancies and the timing of replacements.
 - ii. Finance costs were below the Annual Plan 2024 budget due to increased cash reserves following the delay of some large capital projects meaning that additional borrowings were not required.
 - iii. Depreciation and amortisation expenses were below the Annual Plan 2024 budget as a result of some large capital expenditure deferrals and timing of spends.
 - iv. Other expenses exceeded the Annual Plan 2024 budget as a result of increased expenditure for Mayors Taskforce for Jobs initiative (\$243,000), Three Waters transitional funding consultancy expenditure (\$171,000), repairs and maintenance (\$195,000), roading operational spends (\$837,000) and increased insurance costs (\$113,000). This is partially offset by reduced expenditure for District Plan review and other regulatory spends (\$117,000) and electricity costs (\$96,000).

- v. Increase in revaluation reserves includes \$1.1m for an out of cycle revaluation at 30 June 2024 for Three Waters infrastructural assets which was not included in the Annual Plan 2024 budget. The Land and Buildings operational asset revaluation at 30 June 2024 saw an increase of \$4.9m compared to the Annual Plan 2024 budget of \$2.9m.
- vi. Financial assets at fair value through other comprehensive and revenue includes the Alpine Energy Limited investment and associated annual valuation movements, with the 30 June 2024 annual movement higher than the budget anticipated.
- c. Statement of financial position
 - i. Receivables at 30 June 2024 are higher than the budget anticipated mainly due to increased receivables for Better Off Funding income \$869,000 and other general receivables.
 - ii. Property, plant and equipment at 30 June 2024 were unfavourable to budget mainly due to the Annual Plan budget allowing for large capital projects to be completed, which have been deferred.
 - iii. Other financial assets includes the Alpine Energy Limited investment with the 30 June 2024 annual valuation movement higher than the budget anticipated.
 - iv. Borrowings were favourable to budget predominantly due to the use of cash reserves and the delay of some large capital projects for the 2023 and 2024 financial years.
 - v. Special separate and trust funds are favourable mainly due to delayed completion of capital projects for the Library extension, Waimate town public toilets and various Water Scheme upgrades, where the drawdown of internal reserves and loans were budgeted.
 - vi. The Asset Revaluation reserve includes Three Waters and Land and Buildings revaluations completed at 30 June 2024, which were higher than anticipated when the budget was set.
- d. Capital expenditure
 - i. Total capital expenditure was in line with the Annual Plan 2024 budget, however the major variances are as follows:
 - (1) The Cannington rural water scheme Drinking Water Standards upgrade project was delayed (Actual \$nil; Budget \$700,000), and the Lower Waihao rural water scheme Denitrification project was below budget (Actual \$22,000; Budget \$700,000). These projects will be carried forward to the 2024/25 financial year.
 - (2) The Waimate Urban water scheme project for the booster for Bakers/Court/Hunts and Fitzmaurice Roads was below budget (Actual \$5,000; Budget \$296,000) and will be carried forward to the 2024/25 financial year.
 - (3) The Waimate Urban Sewerage scheme project for the Edward Street reticulation upgrade was budgeted in a prior year (Actual \$858,000; Budget LTP 2022 \$616,000).
 - (4) The Library extension and Local Government Centre Chambers upgrade project was budgeted in a prior year (Actual \$0.866m; Annual Plan 2023 \$1.673m) and is partially funded from Better Off Funding income.
 - (5) The Community Housing roof replacement (Actual \$320,000; Budget \$nil) and Public Toilets at Glenavy (Actual \$180,000; Budget \$nil) projects were not budgeted, and are partially funded from Better Off Funding income.

21. Further details on each group, including what we do, why we provide it, what's coming up (looking ahead), the link to the Community Outcomes and Wellbeings, the Effects on the community, Levels of Service and financial results, are represented across pages 107 to 140.
22. Due to the timing of Audit & Risk Committee meetings, the Annual report was unable to be considered by the Committee prior to its presentation to Council.

PROPOSAL

23. That Council, having completed and reviewed its Annual Report for the Year Ended 30 June 2024, adopts the audited Annual Report.
24. This is the only option considered as adoption of the Annual Report is a statutory requirement.

ASSESSMENT OF SIGNIFICANCE

25. This matter is deemed to be of low significance under the Council's Significance and Engagement policy.

FINANCIAL**Budget**

26. The costs for preparing the Annual Report are met from operating expenditure and provided for on an annual basis. No additional expenditure is required.

Cost-effectiveness

27. Cost-effectiveness consideration is not applicable.

RECOMMENDATION

1. That the Annual Report for the Year Ended 30 June 2024 report is accepted; and
2. That Council adopts its Annual Report for the Year Ended 30 June 2024, in accordance with the Local Government Act 2002; and
3. That the Chief Executive be provided with the authority to make typographical or formatting changes and corrections necessary for publishing the document.

MEETING CLOSURE